



**Auditor of State  
Betty Montgomery**



MUSKINGUM COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	1
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control over Compliance in Accordance with OMB Circular A-133.....	3
Schedule of Federal Awards Expenditures.....	5
Notes to the Schedule of Federal Awards Expenditures .....	8
Schedule of Findings - <i>OMB Circular A-133 §.505</i> .....	9

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Muskingum County  
401 Main Street  
Zanesville, Ohio 43701-3519

To the Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Muskingum County, Ohio (the County), as of and for the year ended December 31, 2003, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 3, 2004, wherein we noted the County implemented a new financial reporting model. 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 the County'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 directly and materially affect 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 we must report under *Government Auditing Standards*. However, we did note certain immaterial instances of noncompliance that we have reported to the County's management in a separate letter dated September 3, 2004.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying Schedule of Findings as item 2003-001.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness.

This report is intended solely for the information and use of the audit committee, management, the Board of County Commissioners, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

September 3, 2004



## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Muskingum County  
401 Main Street  
Zanesville, Ohio 43701-3519

To the Board of County Commissioners:

#### Compliance

We have audited the compliance of Muskingum County, Ohio (the County), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003. However, we noted a certain instance of noncompliance that does not require inclusion in this report that we have reported to the management of the County in a separate letter dated September 3, 2004.

#### Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701  
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Muskingum County  
Independent Accountants' Report on Compliance With Requirements  
Applicable to Each Major Federal Program and Internal Control Over  
Compliance in Accordance With OMB Circular A-133

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

**Schedule of Federal Awards Expenditures**

We have audited the basic financial statements of Muskingum County as of and for the year ended December 31, 2003, and have issued our report thereon dated September 3, 2004. Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

This report is intended for the information and use of the audit committee, management, the Board of County Commissioners, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

September 3, 2004



**MUSKINGUM COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

<b>FEDERAL GRANTOR/ Pass-Through Grantor/ Program Title</b>	<b>Pass Through Grantor/Award Number</b>	<b>Federal CFDA Number</b>	<b>Disbursements</b>	<b>Noncash Disbursements</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through Ohio Department of Education:</i>				
Nutrition Cluster:				
Food Donation Program	N/A	10.550	\$	\$14,832
School Breakfast Program	N/A	10.553	23,060	
National School Lunch Program	N/A	10.555	37,789	
Total Nutrition Cluster:			60,849	14,832
Total U.S. Department of Agriculture			60,849	14,832
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Passed Through Ohio Department of Development:</i>				
Community Development Block Grant/State's Program	B-F-01-055-1	14.228	59,819	
	B-W-02-055-1	14.228	490,000	
	B-W-02-055-2	14.228	216,870	
	B-F-02-055-1	14.228	245,281	
	B-C-03-055-1	14.228	22,324	
	B-C-01-055-1	14.228	62,462	
Total Community Development Block Grant			1,096,756	
HOME Investment Partnership Program	B-C-01-055-02	14.239	273,982	
Total U.S. Department of Housing and Urban Development			1,370,738	
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
<i>Passed Through Ohio Department of Transportation:</i>				
Highway Planning and Construction	01N015	20.205	38,921	
	03N002	20.205	255,810	
Total Highway Planning and Construction			294,731	
Total U.S. Department of Transportation			294,731	

(Continued)

MUSKINGUM COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2003  
(Continued)

FEDERAL GRANTOR/ Pass-Through Grantor/ Program Title	Pass Through Grantor/Award Number	Federal CFDA Number	Disbursements	Noncash Disbursements
<b>U.S. DEPARTMENT OF LABOR</b>				
<i>Passed Through Ohio Department of Jobs and Family Services:</i>				
Workforce Investment Act:				
Workforce Investment Act-Youth	N/A	17.259	645,653	
Workforce Investment Act-Youth Administration	N/A	17.259	56,005	
Workforce Investment Act-Youth Total			701,658	
Workforce Investment Act - Adult	N/A	17.258	404,401	
Workforce Investment Act - Adult Administration	N/A	17.258	40,151	
Workforce Investment Act - Adult Total			444,552	
Workforce Investment Act - Dislocated Worker	N/A	17.260	318,278	
Workforce Investment Act - Dislocated Worker Administration	N/A	17.260	30,719	
Workforce Investment Act - Dislocated Worker Total			348,997	
Total Workforce Investment Act:			1,495,207	
Total U.S. Department of Labor			1,495,207	
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Passed Through Ohio Department of Education:</i>				
Special Education Cluster:				
Special Education - Grants to States	6B-SF-03P	84.027	28,570	
	6B-SF-04	84.027	21,311	
Total Special Education - Grants to States			49,881	
Special Education - Preschool Grant	PG-S1-03P	84.173	5,829	
	PG-S1-04P	84.173	11,571	
Total Special Education - Preschool Grant			17,400	
Total Special Education Cluster			67,281	
Innovative Education Program Strategies	C2-S1-2003	84.298	997	
Total Innovative Education Program Strategies			997	
Total U. S. Department of Education:			68,278	
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>				
Social Services Block Grant	N/A	93.667	92,499	
Medical Assistance Program	N/A	93.778	833,102	
Total U.S. Department of Health and Human Services			925,601	

(Continued)

MUSKINGUM COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2003  
(Continued)

FEDERAL GRANTOR/ Pass-Through Grantor/ Program Title	Pass Through Grantor/Award Number	Federal CFDA Number	Disbursements	Noncash Disbursements
<b>U.S. DEPARTMENT OF JUSTICE</b>				
<i>Passed Through Ohio Department of Youth Services:</i>				
Juvenile Accountability Incentive Block Grants	2002-JB-013-A235	16.523	21,646	
Title V - Delinquency Prevention Program	2002-JV-T50-5106	16.548	33,661	
Juvenile Justice and Delinquency Prevention Allocation to States	2001-JJ-D111-0208	16.540	3,155	
	2001-JJ-D11-0023	16.540	32,377	
	2002-JC-007-6004	16.540	8,757	
Total Juvenile Justice and Delinquency Prevention Allocation to States			44,289	
<i>Passed Through Ohio Department of Criminal Justice:</i>				
Edward Byrne Memorial Grant Program	2000-DG-D02-7457	16.679	18,000	
Local Law Enforcement Block Grants Program	2000-LB-BX-0363	16.592	16,198	
Total U.S. Department of Justice			133,794	
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
<i>Passed Through Ohio Department of Public Safety:</i>				
State Domestic Preparedness Equipment Support Program	K195	97.004	87,590	
	J809	97.004	3,877	
Total State Domestic Preparedness Equipment Support Program			91,467	
Emergency Management Preparedness Grant	J733	97.042	3,091	
	J737	97.042	475	
Total Emergency Management Preparedness Grant			3,566	
Public Assistance Grants	DR-1453-OH	97.036	61,457	
Total U.S. Department of Homeland Security			156,490	
<b>CORPORATION FOR NATIONAL COMMUNITY SERVICE</b>				
<i>Passed Through Ohio Department of Youth Services:</i>				
AmeriCorps	N/A	94.006	5,231	
Total Corporation for National and Community Service			5,231	
<b>TOTAL FEDERAL AWARDS EXPENDITURES</b>			<b>\$4,510,919</b>	<b>\$14,832</b>

The Notes to the Schedule of Federal Awards Expenditures are an intergral part of the Schedule.

**MUSKINGUM COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2003**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) is a summary of the activity of the County's federal awards programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B – CHILD NUTRITION CLUSTER**

Program regulations do not require the County to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

**NOTE C - MATCHING REQUIREMENTS**

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

**MUSKINGUM COUNTY**  
**SCHEDULE OF FINDINGS**  
**OMB CIRCULAR A -133 § .505**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
--

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Community Development Block Grant/State's Program CFDA #14.228 Medical Assistance Program - CDFA #93.778
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

**MUSKINGUM COUNTY**  
**SCHEDULE OF FINDINGS**  
**OMB CIRCULAR A -133 § .505**  
**FOR THE YEAR ENDED DECEMBER 31, 2003**  
**(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
---

<b>Finding Number</b>	<b>2003-001</b>
-----------------------	-----------------

**Reportable Condition**

**Cash Reconciliations**

Monthly reconciliations should be performed between the Auditor, Treasurer, and the County's depository balances to assure any errors are identified and corrected and that the County's ledgers are accurately posted to reflect all financial activity.

The reconciliations prepared for November and December of 2003 did not reflect current depository balances of the water debt trustee accounts and the County's ledgers did not reflect the related activity for these trustee accounts.

As a result, adjustments to the County's ledgers were required to properly reflect water debt principal and interest payments and amounts paid to defease debt during 2003. The lack of proper reconciliation procedures could allow errors and irregularities to occur and remain undetected by management. Monthly reports utilized by County personnel to manage the County may not be accurate.

We recommend the Treasurer prepare detailed bank reconciliations each month that include all current bank account balances and follow up on any variances between the Treasurer's records and the depository accounts.

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
---------------------------------------

There were no findings for federal awards required to be reported.

***Muskingum County, Ohio***

**Comprehensive Annual  
Financial Report**

**For the Year Ended December 31, 2003**

***Anita J. Adams***

**Muskingum County Auditor**

Prepared by the Muskingum County Auditor's Office







***Anita J. Adams***  
***Muskingum County Auditor***  
**Office of the County Auditor**

**Real Property Division**

**Beth Iden, Chief Administrator**  
Cindy Bugglin     Velma J. Martin  
Holly Kohler     Ann Bonifant  
Marge Wright

**Personal Property Division**

**Regina K. Price, Supervisor**  
Mollye A. Beale

**Data Processing**

**Alan K. Reed, Systems Manager**

**Appraisal Division**

**Todd Hixson             Steve Neilley**  
**Brent Huffman**

**Mapping Division**

**Eugene Durant**

**Fiscal Service Division**

**Debra J. Nye, Chief Administrator**  
Jan E. Bates             Jennifer Scott  
Beth Norman             Sharon Smart  
Sheila Mills

**Inspector of Weights  
and Measures**

**Charles Conkle**

**This Page is Intentionally Left Blank.**

**Muskingum County, Ohio**  
**Comprehensive Annual Financial Report**  
**For the Year Ended December 31, 2003**  
**Table of Contents**

	<u>Page</u>
<b>I. <u>Introductory Section</u></b>	
Table of Contents .....	i
Transmittal Letter .....	v
GFOA Certificate of Achievement .....	xix
Elected Officials .....	xx
Organizational Chart .....	xxi
 <b>II. <u>Financial Section</u></b>	
Independent Accountants' Report .....	1
Management's Discussion and Analysis .....	3
Basic Financial Statements	
Government - Wide Financial Statements:	
Statement of Net Assets .....	13
Statement of Activities .....	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	16
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities .....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	19
Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual	
General Fund .....	20
Public Assistance Fund .....	21
Motor Vehicle and Gasoline Tax Fund .....	22
Children Services Levy Fund .....	23
Starlight School Levy Fund .....	24
Statement of Fund Net Assets - Proprietary Funds .....	25
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds .....	26
Statement of Cash Flows - Proprietary Funds .....	27
Statement of Fiduciary Assets and Liabilities - Agency Funds .....	29
Notes to the Basic Financial Statements .....	30

(continued)

**Muskingum County, Ohio**  
**Comprehensive Annual Financial Report**  
**For the Year Ended December 31, 2003**  
**Table of Contents (Continued)**

	<u>Page</u>
Combining Statements and Individual Fund Schedules:	
Combining Statements - Nonmajor Governmental Funds:	
Fund Descriptions .....	95
Combining Balance Sheet - Nonmajor Governmental Funds .....	100
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	101
Combining Balance Sheet - Nonmajor Debt Service Funds .....	109
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds .....	113
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds .....	114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds .....	122
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	123
Combining Statements - Internal Service Funds:	
Fund Descriptions .....	127
Combining Statement of Fund Net Assets - Internal Service Funds .....	128
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Internal Service Funds .....	129
Combining Statement of Cash Flows - Internal Service Funds .....	130
Combining Statements - Fiduciary Funds:	
Fund Descriptions .....	131
Combining Statement of Changes in Assets and Liabilities – All Agency Funds .....	132
Individual Fund Schedules of Revenues, Expenditures/Expenses, and Changes in Fund Balance/Equity - Budget (Non-GAAP Basis) and Actual:	
Major Funds:	
General Fund.....	142
Public Assistance Fund .....	152
Motor Vehicle and Gasoline Tax Fund .....	153
Children Services Levy Fund.....	154
Starlight School Levy Fund .....	155
Sewer Fund .....	156
Water Fund.....	157

(continued)

**Muskingum County, Ohio**  
**Comprehensive Annual Financial Report**  
**For the Year Ended December 31, 2003**  
**Table of Contents (Continued)**

	<u>Page</u>
Nonmajor Funds:	
Dog and Kennel Fund .....	158
Child Support Enforcement Agency Fund .....	159
Childrens' Services Trust Fund.....	160
SBC Foundation Grant Fund.....	161
County Home Levy Fund.....	162
Real Estate Assessment Fund.....	163
Redevelopment Tax Equivalent Fund .....	164
Drug Abuse Resistance Education (DARE) Fund .....	165
Miscellaneous Federal Grants Fund.....	166
Mediation Project Phase III.....	167
Delinquent Real Estate Tax and Assessment Collection Fund .....	168
Tuberculosis Clinic Fund.....	169
Youth Services Fund.....	170
Block Grants Fund .....	171
Computer Legal Research Fund.....	172
Community Correction Fund .....	173
Home Detention (Electronic Monitor) Fund.....	174
Litter Prevention Fund .....	175
Ohio Childrens Trust Fund.....	176
Marriage License Fund .....	177
Political Subdivision Housing Fund.....	178
Indigent Drivers Alcohol Treatment Fund .....	179
Probate Conduct of Business Fund .....	180
Enforcement and Education Fund.....	181
Law Enforcement Fund.....	182
Hazardous Response and Education Fund .....	183
Senior Citizens Levy Fund.....	184
Felony Delinquent Care and Custody Fund .....	185
Drug Law Enforcement Fund.....	186
Indigent Guardianship Fund.....	187
Victim of Criminals Fund .....	188
Family Resources Fund.....	189
Sheriff Commissary Fund .....	190
Children Services Christmas Fund.....	191
Mental Health Levy Fund .....	192
Certificate of Title Administration Fund.....	193
Sheriff Levy Fund .....	194
County Court Special Projects Fund.....	195
Transportation Improvement District (TID) Escrow Fund .....	196
Juvenile Detention Fund .....	197
Debt Service Fund.....	198
Special Assessment Debt Service Fund .....	199
Note Retirement Fund.....	200
Sewer Debt Service Fund.....	201
Water Debt Service Fund.....	202
Detention Center Construction Fund.....	203
Issue II Fund .....	204
Maysville School Fund .....	205
Starlight Permanent Improvements Fund.....	206
Recorder Equipment Fund .....	207
Court Computer Fund .....	208
Brandywine Loop Construction Fund.....	209
Economic Development Fund.....	210
Records Building Fund .....	211

(continued)

**Muskingum County, Ohio**  
**Comprehensive Annual Financial Report**  
**For the Year Ended December 31, 2003**  
**Table of Contents (Continued)**

	<u>Page</u>
State Route 60 Project Fund.....	212
Law Enforcement Block Grant Fund .....	213
Energy Conservation Fund.....	214
East Wheeling Road Bridge Fund.....	215
Emergency Operations Center Fund .....	216
Mitchell Lane Fund.....	217
Salt Creek Drive Fund.....	218
Self-Insurance Health Fund.....	219
Self-Insurance Workers' Compensation Fund .....	220

**III. Statistical Section**

Table

1	General Governmental Expenditures by Function - Last Ten Years.....	S-2
2	General Governmental Revenues by Source - Last Ten Years .....	S-4
3	Property Tax Levies and Collections - Real and Public Utility Property - Last Ten Years .....	S-6
4	Property Tax Levies and Collections - Tangible Personal Property - Last Ten Years .....	S-7
5	Assessed and Estimated Actual Value of Taxable Property - Last Ten Years .....	S-8
6	Property Tax Rates - Direct and All Overlapping Governments - Last Ten Years .....	S-10
7	Special Assessments Billed and Collected - Last Ten Years .....	S-13
8	Computation of Legal Debt Margin .....	S-14
9	Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita - Last Ten Years .....	S-15
10	Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures - Last Ten Years .....	S-16
11	Computation of Direct and Overlapping Net General Obligation Debt.....	S-17
12	Revenue Bond Coverage - Last Ten Years .....	S-18
13	Assessed Real Property Values, New Construction and Bank Deposits - Last Ten Years.....	S-20
14	Ten Largest Employers .....	S-22
15	Principal Property Taxpayers.....	S-23
16	Demographic Statistics .....	S-24
17	Miscellaneous Statistics .....	S-26



# OFFICE OF THE AUDITOR MUSKINGUM COUNTY, OHIO

401 Main Street  
Zanesville, Ohio 43701

**Anita J. Adams**  
County Auditor

**Phone - (740) 455-7109**  
**Fax - (740) 455-7182**

September 3, 2004

To the Honorable Board of County Commissioners  
and Citizens of Muskingum County,

As Auditor of Muskingum County, it gives me great pleasure to present the County's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2003. This report has been carefully prepared in accordance with Generally Accepted Accounting Principles (GAAP) and provides a full and complete disclosure of the financial position and operations of the County. In addition, this report includes the implementation of the new reporting model as promulgated by GASB Statement No. 34. Note 3 to the Basic Financial Statements provides additional information concerning this implementation. I would direct readers to Management's Discussion and Analysis, located in the Financial Section of this report, for an overview of the County's financial activities and the County's financial performance as a whole.

The information contained in this report will assist County officials in making management decisions and will provide the taxpayers of Muskingum County with comprehensive financial data in a format that enables them to gain a true understanding of the County's financial affairs. The general public, as well as investors, will be able to compare the financial position of Muskingum County and the results of its operations with other governmental entities.

Responsibility for the accuracy, completeness, and fairness of the presentation, including all disclosures, lies with the management of Muskingum County and, in particular, the Muskingum County Auditor's Office. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities and status are included herein.

This is the fourteenth consecutive Comprehensive Annual Financial Report issued by the Auditor's office. The report is prepared in accordance with Generally Accepted Accounting Principles, as set forth by the Government Accounting Standards Board (GASB) and other authoritative sources, and the guidelines set by the Government Finance Officers Association (GFOA).

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes a table of contents, this transmittal letter, the 2002 Certificate of Achievement for Excellence in Financial Reporting, a list of elected officials, and the County's organizational chart. The financial section includes the Independent Accountants' Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes to the Basic Financial Statements that provide an overview of the County's financial position and operating results, and the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements. The statistical section includes financial and demographic information which is generally presented on a multi-year basis.

## REPORTING ENTITY

For financial purposes, the County includes all funds, departments, and boards and agencies, making up Muskingum County (the Primary Government) and its Component Units in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14 “The Financial Reporting Entity.” The County’s primary government comprises all entities not legally separate from the County, and includes the financial activities of the Children’s Services Board, the Board of Mental Retardation and Developmental Disabilities, Tuberculosis Clinic Board, the Board of Mental Health and Recovery Services, and all departments and activities that are directly operated by the County elected officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the programs governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can access the organization’s resources; the County is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the levying of taxes or the issuance of debt.

The Muskingum Starlight Industries, Inc. and the Transportation Improvement District have been included as discretely presented component units.

The County participates in the following jointly governed organizations with other area counties:

Joint Solid Waste District  
Mental Health and Recovery Services Board  
Mid Eastern Ohio Regional Council of Governments (MEORC)  
Southeast Area Transit Authority (SEAT)  
Zanesville-Muskingum Family and Children First Council  
Area Agency on Aging  
Ohio Mid-Eastern Governments Association (OMEGA)  
Licking-Muskingum Community Based Correctional Facility (CBCF)  
Zanesville-Muskingum County Port Authority  
Muskingum County Center for Seniors  
Perry Multi-County Juvenile Facility

Financial disclosure of the jointly governed organizations is presented in Note 21 to the Basic Financial Statements.

The County also serves as the fiscal officer and custodian of funds, but is not financially accountable, for the Zanesville-Muskingum County Health Department and the Muskingum County Soil and Water Conservation District whose activities are included in this report as agency funds.

The County is associated with the following organizations which are defined as related organizations:

Muskingum County Convention Facilities Authority  
Zanesville Metropolitan Housing Authority  
Muskingum County Park District

Information regarding the related organizations is presented in Note 22.

The County is associated with the County Risk Sharing Authority (CORSA) which is a public entity shared risk insurance pool. Information regarding CORSA is presented in Note 23.



## THE COUNTY AND THE FORM OF GOVERNMENT

### *The County*

Muskingum County was created by an act of the Ohio General Assembly on March 1, 1804. The name “Muskingum” is derived from the Delaware Indian language, meaning “Elk Eye River,” which refers to the Muskingum River. The first courthouse, a two story hewn-log building, was erected in 1808 on the corner of Fourth and Main Streets in Zanesville at a cost of \$480. The present courthouse was built at the same location in 1874 at a cost of \$223,160. A rededication of the Muskingum County Courthouse was held June 4, 2002 in celebration of its 125<sup>th</sup> anniversary.

Muskingum County encompasses twenty-five townships, ten villages, and the City of Zanesville which is the County seat. The County includes 653 square miles and has a population of 84,585 based on the 2000 Census. The population of the City of Zanesville is 25,586.

The County is located in east central Ohio, approximately 60 miles east of the City of Columbus. The County enjoys the benefits of urbanization while offering a rural atmosphere and a variety of lifestyles for its inhabitants. Residents of the County are served by a county-wide library system, seven school districts, Muskingum College, Muskingum Area Technical College and the Zanesville Branch of Ohio University.

The Zanesville Art Center maintains a library of fine arts materials and features classes and exhibitions. The Zane Grey Museum, Zanesville’s Secrest Auditorium and two stadiums located in the City also contribute to the County’s cultural facilities, as do two municipal park systems and four state recreational areas that are located throughout the County.

Excellent medical care is available to area citizens through Genesis Health Care Systems. Genesis Health Care Systems consists of two acute care hospitals (Bethesda Hospital and Good Samaritan Hospital), a home health and hospice agency, a community pharmacy, and several specialty outpatient clinics.

The County is provided with banking and financial services by eight commercial banks, and savings and loan associations. Two of the commercial banks have their principal office in the County.

One daily newspaper serves the County. The County is within the broadcast area of five television stations and several AM and FM radio stations. Cable television is available to many county residents and offers government, education, and community access channels in addition to entertainment channels.

### *Form of Government*

The County has only those powers, and powers incidental thereto, conferred upon it by the State constitution and statutes. A three-member Board of County Commissioners (the “Board”) is the primary legislative and executive body of the County. The Board is elected at-large in even numbered years for four-year overlapping terms. The Board is responsible for providing and managing the funds used to support the various County activities. The Board exercises its legislative powers in budgeting, appropriating monies, levying taxes, issuing bonds and notes, and allowing contracts for public works and services to provide this financial management. The Board has certain responsibilities for the management of most County facilities, including various courts, correctional and administrative facilities, public assistance and social services facilities, and general County facilities.

In addition to the Board, citizens elect eight other County administrative officials, each of whom is independent within the limits of State Statutes affecting the particular office. These officials, elected to four year terms, are the County Auditor, County Treasurer, County Prosecuting Attorney, County Engineer, County Coroner, County Clerk of Courts, County Recorder, and County Sheriff. Common Pleas Court Judges, including the Juvenile/Probate Court Judge, and County Court Judges are elected on a County-wide basis and serve six year terms.

The County Auditor serves as the chief fiscal officer for the County. As chief fiscal officer, no contract or obligation involving the County can be made without the Auditor's certification that appropriations are sufficient and that funds are available, or are in the process of collection, to ensure that the contract or obligation can be paid. The Auditor is also the central disbursing agent of the County, who, by issuance of County warrants, distributes funds to creditors in payment of liabilities incurred by the County and its departments. The Auditor is responsible for the preparation of the County payroll and also has statutory accounting responsibilities. The County Auditor also serves as tax assessor for all political subdivisions within the County. As tax assessor, the Auditor is responsible for establishing the tax rates for real estate, personal property, and manufactured homes. Once these taxes are collected, the Auditor is responsible for distributing those collections to the other governmental entities in accordance with legally adopted rates. In addition to these duties, by law, the Auditor serves as the secretary of the County Board of Revision and the Budget Commission.

The County Treasurer is the custodian of all County funds and is responsible for collecting all tax monies and applying those payments to the appropriate tax accounts. The Treasurer is responsible for the investment of idle County funds, as specified by Ohio law. Daily reconciliations of total County fund balances of the Auditor and Treasurer are performed by the two offices. Reconciliations, by fund, are performed monthly. The County Budget Commission is comprised of the County Treasurer, County Auditor, and County Prosecuting Attorney. The Budget Commission plays an important function in the financial administration of the County government and all other local governments located within the County.

The County Engineer, required by Ohio law to be a registered professional engineer and surveyor, serves as the civil engineer for the County and its officials. His primary responsibilities relate to the construction, maintenance and repair of County roads and bridges, and related roadside drainage facilities and storm sewer runoff systems. The Board of County Commissioners takes bids on and awards contracts for the projects recommended and approved by the County Engineer. The County Engineer also prepares tax maps for the County Auditor.

Muskingum County employs 1,100 people who provide its citizens with a wide range of services that include human and social services, health and community assistance related services, civil and criminal justice system services, road and bridge maintenance, and other general and administrative support services. The following represent some of the major programs/services provided to Muskingum County citizens.

#### Job and Family Services

The County Department of Job and Family Services (Department) administers the public welfare functions within the County. The Department is headed by the Job and Family Services Director who is appointed by and responsible to the Board of County Commissioners.

In addition to administering federal and state supported programs, the Department administers its own general relief program which seeks to provide aid to people who are not eligible for federally-assisted programs or who are waiting to be admitted to federally-assisted programs. The general relief program is funded by the County and State matching funds. The Department supplements these income maintenance programs by providing a variety of direct services to needy persons in the County.

#### County and Child Welfare Program

This program provides for foster care and other children services in the County and is administered by the seven member Children Services Board. The Board of County Commissioners appoints six members, and the Juvenile Court appoints one. Each member serves a four-year term. In 1985, County voters approved a 2.0 mill levy for operating expenses of the Children Services Board. This levy was first collected in 1986 and was voted as a ten year replacement levy in 1995 and will expire in 2005. The activity of this program is reflected in the Children Services Levy Special Revenue Fund.

### Veterans Service Commission

The County's Veterans Service Commission assists veterans and their dependents in securing the materials and information needed to apply for and receive assistance from various Federal Veterans Administration programs. The five members of the Commission are appointed by the Common Pleas Court and serve five-year terms. The activities of the Commission are financed from County General Fund monies.

### Mental Retardation and Developmental Disabilities Program

The Muskingum County Board of Mental Retardation and Developmental Disabilities provides various services to mentally retarded children and adults, including training classes, workshops, and home services. Of the seven members of the Board, five are appointed by the Board of County Commissioners and two by the County Probate Judge for three-year terms. In addition, to receiving state reimbursement and tuition reimbursement from the various boards of education in the County, the Muskingum County Board of Mental Retardation and Developmental Disabilities is funded by a 1.0 mill continuing levy, approved by the voters in 1977 and first collected in 1978, and a 2.0 mill continuing levy approved by the voters in 1980, and first collected in 1981. Voters also approved an additional 2.0 mill continuing levy in 1994, which was first collected in 1995. The activity of the Board is accounted for in the Starlight School Levy Special Revenue Fund. The Board is one of the largest departments in the County government, with 129 full-time employees on its payroll as of December 31, 2003.

### Mental Health Program

The Muskingum Area Alcohol, Drug Addition and Mental Health Board is responsible for the planning and administration of mental health programs in the County as well as the other counties participating in the jointly governed organization. The Board consists of eighteen members, three appointed by the Muskingum County Commissioners, seven by the other participating counties, four by the State Department of Alcohol and Drug Addition and four by the Director of the State Department of Mental Health. The activities of the Muskingum Area Alcohol, Drug Abuse and Mental Health Board are funded in part by a 1.0 mill ten year levy first approved in 1988 for collection in 1989, and voted as a replacement levy in 1997, expiring in 2008.

### County Home

The County Home is an 80-bed facility managed by a superintendent who is appointed by and reports directly to the Board of County Commissioners. Originally constructed in 1882, the County Home is a three-story building with dining and laundry facilities. An addition was made in 1973, increasing the facility to its current size of approximately 10,000 square feet. Extensive renovation was done in 1982 and 1983.

Admission to the County Home is based on need and medical requirements with preference given to residents of the County.

Revenues for operating the County Home are derived primarily from a 2.0 mill five-year levy first passed by voters in 1985, renewed in 1990 and 1995 and then voted as a replacement levy in 2000. This levy will expire in 2005. Funds are also obtained from payments by patients, Medicaid, Medicare, private insurance, and other private sources. The County Home Levy Special Revenue Fund reflects the activity of the County Home.

## Tuberculosis Clinic

The Muskingum County Tuberculosis and Respiratory Clinic is administered by a five-member board of trustees, appointed by the Board of County Commissioners for a three-year term. The purpose of the Clinic is to diagnose and treat tuberculosis and respiratory diseases in the County. The Clinic is funded by a .40 mill levy which was renewed in 1990, voted as a five year replacement levy in 1994, and again as a replacement levy in 1999. This levy will expire in 2005. The Clinic is included in the primary government because it is not legally separate. The Clinic's activity is reflected in the Tuberculosis Clinic Special Revenue Fund.

## Justice System

As part of its justice system, the County maintains the Court of Common Pleas, which includes a Domestic Relations Division, a Juvenile Division, and a Probate Division. The County also maintains a County Court District. The prosecutor is designated by Ohio law as the Chief Legal Counsel for all County offices, boards and agencies, including the Board of County Commissioners, the Auditor, Treasurer, and all townships and local school districts. In addition, the Prosecutor is a member of the County Budget Commission.

The Clerk of Courts keeps all official records of the Common Pleas Court. When the Court of Appeals holds sessions within the County, the Clerk of Courts also serves as Clerk of Courts of the Court of Appeals. The office of Clerk of Courts operates on a system of fees charged for services and is essentially self-supporting.

The County Sheriff is the Chief Law Enforcement Officer of the County and provides certain specialized services which include maintaining a special staff of deputies whose duties are to assist local law enforcement officers upon their request and to enforce the law in unincorporated areas of the County. The Sheriff also operates and maintains the County Jail and is responsible for its inmates, including persons detained for trial or transfer to other institutions. As an officer of the County Courts, the Sheriff is in charge of the preparations and service of documents. The County also contracts with the City of Zanesville and several other municipalities in the County to house prisoners.

Operations of the Sheriff's office are funded in part by a .50 mill continuing levy approved by voters in 1994 for collections beginning in 1995.

## **ECONOMIC CONDITION AND OUTLOOK**

### *Overview*

Muskingum County's economic condition and outlook remained strong during 2003, bolstered by several new business developments and an ever-growing tourism industry. The County's effective economic development activities have helped attract a large number of new employers. Just as importantly, the county's pro-business thinking has helped many local companies grow from small businesses into major national competitors and remain in Muskingum County to do so.

The Chamber of Commerce once again recognized area companies for their economic investments in Zanesville and Muskingum County with the "Awards for Community and Economic Success" (ACES). ACES were awarded to 52 local businesses in 2003.

## *Infrastructure*

The County's location is a good choice for manufacturing and distribution facilities needing to move products or people from coast to coast. Muskingum County further builds on Ohio's logistical advantage by offering direct interstate, rail and air access. Interstate 70 runs through the heart of Muskingum County, providing direct access to one of the most important east-to-west corridors in the nation. Other major interstates are nearby adding to the ease of highway transportation.

Muskingum County's three prime development sites for large manufacturing and distribution facilities are publicly owned. With this public ownership, via the Zanesville-Muskingum County Port Authority, land can be purchased or leased at attractive rates.

The Airport Distribution Park offers unmatched access to ground and air transportation. The park is located adjacent to the Zanesville Municipal Airport. For ground transportation, the park is located just one mile from an Interstate 70 interchange with access provided by a state route. Sites ranging from two to ten acres are available for purchase. Tax incentives are available for eligible projects through the Ohio Enterprise Zone Program.

North Pointe Park, a 390-acre mixed-use development area is located in the northern portion of Zanesville. It is zoned and perfectly suited for commercial, office and industrial development. Further, the park provides direct access to North Pointe Drive, a newly constructed, limited access highway linking Zanesville to Dresden near State Route 16. More than 200 acres are still available for development with lot sizes ranging from three to fifty acres. Tax incentives are available within North Pointe through the Community Reinvestment Area and Ohio Enterprise Zone Programs.

The community's newest development site is EastPointe Industrial Park. The 1,200-acre development area can accommodate industrial and distribution projects, which have large acreage requirements. Companies that choose EastPointe have access to a new rail transfer facility served by CSX Transportation. EastPointe offers companies flexible lot sizes and plenty of room to grow. Tax incentives through the Ohio Enterprise Zone Program are available for eligible projects.

## *Marketing*

The Port Authority and the Zanesville-Muskingum County Chamber of Commerce continued their coordinated commitment to market the community, combining resources on national and regional advertising ventures and through attendance at trade shows. Local representatives participated in the Society of Automotive Engineers Conference held in Detroit, Michigan, and also attended the National Association of Industrial and Office Properties event held in Atlanta, Georgia. New promotional pieces, as well as a new CD Rom, were put into service and made available for marketing purposes.

Site Selection Magazine once again listed Zanesville as one of the top 100 small cities in the United States based upon plant locations and expansions from 2000-2002. According to the publication, Zanesville ranked 46<sup>th</sup>, tying with 12 other communities.

## *Tourism*

Tourism has a tremendous economic impact on Muskingum County. During 2003, direct sales to travelers totaled \$255.6 million. Including direct and indirect effects, state and local taxes in 2003 were \$20.9 million and \$14.2 million, respectively. In addition, sales to tourists supported 7,200 direct and indirect jobs in Muskingum County. Travelers to Muskingum County are spending 33 percent of their dollars on food, 28 percent on shopping/retail, 17 percent on transportation, 15 percent on recreation and 7 percent on lodging.

An estimated 2.5 million people enjoyed the community's wide range of recreational and cultural activities, which includes people who arrived here on more than 4,500 motor coach tours. The Longaberger Company's influence continued to grow, as more than a half million people visited the basket-maker's manufacturing campus including The Homestead near Frazeyburg and the related shops and restaurants in Dresden. The Wilds, a 9,100-acre endangered species preserve near Chandlersville in southeastern Muskingum County, hosted more than 70,000 visitors in 2003. Tourists also enjoyed stops at the National Road Zane Grey Museum near Norwich, the John and Annie Glenn Museum, three state parks, the Lorena Sternwheeler, the famous Y-Bridge and Zanesville's three historic districts. Muskingum County is known for its pottery heritage and it is still alive and well today. Also in 2003, the Zanesville Art Center celebrated their grand re-opening with a three million dollar renovation and the Alan Cottrill Sculpture Studio and Gallery celebrated their Grand Opening in May.

### *Agriculture*

Muskingum County remained strong in Agriculture during 2003. Agriculture contributes \$1.1 billion in output and employs 13,000 people in Muskingum County. There are approximately 1,200 farms located in the County that consist of 189,000 acres of total farmland. Producers in Muskingum County account for more than 950,000 bushels of corn and over 412,000 bushels of soybeans annually. Almost 30,000 cattle, 11,000 hogs and 30.7 million pounds of milk are produced each year. Muskingum County ranks in the top ten producing counties in Ohio in hay production (4<sup>th</sup>), cattle (5<sup>th</sup>), and sheep (7<sup>th</sup>).

### *Labor*

According to the latest census report, Muskingum County's population grew by 3.1 percent between 1990 and 2000.

The total labor force in Muskingum County at the end of 2003 was 44,800, up approximately 600 from 2002. The 2003 unemployment average was 7.4 percent, up from 6.4 percent the year before.

## **MAJOR INITIATIVES**

### *Current Year Projects*

Five companies signed tax abatement agreements for projects in 2003:

- BDP Services, Inc. committed to investing \$900,000 to purchase new embroidery machines and screen printing machines at their Licking Township location.
- Conns Potato Chip Company, Inc. will invest \$2,100,000 to purchase a 98,000 square foot building at 1805 Kemper Court to establish a manufacturing /distribution facility for potato chips. In addition, the company will make improvements to this building, purchase machinery and equipment, furniture and fixtures and will acquire inventory used in the manufacturing of potato chips.
- Dolgencorp, Inc. will make an investment of \$1,300,000 at their current location. The company will install additional material handling equipment as well as make improvements to existing buildings. They will also purchase machinery, additional equipment and furniture and fixtures.
- Lear Corporation committed to investing \$41,409,304 at their Linden Avenue facility. Improvements will be made to existing buildings, with the largest portion of the investment being for machinery and equipment. This expansion is due in part to the closure of Lear's Traverse City Plant and the movement of additional new business to Lear Zanesville.

- Plaskolite, Inc. will make improvements totaling \$7,600,000 at their existing facility. The company will purchase and install new machinery and equipment and acquire inventory to be used to produce “PMMA”, the primary raw material used in the acrylic sheet manufacturing operations already on site.

Numerous retail establishments opened during 2003 in Zanesville and Muskingum County. Among them were a White Castle Restaurant, a Bob Evans Restaurant, an Arby’s Restaurant, and a Murphy USA Gas Station.

Many other businesses made improvements and investments to existing establishments. The largest retail development in 2003 was a new Super Wal-Mart store located in South Zanesville. This development, along with numerous other retail establishments that opened adjacent to the Wal-Mart Complex, will be a great economic asset to Muskingum and surrounding counties.

Work continued in 2003 on the construction of a new county road between Zanesville and Dresden. The limited-access, two-lane highway called North Pointe Drive runs from its current northern terminus at Richvale Road and intersects with Ohio Route 60 near the Main Street intersection in Dresden. The roadway is approximately three miles shorter than the corresponding section of Ohio Route 60. It is also far less winding and it is hoped that limiting access to just two intersections between both ends will result in far fewer traffic accidents. Property acquisition for the road began in 1999 and was completed in 2000. Preliminary construction work began in the fall of 2000, and full construction began in January 2001. The road opened in 2003 and included enough right-of-way for expansion to a four-lane highway in the future. Work will continue in 2004 on North Pointe Drive, while it remains open to the public.

After several years of work, Congress during the fall of 1998, included funding in the Federal Aviation Administration budget for an expanded Instrument Landing System (ILS) at Zanesville Municipal Airport. Land acquisition and preparation began during 1999 and continued thru 2001. Installation began in 2002 and was completed in 2003. Activation of the system will mean that planes landing at the airport are less restricted by the weather. The airport then will become more attractive to corporate jets, seeking somewhere to land without enduring the congestion of Port Columbus, and to pilots working on their instrument ratings. The result is more business for the airport, but the real benefit is enhancing the attractiveness of the Zanesville area for corporate expansion.

### *Future Projects*

One company has signed a tax abatement agreement for a project during the early part of 2004.

- Coconis Furniture, Inc. committed to investing \$2,075,000 to construct a new building in South Zanesville and to purchase machinery, equipment and inventory.

A newly proposed shopping center is to break ground in 2004. Developers with the \$50 million shopping center at the intersection of North Pointe Drive and Maple Avenue are hoping to break ground in October. The shopping center, the largest commercial project ever planned in Muskingum County, will include some 450,000 square-feet of commercial space and 20 to 25 retail spaces in its first phase. The first store is slated to open in the fall of 2005. A second phase will provide another 200,000 square-feet of space for a total of about 40 stores. Eventually, there will be as many as five phases to the new development. While none of the names of any of the businesses planned for the space have been released, developers have said as many as five anchor stores and a number of new businesses and restaurants will locate in the shopping center.

Construction of a Super Wal-Mart store is slated to begin in late 2004. Wal-Mart Corporation has been working on plans for expanding the existing Wal-Mart on Maple Avenue for several years. The retail chain hopes to open a new 197,000 square-foot store by summer of 2005. There are 200 employees at the Wal-Mart store, and an additional 250 will be hired with the expansion. New parking spaces also will be added, and the existing store will not close during the renovation. The expansion would make the Maple Avenue store similar to the Super Wal-Mart in South Zanesville that opened in 2003.

The State Route 93/US 22 Connector project is proceeding as the feasibility study has been completed. This project is very important not only locally, but also for the region. Three key transportation needs emerged from this study: regional mobility, economic development, and traffic safety. To improve regional mobility the study concluded that all major north-south and east-west highways currently pass through downtown Zanesville. An improved transportation network will make regional travel more efficient, particularly to local medical facilities. The connector will provide opportunities for economic development as well. An improved transportation network may attract new businesses to the area by improving access to undeveloped land and reducing travel time to interstate and state highways. An improved network may also encourage existing businesses to expand. Finally, the connector will improve traffic safety. Zanesville crash rates are the highest in Ohio cities with populations exceeding 25,000. The US 22/SR 93 crash rates through Zanesville exceeds the statewide average. Congestion, roadway deficiencies, and numerous driveways, all of which occur along this route, can contribute to unsafe driving conditions. An improved transportation network will address the problems that contribute to high crash rates. Construction is still at least four years away. Once a preferred alternative is selected, funding will need to be identified and the project will still need to go through the design and right-of-way steps. Geotechnical and environmental field investigations are currently underway. Public meetings will continue to be held to keep residents informed of the connector's progress.

## **GOVERNMENTAL PROJECTS**

The County has a number of projects underway to help government run more efficiently and help the County compete for future job growth.

### *Geographic Information System*

The County is currently in the process of implementing a Geographic Information System (GIS). This project is a joint effort, being completed with the cooperation of the Commissioners' Office, the County Engineer's Office, the County Auditor's Office, the Water and Sewer Departments, the Emergency 911 Department, the Data Processing Department, the Zanesville-Muskingum County Health Department and the City of Zanesville.

As this project progresses, it is anticipated that a number of other departments and agencies will become involved in this project in the near future. These include the Planning Commission, the Department of Mental Retardation and Developmental Disabilities, the Children Services Board, the Department of Litter Control and Recycling, the Prosecuting Attorney's Office, the Board of Elections and the County Recorder's Office.

Once completed, this project will provide a vast array of information to each of these departments and agencies. The data provided by this GIS system will aid each of these departments and agencies in the completion of their day-to-day operations by providing continually updated information that is specifically tailored to each department and agency. The Geographic Information System (GIS) will also allow Muskingum County to deliver services to a diverse customer base. Information will be available to help provide the following services: neighborhood indicators and asset mapping, social services master plan development, benchmarking, regional and community planning, policy and program coordination, data collection, data analysis, and promotion of economic development plans. In addition, the project will provide accurate and up-to-date information that will benefit the citizens who depend on County departments.



Economic development agencies will have important and valuable information readily available to provide to potential developers. This information can be used as an important tool to help persuade developers to invest in Muskingum County.

#### *Water and Sewer*

Muskingum County's Water and Sewer Departments have adopted a long range plan to perform a number of water improvement projects and sanitary sewer projects. These scheduled projects will allow the County to meet all current EPA mandated system improvements. Additionally, these projects will allow the County to provide water and sanitary sewer service to a number of new areas throughout the County. Water projects undertaken in 2003 included Chandlersville Road, Adamsville Road, Coal Run Road, and the Gaysport area. During 2003, numerous upgrades to existing sewer systems were completed to make those systems more efficient. The Barlett Run Sewer Project is slated to begin in 2004. Each of these projects will be completed through a combination of Rural Development loans, OWDA loans, and local funding.

#### *Work Release Center*

The County purchased property located at 1370 Adamsville Road in 2003, for use by the Sheriff's Department.

The \$875,000 purchase included approximately 7 acres and a 13,200 square-foot building. The County contracted to complete the interior of the post frame construction portion of the building and make necessary modifications for use by the Department. The new Work Release Center will house up to seventy-five residents who are spending their time at the Center in lieu of incarceration in the County's jail. The residents will also have access to programming that will help them when they go back out into society. There will be classes for people wanting to get their Graduate Equivalency Diploma, Alcoholics Anonymous and Narcotics Anonymous groups to help those with addictions, and religious services for those that want to attend. The center is slated to open in the fall of 2004.

### **FINANCIAL INFORMATION**

#### *Basis of Accounting*

The County's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing set of accounts. The basis of accounting and the various funds utilized by the County are fully described in Note 2 to the Basic Financial Statements.

#### *Internal Control Structure*

In developing the County's accounting system, consideration was given to the adequacy of internal accounting controls. Such controls are designed to provide reasonable, but not absolute, assurance regarding both the safeguarding of assets against loss and misuse, and assurance regarding the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal controls should not exceed the benefits expected to be derived from their implementation.

The County utilizes a fully automated accounting system as well as automated systems for control of fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment by the accounting department of the Auditor's Office, ensure that the financial information generated is both accurate and reliable.

As a recipient of federal funds, the County has a responsibility to see that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. The County's day-to-day accounting and budgetary records are maintained on a basis other than one in compliance with generally accepted account principles (GAAP).

### *Budgetary Controls*

The Board of County Commissioners adopts an annual appropriation measure for the County at the end of December for the coming year. This appropriation is sometimes called a temporary appropriation. Usually by mid-February but before April 1, an annual appropriation measure is approved which takes into consideration the balances left from the prior year as well as any revisions in revenue estimates for the year. All disbursements and transfers of cash between funds require appropriation authority. Budgets are controlled at the object level within a department and fund. Purchase orders are approved by the department heads, and in many cases, by the Commissioners for departments under their control and are encumbered prior to their release to vendors. Those purchase orders which exceed the available appropriations are rejected until additional appropriations are secured. A computerized certification system allows the Auditor's Office to ascertain the status of a department's appropriation prior to authorizing additional purchases from a particular account.

### **CASH MANAGEMENT**

The County pools all idle cash to achieve maximum investment efficiency and to enhance accountability. The County Treasurer, as custodian of all County monies, is responsible for all County investments. An investment policy is established by the Investment Advisory Board which is comprised of the County Treasurer, the Chair of the County Commissioners, and one other Commissioner chosen by the Chair. Ohio law requires the Board to meet every six months. The County has an investment program that recognizes and calculates the lag between issue and redemption of warrants. Investment procedures are restricted by the provisions of the Revised Code. Except for nonparticipating investment contracts, investments are reported at fair value which is based upon quoted market prices. Nonparticipating investments contracts are reported at cost or amortized cost. All investments are in Certificates of Deposit and Prime Investment Accounts in local financial institutions. Interest earned by the primary government in 2003 was \$1,064,382 for governmental activities, \$42,109 for business-type activities, \$7,415 for Muskingum Starlight Industries, Inc., and \$4,319 for the Transportation Improvement District (component units).

### **RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries and natural disasters. By contracting with the County Risk Sharing Authority (CORSA) for liability, property, casualty and crime insurance, the County has addressed these various types of risks.

Under the CORSA program for general liability, auto liability, errors and omissions for public officials, and law enforcement liability, the County has \$1,000,000 of total liability coverage and no annual aggregate (except error and omissions for public officials liability which has a \$1,000,000 annual aggregate) with a \$2,500 deductible per occurrence. Uninsured/Underinsured Motorists are covered in the amount of \$250,000 for each occurrence. Property damage is on a replacement cost basis for a blanket amount of \$100,000,000 on buildings and contents. The Hartford Steam Boiler Inspection and Insurance Company provides the County's boiler and machinery coverage, in the amount of \$100,000,000 for each accident. Employee dishonesty, money and securities inside and out, money orders and counterfeit, and depositor's forgery are covered in the amount of \$1,000,000 for each and every loss.

During 2003, the County entered into an agreement with the County Commissioners Association of Ohio Worker's Compensation Group Rating Plan. The plan is intended to lower workers' compensation rates for the Group and result in the establishment of safer working conditions and environments for each Participant.

Muskingum County established a Loss Prevention Coordinator in 1985 who works with CORSA to provide training to County departments and their employees. One purpose of the program is to identify potential accident areas on County properties for both County employees and citizens. Other training includes driving and material safety data. High risk departments are a training priority.

### **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Muskingum County for its comprehensive annual financial report for the fiscal year ended December 31, 2002. This was the twelfth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **INDEPENDENT AUDIT**

Included in this report is an unqualified audit opinion rendered on the County's financial statements as of December 31, 2003, by our independent auditor, Betty Montgomery, Auditor of State. Their audit was conducted in accordance with generally accepted auditing standards and Governmental Auditing Standards, issued by the Comptroller General of the United States. In addition, the audit was designed to meet the requirements of the Federal Single Audit Act of 1984, as amended in 1996, and related OMB Circular A-133.

County management plans to continue to subject the County's financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit also serves to maintain and strengthen the County's accounting and budgetary controls.

### **ACKNOWLEDGMENTS**

The publication of this CAFR, which includes the implementation of the new reporting model as promulgated by GASB Statement No. 34, represents an important achievement in the ability of Muskingum County to provide significantly enhanced financial information and accountability to the citizens of Muskingum County, its elected officials, County management, and investors. This report continues the aggressive program of the County Auditor's office to improve the County's overall financial accounting, management, and reporting capabilities.

The preparation and publication of this report would not have been possible without the cooperation of each elected official, department head, and a number of County employees. I am grateful for their assistance and cooperation.

I would like to acknowledge the efforts of the entire staff of the Muskingum County Auditor's office. I offer my sincere thanks and gratitude to Debra Nye and the Accounting Staff for their dedication and hard work as leaders in this undertaking. My appreciation is also extended to the Local Government Services Division of the Auditor of State's Office for their guidance and assistance in preparing this financial report.

I especially thank the citizens of Muskingum County for this opportunity to continue to improve the professionalism in financial reporting that they expect and deserve.

Sincerely,

Anita J. Adams  
Muskingum County Auditor



***Muskingum County, Ohio***

***Elected Officials***

***December 31, 2003***

***Board of Commissioners***

Donald D. Madden  
R. Edward Kenily  
Dorothy M. Montgomery

***County Auditor***

Anita J. Adams

***County Treasurer***

Phillip D. Murphy

***County Recorder***

Karen B. Vincent

***County Engineer***

Loren C. Camp

***Court of Common Pleas***

***General***

Mark C. Fleegle  
Howard S. Zwelling

***Court of Common Pleas***

***Domestic Relations***

Jeffrey A. Hooper

***County Court***

Kelly J. Cottrill  
Jay F. Vinsel

***Clerk of Courts***

Todd A. Bickle

***County Coroner***

Dr. Howard Marsh

***Prosecutor***

D. Michael Haddox

***County Sheriff***

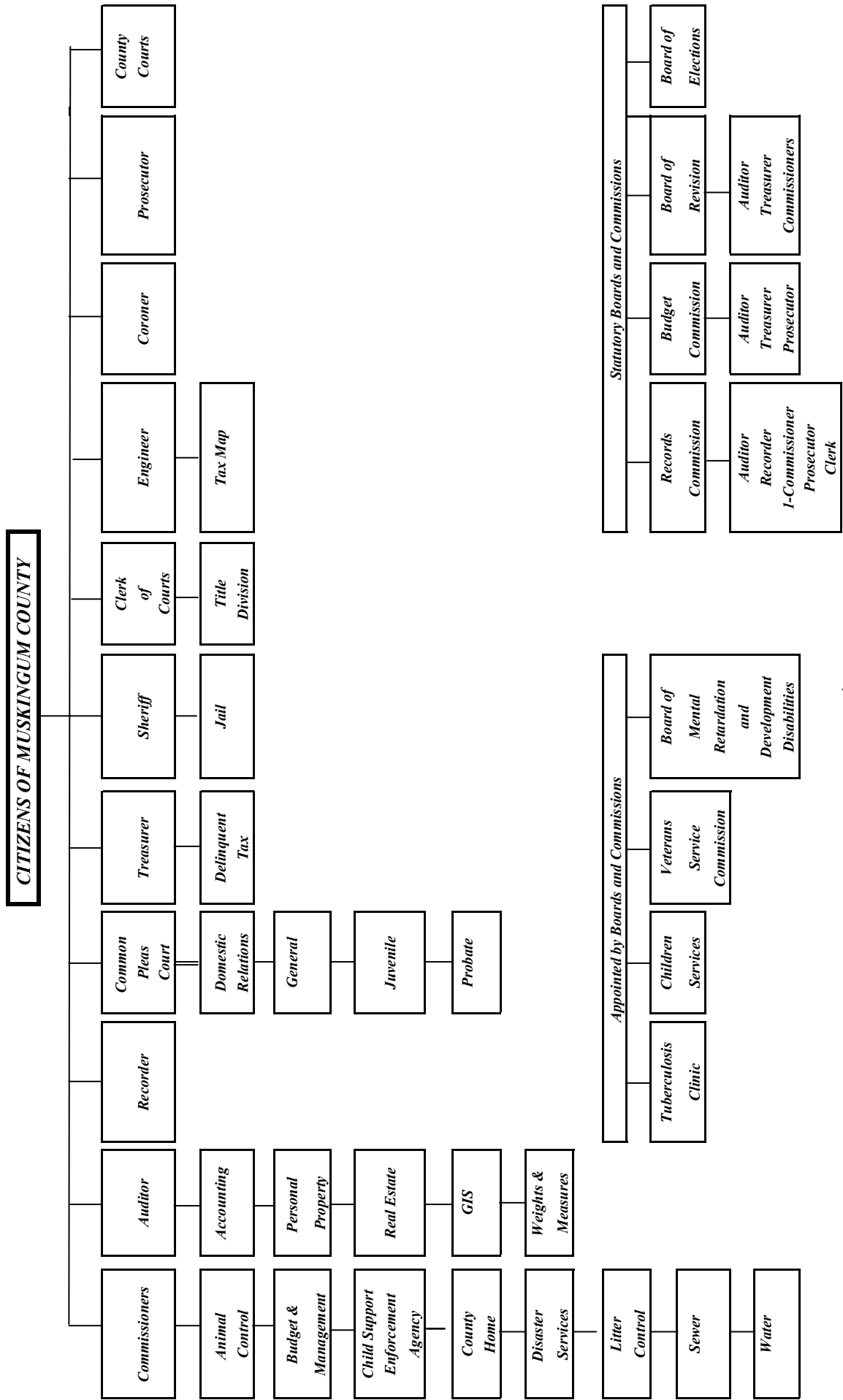
Robert J. Stephenson

***Court of Common Pleas***

***Probate and Juvenile***

Joseph A. Gormley

# ORGANIZATION OF MUSKINGUM COUNTY



This page intentionally left blank





## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Muskingum County Commissioners  
Muskingum County  
401 Main Street  
Zanesville, Ohio 43701-3519

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Muskingum County, Ohio (the County), as of and for the year ended December 31, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Muskingum County, Ohio, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General, Public Assistance, Motor Vehicle and Gasoline Tax, Starlight Levy, and the Children Services Levy Funds thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2003, the County implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2004 on our consideration of the County'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.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

September 3, 2004

## Muskingum County, Ohio

### Management's Discussion and Analysis For the Year Ended December 31, 2003 Unaudited

---

The discussion and analysis of Muskingum County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2003. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the County's financial performance.

#### Financial Highlights

Key financial highlights for 2003 are as follows:

- ' The assets of Muskingum County exceeded its liabilities at the close of the year ended December 31, 2003, by \$156,870,651 (net assets). Of this amount, \$16,440,912 may be used to meet the County's ongoing obligations to citizens and creditors.
- ' The County's total net assets increased by .35 percent, or \$553,396, from the total net assets at the beginning of the year 2003.
- ' At the end of the current year, the County reported unrestricted net assets for governmental activities of \$8,981,008.
- ' At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$34,587,967, a decrease of \$4,396,033 from the prior year. Of this amount, \$30,305,720 is available for spending (unreserved undesignated fund balance) on behalf of its citizens.
- ' At the end of the current year, unreserved fund balance for the General Fund was \$8,154,432 which represents a 14 percent decrease from the prior year, and represents 35 percent of total General Fund expenditures.

#### Using This Annual Financial Report

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the County as a financial whole or as an entire operating entity.

The *Statement of Net Assets* and the *Statement of Activities* provide information about the activities of the whole County, presenting an aggregate view of the County's finances as well as a longer-term view of those assets.

Fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's most significant funds in more detail than the government-wide statements. Nonmajor funds are presented separately from major funds in total and in one column.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

## Muskingum County, Ohio

### Management's Discussion and Analysis For the Year Ended December 31, 2003 Unaudited

---

#### *Statement of Net Assets*

While this document contains information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2003?" The Statement of Net Assets and the Statement of Activities answer this question.

The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. The Statement of Activities presents information showing how the County's net assets changed during the current year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

The change in net assets is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, nonfinancial information such as changes in the County's tax base and the condition of the County's capital assets will also need to be evaluated.

In the Statement of Net Assets and the Statement of Activities, the County is divided into three kinds of activities:

**Governmental Activities** - Most of the County's programs and services are reported here, including general government, public safety, public works, health, human services, and economic development and assistance. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.

**Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's water and sewer systems are reported here.

**Component Units** - The County's financial statements include financial data of the Transportation Improvement District and the Muskingum Starlight Industries, Inc. These component units are described in the notes to the financial statements. The component units are separate and may buy, sell, lease, and mortgage property in their own name and can sue or be sued in their own name.

#### *Fund Financial Statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to its residents. The County's major governmental funds are the General Fund and the Public Assistance, Motor Vehicle and Gasoline Tax, Children Services Levy and Starlight School Levy Special Revenue funds.

## **Muskingum County, Ohio**

### **Management's Discussion and Analysis For the Year Ended December 31, 2003 Unaudited**

---

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services being provided, along with the financial resources available.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds - The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses enterprise funds to account for the Sewer Fund and Water Fund operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's other programs and activities. The County's two self-insurance funds account for the claims and liabilities relating to the County's self-insured hospitalization program and also for the claims and liabilities relating to the County's workers' compensation program.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to the full understanding of the data provided on the government-wide and fund financial statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules.

**Muskingum County, Ohio**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2003  
Unaudited**

**Government-Wide Financial Analysis**

Table 1 provides a summary of the County's net assets for 2003 compared to 2002:

Table 1  
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
<b>Assets:</b>						
Current and Other Assets	\$63,824,820	\$68,455,693	\$8,146,113	\$5,905,898	\$71,970,933	\$74,361,591
Capital Assets, Net	108,847,226	104,965,414	44,504,307	44,653,510	153,351,533	149,618,924
<b>Total Assets</b>	<b>172,672,046</b>	<b>173,421,107</b>	<b>52,650,420</b>	<b>50,559,408</b>	<b>225,322,466</b>	<b>223,980,515</b>
<b>Liabilities:</b>						
Current and Other Liabilities	18,394,970	18,808,754	641,906	8,642,214	19,036,876	27,450,968
Long-Term Liabilities	34,521,802	33,433,220	14,893,137	6,779,072	49,414,939	40,212,292
<b>Total Liabilities</b>	<b>52,916,772</b>	<b>52,241,974</b>	<b>15,535,043</b>	<b>15,421,286</b>	<b>68,451,815</b>	<b>67,663,260</b>
<b>Net Assets:</b>						
Invested in Capital Assets,						
Net of Related Debt	78,513,186	75,995,214	29,655,473	26,074,797	108,168,659	102,070,011
Restricted	32,261,080	32,789,698	0	0	32,261,080	32,789,698
Unrestricted	8,981,008	12,394,221	7,459,904	9,063,325	16,440,912	21,457,546
<b>Total Net Assets</b>	<b>\$119,755,274</b>	<b>\$121,179,133</b>	<b>\$37,115,377</b>	<b>\$35,138,122</b>	<b>\$156,870,651</b>	<b>\$156,317,255</b>

As noted earlier, the County's net assets, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by \$156,870,651 (\$119,755,274 in governmental activities and \$37,115,377 in business-type activities) as of December 31, 2003. By far, the largest portion of the County's net assets (69 percent) reflects its investment in capital assets (e.g., land, land improvements, construction in progress, buildings, machinery, equipment, furniture and fixtures, vehicles and infrastructure), less any related debt, used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets, \$32,261,080 or 21 percent, represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted net assets (10 percent) is to be used to meet the County's ongoing obligations to citizens and creditors.

Table 2 shows the changes in net assets for 2003. Since this is the first year that the County has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to 2002 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

**Muskingum County, Ohio**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2003  
Unaudited**

Table 2  
Change in Net Assets

	Governmental Activities 2003	Business-Type Activities 2003	Total 2003
Revenues:			
Program Revenues			
Charges for Services	\$9,513,086	\$4,314,311	\$13,827,397
Operating Grants, Contributions, and Interest	30,751,343	0	30,751,343
Capital Grants, Contributions, and Interest	1,288,966	2,058,649	3,347,615
Total Program Revenues	<u>41,553,395</u>	<u>6,372,960</u>	<u>47,926,355</u>
General Revenues			
Property Taxes	11,429,727	0	11,429,727
Permissive Sales Taxes	13,816,525	0	13,816,525
Intergovernmental	1,830,285	0	1,830,285
Investment Earnings	1,064,382	42,109	1,106,491
Payments in Lieu of Taxes	388,076	0	388,076
Miscellaneous	767,335	44,901	812,236
Total General Revenues	<u>29,296,330</u>	<u>87,010</u>	<u>29,383,340</u>
Total Revenues	70,849,725	6,459,970	77,309,695
Transfers	<u>(537,210)</u>	<u>537,210</u>	<u>0</u>
Total Revenues and Transfers	<u>70,312,515</u>	<u>6,997,180</u>	<u>77,309,695</u>
Program Expenses			
General Government			
Legislative and Executive	10,702,124	0	10,702,124
Judicial	5,381,347	0	5,381,347
Public Safety	8,771,477	0	8,771,477
Public Works	6,564,687	0	6,564,687
Health	1,320,856	0	1,320,856
Human Services	34,610,003	0	34,610,003
Economic Development and Assistance	210,829	0	210,829
Intergovernmental	3,181,411	0	3,181,411
Interest and Fiscal Charges	993,640	0	993,640
Sewer	0	2,685,186	2,685,186
Water	0	2,334,739	2,334,739
Total Expenses	<u>71,736,374</u>	<u>5,019,925</u>	<u>76,756,299</u>
Increase (Decrease) in Net Assets	<u>(\$1,423,859)</u>	<u>\$1,977,255</u>	<u>\$553,396</u>

## Muskingum County, Ohio

### Management's Discussion and Analysis For the Year Ended December 31, 2003 Unaudited

---

#### **Governmental Activities**

Operating grants, contributions, and restricted interest were the largest program revenues, accounting for \$30,751,343 or 43 percent of total revenues for governmental activities. The major recipients of intergovernmental revenues were the human services and public works programs.

Permissive sales tax revenues account for \$13,816,525 or 20 percent of total governmental revenues. Another major component of general governmental revenues was property tax revenues, which accounted for \$11,429,727 or 16 percent of total governmental revenues.

The County's direct charges to users of governmental services made up \$9,513,086 or 13 percent of total governmental revenues. These charges are for fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits.

The County's human services programs accounted for \$34,610,003, or 48 percent of total expenses for governmental activities. Other major program expenses for governmental activities include legislative and executive programs, which accounted for \$10,702,124, or 15 percent of total expenses, and public safety programs, which accounted for \$8,771,477, or 12 percent of total expenses.

#### **Business-Type Activities**

The net assets for business-type activities increased by \$1,977,255 during 2003. Charges for services were the largest program revenue, accounting for \$4,314,311 or 67 percent of total business-type revenues.

Table 3, for governmental activities, indicates the total cost of services and the net cost of services. The Statement of Activities reflects the cost of program services and the charges for services and sales, grants, contributions, and interest offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues, unrestricted intergovernmental revenues, and unrestricted interest earnings. Comparisons to 2002 have not been made since they are not available.



**Muskingum County, Ohio**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2003  
Unaudited**

Table 3  
Governmental Activities

	Total Cost of Services	Net Cost of Services
	2003	2003
General Government		
Legislative and Executive	\$10,702,124	\$6,364,102
Judicial	5,381,347	4,370,760
Public Safety	8,771,477	6,240,849
Public Works	6,564,687	(181,340)
Health	1,320,856	1,021,282
Human Services	34,610,003	9,376,860
Economic Development and Assistance	210,829	210,829
Intergovernmental	3,181,411	1,785,997
Interest and Fiscal Charges	993,640	993,640
Total Expenses	<u>\$71,736,374</u>	<u>\$30,182,979</u>

Charges for services, operating and capital grants, contributions, and interest of \$41,553,395, or 58 percent of the total costs of services, are received and used to fund the general government expenses of the County. The remaining \$30,182,979 in general government expenses is funded by property taxes, permissive sales taxes, non-restricted intergovernmental revenues, interest, and miscellaneous revenues.

The \$9,376,860 in net cost of services for Human Services demonstrates the costs of services that are not supported from state and federal resources. As such, the taxpayers have approved a property tax levy for the Children Services Board and Starlight School programs.

For Public Safety, the \$6,240,849 in net costs of services indicates the general fund, permissive sales tax, and property tax levy support provided for the operation of the Sheriff's Department and the Detention Center. Management is concerned with the fact that there are insufficient program revenues to operate the Sheriff's Department and the Detention Center. To help reduce the tax burden and increase program revenues, the County is actively pursuing contracts for the housing of prisoners from other entities outside the County.

**Financial Analysis of County Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental Funds* - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

## Muskingum County, Ohio

### Management's Discussion and Analysis For the Year Ended December 31, 2003 Unaudited

---

As of December 31, 2003, the County's governmental funds reported a combined ending fund balance of \$34,587,967, a decrease of \$4,396,033 in comparison with the prior year. Approximately \$30,305,720, or 88 percent of this total, constitutes unreserved undesignated fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year (\$2,492,519), has been reserved for claimants (\$65,250), or has been reserved for a variety of other restricted purposes (\$1,724,478). While the bulk of the governmental fund balances is not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to expenditure restrictions mandated by the source of the resource, such as the state or federal government.

The General Fund is the primary operating fund of the County. At the end of 2003, unreserved fund balance was \$8,154,432, while total fund balance was \$8,670,488. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 35 percent to total General Fund expenditures, while total fund balance represents 37 percent of that same amount.

*Proprietary Funds* - The County maintains two different types of proprietary funds. Enterprise funds are used to report functions presented as business-type activities on the government-wide financial statements. The County uses enterprise funds to account for Sewer Fund and Water Fund operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's other programs and activities. The County uses internal service funds to account for the self-insurance and workers' compensation programs.

As of December 31, 2003, net assets for the County's enterprise funds were \$37,115,377. Of that total, \$7,459,904 represents unrestricted net assets that are available for spending at the County's discretion.

As of December 31, 2003, unrestricted net assets in the self-insurance programs were (\$381,434).

#### **Budgetary Highlights**

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. By State statute, the Board of County Commissioners adopts a temporary operating budget for the County prior to the first day of January. The Board of County Commissioners adopts a permanent annual operating budget for the County prior to the first day of April.

For the General Fund, changes from the original budget to the final budget have been minimal. Fluctuations in growth and diversity have typically not occurred in Muskingum County, allowing department managers the ability to consistently predict revenues and expenditures.

#### **Capital Assets and Debt Administration**

*Capital Assets* - The County's capital assets for governmental and business-type activities as of December 31, 2003, were \$153,351,533 (net of accumulated depreciation). This includes land, land improvements, construction in progress, buildings, machinery, equipment, furniture and fixtures, infrastructure and vehicles.

**Muskingum County, Ohio**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2003  
Unaudited**

As a result of the implementation of GASB 34 new reporting requirements for 2003, the County, for the first time, included infrastructure assets in its capital assets balances for governmental activities and recognized \$3,893,606 in annual depreciation expense.

For business-type activities, major capital asset additions during 2003 included the completion of various waterline extension projects and various sanitary sewer projects.

Table 4 provides a comparison of capital assets as of the end of 2002 and 2003. In addition, Note 10 (Capital Assets) provides capital asset activity during 2003.

Table 4  
Capital Assets  
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land	\$3,869,372	\$3,633,122	\$174,100	\$174,100	\$4,043,472	\$3,807,222
Land Improvements	20,148,858	20,148,858	0	0	20,148,858	20,148,858
Construction in Progress	15,317,395	14,020,573	1,560,222	2,581,492	16,877,617	16,602,065
Buildings	32,065,630	29,174,162	179,246	199,356	32,244,876	29,373,518
Machinery, Equipment, Furniture and Fixtures	2,441,377	2,657,615	73,900	75,645	2,515,277	2,733,260
Vehicles	3,454,633	3,699,126	121,636	169,452	3,576,269	3,868,578
Infrastructure	31,549,961	31,631,958	42,395,203	39,491,151	73,945,164	71,123,109
<b>Total Capital Assets</b>	<b>\$108,847,226</b>	<b>\$104,965,414</b>	<b>\$44,504,307</b>	<b>\$42,691,196</b>	<b>\$153,351,533</b>	<b>\$147,656,610</b>

*Long-Term Debt* - As of December 31, 2003, the County had total debt outstanding of \$46,607,957, \$31,759,123 in governmental activities and \$14,848,834 in business-type activities, respectively. Table 5 outlines the long-term debt held by the County during 2003 and 2002.

Table 5  
Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
General Obligation Bonds	\$15,710,000	\$17,775,000	\$11,612,243	\$2,752,064	\$27,322,243	\$20,527,064
Special Assessment Debt	1,200,997	1,307,063	0	0	1,200,997	1,307,063
Revenue Bonds	0	0	577,500	10,306,500	577,500	10,306,500
OWDA Loans	0	0	2,659,091	1,962,055	2,659,091	1,962,055
Contracts Payable	14,783,391	11,566,933	0	0	14,783,391	11,566,933
Capital Leases	64,735	69,912	0	0	64,735	69,912
<b>Total Long-Term Debt</b>	<b>\$31,759,123</b>	<b>\$30,718,908</b>	<b>\$14,848,834</b>	<b>\$15,020,619</b>	<b>\$46,607,957</b>	<b>\$45,739,527</b>

During 2003, the County issued \$10 million in various purpose capital facilities refunding bonds. Of this issue, \$281,000 was issued in general obligation and special assessment debt for governmental activities and \$9,719,000 was issued in general obligation debt for business-type activities.

## **Muskingum County, Ohio**

### **Management's Discussion and Analysis For the Year Ended December 31, 2003 Unaudited**

---

In addition to the bonded debt, the County's long-term obligations include compensated absences and early retirement incentive payables. Additional information on the County's long-term debt can be found in Note 17 of this report.

The County's total unvoted legal debt margin at December 31, 2003, is approximately \$4,857,037.

Moody's Investors Service, Inc. has assigned an underlying rating of A1 to the outstanding general obligation debt of the County. However, a Aaa credit rating was listed on the bonds since the County purchased insurance from MBIA Insurance Corporation guaranteeing bond payments.

#### **Economic Factors**

The average unemployment rate for the County in 2003 was 7.4 percent, which is an increase from 6.4 percent from 2002. This rate exceeds the state's average rate for 2003 of 6.1 percent and the average 2003 national rate of 6.0 percent. The increase demonstrates the impact from the national recession.

The County's \$1.355 billion tax base has increased 8.5 percent over the last three years. This growth is attributed to an increase in the County's real estate tax values, despite a decline in public utility personal property tax values due to State deregulation. Real property values within the County have risen steadily over the past several years, and are now at an all time high.

The County's permissive sales tax revenues have increased slightly over the past five years despite uncertain economic conditions.

The County's general fund balance has started to decline in recent years. This is attributed to lower investment earnings, reductions in local government aid, and increased costs associated with services provided.

The various economic factors were considered in the preparation of the County's 2003 budget, and will be considered in the preparation of future budgets. Appropriate measures will be taken to ensure spending is within available resources.

A further discussion of the County and the economic factors which affect the County and its operations can be found in the transmittal letter of this report.

#### **Requests for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Anita J. Adams, Muskingum County Auditor, 401 Main Street, Zanesville, Ohio 43701.

**Muskingum County, Ohio**  
**Statement of Net Assets**  
**December 31, 2003**

	Primary Government			Component Units	
	Governmental Activities	Business - Type Activities	Total	Transportation Improvement District	Muskingum Starlight Industries, Inc.
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$35,883,406	\$4,065,092	\$39,948,498	\$737,030	\$0
Cash and Cash Equivalents in Segregated Accounts	71,627	0	71,627	0	0
Cash and Cash Equivalents with Fiscal Agents	1,018,251	0	1,018,251	0	0
Cash and Cash Equivalents	0	0	0	0	494,371
Prepaid Items	140,086	850	140,936	0	3,514
Materials and Supplies Inventory	405,030	1,581	406,611	0	96,345
Permissive Sales Tax Receivable	2,281,464	0	2,281,464	0	0
Contracts Receivable	0	0	0	14,559,305	0
Loans Receivable	0	0	0	1,511,273	0
Intergovernmental Receivable	7,253,128	215,519	7,468,647	45,614	0
Accounts Receivable	152,835	1,531,806	1,684,641	0	86,662
Accrued Interest Receivable	33,351	0	33,351	0	0
Investments	0	2,102,185	2,102,185	0	0
Internal Balances	(6,416)	6,416	0	0	0
Property and Other Taxes Receivable	13,259,642	0	13,259,642	0	0
Payments in Lieu of Taxes Receivable	363,051	0	363,051	0	0
Loans Receivable	394,894	0	394,894	0	0
Special Assessments Receivable	1,704,471	0	1,704,471	0	0
Deferred Charges	0	222,664	222,664	0	0
Due from Component Unit	870,000	0	870,000	0	0
Non-Depreciable Capital Assets	39,335,625	1,734,322	41,069,947	0	0
Depreciable Capital Assets, Net	69,511,601	42,769,985	112,281,586	0	52,015
<i>Total Assets</i>	<u>172,672,046</u>	<u>52,650,420</u>	<u>225,322,466</u>	<u>16,853,222</u>	<u>732,907</u>
<b>Liabilities</b>					
Matured Compensated Absences Payable	38,241	0	38,241	0	0
Accrued Wages and Benefits	2,471,570	53,211	2,524,781	0	4,105
Intergovernmental Payable	778,831	71,946	850,777	0	883
Accounts Payable	1,058,415	151,072	1,209,487	0	20,606
Contracts Payable	58,400	293,044	351,444	1,693,393	0
Accrued Interest Payable	70,878	47,633	118,511	0	0
Claims and Judgments Payable	1,071,450	25,000	1,096,450	0	0
Deferred Revenue	12,039,942	0	12,039,942	0	0
Deferred Income	0	0	0	0	40,320
Notes Payable	807,243	0	807,243	0	0
Due to Primary Government	0	0	0	870,000	0
Long-Term Liabilities:					
Due Within One Year	2,656,897	427,765	3,084,662	457,349	0
Due In More Than One Year	31,864,905	14,465,372	46,330,277	14,101,956	0
<i>Total Liabilities</i>	<u>52,916,772</u>	<u>15,535,043</u>	<u>68,451,815</u>	<u>17,122,698</u>	<u>65,914</u>
<b>Net Assets</b>					
Invested in Capital Assets, Net of Related Debt	78,513,186	29,655,473	108,168,659	0	0
Restricted for:					
Capital Projects	3,198,163	0	3,198,163	0	0
Debt Service	1,335,625	0	1,335,625	0	0
Other Purposes	27,727,292	0	27,727,292	0	0
Unrestricted (Deficit)	8,981,008	7,459,904	16,440,912	(269,476)	666,993
<i>Total Net Assets</i>	<u>\$119,755,274</u>	<u>\$37,115,377</u>	<u>\$156,870,651</u>	<u>(\$269,476)</u>	<u>\$666,993</u>

See accompanying notes to the basic financial statements

**Muskingum County, Ohio**  
**Statement of Activities**  
**For the Year Ended December 31, 2003**

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
<b>Primary Government:</b>				
Governmental Activities:				
General Government:				
Legislative and Executive	\$10,702,124	\$4,323,623	\$14,399	\$0
Judicial	5,381,347	506,124	504,463	0
Public Safety	8,771,477	1,659,948	855,412	15,268
Public Works	6,564,687	400,783	6,325,820	19,424
Health	1,320,856	161,714	137,860	0
Human Services	34,610,003	2,460,894	22,772,249	0
Economic Development and Assistance	210,829	0	0	0
Intergovernmental	3,181,411	0	141,140	1,254,274
Interest and Fiscal Charges	993,640	0	0	0
<i>Total Governmental Activities</i>	<u>71,736,374</u>	<u>9,513,086</u>	<u>30,751,343</u>	<u>1,288,966</u>
Business-Type Activities:				
Sewer	2,685,186	1,735,163	0	908,274
Water	2,334,739	2,579,148	0	1,150,375
<i>Total Business-Type Activities</i>	<u>5,019,925</u>	<u>4,314,311</u>	<u>0</u>	<u>2,058,649</u>
<i>Total Primary Government</i>	<u>\$76,756,299</u>	<u>\$13,827,397</u>	<u>\$30,751,343</u>	<u>\$3,347,615</u>
<b>Component Units:</b>				
Transportation Improvement District	\$4,939,818	\$463,529	\$0	\$4,254,886
Muskingum Starlight Industries, Inc.	634,053	583,778	3,929	0
<i>Total Component Units</i>	<u>\$5,573,871</u>	<u>\$1,047,307</u>	<u>\$3,929</u>	<u>\$4,254,886</u>

**General Revenues**

Property Taxes Levied for General Purposes

Property Taxes Levied for:

  Public Safety

  Health

  Human Services

Sales Taxes Levied for General Purposes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Payments in Lieu of Taxes

Miscellaneous

In-Kind Contribution

*Total General Revenues*

Transfers

*Total General Revenues and Transfers*

*Change in Net Assets*

Net Assets (Deficit) Beginning of Year - See Note 3

*Net Assets (Deficit) End of Year*

See accompanying notes to the basic financial statements

Net (Expense) Revenue and  
Change in Net Assets

Primary Government			Component Units	
Governmental Activities	Business - Type Activities	Total	Transportation Improvement District	Muskingum Starlight Industries, Inc.
(\$6,364,102)	\$0	(\$6,364,102)	\$0	\$0
(4,370,760)	0	(4,370,760)	0	0
(6,240,849)	0	(6,240,849)	0	0
181,340	0	181,340	0	0
(1,021,282)	0	(1,021,282)	0	0
(9,376,860)	0	(9,376,860)	0	0
(210,829)	0	(210,829)	0	0
(1,785,997)	0	(1,785,997)	0	0
(993,640)	0	(993,640)	0	0
<u>(30,182,979)</u>	<u>0</u>	<u>(30,182,979)</u>	<u>0</u>	<u>0</u>
0	(41,749)	(41,749)	0	0
0	1,394,784	1,394,784	0	0
0	1,353,035	1,353,035	0	0
<u>(30,182,979)</u>	<u>1,353,035</u>	<u>(28,829,944)</u>	<u>0</u>	<u>0</u>
0	0	0	(221,403)	0
0	0	0	0	(46,346)
0	0	0	(221,403)	(46,346)
2,417,067	0	2,417,067	0	0
381,621	0	381,621	0	0
1,310,675	0	1,310,675	0	0
7,320,364	0	7,320,364	0	0
13,816,525	0	13,816,525	0	0
1,830,285	0	1,830,285	0	0
1,064,382	42,109	1,106,491	4,319	7,415
388,076	0	388,076	0	0
767,335	44,901	812,236	117,385	5,331
0	0	0	0	100,189
<u>29,296,330</u>	<u>87,010</u>	<u>29,383,340</u>	<u>121,704</u>	<u>112,935</u>
<u>(537,210)</u>	<u>537,210</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>28,759,120</u>	<u>624,220</u>	<u>29,383,340</u>	<u>121,704</u>	<u>112,935</u>
(1,423,859)	1,977,255	553,396	(99,699)	66,589
121,179,133	35,138,122	156,317,255	(169,777)	600,404
<u>\$119,755,274</u>	<u>\$37,115,377</u>	<u>\$156,870,651</u>	<u>(\$269,476)</u>	<u>\$666,993</u>

**Muskingum County, Ohio**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2003**

	General	Public Assistance	Motor Vehicle and Gasoline Tax	Children Services Levy	Starlight School Levy	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$8,728,729	\$1,610,974	\$1,909,840	\$5,054,829	\$8,728,186	\$8,235,832	\$34,268,390
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0	71,627	71,627
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0	1,018,251	0	1,018,251
Restricted Cash and Cash Equivalents	0	0	0	0	0	925,000	925,000
Receivables:							
Property and Other Taxes	2,904,086	0	0	1,950,249	3,652,009	4,753,298	13,259,642
Payments in Lieu of Taxes	11,631	0	0	9,692	21,841	319,887	363,051
Permissive Sales Taxes	2,281,464	0	0	0	0	0	2,281,464
Accounts	77,662	356	0	8,697	0	66,120	152,835
Intergovernmental	1,104,638	276	3,160,715	968,211	304,926	1,714,362	7,253,128
Interfund	98,928	0	0	4,495	0	0	103,423
Accrued Interest	33,351	0	0	0	0	0	33,351
Special Assessments	0	0	0	0	0	1,704,471	1,704,471
Loans	0	0	0	0	0	394,894	394,894
Due from Component Unit	0	0	0	0	0	870,000	870,000
Materials and Supplies Inventory	136,479	4,845	224,778	9,471	12,443	17,014	405,030
Prepaid Items	126,797	262	1,340	345	9,433	1,909	140,086
<b>Total Assets</b>	<b><u>\$15,503,765</u></b>	<b><u>\$1,616,713</u></b>	<b><u>\$5,296,673</u></b>	<b><u>\$8,005,989</u></b>	<b><u>\$13,747,089</u></b>	<b><u>\$19,074,414</u></b>	<b><u>\$63,244,643</u></b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts Payable	\$379,322	\$47,175	\$182,336	\$305,276	\$64,261	\$80,045	\$1,058,415
Contracts Payable	58,400	0	0	0	0	0	58,400
Accrued Interest Payable	0	0	0	0	0	7,056	7,056
Accrued Wages and Benefits	912,766	315,425	193,471	236,692	317,665	495,551	2,471,570
Matured Compensated							
Absences Payable	1,521	0	0	36,720	0	0	38,241
Interfund Payable	4,495	0	0	0	0	105,344	109,839
Intergovernmental Payable	298,367	114,090	50,391	87,762	100,368	127,853	778,831
Notes Payable	0	0	0	0	0	807,243	807,243
Deferred Revenue	5,178,406	247,909	2,925,224	2,912,911	3,938,003	8,124,628	23,327,081
<b>Total Liabilities</b>	<b><u>6,833,277</u></b>	<b><u>724,599</u></b>	<b><u>3,351,422</u></b>	<b><u>3,579,361</u></b>	<b><u>4,420,297</u></b>	<b><u>9,747,720</u></b>	<b><u>28,656,676</u></b>
<b>Fund Balances</b>							
Reserved (See Note 25)	516,056	965,747	521,896	102,072	32,572	2,143,904	4,282,247
Unreserved:							
Undesignated, Reported in:							
General Fund	8,154,432	0	0	0	0	0	8,154,432
Special Revenue Funds (Deficit)	0	(73,633)	1,423,355	4,324,556	9,294,220	4,125,004	19,093,502
Debt Service Funds	0	0	0	0	0	501,079	501,079
Capital Projects Funds	0	0	0	0	0	2,556,707	2,556,707
<b>Total Fund Balances</b>	<b><u>8,670,488</u></b>	<b><u>892,114</u></b>	<b><u>1,945,251</u></b>	<b><u>4,426,628</u></b>	<b><u>9,326,792</u></b>	<b><u>9,326,694</u></b>	<b><u>34,587,967</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$15,503,765</u></b>	<b><u>\$1,616,713</u></b>	<b><u>\$5,296,673</u></b>	<b><u>\$8,005,989</u></b>	<b><u>\$13,747,089</u></b>	<b><u>\$19,074,414</u></b>	<b><u>\$63,244,643</u></b>

See accompanying notes to the basic financial statements



**Muskingum County, Ohio**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Assets of Governmental Activities**  
**December 31, 2003**

**Total Governmental Fund Balances** \$34,587,967

*Amounts reported for governmental activities in the statement of net assets are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 108,847,226

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property and Other Taxes	2,709,037	
Special Assessments	1,704,471	
Intergovernmental	6,765,476	
Interest	21,909	
Charges for Services	57,088	
Fines and Forfeitures	29,158	
Total	11,287,139	11,287,139

Internal service funds are used by management to charge the costs of insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. (381,434)

Long-term liabilities and accrued interest are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds	(15,710,000)	
Compensated Absences	(2,595,527)	
Accrued Interest Payable	(63,822)	
Special Assessments Bonds	(1,200,997)	
Early Retirement Incentive	(167,152)	
Long-Term Contracts Payable	(14,783,391)	
Capital Leases	(64,735)	
Total	(34,585,624)	(34,585,624)

**Net Assets of Governmental Activities** \$119,755,274

See accompanying notes to the basic financial statements

**Muskingum County, Ohio**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2003**

	General	Public Assistance	Motor Vehicle and Gasoline Tax	Children Services Levy	Starlight School Levy	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Property and Other Taxes	\$2,404,827	\$0	\$0	\$1,693,786	\$3,184,471	\$4,144,453	\$11,427,537
Special Assessment	0	0	0	0	0	81,362	81,362
Permissive Sales Taxes	13,733,258	0	0	0	0	0	13,733,258
Charges for Services	4,089,909	210	0	1,626,309	0	1,962,817	7,679,245
Licenses and Permits	12,349	0	0	0	0	471,985	484,334
Fines and Forfeitures	410,724	0	106,095	0	0	184,392	701,211
Intergovernmental	2,367,554	12,252,351	4,615,313	3,525,456	2,774,131	6,699,439	32,234,244
Interest	1,004,486	0	13,907	0	0	100,582	1,118,975
Payments in Lieu of Taxes	15,971	0	0	13,432	30,365	328,308	388,076
Rent	6,700	0	0	0	0	560,497	567,197
Contributions and Donations	0	0	0	0	0	36,471	36,471
Other	204,562	12,507	0	6,648	40,222	64,838	328,777
<i>Total Revenues</i>	<u>24,250,340</u>	<u>12,265,068</u>	<u>4,735,315</u>	<u>6,865,631</u>	<u>6,029,189</u>	<u>14,635,144</u>	<u>68,780,687</u>
<b>Expenditures</b>							
Current:							
General Government:							
Legislative and Executive	10,077,385	0	0	0	0	751,160	10,828,545
Judicial	5,116,264	0	0	0	0	191,035	5,307,299
Public Safety	6,557,395	0	0	0	0	1,611,858	8,169,253
Public Works	302,449	0	4,532,871	0	0	2,162,376	6,997,696
Health	473,403	0	0	0	0	790,659	1,264,062
Human Services	437,689	12,974,838	0	6,710,155	6,235,270	7,638,194	33,996,146
Economic Development and Assistance	0	0	0	0	0	599,198	599,198
Capital Outlay	0	0	0	0	0	876,696	876,696
Intergovernmental	466,553	0	0	0	0	2,714,858	3,181,411
Debt Service:							
Principal Retirement	26,459	2,736	0	0	0	1,004,645	1,033,840
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	1,176,000	1,176,000
Interest and Fiscal Charges	8,317	1,171	0	0	0	993,953	1,003,441
<i>Total Expenditures</i>	<u>23,465,914</u>	<u>12,978,745</u>	<u>4,532,871</u>	<u>6,710,155</u>	<u>6,235,270</u>	<u>20,510,632</u>	<u>74,433,587</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>784,426</u>	<u>(713,677)</u>	<u>202,444</u>	<u>155,476</u>	<u>(206,081)</u>	<u>(5,875,488)</u>	<u>(5,652,900)</u>
<b>Other Financing Sources (Uses):</b>							
Refunding Bonds Issued	0	0	0	0	0	281,000	281,000
Proceeds from the Sale of Capital Assets	5,685	0	0	0	0	0	5,685
Inception of Capital Lease	25,017	0	0	0	0	0	25,017
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	(273,251)	(273,251)
Transfers In	585,715	518,107	47,688	107,298	154,986	3,556,504	4,970,298
Transfers Out	(3,288,801)	0	(298,650)	0	(90,445)	(73,986)	(3,751,882)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,672,384)</u>	<u>518,107</u>	<u>(250,962)</u>	<u>107,298</u>	<u>64,541</u>	<u>3,490,267</u>	<u>1,256,867</u>
<i>Net Change in Fund Balances</i>	<u>(1,887,958)</u>	<u>(195,570)</u>	<u>(48,518)</u>	<u>262,774</u>	<u>(141,540)</u>	<u>(2,385,221)</u>	<u>(4,396,033)</u>
Fund Balances at Beginning of Year - Restated (See Note 3)	<u>10,558,446</u>	<u>1,087,684</u>	<u>1,993,769</u>	<u>4,163,854</u>	<u>9,468,332</u>	<u>11,711,915</u>	<u>38,984,000</u>
<i>Fund Balances End of Year</i>	<u><u>\$8,670,488</u></u>	<u><u>\$892,114</u></u>	<u><u>\$1,945,251</u></u>	<u><u>\$4,426,628</u></u>	<u><u>\$9,326,792</u></u>	<u><u>\$9,326,694</u></u>	<u><u>\$34,587,967</u></u>

See accompanying notes to the basic financial statements

**Muskingum County, Ohio**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2003**

**Net Change in Fund Balances - Governmental Funds** (\$4,396,033)

*Amounts reported for governmental activities in the statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:

Capital Asset Additions	9,337,137	
Current Year Depreciation	(3,893,606)	
Total	5,443,531	5,443,531

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the proceeds and the loss on disposal of assets:

Loss on disposal of capital assets	(1,556,034)	
Proceeds from sale of capital assets	(5,685)	
Total	(1,561,719)	(1,561,719)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Property and Other Taxes	2,190	
Special Assessments	(81,362)	
Permissive Sales Taxes	83,267	
Charges for Services	51,941	
Fines and Forfeitures	29,158	
Intergovernmental	1,584,618	
Interest	(39,332)	
Total	1,630,480	1,630,480

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:

General Obligation Bonds	2,081,000	
Special Assessment Bonds Payable	98,646	
Capital Leases	30,194	
Total	2,209,840	2,209,840

Other financing sources (uses) in the governmental funds that increase long-term liabilities in the statement of net assets:

Refunding Bonds Issued	(281,000)	
Amortization of Deferred Amount on Refunding	(831)	
Payment to Refunded Bond Escrow Agent	273,251	
Total	(8,580)	(8,580)

Inception of capital leases are reported as other financing sources in the governmental funds, but the inception increases long-term liabilities on the statement of activities. (25,017)

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities. 10,632

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated Absences Payable	(201,929)	
Early Retirement Incentive	153,562	
Long-Term Contracts Payable	(3,216,458)	
Total	(3,264,825)	(3,264,825)

The internal service funds used by management to charge the costs of insurance to individual funds are not reported in the statement of activities. Governmental fund expenditures and the related internal service funds' revenues are eliminated. The net expense of the internal service funds is allocated among governmental activities. (1,462,168)

**Change in Net Assets of Governmental Activities** (\$1,423,859)

See accompanying notes to the basic financial statements

Muskingum County, Ohio  
Statement of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property and Other Taxes	\$14,353,000	\$2,381,696	\$2,399,475	\$17,779
Permissive Sales Taxes	0	12,637,821	13,768,419	1,130,598
Charges for Services	3,509,681	3,902,148	4,128,252	226,104
Licenses and Permits	6,850	6,850	12,164	5,314
Fines and Forfeitures	417,000	421,498	436,166	14,668
Intergovernmental	2,280,893	2,228,769	2,379,095	150,326
Interest	1,000,000	1,000,000	1,093,004	93,004
Payments in Lieu of Taxes	1,500	1,500	11,784	10,284
Rent	1,500	35,943	6,700	(29,243)
Contributions and Donations	2,000	0	0	0
Other	158,662	236,329	756,698	520,369
<i>Total Revenues</i>	<u>21,731,086</u>	<u>22,852,554</u>	<u>24,991,757</u>	<u>2,139,203</u>
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive	12,439,767	12,446,063	10,546,626	1,899,437
Judicial	4,985,300	5,762,750	5,111,325	651,425
Public Safety	7,222,636	7,612,516	6,593,286	1,019,230
Public Works	383,919	302,175	293,326	8,849
Health	477,055	480,144	474,318	5,826
Human Services	1,202,701	565,676	431,479	134,197
Intergovernmental	2,429,716	1,866,341	470,324	1,396,017
Debt Service:				
Principal Retirement	0	26,459	26,459	0
Interest and Fiscal Charges	0	8,317	8,317	0
<i>Total Expenditures</i>	<u>29,141,094</u>	<u>29,070,441</u>	<u>23,955,460</u>	<u>5,114,981</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,410,008)</u>	<u>(6,217,887)</u>	<u>1,036,297</u>	<u>7,254,184</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from the Sale of Capital Assets	0	10,812	5,685	(5,127)
Advances In	0	0	47,615	47,615
Advances Out	0	0	(61,993)	(61,993)
Transfers In	950,000	1,108,312	37,303	(1,071,009)
Transfers Out	(2,773,481)	(3,278,728)	(3,288,801)	(10,073)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,823,481)</u>	<u>(2,159,604)</u>	<u>(3,260,191)</u>	<u>(1,100,587)</u>
<i>Net Change in Fund Balance</i>	(9,233,489)	(8,377,491)	(2,223,894)	6,153,597
Fund Balance at Beginning of Year	8,425,803	8,425,803	8,425,803	0
Prior Year Encumbrances Appropriated	<u>1,580,943</u>	<u>1,580,943</u>	<u>1,580,943</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$773,257</u>	<u>\$1,629,255</u>	<u>\$7,782,852</u>	<u>\$6,153,597</u>

See accompanying notes to the basic financial statements

Muskingum County, Ohio  
Statement of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Public Assistance Fund  
For the Year Ended December 31, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$17,294,500	\$18,296,500	\$14,212,179	(\$4,084,321)
Other	360,000	0	179,096	179,096
<i>Total Revenues</i>	<u>17,654,500</u>	<u>18,296,500</u>	<u>14,391,275</u>	<u>(3,905,225)</u>
<b>Expenditures</b>				
Current:				
Human Services	18,393,195	19,001,288	14,347,552	4,653,736
Debt Service:				
Principal Retirement	0	2,736	2,736	0
Interest and Fiscal Charges	0	1,171	1,171	0
<i>Total Expenditures</i>	<u>18,393,195</u>	<u>19,005,195</u>	<u>14,351,459</u>	<u>4,653,736</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(738,695)</u>	<u>(708,695)</u>	<u>39,816</u>	<u>748,511</u>
<b>Other Financing Sources</b>				
Advances In	250,000	0	0	0
Transfers In	310,000	560,000	351,199	(208,801)
<i>Total Other Financing Sources</i>	<u>560,000</u>	<u>560,000</u>	<u>351,199</u>	<u>(208,801)</u>
<i>Net Change in Fund Balance</i>	(178,695)	(148,695)	391,015	539,710
Fund Balance (Deficit) at Beginning of Year	(588,461)	(588,461)	(588,461)	0
Prior Year Encumbrances Appropriated	778,695	778,695	778,695	0
<i>Fund Balance at End of Year</i>	<u>\$11,539</u>	<u>\$41,539</u>	<u>\$581,249</u>	<u>\$539,710</u>

See accompanying notes to the basic financial statements

Muskingum County, Ohio  
Statement of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Motor Vehicle and Gasoline Tax Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Permissive Sales Taxes	\$200,000	\$200,000	\$0	(\$200,000)
Licenses and Permits	0	0	0	0
Fines and Forfeitures	95,000	95,000	106,095	11,095
Intergovernmental	3,850,000	3,850,000	4,651,198	801,198
Interest	14,000	14,000	13,691	(309)
Other	0	57,500	47,688	(9,812)
<i>Total Revenues</i>	<u>4,159,000</u>	<u>4,216,500</u>	<u>4,818,672</u>	<u>602,172</u>
<b>Expenditures</b>				
Current:				
Public Works	4,690,135	5,154,334	4,887,427	266,907
Intergovernmental	0	0	122,442	(122,442)
<i>Total Expenditures</i>	<u>4,690,135</u>	<u>5,154,334</u>	<u>5,009,869</u>	<u>144,465</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(531,135)	(937,834)	(191,197)	746,637
<b>Other Financing Use</b>				
Transfers Out	0	(298,650)	(298,650)	0
<i>Net Change in Fund Balance</i>	(531,135)	(1,236,484)	(489,847)	746,637
Fund Balance at Beginning of Year	1,178,856	1,178,856	1,178,856	0
Prior Year Encumbrances Appropriated	531,133	531,133	531,133	0
<i>Fund Balance at End of Year</i>	<u>\$1,178,854</u>	<u>\$473,505</u>	<u>\$1,220,142</u>	<u>\$746,637</u>

See accompanying notes to the basic financial statements

Muskingum County, Ohio  
Statement of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Children Services Levy Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property and Other Taxes	\$1,875,000	\$1,858,433	\$1,688,807	(\$169,626)
Charges for Services	282,000	282,000	1,613,011	1,331,011
Intergovernmental	2,168,501	2,185,068	3,710,102	1,525,034
Payments in Lieu of Taxes	0	0	10,056	10,056
Other	200	200	112,037	111,837
<i>Total Revenues</i>	<u>4,325,701</u>	<u>4,325,701</u>	<u>7,134,013</u>	<u>2,808,312</u>
<b>Expenditures</b>				
Current:				
Human Services	<u>6,826,742</u>	<u>8,026,743</u>	<u>6,900,213</u>	<u>1,126,530</u>
<i>Net Change in Fund Balance</i>	(2,501,041)	(3,701,042)	233,800	3,934,842
Fund Balance at Beginning of Year	3,916,597	3,916,597	3,916,597	0
Prior Year Encumbrances Appropriated	<u>397,404</u>	<u>397,404</u>	<u>397,404</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,812,960</u></u>	<u><u>\$612,959</u></u>	<u><u>\$4,547,801</u></u>	<u><u>\$3,934,842</u></u>

See accompanying notes to the basic financial statements

Muskingum County, Ohio  
Statement of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Starlight School Levy Fund  
For the Year Ended December 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Property and Other Taxes	\$4,000,000	\$3,227,393	\$3,172,025	(\$55,368)
Intergovernmental	2,468,072	2,981,182	2,855,411	(125,771)
Payments in Lieu of Taxes	0	22,607	22,607	0
Other	13,000	183,356	195,208	11,852
<i>Total Revenues</i>	<u>6,481,072</u>	<u>6,414,538</u>	<u>6,245,251</u>	<u>(169,287)</u>
<b>Expenditures</b>				
Current:				
Human Services	<u>6,474,407</u>	<u>6,633,925</u>	<u>6,126,746</u>	<u>507,179</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	6,665	(219,387)	118,505	337,892
<b>Other Financing Use</b>				
Transfers Out	<u>0</u>	<u>(90,445)</u>	<u>(90,445)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	6,665	(309,832)	28,060	337,892
Fund Balance at Beginning of Year	9,407,851	9,407,851	9,407,851	0
Prior Year Encumbrances Appropriated	<u>14,049</u>	<u>14,049</u>	<u>14,049</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$9,428,565</u>	<u>\$9,112,068</u>	<u>\$9,449,960</u>	<u>\$337,892</u>

See accompanying notes to the basic financial statements



**Muskingum County, Ohio**  
**Statement of Fund Net Assets**  
**Proprietary Funds**  
**December 31, 2003**

	<u>Business - Type Activities - Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
<b>Assets</b>				
<b>Current Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$3,572,065	\$493,027	\$4,065,092	\$690,016
Investments	0	2,102,185	2,102,185	0
<b>Receivables:</b>				
Accounts	1,203,596	328,210	1,531,806	0
Intergovernmental	0	215,519	215,519	0
Interfund	6,416	0	6,416	0
Materials and Supplies Inventory	1,581	0	1,581	0
Deferred Charges	75,193	147,471	222,664	0
Prepaid Items	100	750	850	0
<i>Total Current Assets</i>	<u>4,858,951</u>	<u>3,287,162</u>	<u>8,146,113</u>	<u>690,016</u>
<b>Noncurrent Assets:</b>				
Non-Depreciable Capital Assets	43,577	1,690,745	1,734,322	0
Depreciable Capital Assets, Net	25,080,941	17,689,044	42,769,985	0
<i>Total Noncurrent Assets</i>	<u>25,124,518</u>	<u>19,379,789</u>	<u>44,504,307</u>	<u>0</u>
<i>Total Assets</i>	<u>29,983,469</u>	<u>22,666,951</u>	<u>52,650,420</u>	<u>690,016</u>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts Payable	102,876	48,196	151,072	0
Contracts Payable	0	293,044	293,044	0
Accrued Interest Payable	22,693	24,940	47,633	0
Accrued Wages and Benefits	24,698	28,513	53,211	0
Intergovernmental Payable	14,191	57,755	71,946	0
Claims and Judgments Payable	25,000	0	25,000	1,071,450
Current Portion of Compensated Absences Payable	13,595	7,006	20,601	0
Current Portion of General Obligation Bonds Payable	126,500	250,000	376,500	0
Current Portion of Revenue Bonds Payable	10,800	0	10,800	0
Current Portion of OWDA Loans Payable	19,864	0	19,864	0
<i>Total Current Liabilities</i>	<u>360,217</u>	<u>709,454</u>	<u>1,069,671</u>	<u>1,071,450</u>
<b>Long-Term Liabilities (Net of Current Portion):</b>				
Compensated Absences Payable	1,471	22,231	23,702	0
General Obligation Bonds Payable	4,179,486	7,056,257	11,235,743	0
Revenue Bonds Payable	566,700	0	566,700	0
OWDA Loans Payable	286,832	2,352,395	2,639,227	0
<i>Total Long-Term Liabilities</i>	<u>5,034,489</u>	<u>9,430,883</u>	<u>14,465,372</u>	<u>0</u>
<i>Total Liabilities</i>	<u>5,394,706</u>	<u>10,140,337</u>	<u>15,535,043</u>	<u>1,071,450</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	19,934,336	9,721,137	29,655,473	0
Unrestricted (Deficit)	4,654,427	2,805,477	7,459,904	(381,434)
<i>Total Net Assets (Deficit)</i>	<u>\$24,588,763</u>	<u>\$12,526,614</u>	<u>\$37,115,377</u>	<u>(\$381,434)</u>

See accompanying notes to the basic financial statements

**Muskingum County, Ohio**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2003**

	<u>Business - Type Activities - Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
<b>Operating Revenues</b>				
Charges for Services	<u>\$1,735,163</u>	<u>\$2,579,148</u>	<u>\$4,314,311</u>	<u>\$5,797,965</u>
<b>Operating Expenses</b>				
Personal Services	336,212	508,969	845,181	0
Contractual Services	1,126,130	234,806	1,360,936	0
Materials and Supplies	138,685	684,025	822,710	0
Claims	25,000	0	25,000	6,506,489
Depreciation	776,873	614,038	1,390,911	0
Other	<u>0</u>	<u>28,971</u>	<u>28,971</u>	<u>0</u>
<i>Total Operating Expenses</i>	<u>2,402,900</u>	<u>2,070,809</u>	<u>4,473,709</u>	<u>6,506,489</u>
<i>Operating Income (Loss)</i>	<u>(667,737)</u>	<u>508,339</u>	<u>(159,398)</u>	<u>(708,524)</u>
<b>Non-Operating Revenues (Expenses)</b>				
Interest	1,614	40,495	42,109	0
Interest and Fiscal Charges	(262,819)	(263,930)	(526,749)	0
Loss on Disposal of Capital Assets	(19,467)	0	(19,467)	0
Other Non-Operating Revenues	<u>329</u>	<u>44,572</u>	<u>44,901</u>	<u>438,558</u>
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(280,343)</u>	<u>(178,863)</u>	<u>(459,206)</u>	<u>438,558</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>(948,080)</u>	<u>329,476</u>	<u>(618,604)</u>	<u>(269,966)</u>
Capital Contributions from Customers	908,274	168,176	1,076,450	0
Capital Contributions from Grantors	0	982,199	982,199	0
Capital Contributions from Other Funds	315,806	247,618	563,424	0
Transfers In	9,819	0	9,819	0
Transfers Out	<u>(36,033)</u>	<u>0</u>	<u>(36,033)</u>	<u>(1,192,202)</u>
<i>Change in Net Assets</i>	<u>249,786</u>	<u>1,727,469</u>	<u>1,977,255</u>	<u>(1,462,168)</u>
Net Assets Beginning of Year - Restated (See Note 3)	<u>24,338,977</u>	<u>10,799,145</u>	<u>35,138,122</u>	<u>1,080,734</u>
<i>Net Assets End of Year</i>	<u>\$24,588,763</u>	<u>\$12,526,614</u>	<u>\$37,115,377</u>	<u>(\$381,434)</u>

See accompanying notes to the basic financial statements

**Muskingum County, Ohio**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2003**

	<u>Business - Type Activities - Enterprise Funds</u>			Governmental
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	Activities- Internal Service Fund
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$1,635,732	\$2,436,555	\$4,072,287	\$0
Cash Received from Transactions with Other Funds	0	0	0	5,797,965
Cash Payments for Employee Services and Benefits	(324,540)	(503,604)	(828,144)	0
Cash Payments for Goods and Services	(1,305,554)	(567,443)	(1,872,997)	0
Cash Payments for Claims	0	0	0	(6,480,236)
Other Non-Operating Revenues	329	44,572	44,901	438,558
Other Operating Expenses	0	(29,471)	(29,471)	0
<i>Net Cash Provided by Operating Activities</i>	<u>5,967</u>	<u>1,380,609</u>	<u>1,386,576</u>	<u>(243,713)</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Advances Out	(6,416)	0	(6,416)	0
Transfers In	9,819	0	9,819	0
Transfers Out	(36,033)	0	(36,033)	(1,192,202)
<i>Net Cash Used in Noncapital Financing Activities</i>	<u>(32,630)</u>	<u>0</u>	<u>(32,630)</u>	<u>(1,192,202)</u>
<b>Cash Flows from Investing Activities</b>				
Purchase of Investments	0	(1,372,619)	(1,372,619)	0
Interest on Investments	1,614	38,588	40,202	0
<i>Net Cash Provided by (Used in) Investing Activities</i>	<u>1,614</u>	<u>(1,334,031)</u>	<u>(1,332,417)</u>	<u>0</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Payments for Capital Acquisitions	(297,486)	(2,362,579)	(2,660,065)	0
Refunding Bonds Issued	1,654,000	8,065,000	9,719,000	0
OWDA Loans Received	0	784,436	784,436	0
Tap-In Fees	994,060	168,176	1,162,236	0
Capital Grants	0	766,680	766,680	0
Payment to Refunded Bond Escrow Agent	(1,600,238)	(8,884,734)	(10,484,972)	0
Bond Issuance Costs	(43,241)	(153,370)	(196,611)	0
Discount on Debt Issued	(7,451)	(8,455)	(15,906)	0
Principal Paid on Debt	(141,547)	(68,988)	(210,535)	0
Interest and Fiscal Charges Paid on Debt	(262,956)	(230,943)	(493,899)	0
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	<u>295,141</u>	<u>(1,924,777)</u>	<u>(1,629,636)</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	270,092	(1,878,199)	(1,608,107)	(1,435,915)
Cash and Cash Equivalents Beginning of Year	<u>3,301,973</u>	<u>2,371,226</u>	<u>5,673,199</u>	<u>2,125,931</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$3,572,065</u>	<u>\$493,027</u>	<u>\$4,065,092</u>	<u>\$690,016</u>

(continued)

**Muskingum County, Ohio**  
**Statement of Cash Flows**  
**Proprietary Funds (Continued)**  
**For the Year Ended December 31, 2003**

	<u>Business - Type Activities - Enterprise Funds</u>			Governmental Activities- Internal Service Fund
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	<u>Fund</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>				
Operating Income (Loss)	(\$667,737)	\$508,339	(\$159,398)	(\$708,524)
Adjustments:				
Other Non-Operating Revenues	329	44,572	44,901	438,558
Depreciation	776,873	614,038	1,390,911	0
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(99,431)	(142,593)	(242,024)	0
(Increase) Decrease in Prepaid Items	(100)	6,254	6,154	0
(Increase) Decrease in Materials and Supplies Inventory	(252)	48,459	48,207	0
Increase (Decrease) in Accounts Payable	28,344	(39,536)	(11,192)	0
Increase (Decrease) in Accrued Wages and Benefits Payable	10,494	(34,809)	(24,315)	0
Increase in Contracts Payable	0	293,044	293,044	0
Increase (Decrease) in Compensated Absences Payable	(406)	29,237	28,831	0
Increase in Claims and Judgments Payable	25,000	0	25,000	26,253
Increase (Decrease) in Intergovernmental Payable	(67,147)	53,604	(13,543)	0
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$5,967</u>	<u>\$1,380,609</u>	<u>\$1,386,576</u>	<u>(\$243,713)</u>

**Noncash Transactions:**

During fiscal year 2003, the County recorded a decrease in the fair value of investments in the amount of \$4,525 in the Water Enterprise Fund. During 2003 the Sewer and Water Enterprise Funds reflected capital contributions in the amounts of \$315,806 and \$247,618, respectively, from governmental funds for capital asset additions. In addition, capital contributions increased in the amount of \$215,519 for a capital grant recorded in the Water Enterprise Fund as a receivable at December 31, 2003. During 2003, capital contributions from customers decreased by \$85,786 in the Sewer Enterprise Fund due to a decrease in receivables for unbilled tap-in fees.

See accompanying notes to the basic financial statements

**Muskingum County, Ohio**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**December 31, 2003**

<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$8,190,006
Cash and Cash Equivalents in Segregated Accounts	899,906
Investments in Segregated Accounts	100,000
Receivables:	
Property and Other Taxes	50,851,577
Payments in Lieu of Taxes	10,122
Accounts	1,805,714
Intergovernmental	<u>7,144,616</u>
<i>Total Assets</i>	<u><u>\$69,001,941</u></u>
<b>Liabilities</b>	
Intergovernmental Payable	\$63,583,608
Deposits Held and Due to Others	9,445
Undistributed Monies	<u>5,408,888</u>
<i>Total Liabilities</i>	<u><u>\$69,001,941</u></u>

See accompanying notes to the basic financial statements

## Muskingum County, Ohio

### Notes to the Basic Financial Statements December 31, 2003

---

#### NOTE 1 - REPORTING ENTITY

Established in 1804, Muskingum County, Ohio (the County) is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County who manage various segments of the County's operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecutor, Sheriff, two County Court Judges, two Common Pleas Court Judges, and a Probate Court Judge. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body and chief administrators of public services for the County, including each of these departments.

#### Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the County are not misleading.

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Muskingum County, this includes the Childrens Services Board, the Board of Mental Retardation and Developmental Disabilities, Tuberculosis Clinic Board, the Board of Mental Health and Recovery Services, and all departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the program's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the levying of taxes or the issuance of debt.

The component unit column in the combined financial statements identifies the financial data of the County's component units, the Transportation Improvement District and Muskingum Starlight Industries, Inc. They are discretely reported to emphasize that they are legally separate from the County.

The Transportation Improvement District (TID) is a body politic and corporate, created for the purpose of financing, constructing, maintaining, repairing, and operating selected transportation projects. The District was specifically formed under the auspices of House Bill 154, and Ohio Revised Code Chapter 5540, as amended, and created by action of the Board of County Commissioners of Muskingum County on November 20, 1995. The District is governed by a Board of Directors that acts as the authoritative and legislative body of the entity. The Board is comprised of seven members, with five members appointed by a majority vote of the Board of Commissioners.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

One ex-officio member is appointed by the President of the Ohio Senate and one ex-officio member is appointed by the Speaker of the House of Representatives. The Board of Directors appoints a Chairman, who presides at all meetings and is the chief officer of the District. He has the authority to sign all contracts, releases, notes, bonds, and other instruments and documents to be executed on behalf of the District. He is the chief officer of the District for the purpose of civil process and is authorized to accept such services on behalf of the District. He performs such other duties and has such authority as may be provided from time to time by the Board. Also, the Zanesville-Muskingum County Port Authority serves as the Administrative Agent for the Muskingum County Transportation Improvement District. Separately issued financial statements can be obtained from the Transportation Improvement District, Zanesville, Ohio.

Muskingum Starlight Industries, Inc. is a legally separate, not-for-profit corporation, served by a self-supporting board of trustees. The workshop, under a contractual agreement with the Muskingum County Board of Mental Retardation and Developmental Disabilities (MRDD), provides sheltered employment for mentally retarded or handicapped adults in Muskingum County. The Muskingum County Board of MRDD provides the workshop with staff salaries, transportation, equipment (except that used directly in the production of goods or rendering of services), staff to administer and supervise training programs, and other funds as necessary for the operation of the workshop. Based on the significant services and resources provided by the County to the workshop and the workshop's sole purpose of providing assistance to the retarded and handicapped adults of Muskingum County, the workshop is presented as a component unit of Muskingum County.

The operating statement of Muskingum Starlight Industries, Inc. is presented at the object level. The workshop is required only to report operating information at the program level; however, since it operates under a single program, object level information is presented to provide more comprehensive financial information. Separately issued financial statements can be obtained from Muskingum Starlight Industries, Inc., Zanesville, Ohio.

The following potential component units have been excluded from the County's financial statements because the County is not financially accountable for these organizations nor are these entities for which the County approves the budget, the issuing of debt, or the levying of taxes:

Muskingum County Educational Service Center  
Muskingum County Law Library  
Muskingum County Library System  
Muskingum College  
Muskingum Area Technical College  
Zanesville/Muskingum Convention and Visitors Bureau

As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the county treasury. In the case of the separate agencies, boards, and commissions listed below, the County serves as fiscal agent, but is not financially accountable for their operations. Accordingly, the activity of the following districts is presented as agency funds in the County's financial statements:

## Muskingum County, Ohio

### Notes to the Basic Financial Statements December 31, 2003

---

Zanesville-Muskingum County Health Department is governed by a five member board of health which oversees the operation of the health district and is elected by a regional advisory council. The board adopts its own budget, hires and fires its own staff, and operates autonomously from the County.

Muskingum County Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are elected officials authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.

The County participates in the following organizations which are defined as jointly governed organizations. Additional financial information concerning the jointly governed organizations is discussed in Note 21.

South East Ohio Joint Solid Waste Management District  
Mental Health and Recovery Services Board  
Mid Eastern Ohio Regional Council of Governments (MEORC)  
Southeast Area Transit Authority (SEAT)  
Zanesville-Muskingum Family and Children First Council  
Area Agency on Aging  
Ohio Mid-Eastern Governments Association (OMEGA)  
Licking-Muskingum Community Based Correctional Facility (CBCF)  
Zanesville-Muskingum County Port Authority  
Perry Multi-County Juvenile Facility  
Muskingum County Center for Seniors

The County is associated with the following organizations which are defined as related organizations. Additional financial information concerning the related organizations is presented in Note 22.

Muskingum County Convention Facilities Authority  
Zanesville Metropolitan Housing Authority  
Muskingum County Park District

The County is associated with the County Risk Sharing Authority (CORSA) and the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan which are defined as public entity pools. Additional information concerning these organizations is presented in Note 23.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements, and has elected not to apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, to its enterprise funds and business-type activities. The most significant of the County's accounting policies are described below.



## Muskingum County, Ohio

### Notes to the Basic Financial Statements December 31, 2003

---

#### A. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

***Government-wide Financial Statements*** The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The policy of the County is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

***Fund Financial Statements*** During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

#### B. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

***Governmental Funds*** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General Fund - The General Fund, the County's primary operating fund, accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

Public Assistance Fund - To account for various federal and state grants as well as transfers from the general fund, used to provide public assistance to general relief recipients and to pay their providers of medical assistance, and for certain public social services.

Motor Vehicle and Gasoline Tax Fund - To account for revenues derived from motor vehicle licenses, gasoline taxes, and grants. Ohio state law restricts expenditures in this fund to county road and bridge repair and improvement programs.

Children Services Levy Fund - To account for revenues derived from property taxes and state and federal funds. State law restricts the expenditure of these revenues to programs designed to aid homeless children or children from troubled families.

Starlight School Levy Fund - To account for property tax revenues and federal and state grants. Expenditures are restricted by state law to those that benefit the mentally retarded and the developmentally disabled. County expenditures have been for social service contracts, medical providers and costs to maintain and operate buildings and buses provided for the mentally retarded and developmentally disabled.

The other governmental funds of the County account for grants and other resources whose use is restricted to a particular purpose.

**Proprietary Funds** Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The County reports the following major proprietary funds:

Sewer Fund - To account for sanitary sewer services provided to individuals and commercial users. The costs of providing these services are financed primarily through user charges.

Water Fund - To account for water services provided to individuals and commercial users. The costs of providing these services are financed primarily through user charges.

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The internal service funds are used to account for the operation of the County's self insurance program for employee health benefits and prescription drugs and the County's workers' compensation program through a retrospective rating plan.

**Fiduciary Funds** Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

## Muskingum County, Ohio

### Notes to the Basic Financial Statements December 31, 2003

---

The County's fiduciary funds are all classified as agency funds. The agency funds account for assets held by the County as agent for the Board of Health and other districts and entities and for various taxes, assessments, and state shared resources collected on behalf of and distributed to other local governments.

#### C. Measurement Focus

**Government-wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

**Fund Financial Statements** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in revenues, expenses, and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

#### D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within thirty days of year-end.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 7) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales tax (see Note 8), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

***Deferred Revenue*** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2003, but which were levied to finance year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by County Commissioners at the fund, program, department, and object level. Budgetary modifications may only be made by resolution of the County Commissioners. The Homeland Security special revenue fund was not budgeted because the County did not anticipate any financial activity within this fund and none occurred.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2003.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County Commissioners during the year.

F. Cash and Cash Equivalents

Cash balances of the County's funds, except cash held by a trustee, fiscal agent or held in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. During 2003, investments were limited to money market mutual funds, nonparticipating certificates of deposit, and federal agency securities. Except for nonparticipating investment contracts, investments are reported at fair value which is based upon quoted market prices. Nonparticipating investment contracts are reported at cost or amortized cost. Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments. The County has segregated bank accounts for monies held separate from the County's central bank account. These interest bearing depository and investment accounts are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts" and as "Investments in Segregated Accounts" since they are not required to be deposited into the County Treasury.

Interest revenue is distributed to the funds according to the Muskingum County Prosecutor's interpretation of Ohio constitutional and statutory requirements. During 2003, interest was distributed to the general fund, certain special revenue funds, capital project funds, debt service funds, enterprise funds, and certain agency funds. Interest revenue credited to the general fund during 2003 amounted to \$1,004,486, which includes \$933,785 assigned from other County funds.

G. Restricted Assets

Certain resources set aside for the guarantee of a component unit loan repayment is classified as a restricted asset on the combined balance sheet because its use is limited by applicable debt agreements.

H. Receivables and Payables

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also, by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

Using this criteria, the County has elected to not record child support arrearages. These amounts, while potentially significant, are not considered measurable, and because collections are often significantly in arrears, the County is unable to determine a reasonable value.

Muskingum County, Ohio

Notes to the Basic Financial Statements  
December 31, 2003

---

I. Inventory of Supplies

Inventories are presented at cost on a first-in, first-out basis and are expended/ expensed when used.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2003, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/ expense in the year in which services are consumed.

K. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "interfund receivables/ payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

L. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest costs incurred during the construction of capital assets utilized by the enterprise funds are also capitalized.

All reported capital assets are depreciated except for land, land improvements, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings	50 Years	30-35 Years
Machinery, Equipment, Furniture and Fixtures	5-10 Years	5-10 Years
Vehicles	5 Years	5 Years
Infrastructure	15-50 Years	20-50 Years

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

M. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the County's termination policy. The County records a liability for sick leave for employees after seven years of service at varying rates depending on County policy.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

N. Accrued Liabilities and Long Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported in the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and long-term loans are recognized as a liability in the governmental fund financial statements when due.

O. Unamortized Bond Discounts and Issuance Costs

Bond discounts and issuance costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bonds payable are reported net of the applicable bond discount. Bond issuance costs are recorded as deferred charges and amortized over the term of the related debt.

On the governmental fund financial statements, governmental fund types recognize issuance costs and bond discounts in the current period. The face amount of the debt issue is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

P. Capital Contributions

Contributions of capital arise from outside contributions of capital assets from governmental activities to business-type activities, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Q. Fund Balance Reserves

The County records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, long-term contracts payable, loan guarantee, loans receivable, and claimants. Reservation for claimants is established because by law, unclaimed monies are not available for appropriation until they have remained unclaimed for five years.

R. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

S. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes primarily include activities involving the upkeep of the County's roads and bridges, services for the handicapped and mentally retarded, and services for homeless children or children from troubled families. The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.



**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

T. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for wastewater treatment, sale of water, and self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County and that are either unusual in nature or infrequent in occurrence.

V. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3-CHANGES IN FUND BALANCES/ NET ASSETS AND ACCOUNTING PRINCIPLES

***Changes in Accounting Principles*** For the year ended December 31, 2003, the County has implemented GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus," GASB Statement No. 38, "Certain Financial Statement Note Disclosures," GASB Statement No. 41, "Budgetary Comparison Schedules - Perspective Differences," and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements." At December 31, 2002, there was no effect on fund balances as a result of implementing GASB Statements 37 and 38.

GASB 34 creates new basic financial statements for reporting on the County's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements split the County's programs between business-type activities and governmental activities. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2002, caused by the reclassification of funds based on the guidance provided in Statement No. 34 and the conversion to the accrual basis of accounting.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the MD&A, the classification of program revenues, and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes, and rescinds certain financial statement note disclosures.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization, or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the County not being able to present budgetary comparisons for the general and each major special revenue fund. The implementation of this statement did not have any effect on the presentation County's budgetary financial statements for 2003.

**Restatement of Fund Balances** The fund classification was updated during fiscal year 2003 to reclassify the Children Services Trust Fund, previously reported as an expendable trust fund, to a special revenue fund. There were also restatements for cash held with fiscal agents in the Starlight School Levy major fund for amounts that were held by MEORC (See Note 6) that were not recorded, fund equity corrections of prior year accrual balances, and the allocation of agency fund cash associated with County activities. These restatements and the implementation of Interpretation No. 6 had the following effect on fund balance of the major and nonmajor funds of the County as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	General	Public Assistance	Motor Vehicle and Gasoline Tax
Fund Balances			
December 31, 2002	\$10,467,681	\$1,073,727	\$1,990,135
Cash Held at MEORC	0	0	0
Interpretation 6	19,198	13,957	3,634
Fund Reclassification	0	0	0
Restated Liability	0	0	0
Agency Fund Cash Allocation	71,567	0	0
Restated Fund Balances			
December 31, 2002	<u>\$10,558,446</u>	<u>\$1,087,684</u>	<u>\$1,993,769</u>

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

The transition from governmental fund balance to net assets of the governmental activities continued:

	Children Services Levy	Starlight School Levy	Nonmajor Governmental Funds	Totals
Fund Balances				
December 31, 2002	\$4,081,442	\$8,293,160	\$12,399,599	\$38,305,744
Cash Held at MEORC	0	993,895	0	993,895
Interpretation 6	15,838	14,841	10,534	78,002
Fund Reclassification	0	0	126,818	126,818
Restated Liability	0	0	(971,500)	(971,500)
Agency Fund Cash Allocation	66,574	166,436	146,464	451,041
Restated Fund Balances				
December 31, 2002	<u>\$4,163,854</u>	<u>\$9,468,332</u>	<u>\$11,711,915</u>	38,984,000
GASB 34 Adjustments:				
Capital Assets				104,965,414
Internal Service Fund				1,080,734
Long-Term Liabilities				(30,277,263)
Contract Payable				(441,645)
Accrued Interest Payable				(74,454)
Long-Term (Deferred) Assets				9,656,659
Early Retirement Benefits Payable				(320,714)
Compensated Absences				<u>(2,393,598)</u>
Governmental Activities Net Assets, December 31, 2002				<u>\$121,179,133</u>

During 2003, the County assumed operations of the East Muskingum Water Authority, resulting in the transfer of assets and liabilities of the Authority to the County. The transition from proprietary fund equity to net assets of the business - type activities is as follows:

	Sewer	Water	Total Business-Type Activities
Fund Equity, December 31, 2002	<u>\$22,741,201</u>	<u>\$1,052,100</u>	\$23,793,301
Interpretation 6	1,996	0	1,996
East Muskingum Water Authority Net Assets			
Transferred to the County	0	9,230,435	9,230,435
Understated Capital Assets	<u>1,595,780</u>	<u>516,610</u>	<u>2,112,390</u>
Adjusted Net Assets December 31, 2002	<u>\$24,338,977</u>	<u>\$10,799,145</u>	<u>\$35,138,122</u>

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

**NOTE 4 – BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual for the general and each major special revenue fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- C. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance.
- D. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
- E. Unrecorded cash and unrecorded interest are reported on the balance sheet (GAAP basis), but not on the budgetary basis.
- F. Cash that is held by the agency funds on behalf of County funds on a budget basis are allocated and reported on the balance sheet (GAAP basis) in the appropriate County fund.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

Adjustments necessary to convert the results of operations at year end on the Budget basis to the GAAP basis are as follows:

Net Change in Fund Balances General and Major Special Revenue Funds					
	<u>General</u>	<u>Public Assistance</u>	<u>Motor Vehicle and Gasoline Tax</u>	<u>Children Services Levy</u>	<u>Starlight School Levy</u>
GAAP Basis	(\$1,887,958)	(\$195,570)	(\$48,518)	\$262,774	(\$141,540)
Net Adjustment for Revenue Accruals	725,858	777,635	83,573	273,361	230,460
Beginning of the Year:					
Unrecorded Cash	62,191	1,348,572	1,264	0	0
Unreported Interest	14,918	0	0	0	0
Agency Fund Cash Allocation	71,567	0	0	66,574	166,436
Prepaid Items	128,526	3,521	1,492	20,112	2,841
End of the Year:					
Unrecorded Cash	(47,450)	0	0	0	(1,952)
Unreported Interest	(8,748)	0	(1,480)	0	0
Agency Fund Cash Allocation	(76,919)	0	0	(71,553)	(178,882)
Prepaid Items	(126,797)	(262)	(1,340)	(345)	(9,433)
Net Adjustment for Expenditure Accruals	296,468	(346,248)	211,068	225,650	230,759
Transfers In	(548,412)	(166,908)	(47,688)	(107,298)	(154,986)
Advances In	47,615	0	0	0	0
Advances Out	(61,993)	0	0	0	0
Encumbrances	<u>(812,760)</u>	<u>(1,029,725)</u>	<u>(688,218)</u>	<u>(435,475)</u>	<u>(115,643)</u>
Budget Basis	<u><u>(\$2,223,894)</u></u>	<u><u>\$391,015</u></u>	<u><u>(\$489,847)</u></u>	<u><u>\$233,800</u></u>	<u><u>\$28,060</u></u>

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

**NOTE 5 - ACCOUNTABILITY AND COMPLIANCE**

**A. Fund Deficits:**

The following funds had deficit fund balances/net assets as of December 31, 2003:

<u>Fund Type/Fund</u>	<u>Deficit Fund Balance/ Net Assets</u>
<u>Special Revenue Funds:</u>	
County Home Levy	\$4,123
Litter Prevention	16,333
<u>Capital Projects Funds:</u>	
Issue II	194,716
Brandywine Loop Construction	99,770
Energy Conservation	391,906
<u>Internal Service Fund:</u>	
Self-Insurance Health	969,708

The deficits in the special revenue funds and internal service fund are due to the recognition of payables in accordance with generally accepted accounting principles. The general fund provides operating transfers for these funds but only as cash is required, not as deficits occur. The deficits in the capital projects funds are the result of the issuance of debt to finance projects in these funds. Once the debt is retired, the deficits will be eliminated.

**B. Legal Compliance:**

Contrary to Revised Code section 5705.39, appropriations exceeded estimated revenues plus unencumbered carry over balances in the following funds:

<u>Fund Type/Fund</u>	<u>Excess</u>
<u>Capital Projects Funds:</u>	
Muskingum County Detention Center	\$30,444
Economic Development	40,000
<u>Internal Service Fund:</u>	
Self-Insurance Health	534,782

The County will monitor estimated revenue levels in the future to ensure that appropriations are not in excess of the amount available.

The following accounts had expenditures plus encumbrances in excess of appropriations contrary to section 5705.41, Revised Code:

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

<u>Fund Type/Fund</u>	<u>Excess</u>
General Fund	
Transfers Out	\$10,073
<u>Special Revenue Funds:</u>	
Motor Vehicle and Gasoline Tax	
Intergovernmental	
Grants	122,442
Commissary	
Public Safety	
Materials and Supplies	167,626
Childrens Services Christmas	
Human Services	
Materials and Supplies	4,835
<u>Debt Service Funds:</u>	
Water Debt Service	
Discount on Debt Issued	8,455
Payment to Refunded Bond Escrow Agent	393,786
Sewer Debt Service	
Discount on Debt Issued	7,451
Payment to Refunded Bond Escrow Agent	930

The County will more closely monitor budgetary procedures pertaining to violations of this nature in the future.

**NOTE 6 - DEPOSITS AND INVESTMENTS**

Monies held by the County are classified by the State statute into two categories. Active monies are public monies determined to be necessary to meet current demand upon the County treasury. Active monies must be maintained as either cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts. Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2) or cash or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the County's total average portfolio; and
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the County's total average portfolio.

Investments in stripped principal and interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment.

Cash on Hand:

At year end, the County had \$378,925 in undeposited cash on hand which is included on the financial statements of the County as part of "Equity in Pooled Cash and Cash Equivalents" and "Cash and Cash Equivalents in Segregated Accounts".

Deposits:

At year-end, the carrying amount of the County's deposits was \$49,031,112, and the bank balance was \$50,029,233. Of the bank balance:



**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

1. \$907,887 was covered by federal depository insurance;
2. \$49,121,346 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

At December 31, 2003, the County's Starlight School special revenue fund had a cash balance of \$1,018,251 with MEORC, a jointly governed organization (See Note 21). The money is held by MEORC in a pooled account which is representative of numerous entities and therefore cannot be classified by risk number under GASB Statement 3. The classification of cash and cash equivalents and investments for MEORC as a whole may be obtained from their audit report. To obtain financial information, write to the Mid East Ohio Regional Council, Cathy Henthorn, who serves as Associate Director of Business, 160 Columbus Road, Mt. Vernon, Ohio 43050.

**Investments:**

The County's investments are required to be categorized to give an indication of the level of risk assumed by the County at year-end. Category 1 includes investments that are insured or registered for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held in the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name.

Investment	Category 2	Fair Value	Rate	Maturity
Government Securities:				
Federal Home Loan Mortgage Corporation Bonds	\$49,875	\$49,875	2.250%	3/24/2006
Federal Home Loan Mortgage Corporation Bonds	50,302	50,302	4.000%	12/12/2007
Federal Home Loan Mortgage Corporation Bonds	50,688	50,688	3.500%	2/13/2008
Federal Home Loan Mortgage Corporation Bonds	50,119	50,119	4.000%	1/23/2009
State and Local Government Series Bonds	4,100	4,100	6.838%	7/1/2004
State and Local Government Series Bonds	4,500	4,500	6.838%	7/1/2005
Federal Home Loan Bank Bonds	52,234	52,234	4.375%	11/15/2005
Federal Home Loan Bank Bonds	50,031	50,031	2.220%	1/30/2006
State and Local Government Series Bonds	4,800	4,800	6.838%	7/1/2006
State and Local Government Series Bonds	4,900	4,900	6.838%	7/1/2007
State and Local Government Series Bonds	5,200	5,200	6.838%	7/1/2008
Federal Home Loan Bank Bonds	50,188	50,188	6.000%	1/30/2009
Federal Home Loan Bank Bonds	50,141	50,141	4.125%	2/10/2009
State and Local Government Series Bonds	5,600	5,600	6.838%	7/1/2009
State and Local Government Series Bonds	6,000	6,000	6.838%	7/1/2010
State and Local Government Series Bonds	6,300	6,300	6.838%	7/1/2011
State and Local Government Series Bonds	7,100	7,100	6.838%	7/1/2012
State and Local Government Series Bonds	7,100	7,100	6.838%	7/1/2013
State and Local Government Series Bonds	7,500	7,500	6.838%	7/1/2014
Money Market Mutual Fund	0	1,435,507	N/A	N/A
<b>Total</b>	<b>\$466,678</b>	<b>\$1,902,185</b>		

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

Investments in money market mutual funds are not categorized by risk because they are not evidenced by securities that exist in physical or book entry form.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9; "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting." Cash equivalents are defined to include investments with original maturities of three months or less and investments of the County's cash management pool.

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	Cash and Cash	
	<u>Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement 9	\$50,128,288	\$2,202,185
Certificates of Deposit with a maturity of more than 90 days	300,000	(300,000)
Cash Held with MEORC	(1,018,251)	0
Undeposited Cash	<u>(378,925)</u>	<u>0</u>
GASB Statement 3	<u>\$49,031,112</u>	<u>\$1,902,185</u>

**NOTE 7 - PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Property tax revenue received during 2003 for real and public utility property taxes represents collections of 2002 taxes. Property tax payments received during 2003 for tangible personal property (other than public utility property) is for 2003 taxes.

2003 real property taxes are levied after October 1, 2003, on the assessed value as of January 1, 2003, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2003 real property taxes are collected in and intended to finance 2004.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2003 public utility property taxes became a lien December 31, 2002, are levied after October 1, 2003, and are collected in 2004 with real property taxes. 2003 tangible personal property taxes are levied after October 1, 2002, on the value as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments for machinery and equipment are 25 percent of true value and 23 percent of true value for inventory.

The full tax rate for all County operations for the year ended December 31, 2003, was \$13.55 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2003 property tax receipts were based are as follows:

Real Property	\$1,048,960,670
Public Utility Personal Property	77,451,290
Tangible Personal Property	<u>140,783,708</u>
Total Assessed Value	<u><u>\$1,267,195,668</u></u>

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The County treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2003 and for which there is an enforceable legal claim. In the General Fund, Children Services, Starlight School, Tuberculosis Clinic, County Home, Mental Health, Sheriff Levy, and Senior Citizens Special Revenue Funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2003 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

**NOTE 8 - PERMISSIVE SALES AND USE TAX**

In 1971, the County Commissioners by resolution imposed a one-half percent tax, and an additional one-half percent tax in 1982 and 1993, respectively, on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County. Proceeds of the tax are credited entirely to the general fund.

**NOTE 9 - RECEIVABLES**

Receivables at December 31, 2003, consisted of taxes, accounts (billings for user charged services, including unbilled utility services and tap-in fees that the County is allowing property owners to pay over time), special assessments, interfund, accrued interest, loans, and intergovernmental receivables arising from grants, entitlements and shared revenues. Management believes all receivables are fully collectible. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for non-payment. Special assessments relating to the payment of debt are not expected to be collected within one year. The amount not scheduled for collection during the subsequent year is \$1,529,941. The County has \$18,505 in delinquent special assessments at December 31, 2003.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

A summary of the principal items of intergovernmental receivables follows:

<b><u>Governmental Activities</u></b>	<b><u>Amount</u></b>
Homestead and Rollback	\$642,366
Local Government Subsidies	672,158
Local Government Revenue Assistance Subsidies	170,427
Breakfast/Lunch Reimbursement	9,412
Public Defender	76,191
Housing of Prisoners	1,750
Detention Reimbursements	4,930
Truancy Officer Services	6,291
Ohio Department of Mental Health Court Costs	448
Permissive Tax	31,649
Estate Taxes	10,059
MVL Distribution	2,182,524
Excess IRP	77,114
DARE Grant	8,279
CHESS Life Skills Program Grant	2,421
Detention Intake Grant	275
Victims of Criminal Account Grant	27,743
Ohio Childrens Trust Grant	13,862
Homeland Security	101,000
Family Resources Grant	14,244
Community Development Block Grants	755,000
Population Reduction Grant	14,710
Litter Grant	11,320
Community Corrections Grant	106,213
Youth and Community Partnership Grant	33,662
Gasoline Cents Per Gallon	464,880
Gasoline Excise Tax	403,909
Children Services Grants and Subsidies	874,001
Child Support Enforcement Grants and Subsidies	360,893
Starlight School Levy Grants and Subsidies	138,898
T.B. Clinic Subsidies	29,411
Miscellaneous Grants/Reimbursements	7,088
Total Governmental Activities	<u>7,253,128</u>
<b><u>Business - Type Activities</u></b>	
Community Development Block Grants	<u>215,519</u>
Total Intergovernmental Receivables	<u><u>\$7,468,647</u></u>

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

The County entered into Tax Increment Financing Agreements with The Longaberger Company during 1999 and Lowe's Home Center, Inc. during 1994 for the construction of a distribution center and infrastructure improvements. To encourage these improvements, the companies were granted an exemption from paying any property taxes on the new construction; however, payments in lieu of taxes are made to the County in an amount equal to the real property taxes that otherwise would have been due. These payments are being used to finance the above improvements and will continue until the earlier of 30 years or until the revenue in lieu of taxes equals or exceeds the costs of the improvements. A receivable for the amount that will be received by the County in fiscal year 2004 has been recorded in the Redevelopment Tax Equivalent special revenue fund and the Brandywine Loop Construction capital projects fund. The receivables represent amounts measurable at December 31, 2003.

During 2003, several tax abatement agreements were entered into between the County and local businesses to encourage economic growth in the County. In addition to the abatements, the businesses also agreed to make tax increment financing payments in lieu of taxes. Each agreement states a specified percentage that the businesses will pay based on what the property taxes would normally have been. The receivables have been recorded in each of the levied funds. The County is not able to record a receivable for the entire amount of all payments because the payments are based upon projected collections.

The County is reflecting a \$394,894 loan receivable in Other Governmental Funds. This is the result of a loan made to the County Fairboard during 2002.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

**NOTE 10 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2003, was as follows:

	Balance December 31, 2002	Additions	Reductions	Balance December 31, 2003
<b><u>Governmental Activities:</u></b>				
Non Depreciable Capital Assets:				
Land	\$3,633,122	\$236,250	\$0	\$3,869,372
Land Improvements	20,148,858	0	0	20,148,858
Construction in Progress	14,020,573	4,167,114	(2,870,292)	15,317,395
Total Non Depreciable Capital Assets	<u>37,802,553</u>	<u>4,403,364</u>	<u>(2,870,292)</u>	<u>39,335,625</u>
Depreciable Capital Assets:				
Buildings	33,841,451	3,568,297	0	37,409,748
Machinery, Equipment				
Furniture and Fixtures	4,431,005	312,959	(342,521)	4,401,443
Infrastructure	46,101,347	3,534,068	(2,921,024)	46,714,391
Vehicles	6,043,533	388,741	(219,971)	6,212,303
Total Depreciable Capital Assets	<u>90,417,336</u>	<u>7,804,065</u>	<u>(3,483,516)</u>	<u>94,737,885</u>
Accumulated Depreciation:				
Buildings	(4,667,289)	(676,829)	0	(5,344,118)
Machinery, Equipment				
Furniture and Fixtures	(1,773,390)	(453,585)	266,909	(1,960,066)
Infrastructure	(14,469,389)	(2,185,104)	1,490,063	(15,164,430)
Vehicles	(2,344,407)	(578,088)	164,825	(2,757,670)
Total Accumulated Depreciation	<u>(23,254,475)</u>	<u>(3,893,606) *</u>	<u>1,921,797</u>	<u>(25,226,284)</u>
Total Depreciable Capital Assets, Net	<u>67,162,861</u>	<u>3,910,459</u>	<u>(1,561,719)</u>	<u>69,511,601</u>
Governmental Capital Assets, Net	<u>\$104,965,414</u>	<u>\$8,313,823</u>	<u>(\$4,432,011)</u>	<u>\$108,847,226</u>

\*Depreciation expense was charged to governmental activities as follows:

<b><u>Governmental Activities:</u></b>	
General Government:	
Legislative and Executive	\$693,914
Judicial	79,615
Public Safety	390,054
Public Works	2,363,169
Health	38,951
Human Services	327,903
Total Depreciation Expense	<u>\$3,893,606</u>

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

	Balance December 31, 2002	Additions	Reductions	Balance December 31, 2003
<b><u>Business - Type Activities:</u></b>				
Non Depreciable Capital Assets:				
Land	\$174,100	\$0	\$0	\$174,100
Construction in Progress	2,581,492	2,315,228	(3,336,498)	1,560,222
Total Non Depreciable Capital Assets	<u>2,755,592</u>	<u>2,315,228</u>	<u>(3,336,498)</u>	<u>1,734,322</u>
Depreciable Capital Assets:				
Buildings	626,484	0	0	626,484
Machinery, Equipment				
Furniture and Fixtures	105,460	6,431	(1,579)	110,312
Infrastructure	54,816,189	4,219,328	(19,189)	59,016,328
Vehicles	481,189	19,000	(14,600)	485,589
Total Depreciable Capital Assets	<u>56,029,322</u>	<u>4,244,759</u>	<u>(35,368)</u>	<u>60,238,713</u>
Accumulated Depreciation:				
Buildings	(427,128)	(20,110)	0	(447,238)
Machinery, Equipment				
Furniture and Fixtures	(29,815)	(8,176)	1,579	(36,412)
Infrastructure	(15,325,038)	(1,304,349)	8,262	(16,621,125)
Vehicles	(311,737)	(58,276)	6,060	(363,953)
Total Accumulated Depreciation	<u>(16,093,718)</u>	<u>(1,390,911)</u>	<u>15,901</u>	<u>(17,468,728)</u>
Total Depreciable Capital Assets, Net	<u>39,935,604</u>	<u>2,853,848</u>	<u>(19,467)</u>	<u>42,769,985</u>
Business - Type Activities Capital Assets, Net	<u>\$42,691,196</u>	<u>\$5,169,076</u>	<u>(\$3,355,965)</u>	<u>\$44,504,307</u>

**NOTE 11 - RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries, and natural disasters. The County contracts with County Risk Sharing Authority (CORSA) to address property, liability, and crime insurance coverage. CORSA, a non-profit corporation sponsored by the County Commissioners Association of Ohio, was created to provide affordable liability, property, casualty and crime insurance coverage for its members and was established May 12, 1987. In addition, the County contracts with Hartford Steam Boiler Inspection and Insurance Company for boiler and machinery coverage.

Coverage is as follows:

Property Coverage:

Property	\$84,998,046 replacement cost value
Equipment Breakdown	100,000,000 replacement cost value
Crime	1,000,000

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

Liability Coverage:

Automobile Liability	\$1,000,000 each occurrence
Uninsured/Underinsured Motorists	250,000 each occurrence
General Liability	1,000,000 each occurrence
Stop Gap Liability	1,000,000 each occurrence
Law Enforcement Liability	1,000,000 each occurrence
Errors and Omissions Liability	1,000,000 each occurrence
	1,000,000 annual aggregate
Excess Liability	5,000,000

Boiler and Machinery Coverage 100,000,000 limit

The deductible on the above coverage for each occurrence is \$2,500.

Settlements have not exceeded coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

The County maintains a limited risk health insurance program for employees. Premiums are paid to a third party administrator, Cardinal, Inc. The claims are processed and monitored by a County insurance administrator in conjunction with the third party administrator. An internal service fund is presented in the financial statements and reflects premiums paid into the health Self-Insurance internal service fund by other funds which are available to pay claims and administrative costs, and establish claim reserves. An excess coverage insurance policy covers annual individual claims in excess of \$90,000 and aggregate annual claims in excess of \$7,451,255.

From 1992 through 1999, the County maintained a retrospective rating workers' compensation program. Under the retrospective rating program, the County accumulated workers' compensation premiums in the Workers' Compensation self-insurance fund based upon rates actuarially determined by the State of Ohio. A portion of the premiums accumulated was paid directly to the State of Ohio, and the remaining premiums were maintained in the Workers' Compensation Self-Insurance Fund for the payment of future claims. In 2000, the County rejoined the State of Ohio Workers' Compensation Plan.

The claims liabilities of the Self-Insurance Health and Self-Insurance Workers' Compensation internal service funds of \$1,045,890 and \$25,560, respectively, reported at December 31, 2003 are based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Amounts reported were provided by the County's third party administrators. Changes in the funds' claims liability in 2002 and 2003 were:



**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

Fund	Balance at Beginning of Year	Change in Estimate	Current Year Claims	Claims Payments	Balance at End of Year
Self Insurance Health					
2002	\$1,038,573	\$0	\$5,325,121	\$5,397,263	\$966,431
2003	966,431	0	6,536,809	6,457,350	1,045,890
Self-Insurance					
Workers' Compensation					
2002	338,017	(181,035)	0	78,216	78,766
2003	78,766	(30,320)	0	22,886	25,560

For 2003, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. (See Note 23) The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating Counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings that accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. For Muskingum County, a savings of approximately \$79,396 was realized on the annual premium cost. Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows the representative of the Plan to access loss experience for three years following the last year of participation.

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

**A. Ohio Public Employees Retirement System**

The County participates in the Ohio Public Employees Retirement System of Ohio (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

For the year ended December 31, 2003, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The County's contribution rate for pension benefits for 2003 was 8.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the County's pension contributions were 11.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2003, 2002, and 2001 were \$2,611,644, \$2,516,376, and \$2,547,806 respectively; 94 percent has been contributed for 2003 and 100 percent for 2002 and 2001. Contributions to the member-directed plan for 2003 were \$41,857 made by the County and \$26,258 made by the plan members.

**B. State Teachers Retirement System (STRS)**

Certified teachers, employed by the school for Mental Retardation and Developmental Disabilities, participate in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2003, 2002, and 2001 were \$123,874, \$83,758, and \$75,859 respectively; 100 percent has been contributed for fiscal years 2003, 2002 and 2001. No contributions were made to the DC and Combined Plans for fiscal year 2003 by the School District and plan members.

**NOTE 13 - POST-EMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System (OPERS)**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other than Pension Benefits by State and Local Governmental Employers"*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2003 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 5.00 percent of covered payroll was the portion that was used to fund health care.

## Muskingum County, Ohio

### Notes to the Basic Financial Statements December 31, 2003

---

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2002, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 364,881. Actual employer contributions for 2003 which were used to fund postemployment benefits were \$1,555,846. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2002, (the latest information available) were \$10.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$18.7 billion and \$8.7 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

#### B. State Teachers Retirement System (STRS)

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System (STRS). Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2003, the STRS Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount equaled \$9,529 for 2003.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2003, (the latest information available) the balance in the Fund was \$2.8 billion. For the year ended June 30, 2003, net health care costs paid by STRS were \$352,301,000 and STRS had 108,294 eligible benefit recipients.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

NOTE 14 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated, unused vacation time is paid upon separation if the employee has at least one year of service with the County. Accumulated, unused sick leave and compensatory time are paid upon retirement to an employee at varying rates depending on length of service and department policy.

B. Other Health Insurance Options

The County offers additional health insurance options to employees not covered under the health self-insurance program. CoreSource health coverage is one alternative. The County also offers life insurance coverage through Canada Life, Inc., vision coverage through the Vision Service Plan, Inc., and dental coverage through CoreSource.

C. Early Retirement Incentive

In previous years, the County has offered multiple one-time retirement incentives. The amount of the incentives are based upon the employees' salaries and years of credit needed to be purchased to take advantage of this option. The OPERS requirements vary in that the County can pay for this cost in one-lump sum or over a period of years. The option chosen by the County depends upon the fund balances at the time these payments are due.

NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the County has entered into capitalized leases for a satellite system and an inserter system. During 2003, the County entered into capitalized leases for two copiers for the building department and the prosecutor's office. Each lease meets the criteria of a capital lease set forth in the Statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the basic financial statements for the governmental funds.

Equipment acquired by lease has been capitalized in government- wide statements governmental activities in the amount of \$94,929 which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the government- wide statements governmental activities. Governmental activities capitalized leased assets are reflected net of accumulated depreciation in the amount of \$48,784 at December 31, 2003. Principal payments towards capital leases during 2003 totaled \$30,194 for governmental activities.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

Future minimum lease payments through 2008 for governmental activities are as follows:

	Year	Principal	Interest
	2004	\$36,586	\$4,775
	2005	7,528	2,156
	2006	8,176	1,507
	2007	8,882	802
	2008	3,563	135
Total		\$64,735	\$9,375

NOTE 16 - CONTRACTUAL COMMITMENTS

As of December 31, 2003, the County had contractual purchase commitments for the following projects:

Project	Fund	Purchase Commitments	Amount Paid as of 12/31/2003	Amounts Remaining on Contracts
Northpointe Drive Project	n/a	\$9,909,634	\$8,230,687	\$1,678,947
Computerized Mapping	Real Estate Assessment	748,000	621,124	126,876
Aerial Photography	General & Real Estate Assessment	756,667	740,887	15,780
Chandlersville Water Extension	Water Fund	1,692,051	1,270,363	421,688
Coal Run Road Water Extension	Water Fund	490,067	255,163	234,904

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

**NOTE 17 - LONG-TERM OBLIGATIONS**

Changes in the County's long-term obligations during 2003 consist of the following:

	Outstanding 12/31/2002	Additions	Deletions	Outstanding 12/31/2003	Amounts Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds:					
1989-Variable Interest Rate County Office Building Improvement Bonds - \$2,680,000	\$1,505,000	\$0	\$1,505,000	\$0	\$0
1999-Variable Interest Rate Child Support Enforcement Building Bonds - \$4,000,000	3,600,000	0	145,000	3,455,000	150,000
1999-Variable Interest Rate Juvenile Detention Facility Bonds - \$5,000,000	4,505,000	0	180,000	4,325,000	185,000
1998-Variable Interest Rate County Facilities Refunding Bonds - \$6,905,000	5,410,000	0	340,000	5,070,000	355,000
2002 Various Interest Rate Various Purpose Serial Bonds - \$1,670,000	1,670,000	0	95,000	1,575,000	95,000
2002 Various Interest Rate Various Purpose Term Bonds - \$1,085,000	1,085,000	0	0	1,085,000	0
2003 Various Interest Rate Capital Facilities Refunding Serial Bonds - \$200,000	0	200,000	0	200,000	200,000
<b>Total General Obligation Bonds</b>	<b>17,775,000</b>	<b>200,000</b>	<b>2,265,000</b>	<b>15,710,000</b>	<b>985,000</b>
Special Assessment Debt:					
1990-5.0% Avondale Special Assessment Bonds - \$113,650	81,035	0	81,035	0	0
1989-7.89% Falls Special Assessment OWDA - \$957,246	311,107	0	47,862	263,245	47,862
1989-7.89% Maysville Special Assessment OWDA - \$445,478	204,921	0	17,819	187,102	17,819
1996-Variable Interest Nob Hill Special Assessment B Bonds - \$610,000	495,000	0	25,000	470,000	25,000
2002 Various Interest Rate Ash Meadows Special Assessment Serial Bonds - \$130,000	130,000	0	5,000	125,000	5,000
2002 Various Interest Rate Ash Meadows Special Assessment Term Bonds - \$85,000	85,000	0	0	85,000	0
2003 Various Interest Rate Capital Facilities Refunding Serial Bonds - \$64,000	0	64,000	0	64,000	3,500
2003 Various Interest Rate Capital Facilities Refunding Term Bonds - \$17,000	0	17,000	0	17,000	0
Deferred Amount on Refunding	0	(11,181)	(831)	(10,350)	0
<b>Total Special Assessment Debt</b>	<b>1,307,063</b>	<b>69,819</b>	<b>175,885</b>	<b>1,200,997</b>	<b>99,181</b>
Compensated Absences	2,393,598	2,091,348	1,889,419	2,595,527	1,206,920
Long-Term Contracts Payable - Port Authority	441,645	0	217,559	224,086	224,086
Long-Term Contracts Payable - TID	11,125,288	3,882,361	448,344	14,559,305	0
Capital Lease	69,912	25,017	30,194	64,735	36,586
Early Retirement Incentive Payable	320,714	0	153,562	167,152	105,124
<b>Total Governmental Activities</b>	<b>\$33,433,220</b>	<b>\$6,268,545</b>	<b>\$5,179,963</b>	<b>\$34,521,802</b>	<b>\$2,656,897</b>

(continued)

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

(continued)

	Outstanding 12/31/2002	Additions	Deletions	Outstanding 12/31/2003	Due Within One Year
<b><u>Business - Type Activities:</u></b>					
General Obligation Bonds:					
1999-Variable Interest Rate East Muskingum General Obligation Refunding Bonds - \$1,365,000	\$1,235,000	\$0	\$30,000	\$1,205,000	\$30,000
Unamortized Accounting Loss	(28,901)	0	(1,137)	(27,764)	0
1990-5.00% Avondale Project General Obligation Bonds - \$1,350	965	0	965	0	0
2002 Various Interest Rate Sewer Improvement Serial Bonds - \$940,000	940,000	0	55,000	885,000	55,000
2002 Various Interest Rate Sewer Improvement Term Bonds - \$605,000	605,000	0	0	605,000	0
2003 Various Interest Rate Capital Facilities Refunding Serial Bonds - \$7,641,000	0	7,641,000	0	7,641,000	291,500
2003 Various Interest Rate Capital Facilities Refunding Term Bonds - \$2,078,000	0	2,078,000	0	2,078,000	0
Bond Discount	0	(15,906)	(606)	(15,300)	0
Deferred Amount on Refunding	0	(793,142)	(34,449)	(758,693)	0
<b>Total General Obligation Bonds</b>	<b>2,752,064</b>	<b>8,909,952</b>	<b>49,773</b>	<b>11,612,243</b>	<b>376,500</b>
Revenue Bonds:					
1990-5.00% Avondale Sewer Revenue Bonds - \$179,000	155,200	0	2,700	152,500	2,800
1990-Variable Interest Rate East Muskingum Sewer Revenue Bonds - \$1,193,100	1,044,400	0	1,044,400	0	0
1993-5.125% East Muskingum Series F Improvement Bonds - \$642,000	573,900	0	573,900	0	0
2001 Various Interest Rate Water Resource Revenue Bonds - \$8,290,000	8,100,000	0	8,100,000	0	0
2002 4.5% Adamsville Sewer Revenue Bonds - \$387,000	387,000	0	6,000	381,000	6,000
2002 4.5% Adamsville Sewer Revenue Bonds - \$46,000	46,000	0	2,000	44,000	2,000
<b>Total Revenue Bonds</b>	<b>10,306,500</b>	<b>0</b>	<b>9,729,000</b>	<b>577,500</b>	<b>10,800</b>
OWDA Loans:					
2001 5.65% Water Extension Planning and Design - OWDA	28	0	28	0	0
1989-7.89% Maysville Mortgage Revenue OWDA - \$471,813	325,108	0	18,412	306,696	19,864
2002 1.5% Gaysport Water Line Extension OWDA - \$1,127,298	1,111,144	104,649	33,881	1,181,912	0
2002 1.5% Adamsville Water Project OWDA - \$535,213	525,775	214,741	21,468	719,048	0
2003 1.5% Coal Run Water Extension OWDA - \$20,474	0	20,474	0	20,474	0
2003 1.5% Chandlersville Waterlines OWDA - \$444,572	0	444,572	13,611	430,961	0
<b>Total OWDA Loans</b>	<b>1,962,055</b>	<b>784,436</b>	<b>87,400</b>	<b>2,659,091</b>	<b>19,864</b>
Compensated Absences	17,468	31,047	4,212	44,303	20,601
<b>Total Business - Type Activities</b>	<b>\$15,038,087</b>	<b>\$9,725,435</b>	<b>\$9,870,385</b>	<b>\$14,893,137</b>	<b>\$427,765</b>



**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

**Governmental Activities:**

**General Obligation Bonds**

The 1989 County Office Building Improvement Bonds were used to construct and make improvements to the County office and Welfare Department building which houses the Health Department, Welfare Department, and Children's Services Department and provides space to the County Board of Education. The 1989 debt was being retired with rent payments and in the event that rent was deficient, property taxes were being used for the debt repayment. During 2003, the County made a principal payment in the amount of \$145,000, and refunded the remaining principal balance of \$1,360,000.

During 1999, the County issued \$9,000,000 in various interest rate general obligation bonds used in the construction of a child support enforcement agency building and a juvenile detention facility. The bonds are backed by the full faith and credit of the County and are going to be repaid from property taxes.

The 1998 County Facilities Refunding Bonds were used to refund \$1,745,000 of the outstanding 1990 County Office Building Improvement Bonds, and \$4,545,000 of outstanding 1992 County Jail Facilities Bonds. \$6,760,654 (after discount, underwriting fees, and other issuance costs) was deposited in an irrevocable trust to provide for all future debt service payments on the refunded 1990 County Office Building Bonds and the 1992 County Jail Facilities Bonds. These refunded bonds were fully called during 2002. The refunding bonds will be repaid from building rent and property taxes.

During 2002, the County issued \$1,670,000 in various interest rate Various Purpose Serial Bonds and \$1,085,000 in various interest rate Various Purpose Term Bonds. The proceeds of these bonds were used to purchase a County facility, construct and make improvements to the County Records building, and make a loan to the County Fairboard. These bonds are backed by the full faith and credit of the County and are paid from property taxes. Additionally, the County has entered into an agreement with the County Fairboard whereby the County Fairboard will make yearly payments to the County in amounts equal to the yearly debt service requirements as a source of repayment.

On December 1, 2003, the County issued \$10,000,000 of Various Purpose General Obligation Capital Facilities Refunding Bonds that consisted of \$7,905,000 in serial bonds and \$2,095,000 in term bonds with varying interest rates from 1.15% to 4.625%. \$200,000 of these proceeds were used to refund the outstanding 1989 County Office Building Improvement Bonds along with \$1,176,000 being paid by the County with available funds. \$1,370,768 (after discount, underwriting fees, and other issuance costs) was deposited in an irrevocable trust to provide for all future debt service payments on the refunded issues. As a result, at December 31, 2003, \$1,360,000 of governmental refunded bonds are considered defeased and the liability has been removed from the statement of net assets. The issuance resulted in an economic gain of \$310,310. This issuance resulted in a difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt in the amount of \$394,428.

Annual debt service requirements to maturity for general obligation bonds are as follows:

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

Year Ending December 31,	Principal	Interest	Total
2004	\$985,000	\$733,451	\$1,718,451
2005	825,000	700,606	1,525,606
2006	860,000	667,281	1,527,281
2007	895,000	631,951	1,526,951
2008	945,000	594,204	1,539,204
2009-2013	4,680,000	2,305,948	6,985,948
2014-2018	5,075,000	1,117,174	6,192,174
2019-2022	1,445,000	130,831	1,575,831
Total	<u>\$15,710,000</u>	<u>\$6,881,446</u>	<u>\$22,591,446</u>

**Special Assessment Bonds**

The 1990 Avondale Special Assessment Bonds were issued to pay the costs of planning and construction of sewer lines. During 2003, the County made a principal payment in the amount of \$2,965, and refunded the remaining principal balance of \$78,070.

During 1989, the County issued \$957,246 in Falls Special Assessment OWDA and \$445,478 in Maysville Special Assessment OWDA. These loans were issued to pay costs of planning and construction of sewer lines.

During 1996, the County issued \$610,000 in variable interest rate Knob Hill Special Assessment Bonds. The proceeds of these bonds were used to pay the costs of planning and constructing sewer lines.

During 2002, the County issued \$130,000 in various interest rate Ash Meadows Special Assessment Serial Bonds and \$85,000 in various interest rate Ash Meadows Special Assessment Term Bonds. The proceeds of these bonds were used to retire that portion of the County's outstanding Various Purpose Notes that were used to pay the costs of planning and constructing sewer lines.

On December 1, 2003, the County issued \$10,000,000 of Various Purpose General Obligation Capital Facilities refunding bonds that consisted of \$7,905,000 in serial bonds and \$2,095,000 in term bonds with varying interest rates from 1.15% to 4.625%. \$81,000 of the proceeds were used to refund the outstanding 1990 Avondale Special Assessment Bonds. \$79,413 (after discount, underwriting fees, and other issuance costs) was deposited in an irrevocable trust to provide for all future debt service payments on the refunded issue. As a result, at December 31, 2003, \$78,070 of special assessment governmental refunded bonds are considered defeased and the liability has been removed from the statement of net assets. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price, \$11,181. This difference, reported in the accompanying financial statements as an increase to bonds payable, is being amortized to interest expense over the life of the bonds using the straight-line method. The amount amortized for 2003 is \$831. The issuance resulted in an economic gain of \$10,198. This issuance resulted in a difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt in the amount of \$3,058.

All special assessment bonded debt will be repaid from the proceeds of special assessments levied against benefited property owners. In the event the property owners do not pay their assessments, the County would be responsible for the debt service payment. Special assessment bond debt service requirements to maturity are as follows:

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

Year Ending December 31,	Principal	Interest	Total
2004	\$33,500	\$40,883	\$74,383
2005	38,500	39,367	77,867
2006	38,500	37,647	76,147
2007	43,500	35,872	79,372
2008	43,500	33,594	77,094
2009-2013	256,500	129,140	385,640
2014-2018	215,000	50,811	265,811
2019-2023	75,000	13,217	88,217
2024-2028	14,500	2,533	17,033
2029	2,500	116	2,616
Total	<u>\$761,000</u>	<u>\$383,180</u>	<u>\$1,144,180</u>

Special assessment OWDA debt service requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2004	\$65,681	\$35,532	\$101,213
2005	65,681	30,350	96,031
2006	65,681	25,168	90,849
2007	65,681	19,985	85,666
2008	65,681	14,803	80,484
2009-2013	113,028	26,492	139,520
2014-2018	8,914	703	9,617
Total	<u>\$450,347</u>	<u>\$153,033</u>	<u>\$603,380</u>

An agreement between the State of Ohio, Department of Transportation (ODOT), and the Muskingum County Transportation Improvement District ("District") was entered into on December 23, 1998. The agreement is for financing the construction of North Pointe Drive Extension located between the City of Zanesville and the Village of Dresden.

The proposed terms call for a loan to be made from the State to the Transportation Improvement District in the amount of \$11,060,000, plus the refinancing of projected accumulated interest in the amount of \$404,129, to be repaid over 20 years, which coincide with the terms of a cooperative and guaranty agreements between Muskingum County, the District, and ODOT. The County, pursuant to the cooperative and guaranty agreements, will make use payments to the Transportation Improvement District in an amount equal to the debt requirements. The County has pledged non-tax revenues for the purpose of making the required use payments. The County is accumulating revenues from a tax increment financing agreement to meet a portion of the required use payments.

As collateral for the loan, the State Infrastructure Bank has received an assignment of all use payments from Muskingum County and an assignment of Tax Increment Financing from the Longaberger Company. As of December 31, 2003, the District has drawn down \$11,443,891 from the loan and Muskingum County has established a Guarantee Fund to collateralize the loan.

## Muskingum County, Ohio

### Notes to the Basic Financial Statements December 31, 2003

In March 2003, the District obtained approval for an additional State Infrastructure Loan to finance design revisions and completion of the North Pointe Drive Project. The proposed terms call for a loan amount of \$4,010,000, plus the refinancing of projected accumulated interest in the amount of \$121,202 to be repaid over 12 years. As of December 31, 2003, the District had drawn down \$2,238,600 of \$4,131,202 total authorized.

Based upon the cooperative agreement, the County's financial statements reflect a long-term contract payable in the amount of \$14,559,305 at December 31, 2003. The long-term contracts payable amount reported in the County's financial statements is also reflected on the Transportation Improvement District's financial statements as a loan payable to the State Infrastructure Bank.

The County entered into an agreement with the Muskingum County Port Authority and the City of Zanesville for construction of infrastructure improvements on April 1, 2000. The terms of the agreement call for an OWDA loan to be obtained by the Port Authority in the amount of \$2,114,068, to be repaid over a period of five years. The City of Zanesville and Muskingum County agree to pay annually, one-half of the required principal and interest requirements of the OWDA loan. The estimated cost to the County for the principal balance of this contract for 2004 is \$224,086.

The County will pay the Transportation Improvement District long-term contract payable from tax increment financing and other non-tax revenues. The long-term contract payable applicable to the Port Authority will be repaid from general fund revenues.

#### **Mandatory Redemptions**

The various purpose series 2002 bond issue consisted of serial and term bonds. The term bonds that were issued during 2002 are subject to mandatory sinking fund redemption. Governmental activities general obligation and special assessment bonds in the amounts of \$540,000 mature in the year 2019 and \$630,000 mature in the year 2022. The 2019 mandatory redemption is to occur on December 1, in each of the years 2017 and 2018 (with the balance of \$190,000 to be paid at stated maturity on December 1, 2019) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Amount</u>
2017	\$170,000
2018	\$180,000

The 2022 mandatory redemption is to occur on December 1, in each of the years 2020 and 2021 (with the balance of \$220,000 to be paid at stated maturity on December 1, 2022) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Amount</u>
2020	\$200,000
2021	\$210,000

Muskingum County, Ohio

Notes to the Basic Financial Statements  
December 31, 2003

The various purpose series 2003 bond issue consisted of serial and term bonds. The term bonds that were issued during 2003 are subject to mandatory sinking fund redemption. Governmental activities special assessment bonds in the amount of \$6,000 mature in the year 2025 and \$11,000 mature in the year 2029. The bonds maturing on December 1, 2025 are subject to mandatory sinking fund redemption in part by lot on December 1, 2024 (with the balance of \$3,000 to be paid at stated maturity on December 1, 2025) at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
2024	\$3,000

The 2029 mandatory redemption is to occur on December 1, in each of the years 2026 through 2028 (with the balance of \$2,500 to be paid at stated maturity on December 1, 2029) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Amount</u>
2026	\$3,000
2027	\$3,000
2028	\$2,500

**Optional Redemptions**

The series 2002 bonds maturing on or after December 1, 2013 are subject to prior redemption on or after December 1, 2012 by and at the sole option of the County, either in whole or in part on any date and in integral multiples of \$5,000, at the following redemption prices, plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 1, 2012 through November 30, 2013	101.0%
December 1, 2013 and thereafter	100.0%

The series 2003 bonds maturing on or after December 1, 2014 are subject to prior redemption on or after December 1, 2013 by and at the sole option of the County, either in whole or in part on any date and in integral multiples of \$5,000, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date.

**Business-Type Activities:**

**General Obligation Bonds**

During 1999, the County issued \$1,365,000 in East Muskingum Sewer General Obligation Refunding Bonds. The proceeds were used to pay \$1,292,100 in outstanding 1990 East Muskingum Sewer Revenue bonds which resulted in a current refunding of the 1990 bonds outstanding. These refunding bonds will be repaid from Sewer enterprise fund revenues. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price. This difference, reported in the accompanying financial statements as an increase to bonds payable, is being amortized to interest expense through the year 2029 using the straight-line method. The amount amortized for 2003 is \$1,137. The County completed the current refunding to reduce its total debt service payments over the next 17 years. Issuance costs associated with the bond issue in the amount of \$26,053 are deferred and will be amortized over the life of the bonds using the straight-line method.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

The Avondale project general obligation bonds were backed by the full faith and credit of the County and were paid from Sewer enterprise fund revenues derived by the County from the operation of the sewer system. During 2003, the County made a principal payment in the amount of \$35, and refunded the remaining principal balance of \$930.

During 2002, the County issued \$940,000 in various interest rate Sewer Improvement Serial Bonds and \$605,000 in various interest rate Sewer Improvement Term Bonds. The proceeds of these bonds were used to retire outstanding bond obligation notes that were used in the planning and construction of sanitary sewer lines within the County and will also be used for additional planning and construction of sanitary sewer lines. These bonds will be repaid from fees paid for the services provided by these sanitary improvements.

On December 1, 2003, the County issued \$10,000,000 of Various Purpose General Obligation Capital Facilities Refunding Bonds that consisted of \$7,905,000 in serial bonds and \$2,095,000 in term bonds with varying interest rates from 1.15% to 4.625%. \$930 of the proceeds was used to refund outstanding Avondale general obligation bonds. As a result, as of December 31, 2003, \$930 of Avondale general obligation governmental refunded bonds are considered defeased and the liability has been removed from the statement of net assets.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending			
December 31,	Principal	Interest	Total
2004	\$376,500	\$490,275	\$866,775
2005	376,500	484,593	861,093
2006	391,500	476,128	867,628
2007	401,500	467,128	868,628
2008	411,500	456,832	868,332
2009-2013	2,228,500	2,075,288	4,303,788
2014-2018	2,685,000	1,606,648	4,291,648
2019-2023	3,205,000	978,122	4,183,122
2024-2028	2,150,500	267,137	2,417,637
2029-2030	187,500	13,066	200,566
Total	<u>\$12,414,000</u>	<u>\$7,315,217</u>	<u>\$19,729,217</u>

**Revenue Bonds**

The Avondale Sewer Revenue bonds, East Muskingum Sewer Revenue bonds, East Muskingum Series F Improvement Bonds, Adamsville Sewer Revenue bonds, and the Maysville OWDA loan will be paid from revenues derived by the County from the operation of the sewer system.

During 2002, the County issued \$433,000 in Adamsville Sewer Revenue bonds. The proceeds were used to retire outstanding sewer improvement notes which were originally issued to pay costs of constructing, installing and equipping a wastewater collection system and treatment facility.

On December 1, 2003, the County issued \$10,000,000 of Various Purpose General Obligation Capital Facilities Refunding Bonds that consisted of \$7,905,000 in serial bonds and \$2,095,000 in term bonds with varying interest rates from 1.15% to 4.625%. \$9,718,070 of the proceeds were used to refund outstanding East Muskingum Sewer Revenue Bonds, East Muskingum Series F Improvement Bonds, and Water Resource Revenue Bonds.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

During 2003, the County made a principal payment on the 1990 East Muskingum Sewer Revenue bonds in the amount of \$17,800 and refunded the remaining principal balance of \$1,026,600. The County also made a principal payment on the 1993 East Muskingum Series F Improvement bonds in the amount of \$9,600 and refunded the remaining principal balance of \$564,300. In addition during 2003, the County purchased East Muskingum Water Authority resulting in the dissolution of the Authority and the transfer of assets and liabilities to the County. At December 31, 2002 East Muskingum Water Authority had \$8,100,000 outstanding in water revenue bonds that were originally issued in the amount of \$8,290,000 in June, 2001. The County refunded the outstanding principal balance of \$8,100,000. As a result, as of December 31, 2003 \$9,690,900 of business-type revenue refunded bonds is considered defeased and the liability has been removed from the statement of net assets.

The capital facilities refunding bonds were sold at a discount of \$15,906 that will be amortized over the life of the bonds using the straight-line method. Issuance costs associated with the bond issue in the amount of \$196,611 are deferred and will be amortized over the life of the bonds using the straight-line method. \$10,484,972 for business-type activities (after discount, underwriting fees, and other issuance costs) was deposited in an irrevocable trust to provide for all future debt service payments on the refunded issues.

The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price, of which \$793,142 was for business-type activities. These differences, reported in the accompanying financial statements as a decrease to bonds payable, are being amortized to interest expense over the life of the bonds using the straight-line method. The amounts amortized for 2003 for business-type activities was \$34,449. The issuance resulted in an economic gain of \$474,957. This issuance resulted in a difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt in the amount of \$116,111.

Revenue bond debt service requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2004	\$10,800	\$27,025	\$37,825
2005	10,900	26,513	37,413
2006	12,100	25,995	38,095
2007	13,200	25,416	38,616
2008	13,400	24,788	38,188
2009-2013	70,600	114,187	184,787
2014-2018	81,100	95,865	176,965
2019-2023	77,000	77,425	154,425
2024-2028	92,000	58,000	150,000
2029-2033	76,400	36,295	112,695
2034-2038	63,000	21,465	84,465
2039-2043	57,000	6,480	63,480
Total	\$577,500	\$539,454	\$1,116,954

Muskingum County, Ohio

Notes to the Basic Financial Statements  
December 31, 2003

**Mandatory Redemptions**

The various purpose series 2002 bond issue consisted of serial and term bonds. The term bonds that were issued during 2002 are subject to mandatory sinking fund redemption. Bonds for business-type activities in the amount of \$275,000 mature in the year 2019 and \$330,000 mature in the year 2022. The 2019 mandatory redemption is to occur on December 1, in each of the years 2017 and 2018 (with the balance of \$100,000 to be paid at stated maturity on December 1, 2019) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Amount</u>
2017	\$85,000
2018	\$90,000

The 2022 mandatory redemption is to occur on December 1, in each of the years 2020 and 2021 (with the balance of \$115,000 to be paid at stated maturity on December 1, 2022) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Amount</u>
2020	\$105,000
2021	\$110,000

The various purpose series 2003 bond issue consisted of serial and term bonds. The term bonds that were issued during 2003 are subject to mandatory sinking fund redemption. Business-type general obligation bonds in the amount of \$1,129,000 mature in the year 2025 and \$949,000 mature in the year 2030. The bonds maturing on December 1, 2025 are subject to mandatory sinking fund redemption in part by lot on December 1, 2024 (with the balance of \$577,000 to be paid at stated maturity on December 1, 2025) at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
2024	\$552,000

The 2030 mandatory redemption is to occur on December 1, in each of the years 2026 through 2029 (with the balance of \$92,500 to be paid at stated maturity on December 1, 2030) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Amount</u>
2026	\$597,000
2027	\$82,000
2028	\$82,500
2029	\$95,000

**Optional Redemptions**

The various purpose series 2002 bonds maturing on or after December 1, 2013 are subject to prior redemption on or after December 1, 2012 by and at the sole option of the County, either in whole or in part on any date and in integral multiples of \$5,000, at the following redemption prices, plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 1, 2012 through November 30, 2013	101.0%
December 1, 2013 and thereafter	100.0%



**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

The series 2003 bonds maturing on or after December 1, 2014 are subject to prior redemption on or after December 1, 2013 by and at the sole option of the County, either in whole or in part on any date and in integral multiples of \$5,000, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date.

**Ohio Water Development Authority (OWDA) Loans**

During 2003, the County received additional OWDA loan proceeds associated with the Gaysport Waterline extension and the Adamsville Water projects in the amounts of \$104,649 and \$214,741, respectively. In addition, during 2003 the County entered into two OWDA loans in the amounts of \$20,474 and \$444,572 to be used for costs incurred for the Coal Run Waterline extension and the Chandlersville Waterline projects. These loans will be repaid from the revenues derived from the operation of the water systems. Amortization schedules for the Gaysport Water Line Extension, Adamsville Water Project, Coal Run Water Extension, and Chandlersville Waterlines loans will not be available until the entire amount of the loan has been drawn down or the project is complete.

Annual debt service requirements to maturity for the Maysville Mortgage Revenue OWDA loan are as follows:

Year Ending December 31,	Principal	Interest	Total
2004	\$19,864	\$24,198	\$44,062
2005	21,432	22,631	44,063
2006	23,123	20,940	44,063
2007	24,947	19,115	44,062
2008	26,916	17,147	44,063
2009-2013	169,991	50,326	220,317
2014	20,423	1,607	22,030
Total	\$306,696	\$155,964	\$462,660

**Conduit Debt:**

Pursuant to State Statute, various industrial revenue bonds have been issued for private industry within the County. The proceeds of the industrial revenue bonds are used by the various private industries for new construction or improvements. The bonds are to be repaid by the recipients of the proceeds and do not represent an obligation of the County. As of December 31, 2003, \$109,640,000 of industrial revenue bonds have been issued, and \$58,077,329 remained outstanding.

**Escrow Trust Agreement:**

Effective July 23, 1990, the County entered into an Escrow Trust Agreement with Banc Ohio. The agreement provides that the County deposit \$2,721,500 from bond proceeds into an irrevocable trust with the bank for the payment to the final maturity of outstanding certificates of participation from U.S. Treasury obligations in substitution of the lease and base lease payments. The funds deposited, together with interest thereon, shall be sufficient to pay annual certificate of participation principal and semi-annual interest payments, thus providing an insubstance defeasance. As of December 31, 2003, \$1,270,000 of certificates of participation remained outstanding. The insubstance defeasance occurred for the lease and base lease for the County office building which house childrens services, the health department and the board of education.

The County's overall legal debt margin at December 31, 2003 was \$22,364,972.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

NOTE 18 - NOTES PAYABLE

The following summarizes the note transactions for the year ended December 31, 2003:

	Interest Rate	Outstanding 12/31/2002	Issued	Retired	Outstanding 12/31/2003
Governmental Activities					
Energy Conservation Loan	5.60%	\$450,392	\$0	\$65,223	\$385,169
Brandywine Extension	1.66%	290,000	195,000	290,000	195,000
Issue 2	2.00%	33,176	0	8,048	25,128
Issue 2	2.00%	8,651	0	4,283	4,368
Issue 2	2.00%	15,339	0	15,339	0
Issue 2	2.00%	218,459	0	20,881	197,578
Total Governmental Activities		<u>\$1,016,017</u>	<u>\$195,000</u>	<u>\$403,774</u>	<u>\$807,243</u>

All notes are bond anticipation or revenue anticipation notes and are backed by the full faith and credit of the County. The note liability is reflected in the fund which received the proceeds. The Energy Conservation Loan has a remaining maturity of five years and will be retired with savings from energy conservation measures. The Brandywine Extension bond anticipation note has a maturity of one year and will be reissued until paid or bonds are issued. The Issue 2 revenue anticipation notes have a remaining maturity of five years and will be retired from the Motor Vehicle and Gasoline Tax major special revenue fund.

Annual debt service requirements to maturity for the Energy Conservation Loan are reflected in the following table:

Year Ending December 31,	Principal	Interest	Total
2004	\$68,875	\$21,570	\$90,445
2005	72,733	17,712	90,445
2006	76,805	13,639	90,444
2007	81,107	9,338	90,445
2008	85,649	4,796	90,445
Total	<u>\$385,169</u>	<u>\$67,055</u>	<u>\$452,224</u>

Annual debt service requirements to maturity for the Issue 2 revenue anticipation notes are as follows:

Year Ending December 31,	Principal	Interest	Total
2004	\$54,968	\$4,268	\$59,236
2005	51,617	3,185	54,802
2006	52,654	2,147	54,801
2007	44,998	1,132	46,130
2008	22,837	228	23,065
Total	<u>\$227,074</u>	<u>\$10,960</u>	<u>\$238,034</u>

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

**NOTE 19 - OPERATING LEASES - LESSEE DISCLOSURE**

The County has entered into a lease for land and a building in conjunction with the City of Zanesville. The County and City lease the Anchor Glass Facilities from the Zanesville/Muskingum County Port Authority and in turn rent the facilities to the Anchor Glass Corporation. During 2003 the County incurred expenditures of \$58,944 for the operating lease. The rental payments for the land and building through 2008 are as follows:

Year Ending December 31,	Amount
2004	\$123,047
2005	127,860
2006	130,750
2007	134,000
2008	<u>121,469</u>
Total	<u>\$637,126</u>

**NOTE 20 - INTERFUND TRANSACTIONS**

Interfund balances at December 31, 2003 consist of the following individual fund receivables and payables:

	<u>Interfund Receivable</u>			
	<u>Major Funds</u>			
	Children Services			
<u>Interfund Payable</u>	General	Levy	Sewer	Total
Major Funds:				
General	\$0	\$4,495	\$0	\$4,495
Other Nonmajor				
Governmental	98,928	0	6,416	105,344
Total All Funds	<u>\$98,928</u>	<u>\$4,495</u>	<u>\$6,416</u>	<u>\$109,839</u>

The above interfund receivables/ payables are due to lags between the dates interfund goods and services are provided, transactions recorded in the accounting system, and payments between funds were made. Also, short-term interfund loans were advanced from the General Fund to the Block Grants, Litter Prevention, and Electronic Monitor nonmajor special revenue funds. The Sewer enterprise fund advanced money to the Special Assessment debt service fund.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

Interfund transfers during 2003 consisted of the following:

<u>Transfer from</u>	<u>Transfer to</u>							<u>Totals</u>
	<u>Major Funds</u>							
	<u>General</u>	<u>Public Assistance</u>	<u>Motor Vehicle and Gasoline Tax</u>	<u>Children Services Levy</u>	<u>Starlight School Levy</u>	<u>Sewer</u>	<u>Other Nonmajor Governmental</u>	
Major Funds:								
General Fund	\$0	\$351,199	\$0	\$0	\$0	\$8,889	\$2,928,713	\$3,288,801
Motor Vehicle and Gasoline Tax	0	0	0	0	0	0	298,650	298,650
Starlight School Levy	0	0	0	0	0	0	90,445	90,445
Sewer	0	0	0	0	0	0	36,033	36,033
Other Nonmajor								
Governmental	37,303	0	0	0	0	930	35,753	73,986
Self -Insurance								
Workers' Compensation	548,412	166,908	47,688	107,298	154,986	0	166,910	1,192,202
<b>Total All Funds</b>	<b>\$585,715</b>	<b>\$518,107</b>	<b>\$47,688</b>	<b>\$107,298</b>	<b>\$154,986</b>	<b>\$9,819</b>	<b>\$3,556,504</b>	<b>\$4,980,117</b>

The transfers from the Self-Insurance Workers' Compensation internal service fund is the result of moving excess premiums back to the fund from which it originated in previous years.

The remaining above transfers from/ to were used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments becomes due, and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 21 - JOINTLY GOVERNED ORGANIZATIONS**

**A. South East Ohio Joint Solid Waste Management District**

The County is a member of the South East Ohio Joint Solid Waste Management District (District), which is a jointly governed organization. The purpose of the District is to make disposal of waste in the six-county area more comprehensive in terms of recycling, incinerating, and land filling. The District was created in 1989 as required by the Ohio Revised Code.

The District is governed and operated through three groups. An eighteen member board of directors, comprised of three commissioners from each county, is responsible for the District's financial matters. Financial records were maintained by Muskingum County until May 1993 at which time Noble County assumed the responsibility. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. Although the County contributed amounts to the District at the time of its creation, no contributions were received from the County in 2003. No future contributions by the County are anticipated.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

A forty-three member policy committee, comprised of seven members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the policy committee. Continued existence of the District is not dependent on the County's continued participation. The County does not have an equity interest in or a financial responsibility for the District. The District has no outstanding debt.

**B. Mental Health and Recovery Services Board**

The Mental Health and Recovery Services Board is a jointly governed organization. Participants are Muskingum, Coshocton, Guernsey, Perry, Morgan and Noble Counties. The Board has the responsibility for development, coordinated continuation and ongoing modernization, funding, monitoring, and evaluation of community-based mental health and substance abuse programming. The Board is managed by a eighteen member board of trustees; three appointed by the Muskingum County Commissioners, seven appointed by the commissioners of the other participating counties, four by the director of the State Department of Alcohol and Drug Addiction, and four appointed by the Director of the State Department of Mental Health. The Board exercises total control, including budgeting, appropriating, contracting, and designating management.

During 2003, Muskingum County contributed \$936,678 in tax levy revenue money through a 1.0 mill levy. The remaining revenues are provided by levies from other member counties, and state and federal grants awarded to the multi-county board. Since Muskingum County serves as the fiscal agent for the Board, the financial activity is presented in an agency fund. Continued existence of the Board is not dependent on the County's continued participation and the County has no equity interest in or financial responsibility for the Board. The Board has no outstanding debt.

**C. Mid Eastern Ohio Regional Council of Governments (MEORC)**

The Mid Eastern Ohio Regional Council of Governments (MEORC) is a jointly governed organization which serves fourteen counties in Ohio. MEORC provides services to the mentally retarded and developmentally disabled residents in the participating counties. The Council is made up of the superintendents of each county's Board of Mental Retardation and Developmental Disabilities. Revenues are generated by fees and state grants. During 2003, the County contributed \$35,969 to the Council. Continued existence of the Council is not dependent on the County's continued participation, and the County has no equity interest in or financial responsibility for the Council. The Council has no outstanding debt.

**D. Southeast Area Transit Authority (SEAT)**

The Southeast Area Transit Authority (SEAT) was created pursuant to state statutes in 1979. The County, the City of Zanesville, and the Village of South Zanesville appoint members to the SEAT's Board of Directors. The County appoints two members, the City of Zanesville appoints six members and the Village of South Zanesville appoints one member. During 2003, the County contributed Section 18 Program funds to the SEAT in the amount of \$53,000. The continued existence of the SEAT is not dependent on the County's continued participation and the County has no equity interest in or financial responsibility for the SEAT. The SEAT has no outstanding debt. The SEAT is a component unit of the City of Zanesville.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

E. Zanesville-Muskingum Family and Children First Council

The Zanesville-Muskingum Family and Children First Council is a jointly governed organization created under Ohio Revised Code Section 121.37. The Council is comprised of the following members: Director of the Zanesville-Muskingum County Health Department, Superintendent of the Zanesville City School District, Superintendent of the Muskingum County Educational Service Center, Superintendent of the Muskingum County Board of Mental Retardation and Developmental Disabilities, Director of the ADAMH Board, Director of the Muskingum County Department of Job and Family Services, Director of the Muskingum County Childrens Services Board, Superintendent of Muskingum Starlight Industries, Inc., an United Way representative, an Eastside Community Services representative, a Zanesville Civic League representative, a Behavioral Health representative, a county commissioner, representatives from the public sector, and a representative from a local hospital. During 2003, the County contributed \$13,167 to the Council. Continued existence of the Council is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

F. Area Agency on Aging

The Area Agency on Aging is a regional council of governments that assists nine counties including Muskingum County in providing services to senior citizens in the Council's service area. The Council is governed by a board of directors comprised of one representative appointed by each participating county. The board has total control over budgeting, personnel and all other financial matters. The Area Office on Aging receives Title III monies to be used for programs within the member counties. During 2003, Muskingum County contracted with the Area Agency on Aging to provide senior citizens services. A local not-for-profit corporation (The Muskingum County Senior Citizens Center) provided the senior citizens services pursuant to the County's contract. The continued existence of the Council is not dependent on the County's continued participation and the County does not have an equity interest in or a financial responsibility for the Council. The Council has no outstanding debt.

G. Ohio Mid-Eastern Governments Association (OMEGA)

The Ohio Mid-Eastern Governments Association (OMEGA) is a ten county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbia, Guernsey, Harrison, Holmes, Jefferson, Muskingum and Tuscarawas Counties. OMEGA was formed to assist the participating counties in the application for Appalachian Regional Commission and Economic Development grant monies. OMEGA is governed by a sixteen member executive board comprised of members appointed from each participating county and cities within each county. City membership is voluntary. The county commissioners from each county currently appoint one member to the board of directors. The board has total control over budgeting, personnel, and financial matters. Each member currently pays a nine cent per capita membership fee based upon the most recent U.S. census. During 2003, OMEGA received \$8,260 from Muskingum County. The continued existence of OMEGA is not dependent on the County's continued participation and the County does not have an equity interest in or a financial responsibility for OMEGA. OMEGA has no outstanding debt.

## Muskingum County, Ohio

### Notes to the Basic Financial Statements December 31, 2003

---

#### H. Licking-Muskingum Community Based Correctional Facility (CBCF)

The Licking-Muskingum Community Based Correctional Facility (CBCF) is a four county facility created pursuant to Ohio Revised Code Section 2301.51. The CBCF serves Licking, Muskingum, Coshocton, and Knox Counties. The CBCF was formed in 1994 to offer treatment, education, work and other rehabilitation services to convicted felons within the four counties. The CBCF is governed by a seven member board comprised of two common pleas court judges from Licking, Muskingum and Coshocton Counties and one common pleas court judge from Knox County. The common pleas judges and the respective county commissioners appoint a thirteen member citizens advisory board to assist in the operation of the CBCF. The board has total control over budgeting, personnel, and financial matters. The CBCF receives funding in the form of state grant monies which are used to provide the various services of the CBCF. Licking County serves as fiscal agent for the CBCF. During 2003, the CBCF received no monies from Muskingum County. The continued existence of the CBCF is not dependent on the County's continued participation and the County does not have an equity interest in or a financial responsibility for the CBCF. The CBCF has no outstanding debt.

#### I. Zanesville-Muskingum County Port Authority

The Zanesville-Muskingum County Port Authority (Authority) is a jointly governed organization under the laws of the State of Ohio. The Authority is governed by a four member board of directors. The board is comprised of two members appointed by Muskingum County and two members appointed by the City of Zanesville. The Authority's primary function is to promote economic growth and development in the County. The Authority derives its revenues from rental income, interest income and annual contributions from the County and the City. The County and City currently lease the Anchor Glass Facilities from the Authority pursuant to a 1988 operating lease agreement. The County and City sublease the facilities to the Anchor Glass Corporation. The payments are used for the payment of the Authority's outstanding bonds. The County's share of the Anchor Glass Corporation's rent income and the related operating lease payments are reflected in the general fund. In addition to the required operating lease and long-term contract payable payments, the County and City contributed \$120,000 each to the Authority during 2003. Separately issued financial statements can be obtained from the Zanesville-Muskingum County Port Authority, Zanesville, Ohio.

#### J. Perry Multi-County Juvenile Facility

The Perry Multi-County Juvenile Facility (Facility) is a jointly governed organization created to rehabilitate juvenile offenders in lieu of commitment to the Ohio Department of Youth Services. The Facility has an eight member governing board that consists of one juvenile court judge, or designee, from the counties of Coshocton, Delaware, Fairfield, Knox, Licking, Morgan, Muskingum, and Perry. The Facility also has an executive committee that handles the daily operations of the Facility and reports to the governing board. The executive committee shall be composed of the officers of the governing board. The Facility's revenues will consist of an annual grant applied for by the Director of the Facility and charges for services from the participating counties. During 2003, the County made no contributions to the Facility for the housing of juvenile offenders. Continued existence of the Facility is not dependent upon the County's continued participation, no equity interest exists, and no debt is outstanding.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

K. Muskingum County Center for Seniors

The Muskingum County Center for Seniors (Center) is a jointly governed organization which operates as a not-for-profit organization created under 501(c)(3) of the Internal Revenue Code. The Center provides various services to seniors, including transportation services, nutritional and physical fitness information and instruction, meals, and legal counseling. The Center is governed by a seven member board consisting of three members appointed by the Muskingum County Board of County Commissioners, three members appointed by the Mayor of the City of Zanesville, and one member appointed by the above appointed six members. The Center was the recipient of support from the Muskingum County Senior Services Levy. Additional revenue is provided through contracts with the Area Agency on Aging. Continued existence of the Center is not dependent upon the County's continued participation, no equity interest exists, and no debt is outstanding.

NOTE 22 - RELATED ORGANIZATIONS

A. Muskingum County Convention Facilities Authority

The Muskingum County Convention Facilities Authority (Authority) was created pursuant to State Statutes for the purpose of acquiring, constructing, equipping and operating a convention facility in Muskingum County. The Authority operates under the direction of an eleven member appointed board of directors. The board consists of six members appointed by Muskingum County, three members appointed by the Mayor of the City of Zanesville and two members appointed by the remaining municipal corporations located within the County. The board exercises total control over the operation of the district including budgeting, appropriating, contracting and designating management. The authority receives funding in the form of excise tax on hotels and motels in the amount of four percent of each transaction occurring within the boundaries of Muskingum County. The County is prohibited from contributing to the operations of the Convention Authority by State Law. During 2003, the Authority received \$396,962 from excise taxes and rental income. The Authority has no outstanding debt. Complete financial information can be obtained from the Muskingum County Conventions Facilities Authority, Zanesville, Ohio.

B. Zanesville Metropolitan Housing Authority

The Zanesville Metropolitan Housing Authority (Authority) was created in 1938, and currently operates pursuant to Ohio Revised Code Section 3735.27. The Authority is governed by a five member board. Muskingum County appoints three members and the City of Zanesville appoints two members. The board adopts their own appropriations, is their own contracting authority, hires and fires their own staff, authorizes all expenditures, and does not rely on the County or the City to finance deficits. The Authority receives funding from the federal government in the form of grants. All monies are received directly by the Authority in the Authority's name. The County is not financially accountable for the Authority and the Authority is not fiscally dependent on the County. The Authority has no outstanding debt. The Authority is a stand-alone government, and complete financial information can be obtained from the Zanesville Metropolitan Housing Authority, Zanesville, Ohio.



**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

C. Muskingum County Park District

The Muskingum County Park District was created pursuant to the laws of the State of Ohio. The Park District is a legally separate entity which is governed by a three member board appointed by the probate court judge. The Park District Board may adopt budgets, hire and fire employees, and issue revenue debt without the approval of the County. The Park District received local government and local government revenue assistance monies during 2003. The County serves as fiscal agent for the Park District and the activity is reflected in the Park District agency fund.

NOTE 23 – PUBLIC ENTITY POOLS

A. County Risk Sharing Authority, Inc. (CORSA)

The County Risk Sharing Authority, Inc. (CORSA) is a public entity shared risk pool among fifty-five counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in or a financial responsibility for CORSA. Any additional premium or contribution amounts and estimates of losses are not reasonably determinable. The County's payment for insurance to CORSA in 2003 was \$267,712.

B. County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool.

A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at the meeting held in the month of December each year. No participant can have more than member of the group executive committee in any year, and each elected members shall be a County Commissioner.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

**NOTE 24 - RELATED PARTY TRANSACTIONS**

Muskingum Starlight Industries, Inc., a discretely presented component unit of Muskingum County, received contributions from the County for facilities, certain equipment, transportation and salaries for administration, implementation and supervision of its programs. These contributions are reflected as operating revenues and operating expenses at cost or fair market value as applicable, in the basic financial statements. In 2003, these contributions were \$100,189.

The Transportation Improvement District currently shares office space of Zanesville-Muskingum County Port Authority in the Welcome Center, located at 205 N. Fifth Street, Zanesville.

**NOTE 25 - FUND EQUITY RESERVES**

The following reservations of fund balances existed as of December 31, 2003:

Fund Type/Reserve Type	Amount
<u>General Fund:</u>	
Fund Balance	
Reserved for Encumbrances	\$450,806
Reserved for Claimants	65,250
Total General Fund	<u>516,056</u>
<u>Major Funds:</u>	
Fund Balances	
Public Assistance	
Reserved for Encumbrances	965,747
MVGT	
Reserved for Encumbrances	521,896
Children Services	
Reserved for Encumbrances	102,072
Starlight School	
Reserved for Encumbrances	<u>32,572</u>
<u>Nonmajor Funds:</u>	
Fund Balances	
Reserved for Encumbrances	419,426
Reserved for Loans Receivable	394,894
Reserved for Loan Guarantee	925,000
Reserved for Long-Term Contracts Payable	<u>404,584</u>
Total Non-major Funds	<u>2,143,904</u>
Grand Total All Reserves	<u><u>\$4,282,247</u></u>

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

NOTE 26 - FOOD STAMPS

The County's Department of Job and Family Services (Welfare) distributes, through contracting issuance centers, federal food stamps to entitled recipients within Muskingum County. The receipt and issuance of the stamps have the characteristics of a federal grant. However, the Department of Job and Family Services merely acts in an intermediary capacity. Therefore, the inventory value of these stamps is not reflected in the accompanying financial statements, as the only economic interest related to these stamps rests with the ultimate recipient. The County's Department of Job and Family Services had on hand for distribution \$69,326 of federal food stamps at December 31, 2003.

NOTE 27 - CONTINGENT LIABILITIES

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the county commissioners believe such disallowances, if any, will be immaterial.

Claims and lawsuits are pending against the County. Based upon information provided by the County's legal counsel, any potential liability and effect on the financial statements, if any, is not determinable at this time.

NOTE - 28 TRANSPORTATION IMPROVEMENT DISTRICT

A. Reporting Entity

The Transportation Improvement District, Muskingum County (the District) is a body politic and corporate, created for the purpose of financing, constructing, maintaining, repairing, and operating selected transportation projects. The District was specifically formed under the auspices of House Bill 154, and Ohio Revised Code Chapter 5540, as amended, and created by action of the Board of County Commissioners of Muskingum County on November 20, 1995.

The District is governed by a Board of Directors that acts as the authoritative and legislative body of the entity. The Board is comprised of seven members, with five members appointed by a majority vote of the Board of Commissioners of Muskingum County. One ex-officio member is appointed by the President of the Ohio Senate and one ex-officio member is appointed by the Speaker of the House of Representatives.

The Board of Directors appoints a Chairman, who presides at all meetings and is the chief officer of the District. He has the authority to sign all contracts, releases, notes, bonds and other instruments and documents to be executed on behalf of the District. He is the chief officer of the District for the purpose of civil process and is authorized to accept such services on behalf of the District. He performs such other duties and has such authority as may be provided from time to time by the Board.

The District is a discretely presented component unit in Muskingum County's December 31, 2003 Comprehensive Annual Financial Report, as defined by the provisions of GASB Statement Nos. 14 and 39. Also, the Zanesville-Muskingum County Port Authority serves as the Administrative Agent for the Muskingum County Transportation Improvement District. The District's management believes these financial statements represent all activities for which the District is financially accountable.

Muskingum County, Ohio

Notes to the Basic Financial Statements  
December 31, 2003

---

B. Summary of Significant Accounting Policies

The financial statements of the Transportation Improvement District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-wide Financial Statements** The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The statement of net assets presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limitations. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

**Fund Financial Statements** During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds would be aggregated and presented in a single column, however, the District did not have any nonmajor funds in 2003.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There is one category of funds: governmental.

**Governmental Funds** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

## Muskingum County, Ohio

### Notes to the Basic Financial Statements December 31, 2003

---

**General Fund** The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Debt Service Fund** The debt service fund is used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest and related costs.

**North Pointe Capital Projects Fund.** The North Pointe capital projects fund is used to account for loan proceeds received from the State Infrastructure Bank for the North Pointe Drive Project.

**State Route 93/22 Capital Projects Fund** The State Route 93/22 Capital Projects Fund is used to account for grant monies for the State Route 93/22 project.

#### Measurement Focus

**Government-wide Financial Statements** The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the Statement of Net Assets. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

**Fund Financial Statements** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

#### Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-Exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

## Muskingum County, Ohio

### Notes to the Basic Financial Statements December 31, 2003

---

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: interest, grants and entitlements.

***Deferred Revenue*** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

#### Cash and Cash Equivalents

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Cash and Cash Equivalents" on the combined balance sheet.

The General Fund is the only fund allocated interest earnings from the repurchase agreement.

#### Capital Assets

The District reports no capital assets. A road constructed by the District is nearing completion but through contractual agreements, Muskingum County uses and maintains the road. The County reports this road as a capital asset on its books. It is the intent of the District management to grant Muskingum County title to the road upon full payment of the related debt.

#### Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Long-term loans are recognized as a liability on the government fund financial statements when due.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions, enabling legislation, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

C. Change in Accounting Principle and Restatement of Fund Balances/ Net Assets

**Changes in Accounting Principles** For 2003, the District has implemented GASB Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments”; GASB Statement No. 37, “Basic Financial Statements for State and Local Governments: Omnibus”, GASB Statement No. 38, “Certain Financial Statement Note Disclosures”, and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements”. At December 31, 2003, there was no effect on fund balance as a result of implementing GASB Statements No. 37 or No. 38.

GASB 34 creates new basic financial statements for reporting on the District’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type.

The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2002, caused by the reclassification of funds based on the guidance provided in Statement No. 34.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

**Restatement of Fund Balance** The restatements for GASB Statement No. 34 and GASB Interpretation No. 6 had no effect on fund balances of the major funds of the District as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	General	Debt Service	Capital Projects North Pointe	Capital Projects State Route 93/22	Total
Fund Balances, 12/31/02 (unchanged)	\$33,241	\$0	(\$203,018)	\$0	(\$169,777)
GASB 34 Adjustments:					
Long Term Liabilities					11,125,288
Long term (deferred)Assets					(11,125,288)
Governmental Activities					
Net Assets, 12/31/02					(\$169,777)

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

D. Accountability

At December 31, 2003, the North Pointe Drive Fund and State Route 93/22 Fund had a deficit fund balance in the amount of \$153,026 and \$132,180, respectively. This deficit resulted from the recognition of accrued liabilities in accordance with generally accepted accounting principles.

E. Deposits and Investments

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the District has identified as not required for use within the current two year period of designated depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by saving or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) or collateralized by the financial institution's public entity deposit pool.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes debentures, or any other obligations or securities issued by any federal government agency or instrumentality; including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed 30 days;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;



Muskingum County, Ohio

Notes to the Basic Financial Statements  
December 31, 2003

- 
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that instruments in securities described in this division are made only through eligible institutions;
  7. The State Treasurer's Investment Pool (STAROhio).

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the clerk or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Deposits** – At year end, the carrying amount of the District's deposits was \$737,030 and the bank balance was \$791,542. Of the bank balance:

1. \$100,000 was covered by federal depository insurance;
2. \$691,542 was covered by securities held by a third party financial institution in the name of the District.

F. Receivables

Receivables at December 31, 2003 consisted of loan draw downs, contract, and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State Loan programs, the current fiscal year guarantee of federal funds, and the executed contracts with the Muskingum County Commissioners.

A summary of the principal items of intergovernmental contracts and loan receivables follows:

Governmental Activities:	
Loan Receivable	\$1,511,273
Intergovernmental Receivable	45,614
Contract Receivable	<u>14,559,305</u>
Total	<u><u>\$16,116,192</u></u>

G. Long-Term Obligations

Changes in the long-term obligations of the District during 2003 were as follows:

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

	Outstanding 1/1/2003	Additions	(Reductions)	Loan Balance 12/31/2003	Additional Loan Proceeds Receivable	Outstanding 12/31/2003	Amounts Due in One Year
Governmental Activities:							
General long-term							
Obligations:							
State Infrastructure							
Bank - 4%	\$10,981,833	\$275,943	(\$448,344)	\$10,809,432	\$1,400	\$10,810,832	\$457,349
State Infrastructure							
Bank - 3%							
additional loan proceeds	0	2,238,600	0	2,238,600	1,509,873	3,748,473	0
Total general long-term obligations	\$10,981,833	\$2,514,543	(\$448,344)	\$13,048,032	\$1,511,273	\$14,559,305	\$457,349

The annual requirements to retire governmental activities debt are as follows:

	Loans			
	Principal	Interest	Principal	Interest
2004	\$457,349	\$451,542	\$0	\$0
2005	478,639	430,253	230,377	61,968
2006	499,197	409,695	471,172	113,517
2007	520,638	388,254	485,414	99,276
2008	543,001	365,891	500,085	84,605
2009-2013	3,085,537	1,458,921	2,444,154	186,949
2014-2018	3,807,601	736,859	0	0
2019-2020	1,307,385	55,953	0	0
	<u>\$10,699,347</u>	<u>\$4,297,368</u>	<u>\$4,131,202</u>	<u>\$546,315</u>

The District entered into a loan agreement December 23, 1998 with the Ohio Department of Transportation where the District is to receive up to \$11,060,000 of loan proceeds, plus the refinancing of accumulated interest in the amount of \$404,129, to be repaid over 20 years. As collateral for the loan, the State Infrastructure Bank has received an assignment of all use payments from Muskingum County and an assignment of Tax Increment Financing from the Longaberger Company. Loans payable include \$1,400 of capital outlay expenditures eligible to be drawn down from the loan as of December 31, 2003. As of December 31, 2003, the District had drawn down \$11,443,891 of \$11,464,129 total authorized.

An additional \$110,085 was drawn against the loan since the amortization schedule was prepared. The State Infrastructure Bank had not prepared a new schedule at the time the note disclosures were completed.

In March 2003, the District obtained approval for an additional State Infrastructure Loan to finance design revisions and completion of the North Pointe Drive Project. The proposed terms call for a loan amount of \$4,010,000, plus the refinancing of projected accumulated interest in the amount of \$121,202 to be repaid over 12 years. As collateral for the loan, the State Infrastructure Bank has received an assignment of all use payments from Muskingum County and an assignment of Tax Increment Financing from the Longaberger Company. Loans payable recorded in the governmental activities include \$1,509,873 of capital outlay expenditures eligible to be drawn down from the loan as of December 31, 2003. As of December 31, 2003, the District had drawn down \$2,238,600 of \$4,131,202 total authorized.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

H. Contractual Commitments

As of December 31, 2003, the District had contractual commitments for the following projects:

	<u>Contractual Commitment</u>	<u>Expended</u>	<u>Balance 12/31/2003</u>
Luburg Inc./ RF Scurlock Co. Joint Venture	<u>\$9,909,634</u>	<u>\$8,230,687</u>	<u>\$1,678,947</u>

I. Current Project

The North Pointe Drive project is located between the City of Zanesville and the Village of Dresden. This roadway will begin on the southern end at Richvale Road and extend north to intersect with State Route 60 at Dresden. The project will be built as a continuous route in a two-lane configuration; however, enough right of way will be purchased to potentially accommodate a future four lane divided highway. During 2003, the Transportation Improvement District incurred construction fees and related costs for this project. As more fully explained in the Intergovernmental Loan section (K), Muskingum County advanced funds to the District to provide interim funding for this project, a portion of which was repaid during 2000.

As of December 31, 2003 the 93/22 road project is in the process of an ongoing feasibility study. The study is to determine which route would be best to construct the new main road. At the end of the year, no construction had been started.

J. Risk Management

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- General liability, and
- Vehicles

K. Intergovernmental Loan

In 1999 Muskingum County advanced the District \$1,620,000 in funding for the North Pointe Drive Extension Project. The District repaid \$750,000 of the loan on July 27, 2000 with proceeds from the State Infrastructure Bank loan. Management intends to repay the remainder with proceeds from the loan.

L. Related Party Transaction

The Transportation Improvement District currently shares office space with Zanesville Muskingum County Port Authority in the Welcome Center, located at 205 N. Fifth Street, Zanesville.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

NOTE- 29 – MUSKINGUM STARLIGHT INDUSTRIES, INC.

A. Summary of Significant Accounting Policies

The summary of significant accounting policies of Muskingum Starlight Industries, Inc. is presented to assist in understanding the company's financial statements. The financial statements and notes are representations of the company's management who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Organization and Purpose

Muskingum Starlight Industries, Inc. is a not-for-profit organization located in Zanesville, Ohio. The Organization is a sheltered workshop for mentally and developmentally handicapped adults and provides job and learning skills to their clients. The Organization operates under the mandate of the Muskingum County Board of Mental Retardation and Development Disability which provides a facility for the workshop along with an administrative staff.

Basis of Accounting

The financial statements of Muskingum Starlight Industries, Inc. have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Equivalents

For purposes of the statement of cash flows, the organization considers all highly liquid debt instruments purchased with a maturity date of six months or less to be cash equivalents.

Inventory

Inventory is valued at cost on the first-in, first-out basis.

Property and Equipment

Property and equipment additions are recorded at cost. Depreciation is provided on assets purchased before 1987 on the straight-line method over the estimated useful lives of the respective assets. Assets purchased after 1986 are depreciated under the Modified Accelerated Cost Recovery system as prescribed by the Tax Reform Act of 1986.

**Muskingum County, Ohio**

**Notes to the Basic Financial Statements  
December 31, 2003**

---

Income Tax Status

No federal income taxes are applicable as the corporation has received tax-exempt status by the Internal Revenue Service under Code Section 501(c)(3) and has been recognized as non-profit by the State of Ohio. Therefore, no tax provisions have been made in the accompanying financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted principles requires management to make estimates and assumptions that reflect amounts and disclosures, accordingly, actual results could differ from those estimates.

B. Donated Services, Equipment and Facilities

The Muskingum County Board of MR/DD made in-kind contributions to Muskingum Starlight Industries, Inc. Workshop. The in-kind contributions as of December 31, 2003 and 2002 were \$100,189 and \$58,543, respectively.

C. Deferred Income

The Muskingum Starlight Industries, Inc. workshop serves as an agent for funds received from the State of Ohio to serve the Family Resource Program. However, another party serves as the administrator of this program. All monies are received by the administrator of this program and released by request to the workshop for disbursement to qualified families. Any unexpended monies remaining at year end are recorded as deferred income and are considered to be unrestricted net assets.

D. Financial Accounts with Off-Balance Sheet Risk

The company has maintained an account in excess of the federally insured maximum of \$100,000 by the Federal Deposit Insurance Corporation (FDIC).

**Combining Statements  
and  
Individual Fund Schedules**

## NONMAJOR GOVERNMENTAL FUNDS

---

### Nonmajor Special Revenue Funds

The special revenue funds account for those financial resources that are restricted by legal, regulatory, or administrative action to finance particular functions or activities of the County. The following are reported as nonmajor special revenue funds:

Dog and Kennel Fund - To account for the dog warden's operations, financed by sales of dog tags, kennel permits and fine collections.

Child Support Enforcement Agency Fund - To account for state, federal and local revenue used to administer the County Child Support program.

Homeland Security Fund - To account for federal grants used to strengthen county-level capability to respond effectively to weapons of mass destruction and all hazard incidences in Muskingum County.

Childrens' Services Trust Fund - To account for bequests left for the purpose of maintaining the County Children's Home.

SBC Foundation Grant Fund - To account for a foundation grant used to support the Family and Workforce Center (One Stop) Program which will interconnect the family, health, education, employment, and training programs of the County government to increase operational efficiency and improve overall customer services.

County Home Levy Fund - To account for revenues from room and board as well as property taxes used to administer and operate the County Home.

Real Estate Assessment Fund - To account for state mandated county-wide real estate reappraisals that are funded by charges to the political subdivisions located within the County.

Redevelopment Tax Equivalent Fund - To account for money received pursuant to a tax increment financing agreement between the County and a local vendor to be used for expenses incurred during the construction of an adjoining road.

Drug Abuse Resistance Education (DARE) Fund - To account for the education of school children regarding drug abuse conducted by the Sheriff's Department.

Miscellaneous Federal Grants Fund - To account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. The individual funds are maintained separately on the County's books.

Mediation Project Phase III Fund - To account for state grants used in the mediation program associated with the Common Pleas Court.

Delinquent Real Estate Tax and Assessment Collection Fund - To account for the monies received from delinquent real estate tax and assessment collections. Half of the money is to be allocated to the Prosecutor and the other half to the Treasurer for use in the collection of delinquent property taxes and assessments.

Tuberculosis Clinic Fund - To account for a County-wide property tax levy used to diagnose and treat people with tuberculosis and respiratory diseases in the County.

Youth Services Fund - To account for grant monies received from the State Department of Youth Services used for the placement of children, a diversion program, juvenile delinquency prevention and other related activities.

(continued)

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

Block Grants Fund - To account for revenue from the federal government used for a revolving loan program and for improvements to targeted areas within the County.

Computer Legal Research Fund - To account for Clerk of Courts computer fees used for computerization of the Law Library.

Community Correction Fund - To account for grant monies from the State of Ohio used to assist the County in correctional rehabilitation of persons on probation.

Home Detention (Electronic Monitor) Fund - To account for fees from the County Courts used for in-home housing of prisoners.

Litter Prevention Fund - To account for a state grant to enforce litter laws and educate citizens.

Ohio Childrens Trust Fund - To account for state grants to promote the prevention of child abuse and neglect in the County for children ages 0-5 and their families.

Marriage License Fund - To account for marriage license fees. Fees are paid to Transitions Inc. and used for the treatment of battered women.

Political Subdivision Housing Fund - To account for fines and forfeitures used for the Adult Probation Program as specified by entry from the Courts. Created pursuant to Ohio Revised Code Section 4511.99.

Indigent Drivers Alcohol Treatment Fund - To account for fines from the State and County Court. Created pursuant to Ohio Revised Code Section 4511.191.

Probate Conduct of Business Fund - To account for monies from a portion of marriage license fees to be used at the discretion of the Probate Judge pursuant to Ohio Revised Code Section 2101.19.

Enforcement and Education Fund - To account for monies received from convictions on alcohol related cases used for education of the community at large and for the purchase of law enforcement equipment.

Law Enforcement Fund - To account for fines from the County courts used by the Sheriff and Prosecuting Attorney for investigations, prosecutions and training for law enforcement personnel.

Hazardous Response and Education Fund - To account for fees charged in the administration of hazardous materials incidents assistance.

Senior Citizens Levy Fund - To account for revenue derived from property taxes used to assist in the providing of programs and services to the senior citizens of the County.

Felony Delinquent Care and Custody Fund - To account for grant monies which are used for the Intensive Probation Program.

Drug Law Enforcement Fund - To account for income from fines on drug-related cases used for drug-related investigations.

Indigent Guardianship Fund - To account for probate court fees used for court appointed guardians for indigents.

Victim of Criminals Fund - To account for donations for state grant monies to be used to assist the victims of crime.

(continued)



## NONMAJOR GOVERNMENTAL FUNDS (Continued)

Family Resources Fund - To account for State grant monies to be used for respicare, family training, home modification, adaptive equipment, and special diets.

Sheriff Commissary Fund - To account for sales within the commissary to County jail inmates.

Children Services Christmas Fund - To account for donations from citizens used to purchase gifts for children under care.

Mental Health Levy Fund - To account for a County-wide property tax levy used for the County's share in the Muskingum Area Alcohol, Drug Addiction and Mental Health Board.

Certificate of Title Administration Fund - To account for the title fees used for the operation of the title office of the Clerk of Courts.

Sheriff Levy Fund - To account for a County-wide property tax levy to be used to provide additional law enforcement in the County.

County Court Special Projects Fund - To account for money received by the County Court from fees and charges over and above normal court costs to be utilized for special projects of the court.

Transportation Improvement District (TID) Escrow Fund - To account for non-tax revenues set aside for the purpose of a loan guaranty.

Juvenile Detention Fund - To account for state and federal grants used in the operation and maintenance of the Detention Facility.

### Nonmajor Debt Service Funds

The debt service funds are used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest and related costs. The following are reported as nonmajor debt service funds:

Debt Service Fund - To account for rent monies from the agencies of Health, Human Services and Children Services used for the retirement of County general obligation bonds.

Special Assessment Debt Service Fund - To account for special assessment revenue used for the repayment of OWDA and bonded special assessment debt.

Note Retirement Fund - To account for the repayment of note debt and related revenue activity. For GAAP reporting, this activity is reflected in the fund that received the note proceeds.

Sewer Debt Service Fund - To account for the repayment of debt and related revenue activity. For GAAP reporting, this activity is reflected in the Sewer enterprise fund.

Water Debt Service Fund - To account for the repayment of debt and related revenue activity. For GAAP reporting, this activity is reflected in the Water enterprise fund.

(continued)

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

---

### Nonmajor Capital Projects Funds

The capital projects funds are used to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds). The following are reported as nonmajor capital projects funds:

Detention Center Construction Fund - To account for transfers from the General Fund and monies from the sale of notes to be used for the construction of a new detention center.

Issue II Fund - To account for Issue 2 monies used for bridge painting, county road paving and repair.

Maysville School Fund - To account for money from the sale of bonds to be used to purchase the Maysville School.

Starlight Permanent Improvements Fund - To account for revenues from an operating levy used for permanent improvements at the Starlight School.

Recorder Equipment Fund - To account for a portion of the recorder's fees to be used for the purchase of equipment.

Court Computer Fund - To account for a portion of court fees to be used for the purchase of computer equipment.

Brandywine Loop Construction Fund - To account for monies from the sale of notes to be used for the construction of a bypass route. For budgetary purposes, the payment of the note is reflected in the Note Retirement debt service fund.

Economic Development Fund - To account for revenues derived from General Fund transfers to be used for various capital projects in the County.

Records Building Fund - To account for bond proceeds used to perform renovations at the County records building.

State Route 60 Project Fund - To account for transfers from the Economic Development capital project fund to be used for improvements to State Route 60.

Law Enforcement Block Grant Fund - To account for Federal Grants to be used for the purchase of various equipment to enhance law enforcement in the County.

Energy Conservation Fund - To account for loan proceeds used to renovate the Starlight school and workshop. This fund will also reflect the tax revenue to be used for the debt payments associated with this loan.

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

---

East Wheeling Road Bridge Fund - To account for a federal grant used for the replacement of a bridge structure on East Wheeling Road.

Emergency Operations Center Fund - To account for donations used in the construction of a new disaster center.

Mitchell Lane Fund - To account for the contractual activity associated with the extension of an existing road. The upkeep and maintenance will then be turned over to the township.

Salt Creek Drive Fund - To account for federal and local match monies used in the resurfacing of Salt Creek Drive.

Muskingum County, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$5,141,089	\$507,495	\$2,587,248	\$8,235,832
Cash and Cash Equivalents in Segregated Accounts	71,627	0	0	71,627
Restricted Cash and Cash Equivalents	925,000	0	0	925,000
Receivables:				
Property and Other Taxes	4,753,298	0	0	4,753,298
Payments in Lieu of Taxes	224,895	0	94,992	319,887
Accounts	66,120	0	0	66,120
Intergovernmental	1,714,362	0	0	1,714,362
Special Assessments	0	1,704,471	0	1,704,471
Loans	0	394,894	0	394,894
Due from Component Unit	0	0	870,000	870,000
Materials and Supplies Inventory	14,113	0	2,901	17,014
Prepaid Items	1,909	0	0	1,909
<i>Total Assets</i>	<u>\$12,912,413</u>	<u>\$2,606,860</u>	<u>\$3,555,141</u>	<u>\$19,074,414</u>
<b>Liabilities:</b>				
Accounts Payable	\$49,554	\$0	\$30,491	\$80,045
Accrued Interest Payable	0	0	7,056	7,056
Accrued Wages and Benefits	495,551	0	0	495,551
Interfund Payable	98,928	6,416	0	105,344
Intergovernmental Payable	127,784	0	69	127,853
Notes Payable	0	0	807,243	807,243
Deferred Revenue	6,420,157	1,704,471	0	8,124,628
<i>Total Liabilities</i>	<u>7,191,974</u>	<u>1,710,887</u>	<u>844,859</u>	<u>9,747,720</u>
<b>Fund Equity:</b>				
Fund Balances:				
Reserved for Encumbrances	265,851	0	153,575	419,426
Reserved for Loans	0	394,894	0	394,894
Reserved for Loan Guarantee	925,000	0	0	925,000
Reserved for Long -Term Contracts Payable	404,584	0	0	404,584
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	4,125,004	0	0	4,125,004
Debt Service Funds	0	501,079	0	501,079
Capital Projects Funds	0	0	2,556,707	2,556,707
<i>Total Fund Balances</i>	<u>5,720,439</u>	<u>895,973</u>	<u>2,710,282</u>	<u>9,326,694</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$12,912,413</u>	<u>\$2,606,860</u>	<u>\$3,555,141</u>	<u>\$19,074,414</u>

Muskingum County, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2003

	Dog and Kennel	Child Support Enforcement Agency	Homeland Security	Childrens' Services Trust	SBC Foundation Grant
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$35,164	\$524,755	\$0	\$146,658	\$25,000
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0
Restricted Cash and Cash Equivalents	0	0	0	0	0
Receivables:					
Property and Other Taxes	0	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0	0
Accounts	0	30,391	0	0	0
Intergovernmental	0	360,893	101,000	0	0
Materials and Supplies Inventory	0	240	0	0	0
Prepaid Items	0	1,131	0	0	0
<i>Total Assets</i>	<u>\$35,164</u>	<u>\$917,410</u>	<u>\$101,000</u>	<u>\$146,658</u>	<u>\$25,000</u>
<b>Liabilities:</b>					
Accounts Payable	\$800	\$1,566	\$0	\$0	\$0
Accrued Wages and Benefits	21,719	155,160	0	0	0
Interfund Payable	0	36,935	0	0	0
Intergovernmental Payable	3,378	38,676	0	0	0
Deferred Revenue	0	360,893	101,000	0	0
<i>Total Liabilities</i>	<u>25,897</u>	<u>593,230</u>	<u>101,000</u>	<u>0</u>	<u>0</u>
<b>Fund Equity:</b>					
Fund Balance:					
Reserved for Encumbrances	1,609	48,977	0	10	0
Reserved for Loan Guarantee	0	0	0	0	0
Reserved for Long -Term Contracts Payable	0	0	0	0	0
Unreserved:					
Undesignated (Deficit)	7,658	275,203	0	146,648	25,000
<i>Total Fund Equity (Deficit)</i>	<u>9,267</u>	<u>324,180</u>	<u>0</u>	<u>146,658</u>	<u>25,000</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$35,164</u>	<u>\$917,410</u>	<u>\$101,000</u>	<u>\$146,658</u>	<u>\$25,000</u>

(continued)

Muskingum County, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)  
December 31, 2003

	County Home Levy	Real Estate Assessment	Redevelopment Tax Equivalent	Drug Abuse Resistance Education (DARE)	Miscellaneous Federal Grants
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$194,322	\$856,480	\$201,561	\$15,378	\$44,780
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0
Restricted Cash and Cash Equivalents	0	0	0	0	0
Receivables:					
Property and Other Taxes	2,158,560	0	0	0	0
Payments in Lieu of Taxes	9,922	0	203,023	0	0
Accounts	0	0	0	0	0
Intergovernmental	106,672	0	0	8,279	0
Materials and Supplies Inventory	3,592	0	0	0	0
Prepaid Items	150	296	0	0	0
<i>Total Assets</i>	<u>\$2,473,218</u>	<u>\$856,776</u>	<u>\$404,584</u>	<u>\$23,657</u>	<u>\$44,780</u>
<b>Liabilities:</b>					
Accounts Payable	\$35,088	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	140,313	10,490	0	0	5,947
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	36,708	2,648	0	0	1,514
Deferred Revenue	2,265,232	0	0	0	0
<i>Total Liabilities</i>	<u>2,477,341</u>	<u>13,138</u>	<u>0</u>	<u>0</u>	<u>7,461</u>
<b>Fund Equity:</b>					
Fund Balance:					
Reserved for Encumbrances	14,013	140,780	0	0	0
Reserved for Loan Guarantee	0	0	0	0	0
Reserved for Long-Term Contracts Payable	0	0	404,584	0	0
Unreserved:					
Undesignated (Deficit)	(18,136)	702,858	0	23,657	37,319
<i>Total Fund Equity (Deficit)</i>	<u>(4,123)</u>	<u>843,638</u>	<u>404,584</u>	<u>23,657</u>	<u>37,319</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$2,473,218</u>	<u>\$856,776</u>	<u>\$404,584</u>	<u>\$23,657</u>	<u>\$44,780</u>

<u>Mediation Project Phase III</u>	<u>Delinquent Real Estate Tax and Assessment Collection</u>	<u>Tuberculosis Clinic</u>	<u>Youth Services</u>	<u>Block Grants</u>	<u>Computer Legal Research</u>
\$1,367	\$401,685	\$400,626	\$314	\$52,436	\$55,417
0	0	0	0	0	0
0	0	0	0	0	0
0	0	431,712	0	0	0
0	0	1,984	0	0	0
0	0	0	0	0	21,157
0	0	50,745	33,661	755,000	0
0	0	0	0	239	0
0	0	195	0	0	0
<u>\$1,367</u>	<u>\$401,685</u>	<u>\$885,262</u>	<u>\$33,975</u>	<u>\$807,675</u>	<u>\$76,574</u>
\$0	\$7,826	\$1,464	\$0	\$0	\$0
0	8,547	22,289	0	11,980	0
0	0	0	0	50,000	0
0	2,027	5,516	73	2,325	0
0	0	482,457	33,661	711,353	21,157
0	18,400	511,726	33,734	775,658	21,157
0	3,483	45,235	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>1,367</u>	<u>379,802</u>	<u>328,301</u>	<u>241</u>	<u>32,017</u>	<u>55,417</u>
<u>1,367</u>	<u>383,285</u>	<u>373,536</u>	<u>241</u>	<u>32,017</u>	<u>55,417</u>
<u>\$1,367</u>	<u>\$401,685</u>	<u>\$885,262</u>	<u>\$33,975</u>	<u>\$807,675</u>	<u>\$76,574</u>

(continued)

Muskingum County, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)  
December 31, 2003

	Community Correction	Home Detention (Electronic Monitor)	Litter Prevention	Ohio Childrens Trust	Marriage License
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$21,936	\$116,903	\$1,868	\$2,677	\$2,078
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0
Restricted Cash and Cash Equivalents	0	0	0	0	0
Receivables:					
Property and Other Taxes	0	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0	0
Accounts	0	14,572	0	0	0
Intergovernmental	106,213	14,710	11,320	13,862	0
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	0	0	0	0	0
<i>Total Assets</i>	<u>\$128,149</u>	<u>\$146,185</u>	<u>\$13,188</u>	<u>\$16,539</u>	<u>\$2,078</u>
<b>Liabilities:</b>					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	12,685	2,845	5,502	0	0
Interfund Payable	0	673	11,320	0	0
Intergovernmental Payable	3,182	966	1,379	0	0
Deferred Revenue	106,213	21,927	11,320	13,862	0
<i>Total Liabilities</i>	<u>122,080</u>	<u>26,411</u>	<u>29,521</u>	<u>13,862</u>	<u>0</u>
<b>Fund Equity:</b>					
Fund Balance:					
Reserved for Encumbrances	0	983	84	0	2,078
Reserved for Loan Guarantee	0	0	0	0	0
Reserved for Long-Term Contracts Payable	0	0	0	0	0
Unreserved:					
Undesignated (Deficit)	6,069	118,791	(16,417)	2,677	0
<i>Total Fund Equity (Deficit)</i>	<u>6,069</u>	<u>119,774</u>	<u>(16,333)</u>	<u>2,677</u>	<u>2,078</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$128,149</u>	<u>\$146,185</u>	<u>\$13,188</u>	<u>\$16,539</u>	<u>\$2,078</u>



<u>Political Subdivision Housing</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Probate Conduct of Business</u>	<u>Enforcement and Education</u>	<u>Law Enforcement</u>	<u>Hazardous Response and Education</u>
\$20,256	\$126,026	\$11,433	\$34,791	\$72,999	\$500
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$20,256</u>	<u>\$126,026</u>	<u>\$11,433</u>	<u>\$34,791</u>	<u>\$72,999</u>	<u>\$500</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	3,826	0	0	50	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>20,256</u>	<u>122,200</u>	<u>11,433</u>	<u>34,791</u>	<u>72,949</u>	<u>500</u>
<u>20,256</u>	<u>126,026</u>	<u>11,433</u>	<u>34,791</u>	<u>72,999</u>	<u>500</u>
<u>\$20,256</u>	<u>\$126,026</u>	<u>\$11,433</u>	<u>\$34,791</u>	<u>\$72,999</u>	<u>\$500</u>

(continued)

Muskingum County, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)  
December 31, 2003

	Senior Citizens Levy	Felony Delinquent Care and Custody	Drug Law Enforcement	Indigent Guardianship
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$235,576	\$115,858	\$49,622	\$5,218
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Restricted Cash and Cash Equivalents	0	0	0	0
Receivables:				
Property and Other Taxes	644,480	0	0	0
Payments in Lieu of Taxes	2,637	0	0	0
Accounts	0	0	0	0
Intergovernmental	32,863	0	0	0
Materials and Supplies Inventory	0	0	0	0
Prepaid Items	0	0	0	0
<i>Total Assets</i>	<u>\$915,556</u>	<u>\$115,858</u>	<u>\$49,622</u>	<u>\$5,218</u>
<b>Liabilities:</b>				
Accounts Payable	\$0	\$0	\$0	\$1,500
Accrued Wages and Benefits	40,595	7,515	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	10,513	2,809	0	0
Deferred Revenue	677,343	0	0	0
<i>Total Liabilities</i>	<u>728,451</u>	<u>10,324</u>	<u>0</u>	<u>1,500</u>
<b>Fund Equity:</b>				
Fund Balance:				
Reserved for Encumbrances	0	26	0	0
Reserved for Loan Guarantee	0	0	0	0
Reserved for Long-Term Contracts Payable	0	0	0	0
Unreserved:				
Undesignated (Deficit)	187,105	105,508	49,622	3,718
<i>Total Fund Equity (Deficit)</i>	<u>187,105</u>	<u>105,534</u>	<u>49,622</u>	<u>3,718</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$915,556</u>	<u>\$115,858</u>	<u>\$49,622</u>	<u>\$5,218</u>

<u>Victim of Criminals</u>	<u>Family Resources</u>	<u>Sheriff Commissary</u>	<u>Children Services Christmas</u>	<u>Mental Health Levy</u>	<u>Certificate of Title Administration</u>
\$11,355	\$50,976	\$0	\$0	\$35,776	\$608,224
0	0	13,783	57,844	0	0
0	0	0	0	0	0
0	0	0	0	1,078,478	0
0	0	0	0	4,961	0
0	0	0	0	0	0
27,743	14,244	0	0	53,286	459
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$39,098</u>	<u>\$65,220</u>	<u>\$13,783</u>	<u>\$57,844</u>	<u>\$1,172,501</u>	<u>\$608,683</u>
\$0	\$0	\$0	\$0	\$0	\$696
3,285	0	0	0	0	10,143
0	0	0	0	0	0
879	0	0	0	0	2,444
18,495	0	0	0	1,131,764	0
<u>22,659</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,131,764</u>	<u>13,283</u>
0	0	0	0	0	2,354
0	0	0	0	0	0
0	0	0	0	0	0
<u>16,439</u>	<u>65,220</u>	<u>13,783</u>	<u>57,844</u>	<u>40,737</u>	<u>593,046</u>
<u>16,439</u>	<u>65,220</u>	<u>13,783</u>	<u>57,844</u>	<u>40,737</u>	<u>595,400</u>
<u>\$39,098</u>	<u>\$65,220</u>	<u>\$13,783</u>	<u>\$57,844</u>	<u>\$1,172,501</u>	<u>\$608,683</u>

(continued)

Muskingum County, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)  
December 31, 2003

	Sheriff Levy	County Court Special Projects	Transportation Improvement District (TID)	Juvenile Detention	Total Nonmajor Special Revenue Funds
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$408,307	\$132,972	\$0	\$119,795	\$5,141,089
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	71,627
Restricted Cash and Cash Equivalents	0	0	925,000	0	925,000
Receivables:					
Property and Other Taxes	440,068	0	0	0	4,753,298
Payments in Lieu of Taxes	2,368	0	0	0	224,895
Accounts	0	0	0	0	66,120
Intergovernmental	20,716	0	0	2,696	1,714,362
Materials and Supplies Inventory	0	0	0	10,042	14,113
Prepaid Items	0	0	0	137	1,909
<i>Total Assets</i>	<u>\$871,459</u>	<u>\$132,972</u>	<u>\$925,000</u>	<u>\$132,670</u>	<u>\$12,912,413</u>
<b>Liabilities:</b>					
Accounts Payable	\$0	\$614	\$0	\$0	\$49,554
Accrued Wages and Benefits	27,872	1,831	0	6,833	495,551
Interfund Payable	0	0	0	0	98,928
Intergovernmental Payable	7,128	196	0	5,423	127,784
Deferred Revenue	460,784	0	0	2,696	6,420,157
<i>Total Liabilities</i>	<u>495,784</u>	<u>2,641</u>	<u>0</u>	<u>14,952</u>	<u>7,191,974</u>
<b>Fund Equity:</b>					
Fund Balance:					
Reserved for Encumbrances	0	2,343	0	0	265,851
Reserved for Loan Guarantee	0	0	925,000	0	925,000
Reserved for Long-Term Contracts Payable	0	0	0	0	404,584
Unreserved:					
Undesignated (Deficit)	375,675	127,988	0	117,718	4,125,004
<i>Total Fund Equity (Deficit)</i>	<u>375,675</u>	<u>130,331</u>	<u>925,000</u>	<u>117,718</u>	<u>5,720,439</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$871,459</u>	<u>\$132,972</u>	<u>\$925,000</u>	<u>\$132,670</u>	<u>\$12,912,413</u>

Muskingum County, Ohio  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2003

	Debt Service	Special Assessment Debt Service	Total Nonmajor Debt Service Funds
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$238,436	\$269,059	\$507,495
Receivables:			
Special Assessments	0	1,704,471	1,704,471
Loans	394,894	0	394,894
<i>Total Assets</i>	<u>\$633,330</u>	<u>\$1,973,530</u>	<u>\$2,606,860</u>
<b>Liabilities:</b>			
Interfund Payable	\$0	\$6,416	\$6,416
Deferred Revenue	0	1,704,471	1,704,471
<i>Total Liabilities</i>	0	1,710,887	1,710,887
<b>Fund Equity:</b>			
Fund Balances:			
Reserved for Loans	394,894	0	394,894
Unreserved:			
Undesignated	238,436	262,643	501,079
<i>Total Fund Equity</i>	633,330	262,643	895,973
<i>Total Liabilities and Fund Balances</i>	<u>\$633,330</u>	<u>\$1,973,530</u>	<u>\$2,606,860</u>

Muskingum County, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2003

	<u>Issue II</u>	<u>Maysville School</u>	<u>Starlight Permanent Improvements</u>	<u>Recorder Equipment</u>
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$32,358	\$25,666	\$808,875	\$257,657
Payments in Lieu of Taxes Receivable	0	0	0	0
Due from Component Unit	0	0	0	0
Materials and Supplies Inventory	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$32,358</u></u>	<u><u>\$25,666</u></u>	<u><u>\$808,875</u></u>	<u><u>\$257,657</u></u>
<b>Liabilities:</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Interest Payable	0	0	0	0
Intergovernmental Payable	0	0	0	0
Notes Payable	<u>227,074</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>227,074</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Equity:</b>				
Fund Balance:				
Reserved for Encumbrances	0	500	6,773	0
Unreserved:				
Undesignated (Deficit)	<u>(194,716)</u>	<u>25,166</u>	<u>802,102</u>	<u>257,657</u>
<i>Total Fund Equity (Deficit)</i>	<u>(194,716)</u>	<u>25,666</u>	<u>808,875</u>	<u>257,657</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$32,358</u></u>	<u><u>\$25,666</u></u>	<u><u>\$808,875</u></u>	<u><u>\$257,657</u></u>

<u>Court Computer</u>	<u>Brandywine Loop Construction</u>	<u>Economic Development</u>	<u>Records Building</u>	<u>State Route 60 Project</u>	<u>Law Enforcement Block Grant</u>	<u>Energy Conservation</u>
\$424,493	\$557	\$198,511	\$4,576	\$785,987	\$45,855	\$0
0	94,992	0	0	0	0	0
0	0	0	0	870,000	0	0
0	0	0	0	0	0	0
<u>\$424,493</u>	<u>\$95,549</u>	<u>\$198,511</u>	<u>\$4,576</u>	<u>\$1,655,987</u>	<u>\$45,855</u>	<u>\$0</u>
\$30,491	\$0	\$0	\$0	\$0	\$0	\$0
0	319	0	0	0	0	6,737
69	0	0	0	0	0	0
0	195,000	0	0	0	0	385,169
<u>30,560</u>	<u>195,319</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>391,906</u>
8,067	0	138,235	0	0	0	0
<u>385,866</u>	<u>(99,770)</u>	<u>60,276</u>	<u>4,576</u>	<u>1,655,987</u>	<u>45,855</u>	<u>(391,906)</u>
<u>393,933</u>	<u>(99,770)</u>	<u>198,511</u>	<u>4,576</u>	<u>1,655,987</u>	<u>45,855</u>	<u>(391,906)</u>
<u>\$424,493</u>	<u>\$95,549</u>	<u>\$198,511</u>	<u>\$4,576</u>	<u>\$1,655,987</u>	<u>\$45,855</u>	<u>\$0</u>

(continued)

Muskingum County, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds (Continued)  
December 31, 2003

	Emergency Operations Center	Mitchell Lane	Salt Creek Drive	Total Nonmajor Capital Projects Funds
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,275	\$41	\$1,397	\$2,587,248
Payments in Lieu of Taxes Receivable	0	0	0	94,992
Due from Component Unit	0	0	0	870,000
Materials and Supplies Inventory	2,901	0	0	2,901
<i>Total Assets</i>	<u>\$4,176</u>	<u>\$41</u>	<u>\$1,397</u>	<u>\$3,555,141</u>
<b>Liabilities:</b>				
Accounts Payable	\$0	\$0	\$0	\$30,491
Accrued Interest Payable	0	0	0	7,056
Intergovernmental Payable	0	0	0	69
Notes Payable	0	0	0	807,243
<i>Total Liabilities</i>	0	0	0	844,859
<b>Fund Equity:</b>				
Fund Balance:				
Reserved for Encumbrances	0	0	0	153,575
Unreserved:				
Undesignated (Deficit)	4,176	41	1,397	2,556,707
<i>Total Fund Equity (Deficit)</i>	4,176	41	1,397	2,710,282
<i>Total Liabilities and Fund Equity</i>	<u>\$4,176</u>	<u>\$41</u>	<u>\$1,397</u>	<u>\$3,555,141</u>



Muskingum County, Ohio  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
December 31, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property and Other Taxes	\$4,144,453	\$0	\$0	\$4,144,453
Special Assessments	0	81,362	0	81,362
Charges for Services	1,862,652	0	100,165	1,962,817
Licenses and Permits	471,985	0	0	471,985
Fines and Forfeitures	89,689	0	94,703	184,392
Intergovernmental	5,395,741	0	1,303,698	6,699,439
Interest	1,086	99,228	268	100,582
Payments in Lieu of Taxes	233,316	0	94,992	328,308
Rent	0	560,497	0	560,497
Contributions and Donations	36,471	0	0	36,471
Other	64,738	0	100	64,838
	<u>12,300,131</u>	<u>741,087</u>	<u>1,593,926</u>	<u>14,635,144</u>
<b>Expenditures:</b>				
Current:				
General Government:				
Legislative and Executive	751,160	0	0	751,160
Judicial	128,177	0	62,858	191,035
Public Safety	1,480,714	0	131,144	1,611,858
Public Works	1,625,715	0	536,661	2,162,376
Health	790,659	0	0	790,659
Human Services	7,543,969	0	94,225	7,638,194
Economic Development and Assistance	0	0	599,198	599,198
Capital Outlay	0	0	876,696	876,696
Intergovernmental	1,079,411	0	1,635,447	2,714,858
Debt Service:				
Principal Retirement	999	1,003,646	0	1,004,645
Payment to Refunded Bond Escrow Agent	0	1,176,000	0	1,176,000
Interest and Fiscal Charges	442	959,226	34,285	993,953
	<u>13,401,246</u>	<u>3,138,872</u>	<u>3,970,514</u>	<u>20,510,632</u>
<i>Total Expenditures</i>				
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(1,101,115)</u>	<u>(2,397,785)</u>	<u>(2,376,588)</u>	<u>(5,875,488)</u>
<b>Other Financing Sources (Uses):</b>				
Refunding Bonds Issued	0	281,000	0	281,000
Payment to Refunded Bond Escrow Agent	0	(273,251)	0	(273,251)
Transfers - In	1,756,595	1,178,339	621,570	3,556,504
Transfers - Out	(38,970)	(930)	(34,086)	(73,986)
	<u>1,717,625</u>	<u>1,185,158</u>	<u>587,484</u>	<u>3,490,267</u>
<i>Total Other Financing Sources (Uses)</i>				
<i>Net Changes in Fund Balances</i>	616,510	(1,212,627)	(1,789,104)	(2,385,221)
Fund Balances at Beginning of Year	<u>5,103,929</u>	<u>2,108,600</u>	<u>4,499,386</u>	<u>11,711,915</u>
<i>Fund Balances at End of Year</i>	<u>\$5,720,439</u>	<u>\$895,973</u>	<u>\$2,710,282</u>	<u>\$9,326,694</u>

Muskingum County, Ohio  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2003

	Dog and Kennel	Child Support Enforcement Agency	Childrens' Services Trust	SBC Foundation Grant
<b>Revenues:</b>				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	27,758	37,942	0	0
Licenses and Permits	88,839	0	0	0
Fines and Forfeitures	4,257	0	0	0
Intergovernmental	0	3,202,856	0	0
Interest	0	0	984	0
Payments in Lieu of Taxes	0	0	0	0
Contributions and Donations	0	0	36,321	0
Other	0	8,422	0	0
<i>Total Revenues</i>	<u>120,854</u>	<u>3,249,220</u>	<u>37,305</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	0	0	0
Public Safety	0	0	0	0
Public Works	0	0	0	0
Health	190,679	0	0	0
Human Services	0	3,789,344	17,465	0
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	0	999	0	0
Interest and Fiscal Charges	0	442	0	0
<i>Total Expenditures</i>	<u>190,679</u>	<u>3,790,785</u>	<u>17,465</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(69,825)</u>	<u>(541,565)</u>	<u>19,840</u>	<u>0</u>
<b>Other Financing Sources (Uses):</b>				
Transfers - In	36,650	680,071	0	0
Transfers - Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>36,650</u>	<u>680,071</u>	<u>0</u>	<u>0</u>
<i>Net Changes in Fund Balances</i>	(33,175)	138,506	19,840	0
Fund Balances (Deficits) at Beginning of Year	<u>42,442</u>	<u>185,674</u>	<u>126,818</u>	<u>25,000</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u><u>\$9,267</u></u>	<u><u>\$324,180</u></u>	<u><u>\$146,658</u></u>	<u><u>\$25,000</u></u>

County Home Levy	Real Estate Assessment	Redevelopment Tax Equivalent	Drug Abuse Resistance Education (DARE)	Miscellaneous Federal Grants	Mediation Project Phase III	Delinquent Real Estate Tax and Assessment Collection
\$1,891,338	\$0	\$0	\$0	\$0	\$0	\$0
752,575	585,391	0	0	0	0	150,368
0	0	0	0	0	0	0
0	1,705	0	0	11,793	0	0
263,666	0	0	9,873	196,319	0	0
0	0	0	0	0	0	0
13,742	0	203,023	0	0	0	0
0	0	0	0	0	0	0
3,872	0	0	3,498	0	0	0
<u>2,925,193</u>	<u>587,096</u>	<u>203,023</u>	<u>13,371</u>	<u>208,112</u>	<u>0</u>	<u>150,368</u>
0	441,629	0	0	0	0	147,231
0	0	0	0	0	0	0
0	0	0	4,082	265,264	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
2,892,233	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>2,892,233</u>	<u>441,629</u>	<u>0</u>	<u>4,082</u>	<u>265,264</u>	<u>0</u>	<u>147,231</u>
<u>32,960</u>	<u>145,467</u>	<u>203,023</u>	<u>9,289</u>	<u>(57,152)</u>	<u>0</u>	<u>3,137</u>
71,533	0	0	0	21,812	0	0
0	0	0	0	0	0	0
<u>71,533</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,812</u>	<u>0</u>	<u>0</u>
104,493	145,467	203,023	9,289	(35,340)	0	3,137
<u>(108,616)</u>	<u>698,171</u>	<u>201,561</u>	<u>14,368</u>	<u>72,659</u>	<u>1,367</u>	<u>380,148</u>
<u>(\$4,123)</u>	<u>\$843,638</u>	<u>\$404,584</u>	<u>\$23,657</u>	<u>\$37,319</u>	<u>\$1,367</u>	<u>\$383,285</u>

(continued)

Muskingum County, Ohio  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds (Continued)  
For the Year Ended December 31, 2003

	Tuberculosis Clinic	Youth Services	Block Grants	Computer Legal Research
<b>Revenues:</b>				
Property and Other Taxes	\$374,954	\$0	\$0	\$0
Charges for Services	14,511	0	0	0
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	107,872	39,643	527,016	0
Interest	0	0	0	0
Payments in Lieu of Taxes	2,749	0	0	0
Contributions and Donations	150	0	0	0
Other	17,957	0	5,931	0
<i>Total Revenues</i>	<u>518,193</u>	<u>39,643</u>	<u>532,947</u>	<u>0</u>
<b>Expenditures:</b>				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	0	0	9,336
Public Safety	0	39,845	0	0
Public Works	0	0	637,353	0
Health	575,675	0	0	0
Human Services	0	0	0	0
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>575,675</u>	<u>39,845</u>	<u>637,353</u>	<u>9,336</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(57,482)</u>	<u>(202)</u>	<u>(104,406)</u>	<u>(9,336)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers - In	0	0	36,827	0
Transfers - Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>36,827</u>	<u>0</u>
<i>Net Changes in Fund Balances</i>	(57,482)	(202)	(67,579)	(9,336)
Fund Balances (Deficits) at Beginning of Year	<u>431,018</u>	<u>443</u>	<u>99,596</u>	<u>64,753</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u><u>\$373,536</u></u>	<u><u>\$241</u></u>	<u><u>\$32,017</u></u>	<u><u>\$55,417</u></u>

<u>Community Correction</u>	<u>Home Detention (Electronic Monitor)</u>	<u>Litter Prevention</u>	<u>Ohio Childrens Trust</u>	<u>Marriage License</u>	<u>Political Subdivision Housing</u>	<u>Indigent Drivers Alcohol Treatment</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	31,203	0	0	0	0	0
0	0	0	0	26,349	0	0
0	0	0	0	0	31,052	22,675
207,115	28,686	66,601	22,312	0	0	34
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	65	0	0	0	0	0
<u>207,115</u>	<u>59,954</u>	<u>66,601</u>	<u>22,312</u>	<u>26,349</u>	<u>31,052</u>	<u>22,709</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
251,884	99,505	0	0	0	20,809	0
0	0	86,490	0	0	0	0
0	0	0	0	24,305	0	0
0	0	0	38,367	0	0	24,666
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>251,884</u>	<u>99,505</u>	<u>86,490</u>	<u>38,367</u>	<u>24,305</u>	<u>20,809</u>	<u>24,666</u>
<u>(44,769)</u>	<u>(39,551)</u>	<u>(19,889)</u>	<u>(16,055)</u>	<u>2,044</u>	<u>10,243</u>	<u>(1,957)</u>
2,426	45,100	17,797	0	0	0	0
<u>(2,303)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
123	45,100	17,797	0	0	0	0
(44,646)	5,549	(2,092)	(16,055)	2,044	10,243	(1,957)
<u>50,715</u>	<u>114,225</u>	<u>(14,241)</u>	<u>18,732</u>	<u>34</u>	<u>10,013</u>	<u>127,983</u>
<u>\$6,069</u>	<u>\$119,774</u>	<u>(\$16,333)</u>	<u>\$2,677</u>	<u>\$2,078</u>	<u>\$20,256</u>	<u>\$126,026</u>

(continued)

Muskingum County, Ohio  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds (Continued)  
For the Year Ended December 31, 2003

	Probate Conduct of Business	Enforcement and Education	Law Enforcement	Hazardous Response and Education
<b>Revenues:</b>				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	679	0	0	0
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	3,471	11,626	0
Intergovernmental	0	0	0	4,500
Interest	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Contributions and Donations	0	0	0	0
Other	0	0	12,580	0
<i>Total Revenues</i>	<u>679</u>	<u>3,471</u>	<u>24,206</u>	<u>4,500</u>
<b>Expenditures:</b>				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	0	0	9,000
Public Safety	0	391	15,837	0
Public Works	0	0	0	0
Health	0	0	0	0
Human Services	0	0	0	0
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>391</u>	<u>15,837</u>	<u>9,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>679</u>	<u>3,080</u>	<u>8,369</u>	<u>(4,500)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers - In	0	0	0	5,000
Transfers - Out	0	0	(1,667)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>(1,667)</u>	<u>5,000</u>
<i>Net Changes in Fund Balances</i>	679	3,080	6,702	500
Fund Balances (Deficits) at Beginning of Year	<u>10,754</u>	<u>31,711</u>	<u>66,297</u>	<u>0</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u><u>\$11,433</u></u>	<u><u>\$34,791</u></u>	<u><u>\$72,999</u></u>	<u><u>\$500</u></u>

Senior Citizens Levy	Felony Delinquent Care and Custody	Drug Law Enforcement	Indigent Guardianship	Victim of Criminals	Family Resources
\$559,269	\$0	\$0	\$0	\$0	\$0
0	0	0	21,183	0	0
0	0	0	0	0	0
0	0	3,110	0	0	0
222,245	141,560	0	0	46,238	42,731
0	0	0	0	0	0
3,647	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>785,161</u>	<u>141,560</u>	<u>3,110</u>	<u>21,183</u>	<u>46,238</u>	<u>42,731</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	131,285	0	0	39,334	0
0	0	0	0	0	0
0	0	0	0	0	0
668,237	0	0	19,823	0	88,999
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>668,237</u>	<u>131,285</u>	<u>0</u>	<u>19,823</u>	<u>39,334</u>	<u>88,999</u>
<u>116,924</u>	<u>10,275</u>	<u>3,110</u>	<u>1,360</u>	<u>6,904</u>	<u>(46,268)</u>
23,844	0	0	0	586	0
0	0	0	0	0	0
<u>23,844</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>586</u>	<u>0</u>
140,768	10,275	3,110	1,360	7,490	(46,268)
<u>46,337</u>	<u>95,259</u>	<u>46,512</u>	<u>2,358</u>	<u>8,949</u>	<u>111,488</u>
<u>\$187,105</u>	<u>\$105,534</u>	<u>\$49,622</u>	<u>\$3,718</u>	<u>\$16,439</u>	<u>\$65,220</u>

(continued)

Muskingum County, Ohio  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds (Continued)  
For the Year Ended December 31, 2003

	Sheriff Commissary	Children Services Christmas	Mental Health Levy	Certificate of Title Administration
<b>Revenues:</b>				
Property and Other Taxes	\$0	\$0	\$936,678	\$0
Charges for Services	170,055	0	0	0
Licenses and Permits	0	0	0	356,797
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	0	140,072	459
Interest	0	102	0	0
Payments in Lieu of Taxes	0	0	6,871	0
Contributions and Donations	0	0	0	0
Other	0	12,341	0	0
<i>Total Revenues</i>	<u>170,055</u>	<u>12,443</u>	<u>1,083,621</u>	<u>357,256</u>
<b>Expenditures:</b>				
Current:				
General Government:				
Legislative and Executive	0	0	0	162,300
Judicial	0	0	0	0
Public Safety	167,626	0	0	0
Public Works	0	0	0	0
Health	0	0	0	0
Human Services	0	4,835	0	0
Intergovernmental	0	0	1,079,411	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>167,626</u>	<u>4,835</u>	<u>1,079,411</u>	<u>162,300</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,429</u>	<u>7,608</u>	<u>4,210</u>	<u>194,956</u>
<b>Other Financing Sources (Uses):</b>				
Transfers - In	0	0	0	0
Transfers - Out	0	0	0	(35,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(35,000)</u>
<i>Net Changes in Fund Balances</i>	2,429	7,608	4,210	159,956
Fund Balances (Deficits) at Beginning of Year	<u>11,354</u>	<u>50,236</u>	<u>36,527</u>	<u>435,444</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u><u>\$13,783</u></u>	<u><u>\$57,844</u></u>	<u><u>\$40,737</u></u>	<u><u>\$595,400</u></u>



<u>Sheriff Levy</u>	<u>County Court Special Projects</u>	<u>Transportation Improvement District (TID)</u>	<u>Juvenile Detention</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$382,214	\$0	\$0	\$0	\$4,144,453
0	70,987	0	0	1,862,652
0	0	0	0	471,985
0	0	0	0	89,689
58,345	0	0	67,598	5,395,741
0	0	0	0	1,086
3,284	0	0	0	233,316
0	0	0	0	36,471
0	72	0	0	64,738
<u>443,843</u>	<u>71,059</u>	<u>0</u>	<u>67,598</u>	<u>12,300,131</u>
0	0	0	0	751,160
0	42,615	0	67,226	128,177
444,852	0	0	0	1,480,714
0	0	901,872	0	1,625,715
0	0	0	0	790,659
0	0	0	0	7,543,969
0	0	0	0	1,079,411
0	0	0	0	999
0	0	0	0	442
<u>444,852</u>	<u>42,615</u>	<u>901,872</u>	<u>67,226</u>	<u>13,401,246</u>
<u>(1,009)</u>	<u>28,444</u>	<u>(901,872)</u>	<u>372</u>	<u>(1,101,115)</u>
0	0	814,949	0	1,756,595
0	0	0	0	(38,970)
<u>0</u>	<u>0</u>	<u>814,949</u>	<u>0</u>	<u>1,717,625</u>
(1,009)	28,444	(86,923)	372	616,510
<u>376,684</u>	<u>101,887</u>	<u>1,011,923</u>	<u>117,346</u>	<u>5,103,929</u>
<u>\$375,675</u>	<u>\$130,331</u>	<u>\$925,000</u>	<u>\$117,718</u>	<u>\$5,720,439</u>

Muskingum County, Ohio  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2003

	Debt Service	Special Assessment Debt Service	Total Nonmajor Debt Service Funds
<b>Revenues:</b>			
Special Assessments	\$0	\$81,362	\$81,362
Interest	21,427	77,801	99,228
Rent	560,497	0	560,497
	<u>581,924</u>	<u>159,163</u>	<u>741,087</u>
<i>Total Revenues</i>	<u>581,924</u>	<u>159,163</u>	<u>741,087</u>
<b>Expenditures:</b>			
Debt Service:			
Principal Retirement	905,000	98,646	1,003,646
Payment to Refunded Bond Escrow Agent	1,176,000	0	1,176,000
Interest and Fiscal Charges	875,083	84,143	959,226
	<u>2,956,083</u>	<u>182,789</u>	<u>3,138,872</u>
<i>Total Expenditures</i>	<u>2,956,083</u>	<u>182,789</u>	<u>3,138,872</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,374,159)</u>	<u>(23,626)</u>	<u>(2,397,785)</u>
<b>Other Financing Sources (Uses):</b>			
Refunding Bonds Issued	200,000	81,000	281,000
Payment to Refunded Bond Escrow Agent	(194,768)	(78,483)	(273,251)
Transfers - In	1,142,306	36,033	1,178,339
Transfers - Out	0	(930)	(930)
	<u>1,147,538</u>	<u>37,620</u>	<u>1,185,158</u>
<i>Total Other Financing Sources (Uses)</i>	<u>1,147,538</u>	<u>37,620</u>	<u>1,185,158</u>
<i>Net Changes in Fund Balances</i>	(1,226,621)	13,994	(1,212,627)
<i>Fund Balances at Beginning of Year</i>	<u>1,859,951</u>	<u>248,649</u>	<u>2,108,600</u>
<i>Fund Balances at End of Year</i>	<u><u>\$633,330</u></u>	<u><u>\$262,643</u></u>	<u><u>\$895,973</u></u>

Muskingum County, Ohio  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2003

	Detention Center Construction	Issue II	Maysville School
<b>Revenues:</b>			
Charges for Services	\$0	\$0	\$0
Fines and Forfeitures	0	0	0
Intergovernmental	0	1,254,274	0
Interest	268	0	0
Payment in Lieu of Taxes	0	0	0
Other	0	0	100
<i>Total Revenues</i>	<u>268</u>	<u>1,254,274</u>	<u>100</u>
<b>Expenditures:</b>			
Current:			
General Government:			
Judicial	0	0	0
Public Safety	67,191	0	0
Public Works	0	0	0
Human Services	0	0	0
Economic Development and Assistance	0	0	0
Capital Outlay	0	0	1,696
Intergovernmental	0	1,635,447	0
Debt Service:			
Interest and Fiscal Charges	0	4,933	0
<i>Total Expenditures</i>	<u>67,191</u>	<u>1,640,380</u>	<u>1,696</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(66,923)</u>	<u>(386,106)</u>	<u>(1,596)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers - In	0	233,300	0
Transfers - Out	(34,086)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(34,086)</u>	<u>233,300</u>	<u>0</u>
<i>Net Changes in Fund Balances</i>	(101,009)	(152,806)	(1,596)
Fund Balances (Deficit) at			
Beginning of Year	<u>101,009</u>	<u>(41,910)</u>	<u>27,262</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$0</u></u>	<u><u>(\$194,716)</u></u>	<u><u>\$25,666</u></u>

(continued)

Muskingum County, Ohio  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Capital Projects Funds (Continued)  
For the Year Ended December 31, 2003

	Starlight Permanent Improvements	Recorder Equipment	Court Computer	Brandywine Loop Construction
<b>Revenues:</b>				
Charges for Services	\$0	\$100,165	\$0	\$0
Fines and Forfeitures	0	0	94,703	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Payment in Lieu of Taxes	0	0	0	94,992
Other	0	0	0	0
<i>Total Revenues</i>	<u>0</u>	<u>100,165</u>	<u>94,703</u>	<u>94,992</u>
<b>Expenditures:</b>				
Current:				
General Government:				
Judicial	0	0	62,858	0
Public Safety	0	0	0	0
Public Works	0	185,617	0	0
Human Services	94,225	0	0	0
Economic Development and Assistance	0	0	0	0
Capital Outlay	0	0	0	0
Intergovernmental	0	0	0	0
Debt Service:				
Interest and Fiscal Charges	0	0	0	5,271
<i>Total Expenditures</i>	<u>94,225</u>	<u>185,617</u>	<u>62,858</u>	<u>5,271</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(94,225)</u>	<u>(85,452)</u>	<u>31,845</u>	<u>89,721</u>
<b>Other Financing Sources (Uses):</b>				
Transfers - In	0	0	0	0
Transfers - Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Changes in Fund Balances</i>	(94,225)	(85,452)	31,845	89,721
Fund Balances (Deficit) at Beginning of Year	<u>903,100</u>	<u>343,109</u>	<u>362,088</u>	<u>(189,491)</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$808,875</u></u>	<u><u>\$257,657</u></u>	<u><u>\$393,933</u></u>	<u><u>(\$99,770)</u></u>

Economic Development	Records Building	State Route 60 Project	Law Enforcement Block Grant	Energy Conservation	East Wheeling Road Bridge
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	30,000	0	19,424
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	30,000	0	19,424
0	0	0	0	0	0
0	0	0	0	0	0
0	331,620	0	0	0	19,424
0	0	0	0	0	0
599,198	0	0	0	0	0
875,000	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	24,081	0
1,474,198	331,620	0	0	24,081	19,424
(1,474,198)	(331,620)	0	30,000	(24,081)	0
230,808	0	0	1,667	90,445	0
0	0	0	0	0	0
230,808	0	0	1,667	90,445	0
(1,243,390)	(331,620)	0	31,667	66,364	0
1,441,901	336,196	1,655,987	14,188	(458,270)	0
\$198,511	\$4,576	\$1,655,987	\$45,855	(\$391,906)	\$0

(continued)

Muskingum County, Ohio  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Capital Projects Funds (Continued)  
For the Year Ended December 31, 2003

	Emergency Operations Center	Mitchell Lane	Salt Creek Drive	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>				
Charges for Services	\$0	\$0	\$0	\$100,165
Fines and Forfeitures	0	0	0	94,703
Intergovernmental	0	0	0	1,303,698
Interest	0	0	0	268
Payment in Lieu of Taxes	0	0	0	94,992
Other	0	0	0	100
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,593,926</u>
<b>Expenditures:</b>				
Current:				
General Government:				
Judicial	0	0	0	62,858
Public Safety	0	0	63,953	131,144
Public Works	0	0	0	536,661
Human Services	0	0	0	94,225
Economic Development and Assistance	0	0	0	599,198
Capital Outlay	0	0	0	876,696
Intergovernmental	0	0	0	1,635,447
Debt Service:				
Interest and Fiscal Charges	0	0	0	34,285
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>63,953</u>	<u>3,970,514</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>0</u>	<u>(63,953)</u>	<u>(2,376,588)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers - In	0	0	65,350	621,570
Transfers - Out	0	0	0	(34,086)
<i>Total Other Financing Sources (Uses):</i>	<u>0</u>	<u>0</u>	<u>65,350</u>	<u>587,484</u>
<i>Net Changes in Fund Balances</i>	0	0	1,397	(1,789,104)
Fund Balances (Deficit) at Beginning of Year	<u>4,176</u>	<u>41</u>	<u>0</u>	<u>4,499,386</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$4,176</u></u>	<u><u>\$41</u></u>	<u><u>\$1,397</u></u>	<u><u>\$2,710,282</u></u>

## **INTERNAL SERVICE FUNDS**

---

The Internal Service Funds are used to account for the financing on a cost-reimbursement basis of services provided by the self-insurance funds to other County departments and agencies. Charges to the user departments and agencies are intended to recover total costs.

Self-Insurance Health Fund - To account for employee health care benefits and claims related to this self-insurance program.

Self-Insurance Workers' Compensation Fund - To account for claims and administrative expenses of the County's workers' compensation retrospective-rating program.

Muskingum County, Ohio  
Combining Statement of Fund Net Assets  
Internal Service Funds  
December 31, 2003

	Self-Insurance Health	Self-Insurance Workers' Compensation	Totals
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$76,182	\$613,834	\$690,016
<i>Total Assets</i>	<i>76,182</i>	<i>613,834</i>	<i>690,016</i>
<b>Liabilities</b>			
Claims Payable	1,045,890	25,560	1,071,450
<i>Total Liabilities</i>	<i>1,045,890</i>	<i>25,560</i>	<i>1,071,450</i>
<b>Net Assets</b>			
Unrestricted (Deficit)	(969,708)	588,274	(381,434)
<i>Total Net Assets (Deficit)</i>	<i>(\$969,708)</i>	<i>\$588,274</i>	<i>(\$381,434)</i>



Muskingum County, Ohio  
Combining Statement of Revenues,  
Expenses, and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2003

	Self-Insurance Health	Self-Insurance Workers' Compensation	Totals
<b>Operating Revenues</b>			
Charges for Services	\$5,797,965	\$0	\$5,797,965
<b>Operating Expenses</b>			
Claims	6,536,809	(30,320)	6,506,489
<i>Total Operating Expenses</i>	6,536,809	(30,320)	6,506,489
<i>Operating Income (Loss)</i>	(738,844)	30,320	(708,524)
<b>Non-Operating Revenues</b>			
Other Non-Operating Revenues	356,366	82,192	438,558
<i>Income (Loss) Before Transfers</i>	(382,478)	112,512	(269,966)
Transfers Out	0	(1,192,202)	(1,192,202)
<i>Change in Net Assets</i>	(382,478)	(1,079,690)	(1,462,168)
Net Assets (Deficit) Beginning of Year	(587,230)	1,667,964	1,080,734
<i>Net Assets (Deficit) End of Year</i>	(\$969,708)	\$588,274	(\$381,434)

Muskingum County, Ohio  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2003

	Self-Insurance Health	Self-Insurance Workers' Compensation	Totals
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Transactions with Other Funds	\$5,797,965	\$0	\$5,797,965
Cash Payments for Claims	(6,457,350)	(22,886)	(6,480,236)
Other Non-Operating Revenues	356,366	82,192	438,558
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>(303,019)</u>	<u>59,306</u>	<u>(243,713)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers Out	<u>0</u>	<u>(1,192,202)</u>	<u>(1,192,202)</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(303,019)	(1,132,896)	(1,435,915)
Cash and Cash Equivalents Beginning of Year	<u>379,201</u>	<u>1,746,730</u>	<u>2,125,931</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$76,182</u></u>	<u><u>\$613,834</u></u>	<u><u>\$690,016</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>			
Operating Income (Loss)	(\$738,844)	\$30,320	(\$708,524)
Adjustments:			
Other Non-Operating Revenues	356,366	82,192	438,558
Changes in Liabilities:			
Increase (Decrease) in Claims Payable	<u>79,459</u>	<u>(53,206)</u>	<u>26,253</u>
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u><u>(\$303,019)</u></u>	<u><u>\$59,306</u></u>	<u><u>(\$243,713)</u></u>

## AGENCY FUNDS

---

Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations. The following is a description of the County's agency funds:

Taxes Agency Fund - To account for the collection and distribution of various taxes.

Undivided State Monies Fund - To account for the collection and distribution of local government, local government revenue assistance, gasoline tax, and motor vehicle license monies.

Payroll Fund - To account for payroll, payroll taxes and other related payroll deductions accumulated for payment to other governmental units and private organizations.

Health Fund - To account for the funds and subfunds of the Board of Health for which the County Auditor is ex-officio fiscal agent.

ADAMH Board (Muskingum Area Board of Alcohol, Drug Addiction and Mental Health Services Fund) - To account for all revenues and related expenditures for the Six County Alcohol, Drug Addiction and Mental Health Board for which Muskingum County is the fiscal agent.

Child Support Enforcement Fund - To account for the collection of alimony and child support payments and the distribution of such monies to the court-designated recipients.

Court Fund - To account for Clerk of Courts auto title fees, Probate, Juvenile, and County Court receipts.

### Other Agency Funds

State of Ohio Fund  
Local Emergency Planning Fund  
Fines Fund  
Escrow Fund  
Law Library Fund  
Hotel Lodging Tax Fund  
Soil and Water Fund  
Sheriff Fund  
County Home Residents Fund  
Children Services Fund

Hazardous Materials Incident  
Response Fund  
Family and Children First Fund  
Federally Owned Entitlement  
Land Fund  
Powelson Wildlife Fund  
Bankhead Jones Fund  
Ohio Elections Commission Fund  
Muskingum County Park  
Commission Fund  
Recorder Housing Trust Fund

Muskingum County, Ohio  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Year Ended December 31, 2003

	Balance 1/1/03	Additions	Reductions	Balance 12/31/03
<b>Taxes Agency</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,394,434	\$58,332,497	\$58,784,894	\$1,942,037
Receivables:				
Property and Other Taxes	46,888,011	48,567,036	46,888,011	48,567,036
Accounts	2,066,122	1,685,769	2,066,122	1,685,769
Intergovernmental	530,479	578,904	530,479	578,904
<i>Total Assets</i>	<u>\$51,879,046</u>	<u>\$109,164,206</u>	<u>\$108,269,506</u>	<u>\$52,773,746</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$51,879,046	\$109,164,206	\$108,269,506	\$52,773,746
<i>Total Liabilities</i>	<u>\$51,879,046</u>	<u>\$109,164,206</u>	<u>\$108,269,506</u>	<u>\$52,773,746</u>
<b>Undivided State Monies</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$12,002,298	\$12,002,275	\$23
Intergovernmental Receivable	4,102,025	6,400,616	4,102,025	6,400,616
<i>Total Assets</i>	<u>\$4,102,025</u>	<u>\$18,402,914</u>	<u>\$16,104,300</u>	<u>\$6,400,639</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$4,102,025	\$18,402,914	\$16,104,300	\$6,400,639
<i>Total Liabilities</i>	<u>\$4,102,025</u>	<u>\$18,402,914</u>	<u>\$16,104,300</u>	<u>\$6,400,639</u>
<b>Payroll</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$175,399	\$19,619,189	\$19,673,377	\$121,211
<i>Total Assets</i>	<u>\$175,399</u>	<u>\$19,619,189</u>	<u>\$19,673,377</u>	<u>\$121,211</u>
<b>Liabilities</b>				
Undistributed Monies	\$175,399	\$19,619,189	\$19,673,377	\$121,211
<i>Total Liabilities</i>	<u>\$175,399</u>	<u>\$19,619,189</u>	<u>\$19,673,377</u>	<u>\$121,211</u>

(continued)

Muskingum County, Ohio  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds (Continued)  
For the Year Ended December 31, 2003

	Balance 1/1/03	Additions	Reductions	Balance 12/31/03
<b>Health</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$647,890	\$4,772,580	\$4,486,641	\$933,829
Receivables:				
Property and Other Taxes	971,379	2,268,267	971,379	2,268,267
Payments in Lieu of Taxes	3,159	10,122	3,159	10,122
Intergovernmental	46,412	113,085	46,412	113,085
<i>Total Assets</i>	<u>\$1,668,840</u>	<u>\$7,164,054</u>	<u>\$5,507,591</u>	<u>\$3,325,303</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$1,668,840	\$7,164,054	\$5,507,591	\$3,325,303
<i>Total Liabilities</i>	<u>\$1,668,840</u>	<u>\$7,164,054</u>	<u>\$5,507,591</u>	<u>\$3,325,303</u>
<b>ADAMH Board</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$3,935,971	\$16,527,187	\$16,265,407	\$4,197,751
<i>Total Assets</i>	<u>\$3,935,971</u>	<u>\$16,527,187</u>	<u>\$16,265,407</u>	<u>\$4,197,751</u>
<b>Liabilities</b>				
Undistributed Monies	\$3,935,971	\$16,527,187	\$16,265,407	\$4,197,751
<i>Total Liabilities</i>	<u>\$3,935,971</u>	<u>\$16,527,187</u>	<u>\$16,265,407</u>	<u>\$4,197,751</u>
<b>Child Support Enforcement</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$16,013	\$1,088,797	\$1,075,164	\$29,646
<i>Total Assets</i>	<u>\$16,013</u>	<u>\$1,088,797</u>	<u>\$1,075,164</u>	<u>\$29,646</u>
<b>Liabilities</b>				
Undistributed Monies	\$16,013	\$1,088,797	\$1,075,164	\$29,646
<i>Total Liabilities</i>	<u>\$16,013</u>	<u>\$1,088,797</u>	<u>\$1,075,164</u>	<u>\$29,646</u>

(continued)

Muskingum County, Ohio  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds (Continued)  
For the Year Ended December 31, 2003

<b>Court</b>	<u>Balance 1/1/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/03</u>
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$226,145	\$12,615,026	\$12,113,429	\$727,742
Investments in Segregated Accounts	100,000	713	713	100,000
Accounts Receivable	117,778	119,945	117,778	119,945
<i>Total Assets</i>	<u>\$443,923</u>	<u>\$12,735,684</u>	<u>\$12,231,920</u>	<u>\$947,687</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$33,461	\$31,445	\$33,461	\$31,445
Undistributed Monies	410,462	12,704,239	12,198,459	916,242
<i>Total Liabilities</i>	<u>\$443,923</u>	<u>\$12,735,684</u>	<u>\$12,231,920</u>	<u>\$947,687</u>
<b>State of Ohio</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$264,465	\$264,465	\$0
<i>Total Assets</i>	<u>\$0</u>	<u>\$264,465</u>	<u>\$264,465</u>	<u>\$0</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$0	\$264,465	\$264,465	\$0
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$264,465</u>	<u>\$264,465</u>	<u>\$0</u>
<b>Local Emergency Planning</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$28,413	\$35,320	\$18,012	\$45,721
<i>Total Assets</i>	<u>\$28,413</u>	<u>\$35,320</u>	<u>\$18,012</u>	<u>\$45,721</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$28,413	\$35,320	\$18,012	\$45,721
<i>Total Liabilities</i>	<u>\$28,413</u>	<u>\$35,320</u>	<u>\$18,012</u>	<u>\$45,721</u>

(continued)

Muskingum County, Ohio  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds (Continued)  
For the Year Ended December 31, 2003

	Balance 1/1/03	Additions	Reductions	Balance 12/31/03
<b>Fines</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$38,827	\$543,170	\$544,425	\$37,572
<i>Total Assets</i>	<u>\$38,827</u>	<u>\$543,170</u>	<u>\$544,425</u>	<u>\$37,572</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$38,827	\$543,170	\$544,425	\$37,572
<i>Total Liabilities</i>	<u>\$38,827</u>	<u>\$543,170</u>	<u>\$544,425</u>	<u>\$37,572</u>
<b>Escrow</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$7,646	\$5,529	\$2,615	\$10,560
<i>Total Assets</i>	<u>\$7,646</u>	<u>\$5,529</u>	<u>\$2,615</u>	<u>\$10,560</u>
<b>Liabilities</b>				
Undistributed Monies	\$7,646	\$5,529	\$2,615	\$10,560
<i>Total Liabilities</i>	<u>\$7,646</u>	<u>\$5,529</u>	<u>\$2,615</u>	<u>\$10,560</u>
<b>Law Library</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$218,477	\$218,477	\$0
<i>Total Assets</i>	<u>\$0</u>	<u>\$218,477</u>	<u>\$218,477</u>	<u>\$0</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$0	\$218,477	\$218,477	\$0
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$218,477</u>	<u>\$218,477</u>	<u>\$0</u>

(continued)

Muskingum County, Ohio  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds (Continued)  
For the Year Ended December 31, 2003

	Balance 1/1/03	Additions	Reductions	Balance 12/31/03
<b>Hotel Lodging Tax</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$64,799	\$289,182	\$311,346	\$42,635
Property and Other Taxes Receivable	0	16,274	0	16,274
<i>Total Assets</i>	<u>\$64,799</u>	<u>\$305,456</u>	<u>\$311,346</u>	<u>\$58,909</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$64,799	\$305,456	\$311,346	\$58,909
<i>Total Liabilities</i>	<u>\$64,799</u>	<u>\$305,456</u>	<u>\$311,346</u>	<u>\$58,909</u>
<b>Soil and Water</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$45,280	\$347,292	\$322,446	\$70,126
<i>Total Assets</i>	<u>\$45,280</u>	<u>\$347,292</u>	<u>\$322,446</u>	<u>\$70,126</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$45,280	\$347,292	\$322,446	\$70,126
<i>Total Liabilities</i>	<u>\$45,280</u>	<u>\$347,292</u>	<u>\$322,446</u>	<u>\$70,126</u>
<b>Sheriff</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$110,319	\$2,651,024	\$2,633,020	\$128,323
<i>Total Assets</i>	<u>\$110,319</u>	<u>\$2,651,024</u>	<u>\$2,633,020</u>	<u>\$128,323</u>
<b>Liabilities</b>				
Undistributed Monies	\$110,319	\$2,651,024	\$2,633,020	\$128,323
<i>Total Liabilities</i>	<u>\$110,319</u>	<u>\$2,651,024</u>	<u>\$2,633,020</u>	<u>\$128,323</u>

(continued)



Muskingum County, Ohio  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds (Continued)  
For the Year Ended December 31, 2003

	Balance 1/1/03	Additions	Reductions	Balance 12/31/03
<b>County Home Residents</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$2,285	\$17,322	\$14,857	\$4,750
<i>Total Assets</i>	<u>\$2,285</u>	<u>\$17,322</u>	<u>\$14,857</u>	<u>\$4,750</u>
<b>Liabilities</b>				
Undistributed Monies	\$2,285	\$17,322	\$14,857	\$4,750
<i>Total Liabilities</i>	<u>\$2,285</u>	<u>\$17,322</u>	<u>\$14,857</u>	<u>\$4,750</u>
<b>Children Services</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$12,092	\$74,210	\$76,857	\$9,445
<i>Total Assets</i>	<u>\$12,092</u>	<u>\$74,210</u>	<u>\$76,857</u>	<u>\$9,445</u>
<b>Liabilities</b>				
Deposits Held and Due to Others	\$12,092	\$74,210	\$76,857	\$9,445
<i>Total Liabilities</i>	<u>\$12,092</u>	<u>\$74,210</u>	<u>\$76,857</u>	<u>\$9,445</u>
<b>Hazardous Materials Incident Response</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$4,903	\$4,903	\$0
<i>Total Assets</i>	<u>\$0</u>	<u>\$4,903</u>	<u>\$4,903</u>	<u>\$0</u>
<b>Liabilities</b>				
Undistributed Monies	\$0	\$4,903	\$4,903	\$0
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$4,903</u>	<u>\$4,903</u>	<u>\$0</u>

(continued)

Muskingum County, Ohio  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds (Continued)  
For the Year Ended December 31, 2003

	Balance 1/1/03	Additions	Reductions	Balance 12/31/03
<b>Family and Children First</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$292,993	\$1,531,006	\$1,468,225	\$355,774
Intergovernmental Receivable	239,400	0	239,400	0
<i>Total Assets</i>	<u>\$532,393</u>	<u>\$1,531,006</u>	<u>\$1,707,625</u>	<u>\$355,774</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$532,393	\$1,531,006	\$1,707,625	\$355,774
<i>Total Liabilities</i>	<u>\$532,393</u>	<u>\$1,531,006</u>	<u>\$1,707,625</u>	<u>\$355,774</u>
<b>Federally Owned Entitlement Land</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$5,980	\$5,980	\$0
<i>Total Assets</i>	<u>\$0</u>	<u>\$5,980</u>	<u>\$5,980</u>	<u>\$0</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$0	\$5,980	\$5,980	\$0
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$5,980</u>	<u>\$5,980</u>	<u>\$0</u>
<b>Powelson Wildlife</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$38,094	\$38,094	\$0
<i>Total Assets</i>	<u>\$0</u>	<u>\$38,094</u>	<u>\$38,094</u>	<u>\$0</u>
<b>Liabilities</b>				
Undistributed Monies	\$0	\$38,094	\$38,094	\$0
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$38,094</u>	<u>\$38,094</u>	<u>\$0</u>

(continued)

Muskingum County, Ohio  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds (Continued)  
For the Year Ended December 31, 2003

	Balance 1/1/03	Additions	Reductions	Balance 12/31/03
<b>Bankhead Jones</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$21	\$21	\$0
<i>Total Assets</i>	<u>\$0</u>	<u>\$21</u>	<u>\$21</u>	<u>\$0</u>
<b>Liabilities</b>				
Undistributed Monies	\$0	\$21	\$21	\$0
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$21</u>	<u>\$21</u>	<u>\$0</u>
<b>Ohio Elections Commission</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$4,295	\$3,890	\$405
<i>Total Assets</i>	<u>\$0</u>	<u>\$4,295</u>	<u>\$3,890</u>	<u>\$405</u>
<b>Liabilities</b>				
Undistributed Monies	\$0	\$4,295	\$3,890	\$405
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$4,295</u>	<u>\$3,890</u>	<u>\$405</u>
<b>Muskingum County Park Commission</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$403,009	\$705,792	\$821,371	\$287,430
Intergovernmental Receivable	52,011	104,022	104,022	52,011
<i>Total Assets</i>	<u>\$455,020</u>	<u>\$809,814</u>	<u>\$925,393</u>	<u>\$339,441</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$455,020	\$809,814	\$925,393	\$339,441
<i>Total Liabilities</i>	<u>\$455,020</u>	<u>\$809,814</u>	<u>\$925,393</u>	<u>\$339,441</u>

(continued)

Muskingum County, Ohio  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds (Continued)  
For the Year Ended December 31, 2003

	Balance 1/1/03	Additions	Reductions	Balance 12/31/03
<b>Recorder Housing Trust Fund</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$261,123	\$116,191	\$144,932
<i>Total Assets</i>	<u>\$0</u>	<u>\$261,123</u>	<u>\$116,191</u>	<u>\$144,932</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$0	\$261,123	\$116,191	\$144,932
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$261,123</u>	<u>\$116,191</u>	<u>\$144,932</u>
	Balance 1/1/03	Additions	Reductions	Balance 12/31/03
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$8,034,661	\$115,508,400	\$115,353,055	\$8,190,006
Cash and Cash Equivalents in Segregated Accounts	366,854	16,446,379	15,913,327	899,906
Investments in Segregated Accounts	100,000	713	713	100,000
Receivables:				
Property and Other Taxes	47,859,390	50,851,577	47,859,390	50,851,577
Payments in Lieu of Taxes	3,159	10,122	3,159	10,122
Accounts	2,183,900	1,805,714	2,183,900	1,805,714
Intergovernmental	4,970,327	7,196,627	5,022,338	7,144,616
<i>Total Assets</i>	<u>\$63,518,291</u>	<u>\$191,819,532</u>	<u>\$186,335,882</u>	<u>\$69,001,941</u>
<b>Liabilities</b>				
Intergovernmental Payable	\$58,848,104	\$139,084,722	\$134,349,218	\$63,583,608
Deposits Held and Due to Others	12,092	74,210	76,857	9,445
Undistributed Monies	4,658,095	52,660,600	51,909,807	5,408,888
<i>Total Liabilities</i>	<u>\$63,518,291</u>	<u>\$191,819,532</u>	<u>\$186,335,882</u>	<u>\$69,001,941</u>

**Individual Fund Schedules of Revenues,  
Expenditures/Expenses, and Changes in Fund  
Balance/Equity - Budget (Non-GAAP Basis)  
and Actual**

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property and Other Taxes	\$2,381,696	\$2,399,475	\$17,779
Permissive Sales Taxes	12,637,821	13,768,419	1,130,598
Charges for Services	3,902,148	4,128,252	226,104
Licenses and Permits	6,850	12,164	5,314
Fines and Forfeitures	421,498	436,166	14,668
Intergovernmental	2,228,769	2,379,095	150,326
Interest	1,000,000	1,093,004	93,004
Payments in Lieu of Taxes	1,500	11,784	10,284
Rent	35,943	6,700	(29,243)
Other	236,329	756,698	520,369
<i>Total Revenues</i>	<u>22,852,554</u>	<u>24,991,757</u>	<u>2,139,203</u>
<b>Expenditures</b>			
Current:			
General Government -			
Legislative and Executive			
Board of County Commissioners			
Salaries and Wages	664,859	530,818	134,041
Fringe Benefits	166,559	134,447	32,112
Materials and Supplies	76,764	62,791	13,973
Contractual Services	1,373,071	1,002,605	370,466
Capital Outlay	236,500	189,616	46,884
Other	697,808	532,230	165,578
<i>Total Board of County Commissioners</i>	<u>3,215,561</u>	<u>2,452,507</u>	<u>763,054</u>
County Auditor			
Salaries and Wages	302,977	301,545	1,432
Fringe Benefits	4,309	3,797	512
Materials and Supplies	37,649	31,110	6,539
Contractual Services	569,171	564,252	4,919
Capital Outlay	2,300	1,299	1,001
Other	1,353	1,276	77
<i>Total County Auditor</i>	<u>917,759</u>	<u>903,279</u>	<u>14,480</u>
Economic Development			
Contractual Services	709,722	402,924	306,798
Capital Outlay	100,000	30,057	69,943
<i>Total Economic Development</i>	<u>809,722</u>	<u>432,981</u>	<u>376,741</u>

(continued)

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (Continued)  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
General Government - Legislative and Executive (continued)			
Assessing Personal Property			
Salaries and Wages	\$54,247	\$50,866	\$3,381
Fringe Benefits	7,137	7,077	60
<i>Total Assessing Personal Property</i>	<u>61,384</u>	<u>57,943</u>	<u>3,441</u>
Assessing Real Property			
Salaries and Wages	99,100	99,062	38
Fringe Benefits	57,477	57,353	124
<i>Total Assessing Real Property</i>	<u>156,577</u>	<u>156,415</u>	<u>162</u>
County Treasurer			
Salaries and Wages	158,720	150,251	8,469
Fringe Benefits	22,921	21,722	1,199
Materials and Supplies	4,041	3,693	348
Contractual Services	29,495	27,296	2,199
Capital Outlay	2,000	1,896	104
Other	1,944	1,930	14
<i>Total County Treasurer</i>	<u>219,121</u>	<u>206,788</u>	<u>12,333</u>
Prosecuting Attorney			
Salaries and Wages	711,390	700,283	11,107
Fringe Benefits	106,963	106,081	882
Materials and Supplies	49,749	47,358	2,391
Contractual Services	12,000	4,853	7,147
Capital Outlay	77,110	51,864	25,246
Other	89,509	71,590	17,919
<i>Total Prosecuting Attorney</i>	<u>1,046,721</u>	<u>982,029</u>	<u>64,692</u>
Budget Commission			
Salaries and Wages	35,000	32,060	2,940
Fringe Benefits	4,672	4,323	349
Materials and Supplies	8,523	6,377	2,146
Capital Outlay	28,661	25,521	3,140
<i>Total Budget Commission</i>	<u>76,856</u>	<u>68,281</u>	<u>8,575</u>
Bureau of Inspection			
Examinations - County Offices	69,500	69,463	37
<i>Total Bureau of Inspection</i>	<u>69,500</u>	<u>69,463</u>	<u>37</u>

(continued)

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (Continued)  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
General Government - Legislative and Executive (continued)			
Board of Elections			
Salaries and Wages	\$163,215	\$161,973	\$1,242
Fringe Benefits	27,493	27,196	297
Materials and Supplies	42,500	42,006	494
Contractual Services	71,809	70,758	1,051
Capital Outlay	12,447	10,145	2,302
<i>Total Board of Elections</i>	<u>317,464</u>	<u>312,078</u>	<u>5,386</u>
Automatic Data Processing Board			
Salaries and Wages	43,600	43,516	84
Fringe Benefits	6,298	6,241	57
Materials and Supplies	14,768	6,960	7,808
Contractual Services	22,779	20,721	2,058
Capital Outlay	20,783	12,307	8,476
<i>Total Automatic Data Processing Board</i>	<u>108,228</u>	<u>89,745</u>	<u>18,483</u>
Information Services			
Salaries and Wages	133,140	128,630	4,510
Fringe Benefits	19,135	17,935	1,200
Materials and Supplies	1,000	1,000	0
Capital Outlay	77,381	72,700	4,681
<i>Total Information Services</i>	<u>230,656</u>	<u>220,265</u>	<u>10,391</u>
Maintenance and Operation			
Salaries and Wages	574,148	574,148	0
Fringe Benefits	84,290	84,290	0
Materials and Supplies	147,907	92,242	55,665
Contractual Services	600,496	428,498	171,998
Capital Outlay	10,200	10,200	0
Other	399,452	247,388	152,064
<i>Total Maintenance and Operation</i>	<u>1,816,493</u>	<u>1,436,766</u>	<u>379,727</u>
Geographic Information System			
Fringe Benefits	72,664	59,758	12,906
Materials and Supplies	3,077	3,077	0
Contractual Services	10,805	10,805	0
<i>Total Geographic Information System</i>	<u>86,546</u>	<u>73,640</u>	<u>12,906</u>

(continued)



Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (Continued)  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
General Government - Legislative and Executive (continued)			
Recorder			
Salaries and Wages	\$150,504	\$149,204	\$1,300
Fringe Benefits	23,574	22,585	989
Materials and Supplies	17,563	11,243	6,320
Contractual Services	94,328	50,584	43,744
Other	3,000	1,780	1,220
	<u>288,969</u>	<u>235,396</u>	<u>53,573</u>
<i>Total Recorder</i>			
	<u>288,969</u>	<u>235,396</u>	<u>53,573</u>
Insurance on Property			
County Buildings	335,000	267,712	67,288
Other County Property	98,092	62,281	35,811
	<u>433,092</u>	<u>329,993</u>	<u>103,099</u>
<i>Total Insurance on Property</i>			
	<u>433,092</u>	<u>329,993</u>	<u>103,099</u>
Insurance on Persons			
Official Bonds	22,791	7,878	14,913
Group and Liability	1,953,623	1,948,932	4,691
	<u>1,976,414</u>	<u>1,956,810</u>	<u>19,604</u>
<i>Total Insurance on Persons</i>			
	<u>1,976,414</u>	<u>1,956,810</u>	<u>19,604</u>
Pensions			
Public Employees Retirement	400,000	352,247	47,753
	<u>400,000</u>	<u>352,247</u>	<u>47,753</u>
<i>Total Pensions</i>			
	<u>400,000</u>	<u>352,247</u>	<u>47,753</u>
Fleet Garage			
Salaries and Wages	90,000	86,213	3,787
Fringe Benefits	12,000	11,142	858
Materials and Supplies	113,000	112,645	355
	<u>215,000</u>	<u>210,000</u>	<u>5,000</u>
<i>Total Fleet Garage</i>			
	<u>215,000</u>	<u>210,000</u>	<u>5,000</u>
<i>Total General Government - Legislative and Executive</i>	<u>12,446,063</u>	<u>10,546,626</u>	<u>1,899,437</u>
General Government - Judicial			
Court of Appeals			
Other	16,000	7,193	8,807
	<u>16,000</u>	<u>7,193</u>	<u>8,807</u>
<i>Total Court of Appeals</i>			
	<u>16,000</u>	<u>7,193</u>	<u>8,807</u>
Domestic Relations Court			
Salaries and Wages	530,293	444,628	85,665
Fringe Benefits	69,168	54,324	14,844
Materials and Supplies	15,000	11,197	3,803
Contractual Services	12,500	1,780	10,720
Capital Outlay	25,000	17,048	7,952
Other	5,000	3,230	1,770
	<u>656,961</u>	<u>532,207</u>	<u>124,754</u>
<i>Total Domestic Relations Court</i>			
	<u>656,961</u>	<u>532,207</u>	<u>124,754</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (Continued)  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
General Government - Judicial (continued)			
Common Pleas Court			
Salaries and Wages	\$284,128	\$200,912	\$83,216
Fringe Benefits	54,560	38,234	16,326
Materials and Supplies	29,815	10,786	19,029
Contractual Services	93,947	49,192	44,755
Capital Outlay	73,639	17,829	55,810
Other	6,751	2,627	4,124
<i>Total Common Pleas Court</i>	<u>542,840</u>	<u>319,580</u>	<u>223,260</u>
Jury Commission			
Salaries and Wages	6,540	6,540	0
Fringe Benefits	1,086	929	157
<i>Total Jury Commission</i>	<u>7,626</u>	<u>7,469</u>	<u>157</u>
Adult Probation			
Salaries and Wages	176,175	159,553	16,622
Fringe Benefits	32,739	21,812	10,927
Materials and Supplies	3,117	3,104	13
Contractual Services	2,917	2,345	572
Capital Outlay	1,575	0	1,575
<i>Total Adult Probation</i>	<u>216,523</u>	<u>186,814</u>	<u>29,709</u>
Juvenile Court			
Salaries and Wages	1,939,188	1,863,822	75,366
Fringe Benefits	44,568	42,975	1,593
Materials and Supplies	20,919	20,914	5
Contractual Services	126,378	112,410	13,968
Capital Outlay	14,309	1,525	12,784
Other	20,561	20,489	72
<i>Total Juvenile Court</i>	<u>2,165,923</u>	<u>2,062,135</u>	<u>103,788</u>
Juvenile Probation			
Fringe Benefits	50,517	45,470	5,047
Materials and Supplies	2,760	2,695	65
Capital Outlay	10,957	10,455	502
<i>Total Juvenile Probation</i>	<u>64,234</u>	<u>58,620</u>	<u>5,614</u>

(continued)

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (Continued)  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
General Government - Judicial (continued)			
Detention Home			
Fringe Benefits	\$170,061	\$168,517	\$1,544
Materials and Supplies	119,383	119,240	143
Contractual Services	15,402	7,275	8,127
Capital Outlay	13,561	6,003	7,558
Other	93,287	85,053	8,234
<i>Total Detention Home</i>	<u>411,694</u>	<u>386,088</u>	<u>25,606</u>
Probate Court			
Salaries and Wages	125,161	117,646	7,515
Fringe Benefits	21,877	19,375	2,502
Materials and Supplies	6,618	5,987	631
Contractual Services	4,210	3,921	289
Capital Outlay	6,407	6,407	0
Other	7,624	7,609	15
<i>Total Probate Court</i>	<u>171,897</u>	<u>160,945</u>	<u>10,952</u>
Clerk of Courts			
Salaries and Wages	231,674	225,735	5,939
Fringe Benefits	34,103	33,063	1,040
Materials and Supplies	30,012	29,986	26
Contractual Services	23,289	23,286	3
Capital Outlay	72,230	72,226	4
Other	2,152	2,152	0
<i>Total Clerk of Courts</i>	<u>393,460</u>	<u>386,448</u>	<u>7,012</u>
County Court			
Salaries and Wages	231,478	220,290	11,188
Fringe Benefits	32,626	31,562	1,064
Materials and Supplies	15,488	12,037	3,451
Contractual Services	1,500	1,481	19
Capital Outlay	5,210	5,110	100
Other	11,975	9,788	2,187
<i>Total County Court</i>	<u>298,277</u>	<u>280,268</u>	<u>18,009</u>
Municipal Court			
Salaries and Wages	69,800	66,269	3,531
Fringe Benefits	9,500	8,973	527
<i>Total Municipal Court</i>	<u>79,300</u>	<u>75,242</u>	<u>4,058</u>

(continued)

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (Continued)  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
General Government - Judicial (continued)			
Law Library			
Salaries and Wages	\$24,373	\$19,428	\$4,945
Fringe Benefits	4,209	2,833	1,376
<i>Total Law Library</i>	<u>28,582</u>	<u>22,261</u>	<u>6,321</u>
Attorney Fees - Public Defender Attorney Fees	<u>709,433</u>	<u>626,055</u>	<u>83,378</u>
<i>Total Attorney Fees - Public Defender</i>	<u>709,433</u>	<u>626,055</u>	<u>83,378</u>
<i>Total General Government - Judicial</i>	<u>5,762,750</u>	<u>5,111,325</u>	<u>651,425</u>
Public Safety			
Coroner's Office			
Salaries and Wages	41,573	41,543	30
Fringe Benefits	6,016	5,892	124
Materials and Supplies	300	0	300
Contractual Services	62,783	48,596	14,187
<i>Total Coroner's Office</i>	<u>110,672</u>	<u>96,031</u>	<u>14,641</u>
Sheriff			
Salaries and Wages	2,833,080	2,821,559	11,521
Fringe Benefits	721,368	706,204	15,164
Materials and Supplies	191,217	183,491	7,726
Contractual Services	314,433	313,341	1,092
Capital Outlay	1,137,620	237,909	899,711
Other	33,100	32,027	1,073
<i>Total Sheriff</i>	<u>5,230,818</u>	<u>4,294,531</u>	<u>936,287</u>
Jail			
Salaries and Wages	1,323,236	1,322,917	319
Fringe Benefits	210,253	210,253	0
Materials and Supplies	4,246	4,132	114
Contractual Services	213,714	212,387	1,327
Capital Outlay	3,928	3,653	275
Other	10,344	8,871	1,473
<i>Total Jail</i>	<u>1,765,721</u>	<u>1,762,213</u>	<u>3,508</u>

(continued)

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (Continued)  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
Public Safety (continued)			
Disaster Services			
Salaries and Wages	\$17,660	\$16,747	\$913
Fringe Benefits	2,539	2,414	125
Materials and Supplies	500	500	0
Other	5,903	4,430	1,473
<i>Total Disaster Services</i>	<u>26,602</u>	<u>24,091</u>	<u>2,511</u>
Building Regulation			
Salaries and Wages	201,200	197,356	3,844
Fringe Benefits	47,201	39,865	7,336
Materials and Supplies	23,089	20,263	2,826
Contractual Services	178,390	135,328	43,062
Other	28,823	23,608	5,215
<i>Total Building Regulation</i>	<u>478,703</u>	<u>416,420</u>	<u>62,283</u>
<i>Total Public Safety</i>	<u>7,612,516</u>	<u>6,593,286</u>	<u>1,019,230</u>
Public Works			
Engineer			
Salaries and Wages	189,822	185,561	4,261
Fringe Benefits	27,803	26,446	1,357
Materials and Supplies	6,500	6,350	150
Contractual Services	5,400	5,400	0
Capital Outlay	7,500	6,930	570
Other	974	974	0
<i>Total Engineer</i>	<u>237,999</u>	<u>231,661</u>	<u>6,338</u>
Technical Support			
Salaries and Wages	49,961	49,426	535
Fringe Benefits	7,170	7,092	78
Materials and Supplies	45	45	0
Other	7,000	5,102	1,898
<i>Total Technical Support</i>	<u>64,176</u>	<u>61,665</u>	<u>2,511</u>
<i>Total Public Works</i>	<u>302,175</u>	<u>293,326</u>	<u>8,849</u>
Health			
Humane Society			
Salaries and Wages	12,625	12,552	73
Fringe Benefits	1,820	1,766	54
Other	5,749	5,555	194
<i>Total Humane Society</i>	<u>20,194</u>	<u>19,873</u>	<u>321</u>
Agriculture			
Grant	265,650	265,650	0
Apiary Inspection	2,000	2,000	0
Cattle Disease Prevention	500	0	500
<i>Total Agriculture</i>	<u>268,150</u>	<u>267,650</u>	<u>500</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (Continued)  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
Health (continued)			
Other Health			
Hydrophobia Claims	\$500	\$0	\$500
Crippled Children Aid	126,300	126,300	0
Other	65,000	60,495	4,505
<i>Total Other Health</i>	<u>191,800</u>	<u>186,795</u>	<u>5,005</u>
<i>Total Health</i>	<u>480,144</u>	<u>474,318</u>	<u>5,826</u>
Human Services			
Soldier's Relief			
Salaries and Wages	20,333	18,713	1,620
Fringe Benefits	9,200	5,859	3,341
Materials and Supplies	11,847	5,829	6,018
Contractual Services	214,859	201,856	13,003
Capital Outlay	11,642	10,455	1,187
Other	800	103	697
<i>Total Soldier's Relief</i>	<u>268,681</u>	<u>242,815</u>	<u>25,866</u>
Veteran's Services			
Salaries and Wages	140,598	140,416	182
Fringe Benefits	20,540	18,363	2,177
Materials and Supplies	8,500	4,376	4,124
Contractual Services	28,850	25,509	3,341
Other	500	0	500
<i>Total Veteran's Services</i>	<u>198,988</u>	<u>188,664</u>	<u>10,324</u>
Public Assistance			
Child Support	98,007	0	98,007
<i>Total Public Assistance</i>	<u>98,007</u>	<u>0</u>	<u>98,007</u>
<i>Total Human Services</i>	<u>565,676</u>	<u>431,479</u>	<u>134,197</u>

(continued)

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (Continued)  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
Intergovernmental			
Contractual Services	\$61,657	\$59,569	\$2,088
Grants	1,804,684	410,755	1,393,929
<i>Total Intergovernmental</i>	<u>1,866,341</u>	<u>470,324</u>	<u>1,396,017</u>
Debt Service			
Principal Retirement	26,459	26,459	0
Interest and Fiscal Charges	8,317	8,317	0
<i>Total Debt Service</i>	<u>34,776</u>	<u>34,776</u>	<u>0</u>
<i>Total Expenditures</i>	<u>29,070,441</u>	<u>23,955,460</u>	<u>5,114,981</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,217,887)</u>	<u>1,036,297</u>	<u>7,254,184</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Capital Assets	10,812	5,685	(5,127)
Advances In	0	47,615	47,615
Advances Out	0	(61,993)	(61,993)
Transfers In	1,108,312	37,303	(1,071,009)
Transfers Out	(3,278,728)	(3,288,801)	(10,073)
<i>Total Other Financing Sources (Uses)</i>	<u>(2,159,604)</u>	<u>(3,260,191)</u>	<u>(1,100,587)</u>
<i>Net Change in Fund Balance</i>	(8,377,491)	(2,223,894)	6,153,597
Fund Balance at Beginning of Year	8,425,803	8,425,803	0
Prior Year Encumbrances Appropriated	1,580,943	1,580,943	0
<i>Fund Balance at End of Year</i>	<u>\$1,629,255</u>	<u>\$7,782,852</u>	<u>\$6,153,597</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Public Assistance Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$18,296,500	\$14,212,179	(\$4,084,321)
Other	0	179,096	179,096
<i>Total Revenues</i>	<u>18,296,500</u>	<u>14,391,275</u>	<u>(3,905,225)</u>
<b>Expenditures</b>			
Current:			
Human Services			
Public Assistance			
Salaries and Wages	4,136,150	3,677,805	458,345
Fringe Benefits	2,129,832	1,397,121	732,711
Materials and Supplies	156,233	109,085	47,148
Contractual Services	8,985,897	6,828,429	2,157,468
Capital Outlay	48,093	17,364	30,729
Other	3,545,083	2,317,748	1,227,335
<i>Total Human Services</i>	<u>19,001,288</u>	<u>14,347,552</u>	<u>4,653,736</u>
Debt Service:			
Principal Retirement	2,736	2,736	0
Interest and Fiscal Charges	1,171	1,171	0
<i>Total Debt Service</i>	<u>3,907</u>	<u>3,907</u>	<u>0</u>
<i>Total Expenditures</i>	<u>19,005,195</u>	<u>14,351,459</u>	<u>4,653,736</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(708,695)	39,816	748,511
<b>Other Financing Source</b>			
Transfers In	560,000	351,199	(208,801)
<i>Net Change in Fund Balance</i>	(148,695)	391,015	539,710
Fund Balance at Beginning of Year	(588,461)	(588,461)	0
Prior Year Encumbrances Appropriated	778,695	778,695	0
<i>Fund Balance at End of Year</i>	<u><u>\$41,539</u></u>	<u><u>\$581,249</u></u>	<u><u>\$539,710</u></u>



Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Motor Vehicle and Gasoline Tax Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Permissive Sales Taxes	\$200,000	\$0	(\$200,000)
Fines and Forfeitures	95,000	106,095	11,095
Intergovernmental	3,850,000	4,651,198	801,198
Interest	14,000	13,691	(309)
Other	57,500	47,688	(9,812)
<i>Total Revenues</i>	<u>4,216,500</u>	<u>4,818,672</u>	<u>602,172</u>
<b>Expenditures</b>			
Current:			
Public Works			
Engineer			
Salaries and Wages	387,438	385,884	1,554
Fringe Benefits	106,308	106,308	0
Materials and Supplies	3,706	3,544	162
Contractual Services	3,166	2,306	860
Capital Outlay	17,501	17,501	0
Other	4,606	4,206	400
<i>Total Engineer</i>	<u>522,725</u>	<u>519,749</u>	<u>2,976</u>
Roads			
Salaries and Wages	731,000	728,924	2,076
Fringe Benefits	417,449	415,353	2,096
Materials and Supplies	1,281,472	1,093,825	187,647
Contractual Services	657,953	610,290	47,663
Capital Outlay	288,370	285,402	2,968
Other	370,013	356,677	13,336
<i>Total Roads</i>	<u>3,746,257</u>	<u>3,490,471</u>	<u>255,786</u>
Bridges and Culverts			
Salaries and Wages	177,895	176,137	1,758
Fringe Benefits	25,453	25,371	82
Materials and Supplies	239,605	237,526	2,079
Contractual Services	436,361	432,697	3,664
Other	6,038	5,476	562
<i>Total Bridges and Culverts</i>	<u>885,352</u>	<u>877,207</u>	<u>8,145</u>
<i>Total Public Works</i>	<u>5,154,334</u>	<u>4,887,427</u>	<u>266,907</u>
Intergovernmental:			
Grants	0	122,442	(122,442)
<i>Total Expenditures</i>	<u>5,154,334</u>	<u>5,009,869</u>	<u>144,465</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(937,834)</u>	<u>(191,197)</u>	<u>746,637</u>
<b>Other Financing Use</b>			
Transfers Out	(298,650)	(298,650)	0
<i>Net Change in Fund Balance</i>	(1,236,484)	(489,847)	746,637
Fund Balance at Beginning of Year	1,178,856	1,178,856	0
Prior Year Encumbrances Appropriated	531,133	531,133	0
<i>Fund Balance at End of Year</i>	<u>\$473,505</u>	<u>\$1,220,142</u>	<u>\$746,637</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Children Services Levy Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property and Other Taxes	\$1,858,433	\$1,688,807	(\$169,626)
Charges for Services	282,000	1,613,011	1,331,011
Intergovernmental	2,185,068	3,710,102	1,525,034
Payments in Lieu of Taxes	0	10,056	10,056
Other	200	112,037	111,837
<i>Total Revenues</i>	<u>4,325,701</u>	<u>7,134,013</u>	<u>2,808,312</u>
<b>Expenditures</b>			
Current:			
Human Services			
Children Services			
Salaries and Wages	2,700,000	2,634,977	65,023
Fringe Benefits	1,050,288	893,545	156,743
Materials and Supplies	246,196	191,158	55,038
Contractual Services	3,494,605	2,764,339	730,266
Capital Outlay	51,000	15,775	35,225
Other	484,654	400,419	84,235
<i>Total Expenditures</i>	<u>8,026,743</u>	<u>6,900,213</u>	<u>1,126,530</u>
<i>Net Change in Fund Balance</i>	(3,701,042)	233,800	3,934,842
Fund Balance at Beginning of Year	3,916,597	3,916,597	0
Prior Year Encumbrances Appropriated	<u>397,404</u>	<u>397,404</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$612,959</u></u>	<u><u>\$4,547,801</u></u>	<u><u>\$3,934,842</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Starlight School Levy Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property and Other Taxes	\$3,227,393	\$3,172,025	(\$55,368)
Intergovernmental	2,981,182	2,855,411	(125,771)
Payments in Lieu of Taxes	22,607	22,607	0
Other	183,356	195,208	11,852
<i>Total Revenues</i>	<u>6,414,538</u>	<u>6,245,251</u>	<u>(169,287)</u>
<b>Expenditures</b>			
Current:			
Human Services			
Starlight School			
Salaries and Wages	4,137,293	4,049,243	88,050
Fringe Benefits	1,257,025	1,178,556	78,469
Materials and Supplies	76,702	71,934	4,768
Contractual Services	875,074	649,931	225,143
Capital Outlay	249,116	177,082	72,034
Other	38,715	0	38,715
<i>Total Expenditures</i>	<u>6,633,925</u>	<u>6,126,746</u>	<u>507,179</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(219,387)	118,505	337,892
<b>Other Financing Use</b>			
Transfers Out	(90,445)	(90,445)	0
<i>Net Change in Fund Balance</i>	(309,832)	28,060	337,892
Fund Balance at Beginning of Year	9,407,851	9,407,851	0
Prior Year Encumbrances Appropriated	14,049	14,049	0
<i>Fund Balance at End of Year</i>	<u><u>\$9,112,068</u></u>	<u><u>\$9,449,960</u></u>	<u><u>\$337,892</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenses, and Changes  
In Fund Equity - Budget (Non-GAAP Basis) and Actual  
Sewer Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$1,616,129	\$1,635,732	\$19,603
Tap-In Fees	793,148	994,060	200,912
Other Non-Operating Revenues	0	329	329
<i>Total Revenues</i>	<u>2,409,277</u>	<u>2,630,121</u>	<u>220,844</u>
<b>Expenses</b>			
Personal Services	337,637	283,134	54,503
Fringe Benefits	51,646	41,406	10,240
Contractual Services	1,809,817	1,410,142	399,675
Materials and Supplies	259,281	118,326	140,955
Capital Outlay	177,671	137,282	40,389
<i>Total Expenses</i>	<u>2,636,052</u>	<u>1,990,290</u>	<u>645,762</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(226,775)	639,831	866,606
Transfers In	8,889	8,889	0
Transfers Out	(317,045)	(317,045)	0
Advances Out	0	(6,416)	(6,416)
<i>Excess of Revenues Over (Under) Expenses and Transfers and Advances</i>	(534,931)	325,259	860,190
Fund Equity at Beginning of Year	2,655,659	2,655,659	0
Prior Year Encumbrances Appropriated	284,971	284,971	0
<i>Fund Equity at End of Year</i>	<u><u>\$2,405,699</u></u>	<u><u>\$3,265,889</u></u>	<u><u>\$860,190</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenses, and Changes  
In Fund Equity - Budget (Non-GAAP Basis) and Actual  
Water Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$982,943	\$874,165	(\$108,778)
Tap-In Fees	103,750	160,816	57,066
Proceeds of Loans	1,647,721	784,436	(863,285)
Interest	0	9,847	9,847
Grants	766,680	766,680	0
Other Non-Operating Revenues	3,750	41,831	38,081
<i>Total Revenues</i>	<u>3,504,844</u>	<u>2,638,135</u>	<u>(757,931)</u>
<b>Expenses</b>			
Personal Services	157,167	146,369	10,798
Fringe Benefits	92,416	57,266	35,150
Contractual Services	2,660,903	2,580,477	80,426
Materials and Supplies	162,292	136,966	25,326
Capital Outlay	135,709	104,459	31,250
Other	36,601	29,789	6,812
<i>Total Expenses</i>	<u>3,245,088</u>	<u>3,055,326</u>	<u>189,762</u>
<i>Excess of Revenues Over (Under) Expenses</i>	259,756	(417,191)	(676,947)
Transfers Out	(336,199)	(314,819)	21,380
<i>Excess of Revenues Under Expenses and Transfers</i>	(76,443)	(732,010)	(655,567)
Fund Equity at Beginning of Year	2,165,125	2,165,125	0
Prior Year Encumbrances Appropriated	8,184	8,184	0
<i>Fund Equity at End of Year</i>	<u>\$2,096,866</u>	<u>\$1,441,299</u>	<u>(\$655,567)</u>

This schedule does not include information pertaining to the operation of the East Muskingum Water Authority for the period of January 1, 2003 through July 31, 2003 since the County did not assume the Authority's operations until August 1, 2003.

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Dog and Kennel Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$45,148	\$27,758	(\$17,390)
Licenses and Permits	85,000	88,839	3,839
Fines and Forfeitures	7,000	4,257	(2,743)
<i>Total Revenues</i>	<u>137,148</u>	<u>120,854</u>	<u>(16,294)</u>
<b>Expenditures</b>			
Current:			
Health			
Animal Control			
Salaries and Wages	96,928	96,928	0
Fringe Benefits	38,996	38,077	919
Materials and Supplies	6,250	2,418	3,832
Contractual Services	24,213	17,156	7,057
Capital Outlay	1,575	0	1,575
Other	20,750	20,500	250
<i>Total Expenditures</i>	<u>188,712</u>	<u>175,079</u>	<u>13,633</u>
<i>Excess of Revenues Under Expenditures</i>	(51,564)	(54,225)	(2,661)
<b>Other Financing Source</b>			
Transfers In	<u>73,298</u>	<u>36,650</u>	<u>(36,648)</u>
<i>Net Change in Fund Balance</i>	21,734	(17,575)	(39,309)
Fund Balance at Beginning of Year	46,607	46,607	0
Prior Year Encumbrances Appropriated	<u>3,724</u>	<u>3,724</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$72,065</u></u>	<u><u>\$32,756</u></u>	<u><u>(\$39,309)</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Child Support Enforcement Agency Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$45,000	\$28,011	(\$16,989)
Intergovernmental	3,061,096	3,311,487	250,391
Other	0	79,955	79,955
<i>Total Revenues</i>	<u>3,106,096</u>	<u>3,419,453</u>	<u>313,357</u>
<b>Expenditures</b>			
Current:			
Human Services			
Child Support Enforcement			
Salaries and Wages	1,769,003	1,762,359	6,644
Fringe Benefits	737,763	733,456	4,307
Materials and Supplies	59,425	53,553	5,872
Contractual Services	1,220,955	1,156,699	64,256
Capital Outlay	16,059	15,204	855
Other	63,777	60,852	2,925
<i>Total Human Services</i>	<u>3,866,982</u>	<u>3,782,123</u>	<u>84,859</u>
Debt Service:			
Principal Retirement	999	999	0
Interest and Fiscal Charges	442	442	0
<i>Total Debt Service</i>	<u>1,441</u>	<u>1,441</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,868,423</u>	<u>3,783,564</u>	<u>169,718</u>
<i>Excess of Revenues Under Expenditures</i>	(762,327)	(364,111)	398,216
<b>Other Financing Source</b>			
Transfers In	608,538	608,538	0
<i>Net Change in Fund Balance</i>	(153,789)	244,427	398,216
Fund Balance at Beginning of Year	80,324	80,324	0
Prior Year Encumbrances Appropriated	112,526	112,526	0
<i>Fund Balance at End of Year</i>	<u><u>\$39,061</u></u>	<u><u>\$437,277</u></u>	<u><u>\$398,216</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Childrens' Services Trust Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$75	\$858	\$783
Contributions and Donations	<u>0</u>	<u>36,321</u>	<u>36,321</u>
<i>Total Revenues</i>	75	37,179	37,104
<b>Expenditures</b>			
Current:			
Human Services			
Childrens' Services Trust Fund			
Capital Outlay	<u>126,893</u>	<u>17,475</u>	<u>109,418</u>
<i>Net Change in Fund Balance</i>	(126,818)	19,704	146,522
Fund Balance at Beginning of Year	<u>126,818</u>	<u>126,818</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$146,522</u></u>	<u><u>\$146,522</u></u>



Muskingum County, Ohio  
 Schedule of Revenues, Expenditures, and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 SBC Foundation Grant Fund  
 For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<i>Total Revenues</i>	\$0	\$0	\$0
<b>Expenditures</b>			
<i>Total Expenditures</i>	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
Fund Balance at Beginning of Year	25,000	25,000	0
<i>Fund Balance at End of Year</i>	\$25,000	\$25,000	\$0

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
County Home Levy Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property and Other Taxes	\$1,869,792	\$1,886,359	\$16,567
Charges for Services	745,021	752,675	7,654
Intergovernmental	278,831	263,666	(15,165)
Payments in Lieu of Taxes	5,600	10,300	4,700
Other	75,371	75,405	34
<i>Total Revenues</i>	<u>2,974,615</u>	<u>2,988,405</u>	<u>13,790</u>
<b>Expenditures</b>			
Current:			
Human Services			
County Home			
Salaries and Wages	1,578,297	1,559,342	18,955
Fringe Benefits	544,760	531,364	13,396
Materials and Supplies	275,361	274,843	518
Contractual Services	488,376	472,889	15,487
Capital Outlay	6,448	6,448	0
Other	12,425	12,173	252
<i>Total Expenditures</i>	<u>2,905,667</u>	<u>2,857,059</u>	<u>48,608</u>
<i>Excess of Revenues Over Expenditures</i>	68,948	131,346	62,398
<b>Other Financing Use</b>			
Advances Out	<u>0</u>	<u>(36,295)</u>	<u>(36,295)</u>
<i>Net Change in Fund Balance</i>	68,948	95,051	26,103
Fund Balance (Deficit) at Beginning of Year	(3,769)	(3,769)	0
Prior Year Encumbrances Appropriated	<u>7,411</u>	<u>7,411</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$72,590</u></u>	<u><u>\$98,693</u></u>	<u><u>\$26,103</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Real Estate Assessment Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$542,300	\$585,391	\$43,091
Fines and Forfeitures	1,800	1,705	(95)
Other	306	0	(306)
<i>Total Revenues</i>	<u>544,406</u>	<u>587,096</u>	<u>42,690</u>
<b>Expenditures</b>			
Current:			
General Government - Legislative and Executive			
Salaries and Wages	120,000	117,548	2,452
Fringe Benefits	18,579	16,963	1,616
Materials and Supplies	3,500	561	2,939
Contractual Services	444,866	444,481	385
Other	28,824	24,431	4,393
<i>Total Expenditures</i>	<u>615,769</u>	<u>603,984</u>	<u>11,785</u>
<i>Net Change in Fund Balance</i>	(71,363)	(16,888)	54,475
Fund Balance at Beginning of Year	448,360	448,360	0
Prior Year Encumbrances Appropriated	<u>284,228</u>	<u>284,228</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$661,225</u></u>	<u><u>\$715,700</u></u>	<u><u>\$54,475</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Redevelopment Tax Equivalent Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Payments in Lieu of Taxes	\$185,291	\$201,561	\$16,270
<b>Expenditures</b>			
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	185,291	201,561	16,270
<b>Other Financing Use</b>			
Transfers Out	<u>184,529</u>	<u>0</u>	<u>184,529</u>
<i>Net Change in Fund Balance</i>	762	201,561	200,799
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$762</u></u>	<u><u>\$201,561</u></u>	<u><u>\$200,799</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Drug Abuse Resistance Education (DARE) Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$14,563	\$14,563	\$0
Other	2,064	3,498	1,434
<i>Total Revenues</i>	<u>16,627</u>	<u>18,061</u>	<u>1,434</u>
<b>Expenditures</b>			
Current:			
Public Safety			
Drug Law Enforcement			
Salaries and Wages	12,969	0	12,969
Materials and Supplies	6,999	6,999	0
Other	1,000	82	918
<i>Total Expenditures</i>	<u>20,968</u>	<u>7,081</u>	<u>13,887</u>
<i>Net Change in Fund Balance</i>	(4,341)	10,980	15,321
Fund Balance at Beginning of Year	1,399	1,399	0
Prior Year Encumbrances Appropriated	2,999	2,999	0
<i>Fund Balance at End of Year</i>	<u><u>\$57</u></u>	<u><u>\$15,378</u></u>	<u><u>\$15,321</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Miscellaneous Federal Grants Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$11,793	\$11,793	\$0
Intergovernmental	211,319	211,319	0
<i>Total Revenues</i>	<u>223,112</u>	<u>223,112</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Public Safety			
Miscellaneous Federal Grants			
Salaries and Wages	80,541	74,183	6,358
Fringe Benefits	29,024	23,572	5,452
Materials and Supplies	15,421	12,921	2,500
Contractual Services	24,760	24,760	0
Capital Outlay	167,518	146,270	21,248
Other	1,000	0	1,000
<i>Total Expenditures</i>	<u>318,264</u>	<u>281,706</u>	<u>36,558</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(95,152)	(58,594)	36,558
<b>Other Financing Source</b>			
Transfers In	21,812	21,812	0
<i>Net Change in Fund Balance</i>	(73,340)	(36,782)	36,558
Fund Balance at Beginning of Year	53,319	53,319	0
Prior Year Encumbrances Appropriated	28,243	28,243	0
<i>Fund Balance at End of Year</i>	<u><u>\$8,222</u></u>	<u><u>\$44,780</u></u>	<u><u>\$36,558</u></u>

Muskingum County, Ohio  
 Schedule of Revenues, Expenditures, and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Mediation Project Phase III Fund  
 For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<i>Total Revenues</i>	\$0	\$0	\$0
<b>Expenditures</b>			
<i>Total Expenditures</i>	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
Fund Balance at Beginning of Year	1,367	1,367	0
<i>Fund Balance at End of Year</i>	<u>\$1,367</u>	<u>\$1,367</u>	<u>\$0</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Delinquent Real Estate Tax and Assessment Collection Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$109,742	\$150,368	\$40,626
<b>Expenditures</b>			
Current:			
General Government - Legislative and Executive			
DRETAC			
Salaries and Wages	163,271	102,113	61,158
Fringe Benefits	18,732	7,207	11,525
Materials and Supplies	3,000	1,061	1,939
Capital Outlay	8,316	6,730	1,586
Other	200,452	28,479	171,973
<i>Total Expenditures</i>	393,771	145,590	248,181
<i>Net Change in Fund Balance</i>	(284,029)	4,778	288,807
Fund Balance at Beginning of Year	381,282	381,282	0
Prior Year Encumbrances Appropriated	4,316	4,316	0
<i>Fund Balance at End of Year</i>	<u>\$101,569</u>	<u>\$390,376</u>	<u>\$288,807</u>



Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Tuberculosis Clinic Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property and Other Taxes	\$361,687	\$373,958	\$12,271
Charges for Services	1,000	14,511	13,511
Intergovernmental	162,188	167,746	5,558
Payments in Lieu of Taxes	0	2,060	2,060
Contributions and Donations	0	150	150
Other	108,895	17,957	(90,938)
<i>Total Revenues</i>	<u>633,770</u>	<u>576,382</u>	<u>(57,388)</u>
<b>Expenditures</b>			
Current:			
Health			
Tuberculosis Clinic			
Salaries and Wages	247,150	205,329	41,821
Fringe Benefits	66,575	61,327	5,248
Materials and Supplies	275,680	269,487	6,193
Contractual Services	59,347	55,134	4,213
Capital Outlay	15,432	15,177	255
Other	5,707	3,873	1,834
<i>Total Expenditures</i>	<u>669,891</u>	<u>610,327</u>	<u>59,564</u>
<i>Net Change in Fund Balance</i>	(36,121)	(33,945)	2,176
Fund Balance at Beginning of Year	361,163	361,163	0
Prior Year Encumbrances Appropriated	12,397	12,397	0
<i>Fund Balance at End of Year</i>	<u><u>\$337,439</u></u>	<u><u>\$339,615</u></u>	<u><u>\$2,176</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Youth Services Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$107,108	\$39,784	(\$67,324)
<b>Expenditures</b>			
Current:			
Public Safety			
Youth Services			
Salaries and Wages	72,402	38,744	33,658
Fringe Benefits	1,061	803	258
Contractual Services	33,992	270	33,722
<i>Total Expenditures</i>	107,455	39,817	67,638
<i>Net Change in Fund Balance</i>	(347)	(33)	314
Fund Balance at Beginning of Year	347	347	0
<i>Fund Balance at End of Year</i>	\$0	\$314	\$314

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Block Grants Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$628,924	\$604,319	(\$24,605)
Other	0	5,931	5,931
<i>Total Revenues</i>	<u>628,924</u>	<u>610,250</u>	<u>(18,674)</u>
<b>Expenditures</b>			
Current:			
Public Works			
Block Grants			
Salaries and Wages	66,055	66,055	0
Fringe Benefits	23,981	23,981	0
Materials and Supplies	252	252	0
Contractual Services	616,288	613,044	3,244
<i>Total Expenditures</i>	<u>706,576</u>	<u>703,332</u>	<u>3,244</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(77,652)</u>	<u>(93,082)</u>	<u>(15,430)</u>
<b>Other Financing Sources</b>			
Transfers In	36,827	36,827	0
Advances In	0	50,000	50,000
<i>Total Other Financing Sources</i>	<u>36,827</u>	<u>86,827</u>	<u>50,000</u>
<i>Net Change in Fund Balance</i>	(40,825)	(6,255)	34,570
Fund Balance at Beginning of Year	11,777	11,777	0
Prior Year Encumbrances Appropriated	46,914	46,914	0
<i>Fund Balance at End of Year</i>	<u>\$17,866</u>	<u>\$52,436</u>	<u>\$34,570</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Computer Legal Research Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$7,600	\$8,642	\$1,042
<b>Expenditures</b>			
Current:			
General Government - Judicial			
Computer Legal Research			
Contractual Services	3,000	25	2,975
Other	2,500	0	2,500
<i>Total Expenditures</i>	5,500	25	5,475
<i>Net Change in Fund Balance</i>	2,100	8,617	6,517
Fund Balance at Beginning of Year	45,973	45,973	0
<i>Fund Balance at End of Year</i>	\$48,073	\$54,590	\$6,517

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Community Correction Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$212,426	\$207,115	(\$5,311)
<b>Expenditures</b>			
Current:			
Public Safety			
Community Correction			
Salaries and Wages	125,387	125,387	0
Fringe Benefits	87,523	78,904	8,619
Materials and Supplies	12,384	10,818	1,566
Contractual Services	28,949	28,949	0
Other	900	150	750
<i>Total Expenditures</i>	255,143	244,208	10,935
<i>Excess of Revenues Over (Under) Expenditures</i>	(42,717)	(37,093)	5,624
<b>Other Financing Source (Use)</b>			
Transfers In	2,426	2,426	0
Transfers Out	(2,303)	(2,303)	0
<i>Total Other Financing Source (Use)</i>	123	123	0
<i>Net Change in Fund Balance</i>	(42,594)	(36,970)	5,624
Fund Balance at Beginning of Year	58,850	58,850	0
Prior Year Encumbrances Appropriated	56	56	0
<i>Fund Balance at End of Year</i>	<u>\$16,312</u>	<u>\$21,936</u>	<u>\$5,624</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Home Detention (Electronic Monitor) Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$49,250	\$45,916	(\$3,334)
Intergovernmental	73,553	36,041	(37,512)
Other	0	65	65
<i>Total Revenues</i>	<u>122,803</u>	<u>82,022</u>	<u>(40,781)</u>
<b>Expenditures</b>			
Current:			
Public Safety			
Electronic Monitor			
Salaries and Wages	85,122	51,659	33,463
Fringe Benefits	11,064	7,283	3,781
Materials and Supplies	45,176	38,600	6,576
Capital Outlay	9,376	2,525	6,851
<i>Total Expenditures</i>	<u>150,738</u>	<u>100,067</u>	<u>50,671</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(27,935)</u>	<u>(18,045)</u>	<u>9,890</u>
<b>Other Financing Sources (Use)</b>			
Transfers In	45,321	45,100	(221)
Advances In	0	673	673
Transfers Out	(221)	0	221
<i>Total Other Financing Sources (Use)</i>	<u>45,100</u>	<u>45,773</u>	<u>673</u>
<i>Net Change in Fund Balance</i>	17,165	27,728	10,563
Fund Balance at Beginning of Year	61,123	61,123	0
Prior Year Encumbrances Appropriated	23,897	23,897	0
<i>Fund Balance at End of Year</i>	<u><u>\$102,185</u></u>	<u><u>\$112,748</u></u>	<u><u>\$10,563</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Litter Prevention Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$67,920	\$66,601	(\$1,319)
<b>Expenditures</b>			
Current:			
Public Works			
Litter Prevention			
Salaries and Wages	61,652	61,652	0
Fringe Benefits	20,845	19,062	1,783
Materials and Supplies	976	976	0
Capital Outlay	1,524	1,524	0
Other	200	200	0
<i>Total Expenditures</i>	<u>85,197</u>	<u>83,414</u>	<u>1,783</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(17,277)</u>	<u>(16,813)</u>	<u>464</u>
<b>Other Financing Sources (Use)</b>			
Transfers In	27,797	17,797	(10,000)
Advances In	0	11,320	11,320
Advances Out	0	(11,320)	(11,320)
<i>Total Other Financing Sources (Use)</i>	<u>27,797</u>	<u>17,797</u>	<u>(10,000)</u>
<i>Net Change in Fund Balance</i>	10,520	984	(9,536)
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	<u>800</u>	<u>800</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$11,320</u></u>	<u><u>\$1,784</u></u>	<u><u>(\$9,536)</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Ohio Childrens Trust Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$31,678	\$31,678	\$0
<b>Expenditures</b>			
Current:			
Human Services			
Ohio Childrens Trust			
Salaries and Wages	33,665	33,665	0
Fringe Benefits	525	525	0
Materials and Supplies	280	280	0
Other	3,897	3,897	0
<i>Total Expenditures</i>	38,367	38,367	0
<i>Net Change in Fund Balance</i>	(6,689)	(6,689)	0
Fund Balance at Beginning of Year	9,366	9,366	0
<i>Fund Balance at End of Year</i>	\$2,677	\$2,677	\$0



Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Marriage License Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Licenses and Permits	\$28,750	\$25,071	(\$3,679)
<b>Expenditures</b>			
Current:			
Health			
Marriage License			
Contractual Services	29,963	28,362	1,601
<i>Net Change in Fund Balance</i>	(1,213)	(3,291)	(2,078)
Fund Balance (Deficit) at Beginning of Year	(900)	(900)	0
Prior Year Encumbrances Appropriated	2,113	2,113	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$0</u>	<u>(\$2,078)</u>	<u>(\$2,078)</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Political Subdivision Housing Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$28,626	\$31,052	\$2,426
<b>Expenditures</b>			
Current:			
Public Safety			
Political Subdivision Housing			
Contractual Services	22,000	20,809	1,191
<i>Net Change in Fund Balance</i>	6,626	10,243	3,617
Fund Balance at Beginning of Year	10,013	10,013	0
<i>Fund Balance at End of Year</i>	<u>\$16,639</u>	<u>\$20,256</u>	<u>\$3,617</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Indigent Drivers Alcohol Treatment Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$15,000	\$22,675	\$7,675
Intergovernmental	150	109	(41)
<i>Total Revenues</i>	15,150	22,784	7,634
<b>Expenditures</b>			
Current:			
Human Services			
Indigent Drivers Alcohol Treatment			
Contractual Services	47,946	28,492	19,454
<i>Net Change in Fund Balance</i>	(32,796)	(5,708)	27,088
Fund Balance at Beginning of Year	119,962	119,962	0
Prior Year Encumbrances Appropriated	7,946	7,946	0
<i>Fund Balance at End of Year</i>	<u>\$95,112</u>	<u>\$122,200</u>	<u>\$27,088</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Probate Conduct of Business Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$750	\$662	(\$88)
<b>Expenditures</b>			
Current:			
General Government - Judicial			
Probate Conduct of Business			
Other	750	0	750
<i>Net Change in Fund Balance</i>	0	662	662
Fund Balance at Beginning of Year	10,709	10,709	0
<i>Fund Balance at End of Year</i>	\$10,709	\$11,371	\$662

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Enforcement and Education Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$3,133	\$3,471	\$338
<b>Expenditures</b>			
Current:			
Public Safety			
Enforcement and Education			
Capital Outlay	1,000	0	1,000
Other	1,500	391	1,109
<i>Total Expenditures</i>	2,500	391	2,109
<i>Net Change in Fund Balance</i>	633	3,080	2,447
Fund Balance at Beginning of Year	31,711	31,711	0
<i>Fund Balance at End of Year</i>	<u>\$32,344</u>	<u>\$34,791</u>	<u>\$2,447</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Law Enforcement Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$5,000	\$12,987	\$7,987
Other	12,580	12,580	0
<i>Total Revenues</i>	<u>17,580</u>	<u>25,567</u>	<u>7,987</u>
<b>Expenditures</b>			
Current:			
Public Safety			
Law Enforcement			
Contractual Services	40,699	13,944	26,755
Materials and Supplies	2,000	0	2,000
Capital Outlay	948	115	833
Other	6,500	1,828	4,672
<i>Total Expenditures</i>	<u>50,147</u>	<u>15,887</u>	<u>34,260</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(32,567)	9,680	42,247
<b>Other Financing Use</b>			
Transfers Out	(1,667)	(1,667)	0
<i>Net Change in Fund Balance</i>	(34,234)	8,013	42,247
Fund Balance at Beginning of Year	64,821	64,821	0
Prior Year Encumbrances Appropriated	115	115	0
<i>Fund Balance at End of Year</i>	<u><u>\$30,702</u></u>	<u><u>\$72,949</u></u>	<u><u>\$42,247</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Hazardous Response and Education Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$4,500	\$4,500	\$0
<b>Expenditures</b>			
Current:			
General Government - Judicial			
Hazardous Response and Education			
Contractual Services	9,500	9,000	500
<i>Excess of Revenues Under Expenditures</i>	(5,000)	(4,500)	500
<b>Other Financing Source</b>			
Transfers In	5,000	5,000	0
<i>Net Change in Fund Balance</i>	0	500	500
Fund Balance at Beginning of Year	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$500</u>	<u>\$500</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Senior Citizens Levy Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property and Other Taxes	\$553,883	\$558,025	\$4,142
Intergovernmental	222,102	222,245	143
Payments in Lieu of Taxes	300	2,740	2,440
Other	23,844	23,844	0
<i>Total Revenues</i>	<u>800,129</u>	<u>806,854</u>	<u>6,725</u>
<b>Expenditures</b>			
Current:			
Human Services			
Senior Citizens Levy			
Salaries and Wages	624,733	474,378	150,355
Fringe Benefits	186,981	172,828	14,153
<i>Total Expenditures</i>	<u>811,714</u>	<u>647,206</u>	<u>164,508</u>
<i>Net Change in Fund Balance</i>	(11,585)	159,648	171,233
Fund Balance at Beginning of Year	<u>58,040</u>	<u>58,040</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$46,455</u></u>	<u><u>\$217,688</u></u>	<u><u>\$171,233</u></u>



Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Felony Delinquent Care and Custody Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$141,560	\$141,560	\$0
<b>Expenditures</b>			
Current:			
Public Safety			
Specialized Probation			
Salaries and Wages	133,650	85,223	48,427
Fringe Benefits	52,770	28,069	24,701
Materials and Supplies	350	0	350
Contractual Services	35,492	13,775	21,717
<i>Total Expenditures</i>	<u>222,262</u>	<u>127,067</u>	<u>95,195</u>
<i>Net Change in Fund Balance</i>	(80,702)	14,493	95,195
Fund Balance at Beginning of Year	99,924	99,924	0
Prior Year Encumbrances Appropriated	<u>1,415</u>	<u>1,415</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$20,637</u></u>	<u><u>\$115,832</u></u>	<u><u>\$95,195</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Drug Law Enforcement Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$7,341	\$3,240	(\$4,101)
<b>Expenditures</b>			
Current:			
Public Safety			
Drug Law Enforcement			
Contractual Services	29,977	0	29,977
Capital Outlay	2,000	0	2,000
Other	2,000	0	2,000
<i>Total Expenditures</i>	33,977	0	33,977
<i>Net Change in Fund Balance</i>	(26,636)	3,240	29,876
Fund Balance at Beginning of Year	46,382	46,382	0
<i>Fund Balance at End of Year</i>	\$19,746	\$49,622	\$29,876

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Indigent Guardianship Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$20,000	\$21,133	\$1,133
<b>Expenditures</b>			
Current:			
Human Services			
Indigent Guardianship			
Contractual Services	20,000	18,323	1,677
<i>Net Change in Fund Balance</i>	0	2,810	2,810
Fund Balance at Beginning of Year	1,248	1,248	0
<i>Fund Balance at End of Year</i>	<u>\$1,248</u>	<u>\$4,058</u>	<u>\$2,810</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Victim of Criminals Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$36,990	\$36,990	\$0
<b>Expenditures</b>			
Current:			
Public Safety			
Victim of Criminals			
Salaries and Wages	39,197	37,090	2,107
Contractual Services	1,202	1,202	0
<i>Total Expenditures</i>	40,399	38,292	2,107
<i>Excess of Revenues Over (Under) Expenditures</i>	(3,409)	(1,302)	2,107
<b>Other Financing Source</b>			
Transfers In	586	586	0
<i>Net Change in Fund Balance</i>	(2,823)	(716)	2,107
Fund Balance at Beginning of Year	2,823	2,823	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$2,107</u>	<u>\$2,107</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Family Resources Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$56,976	\$28,487	(\$28,489)
<b>Expenditures</b>			
Current:			
Human Services			
Family Resources			
Contractual Services	85,726	17,249	68,477
Capital Outlay	3,685	3,685	0
Other	79,053	68,065	10,988
<i>Total Expenditures</i>	168,464	88,999	79,465
<i>Net Change in Fund Balance</i>	(111,488)	(60,512)	50,976
Fund Balance at Beginning of Year	111,488	111,488	0
<i>Fund Balance at End of Year</i>	\$0	\$50,976	\$50,976

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Sheriff Commissary Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$0	\$170,055	\$170,055
<b>Expenditures</b>			
Current:			
Public Safety			
Sheriff Commissary			
Materials and Supplies	0	167,626	(167,626)
<i>Net Change in Fund Balance</i>	0	2,429	2,429
Fund Balance at Beginning of Year	11,354	11,354	0
<i>Fund Balance at End of Year</i>	\$11,354	\$13,783	\$2,429

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Children Services Christmas Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$0	\$102	\$102
Other	0	12,341	12,341
<i>Total Revenues</i>	0	12,443	12,443
<b>Expenditures</b>			
Current:			
Human Services			
Childrens' Services			
Materials and Supplies	0	4,835	(4,835)
<i>Net Change in Fund Balance</i>	0	7,608	7,608
Fund Balance at Beginning of Year	50,236	50,236	0
<i>Fund Balance at End of Year</i>	<u>\$50,236</u>	<u>\$57,844</u>	<u>\$7,608</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Mental Health Levy Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property and Other Taxes	\$934,189	\$934,189	\$0
Intergovernmental	140,072	140,072	0
Payments in Lieu of Taxes	5,150	5,150	0
<i>Total Revenues</i>	1,079,411	1,079,411	0
<b>Expenditures</b>			
<i>Total Expenditures</i>	1,079,411	1,079,411	0
<i>Net Change in Fund Balance</i>	0	0	0
Fund Balance at Beginning of Year	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>



Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Certificate of Title Administration Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Licenses and Permits	\$280,000	\$359,060	\$79,060
<b>Expenditures</b>			
Current:			
General Government -			
Legislative and Executive			
Clerk of Courts Title			
Salaries and Wages	117,000	114,452	2,548
Fringe Benefits	19,690	18,813	877
Materials and Supplies	11,380	11,283	97
Contractual Services	3,580	3,497	83
Capital Outlay	59,681	57,820	1,861
Other	118,192	0	118,192
<i>Total Expenditures</i>	329,523	205,865	123,658
<i>Excess of Revenues Over (Under) Expenditures</i>	(49,523)	153,195	202,718
<b>Other Financing Use</b>			
Transfers Out	(35,000)	(35,000)	0
<i>Net Change in Fund Balance</i>	(84,523)	118,195	202,718
Fund Balance at Beginning of Year	414,285	414,285	0
Prior Year Encumbrances Appropriated	49,793	49,793	0
<i>Fund Balance at End of Year</i>	<u>\$379,555</u>	<u>\$582,273</u>	<u>\$202,718</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Sheriff Levy Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Property and Other Taxes	\$376,828	\$380,970	\$4,142
Intergovernmental	58,202	58,345	143
Payments in Lieu of Taxes	0	2,456	2,456
<i>Total Revenues</i>	<u>435,030</u>	<u>441,771</u>	<u>6,741</u>
<b>Expenditures</b>			
Current:			
Public Safety			
Sheriff Department			
Salaries and Wages	301,200	292,194	9,006
Fringe Benefits	122,724	108,281	14,443
Materials and Supplies	1,500	0	1,500
Capital Outlay	58,000	25,681	32,319
Other	1,000	0	1,000
<i>Total Expenditures</i>	<u>484,424</u>	<u>426,156</u>	<u>58,268</u>
<i>Net Change in Fund Balance</i>	(49,394)	15,615	65,009
Fund Balance at Beginning of Year	<u>374,804</u>	<u>374,804</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$325,410</u></u>	<u><u>\$390,419</u></u>	<u><u>\$65,009</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
County Court Special Projects Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$50,000	\$67,230	\$17,230
Other	0	72	72
<i>Total Revenues</i>	<u>50,000</u>	<u>67,302</u>	<u>17,302</u>
<b>Expenditures</b>			
Current:			
General Government - Judicial			
County Court Special Projects			
Personal Services	5,280	1,950	3,330
Fringe Benefits	2,719	159	2,560
Materials and Supplies	12,543	4,664	7,879
Contractual Services	37,000	35,183	1,817
Capital Outlay	11,000	975	10,025
<i>Total Expenditures</i>	<u>68,542</u>	<u>42,931</u>	<u>25,611</u>
<i>Net Change in Fund Balance</i>	(18,542)	24,371	42,913
Fund Balance at Beginning of Year	97,039	97,039	0
Prior Year Encumbrances Appropriated	470	470	0
<i>Fund Balance at End of Year</i>	<u><u>\$78,967</u></u>	<u><u>\$121,880</u></u>	<u><u>\$42,913</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Transportation Improvement District (TID) Escrow Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<i>Total Revenues</i>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Public Works			
TID Escrow			
Contractual Services	922,975	901,872	21,103
<i>Excess of Revenues Over (Under) Expenditures</i>	(922,975)	(901,872)	21,103
<b>Other Financing Source</b>			
Transfers In	1,283,545	814,949	(468,596)
<i>Net Change in Fund Balance</i>	360,570	(86,923)	(447,493)
Fund Balance at Beginning of Year	1,011,923	1,011,923	0
<i>Fund Balance at End of Year</i>	<u>\$1,372,493</u>	<u>\$925,000</u>	<u>(\$447,493)</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Juvenile Detention Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$80,652	\$67,598	(\$13,054)
<b>Expenditures</b>			
Current:			
General Government - Judicial			
Juvenile Court			
Salaries and Wages	70,414	53,954	16,460
Fringe Benefits	45,002	6,150	38,852
Materials and Supplies	36,234	918	35,316
Contractual Services	677	677	0
Capital Outlay	5,600	5,600	0
Other	4,083	598	3,485
<i>Total General Government - Judicial</i>	162,010	67,897	94,113
Public Safety			
Juvenile Court			
Capital Outlay	38,736	0	38,736
<i>Total Expenditures</i>	200,746	67,897	132,849
<i>Net Change in Fund Balance</i>	(120,094)	(299)	119,795
Fund Balance at Beginning of Year	114,494	114,494	0
Prior Year Encumbrances Appropriated	5,600	5,600	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$119,795</u>	<u>\$119,795</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Debt Service Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$15,000	\$15,000	\$0
Interest	19,683	21,427	1,744
Rent	568,679	560,497	(8,182)
<i>Total Revenues</i>	<u>603,362</u>	<u>596,924</u>	<u>(6,438)</u>
<b>Expenditures</b>			
Debt Service:			
Principal Retirement	3,257,000	2,081,000	1,176,000
Interest and Fiscal Charges	876,133	875,083	1,050
<i>Total Expenditures</i>	<u>4,133,133</u>	<u>2,956,083</u>	<u>1,177,050</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,529,771)</u>	<u>(2,359,159)</u>	<u>1,170,612</u>
<b>Other Financing Sources (Uses)</b>			
Refunding Bonds Issued	1,376,000	200,000	(1,176,000)
Payment to Refunded Bond Escrow Agent	(194,768)	(194,768)	0
Transfers In	2,063,787	1,142,306	(921,481)
Transfers Out	(4,000)	0	4,000
<i>Total Other Financing Sources (Uses)</i>	<u>3,241,019</u>	<u>1,147,538</u>	<u>(2,093,481)</u>
<i>Net Change in Fund Balance</i>	(288,752)	(1,211,621)	(922,869)
Fund Balance at Beginning of Year	1,449,507	1,449,507	0
Prior Year Encumbrances Appropriated	<u>550</u>	<u>550</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,161,305</u></u>	<u><u>\$238,436</u></u>	<u><u>(\$922,869)</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Special Assessment Debt Service Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Special Assessments	\$83,435	\$81,362	(\$2,073)
Interest	77,732	77,801	(69)
<i>Total Revenues</i>	<u>161,167</u>	<u>159,163</u>	<u>2,004</u>
<b>Expenditures</b>			
Debt Service:			
Principal Retirement	112,527	98,646	13,881
Interest and Fiscal Charges	85,014	84,143	871
Issuance Costs	4,000	0	4,000
<i>Total Expenditures</i>	<u>201,541</u>	<u>182,789</u>	<u>18,752</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(40,374)</u>	<u>(23,626)</u>	<u>16,748</u>
<b>Other Financing Sources (Uses)</b>			
Refunding Bonds Issued	85,000	81,000	(4,000)
Payment to Refunded Bond Escrow Agent	(78,483)	(78,483)	0
Transfers In	44,873	36,033	(8,840)
Advances In	0	6,416	6,416
Transfers Out	(930)	(930)	0
<i>Total Other Financing Sources (Uses)</i>	<u>50,460</u>	<u>44,036</u>	<u>(6,424)</u>
<i>Net Change in Fund Balance</i>	10,086	20,410	10,324
Fund Balance at Beginning of Year	<u>248,649</u>	<u>248,649</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$258,735</u></u>	<u><u>\$269,059</u></u>	<u><u>\$10,324</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Note Retirement Fund  
For the Year Ended December 31, 2003

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
<i>Total Revenues</i>	\$0	\$0	\$0
<b>Expenditures</b>			
Debt Service:			
Principal Retirement	300,000	290,000	10,000
Interest and Fiscal Charges	9,800	5,495	4,305
<i>Total Expenditures</i>	309,800	295,495	14,305
<i>Excess of Revenues Over (Under) Expenditures</i>	(309,800)	(295,495)	14,305
<b>Other Financing Sources</b>			
Bond Anticipation Notes Issued	223,262	195,000	(28,262)
Transfers In	186,519	99,981	(86,538)
<i>Total Other Financing Sources</i>	409,781	294,981	(114,800)
<i>Net Change in Fund Balance</i>	99,981	(514)	(100,495)
Fund Balance at Beginning of Year	1,071	1,071	0
<i>Fund Balance at End of Year</i>	\$101,052	\$557	(\$100,495)



Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Sewer Debt Service Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$0	\$1,614	\$1,614
<b>Expenditures</b>			
Debt Service:			
Principal Retirement	141,547	141,547	0
Interest and Fiscal Charges	263,748	262,956	792
Issuance Costs	50,692	43,241	7,451
<i>Total Expenditures</i>	<u>455,987</u>	<u>447,744</u>	<u>8,243</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(455,987)</u>	<u>(446,130)</u>	<u>9,857</u>
<b>Other Financing Sources (Uses)</b>			
Refunding Bonds Issued	1,650,000	1,654,000	4,000
Discount on Debt Issued	0	(7,451)	(7,451)
Payment to Refunded Bond Escrow Agent	(1,599,308)	(1,600,238)	(930)
Transfers In	479,089	281,942	(197,147)
<i>Total Other Financing Sources (Uses)</i>	<u>529,781</u>	<u>328,253</u>	<u>(201,528)</u>
<i>Net Change in Fund Balance</i>	73,794	(117,877)	(191,671)
Fund Balance at Beginning of Year	<u>361,343</u>	<u>361,343</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$435,137</u></u>	<u><u>\$243,466</u></u>	<u><u>(\$191,671)</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Water Debt Service Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Tap-In Fees	\$808	\$1,623	\$815
<b>Expenditures</b>			
Debt Service:			
Principal Retirement	329,831	68,988	260,843
Interest and Fiscal Charges	37,157	37,157	0
Issuance Costs	161,825	153,370	8,455
<i>Total Expenditures</i>	<u>528,813</u>	<u>259,515</u>	<u>269,298</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(528,005)</u>	<u>(257,892)</u>	<u>270,113</u>
<b>Other Financing Sources (Uses)</b>			
Refunding Bonds Issued	8,652,773	8,065,000	(587,773)
Discount on Debt Issued	0	(8,455)	(8,455)
Payment to Refunded Bond Escrow Agent	(8,490,948)	(8,884,734)	(393,786)
Transfers In	426,961	314,819	(112,142)
Transfers Out	(588,909)	0	588,909
<i>Total Other Financing Sources (Uses)</i>	<u>(123)</u>	<u>(513,370)</u>	<u>(513,247)</u>
<i>Net Change in Fund Balance</i>	<u>(528,128)</u>	<u>(771,262)</u>	<u>(243,134)</u>
Fund Balance at Beginning of Year	<u>869,644</u>	<u>869,644</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$341,516</u></u>	<u><u>\$98,382</u></u>	<u><u>(\$243,134)</u></u>

This schedule does not include information pertaining to the operation of the East Muskingum Water Authority for the period of January 1, 2003 through July 31, 2003 since the County did not assume the Authority's operations until August 1, 2003.

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Detention Center Construction Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$416	\$416	\$0
<b>Expenditures</b>			
Current:			
Public Safety			
Detention Center Construction			
Contractual Services	85,484	55,040	30,444
<i>Excess of Revenues Over (Under) Expenditures</i>	(85,068)	(54,624)	30,444
<b>Other Financing Use</b>			
Transfers Out	(34,086)	(34,086)	0
<i>Net Change in Fund Balance</i>	(119,154)	(88,710)	30,444
Fund Balance at Beginning of Year	34,197	34,197	0
Prior Year Encumbrances Appropriated	54,513	54,513	0
<i>Fund Balance at End of Year</i>	(\$30,444)	\$0	\$30,444

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Issue II Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$1,307,969	\$1,307,969	\$0
<b>Expenditures</b>			
Current:			
Intergovernmental			
Issue 2			
Capital Outlay	1,680,443	1,654,313	26,130
Debt Service:			
Principal Retirement	48,551	48,551	0
Interest and Fiscal Charges	4,933	4,933	0
<i>Total Debt Service</i>	53,484	53,484	0
<i>Total Expenditures</i>	1,733,927	1,707,797	26,130
<i>Excess of Revenues Over (Under) Expenditures</i>	(425,958)	(399,828)	26,130
<b>Other Financing Source</b>			
Transfers In	317,228	233,300	(83,928)
<i>Net Change in Fund Balance</i>	(108,730)	(166,528)	(57,798)
Fund Balance at Beginning of Year	64,712	64,712	0
Prior Year Encumbrances Appropriated	134,174	134,174	0
<i>Fund Balance at End of Year</i>	<u>\$90,156</u>	<u>\$32,358</u>	<u>(\$57,798)</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Maysville School Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Other	\$0	\$100	\$100
<b>Expenditures</b>			
Capital Outlay			
Maysville School Fund			
Capital Outlay	998,762	973,696	25,066
<i>Net Change in Fund Balance</i>	(998,762)	(973,596)	25,166
Fund Balance at Beginning of Year	998,762	998,762	0
<i>Fund Balance at End of Year</i>	\$0	\$25,166	\$25,166

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Starlight Permanent Improvements Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<i>Total Revenues</i>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Human Services			
Starlight Permanent Improvements			
Contractual Services	334,212	100,998	233,214
<i>Net Change in Fund Balance</i>	(334,212)	(100,998)	233,214
Fund Balance at Beginning of Year	898,888	898,888	0
Prior Year Encumbrances Appropriated	4,212	4,212	0
<i>Fund Balance at End of Year</i>	<u>\$568,888</u>	<u>\$802,102</u>	<u>\$233,214</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Recorder Equipment  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$105,000	\$100,573	(\$4,427)
<b>Expenditures</b>			
Current:			
Public Works			
Recorder Equipment			
Capital Outlay	243,232	185,617	57,615
<i>Net Change in Fund Balance</i>	(138,232)	(85,044)	53,188
Fund Balance at Beginning of Year	174,469	174,469	0
Prior Year Encumbrances Appropriated	168,232	168,232	0
<i>Fund Balance at End of Year</i>	<u>\$204,469</u>	<u>\$257,657</u>	<u>\$53,188</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Court Computer Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Fines and Forfeitures	\$83,000	\$94,881	\$11,881
<b>Expenditures</b>			
Current:			
General Government - Judicial			
Court Computer Fund			
Salaries and Wages	6,000	4,769	1,231
Fringe Benefits	1,036	701	335
Contractual Services	34,632	32,401	2,231
Materials and Supplies	14,750	9,402	5,348
Capital Outlay	31,320	23,639	7,681
<i>Total Expenditures</i>	87,738	70,912	16,826
<i>Net Change in Fund Balance</i>	(4,738)	23,969	28,707
Fund Balance at Beginning of Year	351,561	351,561	0
Prior Year Encumbrances Appropriated	3,820	3,820	0
<i>Fund Balance at End of Year</i>	<u>\$350,643</u>	<u>\$379,350</u>	<u>\$28,707</u>



Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Brandywine Loop Construction Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Payments in Lieu of Taxes	\$99,981	\$99,981	\$0
<b>Expenditures</b>			
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	99,981	99,981	0
<b>Other Financing Use</b>			
Transfers Out	<u>(99,981)</u>	<u>(99,981)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Economic Development Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<i>Total Revenues</i>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Economic Development and Assistance			
Economic Development			
Contractual Services	886,336	786,060	100,276
Capital Outlay			
Economic Development			
Capital Outlay	875,000	875,000	0
<i>Total Expenditures</i>	1,761,336	1,661,060	100,276
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,761,336)	(1,661,060)	100,276
<b>Other Financing Source</b>			
Transfers In	230,808	230,808	0
<i>Net Change in Fund Balance</i>	(1,530,528)	(1,430,252)	100,276
Fund Balance at Beginning of Year	1,143,580	1,143,580	0
Prior Year Encumbrances Appropriated	346,948	346,948	0
<i>Fund Balance at End of Year</i>	(\$40,000)	\$60,276	\$100,276

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Records Building Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<i>Total Revenues</i>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Public Works			
Records Building			
Contractual Services	627,098	622,603	4,495
<i>Net Change in Fund Balance</i>	(627,098)	(622,603)	4,495
Fund Balance at Beginning of Year	7,535	7,535	0
Prior Year Encumbrances Appropriated	619,644	619,644	0
<i>Fund Balance at End of Year</i>	\$81	\$4,576	\$4,495

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
State Route 60 Project Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<i>Total Revenues</i>	\$0	\$0	\$0
<b>Expenditures</b>			
<i>Total Expenditures</i>	0	0	0
<b>Other Financing Use</b>			
Transfers Out	(785,987)	0	785,987
<i>Net Change in Fund Balance</i>	(785,987)	0	785,987
Fund Balance at Beginning of Year	785,987	785,987	0
<i>Fund Balance at End of Year</i>	\$0	\$785,987	\$785,987

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Law Enforcement Block Grant Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$30,000	\$30,000	\$0
<b>Expenditures</b>			
Current:			
Public Safety			
Law Enforcement Block Grant			
Claims	31,865	16,198	15,667
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,865)	13,802	15,667
<b>Other Financing Source</b>			
Transfers In	1,667	1,667	0
<i>Net Change in Fund Balance</i>	(198)	15,469	15,667
Fund Balance at Beginning of Year	14,188	14,188	0
Prior Year Encumbrances Appropriated	16,198	16,198	0
<i>Fund Balance at End of Year</i>	<u>\$30,188</u>	<u>\$45,855</u>	<u>\$15,667</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Energy Conservation Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<i>Total Revenues</i>	\$0	\$0	\$0
<b>Expenditures</b>			
Debt Service:			
Principal Retirement	65,223	65,223	0
Interest and Fiscal Charges	25,222	25,222	0
<i>Total Expenditures</i>	90,445	90,445	0
<i>Excess of Revenues Under Expenditures</i>	(90,445)	(90,445)	0
<b>Other Financing Source</b>			
Transfers In	90,445	90,445	0
<i>Net Change in Fund Balance</i>	0	0	0
Fund Balance at Beginning of Year	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
East Wheeling Road Bridge Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$19,424	\$19,424	\$0
<b>Expenditures</b>			
Current:			
Public Works			
East Wheeling Road Bridge			
Contractual Services	38,921	38,921	0
<i>Net Change in Fund Balance</i>	(19,497)	(19,497)	0
Fund Deficit at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	19,497	19,497	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Emergency Operations Center Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$36,664	\$0	(\$36,664)
<b>Expenditures</b>			
Current:			
Public Safety			
Permanent Improvements			
Materials and Supplies	1,370	95	1,275
<i>Net Change in Fund Balance</i>	35,294	(95)	(35,389)
Fund Deficit at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	1,370	1,370	0
<i>Fund Balance at End of Year</i>	<u>\$36,664</u>	<u>\$1,275</u>	<u>(\$35,389)</u>



Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Mitchell Lane Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<i>Total Revenues</i>	\$0	\$0	\$0
<b>Expenditures</b>			
<i>Total Expenditures</i>	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
Fund Balance at Beginning of Year	41	41	0
<i>Fund Balance at End of Year</i>	\$41	\$41	\$0

Muskingum County, Ohio  
Schedule of Revenues, Expenditures, and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Salt Creek Drive Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<i>Total Revenues</i>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Public Safety			
Salt Creek Drive			
Contractual Services	65,350	63,953	1,397
<i>Excess of Revenues Over (Under) Expenditures</i>	(65,350)	(63,953)	1,397
<b>Other Financing Source</b>			
Transfers In	65,350	65,350	0
<i>Net Change in Fund Balance</i>	0	1,397	1,397
Fund Balance at Beginning of Year	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$1,397	\$1,397

Muskingum County, Ohio  
Schedule of Revenues, Expenses, and Changes  
In Fund Equity - Budget (Non-GAAP Basis) and Actual  
Self-Insurance Health Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$5,781,908	\$5,797,965	\$16,057
Other Non-Operating	356,366	356,366	0
<i>Total Revenues</i>	6,138,274	6,154,331	16,057
<b>Expenses</b>			
Claims	7,052,257	6,517,475	534,782
<i>Net Change in Fund Equity</i>	(913,983)	(363,144)	550,839
Fund Equity at Beginning of Year	(625,274)	(625,274)	0
Prior Year Encumbrances Appropriated	1,004,475	1,004,475	0
<i>Fund Equity (Deficit) at End of Year</i>	<u>(\$534,782)</u>	<u>\$16,057</u>	<u>\$550,839</u>

Muskingum County, Ohio  
Schedule of Revenues, Expenses, and Changes  
In Fund Equity - Budget (Non-GAAP Basis) and Actual  
Self-Insurance Workers' Compensation Fund  
For the Year Ended December 31, 2003

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Other Non-Operating Revenue	\$357,144	\$82,192	\$274,952
<b>Expenses</b>			
Claims	22,886	22,886	0
Other	1,467,154	1,192,202	274,952
<i>Total Expenses</i>	1,490,040	1,215,088	274,952
<i>Net Change in Fund Equity</i>	(1,132,896)	(1,132,896)	0
Fund Equity at Beginning of Year	1,746,730	1,746,730	0
<i>Fund Equity at End of Year</i>	<u>\$613,834</u>	<u>\$613,834</u>	<u>\$0</u>

## Statistical Section

The following unaudited statistical tables reflect social and economic data, financial trends, and fiscal capacity of the County.

**Table 1****Muskingum County, Ohio****General Governmental Expenditures by Function (1)****Last Ten Years**

Year	General Government						Economic Development and Assistance
	Legislative and Executive	Judicial	Public Safety	Public Works	Health	Human Services	
1994	\$5,736,668	\$2,075,357	\$3,574,155	\$5,041,246	\$580,532	\$15,212,255	\$0
1995	5,713,605	2,181,405	3,973,009	5,156,770	543,615	16,967,957	0
1996	5,790,463	2,364,505	4,675,726	4,686,464	582,155	17,888,019	0
1997	6,091,276	2,497,658	4,940,871	4,785,526	858,300	18,489,281	0
1998	6,198,091	2,637,207	5,693,644	4,716,899	662,005	22,552,590	0
1999	7,333,296	2,778,603	6,256,357	4,710,733	983,309	26,578,488	0
2000	8,486,836	3,371,481	6,577,647	6,714,462	980,906	29,997,228	0
2001	9,354,515	4,298,202	7,122,080	6,108,478	1,049,478	36,831,751	0
2002	10,222,311	4,710,982	7,448,024	6,448,298	1,086,797	33,474,700	0
2003 (3)	10,828,545	5,307,299	8,169,253	6,997,696	1,264,062	33,996,146	599,198

## Note:

- (1) Modified accrual basis.
- (2) Represents refunds of overpayment of property taxes.
- (3) Once a significant number of years of full accrual information has been obtained, it will be included in a separate table.

Source: Muskingum County Auditor

Other	Refund of Property Taxes (2)	Capital Outlay	Inter- governmental	Debt Service	Total
\$3,380	\$0	\$1,052,284	\$1,250,460	\$1,742,255	\$36,268,592
2,600	0	3,445,737	1,494,220	1,800,876	41,279,794
2,060	0	3,425,288	2,002,955	1,821,309	43,238,944
2,810	23,877	3,334,942	1,806,185	1,925,238	44,755,964
2,600	37,432	2,469,693	3,242,232	1,969,950	50,182,343
4,000	32,030	7,362,288	1,620,793	2,235,028	59,894,925
4,000	18,664	10,458,582	1,674,831	2,682,090	70,966,727
4,000	0	2,309,450	1,570,241	2,650,483	71,298,678
4,000	0	3,820,691	1,662,730	2,142,018	71,020,551
0	0	876,696	3,181,411	3,213,281	74,433,587

**Table 2****Muskingum County, Ohio****General Governmental Revenues by Source (1)****Last Ten Years**

Year	Property and Other Taxes	Special Assessments	Permissive Sales Taxes	Charges for Services	Licenses and Permits	Fines and Forfeitures	Inter- governmental
1994	\$7,070,687	\$172,486	\$9,071,303	\$3,149,624	\$476,412	\$517,960	\$17,506,469
1995	9,001,372	159,392	9,820,115	3,713,826	412,157	540,579	19,090,147
1996	9,474,376	163,752	10,210,675	3,885,998	450,358	537,910	18,935,486
1997	9,915,697	173,877	10,876,779	3,878,596	457,152	560,134	20,539,534
1998	10,423,478	169,511	11,643,851	4,620,348	663,625	569,867	23,503,715
1999	10,994,058	166,026	12,443,482	4,916,318	460,647	680,074	26,026,984
2000	11,296,061	158,555	13,458,803	5,563,268	455,537	528,464	31,934,530
2001	11,844,518	155,040	13,246,444	6,917,108	461,370	583,213	37,477,218
2002	11,172,659	152,200	13,592,599	6,985,268	472,190	766,609	34,955,974
2003 (3)	11,427,537	81,362	13,733,258	7,679,245	484,334	701,211	32,234,244

## Note:

- (1) Modified accrual basis.
- (2) Represents payments in lieu of taxes for the Brandywine Loop Extension Notes and for various tax increment financing agreements.
- (3) Once a significant number of years of full accrual information has been obtained, it will be included in a separate table.

Source: Muskingum County Auditor



Interest	Payments in Lieu of Taxes (2)	Rent	Contributions and Donations	Other	Total
\$772,541	\$0	\$349,450	\$0	\$153,607	\$39,240,539
1,266,245	0	327,841	0	175,677	44,507,351
1,485,780	0	331,708	0	148,184	45,624,227
1,666,635	82,059	343,458	0	177,976	48,671,897
2,065,513	88,232	352,274	0	142,301	54,242,715
2,487,299	94,349	258,385	0	307,589	58,835,211
3,049,153	93,652	258,603	0	362,838	67,159,464
2,537,866	393,154	914,550	0	681,329	75,211,810
1,500,122	360,421	598,970	0	564,803	71,121,815
1,118,975	388,076	567,197	36,471	328,777	68,780,687

**Table 3****Muskingum County, Ohio****Property Tax Levies and Collections - Real and Public Utility Property****Last Ten Years**

Year	Equalized Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collection	Total Tax Collections	Percent of Total Collection To Levy	Outstanding Delinquent Taxes (1)	Percent of Outstanding Delinquent Taxes to Tax Levy
1994	\$1,351,608	\$1,291,597	95.6%	\$60,472	\$1,352,069	100.0%	\$143,515	10.6%
1995	1,547,534	1,477,908	95.5%	61,744	1,539,652	99.5%	129,573	8.4%
1996	1,575,206	1,506,131	95.6%	70,489	1,576,620	100.1%	153,589	9.8%
1997	1,604,065	1,541,498	96.1%	65,182	1,606,680	100.2%	136,506	8.5%
1998	1,842,679	1,750,154	95.0%	77,185	1,827,339	99.2%	140,789	7.6%
1999	1,872,469	1,792,682	95.7%	73,520	1,866,202	99.7%	149,155	8.0%
2000	1,906,216	1,821,316	95.5%	81,316	1,902,632	99.8%	147,880	7.8%
2001	2,381,108	2,240,197	94.1%	84,022	2,324,219	97.6%	204,920	8.6%
2002	2,363,210	2,239,338 (2)	94.8%	112,232	2,351,570	99.5%	224,877	9.5%
2003	2,423,571	2,290,012	94.5%	118,453	2,408,465	99.4%	241,405	10.0%

All amounts represent County general operating monies only.

(1) The amounts include all prior year delinquencies and the current year delinquencies.

(2) The reduction is due to gas and electric deregulation which resulted in a reduction in assessed valuation.

Source: Muskingum County Auditor

**Table 4****Muskingum County, Ohio****Property Tax Levies and Collections - Tangible Personal Property****Last Ten Years**

<b>Year</b>	<b>Current Tax Levy</b>	<b>Total Tax Collections</b>	<b>Percent of Total Collection to Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Percent of Outstanding Delinquent Taxes to Tax Levy</b>
1994	\$232,062	\$237,304	102.3%	\$62,152	26.8%
1995	237,010	241,767	102.0%	63,399	26.7%
1996	260,010	260,117	100.0%	67,857	26.1%
1997	275,053	288,800	105.0%	59,312	21.6%
1998	279,410	273,865	98.0%	73,741	26.4%
1999	274,162	288,725	105.3%	82,643	30.1%
2000	298,925	321,952	107.7%	78,871	26.4%
2001	321,639	332,504	103.4%	74,388	23.1%
2002	320,649	325,826	101.6%	67,764	21.1%
2003	302,685	313,022	103.4%	63,476	21.0%

All amounts represent County general operating monies only.

Source: Muskingum County Auditor

**Table 5****Muskingum County, Ohio****Assessed and Estimated Actual Value of Taxable Property****Last Ten Years**

Collection Year	Real Property (1)		Personal Property		Public Utilities - Personal (2)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1994	\$526,408,840	\$1,504,025,258	\$107,935,614	\$431,742,456	\$104,363,240	\$104,363,240
1995	615,419,650	1,758,341,857	110,237,226	440,948,904	102,273,490	102,273,490
1996	630,380,520	1,801,087,200	120,934,720	483,738,880	100,571,080	100,571,080
1997	645,505,660	1,844,301,885	127,931,535	511,726,140	99,071,260	99,071,260
1998	757,999,440	2,165,712,685	129,957,914	519,831,656	100,536,540	100,536,540
1999	770,379,080	2,201,083,086	127,515,839	510,063,356	95,951,950	95,951,950
2000	790,660,220	2,259,026,940	139,035,055	556,140,220	99,203,390	99,203,390
2001	1,008,288,560	2,880,824,460	149,599,655	598,398,620	71,615,740	71,615,740
2002	1,027,551,480	2,935,861,370	149,138,885	621,412,020	78,281,320	78,281,320
2003	1,048,960,670	2,997,030,486	140,783,708	563,134,832	77,451,290	77,451,290

(1) Real property values include public utility real property.

(2) Beginning in 2001, the reduction in Public Utility Personal Property assessed and estimated actual values is due to gas and electric deregulation.

Source: Muskingum County Auditor

Totals		
Assessed Value	Estimated Actual Value	Ratio
\$738,707,694	\$2,040,130,954	36.21%
827,930,366	2,301,564,251	35.97%
851,886,320	2,385,397,160	35.71%
872,508,455	2,455,099,285	35.54%
988,493,894	2,786,080,881	35.48%
993,846,869	2,807,098,392	35.40%
1,028,898,665	2,914,370,550	35.30%
1,229,503,955	3,550,838,820	34.63%
1,254,971,685	3,635,554,710	34.52%
1,267,195,668	3,637,616,608	34.84%

Table 6

## Muskingum County, Ohio

Property Tax Rates - Direct and All Overlapping Governments  
(Per Thousand Dollars of Assessed Value)

## Last Ten Years

<b>County Units</b>	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
General Fund	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15
T. B. Clinic	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Mental Retardation and Development Disabilities	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
County Home	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Mental health	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Children Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Library Bond	0.80	0.80	0.70	0.70	0.70	0.70	0.50	0.10	0.00	0.00
Sheriff Operations	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Senior Services	0.00	0.00	0.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Total Rates</b>	13.85	13.85	13.75	14.25	14.25	14.25	14.05	13.65	13.55	13.55
<b>Special Districts</b>										
Muskingum County General Health District	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
<b>School Districts</b>										
East Muskingum	38.61	37.96	37.61	37.01	37.01	36.81	40.01	40.01	39.81	39.81
Franklin	33.90	38.40	38.40	38.40	38.40	38.20	37.10	37.10	37.10	38.25
Maysville	37.45	37.45	37.45	37.45	41.35	41.35	40.95	40.95	40.85	40.65
Tri-Valley	35.55	35.55	35.55	35.55	35.55	35.55	35.55	40.45	40.55	40.55
West Muskingum	42.30	41.90	41.90	41.50	41.50	41.10	40.60	40.60	46.59	44.00
Zanesville	38.45	38.05	44.95	44.55	43.85	44.45	43.70	43.90	49.38	49.20
<b>Out of County School Districts</b>										
Licking Valley	30.90	30.90	30.90	30.90	39.70	38.90	38.48	38.38	37.18	37.00
Morgan	32.50	32.50	32.50	32.50	32.50	35.76	35.76	35.78	35.86	36.37
Riverview	29.50	31.30	31.30	31.30	31.30	31.30	31.30	31.30	31.30	31.30
Rolling Hills	43.70	39.25	40.25	34.09	33.34	33.34	32.16	31.55	31.40	29.45

(continued)

**Table 6 (Continued)**

**Muskingum County, Ohio**

**Property Tax Rates - Direct and All Overlapping Governments  
(Per Thousand Dollars of Assessed Value)**

**Last Ten Years**

<b>Joint Vocational School Districts</b>	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Mid-East Ohio Career and Technology Centers (1)	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20
Coshocton County	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50	2.50
Licking County	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	2.80
<b>Corporations</b>										
Adamsville	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65
Dresden - Cass Township	4.40	4.30	4.10	3.70	3.70	3.70	4.00	3.90	3.90	3.90
Dresden - Jefferson Township	5.35	5.25	5.05	4.65	4.65	4.65	4.95	4.85	4.85	4.85
Fazeysburg	8.15	5.15	5.15	5.15	5.15	5.15	7.15	7.15	7.15	7.15
Fultonham	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
Gratiot	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
New Concord	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30
Norwich	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80
Philo	11.65	11.65	11.65	11.65	11.65	11.65	11.65	11.65	11.65	7.55
Roseville	10.80	10.80	10.80	10.80	10.80	10.80	10.80	10.80	10.80	10.80
South Zanesville	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Zanesville - Zanesville SD & Tri-Valley SD	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Zanesville - West Muskingum SD	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
Zanesville - Falls Township (2)	0.00	0.00	0.00	0.00	0.00	0.40	0.40	0.40	0.40	0.40

Note: School District (SD)

**(continued)**

(1) Formerly Muskingum Area Joint Vocational School

(2) New District Created by annexation

**Table 6 (Continued)**

**Muskingum County, Ohio**

**Property Tax Rates - Direct and All Overlapping Governments  
(Per Thousand Dollars of Assessed Value)**

**Last Ten Years**

<b>Townships</b>	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Adams	\$4.35	\$4.35	\$4.35	\$4.35	\$4.35	\$4.35	\$4.35	\$4.35	\$4.35	\$4.35
Blue Rock	3.70	3.70	3.70	3.70	3.70	4.70	4.70	4.70	4.70	4.70
Brush Creek	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90
Cass	3.45	3.25	3.25	3.25	3.25	3.25	2.75	2.75	3.25	3.25
Clay	3.50	3.50	3.50	3.50	3.50	3.50	3.50	2.50	3.25	3.25
Falls	3.35	3.35	3.35	3.35	3.65	3.65	3.65	3.65	3.65	3.65
Harrison	12.30	10.30	11.80	11.80	10.80	10.80	11.80	10.30	11.80	11.80
Highland	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40
Hopewell	4.85	4.85	4.85	4.85	4.85	4.85	4.85	4.85	4.85	4.85
Jackson	4.65	6.65	6.65	6.85	6.85	6.85	6.85	6.85	6.85	6.85
Jefferson	3.90	3.40	3.40	3.40	3.40	3.40	2.40	2.40	2.40	2.40
Licking	5.75	5.75	5.75	6.25	6.25	6.25	6.25	4.75	5.75	5.75
Madison	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	4.00
Meigs	3.25	4.25	4.25	4.25	3.25	4.25	4.25	4.25	4.25	4.25
Monroe	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20
Muskingum	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	4.00	4.00
Newton	5.45	5.45	5.45	5.45	5.45	5.45	8.45	8.45	8.45	8.45
Perry	7.20	6.20	6.20	6.20	6.20	6.20	6.20	6.20	6.20	6.20
Rich Hill	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	4.20	4.20
Salem	3.55	3.55	3.55	3.55	3.55	3.55	3.55	3.55	3.55	3.55
Salt Creek	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Springfield	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35
Union	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60
Washington	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15
Wayne	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Source: Muskingum County Auditor



**Table 7****Muskingum County, Ohio****Special Assessments Billed and Collected (1)****Last Ten Years**

<b>Year</b>		<b>Total Assessments Levied</b>	<b>Assessments Collected</b>	<b>Percent Collected</b>	<b>Outstanding Delinquencies</b>
1994		\$178,956	\$172,486	96.4%	\$6,470
1995		175,423	159,392	90.9%	16,031
1996		173,860	163,752	94.2%	10,108
1997	(2)	187,620	173,877	92.7%	13,743
1998		184,733	169,511	91.8%	15,222
1999		181,259	166,026	91.6%	15,233
2000	(3)	157,404	158,555	100.7%	13,191
2001		153,809	155,040	100.8%	13,439
2002		150,117	152,200	101.4%	16,575
2003	(4)	156,025	159,163	98.0%	18,505

These figures only reflect the Falls, Maysville and Avondale Sewer Assessments and do not include certified delinquent sewer accounts or line fence assessments.

- (1) Includes interest.
- (2) Beginning with 1997, figures also include Nob Hill Sewer Assessments.
- (3) Beginning with 2000, amounts levied are current charges only and assessments collected are total collections including delinquents.
- (4) Beginning with 2003, figures also include Ash Meadows Sewer Assessments.

Source: Muskingum County Auditor

**Table 8**

**Muskingum County, Ohio**

**Computation of Legal Debt Margin  
December 31, 2003**

	<b>Total Debt Limit (1)</b>	<b>Total Unvoted Limit (2)</b>
Total Assessed Property Value for 2003	\$1,267,195,668	\$1,267,195,668
Debt Limitation of Assessed Value	30,179,892	12,671,957
Total Outstanding Debt December 31, 2003		
General Obligation Bonds Payable	\$28,124,000	\$28,124,000
Notes Payable	807,243	807,243
Revenue Bonds Payable	577,500	577,500
OWDA Loans Payable from Enterprise Funds	2,659,091	2,659,091
Special Assessment Debt Payable	1,211,347	1,211,347
Total Outstanding Debt	<u>33,379,181</u>	<u>33,379,181</u>
Less:		
General Obligation Bonds Payable - Exempt	19,675,750	19,675,750
Notes Payable - Exempt	807,243	807,243
Revenue Bonds Payable	577,500	577,500
OWDA Loans Payable from Enterprise Revenues	2,659,091	2,659,091
Bonds Payable From Special Assessments	1,211,347	1,211,347
Amount Available in Debt Service Fund	633,330	633,330
Total	<u>25,564,261</u>	<u>25,564,261</u>
Net Debt Applicable to Debt Limitation	7,814,920	7,814,920
<b>Total Legal Debt Margin</b>	<b><u>\$22,364,972</u></b>	<b><u>\$4,857,037</u></b>

(1) Debt limit is a total of a sum equal to three percent of the first \$100,000,000 of the assessed valuation plus one and one half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000.

(2) Debt limit is one percent of total assessed valuation.

**Table 9****Muskingum County, Ohio****Ratio of Net General Obligation Bonded Debt to Assessed Value and  
Net General Obligation Bonded Debt Per Capita****Last Ten Years**

<b>Year</b>	<b>Population</b>	<b>Assessed Value</b>	<b>General Obligation Bonded Debt (1)</b>	<b>Debt Service Monies Available</b>	<b>Net General Obligation Bonded Debt</b>	<b>Ratio of Net General Obligation Bonded Debt to Assessed Value</b>	<b>Net Bonded General Obligation Debt Per Capita</b>
1994	82,068	\$738,707,694	\$12,880,000	\$133,398	\$12,746,602	1.726%	\$155.32
1995	84,169	827,930,366	12,265,000	135,636	12,129,364	1.465%	144.11
1996	84,169	851,886,320	11,590,000	566,116	11,023,884	1.294%	130.97
1997	84,169	872,508,455	10,840,000	772,142	10,067,858	1.154%	119.61
1998	84,169	988,493,894	10,615,000	1,074,420	9,540,580	0.965%	113.35
1999	84,169	993,846,869	18,680,000	1,540,999	17,139,001	1.725%	203.63
2000	84,585	1,028,898,665	17,380,000	1,559,264	15,820,736	1.538%	187.04
2001	84,585	1,229,503,955	15,990,000	1,680,783	14,309,217	1.164%	169.17
2002	84,585	1,254,971,685	17,775,000	1,859,951	15,915,049	1.268%	188.15
2003	84,585	1,267,195,668	15,710,000	633,330	15,076,670	1.190%	178.24

(1) Includes only general obligation bonds payable from property taxes and rent.

Source: Population estimates from Chamber of Commerce and the Census Bureau.

**Table 10****Muskingum County, Ohio****Ratio of Annual Debt Service Expenditures for  
General Obligation Bonded Debt to Total General Governmental Expenditures****Last Ten Years**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Total General Governmental Expenditures</b>	<b>Ratio of Annual Debt Service to Total Governmental Fund Expenditures</b>
1994	\$565,000	\$898,255	\$1,463,255	\$36,268,592	4.03%
1995	615,000	856,292	1,471,292	41,279,794	3.56%
1996	675,000	813,654	1,488,654	43,238,944	3.44%
1997	750,000	765,860	1,515,860	45,755,964	3.31%
1998	840,000	644,736	1,484,736	50,182,343	2.96%
1999	935,000	790,396	1,725,396	59,894,925	2.88%
2000	1,300,000	952,234	2,252,234	70,966,727	3.17%
2001	1,390,000	881,225	2,271,225	71,304,678	3.19%
2002	970,000	857,076	1,827,076	71,022,751	2.57%
2003	2,265,000	875,083	3,140,083	74,433,587	4.22%

Note: Includes only general obligation bonds payable from property taxes and rent

Source: Muskingum County Auditor

Table 11

## Muskingum County, Ohio

Computation of Direct and Overlapping Net General Obligation Debt  
December 31, 2003

Political Subdivision	Net Debt Outstanding (1)	Percent Applicable to Muskingum County	Amount Applicable to Muskingum County
<b>DIRECT DEBT</b>			
The County	\$15,076,670	100.00%	\$15,076,670
Total Direct Debt	<u>15,076,670</u>		<u>15,076,670</u>
<b>OVERLAPPING DEBT</b>			
<b>Entities Wholly Within the County</b>			
The City of Zanesville	5,850,000	100.00%	5,850,000
School Districts	38,582,576	100.00%	38,582,576
All villages wholly within County	1,817,761	100.00%	1,817,761
All townships wholly within County	0	100.00%	0
Total Entities Wholly Within the County	<u>46,250,337</u>		<u>46,250,337</u>
<b>Entities Not Wholly Within the County</b>			
East Muskingum Local School District	6,883,000	73.37%	5,050,057
Rolling Hills Local School District	1,625,000	0.12%	1,950
Tri-Valley Local School District	17,985,000	97.91%	17,609,114
Morgan Local School District	6,596,905	0.07%	4,618
Licking County Career Center Joint Vocational School	33,485,000	0.01%	3,349
West Muskingum Local School District	23,550,000	94.60%	22,278,300
Franklin Local School District	5,140,000	93.71%	4,816,694
Licking Valley Local	14,019,984	0.07%	9,814
Roseville Village	19,280	45.47%	8,767
Total Entities Not Wholly Within the County	<u>109,304,169</u>		<u>49,782,662</u>
Total Overlapping Debt	<u>155,554,506</u>		<u>96,032,999</u>
<b>Total Direct and Overlapping Debt</b>	<u><u>\$170,631,176</u></u>		<u><u>\$111,109,669</u></u>

Note: The percentage of gross indebtedness of the County's overlapping political subdivision was determined by dividing each overlapping subdivision's assessed valuation within the County by its total assessed valuation.

(1) Amount includes only general obligation bonds payable from property taxes and rent.

Source: OMAC and Muskingum County Auditor's Office

**Table 12****Muskingum County, Ohio****Revenue Bond Coverage  
Sewer Fund****Last Ten Years**

<b>Year</b>	<b>Gross Revenues (1)</b>	<b>Expenses, Net of Depreciation and Interest</b>	<b>Net Revenue Available for Debt Service</b>
1994	\$1,344,489	\$1,818,216	(\$473,727)
1995	1,392,328	1,136,343	255,985
1996	1,462,266	1,310,638	151,628
1997	1,685,552	1,312,044	373,508
1998	1,805,763	1,686,964	118,799
1999	1,597,962	1,078,597	519,365
2000	1,899,048	1,633,241	265,807
2001	1,956,682	1,375,419	581,263
2002	2,262,928	1,829,783	433,145
2003	1,737,106	1,626,027	111,079

(1) Includes investment income and other non-operating revenues.

Source: Muskingum County Auditor's Office

<b>Debt Service Requirements</b>		<b>Total</b>	<b>Coverage</b>
<b>Principal</b>	<b>Interest</b>		
\$29,800	\$180,927	\$210,727	(\$2.25)
25,200	215,279	240,479	1.06
39,100	179,601	218,701	0.69
34,900	177,840	212,740	1.76
36,800	175,918	212,718	0.56
24,900	94,780	119,680	4.34
26,000	93,525	119,525	2.22
27,300	92,215	119,515	4.86
28,700	64,767	93,467	4.63
38,100	107,903	146,003	0.76

**Table 13****Muskingum County, Ohio****Assessed Real Property Values, New Construction and Bank Deposits****Last Ten Years**

<b>Year</b>	<b>New Construction</b>			<b>Bank Deposits (1)</b>
	<b>Agricultural/ Residential</b>	<b>Commercial/ Industrial</b>	<b>Total New Construction</b>	
1994	\$5,848,820	\$2,937,330	\$8,786,150	\$300,277,000
1995	9,640,350	6,587,030	16,227,380	289,095,000
1996	9,745,870	8,930,640	18,676,510	341,890,000
1997	11,535,470	8,463,060	19,998,530	660,855,000
1998	13,558,720	5,102,680	18,661,400	1,106,444,000
1999	12,549,140	7,740,930	20,290,070	1,135,931,000
2000	16,840,150	11,807,540	28,647,690	1,475,951,000
2001	15,501,310	9,352,150	24,853,460	1,508,212,000
2002	13,770,890	5,476,560	19,247,450	402,085,000
2003	17,242,490	5,097,470	22,339,960	421,153,000

- (1) Through 1996, bank deposit information available includes banks headquartered in Muskingum County, which is only 1st National Bank. Beginning in 1997, bank deposit information includes 1st National and Century National Bank, which are both headquartered in Muskingum County.
- (2) Amount includes mineral lands and rights.
- (3) Public utility values include railroads only. New legislation effective for 1983 Tax Year required all real property belonging to a utility to be classified according to use (Agricultural, Mineral, Commercial, etc.) with the exception of railroads.
- (4) Table reflects tax year not collection year.
- (5) Reductions in bank deposits are due to First National Bank, merging under Unizan, headquartered in Canton, Ohio.

Source: Muskingum County Auditor  
Federal Reserve Bank



**Real Property Value (4)**

<b>Agricultural/ Residential</b>	<b>Commercial/ Industrial (2)</b>	<b>Public Utility (3)</b>	<b>Total Taxable</b>	<b>Tax Exempt</b>
\$469,963,550	\$144,841,390	\$614,710	\$615,419,650	\$110,647,950
478,623,180	151,156,510	600,830	630,380,520	114,311,390
486,913,570	157,905,220	686,870	645,505,660	122,245,310
581,059,110	176,185,810	754,520	757,999,440	126,935,340
593,971,220	175,665,350	742,510	770,379,080	136,312,270
606,434,560	183,566,630	659,030	790,660,220	143,087,490
791,604,750	216,144,440	539,370	1,008,288,560	169,684,020
806,605,230	220,293,140	653,110	1,027,551,480	187,312,620
822,412,390	225,901,470	646,810	1,048,960,670	200,554,990
889,187,820	247,142,500	660,850	1,136,991,170	221,614,930

**Table 14****Muskingum County, Ohio****Ten Largest Employers**

<b>Employer</b>	<b>Nature of Business</b>	<b>Number of Employees</b>
Longaberger Incorporated	Hand-woven baskets and wood products	6,560
Genesis Health Care	Hospital - Health Services	2,529
Zandex Incorporated	Health Services	1,100
The County	Government (1)	1,100
Lear Corporation	Manufacturer Automotive Switches	727
Auto Zone Incorporated	Automobile Retail Distribution Center	530
Dollar General Corporation	Distribution Center	450
Owens-Brockway	Manufacturer of Glass Containers	378
City of Zanesville	Government	350
AK Steel	Finishing of Stainless and Electric Steel	314

(1) Includes permanent part-time

Source: Individual Employers and Zanesville-Muskingum County Port Authority

Table 15

Muskingum County, Ohio

Principal Property Taxpayers  
December 31, 2003

	Assessed Valuation	% of Total Assessed Valuation
<b>Public Utilities</b>		
Ohio Power Company	\$37,946,630	2.99%
Ohio Bell Telephone Company	9,615,430	0.76%
National Gas and Oil Corporation	4,533,880	0.36%
Guernsey-Muskingum Electric	4,206,240	0.33%
Texas Eastern Transmission Corporation	4,188,060	0.33%
<b>Real Property</b>		
Longaberger Company	17,547,450	1.38%
Colony Square Partners	6,395,410	0.51%
DGC Properties, LLC	3,282,240	0.26%
Zanesville Country Fair	2,542,090	0.20%
BV Zanesville, LLC	2,396,670	0.19%
Zandex Corporation	1,954,730	0.15%
Good Sam Medical Center	1,792,900	0.14%
MV/ALG Sandhurst Limited	1,784,720	0.14%
Nocha Group I, LLC	1,740,450	0.14%
The Penn Traffic Company	1,725,890	0.14%
<b>Tangible Personal Property</b>		
Longaberger Company	21,121,870	1.67%
AK Steel Corporation	8,684,690	0.69%
Owen's Illinois Corporation	6,003,480	0.47%
TW Fanch One Company	4,015,730	0.32%
Lear Operations Corporation	3,804,250	0.30%
Dolgencorp, Incorporated	3,706,430	0.29%
Burnham Corporation	3,123,610	0.25%
Shelly and Sands Corporation	2,938,760	0.23%
Sidwell Materials Corporation	2,675,310	0.21%
Wendy's International	2,581,170	0.20%
<b>Total Assessed Value</b>	<b>\$160,308,090</b>	<b>12.65%</b>

Source: Muskingum County Auditor

**Table 16**

**Muskingum County, Ohio**

**Demographic Statistics  
December 31, 2003**

<b>(1) Population</b>		<b>(1) Age Distribution 2000 Census</b>		
<b>Year</b>	<b>County</b>	<b>Age</b>	<b>Number</b>	<b>Percentage</b>
1940	69,795	Under 5 years	5,637	6.67%
1950	74,535	5-14 years	12,409	14.67%
1960	79,159	15-19 years	6,517	7.70%
1970	77,826	20-24 years	5,350	6.32%
1980	83,340	25-44 years	23,430	27.70%
1990	82,068	45-54 years	11,261	13.31%
2000	84,585	55-59 years	4,217	4.99%
		60-64 years	3,672	4.34%
		65-74 years	6,360	7.52%
		75-84 years	4,196	4.96%
		85 years and older	1,536	1.82%
		<b>Totals</b>	<b>84,585</b>	<b>100.00%</b>

<b>(1) Population for the Last Ten Years</b>		<b>(2) Annual Average Unemployment Rates</b>			
<b>Year</b>	<b>County</b>	<b>Year</b>	<b>County</b>	<b>State</b>	<b>U.S.</b>
1994	82,068	1994	7.8%	5.5%	6.1%
1995	84,169	1995	6.8%	4.7%	6.1%
1996	84,169	1996	7.7%	4.8%	5.4%
1997	84,169	1997	7.4%	4.5%	5.4%
1998	84,169	1998	6.4%	4.2%	4.5%
1999	84,169	1999	6.7%	4.3%	4.2%
2000	84,585	2000	5.9%	4.1%	4.0%
2001	84,585	2001	5.9%	4.3%	4.8%
2002	84,585	2002	6.4%	5.7%	5.8%
2003	84,585	2003	7.4%	6.1%	6.0%

**(continued)**

Sources: (1) Census Bureau and Muskingum County Ohio Director  
(2) Ohio Bureau of Employment Services

Table 16 (Continued)

Muskingum County, Ohio

Demographic Statistics

December 31, 2003

<b>(1) Civilian Labor Force Estimates</b>				
<b>Year</b>	<b>Labor Force</b>	<b>Employment</b>	<b>Unemployment</b>	<b>Percentage of Unemployment</b>
1994	41,600	39,000	2,600	6.20%
1995	42,600	39,300	3,300	7.70%
1996	43,700	40,200	3,500	7.99%
1997	42,400	39,500	2,900	6.83%
1998	43,000	40,000	3,000	6.97%
1999	44,300	41,400	2,900	6.54%
2000	45,200	42,600	2,600	5.80%
2001	45,700	43,000	2,700	5.90%
2002	44,200	41,400	2,800	6.40%
2003	44,800	41,500	3,300	7.40%

<b>(2) Public Schools in Muskingum County 2003</b>		<b>K-12 School Enrollment</b>	
Total Enrollment	15,635	1996	16,508
The Daily Attendance Rate	94.5%	1997	16,709
Graduation Rate	91.1%	1998	16,697
		1999	17,230
		2000	16,194
		2001	15,529
		2002	15,601
		2003	15,635

<b>(3) Per Capita Income (Current Dollars)</b>		
<b>2001</b>	<b>1999</b>	<b>Change</b>
\$24,294	\$22,055	10.15%

- Sources:
- (1) Ohio Bureau of Employment Services.
  - (2) State Board of Education, Muskingum County Board of Education and individual School Districts
  - (3) Zanesville-Muskingum County Chamber of Commerce

**Table 17****Muskingum County, Ohio****Miscellaneous Statistics  
December 31, 2003**

Date of Incorporation	1804
County Seat	Zanesville, Ohio
Area	653 Square Miles
Altitude	725 Feet Above Sea Level
Climate	Mean Annual Temperature - 45 degrees Average Rainfall - 34 inches
County Roads	518 Miles
Township roads	687 Miles
State Routes	240 Miles
Major Highways	I-70 East and West; US Routes 40 and 22; State Routes 60,83,93,146,208,586 and 666
Villages and Cities	11
Townships	25
School Districts	7
Public Library	Muskingum County Library System - 349,000 Volumes
Radio Stations	1 AM and 4 FM stations
Television Stations	1
Daily Newspaper	1 - Circulation 21,600
Muskingum Area Technical College	Undergraduate Enrollment: 2,000
Ohio University of Zanesville	Undergraduate Enrollment: 1,350
Muskingum College	Undergraduate Enrollment: 1,550

**(continued)**

**Table 17 (Continued)**

**Muskingum County, Ohio**

**Miscellaneous Statistics**

**December 31, 2003**

<b>Transportation</b>	
Truck Lines	13 Terminals - 44 Motor Freight Companies
Air Freight Services	Federal Express
Bus Service	Greyhound, Muskingum Coach, Muskingum Authority of Public Transit
Nearest Water Port	Cleveland, Lake Erie
Local Airport	Zanesville Municipal Airport Runway Length - 5,005 feet
Railroads	CSX, Ohio Southern, Ohio Central, Columbus & Ohio River
Parcel Service	UPS, Purolator Courier, Airbourne Express Federal Express, Roadway Package System
<b>Health Care</b>	
Hospitals	2
Number of Beds	398 (staffed) 725 (licensed)
Physicians and Dentists	155
<b>Lodging (Hotels and Motels)</b>	
Days Inn	60 rooms
Holiday Inn of Zanesville	130 rooms
Thriftlodge	54 rooms
Best Western Town House	58 rooms
Comfort Inn	93 rooms
Super 8 Motel	62 rooms
Fairfield Inn	63 rooms
Bakers Motel	53 rooms
Amerihost Inn	60 rooms
Hampton Inn	64 rooms
Red Roof Inn	78 rooms
<b>Voter Statistics</b>	
Total Number of Registered Voters	46,185
Voters in November 2003 Election	22,340
Percentage of Registered Voters Voting	48.37%

**(continued)**

**Table 17 (Continued)**

**Muskingum County, Ohio**

**Miscellaneous Statistics**

**December 31, 2003**

<b>Recreation</b>	
Auditorium (Public)	Secrest Auditorium - 1800 Seats
Cinema	Colony Square Cinema - 10 Screens
Golf Courses	9 Public and 1 Private Eagle Sticks (Public) - 18 Holes Fullers Fairways (Public) - 18 Holes Green Valley Golf Club (Public) - 18 Holes Jaycee Public Golf Course (Public) - 18 Holes Vista View Golf Course (Public) - 18 Holes Wildfire Golf Club (Public) - 18 Holes Zanesville Country Club (Private) - 18 Holes Creekside Golf Course (Public) - 9 Holes Crystal Springs (Public) - 18 Holes Norwich Valley Golf Course (Public) - 9 Holes
Bowling Alleys	Maysville Bowling Center - 24 Lanes Sunrise Bowl - 32 Lanes
Skating Rink	Lind Arena The Field House
State Parks	Dillon State Park Blue Rock State Park Muskingum River Parkway Powelson Wildlife Area
City Parks	Zanes Landing Park Riverside Park Pioneer Hill Park Putnam Hill Park
<b>Tourist Attractions</b>	
National Road/Zane Grey Museum	S-Bridge/National Road
Ohio Ceramic Center	Zane Grey's Home
Dr. Increase Mathews House	Stone Academy
Lorena Sternwheeler	International Center for the Preservation of Wild Animals
Zanesville Art Center	Leslie Cope Gallery, Roseville
Y-Bridge	Putnam Historic Tour
Salt Creek Covered Bridge	McIntire Terrace Walking Tour
Longaberger Basket Tours	Colony Square Mall
Zanesville Pottery & Christmas House	John Glenn Museum
Ohio Pottery East	Alan Cottrill Sculpture Studio and Gallery
Ohio Pottery West	
Schultz Mansion	

Sources: (1) Muskingum County Board of Elections, (2) Muskingum County Highway Department  
(3) Muskingum County Library Systems, (4) Muskingum County Ohio Rural Directory





**Auditor of State  
Betty Montgomery**

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

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**FINANCIAL CONDITION**

**MUSKINGUM 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  
OCTOBER 14, 2004**