

MUSKINGUM WATERSHED CONSERVANCY FOUNDATION, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006



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June 17, 2008

To the Board of Directors
Muskingum Watershed Conservancy Foundation, Inc.
1319 Third St NW
New Philadelphia, OH 44663

We have reviewed the accompanying statements of assets, liabilities and net assets-cash basis of Muskingum Watershed Conservancy Foundation, Inc. (a nonprofit organization) as of December 31, 2007 and 2006, and the related statements of revenues, expenses, and other changes in net assets-cash basis for the years then ended, and the accompanying supplementary information-cash basis for the years ended December 31, 2007 and 2006 contained on pages 6 through 13 which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Muskingum Watershed Conservancy Foundation, Inc.

A review consists principally of inquiries of organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting.

*Business Management
Accountants*

MUSKINGUM WATERSHED CONSERVANCY FOUNDATION, INC.
STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS-CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>REVENUES, GAINS AND OTHER SUPPORT:</u>				
Contributions and Memberships	\$	7,866	\$ 6,395	\$ 14,261
Fundraisers	11,171	17,970	4,175	33,316
Net Realized & Unrealized Gain on Investments		3,525	5,684	9,209
Investment Income	338	5,086		5,424
Miscellaneous Income	-			-
Net Assets Released from Restrictions	8,731			8,731
Total Revenues, Gains and Other Support	20,240	34,447	16,254	70,941
<u>EXPENSES:</u>				
Operating Expenses:				
Marketing and Public Relations	235			235
Insurance	1,205			1,205
Professional Fees	4,189			4,189
Office Expense	468			468
Charitable Contributions	100			100
Fundraiser Expenses	3,621	8,171		11,792
Grants	7,375			7,375
Investment Fees	1,356			1,356
Net Assets Released from Restrictions		8,731		8,731
Total Expenses	18,549	16,902	-	35,451
Change in Net Assets	1,691	17,545	16,254	35,490
Net Assets, Beginning of Year	39,584	144,339	160,407	344,330
Net Assets, End of Year	\$ 41,275	\$ 161,884	\$ 176,661	\$ 379,820

See accompanying notes and accountants' review report.

MUSKINGUM WATERSHED CONSERVANCY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Muskingum Watershed Conservancy Foundation, Inc. (MWCF) supports the mission of the Muskingum Watershed Conservancy District (MWCD). The Muskingum Watershed Conservancy District's mission is to provide flood control and to conserve the area of Ohio drained by the Muskingum River and its tributaries. The Muskingum Watershed Conservancy District strives to enhance the quality of life in the Muskingum Lakes Region and beyond.

Basis of Presentation

The accompanying financial statements have been prepared on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Under that basis, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligations are incurred. Consequently, the Muskingum Watershed Conservancy Foundation, Inc. has not recognized accounts receivable, accounts payable, or their related effects on the change in net assets in the accompanying financial statements.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Muskingum Watershed Conservancy District Foundation, Inc. and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Muskingum Watershed Conservancy District Foundation, Inc. and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of revenues, expenses, and other changes in net assets as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets subject to indefinite donor imposed stipulations. Neither actions of the Muskingum Watershed Conservancy District Foundation, Inc., nor the passage of time relieve the restrictions.

See accountants' review report.

MUSKINGUM WATERSHED CONSERVANCY FOUNDATION, INC.
 SCHEDULE I - CASH AND CASH EQUIVALENTS AND INVESTMENTS
 DECEMBER 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Cash and Cash Equivalents:				
JPMorgan Chase Business Classic Checking Operating Fund	\$ 39,358			\$ 39,358
James R. Pitney Law Enforcement Fund				-
Regis Wissler Endowment Fund				-
Piedmont Lake Fund				-
Atwood Park Fall Festival Fund				-
Funds to be transferred to:				
MWCD Charitable Endowment General Fund		7,048		7,048
Thomas W. Hudson Endowment Charitable Fund			10,320	10,320
Total Checking	39,358	7,048	10,320	56,726
JPMorgan Chase Business Money Market Savings Operating Fund	1,917			1,917
James R. Pitney Law Enforcement Fund		11,208		11,208
Regis Wissler Endowment Fund			3,325	3,325
Atwood Park Fall Festival Fund		28,709		28,709
Piedmont Lake Fund		700		700
Total Money Market	1,917	40,617	3,325	45,859
Total Cash and Cash Equivalents	41,275	47,665	13,645	102,585
Investments:				
Thomas W. Hudson				
Charitable Endowment Fund		10,739	163,016	173,755
Muskingum Watershed Conservancy District Charitable Endowment Fund		103,480		103,480
Total Investments		114,219	163,016	277,235
Total Cash and Cash Equivalents and Investments	\$ 41,275	\$ 161,884	\$ 176,661	\$ 379,820

See accompanying notes and accountants' review report.

MUSKINGUM WATERSHED CONSERVANCY FOUNDATION, INC.
 SCHEDULE II - CASH AND CASH EQUIVALENTS AND INVESTMENTS
 DECEMBER 31, 2007 AND 2006

	<u>JPMorgan Chase</u>	<u>JPMorgan Chase</u>	<u>Stark Community</u>	<u>Totals</u>
	<u>Checking</u>	<u>Money Market</u>	<u>Foundation Investments</u>	
<u>2007</u>				
Operating Fund	\$ 39,358	\$ 1,917		\$ 41,275
James R. Pitney Law Enforcement Fund		11,208		11,208
Regis Wissler Endowment Fund		3,325		3,325
Atwood Park Fall Festival Fund		28,709		28,709
Piedmont Lake Fund		700		700
Thomas W. Hudson			173,755	180,803
Charitable Endowment Fund	7,048			
Muskingum Watershed Conservancy				
District Charitable Endowment Fund	10,320		103,480	113,800
Total Cash and Cash Equivalents and Investments	\$ 56,726	\$ 45,859	\$ 277,235	\$ 379,820
<u>2006</u>				
Operating Fund	\$ 24,476	\$ 15,108		\$ 39,584
James R. Pitney Law Enforcement Fund	676	12,060		12,736
Regis Wissler Endowment Fund	200	2,875		3,075
Atwood Park Fall Festival Fund	7,061	14,978		22,039
Piedmont Lake Fund	100	500		600
Thomas W. Hudson			167,729	167,729
Charitable Endowment Fund				
Muskingum Watershed Conservancy				
District Charitable Endowment Fund			98,567	98,567
Total Cash and Cash Equivalents and Investments	\$ 32,513	\$ 45,521	\$ 266,296	\$ 344,330

See accompanying notes and accountants' review report.

MUSKINGUM WATERSHED CONSERVANCY FOUNDATION, INC.
 SCHEDULE IV - JPMORGAN CHASE BUSINESS MONEY MARKET ACCOUNT
 FOR THE YEAR ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Beginning of Year Balance	\$ 45,521	\$ 32,355
<u>Income:</u>		
Investment Income	338	334
Transfer of Atwood Park Fall Festival Fund Prior Year Contributions from Checking	-	6,176
Transfer of Pitney Fund Prior Year Contributions from Checking	-	1,356
Transfer of Wissler Endowment Fund Prior Year Contributions from Checking	-	125
Transfer of Membership Dues- Prior Year from Checking	-	5,175
	338	13,166
End of Year Balance	\$ 45,859	\$ 45,521

See accompanying notes and accountant's review report.

MUSKINGUM WATERSHED CONSERVANCY FOUNDATION INC.
 SCHEDULE VI -CHANGES IN CASH AND CASH EQUIVALENTS
 FOR THE YEAR ENDED DECEMBER 31, 2007

	Unrestricted Funds		Temporarily Restricted Funds				Permanently Restricted Funds			Total Cash and Cash Equivalents
	Funds in Checking Account	Funds in Market Index Account	James R. Piney Law Enforcement Fund	Atwood Park Fall Festival Fund	Piedmont Lake Fund	MWCDCD Endowment Fund	Gonyer Fund	Hudson Endowment Fund	Regis Wissler Endowment Fund	
December 31, 2006 Balance	\$ 24,476	\$ 15,108	\$ 12,736	\$ 22,039	\$ 600	\$ -	\$ -	\$ -	\$ 3,075	\$ 78,034
Contributions and Memberships Investment Income		338								
Fundraisers										
Atwood Cup Regatta			668	50	100	7,048		6,145	250	14,261
Atwood Benefit Swim										338
Gonyer Benefit Dinner							8,171			3,505
Atwood Golf Outing	11,171									670
Income from Charles Mill Park BBQ and Auction			3,179					3,505		8,171
Fall Festival Admission Fees				6,620				670		11,171
Increase in Cash and Cash Equivalents	11,171	338	3,847	6,670	100	7,048	8,171	10,320	250	3,179
Operating Expenses	(6,097)									6,620
Fundraiser Expenses	(3,621)						(8,171)			47,915
Transfer of Funds	13,529	(13,529)								(6,097)
Charitable Contributions Paid	(100)									(11,792)
Grants Paid	3,711	(13,529)	(5,375)				(8,171)			(100)
Decrease in Cash and Cash Equivalents			(5,375)							(5,375)
December 31, 2007 Balance	\$ 39,358	\$ 1,917	\$ 11,208	\$ 28,709	\$ 700	\$ 7,048	\$ -	\$ 10,320	\$ 3,325	\$ 102,585

See accompanying notes and accountants' review report.