

***ATWOOD REGIONAL WATER AND
SEWER DISTRICT***

AUDIT REPORT

For the Years Ended December 31, 1998 and 1999

Prepared by:

**Charles E. Harris & Associates
Certified Public Accountants**

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SEWER DISTRICT***

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Audit Report
For the Years Ended December 31, 1998 and 1999

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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215

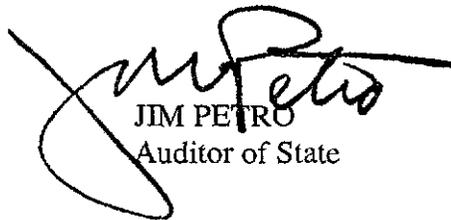
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Board of Trustees
Atwood Regional Water and Sewer District

We have reviewed the Independent Auditor's Report of the Atwood Regional Water and Sewer District, Tuscarawas County, prepared by Charles E. Harris & Associates, for the audit period January 1, 1998 to December, 31 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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



JIM PETRO
Auditor of State

June 24, 2000

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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Cleveland OH 44113-1306
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees
Atwood Regional Water and Sewer District
Atwood, Ohio

We have audited the financial statements of the Atwood Regional Water and Sewer District as of and for the years ended December 31, 1998 and 1999, and have issued our report thereon dated March 20, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Controls Over Financial Reporting

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

This report is intended for the information of the Board of Trustees, management, and the Auditor of the State of Ohio. However, this report is a matter of public record and its distribution is not limited.

Charles E. Harris

Charles E. Harris & Associates
March 20, 2000

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 1996 and 1997 did not include material citations or recommendations.

*ATWOOD REGIONAL WATER
AND SEWER DISTRICT*

Carroll and Tuscarawas Counties, Ohio

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended December 31, 1999

*ATWOOD REGIONAL WATER
AND SEWER DISTRICT*

Carroll and Tuscarawas Counties, Ohio

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended December 31, 1999

Prepared by:
Larry Lloyd
Secretary-Treasurer

ATWOOD REGIONAL WATER AND SEWER DISTRICT

Carroll and Tuscarawas Counties, Ohio

Comprehensive Annual Financial Report
For the Year Ended December 31, 1999

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**INTRODUCTORY
SECTION**

Atwood Regional Water and Sewer District
PO Box 100
Dellroy OH 44620
330-343-2113

May 30, 2000

To: Members of the Board of Trustees
Citizens of the District

Please accept the annual financial report of the Atwood Regional Water and Sewer District for the year ended December 31, 1999 in compliance with statutory requirements of the Ohio Revised Code. An Independent Public Accountant performed a biennial audit of the accounts presented in this report. The completed audit report is filed in the District's office and available for public examination. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the Atwood Regional Water and Sewer District. All disclosures necessary to enable the reader to gain an understanding of the Atwood Regional Water and Sewer District's activities have been included.

The annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this letter of transmittal, an organizational chart, and a list of the Atwood Regional Water and Sewer District's principal officials. The financial section includes the general purpose financial statements and notes to the financial statements. The statistical section includes selected operating, financial, and demographic information.

The financial reporting entity (the District) includes all accounts of the primary government: i.e., the Atwood Regional Water and Sewer District. The District has no component units. The District is an independent special purpose political subdivision which provides water and sewer services for property owners and residents within and without the District boundaries.

Government Structure, Local Economic Condition and Outlook

The District, established in 1970, is located in the eastern portion of Warren Township in Tuscarawas County, the western portions of Monroe and Orange Townships, and southern parts of Harrison and Rose Townships in Carroll County, Ohio. The District currently has a combined land area of 17.25 square miles and serves an average population of 3,550 persons. The District receives only revenues from fees for services and receives no tax revenues. Sixty commercial entities (5 %) of the 1193 active accounts provide thirty six percent of the District's user charge revenues.

The District is governed by an appointed board of seven trustees. The Board employs a superintendent and secretary-treasurer together with other staff members. Policy and legislative authority is vested in the Board of Trustees pursuant to Chapter 6119 of the Ohio Revised Code. The board is responsible, among other things, for adopting rules and regulations, adopting a budget and financial plan, hiring the District's superintendent, and employing legal counsel, engineering services, and other consultants. The Superintendent is responsible for the operation and maintenance of the District's facilities; administration of the District's rules, regulations, and policies; together with hiring and supervision of District employees. The Secretary-Treasurer performs a combined role responsible to the Superintendent for office administration and responsible to the Board of Trustees for fiscal matters and official records management. Board members are appointed by user entities established in the District's organizational scheme. Board members serve for staggered three year terms.

The District enjoys a favorable economic environment which points to continued stability. The region consists of recreation focused residential communities around Atwood Lake, together with the villages of Dellroy, Sherrodsville and New Cumberland. The rural community engages in hospitality and agricultural enterprises. The community is closely associated with Dover-New Philadelphia, Carrollton, and Canton employment and shopping facilities. The Muskingum Watershed Conservancy District together with the United States Army Corps of Engineers provide for stable recreation and flood control activities in the area.

The District and surrounding counties have benefitted from the long-term stability of manufacturing and surface transportation industries. Further, the business and employment opportunities afforded by the residential growth as a recreation and retirement area enhances stability for the communities around the District.

Operations Activity:

The District operates a tertiary wastewater treatment plant and maintains a collection system of some 50 miles of sewers with seventeen primary lift stations and 130 smaller grinder pump stations. The facilities operate 24 hours per day throughout the year. The operating environment is hazardous with exposures to heavy electrical power service of 480 volts and up, oxygen deficient confined space, infectious disease vectors, explosive gas environments, and similar industrial exposures. The District's five member staff consists of two Ohio EPA certified operators and three experienced mechanics. The staff is on standby duty for emergency services after normal work hours and on weekends and holidays. Typical emergency conditions consist of storm events, power outages, and equipment failures. Pump stations are equipped with alarm lights and several stations have auto-dialers for alarm conditions.

The District is responsible for meeting the requirements of its National Pollutant Discharge Elimination System (NPDES) permit which allows a maximum discharge of eight parts per million for suspended solids, seven parts per million for biochemical oxygen demand, and one and one half parts per million of ammonia. These limits represent removal in excess of ninety six percent of the pollutants in the wastewater received at the plant. Achievement of these requirements together with associated regulations regarding disposal of bio-solids, plant management, and construction, drive the economic and business activity of the District.

In March of 1999, the Ohio EPA Compliance staff visited the wastewater treatment plant but did not perform a formal inspection. A number of maintenance and repair projects were completed in 1999. The equipment trailer was repainted and oak plank replaced. The Gravely mower was refurbished and a new mower deck installed. The fourth brush aerator was rebuilt with stainless steel paddles. The District purchased a used bobcat skid-loader to help with grinder pump repair and sewer installation. The staff repaired or rebuilt over thirty sewage pumps in 1999.

During April, an eight inch sewer line was extended from SR 542 to Hazy Morning Drive to serve four lots in Whispering Pines. In November, the District began construction of the sewer and pump station to serve the Arrowhead Allotment. The project cost is \$370,000 and was completed in April of 2000. Muskingum Watershed Conservancy District (MWCD) has agreed to pay the debt service over 25 years of \$28,314 per year.

Operations Activity (continued):

The District continued its development of a water project for the District. A survey conducted in March 1998 revealed that 53 percent of the District's customers favored a public water system. The Sherrod Valley pilot water plant continued during the year to gather detailed data about water resources, actual flow data, and treatment necessary to provide quality drinking water. Started in 1995, the pilot plant continues to provide support data for the proposed new water system. Civil Design Associates completed a revision to the District's Facilities Plan which will provide the plan of operation for the water system.

The proposed water project serves the entire district for both domestic water service and fire protection. The project consists of three well fields and associated treatment facilities, three water storage tanks together with transmission and distribution lines. The estimated cost of the entire project is 10 million dollars. A pre-application was submitted to Ohio EPA for funding and several other sources of financing have been investigated.

The Board acquired land for a well field, tank and treatment plant. With a portion of the real estate in place, the "readiness to proceed" grant rating is much improved. A five year loan will be refinanced in the project's total long-term financing.

The District has initiated a preliminary evaluation of sewer service to the area north of New Cumberland and the Sommerdale area which will serve approximately 140 additional customers. The area east of Dellroy on SR 39 has also requested sewer service. Preliminary evaluation of such service has been completed. Eight new services were installed in 1999.

Financial Information:

The District's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgements by management.

As a recipient of previous federal and state financial assistance, the District is also responsible for maintaining an adequate internal control structure to obtain compliance with applicable laws and regulations relating to those programs. The management periodically evaluates the control structure. Further, the District provides specialized controls for budget

Financial Information (continued):

and financial planning. Both annual and project length budgets are prepared for capital improvements. The level of legal budgetary control is at fund level. Encumbrances are used only for large purchases that require several months or contain unusual conditions. The budget operates as a financial plan and is reviewed by the Board each month. Encumbered amounts lapse at the end of the fiscal year, however, any outstanding encumbrances are re-appropriated in the next year's budget.

The District's charges for services for 1999 decreased \$76,100 over 1998 as a result of fewer sewer connections. Interest income decreased \$3,707 as a result of lower invested cash and lower interest rates. Expenses decreased slightly over 1998 to \$787,476. The net loss for the year is due mainly to unfunded depreciation. Medical insurance costs increased 17 percent even with a 30 percent increase in deductibles and co-payments. In December, the Board decided to self-insure the dental and vision plan.

The District funds its operations through a users charge which recovers the costs for operation, maintenance, repair, replacement and debt service. The residential users charge is based upon access to the District's facilities rather than volume of discharge. Therefore the rate is the same each month. At its September 1999 meeting, the Board of Trustees adopted a 5.6 percent rate increase in its sewer users charges. The previous rate of \$27.00 per month for residential users was adopted in 1997. The \$28.50 monthly users charge became effective on December 1, 1999 and appeared in the January 2000 billing. A budget review is conducted in September of each year and adjusts the rates as necessary for the next fiscal year. The Board has followed a practice of small rate increases yearly rather than large increases after three or four years. Commercial users have additional fixtures charges to compensate for increased loadings.

The average residential user in the District discharges about 150 to 200 gallons of water per day into the system. The sewage weights between 1250 and 1650 pounds and a home owner would need some 30 to 40 five gallon buckets to haul it each day. Most of the sewage travels 5 miles and some travels over 10 miles to the treatment plant. The plant then removes over 96 percent of the pollutants and disinfects the water prior to discharging it into the Conotton Creek. The organic solids are further treated and ultimately added to cropland as soil conditioner. The customer pays 95 cents per day for this service which is close to the cost of one gallon of water purchased at the grocery store.

A review of economic inflationary pressure on the District's users charge rates show that the original \$14.00 rate established in 1979 requires a \$32.13 users charge to produce the same purchasing power in 1999. The \$23.00 monthly users charge in 1987 requires a rate of

Financial Information (continued):

\$33.74 to achieve parity. Meanwhile, the District's pump stations and certain plant equipment have reached their useful life and need significant rehabilitation or replacement. Further the District deals with its own version of commercial and industrial inflation as compared to the consumer inflation frequently reported. Thus regular increases in health insurance and other labor costs, together with increases for industrial parts, tools and equipment cause an adverse impact on the District's economic health.

For comparison, the Ohio EPA conducts an annual water and sewer rate survey of 559 municipalities and districts. The 501 responses for 1998 water and sewer rates indicate an average annual residential charge of \$336 as compared to the District's annual user charge of \$324. The state and federal funding agencies use an annual rate guideline of 1 to 1.5 percent of median household income (MHI) as a benchmark for financing decisions. The estimated weighted 1989 MHI of \$26,692 yields an annual sewer rate benchmark of \$400 at 1.5 % of MHI. Thus an objective comparison of outside rate data indicates a modest annualized sewer rate.

In 1976, the District established a connection fee to recover the costs related to adding a new sewer service to the system. The connection fee for the District was increased in the final \$100 step of a five scheduled rate changes approved in December 1994. For 1999, the District's standard connection fee was \$1,700. While connection charges may be changed anytime, the Board includes an annual review in September and normally implements any necessary changes in December. When a line extension is necessary, the District establishes an impact fee to recover the costs associated with extending the sewer or providing pumping facilities. Periodically, a system audit is conducted to assure that all eligible structures are connected to the sewer system and that the users charge conforms to the District's rate schedule

In summary, the District is obligated to recover its costs for operation, maintenance, repair and replacement together with debt service. Adequate reserves are also necessary to update our facilities, provide reasonable rate stability, and sound economic risk management

Other Information:

This report is based upon the Comprehensive Annual Financial Report (CAFR) requirements as established by the Governmental Accounting Standards Board. This report departs from those requirements in that a biennial audit for fiscal years 1998 and 1999 has been performed by Charles E. Harris and Associates and approved by the Office of the Auditor, State of Ohio. This audit approach includes substantive testing for each fiscal year. A biennial audit

is authorized by the Ohio statutes and regulations governing audits of local Ohio governments. The last biennial audit was performed for the Fiscal Years 1996 and 1997. This report has been prepared by the administrative staff with assistance from the District's auditor and consultants. Their efforts provided are gratefully recognized.

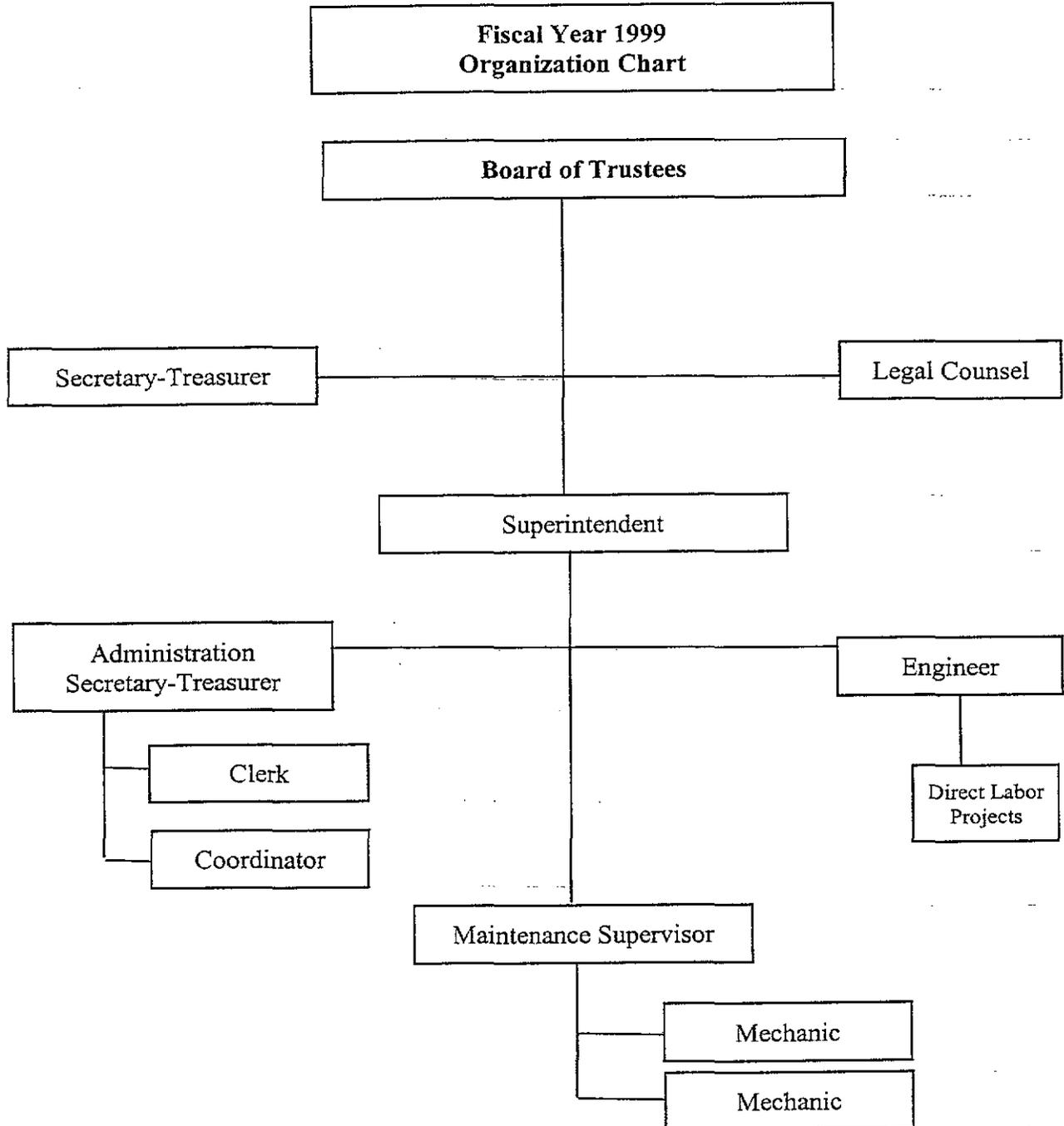
The statistical section of this report presents data regarding the operation of the wastewater treatment facility. The data show the annual flow, annual removal of pollutants and detailed activity for 1999. Ten year financial data are presented in cash basis format and some other statistical information has been provided.

Sincerely,

Atwood Regional Water and Sewer District

Larry Lloyd, Secretary-Treasurer

ATWOOD REGIONAL WATER AND SEWER DISTRICT
Carroll and Tuscarawas Counties, Ohio



ATWOOD REGIONAL WATER AND SEWER DISTRICT
Carroll and Tuscarawas Counties Ohio

ADMINISTRATIVE PERSONNEL
as of December 31, 1999

<u>Name</u>	<u>Title</u>	<u>Term of Office</u>	<u>Surety</u>	<u>Amount</u>	<u>Period</u>
Carl Gaetano	President	8/21/98 to 8/21/01	[A]	\$50,000	covers term
Philip Eberhart	Vice President	2/19/99 to 2/19/02	[A]	\$50,000	covers term
Rudolph Bertka	Trustee	8/20/99 to 8/20/02	n/a	n/a	n/a
Glenn Mizer	Trustee	10/16/98 to 10/16/01	n/a	n/a	n/a
Mark Flowers	Trustee	11/21/99 to 11/21/02	n/a	n/a	n/a
Dan Buckey	Trustee	2/22/99 to 2/22/02	n/a	n/a	n/a
Mitchell Evans	Trustee	1/01/99 to 1/01/02	n/a	n/a	n/a
Michael Chitti	Superintendent	Indefinite	[A]	\$50,000	covers term
Larry Lloyd	Secretary-Treasurer	Indefinite	[A]	\$50,000	covers term
Legal Counsel					
Don Zimmerman	Senior Counsel	Indefinite	n/a	n/a	n/a
Brad Zimmerman	Co-Counsel	Indefinite	n/a	n/a	n/a
140 Fair Ave, New Philadelphia, OH 44663					

[A] Westfield Insurance Company

Staff:

Full Time:		Part Time:	
Robert Hendershot	Maintenance Supervisor	Robert Sterling	Engineer
Ben Reardon	Mechanic	[open]	Coordinator
David Rennicker	Mechanic	[clerk]	Clerk

ATWOOD REGIONAL WATER AND SEWER DISTRICT
Carroll and Tuscarawas Counties Ohio

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FINANCIAL SECTION

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

Board of Trustees
Atwood Regional Water and Sewer District
Dellroy, Ohio

We have audited the accompanying general purpose financial statements of the Atwood Regional Water and Sewer District (the District), as of and for the year ended December 31, 1998 and 1999. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Atwood Regional Water and Sewer District as of December 31, 1998 and 1999, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 20, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion on it.

Charles E. Harris & Associates

Charles E. Harris & Associates
March 20, 2000

ATWOOD REGIONAL WATER AND SEWER DISTRICT
Carroll and Tuscarawas Counties Ohio

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**ATWOOD REGIONAL WATER AND SEWER DISTRICT
CARROLL AND TUSCARAWAS COUNTIES, OHIO**

**BALANCE SHEET
PROPRIETARY ENTERPRISE FUND
AS OF DECEMBER 31st,**

Assets:	1999	1998
Current Assets		
Cash Assets:	\$ 253,640	\$ 255,741
Accounts Receivable:	\$ 81,771	\$ 75,459
Total Current Assets:	<u>\$ 335,411</u>	<u>\$ 331,200</u>
Fixed Assets:		
Land:	\$ 265,147	\$ 84,214
Buildings:	\$ 39,000	\$ 39,000
Treatment Facilities:	\$ 2,727,616	\$ 2,727,616
Infrastructures:	\$ 10,037,146	\$ 10,014,643
Machinery and Equipment:	\$ 346,448	\$ 329,998
Construction in Progress:	\$ 79,590	\$ 51,898
Less Accumulated Depreciation:	<u>\$ (4,768,266)</u>	<u>\$ (4,494,692)</u>
Net Fixed Assets:	<u>\$ 8,726,681</u>	<u>\$ 8,752,677</u>
Total Assets:	<u><u>\$ 9,062,092</u></u>	<u><u>\$ 9,083,877</u></u>
Liabilities and Fund Equity:		
Current Liabilities:		
Advance Sewer Payments:	\$ 3,795	\$ 3,552
Accounts Payable and Payroll Taxes:	\$ 7,399	\$ 6,365
Total Current Liabilities:	<u>\$ 11,194</u>	<u>\$ 9,917</u>
Long-Term Liabilities:		
Cooperative Loan Agreements Payable:	\$ 1,910,039	\$ 1,694,602
Accrued Compensated Absences Payable:	\$ 73,893	\$ 73,066
Total Long-Term Liabilities Payable:	<u>\$ 1,983,932</u>	<u>\$ 1,767,668</u>
Total Liabilities:	<u>\$ 1,995,126</u>	<u>\$ 1,777,585</u>
Fund Equity and Retained Earnings:		
Equity related to Fixed Assets:	\$ 6,955,295	\$ 7,189,238
Net Adjustments:	\$ (223,379)	\$ (233,943)
Total Equity related to Fixed Assets:	<u>\$ 6,731,916</u>	<u>\$ 6,955,295</u>
Retained Earnings:	\$ 350,997	\$ 286,823
Current Year Earnings:	\$ (15,947)	\$ 64,174
Total Retained Earnings:	<u>\$ 335,050</u>	<u>\$ 350,997</u>
Total Liabilities and Fund Equity	<u><u>\$ 9,062,092</u></u>	<u><u>\$ 9,083,877</u></u>

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

**ATWOOD REGIONAL WATER AND SEWER DISTRICT
CARROLL AND TUSCARAWAS COUNTIES, OHIO**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
PROPRIETARY ENTERPRISE FUND
AS OF DECEMBER 31st,**

	1999	1998
Operating Receipts		
Charges for Services:	\$ 614,401	\$ 690,510
Operating Expenses:		
Personal Services:	\$ 332,706	\$ 312,445
Contractual Services:	\$ 39,937	\$ 55,319
Materials, Supplies, and Equipment:	\$ 59,373	\$ 66,629
Utilities:	\$ 64,857	\$ 62,068
Depreciation:	\$ 273,574	\$ 272,669
Other Operating Expenses:	\$ 17,028	\$ 18,952
Total Operating Expenses:	<u>\$ 787,475</u>	<u>\$ 788,082</u>
Net Operating Income (Loss):	\$ (173,074)	\$ (97,572)
Non-Operating Receipts (Expense):		
Interest on Investments:	\$ 9,679	\$ 13,386
Interest and Fiscal Charges:	\$ (126,126)	\$ (124,309)
Total Non-Operating Receipts (Expenses):	<u>\$ (116,447)</u>	<u>\$ (110,923)</u>
Net Income (Loss):	<u>\$ (289,521)</u>	<u>\$ (208,495)</u>
Depreciation Closed to Fixed Assets:	\$ 273,574	\$ 272,669
Net Income (Loss) Closed to Retained Earnings:	\$ (15,947)	\$ 64,174
Beginning Retained Earnings Jan 1 st :	<u>\$ 350,997</u>	<u>\$ 286,823</u>
Ending Retained Earnings Dec 31 st :	<u><u>\$ 335,050</u></u>	<u><u>\$ 350,997</u></u>

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

ATWOOD REGIONAL WATER AND SEWER DISTRICT
CARROLL AND TUSCARAWAS COUNTIES, OHIO

CASH FLOW STATEMENT
PROPRIETARY ENTERPRISE FUND
AS OF DECEMBER 31st,

Cash Flows From Operations:	1999	1998
Charges for Services:	\$614,401	\$ 690,510
Change in Accounts Receivable:		
Beginning Balance Jan 1 st :	\$ 75,459	\$ 68,996
Ending Balance Dec 31 st :	<u>\$ 81,771</u>	<u>\$ 75,459</u>
Increase (decrease) Cash:	\$ (6,312)	\$ (6,463)
Expenditures for goods and services less depreciation:	\$(513,073)	\$ (507,840)
Change in Current Liabilities:		
Ending Advance Payments Liability:	\$ 3,795	\$ 3,552
Beginning Advance Payments Liability:	<u>\$ 3,552</u>	<u>\$ 3,338</u>
Increase (decrease) cash:	\$ 243	\$ 214
Ending A/P and Payroll Liabilities:	\$ 7,399	\$ 6,365
Beginning A/P and Payroll Liabilities:	<u>\$ 6,365</u>	<u>\$ 5,992</u>
Increase (decrease) Cash:	\$ 1,034	\$ 373
Net Cash provided by Operations:	<u>\$ 96,293</u>	<u>\$ 176,794</u>
Cash from Capital and related Financing Activities:		
Proceeds from capital loans:	\$ 272,963	\$ 0
Payments for capital assets:	\$(197,383)	\$ 0
Payments capital asset loan principal:	\$ (57,527)	\$ (59,706)
Interest paid for capital asset loans:	<u>\$(126,126)</u>	<u>\$(124,309)</u>
Net cash provided (used) capital assets:	\$(108,073)	\$ (184,015)
Cash from investing activities:		
Interest payments received:	<u>\$ 9,679</u>	<u>\$ 13,386</u>
Net Increase (decrease) in cash:	\$ (2,101)	\$ 6,165
Cash Balance January 1 st :	<u>\$ 255,741</u>	<u>\$ 249,576</u>
Cash Balance December 31 st :	\$ 253,640	\$ 255,741

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

Atwood Regional Water and Sewer District
CARROLL AND TUSCARAWAS COUNTIES, OHIO

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET TO ACTUAL (Non-GAAP BASIS)
For the Years Ended December 31,

	1999			1998		
	Budget	Actual	Variance	Budget	Actual	Variance
Operating Receipts:						
Charges for Services:	\$ 610,987	\$ 620,713	\$ (9,726)	\$ 645,624	\$ 696,973	\$ (51,349)
Operating Expenses:						
Personal Services:	\$ 331,878	\$ 333,983	\$ (2,105)	\$ 318,685	\$ 313,032	\$ 5,653
Contractual Services:	\$ 39,937	\$ 39,937	\$ 0	\$ 69,650	\$ 55,319	\$ 14,331
Materials & Supplies:	\$ 59,333	\$ 59,373	\$ (40)	\$ 82,000	\$ 66,629	\$ 15,371
Utilities:	\$ 64,857	\$ 64,857	\$ 0	\$ 65,400	\$ 62,068	\$ 3,332
Other Expenses:	\$ 17,029	\$ 17,028	\$ 1	\$ 20,900	\$ 18,952	\$ 1,948
Total Expenses:	\$ 513,034	\$ 515,178	\$ (2,144)	\$ 556,635	\$ 516,000	\$ 40,635
Net Operating Income (Loss):	\$ 97,953	\$ 105,535	\$ (7,582)	\$ 88,989	\$ 180,973	\$ (91,984)
Non-Operating Receipts (Expenses):						
Interest on Investments:	\$ 9,818	\$ 9,679	\$ 139	\$ 10,850	\$ 13,386	\$ (2,536)
Interest & Fiscal Charges:	\$(126,126)	\$(126,126)	\$ 0	\$(128,919)	\$(124,309)	\$ (4,610)
Total Non-Operating Receipts (Expenses):	\$(116,308)	\$(116,447)	\$ 139	\$(118,069)	\$(110,924)	\$ (7,145)
Net Income (Loss):	\$ (18,355)	\$ (10,912)	\$ (7,443)	\$ (29,080)	\$ 70,050	\$ (99,130)
Retained Earnings Jan 1 st :	\$ 350,997	\$ 350,997	\$ 0	\$ 286,823	\$ 286,823	\$ 0
Retained Earnings Dec 31 st :	\$ 332,642	\$ 340,085	\$ (7,443)	\$ 257,743	\$ 356,873	\$ (99,130)

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

ATWOOD REGIONAL WATER AND SEWER DISTRICT
Carroll and Tuscarawas Counties Ohio
Notes to the Financial Statements
For the Years Ended December 31, 1998 and 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Atwood Regional Water and Sewer District is a special purpose independent political subdivision of the State of Ohio. It is governed by an appointed board of seven trustees. These financial statements present all the accounts of the District. Organized in 1970, the District serves an estimated population of 3500 persons in Warren Township, Tuscarawas County and Orange and Monroe Townships, Carroll County together with the residents of the Villages of Sherrodsville and Dellroy. Trustees serve for a staggered three year term.

B. BASIS OF ACCOUNTING

The District uses a fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

A fund is defined as a fiscal and accounting entity with a self balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the District has one fund which is categorized as a proprietary fund. Proprietary funds are used to account for the District's ongoing activities which are similar to those found in the private sector. The following are the District's proprietary fund types:

Enterprise Fund - A fund used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The accounting and financial reporting treatment applied to the District's funds is determined by their measurement focus. The District's fund is a proprietary, enterprise fund which uses a flow of economic resources measurement focus. This measurement focus

ATWOOD REGIONAL WATER AND SEWER DISTRICT
Carroll and Tuscarawas Counties Ohio
Notes to the Financial Statements
For the Years Ended December 31, 1998 and 1999

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

B. BASIS OF ACCOUNTING - (continued)

emphasizes the determination of net income. The District uses the accrual basis of accounting, which records revenue when earned and measurable and expenses when the liability is incurred. Revenues subject to accrual are charges for services.

In the preparation of its financial statements, the District conforms to the Generally Accepted Accounting Principles as prescribed in statements issued by the Governmental Accounting Standards Board (GASB) and other authoritative sources. The District's financial statements have been prepared in accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting." The District applies Financial Accounting Standards Board Statements and Interpretations provided that they do not conflict with GASB Statements and Interpretations.

C. Cash and Cash Equivalents:

The District defines cash as coin minted by the U.S. Government; pennies, nickels, dimes, quarters, half dollars, and paper currency printed in denominations of one, five, ten, twenty, fifty, and one hundred dollars as cash. Cash equivalents are defined as demand deposits, certificates of deposit, and any other instrument which can be readily exchanged for cash.

D. Operating and Non-operating Revenues:

Operating revenues are defined as those charges or receipts which relate directly to the delivery of sewer or water services. User charges, connection and impact fees, and penalties are operating revenues. Non-operating revenues have an indirect relationship to delivery of services. Interest on investments, rents, and royalties are examples of non-operating revenues.

2. **DEPOSITS**

At December 31, 1998 and 1999, the carrying amount of the District's deposits was \$255,739 and \$253,638 respectively, and the bank balances were \$347,974 and \$253,893 respectively. Of the bank balances:

1. \$167,729 for 1998 and \$169,969 for 1999 was covered by federal depository insurance;
2. \$88,010 for 1998 and \$83,924 for 1999 was collateralized though securities pledged for collateral which were held by the trustee for Citizens Bank, National City Bank trust department, in the Citizens Bank Company's name and all state statutory requirements for the deposit of money had been followed.

Pursuant to Ohio Revised Code section 135.16 the District has depository agreements with two depositories, Citizens Bank Company and National City Bank, for deposits of active and inactive funds. Further, the ORC Section 6119.16 authorizes the District to invest in obligations of the United States, the State of Ohio, or any of its political subdivisions.

ATWOOD REGIONAL WATER AND SEWER DISTRICT
 Carroll and Tuscarawas Counties Ohio
 Notes to the Financial Statements
 For the Years Ended December 31, 1998 and 1999

3. DEBT ADMINISTRATION

Long-term debt consists of three loans from Ohio Water Development Authority (OWDA), two principal only loans from Ohio Public Works Commission (OPWC), and a five year demand loan from Citizens Bank Company. The proceeds of these loans provide the District's share of water resource projects. The District pledges its revenues for payment of the loans. Ohio statutes contain no debt limit for loans secured by pledged revenues.

During 1999, the District obtained two loans for water resource projects. The District financed construction of a sewer extension to serve 38 residents in the Arrowhead Cottage Area. When the project is complete, the loan will be amortized over 25 years at 5.77 % interest. The total amount financed will be \$370,000 of which \$47,963 was disbursed in 1999. A five year demand loan was obtained from Citizens Bank Company for portions of a District-wide water resource project. This loan is for interest only at 6.25% which is adjustable each year. The loan will be repaid from long term financing for the project.

Non-Current Loans Payable 1999

Obligation:	Bal Jan 1	Issued	Retired	Bal Dec 31
Cooperative Loan Agreement (OWDA) 1989 Interest Rate 7.9 % Mat: 7/1/2014	\$ 1,228,949	\$ 0	\$ 43,236	\$ 1,185,713
Cooperative Loan Agreement (OWDA) 1994 Interest Rate 6.02 % Mat: 1/1/2020	\$ 388,428	\$ 0	\$ 9,690	\$ 378,738
Cooperative Loan Agreement (OWDA) 1999 Interest Rate 5.77% Mat: 1/1/2026	\$ 0	\$ 47,963	\$ 0	\$ 47,963
Cooperative Loan Agreement (OPWC) 1995 Interest Rate 0.0% Mat 7/1/2015	\$ 32,175	\$ 0	\$ 1,950	\$ 30,225
Cooperative Loan Agreement (OPWC) 1996 Interest Rate 0.0% Mat: 1/1/2016	\$ 45,050	\$ 0	\$ 2,650	\$ 42,400
Citizens Bank Loan 1999 Interest Rate 6.25 Var Mat: 8/27/2004	\$ 0	\$ 225,000	\$ 0	\$ 225,000
Total Obligations	\$ 1,694,602	\$ 272,963	\$ 57,526	\$ 1,910,039

The financial requirements to amortize all indebtedness, including interest, are as follows:

Year (s) Ending Dec 31st:	
1999	\$ 177,874
2000	\$ 220,250
2001	\$ 220,250
2002	\$ 220,250
2003	\$ 220,250
2005	\$ 445,250
2005 - 2009	\$1,030,940

ATWOOD REGIONAL WATER AND SEWER DISTRICT
 Carroll and Tuscarawas Counties Ohio
 Notes to the Financial Statements
 For the Years Ended December 31, 1998 and 1999

3. **DEBT ADMINISTRATION (continued)**

2010 - 2014	\$ 954,451
2015 - 2019	\$ 310,910
2020 - 2026	<u>\$ 169,884</u>

Total Debt Service Liability: \$3,970,309

4. **ACCRUED COMPENSATED ABSENCES**

Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences," specifies the methods used to accrue liabilities for leave benefits. Vacation and personal leave 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 that the employer will compensate employees for the benefits through paid time off or some other means. Sick leave benefits are accrued using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible for termination benefits in the future.

The District employs five full time and two part time personnel. The liability for sick leave is tabulated from one half of the accumulated hours for sick leave to a maximum of 480 hours multiplied by the current hourly rate for each eligible employee. Vacation is tabulated from the accumulated hours of vacation multiplied by the current hourly rate for each eligible employee. Year end changes in vacation and sick leave accruals are closed to Compensated Absences on the Operating Statement and the Balance Sheet. Sick leave and vacation liability is liquidated as compensated absences from regular work periods or within certain District policy limitations, paid to employees. Only full time employees are eligible for vacation and sick leave benefits.

5. **DEFINED BENEFIT PENSION PLAN**

The employees of the District are covered by the Public Employees Retirement System of Ohio. The State of Ohio accounts for the activities of the retirement systems and the amounts of these funds are not reflected in the accompanying financial statements.

Public Employees Retirement System (PERS) of Ohio is a cost-sharing multiple employer employee retirement system created by the State of Ohio. PERS provides basic retirement and disability benefits, annual costs of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is contained in Chapter 145 of the Ohio Revised Code. PERS issues a stand alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for 1999 was 8.5 percent. The employer contribution rate was 13.55 percent of covered payroll; 9.35 percent was used to fund pensions obligations for 1999. The entire payroll for 1999, 1998, and 1997 was \$213,020, \$204,685, and \$197,583, respectively, and was

ATWOOD REGIONAL WATER AND SEWER DISTRICT
Carroll and Tuscarawas Counties Ohio
Notes to the Financial Statements
For the Years Ended December 31, 1998 and 1999

5. **DEFINED BENEFIT PENSION PLAN (continued)**

covered by this pension system. Actual employer contributions for those years was \$28,864, \$27,735, and \$26,772 (13.55%) and the actual employee contributions were \$18,107, \$17,398, and \$16,795, (8.5%) of the above payroll amount. The District provides a fringe benefit pickup plan for full time employees.

6. **POST-EMPLOYMENT BENEFITS**

The Public Employees Retirement System of Ohio (PERS) provides post retirement health care coverage to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 1998 employer contribution rate for local government employer was 13.55 percent of covered payroll; 4.2 percent of the employer contribution rate was the portion that was used to fund health care for all divisions in 1999.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to PERS. OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely. Expenditures for OPEB during 1999 were \$523,599,349. As of December 31, 1999, the audited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2 percent of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

7. **FIXED ASSET MANAGEMENT**

The District records fixed assets at cost or estimated historical cost if purchased or constructed. As a proprietary enterprise fund, the District's assets are depreciated on a straight line basis during their useful life. While depreciation is not presently budgeted, it is reported as an expense. Because these assets were acquired with federal grant funds, the portion of net income or loss due to depreciation expense is closed to the contributed capital component of the fund balance. Major outlays for capital assets are capitalized when projects are completed and placed in service. Interest incurred during the loan disbursement period is reflected in the capitalized value of the asset. Fixed assets are classified as those durable items which retain their identity when in use, have an estimated useful live of two years or more, and cost \$3,000 or more.

ATWOOD REGIONAL WATER AND SEWER DISTRICT
 Carroll and Tuscarawas Counties Ohio
 Notes to the Financial Statements
 For the Years Ended December 31, 1998 and 1999

7. **FIXED ASSET MANAGEMENT (continued)**

The District uses the following useful life periods for fixed assets:

Buildings	20 - 40 years
Treatment Facilities	30 - 50 years
Infrastructures	50 years
Machinery and Equipment	5 - 20 years

Statement of Changes in Fixed Assets
 For year ending December 31, 1999

Fixed Assets	Balance Jan 1, 1999	Additions	Deletions	Balance Dec 31, 1999
Land	\$84,214	\$180,933	\$0	\$265,147
Buildings	\$39,000	\$0	\$0	\$39,000
Treatment Facilities	\$2,727,616	\$0	\$0	\$2,727,616
Infrastructures	\$10,014,643	\$22,503	\$0	\$10,037,146
Machinery and Equipment	\$329,998	\$16,450	\$0	\$346,448
Construction in Progress	\$51,898	\$37,125	\$9,433	\$79,590
Total Fixed Assets	\$13,247,369	\$257,011	\$9,433	\$13,494,947
Less Accumulated Depreciation:	\$4,494,692	\$273,574	\$0	\$4,768,266
Net Fixed Assets	\$8,752,677	\$(16,563)	\$9,433	\$8,726,681

ATWOOD REGIONAL WATER AND SEWER DISTRICT
 Carroll and Tuscarawas Counties Ohio
 Notes to the Financial Statements
 For the Years Ended December 31, 1998 and 1999

7. **FIXED ASSET MANAGEMENT (continued)**

Statement of Changes in Fixed Assets
 For the fiscal year ended December 31, 1998

Fixed Assets	Balance Jan 1, 1998	Additions	Deletions	Balance Dec 31, 1998
Land	\$ 84,214	\$ 0	\$ 0	\$ 84,214
Buildings	\$ 39,000	\$ 0	\$ 0	\$ 39,000
Treatment Facilities	\$ 2,727,616	\$ 0	\$ 0	\$ 2,727,616
Infrastructures	\$ 9,789,921	\$ 224,722	\$ 0	\$ 10,014,643
Machinery/Equipment	\$ 329,998	\$ 0	\$ 0	\$ 329,998
Construction in Progress	\$ 237,894	\$ 38,726	\$ 224,722	\$ 51,898
Total Fixed Assets:	\$ 13,208,643	\$ 263,448	\$ 224,722	\$ 13,247,369
Less Accumulated Depreciation	\$ 4,222,023	\$ 272,669	\$ 0	\$ 4,494,692
Net Fixed Assets	\$ 8,986,620	\$ (9,221)	\$ 0	\$ 8,752,677

8. **BUDGETARY DATA**

Although there is no statutory budget procedure, the Board of Trustees adopts an annual budget which serves as a financial plan for the District. The legal level of control is at the fund level which allows management to adjust individual budget items within the overall budget available. The Board adopts an annual appropriation resolution based on the budget and the approved capital improvement and contingency fund commitments. Further, all purchases over \$1,000 require prior board approval which effectively appropriates the funds for the purchase. Project length budgets are prepared in addition to annual budgets for capital improvements. Encumbrances are used for complex purchases or those requiring several months delivery. Encumbrances expire at the end of the fiscal year and are reestablished for the next fiscal year. The budget is prepared on a Non-GAAP basis which omits depreciation and certain other accruals. There were no significant modifications to the budget for either 1999 or 1998.

ATWOOD REGIONAL WATER AND SEWER DISTRICT
 Carroll and Tuscarawas Counties Ohio
 Notes to the Financial Statements
 For the Years Ended December 31, 1998 and 1999

9. INSURANCE

The District maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90 percent coinsured. The District has not significantly decreased coverage in the past three years, nor have claims exceeded commercial coverage.

10. SEGMENT INFORMATION

The District operates one enterprise fund for the collection and treatment of water and sewage. The key financial information for the years ended December 31, 1999 and 1998 are as follows:

	<u>1999</u>	<u>1998</u>
Operating revenues	\$ 614,401	\$ 690,510
Operating expenses less depreciation	513,901	515,413
Depreciation	273,574	272,669
Operating income (loss)	(173,074)	(97,572)
Investment income	9,679	13,386
Interest and fiscal charges	(126,126)	(124,309)
Net income (loss)	(289,521)	(208,495)
Fixed assets	8,726,681	8,752,677
Fixed asset additions	247,578	38,726
Total assets	9,062,092	9,083,877
Net working capital	335,050	350,997
Contributed capital	6,731,916	6,995,295
Total equity	7,066,966	7,306,292

ATWOOD REGIONAL WATER AND SEWER DISTRICT
 Carroll and Tuscarawas Counties, Ohio
 Notes to the Financial Statements
 For the Years Ended December 31, 1998 and 1999

11. **BUDGET VS. GAAP RECONCILIATION**

While reporting financial position, results of operations and changes retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is founded on accounting for certain transactions on a basis of cash receipts, disbursements, appropriations, and encumbrances.

The Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Budget Basis) and Actual - Proprietary Fund Type - Enterprise 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 that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenses (budget basis) rather than a disclosure in the notes for proprietary fund types (GAAP basis).
4. The acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

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

	Net income/Excess of revenues and other financing sources over (under) expenses <i>and other financing uses - Proprietary Fund</i>	
	1999	1998
GAAP basis	\$ (289,521)	\$ (208,495)
Adjustments:		
Revenue accruals	6,312	6,463
Expense accruals	272,297	272,082
Budget basis	\$ (10,912)	\$ 70,050

12. **CONTINGENCIES**

As of December 31, 1999, all claims against the District have been settled by the District's insurance company.

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**STATISTICAL
SECTION**

**ATWOOD REGIONAL WATER AND SEWER DISTRICT
DEMOGRAPHIC SUMMARY 1999**

EMPLOYMENT

Employer:	Employees:
Atwood Lake Resort and Conference Center	200
Atwood Lake Boats	60
Muskingum Watershed Conservancy District	47
Carrollton Exempted Schools	21
Tuscarawas Valley Schools	17

COMMUNITY POPULATION (1990 Census)

Subdivision:	Population:
Sherrodsville, Carroll County	284
Dellroy, Carroll County	314
Monroe Township, Carroll County	1,755
Warren Township, Tuscarawas County	1,034
Carroll County	27,204
Tuscarawas County	84,090

COMMUNITY TAX VALUATION

Subdivision:	
Sherrodsville, Carroll County	\$ 1,454,050
Dellroy, Carroll County	\$ 2,223,450
Monroe Township, Carroll County	\$26,117,887
Warren Township, Tuscarawas County	\$15,635,695

Source: Carroll and Tuscarawas County Treasurers

Atwood Regional Water And Sewer District
 Long Term Debt Service
 Ten Year History

Fiscal Year	Loan Bal 12/31	Interest Paid	Debt Retired	Total Debt Svc
1989	\$ 1,500,283	\$ 81,477	\$ 10,500	\$ 91,977
1990	\$ 1,478,454	\$ 118,372	\$ 21,828	\$ 140,200
1991	\$ 1,454,904	\$ 116,650	\$ 23,551	\$ 140,201
1992	\$ 1,429,495	\$ 114,792	\$ 25,409	\$ 140,201
1993	\$ 1,402,082	\$ 112,788	\$ 27,413	\$ 140,201
1994	\$ 1,833,494	\$ 110,625	\$ 29,576	\$ 140,201
1995	\$ 1,845,938	\$ 133,694	\$ 40,555	\$ 174,249
1996	\$ 1,798,780	\$ 130,715	\$ 47,159	\$ 177,874
1997	\$ 1,748,485	\$ 127,509	\$ 50,365	\$ 177,874
1998	\$ 1,694,602	\$ 124,039	\$ 53,814	\$ 178,123
1999	\$ 1,910,039	\$ 126,126	\$ 57,526	\$ 183,652
Total		\$ 1,297,057	\$ 387,696	\$ 1,684,753

Source: Atwood Regional Water and Sewer District

Atwood Regional Water and Sewer District
Carroll and Tuscarawas Counties, Ohio

Principal Customers

1. Atwood Resort (MWCD)
2. Atwood Lake Park (MWCD)
3. Atwood Yacht Club
4. Carrollton Exempted Schools (Dellroy Elementary)
5. Dellroy Laundromat
6. Atwood Lake Boats (Atlamar)
7. Tusky Valley Local Schools (New Cumberland Elementary)
8. Conotton Valley Local Schools (Sherrodsville Elementary)
9. U.S. Army Corps of Engineers (Park and Office)
10. Casablanca Restaurant

The District's customer base contains 1193 active accounts which represents the equivalent of 1725 residential users

Source: Atwood Regional Water and Sewer District

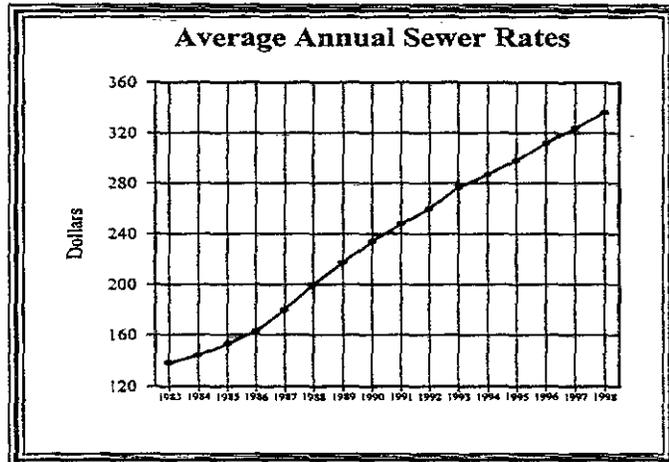


Figure 1: Average Annual Sewer Rates

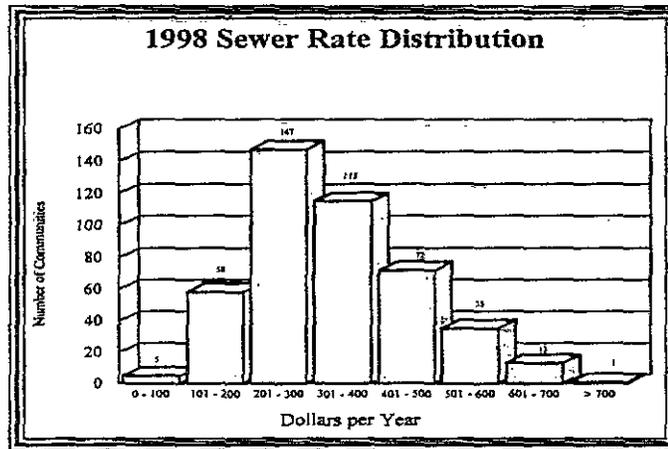


Figure 2: Sewer Rate Distribution

ATWOOD REGIONAL WATER AND SEWER DISTRICT

Ten Year Historical Summary

For receipts and disbursements

Presented on cash basis

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Operating Receipts:											
Charges for Svcs:	\$438,369	\$455,347	\$449,655	\$450,248	\$466,903	\$500,193	\$546,748	\$608,692	\$577,515	\$696,973	\$620,713
Operating Disbursements:											
Personal Svcs:	\$92,846	\$99,805	\$154,205	\$153,266	\$194,113	\$232,740	\$284,455	\$315,200	\$303,240	\$313,032	\$333,983
Contractual Svcs:	\$461,260	\$19,865	\$30,242	\$130,269	\$8,111	\$5,959	\$14,086	\$44,220	\$45,162	\$55,319	\$39,937
Materials:	\$27,685	\$37,010	\$35,426	\$126,877	\$35,963	\$118,646	\$170,365	\$90,876	\$111,613	\$66,629	\$59,373
Utilities:	\$57,256	\$57,666	\$57,870	\$56,735	\$61,023	\$59,636	\$55,319	\$58,130	\$60,117	\$62,068	\$64,857
Other:	\$72,258	\$59,659	\$12,248	\$13,122	\$21,950	\$17,997	\$27,243	\$17,672	\$17,536	\$18,952	\$17,028
Net operating Disbmts:	\$711,305	\$274,005	\$289,991	\$480,269	\$321,060	\$435,178	\$551,468	\$526,098	\$537,668	\$516,000	\$515,178
Net Operating:	(\$272,936)	\$181,342	\$159,664	(\$30,021)	\$145,843	\$65,015	(\$4,720)	\$82,594	\$39,847	\$180,973	\$105,535
Non-Operating Recpt(disbmts)											
Interest:	\$25,600	\$25,046	\$19,743	\$9,692	\$6,478	\$8,622	\$15,890	\$18,913	\$16,207	\$13,386	\$9,679
Loans and Grants:	\$387,860	\$12,978	\$0	\$80,000	\$0	\$210,636	\$245,434	\$54,448	\$0	\$0	\$272,963
Interest Expense:	(\$170,875)	(\$118,373)	(\$116,650)	(\$114,792)	(\$116,077)	(\$113,982)	(\$133,854)	(\$130,718)	(\$127,509)	(\$124,309)	(\$126,156)
Bond Retirement:	(\$10,500)	(\$21,828)	(\$23,551)	(\$25,409)	(\$27,413)	(\$109,566)	(\$40,395)	(\$47,156)	(\$50,365)	(\$59,706)	(\$57,527)
Other:	\$14,529	(\$122,003)	\$192	\$0	\$0	\$0	\$600	\$147	\$0	\$0	(\$197,383)
Net Non-Operating Increase(decrease):	\$246,614	(\$224,180)	(\$120,266)	(\$50,509)	(\$137,012)	(\$4,290)	\$87,675	(\$104,366)	(\$161,667)	(\$170,629)	(\$98,424)
Net fund increase(decrease)											
Recpts over Disbursmts:	(\$26,322)	(\$42,838)	\$39,398	(\$80,530)	\$8,831	\$60,725	\$82,955	(\$21,772)	(\$121,820)	\$10,344	\$7,111

Source: Atwood Regional Water and Sewer District



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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ATWOOD REGIONAL WATER AND SEWER DISTRICT
TUSCARAWAS COUNTY

CLERK'S CERTIFICATION

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

By: Susan Babbitt

Date: JULY 18, 2000