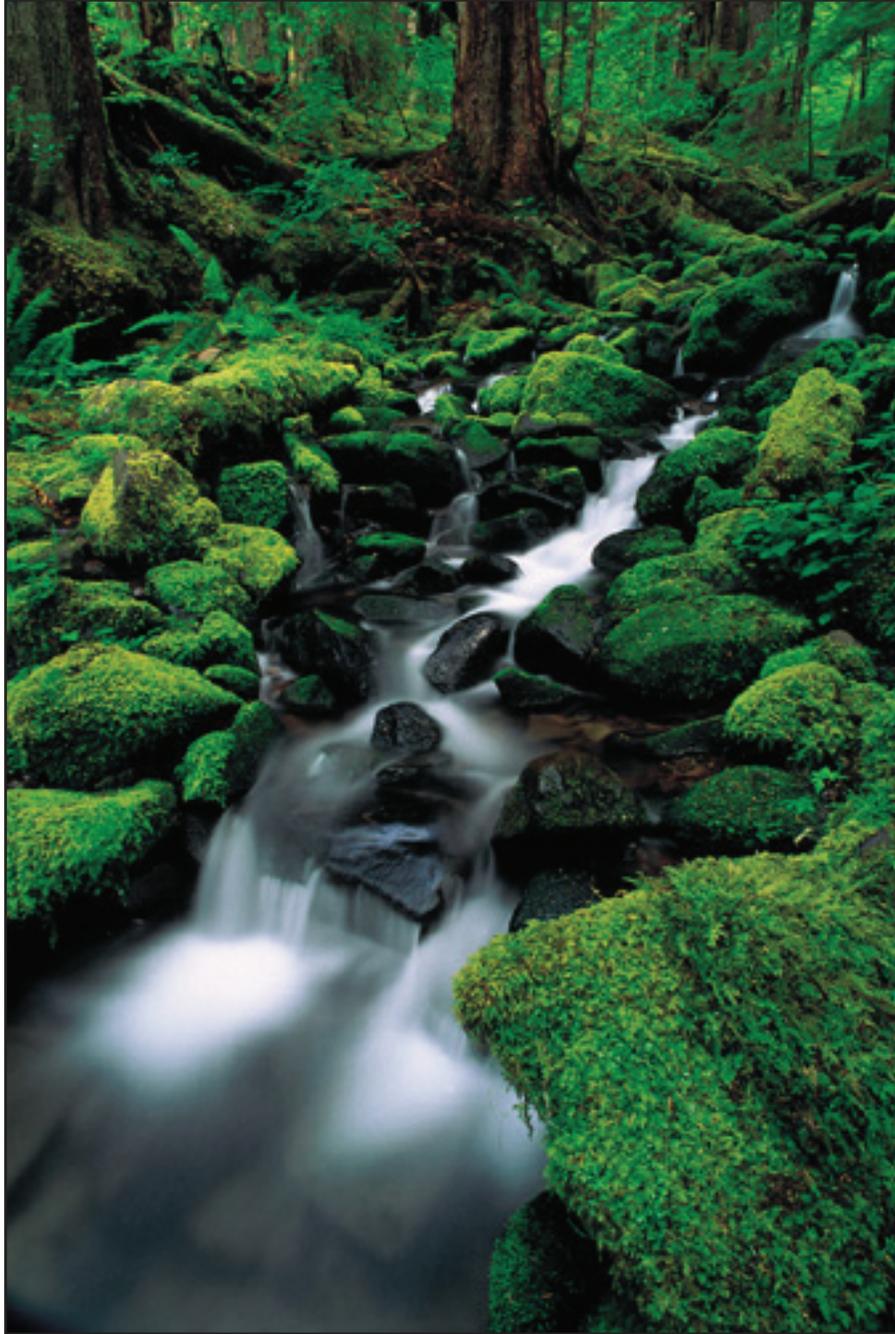


Annual Financial Report

*for the fiscal year ended
August 31, 2002*



Texas Water Development Board

*Water for Texas - Dependable, Clean, and Affordable for Our People,
Our Economy and Our Environment*

TEXAS WATER DEVELOPMENT BOARD

WALES H. MADDEN, JR., CHAIRMAN

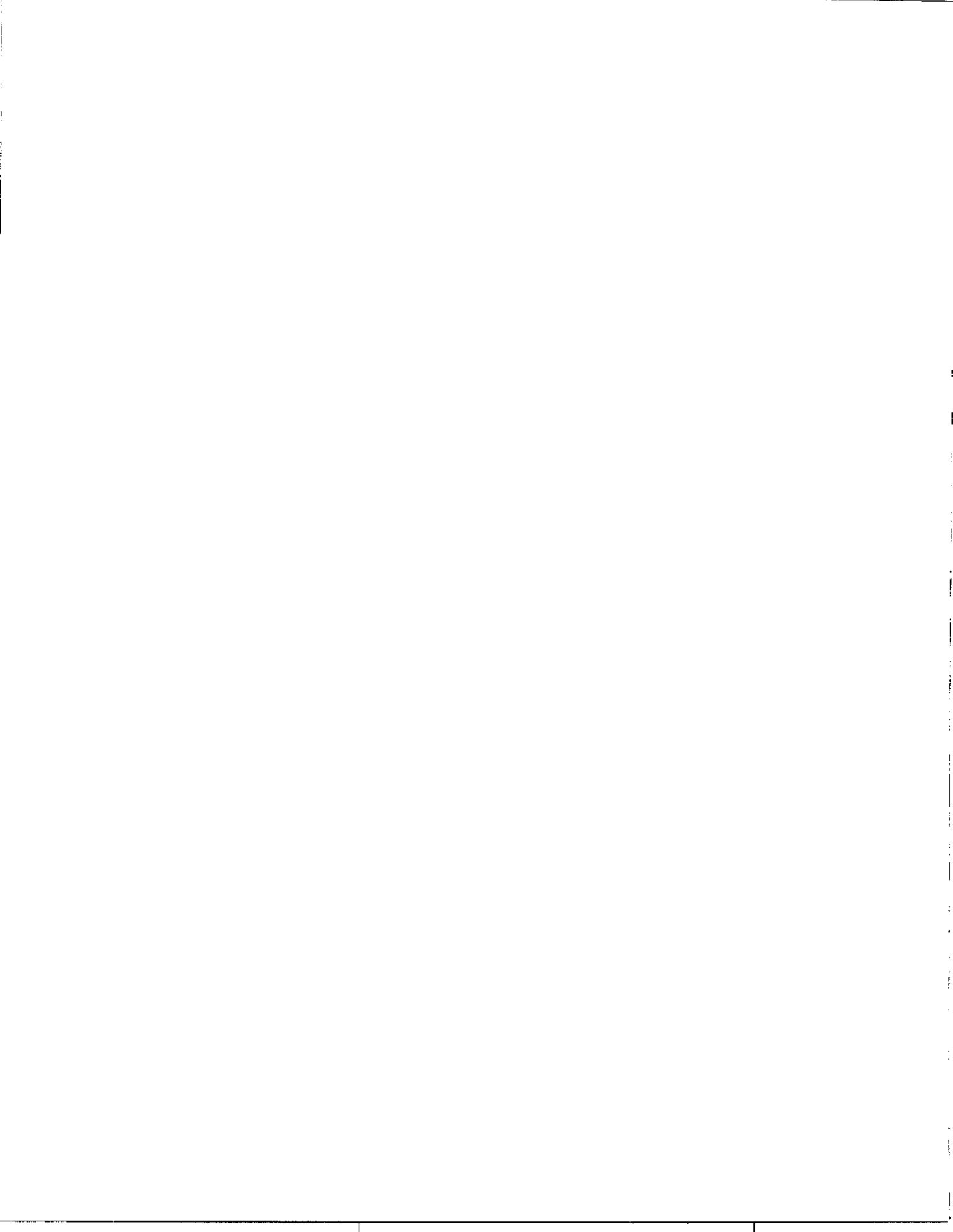
JACK HUNT, VICE CHAIRMAN

WILLIAM W. MEADOWS, MEMBER
THOMAS WEIR LABATT, III, MEMBER
DARIO VIDAL GUERRA, JR., MEMBER
E. G. ROD PITTMAN, MEMBER

J. KEVIN WARD, EXECUTIVE ADMINISTRATOR

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THE TEXAS WATER DEVELOPMENT BOARD
P. O. BOX 13231
AUSTIN, TEXAS 78711-3231





TEXAS WATER DEVELOPMENT BOARD



Wales H. Madden, Jr., *Chairman*
William W. Meadows, *Member*
Dario Vidal Guerra, Jr., *Member*

J. Kevin Ward
Executive Administrator

Jack Hunt, *Vice Chairman*
Thomas Weir Labatt III, *Member*
E. G. Rod Pittman, *Member*

November 20, 2002

Honorable Rick Perry, Governor
Honorable Carole Keeton Rylander, State Comptroller
John Keel, Director, Legislative Budget Board
Lawrence F. Alwin, CPA, State Auditor

Lady and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas Water Development Board for the year ended August 31, 2002, in compliance with TEX. GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

Due to the significant changes related to Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to be in compliance with GAAP. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Carl Speed, at 512/463-8478. Randy Cunningham may be contacted at 512/463-5273 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

J. Kevin Ward
Executive Administrator

Our Mission

Provide leadership, technical services and financial assistance to support planning, conservation, and responsible development of water for Texas.

P.O. Box 13231 • 1700 N. Congress Avenue • Austin, Texas 78711-3231

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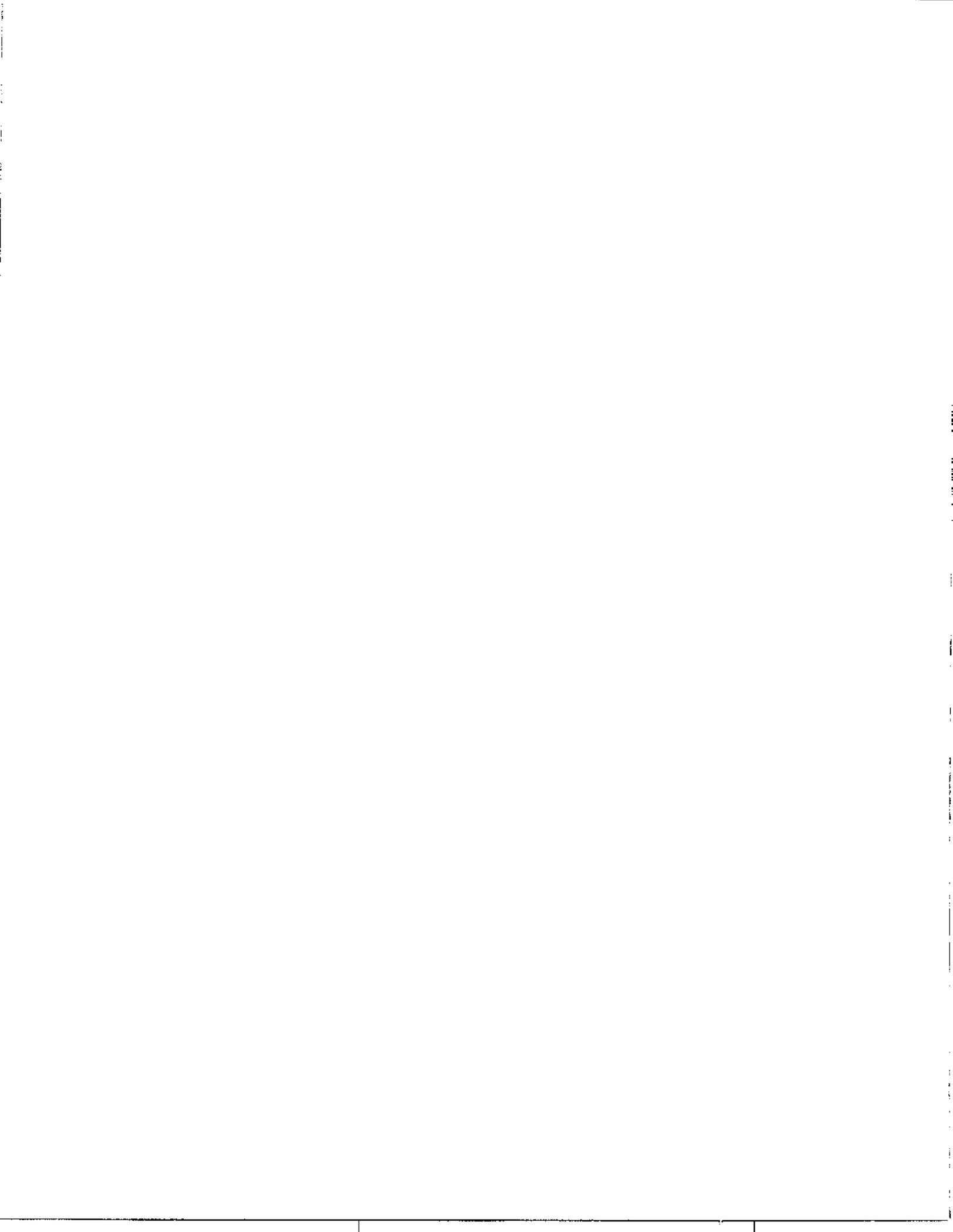


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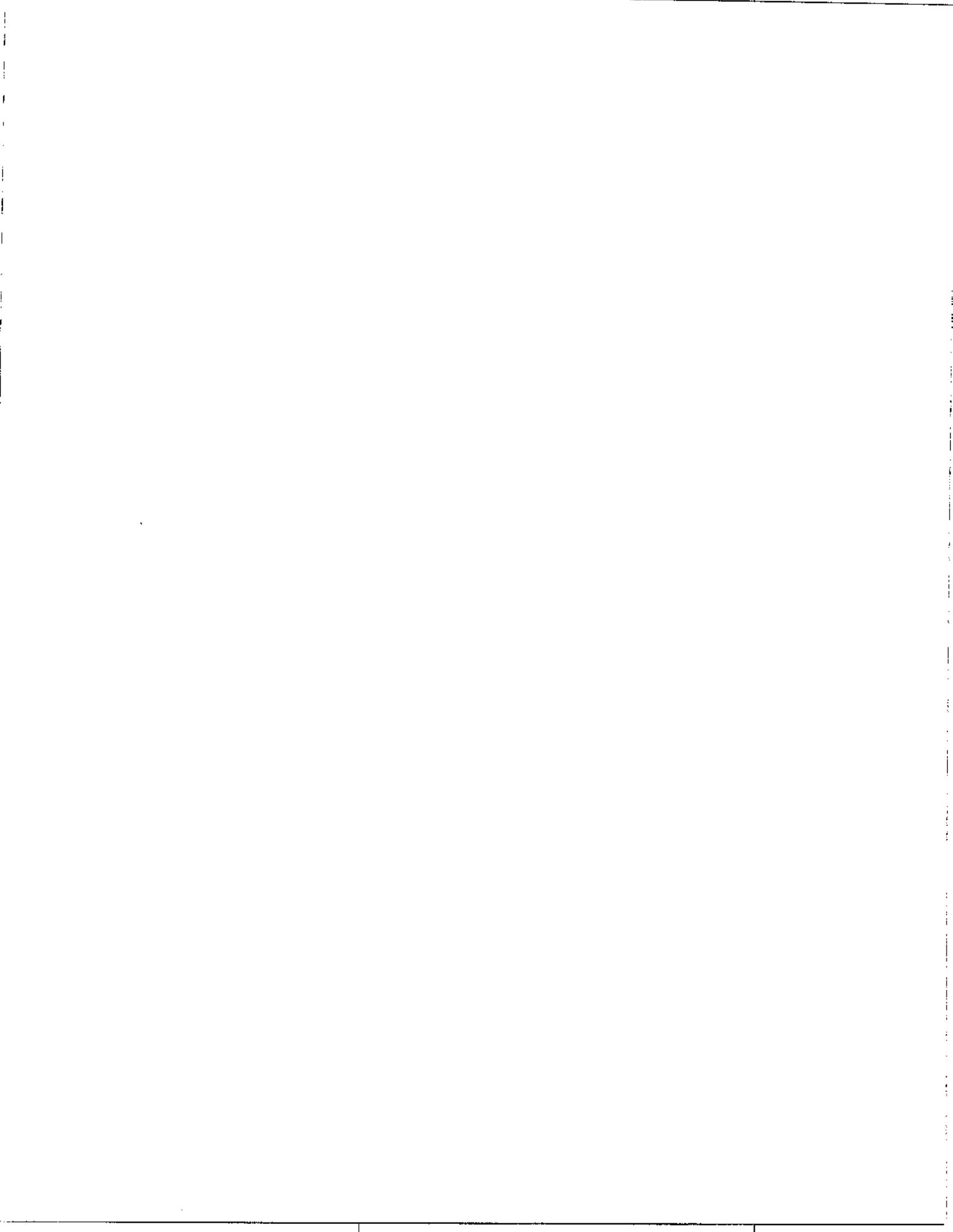
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General Purpose Financial Statements

UNAUDITED

Texas Water Development Board (580)
Exhibit I - Combined Balance Sheet - Governmental Funds

August 31, 2002

	Governmental Fund Types			Governmental Funds Total
	General Funds (Exhibit A-1)	Special Revenue Funds (Exhibit B-1)	Debt Service Funds (Exhibit C-1)	
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash on Hand	\$ 25.00	\$ -	\$ -	\$ 25.00
Cash in Bank	13,475.00	-	-	13,475.00
Cash in State Treasury	532,524.88	123,297,134.97	166,611.71	123,996,271.56
Short Term Investments	-	27,901,720.51	-	27,901,720.51
Legislative Appropriations	5,309,014.97	-	-	5,309,014.97
Receivables From:				
Federal	631,485.99	-	-	631,485.99
Interest and Dividends	-	425,714.41	-	425,714.41
Accounts Receivable	145,693.87	12,750.00	-	158,443.87
Interfund Receivable	11,915.69	-	-	11,915.69
Due From Other Funds	382,439.32	12,297,846.79	-	12,680,286.11
Due From Other Agencies	61,395.09	-	-	61,395.09
Loans and Contracts	-	1,908,607.52	-	1,908,607.52
Total Current Assets	7,087,969.81	165,843,774.20	166,611.71	173,098,355.72
Non-Current Assets:				
Loans & Contracts	-	116,046,090.85	-	116,046,090.85
Investments	-	56,120.12	-	56,120.12
Total Non-Current Assets	-	116,102,210.97	-	116,102,210.97
Total Assets	\$ 7,087,969.81	\$ 281,945,985.17	\$ 166,611.71	\$ 289,200,566.69
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable	\$ 896,952.74	\$ 885,163.19	\$ -	\$ 1,782,115.93
Payroll Payable	1,424,649.94	-	-	1,424,649.94
Interfund Payable	-	11,915.69	-	11,915.69
Due To Other Funds	-	12,297,846.79	-	12,297,846.79
Due To Other Agencies	492,711.64	16,024,951.95	-	16,517,663.59
Total Current Liabilities	2,814,314.32	29,219,877.62	-	32,034,191.94
Total Liabilities	2,814,314.32	29,219,877.62	-	32,034,191.94
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances (Deficits):				
Reserved for:				
Encumbrances	4,220,342.25	11,793,564.43	-	16,013,906.68
Imprest	13,500.00	-	-	13,500.00
Debt Service	-	-	166,611.71	166,611.71
Loans & Contract	-	117,954,698.37	-	117,954,698.37
Unreserved Designated for:				
Other	-	122,977,844.75	-	122,977,844.75
Undesignated	39,813.24	-	-	39,813.24
Total Fund Balances	4,273,655.49	252,726,107.55	166,611.71	257,166,374.75

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

Texas Water Development Board (580)
Exhibit II - Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended August 31, 2002

	General Funds (Exhibit A-2)	Special Revenue Funds (Exhibit B-2)	Debt Service Funds (Exhibit C-2)	Governmental Funds Total
REVENUES				
Legislative Appropriations:				
Original Appropriations	\$ 21,485,639.00	\$ -	\$ -	\$ 21,485,639.00
Additional Appropriations	(1,955,497.83)	-	-	(1,955,497.83)
Federal Revenue	3,752,625.81	16,650,072.46	-	20,402,698.27
Federal Pass-Through Revenue	11,600.17	-	-	11,600.17
State Grant Pass-Through Revenue	74,002.48	32,978.64	-	106,981.12
Licenses, Fees & Permits	125,917.18	268,668.00	-	394,585.18
Interest and Other Investment Income	-	2,500,772.78	-	2,500,772.78
Net Increase (Decrease) in Fair Value	-	(27,625.91)	-	(27,625.91)
Settlement of Claims	628.87	-	-	628.87
Sales of Goods and Services	2,485,867.82	512,519.75	-	2,998,387.57
Other	-	180,295.14	-	180,295.14
Other	951,899.60	-	-	951,899.60
Total Revenues	26,932,683.10	20,117,680.86	-	47,050,363.96
EXPENDITURES				
Salaries and Wages	9,913,317.39	79,489.54	-	9,992,806.93
Payroll Related Costs	3,200,396.51	15,115.93	-	3,215,512.44
Professional Fees and Services	656,156.63	291,631.29	-	947,787.92
Travel	301,211.27	19,600.12	-	320,811.39
Materials and Supplies	823,331.77	90,936.89	-	914,268.66
Communication and Utilities	114,199.31	1,364.98	-	115,564.29
Repairs and Maintenance	153,357.06	8,875.26	-	162,232.32
Rentals & Leases	425,535.77	43,311.52	-	468,847.29
Printing and Reproduction	112,570.15	12,733.25	-	125,303.40
Claims and Judgments	65,469.77	-	-	65,469.77
State Pass-Through Expenditures	-	16,132,100.10	-	16,132,100.10
Intergovernmental Payments	2,243,537.97	35,555,305.77	-	37,798,843.74
Other Expenditures	777,637.77	87,302.86	-	864,940.63
Debt service:				
Principal	-	-	4,560,000.00	4,560,000.00
Interest (FFS)	-	-	13,665,159.60	13,665,159.60
Capital Outlay	2,023,775.88	5,310.50	-	2,029,086.38
Total Expenditures/Expenses	20,810,497.25	52,343,078.01	18,225,159.60	91,378,734.86
Excess (Deficiency) of Revenues Over Expenditures	6,122,185.85	(32,225,397.15)	(18,225,159.60)	(44,328,370.00)
OTHER FINANCING SOURCES (USES)				
Bond and Note Proceeds	-	60,444,200.06	160,250.20	60,604,450.26
Sale of Capital Assets	15,320.19	-	-	15,320.19
Transfers In	371,734.84	35,825,928.17	18,231,521.11	54,429,184.12
Transfers Out	(4,150,345.03)	(30,474,695.50)	(136.25)	(34,625,176.78)
Legislative Transfers Out	(99,660.71)	-	-	(99,660.71)
Total Other Financing Sources and Uses	(3,862,950.71)	65,795,432.73	18,391,635.06	80,324,117.08
Net Change in Fund Balances/Net Assets	2,259,235.14	33,570,035.58	186,475.48	35,995,746.18
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances--Beginning	1,966,503.63	219,156,071.97	136.25	221,122,711.85
Appropriations Lapsed	47,916.72	-	-	47,916.72
Fund Balances--August 31, 2002	\$ 4,273,655.49	\$ 252,726,107.55	\$ 186,611.71	\$ 257,186,374.75

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

Texas Water Development Board (580)

Exhibit III - Combined Statement of Net Assets - Proprietary Funds

August 31, 2002

	Total Enterprise Funds (Exhibit F-1)	Total Proprietary Component Unit (Exhibit L-1)
ASSETS		
Current Assets:		
Cash and Cash Equivalents:		
Cash in State Treasury	\$ 227,984,768.64	\$ -
Short Term Investments	524,741,347.64	28,974,982.76
Receivables from:		
Interest and Dividends	39,801,241.20	1,299,636.96
Due From Other Funds	32,751,417.51	-
Deferred Charges	-	-
Loans and Contracts	97,232,351.71	9,242,000.00
Total Current Assets	922,511,126.70	39,516,619.72
Non-Current Assets:		
Loans and Contracts	2,915,755,777.07	67,571,013.00
Investments	-	30,400,800.00
Interfund Receivables	189,986,630.00	-
Other Non-Current Assets	646,896.31	-
Total Non-Current Assets	3,106,389,303.38	97,971,813.00
Total Assets	4,028,900,430.08	137,488,432.72
LIABILITIES		
Current Liabilities:		
Payables from:		
Accounts Payable	11,407.93	-
Other	14,060,406.88	174,745.17
Due to Other Funds	33,133,856.83	-
Deferred Revenue	28,776,101.79	-
Revenue Bonds Payable	34,610,000.00	12,670,000.00
G. O. Bonds Payable-Current Portion	28,495,000.00	-
Total Current Liabilities	139,086,773.43	12,844,745.17
Non-Current Liabilities:		
Interfund Payable	189,986,630.00	-
Revenue Bonds Payable	1,458,415,000.00	52,382,970.70
G. O. Bonds Payable	851,085,000.00	-
Total Non-Current Liabilities	2,499,486,630.00	52,382,970.70
Total Liabilities	2,638,573,403.43	65,227,715.87
NET ASSETS		
Restricted for:		
Debt Retirement	33,407,868.47	-
Unrestricted	1,356,919,158.18	72,260,716.85
Total Net Assets	\$ 1,390,327,026.65	\$ 72,260,716.85

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

Texas Water Development Board (580)
Exhibit IV - Combined Statement of Revenues, Expenses, and
Changes in Net Assets - Proprietary Funds

For the Fiscal Year Ended August 31, 2002

	Total Enterprise Funds (Exhibit F-2)	Total Proprietary Component Unit (Exhibit L-2)
OPERATING REVENUES:		
Interest and Investment Income	\$ 167,728,339.78	\$ 8,272,502.69
Net Increase (Decrease) Fair Market Value	(443,262.16)	8,132.94
Other Operating Revenues	2,377,322.08	-
Total Operating Revenues	169,662,399.70	8,280,635.63
OPERATING EXPENSES:		
Salaries and Wages	5,516,302.38	-
Payroll Related Costs	853,793.99	-
Professional Fees and Services	522,387.19	500.00
Travel	77,059.43	-
Materials and Supplies	136,756.41	-
Communication and Utilities	45,560.53	-
Repairs and Maintenance	19,585.64	-
Rentals and Leases	42,765.09	-
Printing and Reproduction	23,864.79	-
Bad Debt Expense	26,624.45	-
Interest	134,092,513.26	6,593,581.45
Other Operating Expenses	1,604,164.43	624,245.05
Total Operating Expenses	142,961,377.59	7,218,326.50
Operating Income (Loss)	26,701,022.11	1,062,309.13
NONOPERATING REVENUES (EXPENSES):		
Federal Revenue	71,040,313.54	-
Other Nonoperating Revenues (Expenses)	(6,806,052.30)	-
Total Nonoperating Revenues (Expenses)	64,234,261.24	-
Income/(Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	90,935,283.35	1,062,309.13
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:		
Special Items & Extraordinary Items	18,267,006.71	-
Transfers-In	167,721,448.36	-
Transfers-Out	(166,814,013.55)	-
Total Other Revenue, Expenses, Gain/Losses and Transfers	19,174,441.52	-
Change in Net Assets	110,109,724.87	1,062,309.13
Total Net Assets, September 1, 2001	1,272,559,865.78	71,198,407.72
Restatements	7,657,436.00	-
Total Net Assets, September 1, 2001, as Restated	1,280,217,301.78	71,198,407.72
Total Net Assets, August 31, 2002	\$ 1,390,327,026.65	\$ 72,260,716.85

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

UNAUDITED

Texas Water Development Board (580)

Exhibit V - Combined Statement of Cash Flows – Proprietary Funds

For the Fiscal Year Ended August 31, 2002

	Total Enterprise Funds (Exhibit F-3)	Total Proprietary Component Unit (Exhibit L-3)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 2,377,322.08	\$ -
Payments to Suppliers for Goods and Services	(1,049,834.46)	(3,602.14)
Payments to Employees	(6,078,936.88)	-
Payments for Other Expenses	(50.61)	(621,142.91)
Net Cash Provided by Operating Activities	(4,751,499.87)	(624,745.05)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Debt Issuance	128,121,067.04	-
Proceeds of Transfers from Other Funds	161,568,858.67	-
Proceeds from Loan Programs	114,824,218.94	3,895,580.36
Proceeds from other Financing	71,040,313.54	-
Payments of Principal on Debt Issuance	(60,245,000.00)	(14,588,752.65)
Payments of Interest	(124,467,186.07)	(6,418,836.28)
Payments of Other Costs of Debt Issuance	(1,068,191.83)	-
Payments for Transfers to Other Funds	(140,871,721.63)	-
Payments for Other Uses	(6,859,858.34)	-
Net Cash Provided by Noncapital Financing Activities	142,042,500.32	(17,112,008.57)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	18,791,146.07	7,730.86
Proceeds from Interest and Investment Income	24,376,838.19	3,077,285.37
Proceeds from Principal Payments on Loans	24,705,711.70	15,110,500.00
Payments to Acquire Investments	(150,065,607.25)	(458,762.61)
Net Cash Provided by Investing Activities	(82,191,911.29)	17,736,753.62
Net (Decrease) in Cash and Cash Equivalents	55,099,089.16	0.00
Cash and Cash Equivalents--September 1, 2001	576,843,612.81	24,239,055.37
Restatement to Beginning Cash and Cash Equivalents	(403,957,933.33)	(24,239,055.37)
Cash and Cash Equivalents--August 31, 2002	\$ 227,984,768.64	\$ -

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

Texas Water Development Board (580)

Exhibit V - Combined Statement of Cash Flows - Proprietary Funds (cont.)

For the Fiscal Year Ended August 31, 2002

	Total Enterprise Funds (Exhibit F-3a)	Total Proprietary Component Unit (Exhibit L-3a)
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ 26,701,022.11	\$ 1,062,309.13
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Bad Debt Expense	26,624.45	-
Operating Income and Cash Flow Categories:		
Classification Differences	(30,688,641.89)	(624,745.05)
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(621,437.96)	125,942.74
(Increase) Decrease in Loans & Contracts	-	15,110,500.00
(Increase) Decrease in Other Assets	(150.37)	(1,674,173.99)
Increase (Decrease) in Payables	(551,355.53)	(35,825.23)
Increase (Decrease) in Due to Other Funds	382,439.32	-
Increase (Decrease) in Other Liabilities	-	(14,588,752.65)
Total Adjustments	(31,452,521.98)	(1,687,054.18)
Net Cash Provided by Operating Activities	\$ (4,751,499.87)	\$ (624,745.05)
Non Cash Transactions		
Net Increase (Decrease) in Fair Value of Investments	(443,262.16)	402.08

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

Texas Water Development Board (580)

Exhibit VI - Combined Statement of Fiduciary Net Assets - Fiduciary Funds

August 31, 2002

	Agency Funds (Exhibit J-1)	Totals
ASSETS		
Current Assets:		
Cash and Cash Equivalents:		
Cash in State Treasury	\$ 1,412.50	\$ 1,412.50
Total Current Assets	1,412.50	1,412.50
Total Assets	1,412.50	1,412.50
LIABILITIES		
Current Liabilities:		
Funds Held for Others	1,412.50	1,412.50
Total Current Liabilities	1,412.50	1,412.50
Total Liabilities	1,412.50	1,412.50
NET ASSETS		
Held in trust for:		
Individuals, Organizations, and Other Governments:	-	-
Non-Expendable	-	-
Total Net Assets	\$ -	\$ -

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

**Notes
to the
Financial
Statements**

Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

Entity

The Texas Water Development Board (the Board) is an agency of the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for State Agencies.

The Board was created as an agency of the State in 1957, when the voters of the state approved an amendment adding Section 49-c to Article III of the Texas Constitution. The Board is primarily responsible for administering state and federally funded financing programs for water-related projects, water resource planning, data collection, and studies relative to the surface and ground water resources of Texas.

The Texas Water Development Board includes within this report all components as determined by an analysis of their relationship to the Board as listed below.

Due to the significant changes related to Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to be in compliance with generally accepted accounting principles (GAAP). The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Blended Component Units

No component units have been identified which should have been blended into an appropriated fund.

Discrete Component Units

The Texas Water Resources Finance Authority (TWRFA) was created by the Texas Legislature in 1987 as a governmental entity and a body politic and corporate by enactment of Chapter 20 of the Texas Water Code. It is governed by a Board of Directors comprised of six members of the Texas Water Development Board. TWRFA was created for the purpose of increasing the availability of financing for water-related projects. Its operations are wholly managed by the Board through a sale and servicing agreement.

This component unit is legally separate from, but is financially accountable to, the state, or has a relationship with the state such that exclusion would cause the financial statements to be misleading or incomplete. Criteria used to determine the existence of oversight responsibility include such considerations as financial interdependency, selection of governing authority, designation of management, financial accountability, imposition of will, and financial benefit or burden. The component unit columns of the financial statements include the financial data of this entity.

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Fund Structure

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

Governmental Fund Types & Government-wide Adjustment Fund Types

General Fund

The General Fund is the principal operating fund used to account for most of the state's general activities. It accounts for all financial resources except those accounted for in other funds.

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than for private-purpose trusts or for major capital projects) that are legally restricted to use for specified purposes.

Debt Service Funds

Debt Service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Asset Adjustment Fund Type

Capital Asset Adjustment fund type will be used to convert governmental fund types' capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

Long-Term Liabilities Adjustment fund type will be used to convert governmental fund types' debt from modified accrual to full accrual.

Other Adjustments Fund Type

Other Adjustments fund type will be used to convert all other governmental fund types activity from modified accrual to full accrual.

Proprietary Fund Types

Enterprise Funds

Enterprise funds are used to account for any activity for which a fee is charged to external users for goods or services. Activities must be reported as enterprise funds if any one of the following criteria is met.

1. The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
2. Laws or regulations require that the activity's costs of providing services including capital costs (such as depreciation or debt service), be recovered with fees and charges.
3. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

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Fiduciary Fund Types

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. When assets are held under the terms of a formal trust agreement, either a pension trust fund, or a private purpose trust fund is used.

Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Component Units

The discretely presented component unit is accounted for separately in the financial statements.

Proprietary Component Units are used to account for the discretely presented component units which follow proprietary fund measurement focus and accounting principles.

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types that build the fund financial statements are accounted for using the modified accrual method basis of accounting. Under the modified accrual, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end. The State of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for Fund Financial Statements prepared on the modified basis of accrual. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual method of accounting. This includes unpaid Employee Compensable leave, the unmatured debt service (principal and interest) on general long-term liabilities, long-term capital leases, and long-term claims and judgments. The activity will be recognized in these new fund types.

Proprietary funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

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Budget and Budgetary Accounting

The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act).

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

Assets, Liabilities, and Fund Balances / Net Assets

ASSETS

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Investments

Investments of the Board in authorized securities are reported at market value in accordance with GASB 31 requirements. Any short-term securities that are exchanged for other short-term securities are accounted for using the completed transaction method. This method treats the exchanges as separate sales, purchase transactions, and includes gains and losses on the sales in current revenue.

Notes / Loans and Contracts Receivable

Although collateralized by bonds of the receiving entity, loans made to political subdivisions are presented as Notes/Loans and Contracts Receivable at par. The portion due within the next year is shown separately as a current asset with the remainder as noncurrent.

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements.

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost or, if not purchased, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

Other Receivables

Other receivables include year-end revenue accruals not included in any other receivable category. This account can appear in governmental and proprietary fund types.

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LIABILITIES

Accounts Payable

Accounts Payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Payroll Payable

H.B. 62, an act of the 69th Legislature, 2nd Called Session, requires state agencies to delay the pay date for state employees to the first working day of the month following the pay period. Consequently, the reporting of payroll at August 31 is presented as Payroll Payable.

Other Payables

Other payables are the accrual at year-end of expenditure transactions not included in any of the other payable descriptions. Other payables may be included in either the governmental or proprietary fund types. The most significant other payable is the accrued interest due as of the balance sheet date on bonds payable in the proprietary funds.

Employees' Compensable Leave Balances

Employees' Compensable Leave Balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net assets.

Capital Lease Obligations

Capital Lease Obligations represent the liability for future lease payments under capital lease contracts contingent upon the appropriation of funding by the Legislature. Liabilities are reported separately as either current or noncurrent in the statement of net assets.

Bonds Payable – General Obligation Bonds

The unmatured principal of general obligation bonds is accounted for as a liability in the proprietary funds and in the Long-term Liabilities column of the governmental funds. Bonds Payable are reported separately as either current – the amount due within the next year – or noncurrent.

Bonds payable are recorded at par. For governmental funds, the bond proceeds are accounted for as an "Other Financing Source" when received, and expenditures for payment of principal and interest are recorded in Debt Service funds when paid. These amounts are adjusted in the Long-term Liabilities column. General obligation bonds issued by proprietary funds follow the same accounting as for revenue bonds.

Bonds Payable – Revenue Bonds

Revenue bonds are generally accounted for in the proprietary funds. The bonds payable are reported at par less unamortized discount or plus unamortized premium. Interest expense is reported on the accrual basis, with amortization of discount or premium. Bonds Payable are reported separately as either current – the amount due within the next year – or noncurrent in the statement of net assets.

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FUND BALANCE / NET ASSETS

The difference between fund assets and liabilities is 'Net Assets' on the government-wide, proprietary and fiduciary fund statements, and the 'Fund Balance' is the difference between fund assets and liabilities on the governmental fund statements.

Reservations of Fund Balance

Fund balances for governmental funds are classified as either reserved or unreserved in the fund financial statements. Reservations are legally restricted to a specific future use or not available for expenditure.

Reserved for Encumbrances

This represents commitments of the value of contracts awarded or assets ordered prior to year-end but not received as of that date. Encumbrances are not included with expenditures or liabilities. They represent current resources designated for specific expenditures in subsequent operating periods.

Reserved for Debt Service

This is the only fund balance allowed for debt service funds.

Reserve for Loans and Contracts

Represents the portion of the fund balance reserved for loans and contracts receivable.

Unreserved/Designated

Designations of fund balance are established in accordance with legislative acts, special regulations, restrictions, or limitations.

Unreserved/Undesignated:

Represents the fund balance at year-end not otherwise reserved or designated.

Invested In Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted Net Assets

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets

Unrestricted net assets consist of net assets, which do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources, which are imposed by management, but can be removed or modified.

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INTERFUND TRANSACTIONS AND BALANCES

The agency has the following types of transactions among funds:

- (1) Transfers: Legally required transfers that are reported when incurred as 'Transfers In' by the recipient fund and as 'Transfers Out' by the disbursing fund.
- (2) Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.
- (3) Interfund receivables and payables: Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as "Current", repayment for two (or more) years is classified as "Non-Current".
- (4) Interfund Sales and Purchases: Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund. The composition of the agency's Interfund receivables and payables at August 31, 2002 is presented in Note 7.

NOTE 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2002, is presented on the following page.

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PRIMARY GOVERNMENT

	Balance 09/01/01	Adjustments*	Reclassification	Additions	Deletions	Balance 08/31/02
Governmental Activities:						
Non-depreciable Assets:						
Land and Land Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total non-depreciable assets	-	-	-	-	-	-
Depreciable Assets:						
Furniture and Equipment	3,904,411.79	(2,377,039.48)		104,990.80	(87,338.80)	1,545,024.31
Vehicles, Boats & Aircraft	1,348,264.23	(10,113.39)		611,960.69	(91,115.73)	1,858,995.80
Other Capital Assets	5,866,783.00	-		1,701,601.67	-	7,568,384.67
Total depreciable assets at historical costs	11,119,459.02	(2,387,152.87)	-	2,418,553.16	(178,454.53)	10,972,404.78
Less accumulated depreciation for:						
Furniture and Equipment		902,482.21		137,507.61	(81,445.08)	958,544.74
Vehicles, Boats & Aircraft		1,037,284.37		174,809.89	(90,965.21)	1,121,129.05
Other Capital Assets		147,813.18		756,838.44	-	904,651.62
Total accumulated depreciation	-	2,087,579.76	-	1,069,155.94	(172,410.29)	2,984,325.41
Depreciable assets, net	11,119,459.02	(4,474,732.63)	-	1,349,397.22	(6,044.24)	7,988,079.37
Governmental Activities capital assets, net	\$ 11,119,459.02	\$ (4,474,732.63)	\$ -	\$ 1,349,397.22	\$ (6,044.24)	\$ 7,988,079.37

*Adjustment Column Worksheet

	GASB 34/35 Fund Type Changes	Infrastructure	Capitalization Threshold Changes	Accumulated Depreciation	Other Adjustments	Total Adjustments
Governmental Activities:						
Non-depreciable Assets:						
Land and Land Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total non-depreciable assets	-	-	-	-	-	-
Depreciable Assets:						
Furniture and Equipment			(2,191,177.40)		(185,862.08)	(2,377,039.48)
Vehicles, Boats & Aircraft			(10,113.39)			(10,113.39)
Other Capital Assets						
Total depreciable assets at historical costs	-	-	(2,201,290.79)	-	(185,862.08)	(2,387,152.87)
Less accumulated depreciation for:						
Furniture and Equipment				902,482.21		902,482.21
Vehicles, Boats & Aircraft				1,037,284.37		1,037,284.37
Other Capital Assets				147,813.18		147,813.18
Total accumulated depreciation	-	-	-	2,087,579.76	-	2,087,579.76
Depreciable assets, net	-	-	(2,201,290.79)	(2,087,579.76)	(185,862.08)	(4,474,732.63)
Governmental Activities capital assets, net	\$ -	\$ -	\$ (2,201,290.79)	\$ (2,087,579.76)	\$ (185,862.08)	\$ (4,474,732.63)

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NOTE 3: Deposits, Investments & Repurchase Agreements

Deposits

As of August 31, 2002, deposits held in the Texas State Treasury totaled \$351,982,452.70. These funds are in the agency name and account with the Texas State Treasury. The State Treasury is responsible for disclosing the collateral policy for these funds.

The carrying amount of \$13,475 for Cash in Bank consisting of imprest petty cash is presented below.

Category 1	Category 2	Category 3	Bank Balance	Carrying Amount
\$ 13,475.00			\$ 13,475.00	\$ 13,475.00

- Category 1 includes balances insured or collateralized with securities held by the agency, or by its agent in the name of the agency.
- Category 2 includes balances collateralized with securities held by the pledging financial institution's trust department, or agent in the agency's name.
- Category 3 includes balances that were not collateralized.

Investments

The agency has legislative authorization to invest reserve funds in investments allowed by law for state deposits which include obligations of the United States, obligations unconditionally guaranteed by the United States, repurchase agreements, obligations of the State of Texas, and obligations of political subdivisions of any state of the United States.

At certain times during the year, in the course of investment transactions in securities and in bonds of political subdivision, the Board held funds overnight in local banks that were insured and collateralized with securities held by the bank's unaffiliated agent in the Board's name.

The Agricultural Soil and Water Conservation Accounts are additionally authorized by Texas Water Code, Section 15.431, to invest in the same instruments for the permanent school fund under the Texas Education Code, Section 15.02.

The agency's investments at fiscal year end are illustrated below. The securities, stated at both carrying and market values at August 31, 2002, are categorized to show the degree of risk assumed by the entity at year-end.

- Category 1 includes investments that are insured, or registered; or for which the securities are held by the agency; or by its agent in the agency's name.
- Category 2 includes uninsured and unregistered investments for which the securities are held by a broker or dealer in its trust department, or by an agent in the Board's name.
- Category 3 includes uninsured and unregistered investments for which the securities are held by a broker or dealer, or by its trust department or agent, but not in the Board's name.

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Type of Security	Categories			Carrying Value	Fair Value
	1	2	3		
Repurchase Agreements	\$488,233,317.47			\$488,233,317.47	\$488,233,317.47
US Govt. Investments	10,303,886.45			10,303,886.45	10,303,886.45
US Mortgage Backed Securities	54,161,984.35			54,161,984.35	54,161,984.35
Total	\$552,699,188.27	-	-	\$552,699,188.27	\$552,699,188.27

Consisting of the following:

Short Term Investments	\$ 552,643,068.15
Long Term Investments (Exh I)	<u>56,120.12</u>
Total	\$ 552,699,188.27

Investments for Discretely Presented Component Units are:

Type of Security	Categories			Carrying Value	Fair Value
	1	2	3		
Repurchase Agreements	\$27,975,482.76			\$27,975,482.76	\$27,975,482.76
US Mortgage Backed Securities	999,500.00			999,500.00	999,500.00
Other Public Obligations	30,400,800.00			30,400,800.00	30,400,800.00
Total	\$59,375,782.76	-	-	\$59,375,782.76	\$59,375,782.76

Consisting of the following:

Short Term Investments	\$ 28,974,982.76
Long Term Investments (Exh I)	<u>30,400,800.00</u>
Total	\$ 59,375,782.76

It is the intent of management to hold certain investments in state and local government securities until maturity; therefore, these securities are included under market value at par. The difference between the carrying value and the market value of certain miscellaneous investments in U.S. Interest Strips is caused primarily by the Board's practice of using the straight-line method of amortizing the discount on these securities, versus the market value pricing, which would reflect the present value of the cash flows from these instruments.

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GASB Statement 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" was implemented during the fiscal year 1998. This requires governmental entities to report certain investments at fair value as of the balance sheet date and recognizes the corresponding change in the fair value of investments in the year the change occurs. All investments are reported at Fair Value as of Balance Sheet date.

NOTE 4: Summary of Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2002, the following changes occurred in liabilities:

Governmental Activities	Balance 09/01/2001	Additions	Reductions	Balance 08/31/2002	Amts Due Within One Year
GO Bonds Payable	\$246,615,000.00	\$60,140,000.00	\$4,560,000.00	\$302,195,000.00	\$7,570,000.00
Compensable Leave	1,675,281.82*	1,758,390.29	1,703,031.62	1,730,640.49	1,064,477.08
Total Governmental Activities	248,290,281.82	61,898,390.29	6,263,031.62	303,925,640.49	8,634,477.08
Business-Type Activities	Balance 09/01/2001	Additions	Reductions	Balance 08/31/2002	Amounts Due Within One Year
Notes and Loans Payable	179,831,630.00**	27,500,000.00	8,070,000.00	199,261,630.00	9,275,000.00
GO Bonds Payable	783,250,000.00	141,535,000.00	45,205,000.00	879,580,000.00	28,495,000.00
Revenue Bonds Payable	1,609,890,000.00	0.00	47,075,000.00	1,562,815,000.00	47,280,000.00
Total Business-Type Activities	\$2,572,971,630.00	\$169,035,000.00	\$100,350,000.00	\$2,641,656,630.00	\$85,050,000.00

* The beginning balance was increased \$3,094.36 due to adjustments made to correct prior state service.

** The beginning balance was increased \$8,070,000 to include the portion of Notes and Loans Payable due in FY02.

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Notes and Loans Payable

Notes and Loans Payable include advances to the Clean Water and Drinking Water State Revolving Funds for the State Match portion of these programs. The Debt Service requirements, including interest, are as follows:

Year	Enterprise Funds
2003	21,198,419.03
2004	21,022,796.67
2005	21,185,001.68
2006	21,220,096.07
2007	21,560,782.45
2008-2012	103,951,775.64
2013-2017	58,913,803.34
2018-2022	32,255,413.76
2023-2027	5,147,830.66
Total Requirements	306,455,919.30

Claims and Judgments

There was no litigation in which the Board could incur long-term liability.

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Assets. An expense and liability for proprietary fund types are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTE 5: Capital Leases

Texas Water Development Board has entered into a long-term lease for financing the purchase of a vehicle. The lease is classified as capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments at the inception of the lease. The following is a summary of original capitalized costs of the vehicle under lease as well as the accumulated depreciation as of August 31, 2002.

Assets Under Capital Leases	Governmental Activities	Business-Type Activities
Vehicles	\$499,362.69	
Less: Accumulated Depreciation	57,218.59	
Total	\$422,144.10	

Future minimum lease payments under this capital lease, together with the present value of the net minimum lease payments at fiscal year-end are as follows:

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Future Minimum Lease Payments	Governmental Activities		Business- Type Activities	
	Principal	Interest	Principal	Interest
2003	85,800.09	19,169.23		
2004	90,340.51	14,430.13		
2005	95,134.10	9,426.81		
2006	100,194.95	4,144.53		
Total Minimum Lease Payments	418,640.35			
Less: Amount Representing Interest	47,170.70			
Present Value of Net Minimum Lease Payments (Exhibit I & III)	371,469.65			

NOTE 6: Operating Lease Obligations

Future minimum lease rental payments under noncancelable operating leases having an initial term in excess of one year are as follows:

Year Ended August 31	Total
2003	333,092.70
2004	333,264.96
2005	333,264.96
2006	283,430.91
2007	238,423.52
2008-2012	42,848.89
Total Future Minimum Lease Payments	1,564,325.94

NOTE 7: Interfund Balances / Activities

As explained in Note 1 on Interfund Activities and Balances are numerous transactions between funds and agencies. At year-end amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables
- Due From Other Agencies or Due To Other Agencies
- Due From Other Funds or Due To Other Funds
- Transfers In or Transfers Out
- Legislative Transfers In or Legislative Transfers Out

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of current interfund balances will occur within one year from the date of the financial statement. Individual balances and activity at August 31, 2002, follows:

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Interfund Receivables and Payables - Current		
Current Portion	Interfund Receivable	Interfund Payable
GENERAL REVENUE (01)		
Appd Fund 0001, D23 Fund 0001		
Appd Fund 0480, D23 Fund 4801	11,915.69	
SPECIAL REVENUE (02)		
Appd Fund 0480, D23 Fund 4801		
Appd Fund 0001, D23 Fund 0001		11,915.69
Total Interfund Receivable/Payable	\$11,915.69	\$11,915.69

Interfund Receivables and Payables – Non-current			
Non-Current Portion	Interfund Receivable	Interfund Payable	Purpose
ENTERPRISE (05)			
Appd Fund 0351, D23 Fund 3511			
Appd Fund 9999, D23 Fund 0651	54,742,500.00		Match Bonds
Appd Fund 9999, D23 Fund 0951	180,000.00		Match Bonds
Appd Fund 0371, D23 Fund 0371			
Appd Fund 9999, D23 Fund 0651	108,904,130.00		Match Bonds
Appd Fund 9999, D23 Fund 0951	26,160,000.00		Match Bonds
Appd Fund 9999, D23 Fund 0651			
Appd Fund 0351, D23 Fund 3511		54,742,500.00	Match Bonds
Appd Fund 0371, D23 Fund 0371		108,904,130.00	Match Bonds
Appd Fund 9999, D23 Fund 0951			
Appd Fund 0351, D23 Fund 3511		180,000.00	Match Bonds
Appd Fund 0371, D23 Fund 0371		26,160,000.00	Match Bonds
Total Interfund Receivable/Payable	\$189,986,630.00	\$189,986,630.00	

Legislative Transfers		
	Legislative TRANSFERS IN	Legislative TRANSFERS OUT
GENERAL REVENUE (01)		
Appd Fund 0001, D23 Fund 0001		
Agency 902, D23 Fund 0001	17,347,219.49	
Appd Fund 0001, D23 Fund 0001		
Agency 327, D23 Fund 0001	2,182,921.68	
Appd Fund 0001, D23 Fund 0001		
Agency 902, D23 Fund 0001		99,660.71
Total Legislative Transfers	\$19,530,141.17	\$99,660.71

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NOTE 8: Employees' Retirement Plans

The State has joint contributory retirement plans for substantially all its employees. The Agency participates in the plans administered by the Employees Retirement System of Texas. Future pension costs are the liabilities of the Retirement System. The System does not account for each State agency separately. Annual financial reports prepared by the System include audited financial statements and actuarial assumptions and conclusions.

NOTE 9: Deferred Compensation

State employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in the TEX. GOV'T. CODE ANN., sec 609.001. Two plans are available for employees' deferred compensation plan. Both plans are administered by the Employees Retirement System.

NOTE 10: Contingent Liabilities

Contingent Liabilities

Sick leave, the accumulation of which is unlimited, is earned at the rate of 8 hours per month and is paid to the employee's estate in the event of his/her death while employed by the Board. The maximum sick leave that may be paid is one-half of the employee's accumulated hours, or 336 hours, whichever is less. The Board recognizes the cost of sick leave when paid. Experience indicates the probability of a material effect on any given year's operation as a result of death, or an abnormally high rate of illness, is very low.

As a prime contractor with a federal granting agency, the Board is contingently liable to refund any disallowed costs to the granting agency. The amount of disallowed cost, if any, was undeterminable at August 31, 2002.

Rebatable Arbitrage

Rebatable arbitrage is defined by Internal Revenue Code Section 148 as earnings on investments purchased with the gross proceeds of a bond issue in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. This rebatable arbitrage must be paid to the federal government. The Board is entitled to invest its bond proceeds at an unrestricted yield for various temporary periods ranging from six months to three years. This unrestricted earnings period begins on the date of delivery of the bond issue. Earnings on any funds held by the Board after this period ends must be restricted to the yield of the Board's bond issue. The amount of rebate due the federal government is determined and payable during each five-year period and upon final payment of the tax-exempt bonds.

Arbitrage funds have been established within various Texas Water Development Board programs. Deposits into these funds are made according to the verification agent's final report received

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around January following the close of each fiscal year. The final determination of rebate requirements was \$4,127,876.78 as established in January 2002 for FY 2001. For Fiscal Year 2002, a preliminary determination of rebatable arbitrage totaling \$2,089,503.53 was provided to the Board on October 31, 2002. Any increase in deposit needed for FY 2002 will be deposited after the final determination is received.

Outstanding Loan and Grant Commitments

At August 31, 2002, the Board had made commitments to provide political subdivision financing from the proceeds remaining from current bond issues, and from the proceeds of future bond issues, from the federal draw downs, or from appropriations as follows:

	For Loans	For Grants	Total
General Revenue Fund	\$ -	\$ -	\$ -
Agricultural Trust Fund	500,000.00	-	500,000.00
Rural Water Assistance Fund	937,000.00	-	937,000.00
Water Development Fund I	-	-	-
Water Development Fund II	136,322,000.00	-	136,322,000.00
State Participation Fund	16,365,000.00	-	16,365,000.00
Water Development Fund (EDAP)	4,265,000.00	56,648,761.52	60,913,761.52
Agricultural Conservation Fund	-	16,000,000.00	16,000,000.00
Colonia Plumbing Loan Program (CPLP)	3,571,438.41	145,300.00	3,716,738.41
Colonia Wastewater Treatment Program	-	194,431,910.72	194,431,910.72
Water Loan Assistance Fund	2,000,000.00	2,638,556.00	4,638,556.00
Pilot Loan Program	-	49,539.00	49,539.00
Water Bank - SECO	-	2,835,795.00	2,835,795.00
Water Pollution Control Revolving Fund (CWSRF)	226,990,000.00	1,569,443.00	228,559,443.00
Drinking Water State Revolving Fund (DWSRF)	220,087,000.00	14,473,594.64	234,560,594.64
Total Commitments	\$611,037,438.41	\$288,792,899.88	\$899,830,338.29

Pending Litigation

The agency is a defendant in pending litigation in one case. The plaintiff is seeking damages and costs. The preliminary estimate of maximum exposure is \$250,000. An adverse ruling is reasonably possible, but in management's opinion an adverse ruling is remote.

NOTE 11: Continuation Subject to Review

Under the Texas Sunset Act, the Agency will be abolished effective September 1, 2013, unless continued in existence by the 83rd Legislature as provided by the Act. If abolished, the agency may continue until September 1, 2014, to close out its operations.

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Texas Water Development Board (580)

NOTE 12: Risk Financing and Related Insurance

The Texas Water Development Board (Board) uses a number of approaches to decrease risks and protect against losses to the agency. These methods include internal practices and employee training.

The Board operates a fleet of motor vehicles and watercraft. The Board is self-insured as to its own property losses, and the liability of loss to others. The Attorney General would defend the agency and personnel against any lawsuit brought as a result of the operation of the motor vehicles or watercraft. The Texas Tort Claims Act's limitation of liability is relied upon to offer sufficient protection to the agency and its employees. The Board performs an annual review of the driving records of employees who drive agency vehicles. Also, Board policy prohibits employees from using Board vehicles for private purposes.

The Board provides financial assistance to political subdivisions of the State for construction of water-related facilities. Subject to the limited waiver of governmental immunity of Chapter 101, Texas Civil Practice and Remedies Code, neither the agency nor its board members and employees are liable under state law for the acts performed in connection with the agency's constitutional and statutory duties of administering public funds and operating Board programs. The Board does not assume the management or control of any funded project, but requires its borrowers to assume responsibility in complying with all state and federal laws, rules, and regulations in the construction and operation of facilities.

NOTE 13: Segment Information

The Clean Water State Revolving Fund uses advances from the Water Development Funds, revenue bond proceeds, and U.S. Environmental Protection Agency capitalization grants to make water quality enhancement loans. The Texas Water Resources Finance Authority issued revenue bonds in 1989. The proceeds of this one issue were used to fund the purchase of a portfolio of political subdivision bonds and commitments from the Texas Water Development Board.

Condensed financial statements for these entities are shown on the following page.

Texas Water Development Board (580)**Condensed Statement of Net Assets**

	<u>Clean Water State Revolving Fund</u>	<u>Texas Water Resources Finance Authority Component Unit</u>
Assets		
Current assets		
Short Term Investments	\$ 474,246,163.63	\$ 28,974,982.76
Receivables interest and loans	28,554,545.20	10,541,636.96
Loans and Contracts	79,958,000.00	
Non-Current assets		
Loans and Contracts	2,277,403,765.65	67,571,013.00
Investments		30,400,800.00
Total assets	<u>2,860,162,474.48</u>	<u>137,488,432.72</u>
Liabilities		
Current Liabilities		
Due to other funds	8,982,439.32	
Revenue Bonds payable	34,610,000.00	12,670,000.00
Others	35,937,760.39	174,745.17
Non-Current liabilities		
Interfund Payable	163,646,630.00	
Revenue Bonds payable	1,458,415,000.00	52,382,970.70
Total liabilities	<u>1,701,591,829.71</u>	<u>65,227,715.87</u>
Net Assets		
Unrestricted	1,158,570,644.77	72,260,716.85
Total Net Assets	<u>\$ 1,158,570,644.77</u>	<u>\$ 72,260,716.85</u>

Condensed Statement of Revenues, Expenses, and Change in Net Assets

Operating activities		
Interest and Investment Income	\$ 110,019,581.14	\$ 8,280,635.63
Other Operating Revenues	2,133,554.32	-
Interest expenses	(88,622,924.63)	(6,593,581.45)
Other Operating expenses	(5,432,609.93)	(624,745.05)
Net Operating income	<u>18,097,600.90</u>	<u>1,062,309.13</u>
Non-Operating activities		
Federal Revenues	46,742,412.83	-
Other Non-Operating Expense	(776,452.00)	-
Non-Operating Income (Loss)	<u>45,965,960.83</u>	<u>-</u>
Change in Net Assets	64,063,561.73	1,062,309.13
Beginning Net Assets	<u>1,094,507,083.04</u>	<u>71,198,407.72</u>
Ending Net Assets	<u>\$ 1,158,570,644.77</u>	<u>\$ 72,260,716.85</u>

Condensed Statement of Cash Flows

Net cash provided (used) by:		
Operating activities	\$ (2,674,047.24)	\$ (624,745.05)
Noncapital financing activities	13,970,175.10	(17,112,008.57)
Investing activities	(11,296,127.86)	17,736,753.62
Net increase (decrease)	-	-
Beginning cash and cash equivalents	370,506,285.41	24,239,055.37
Restatement to Beginning Cash & Cash Equivalents	(370,506,285.41)	(24,239,055.37)
Ending cash and cash equivalents	<u>\$ -</u>	<u>\$ -</u>

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Texas Water Development Board (580)

NOTE 14: Bonded Indebtedness

Bonds Payable

Description of Issues

General Obligation Bonds - Description of Issues

The Board issues bonds to provide financial assistance to political subdivisions for water development, water quality enhancement, and flood control projects. The Board has thirty-nine general obligation bond series outstanding. These general obligation bonds are backed by the full faith and credit of the State of Texas. These bonds are issued under the authority of the Constitution under Article III, Sections 49c, 49d, 49d-1, 49d-2, 49d-6, 49d-7, 49d-8, 49d-9, 50d, and the laws of the State of Texas. Bonds issued for the Economically Distressed Areas Program (EDAP) (six tax exempt series); for the State Participation Program (three tax exempt series); and for the Agricultural Water Conservation Program (one taxable series), are not anticipated to be self-supporting.

The Agricultural Water Conservation Bonds (Series 2002) mentioned above were issued under Rider 15 of the Appropriations Bill of the 77th Legislative Session. Grants totaling \$16,000,000.00 will be made in FY03 from these proceeds.

Revenue Bonds - Description of Issues

In 1987, the Board received legislative authorization to issue an unlimited amount of revenue bonds to fund certain eligible projects. To date, the Board has eleven revenue bond series outstanding. The Board has authority to sell revenue bonds for the following purposes: (1) to finance the construction of water and wastewater projects of political subdivisions and non-profit water supply corporations; (2) to provide interim financing to political subdivisions which are also receiving long term financing from the Board; (3) to provide the state matching funds for federal grants under the Federal Water Pollution Control Act and the Safe Drinking Water Act. The Board's revenue bonds do not constitute a debt of the State and neither the full faith and credit, nor the taxing authority of the State is in any manner pledged, given, or loaned to the payment of the Board's revenue bonds. Further, the Board's revenue bonds are not secured by, or payable from, money in either Development Fund I or Development Fund II. As of this date, the Board has issued revenue bonds only for the purpose of providing funds for the Clean Water State Revolving Fund.

Also in 1987, the State legislature created the Texas Water Resources Finance Authority (the "Authority") as a governmental entity and a body politic and corporate, governed by a board of directors composed of the six Texas Water Development Board members. Because the Authority is a separate legal entity from the Board it may issue revenue bonds. The proceeds of these may be used either for the purpose of purchasing political subdivision bonds from the Board's existing loan portfolio, or directly from political subdivisions. The Authority's revenue bonds do not constitute the debt of the State, and neither the full faith or credit, nor the taxing authority of the State is in any manner pledged, given, or loaned to the payment of the Authority's revenue bonds. Further, the Authority's revenue bonds are not secured by or payable from money in Development Fund I or Development Fund II.

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Description of Issue	Amount Issued (In thousands)	Purpose of Issue	Issue Date
General Obligation Bonds - Dfund I			
W Dev Bds Ser '93-A	23,000	Provide financial assistance for water supply purposes	2/1/93
W Dev Bds Ser '93-B	3,000	Provide financial assistance for state participation projects	2/1/93
W Dev Bds Ser '93-D	14,000	Provide financial assistance for water quality enhancement purposes	2/1/93
W Dev Bds Ser '93-G	15,000	Provide financial assistance for water supply purposes	12/1/93
W Dev Bds Ser '93-I	20,000	Provide financial assistance for water quality enhancement purposes	12/1/93
W Dev Bds Ser '94-A	35,000	Provide financial assistance for water supply purposes	12/1/94
W Dev Bds Ser '94-B	20,000	Provide financial assistance for water quality enhancement purposes	12/1/94
W Dev Bds Ser '95-A	40,000	Provide financial assistance for water supply purposes	5/1/95
W Dev Bds Ser '96-A	20,000	Provide financial assistance for water supply purposes	4/1/96
W Dev Bds Ser '96-B	15,000	Provide financial assistance for water quality enhancement purposes	4/1/96
W Dev Bds Tax Ser '96-E	30,000	Provide financial assistance for water supply purposes	8/1/96
W Dev Bds Ser '97-C	20,000	Provide financial assistance for state participation projects	1/1/97
General Obligation Bonds - Dfund II			
W Dev Bds Ser '97-A	50,000	Provide financial assistance for water supply, water quality enhancement, and flood control purposes after being moved to Dfund II under 49-d-8 of the Constitution	1/1/97
W Dev Bds Ser '97-B	20,000	Provide financial assistance for water supply, water quality enhancement, and flood control purposes after being moved to Dfund II under 49-d-8 of the Constitution	1/1/97
W Dev Bds Ser '97-D	75,000	Provide financial assistance for water supply, water quality enhancement, and flood control purposes after being moved to Dfund II under 49-d-8 of the Constitution	8/1/97
W Dev & Ref Bds Ser '98-A	80,000	Refund, in advance of their maturities, certain outstanding taxable TWDB's bonds and provide financial assistance for water projects and for transfers to any SRF administered by the Board	5/1/98
W Dev Ref Bds Tax Ser '98-B	46,615	Refund, in advance of their maturities, certain outstanding taxable TWDB's bonds	5/1/98
W Dev Bds Ser '99-A	74,735	Provide financial assistance for water projects and for transfers to any SRF administered by the Board	8/1/99
W Dev & Ref Bds Ser '00	60,000	Refund, in advance of their maturities, certain outstanding TWDB's bonds and provide financial assistance for water projects and for transfers to any SRF administered by the Board	5/1/00
W Dev Bds Ser '00-A	75,000	Provide financial assistance for Water Assistance Projects	12/1/00
W Dev Ref Bds Ser '01-A	30,940	Prepay Board's obligation related to the Palmetto Bend Project	6/1/01
W Dev Bds Ser '01-B Taxable	245	Provide funding for certain costs incurred in connection with the Palmetto Bend Project	6/1/01
W Dev Bds Ser '01-B	43,725	Provide financial assistance for water projects and for transfers to any SRF administered by the Board	6/1/01
W Dev Bds Ser '02-A	25,000	Provide financial assistance to Rural Political Subdivisions for water and water-related projects	3/1/02
W Dev & Ref Bds Ser '02-B	98,500	Refund, in advance of their maturities, certain outstanding TWDB's bonds and provide financial assistance for Water Assistance Projects	4/1/02

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W Dev Bds Ser '02-E	18,035	Provide financial assistance for any Water Assistance Projects	8/1/02
General Obligation Bonds – AG			
Agri Water Cons Bds Taxable Ser '02	16,160	Provide funds to Texas State Soil and Water Conservation Board for brush control cost share projects, and Texas Department of Agriculture for salt cedar control	8/1/02
General Obligation Bonds – EDAP			
W Dev Bds Ser '97-E	15,000	Provide financial assistance to the EDAP for water supply	8/1/97
W Dev Bds Ser '97-F	10,000	Provide financial assistance to the EDAP for water supply	8/1/97
W Dev Bds Ser '98-C	82,400	Refund, in advance of their maturities, certain outstanding TWDB's Bonds (Dedicated Bonds for EDAP), and to fund loans and/or grants to political subdivisions in economically distressed areas of the State of Texas for water quality enhancement and water supply purposes	5/1/98
W Dev Bds Ser '99-B	24,995	Provide financial assistance for EDAP projects	8/1/99
W Dev Bds Ser '01-A	25,000	Provide financial assistance for EDAP projects	6/1/01
W Dev Bds Ser '02-C	23,980	Provide financial assistance for EDAP projects	8/1/02
General Obligation Bonds – State Participation			
W Dev Bds Ser '99-C	50,000	Provide funding for State Participation Projects	8/1/99
W Dev Bds Ser '01-C	49,840	Provide funding for State Participation Projects	6/1/01
W Dev Bds Ser '02-D	20,000	Provide funding for State Participation Projects	8/1/02
TWRFA Revenue Bonds			
TWRFA Rev Bds Taxable, Ser '99	83,015	Provide current refunding of TWRFA Series 1989 Revenue Bonds	5/1/99
TWRFA Rev Bds, Ser '99	62,385	Provide current refunding of TWRFA Series 1989 Revenue Bonds	5/1/99
TWDB Revenue Bonds			
W Dev SRF Rev Bds Ser '92	241,000	Provide financial assistance for water quality enhancement purposes	10/15/92
W Dev SRF Rev Bds Ser '92-A	50,000	Provide financial assistance for water quality enhancement purposes	3/3/92
W Dev SRF Rev Bds Ser '93	125,000	Provide financial assistance for water quality enhancement purposes	11/15/93
W Dev SRF Rev Bds Ser '96-A	200,000	Provide financial assistance for water quality enhancement purposes	4/1/96
W Dev SRF Rev Bds Ser '96-B	185,000	Provide financial assistance for water quality enhancement purposes	12/1/96
W Dev SRF Rev Bds Ser '97-A	50,000	Provide financial assistance for water quality enhancement purposes	3/1/97
W Dev SRF Rev Bds Ser '97-B	300,000	Provide financial assistance for water quality enhancement purposes	10/1/97
W Dev SRF Rev Bds Ser '98-A	150,000	Provide financial assistance for water quality enhancement purposes	8/1/98
W Dev SRF Rev Bds Ser '99-A	100,000	Provide financial assistance for water quality enhancement purposes	9/1/99
W Dev SRF Rev Bds Ser '99-B	150,000	Provide financial assistance for water quality enhancement purposes	11/15/99
W Dev SRF Rev Bds Ser '00-A	100,000	Provide financial assistance for water quality enhancement purposes	8/15/00

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Authorized but Unissued

In 1985, the voters authorized \$200,000,000 for the Agricultural Water Conservation Program pursuant to Article III, Section 50d of the Texas Constitution. To date, \$35,160,000 in General Obligation Bonds have been issued; leaving a remaining authorization available of \$164,840,000.

In 1998, the Board created Texas Water Development Fund II pursuant to Article III, Section 49-d-8 of the Texas Constitution by transferring all outstanding authorizations remaining in Development Fund I. The Constitutional Amendment provided for removing the restrictive use requirements and allowing authorizations to be combined as to purpose. Thus, the \$1,012,810,000 in unused authority in Development Fund I in May 1998, was transferred to Development Fund II. This total authorization of \$1,012,810,000 contains \$161,565,000 dedicated to EDAP projects, \$716,253,820 dedicated to Development Fund II projects, and \$134,991,180 dedicated to State Participation. Additionally, \$26,523,431 of bond authorization which had previously been used for a contingent liability for a federal contract relating to Lavaca-Navidad River Authority, Lake Texana Project, was released and returned to the Board's authorization after the Federal Contract was retired on June 26, 2001. During this fiscal year, additional bonds have been sold which have reduced the balance of authorizations at August 31, 2002, to \$421,457,437.66.

Certain bonds issued in 1999, 2001, and 2002, were issued at a premium; the outstanding authorization is reduced by the amount of the premium.

In 2002, Constitutional Amendment 19 was passed by the voters of Texas which authorizes the Texas Water Development Board to issue up to \$2,000,000,000 in additional general obligation bonds under Article III, Section 49-d-9 of the Texas Constitution.

The combined remaining balance of all general obligation bond authorization as of August 31, 2002, totals \$2,586,297,437.66.

Debt Service

Political subdivision's loan portfolios support the Board's debt service on both general obligation and revenue bonds. Proceeds of general obligation bond issuance are loaned to political subdivisions for the purposes as stated in each authorization. The repayment terms of the political subdivision loans provide cash flows necessary to meet the debt service requirements of the Board's general obligation bonds. Senate Bill No. 259, 70th Texas Legislature, Regular Session, gave the Board power to determine its lending rate on loans to political subdivisions.

In establishing lending rate scales, the Board considers the true interest cost of the money to the State including issuance costs, and the risks associated with the operation of the financial assistance program. In the event that amounts available in both of the Water Development Funds (Development Fund I and Development Fund II) are insufficient to meet debt service requirements, funds are transferred from the State's General Revenue Fund. The calculation of the annual transfer from the General Revenue Fund is based on a comparison between the debt service requirement for the fiscal year and the assets available in the Water Development Interest and Sinking Funds at the end of the prior fiscal year, with respect to Development Fund I; and three (3) days prior to debt service payment dates with respect to Development Fund II.

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The Economically Distressed Areas Program and the State Participation Program are General Obligation Bond Programs, and are not expected to be fully self-supporting. In August 2002, per authorization granted by the 77th Legislature, the Board issued \$16,160,000 worth of Agricultural Water Conservation bonds. Those bonds are entirely non self-supporting.

Funding which has come from outside of the programs has come from excess cash flows determined to be available from the Texas Water Resources Finance Authority (TWRFA) and from General Revenue Draws as follows:

TEXAS WATER RESOURCES FINANCE AUTHORITY TRANSFERS

FY	EDAP	WDF (Regular)	Totals	Board Approvals
1991		\$3,573,987.00	\$3,573,987.00	08/15/1991
1993	\$1,128,201.11		1,128,201.11	08/19/1993
1994	1,099,463.53		1,099,463.53	07/21/1994
1995	1,346,491.64		1,346,491.64	07/20/1995
1996	4,460,606.00		4,460,606.00	07/19/1996
1997	1,082,413.00		1,082,413.00	07/17/1997
1998	2,931,621.00		2,931,621.00	06/18/1998
1999	3,253,471.00		3,253,471.00	04/08/1999
2000				
2001				
2002				
Total	\$15,302,267.28	\$3,573,987.00	\$18,876,254.28	

The TWRFA Board has the authority under Section 4.14 of the Texas Water Resources Finance Authority Revenue Bonds Series 1989 bond resolution to: *"Subject to making the required deposits to the credit of the Bond Fund, and making required reimbursements under any Guaranty Agreement, the Reserve Fund, the Portfolio Sale and Redemption Fund and the Operating Funds when and as required by this Resolution or any resolution authorizing the issuance of Additional bonds, any excess Pledged Revenues may be used by the Authority for any lawful purpose."* These conditions have been met. However, due to the refunding transaction and other tax law issues, a legal opinion from the tax counsel advises that uses should be restricted to those within the program until all of the Tax Exempt Bonds are retired to fully assure that the bonds remain tax exempt.

TOTAL GENERAL REVENUE DRAWS

Year	DFund I	State Participation	EDAP	Total
1967-1980	\$62,755,444.42			\$62,755,444.42
1992			\$536,964.30	536,964.30
2000		1,559,449.59	4,982,467.75(a)	6,541,917.34
2001		2,356,397.72	7,710,332.04(b)	10,066,729.76
2002		4,364,318.38	8,943,712.18	13,308,030.56
Total	\$62,755,444.42	\$8,280,165.69	\$22,173,476.27	\$93,209,086.38

- (a) In FY00, \$5,982,467.75 was drawn, but \$1,000,000.00 was subsequently returned as it was not needed.
- (b) In FY01, \$7,410,332.04 was reported as drawn; the correct draw amount was \$7,710,332.04.

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Refunding Bonds

In fiscal year 2002, TWDB issued Series 2002B General Obligation bonds. The proceeds from the sale of the refunding portion of the Series 2002B bonds was used for a current refunding of the full remaining outstanding balance of the 92A and 92C General Obligation bond series payable by Development Fund I. The new refunding debt became an obligation of Development Fund II. In consideration of the new debt being assumed by Development Fund II, all remaining outstanding assets and loan balances originally funded by the 92A and 92C Series were transferred to Development Fund II. The loans transferred to Development Fund II totaled \$14,750,000. The refunding occurred within 90 days of the bond sale, thus the sale qualifies as a current refunding.

The difference between the cash flows required to service the refunding portion of the new debt (\$15,140,000), and the old debt (\$15,535,000), resulted in a \$1.688 million decrease in debt service. The present value of this decrease, or the economic gain, is \$1.148 million, which represents 7.394 percent savings.

Defeased Bonds Outstanding

In March 1989, the Board defeased certain general obligation bonds, with the proceeds of its portfolio of political subdivision bonds going to the Texas Water Resources Finance Authority. In May 1998, The Board defeased certain general obligation bonds by issuing Texas Water Development Fund II Refunding Bonds: Tax-exempt Series 1998-A, Taxable Series 1998-B, and EDAP Series, 1998-C. The proceeds have been placed in escrow to provide for all future debt service payments on the general obligation bonds. Accordingly, the escrow's assets and liability for each defeasance are not included in the Board's financial statements.

In 2002, the Agricultural Water Conservation Bonds Taxable Series 94-B and Taxable Series 1997 were defeased. Subsequent to its defeasance in 2002, Taxable Series 94-A was extinguished. Also in 2002, Series 92A & 92C bonds from Development Fund I were defeased and subsequently extinguished.

The defeased bonds outstanding at August 31, 2002, were \$246,360,000. They are listed in Schedule 2-E.

NOTE 15: Subsequent Events

Not Applicable

NOTE 16: Related Parties

Not Applicable

NOTE 17: Stewardship, Compliance and Accountability

Not Applicable

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NOTE 18: The Financial Reporting Entity and Joint Ventures

Blended Component Units

No component units have been identified which should have been blended into an appropriated fund.

Discrete Component Units

The criteria used to determine the existence of oversight responsibility included the following considerations: financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Other criteria considered were scopes of service and special financing relationships. Based upon the application of these criteria, the Texas Water Resources Finance Authority is included as a discrete component unit of the reporting entity.

The Texas Water Resources Finance Authority was created by the Texas Legislature in 1987, by enactment of Chapter 20 of the Texas Water Code, as a governmental entity and a body politic and corporate, and is governed by a Board of Directors composed of the six members of the Texas Water Development Board. The Authority was created for the purpose of increasing the availability of financing for water-related projects. The Board wholly manages the Authority's operations through a "Sales and Servicing Agreement".

NOTE 19: Restatement of Fund Balances / Retained Earnings

During Fiscal Year 2002, two adjustments were made which required restatement of the amounts in fund equity as shown and discussed below:

- (a) Moving the long-term portion of the bond liability from the Interest and Sinking funds, where it was previously displayed with negative fund equity, into the program funds where the majority of the assets are.
- (b) Reinstating loans receivable and other assets from a storage acquisition transfer that had previously been written off (see Note 24).

	Enterprise Funds				Totals
	0351	0352	0371	0372	
Fund Equity August 31, 2001	309,832,110.70	(231,242,812.45)	520,560,201.24	(509,131,720.09)	90,017,779.40
Restatements:					
(a)	(262,615,000.00)	262,615,000.00	(490,965,000.00)	490,965,000.00	0.00
(b)	7,657,436.00				7,657,436.00
Net Restatements	(254,957,564.00)	262,615,000.00	(490,965,000.00)	490,965,000.00	7,657,436.00
Fund Equity September 1, 2001 as Restated	\$54,874,546.70	\$31,372,187.55	\$29,595,201.24	\$(18,166,720.09)	\$ 97,675,215.40

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NOTE 20: Donor-Restricted Endowments

Not Applicable

NOTE 21: Pledged/Non-pledged Revenues and Discounts & Allowances

The classification of pledged and non-pledged revenues supporting the Board's revenue bonds is shown below.

<u>Revenue</u>	<u>Receipts Pledged</u>	<u>Receipts Non-Pledged</u>	<u>Total Receipts</u>
Interest on Investments	\$ 13,476,108	\$ -	\$ 13,476,108
Interest on Loans	105,607,707	-	105,607,707
Principal Payments on Loans	87,752,500	-	87,752,500
	<u>\$ 206,836,315</u>	<u>\$ -</u>	<u>\$ 206,836,315</u>

NOTE 22: Management Discussion and Analysis (Material Changes to AFR)

The following events occurred in fiscal year 2002 which impacted the AFR:

- The Board issued a total of \$201,675,000 in general obligation bonds. Of these, \$43,980,000 were non self-supporting Water Development Bonds issued for the Economically Distressed Areas Program and the State Participation Program. An additional \$141,535,000 of self-supporting Water Development Bonds were issued. The remaining bonds issued were Agricultural Water Conservation bonds in the amount of \$16,160,000. See Note 14 for additional information on these issues.
- The Board approved the offer from the Lavaca-Navidad River Authority (LNRA) to purchase the Board's ownership interest in the Palmetto Bend Dam and Reservoir Project. The Board received \$49,538,901.52 in bonds and cash. The increase between the asset valuation reflected in the FY01 Annual Financial Report and the total compensation received in Development Fund I accounts for the extraordinary item. Note 23 provides additional detail on the Palmetto Bend Dam and Reservoir Project transaction.
- In the past, the full debt service liability has been reflected in the interest and sinking funds. Because the assets were reflected in the program funds, this led to a presentation of negative fund equity. In order to more appropriately associate liabilities with assets within each self-balancing fund, the presentation of the non-current debt service liability has been adjusted to be included in the presentation of the program funds.

NOTE 23: Palmetto Bend Dam and Reservoir Project

Beginning in 1972, the Board entered into contracts with the United States and the Lavaca-Navidad River Authority (LNRA) through which the Board and LNRA obtained storage rights in the Palmetto Bend Dam and Reservoir Project (the Project, or Lake Texana). The United States

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agreed to construct the Project, in exchange for the Board's and LNRA's agreement to make payments under the contracts for the Project's reimbursable costs. Title was to remain with the United States, but the Board and LNRA were to hold a right to store water in the project in the respective proportions of 57.33 percent and 42.67 percent. The Board utilized its authority under Texas Constitution, article 3, section 49-d to purchase its ownership interest. The contracts allowed LNRA to purchase the Board's interest in the Project at a price prescribed by the Texas Water Code, Chapter 16.

In November 2000, Congress authorized transfer of the title to the Project to the Board and LNRA by PL 106-572 upon the payment to the United States of the adjusted net present value of the outstanding reimbursable costs of the Project. In May 2001, the Board approved the purchase of approximately \$16.5 million LNRA Tax-exempt Revenue Bonds, Series 2001-B to allow LNRA to purchase title to 42.67 percent of the Project from the United States. The Board itself issued \$30.9 million in its Texas Water Development Refunding Bonds, Series 2001-A to refund the Board's obligation to the United States, resulting in the purchase of the Board's proportionate 57.33 percent share of title to the Project.

In January 2002, the Board approved LNRA's offer to purchase the Board's ownership interest in the Project at the price determined by statute. LNRA's purchase was evidenced by the delivery to the Board of approximately \$38,500,000 in LNRA contract revenue bonds and \$11,038,901.52 in cash as follows:

\$30,900,000 Lavaca-Navidad River Authority Water Supply Contract Revenue Bonds, Taxable Series 2002-A (Lake Texana Project) and

\$7,600,000 Lavaca-Navidad River Authority Water Supply Contract Revenue Bonds, Taxable Series 2002-B, (Lake Texana Project), (collectively the "Contract Revenue Bonds), and

\$11,038,901.52 cash payment, equaling the remainder of the purchase price.

The funds were deposited as follows:

Program	Appr. Fund	Type of Payment	Bonds	Cash	Total
Water Dev Fund I	0351	LNRA Water Supply Contract Revenue Bonds, Taxable Series 2002-A	\$30,900,000		\$30,900,000
Water Dev Fund I	0351	LNRA Water Supply Contract Revenue Bonds, Taxable Series 2002-B	\$7,600,000		\$7,600,000
Water Dev Fund I I&S fund	0352	LNRA's Cash Payment Received 01/15/2002		\$963,792.74	\$963,792.74
Water Dev Fund I I&S fund	0352	LNRA's Cash Payment Received 02/01/2002		\$9,894,813.64	\$9,894,813.64
Water Assistance Fund	0480	LNRA's Cash Payment Received 02/01/2002		\$180,295.14	\$180,295.14
		TOTAL	\$38,500,000	\$11,038,901.52	\$49,538,901.52

Deposits were made into the appropriate funds based upon where the original expenses were incurred by the Board during the Board's ownership.

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Board staff reviewed contracts and bonds and determined that the contract revenues pledged to support LNRA's Contract Revenue Bonds offered as a part of the purchase price were adequate to assure repayment to the Board over the life of the bonds. The Contract Revenue Bonds Payment schedule provides annual payments from the bonds sufficient to reasonably provide the funds needed to meet the annual payments on the Board's Water Development Refunding Bonds, Series 2001-A (General Obligation Bonds), which financed the Board's purchase of its interest in the Project from the United States.

NOTE 24: Other Water Storage Facilities

The Board has purchased Water Storage Facilities, with repurchase agreements from political subdivisions. In prior fiscal years, the Board accepted payments, representing only the principal, on these storage facilities. Under the terms of these payments, the Board would not transfer its ownership interest in these facilities until all interest, as calculated under the Texas Water Code, has been paid to the Board. In the past, the water storage facilities listed below were not reflected in the annual financial report. This was based upon a recommendation made by the State Auditor's Office, as there were no scheduled payments.

The Sabine River Authority (SRA) contract receivable was reestablished in FY02 because the contract was renegotiated. SRA is currently making interest payments; repurchase payments are scheduled for future years.

The North Central Texas Municipal Water Authority was reestablished on the financial statements because they are currently making annual payments and are expected to continue to do so in the future.

The balances at August 31, 2002 are:

Political Subdivisions	Balances
North Central Texas Municipal Water Authority (recorded as other assets)	\$646,896.12
Sabine River Authority (recorded as contract receivable)	<u>\$7,000,000.00</u>
Total Cost of Other Water Storage Facilities	\$7,646,896.12

Among other statutory requirements, the Board may participate in a water storage facility project only if it is reasonable to expect the State to recover its investment in the facility. This recovery is usually achieved by the ultimate resale of the facility to a political subdivision, which needs the stored water.

Upon resale, The Texas Water Code provides that the Board is to recover (1) its direct cost of acquiring the facility, (2) operating and maintenance costs and (3) interest charges. House Bill 2316, 71st Legislature, provided the Board with greater flexibility in setting the interest rate to be used in calculating the price for which the Board could sell the State's interest in certain

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reservoirs. The bill authorizes the Board to set different interest rates only if it is in the interest of the State and would expedite sale of the Board's interest. This occurred with respect to Sabine River Authority storage listed above as \$7,000,000. Political subdivisions may acquire the State's interest in storage facilities through exchanges of bonds or cash consideration for storage.

The Lavaca-Navidad River Authority, LNRA, issued the Board \$38,500,000 in bonds in conjunction with their purchase of the Board's interest in the Palmetto Bend dam and reservoir project. These assets were transferred to DFund II from DFund I in conjunction with the transfer of associated debt issued by the Board. These transfers were authorized by Board resolution in accordance with the Texas Constitution 49d-8.

Occurring simultaneously with the transfer of the LNRA asset, were transfers of the Sabine River Authority contract receivable and the North Central Texas Municipal Water Authority asset. In total, \$45,500,000 in storage-related receivable assets were transferred in FY02 from Development Fund I to Development Fund II.

Individual Funds Financial Statements

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Texas Water Development Board (580)

Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds

August 31, 2002

	General Revenue (0001)	Consolidated Account Agricultural Soil and Water Conservation (0563) U/F (5634)	Total (Exhibit I)
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Cash on Hand	\$ 25.00		\$ 25.00
Cash in Bank	13,475.00		13,475.00
Cash in State Treasury		532,524.88	532,524.88
Legislative Appropriations	5,309,014.97		5,309,014.97
Receivables From:			
Federal	631,485.99		631,485.99
Accounts Receivable	145,693.87		145,693.87
Interfund Receivable	11,915.69		11,915.69
Due From Other Funds	382,439.32		382,439.32
Due From Other Agencies	61,395.09		61,395.09
Total Current Assets	6,555,444.93	532,524.88	7,087,969.81
LIABILITIES AND FUND BALANCES			
Liabilities:			
Current Liabilities:			
Payables From:			
Accounts Payable	\$ 896,952.74	\$ -	\$ 896,952.74
Payroll Payable	1,424,649.94		1,424,649.94
Due To Other Agencies		492,711.64	492,711.64
Total Current Liabilities	2,321,602.68	492,711.64	2,814,314.32
Total Liabilities	2,321,602.68	492,711.64	2,814,314.32
FUND FINANCIAL STATEMENT-FUND BALANCES			
Fund Balances (Deficits):			
Reserved for:			
Encumbrances	4,220,342.25		4,220,342.25
Imprest	13,500.00		13,500.00
Undesignated	-	39,813.24	39,813.24
Total Fund Balances	4,233,842.25	39,813.24	4,273,655.49

Note: Appropriated fund is shown as (XXXX). USAS D23 Fund is shown as U/F (XXXX), except as noted below:
Appropriated Fund 0001 - USAS D23 Funds 0001, 1000, 9000

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Texas Water Development Board (580)
Exhibit A-2 - Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – All General and Consolidated Funds

For the Fiscal Year Ended August 31, 2002

	General Revenue (0001)	Consolidated Account Agricultural Soil and Water Conservation (0563) U/F (5634)	Total (Exhibit II)
REVENUES			
Legislative Appropriations:			
Original Appropriations	\$ 21,485,639.00	\$ -	\$ 21,485,639.00
Additional Appropriations	(1,955,497.83)		(1,955,497.83)
Federal Revenue	3,752,625.81		3,752,625.81
Federal Pass-Through Revenue	11,600.17		11,600.17
State Grant Pass-Through Revenue	74,002.48		74,002.48
Licenses, Fees & Permits	125,917.18		125,917.18
Settlement of Claims	628.87		628.87
Sales of Goods and Services	2,485,867.82		2,485,867.82
Other	951,899.60		951,899.60
Total Revenues	26,932,683.10	-	26,932,683.10
EXPENDITURES			
Salaries and Wages	9,913,317.39		9,913,317.39
Payroll Related Costs	3,200,396.51		3,200,396.51
Professional Fees and Services	656,156.63		656,156.63
Travel	301,211.27		301,211.27
Materials and Supplies	823,331.77		823,331.77
Communication and Utilities	114,199.31		114,199.31
Repairs and Maintenance	153,357.06		153,357.06
Rentals & Leases	425,535.77		425,535.77
Printing and Reproduction	112,570.15		112,570.15
Claims and Judgments	65,469.77		65,469.77
Intergovernmental Payments	2,143,790.37	99,747.60	2,243,537.97
Other Expenditures	777,637.77		777,637.77
Capital Outlay	2,023,775.88		2,023,775.88
Total Expenditures/Expenses	20,710,749.65	99,747.60	20,810,497.25
Excess (Deficiency) of Revenues Over Expenditures	6,221,933.45	(99,747.60)	6,122,185.85
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	15,320.19		15,320.19
Transfers In	241,875.51	129,859.33	371,734.84
Transfers Out	(4,098,104.00)	(52,241.03)	(4,150,345.03)
Legislative Transfers Out	(99,660.71)		(99,660.71)
Total Other Financing Sources and Uses	(3,940,569.01)	77,618.30	(3,862,950.71)
Net Change in Fund Balances/Net Assets	2,281,364.44	(22,129.30)	2,259,235.14
FUND FINANCIAL STATEMENT-FUND BALANCES			
Fund Balances--Beginning	1,904,561.09	61,942.54	1,966,503.63
Appropriations Lapsed	47,916.72		47,916.72
Fund Balances--August 31, 2002	\$ 4,233,842.25	\$ 39,813.24	\$ 4,273,655.49

Note: Appropriated fund is shown as (XXXX). USAS D23 Fund is shown as U/F (XXXX), except as noted below:
 Appropriated Fund 0001 - USAS D23 Funds 0001, 1000, 9000

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

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Texas Water Development Board (580)

Exhibit B-1 - Combining Balance Sheet - Special Revenue Funds

August 31, 2002

	Texas Water Development Fund (0351) U/F (3550)	Economically Distressed Areas Clearance Fund (0356)	Agricultural Water Conservation Fund (0358) U/F (1358)	Groundwater District Loan Assistance Fund (0363) U/F (0363)
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	\$ 385.46	\$ 114,335.81	\$ 16,061,725.20	\$ 321,784.88
Short Term Investments				
Receivables From:				
Interest and Dividends		147.63		
Accounts Receivable				
Due From Other Funds				
Loans and Contracts				
Total Current Assets	385.46	114,483.44	16,061,725.20	321,784.88
Non-Current Assets:				
Loans & Contracts				
Investments				
Total Noncurrent Assets	-	-	-	-
Total Assets	\$ 385.46	\$ 114,483.44	\$ 16,061,725.20	\$ 321,784.88
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable	\$ -	\$ 1,197.92	\$ 8,202.17	\$ -
Interfund Payable				
Due To Other Funds				
Due To Other Agencies			16,000,000.00	
Total Current Liabilities	-	1,197.92	16,008,202.17	-
Total Liabilities	-	1,197.92	16,008,202.17	-
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances (Deficits):				
Reserved for:				
Encumbrances				
Loans and Contracts			27,758.01	
Unreserved Designated for:				
Other	385.46	113,285.52	25,765.02	321,784.88
Undesignated				
Total Fund Balances	385.46	113,285.52	53,523.03	321,784.88

Note: Appropriated fund is shown as (XXXX). USAS D23 Fund is shown as U/F (XXXX) except as noted below:

Appropriated Fund 0356 - USAS D23 Funds 0356, 8356

Appropriated Fund 0371 - USAS D23 Funds 0341, 0375, 1341, 3417, 3757

Appropriated Fund 0480 - USAS D23 Funds 1480, 4800, 4801, 4802, 4806

Appropriated Fund 0483 - USAS D23 Funds 4830, 4831, 4832, 4833, 4839

Appropriated Fund 0562 - USAS D23 Funds 5622, 5623, 5624, 8562

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

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Texas Water Development Fund II Clearance Fund (0370) U/F (0340)	Texas Water Development Fund II (0371)	Water Assistance Fund (0480)	Water Loan Assistance Fund (0481) U/F (0481)	Research and Planning Fund (0483)	Agriculture Trust Fund (0562)	Totals (Exhibit I)
\$ 287,040.88	\$ 92,041,468.64	\$ 64,760.08 27,901,720.51			\$ 14,405,634.02	\$123,297,134.97 27,901,720.51
	376,729.03				48,837.75	425,714.41
		12,750.00				12,750.00
	758,008.00		1,804,763.34 265,000.00	10,493,083.45		12,297,846.79
<u>287,040.88</u>	<u>93,176,205.67</u>	<u>27,979,230.59</u>	<u>2,069,763.34</u>	<u>10,493,083.45</u>	<u>885,599.52</u>	<u>1,908,607.52</u>
	98,595,608.00		13,407,100.00		4,043,382.85	116,046,090.85
					56,120.12	56,120.12
-	<u>98,595,608.00</u>	-	<u>13,407,100.00</u>	-	<u>4,099,502.97</u>	<u>116,102,210.97</u>
\$ 287,040.88	\$ 93,176,205.67	\$ 27,979,230.59	\$ 2,069,763.34	\$ 10,493,083.45	\$ 885,599.52	\$ 1,908,607.52
\$ -	\$ 17,964.70	\$ 10,508.57 11,915.69 12,297,846.79	\$ -	\$ 844,202.90	\$ 3,086.93	\$ 885,163.19 11,915.69 12,297,846.79
				14,710.88	10,241.07	16,024,951.95
-	<u>17,964.70</u>	<u>12,320,271.05</u>	-	<u>858,913.78</u>	<u>13,328.00</u>	<u>29,219,877.62</u>
-	<u>17,964.70</u>	<u>12,320,271.05</u>	-	<u>858,913.78</u>	<u>13,328.00</u>	<u>29,219,877.62</u>
	36,423.41	290,450.00	1,804,763.34	9,634,169.67		11,793,564.43
	99,353,616.00		13,672,100.00		4,928,982.37	117,954,698.37
287,040.88	92,363,809.56	15,368,509.54			14,497,263.89	122,977,844.75
<u>287,040.88</u>	<u>191,753,848.97</u>	<u>15,658,959.54</u>	<u>15,476,863.34</u>	<u>9,634,169.67</u>	<u>19,426,246.26</u>	<u>252,726,107.55</u>
287,040.88	191,753,848.97	15,658,959.54	15,476,863.34	9,634,169.67	19,426,246.26	252,726,107.55

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

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Texas Water Development Board (580)
 Exhibit B-2 - Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances – Special Revenue Funds
 For the Fiscal Year Ended August 31, 2002

	Texas Water Development Fund (0351) U/F (3550)	Economically Distressed Areas Clearance Fund (0356)	Agricultural Water Conservation Fund (0358) U/F (1358)	Groundwater District Loan Assistance Fund (0363) U/F (0363)
REVENUES				
Federal Revenue	\$ 16,603,710.31			
State Grant Pass-Through Revenue				
Licenses, Fees & Permits				
Interest and Other Investment Income	127,215.77	35,913.46		1,377.18
Net Increase (Decrease) in Fair Value				
Sales of Goods and Services				
Other				
Total Revenues	16,730,926.08	35,913.46	-	1,377.18
EXPENDITURES				
Salaries and Wages				
Payroll Related Costs				
Professional Fees and Services			8,202.17	
Travel				
Materials and Supplies				
Communication and Utilities				
Repairs and Maintenance				
Rentals & Leases				
Printing and Reproduction		1,197.92	2,430.00	
State Pass-Through Expenditures			16,000,000.00	
Intergovernmental Payments	19,509,344.07			
Other Expenditures				
Capital Outlay				
Total Expenditures/Expenses	19,509,344.07	1,197.92	16,010,632.17	-
Excess (Deficiency) of Revenues Over Expenditures	(2,778,417.99)	34,715.54	(16,010,632.17)	1,377.18
OTHER FINANCING SOURCES (USES)				
Bond and Note Proceeds			16,066,535.33	
Transfers In	2,778,803.45	3,492,078.83		
Transfers Out		(3,545,383.08)	(2,380.13)	
Total Other Financing Sources and Uses	2,778,803.45	(53,304.25)	16,064,155.20	-
Net Change in Fund Balances/Net Assets	385.46	(18,588.71)	53,523.03	1,377.18
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances--Beginning	-	131,874.23	-	320,407.70
Appropriations Lapsed				
Fund Balances--August 31, 2002	\$ 385.46	\$ 113,285.52	\$ 53,523.03	\$ 321,784.88

Note: Appropriated fund is shown as (XXXX). USAS D23 Fund is shown as U/F (XXXX) except as noted below:

- Appropriated Fund 0356 - USAS D23 Funds 0356, 8356
- Appropriated Fund 0371 - USAS D23 Funds 0341, 0375, 1341, 3417, 3757
- Appropriated Fund 0480 - USAS D23 Funds 1480, 4800, 4801, 4802, 4806
- Appropriated Fund 0483 - USAS D23 Funds 4830, 4831, 4832, 4833, 4839
- Appropriated Fund 0562 - USAS D23 Funds 5622, 5623, 5624, 8562

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Texas Water Development Fund II Clearance Fund (0370) U/F (0340)	Texas Water Development Fund II (0371)	Water Assistance Fund (0480)	Water Loan Assistance Fund (0481) U/F (0481)	Research and Planning Fund (0483)	Agriculture Trust Fund (0562)	Totals (Exhibit II)
		\$ 46,362.15				\$ 16,650,072.46
		32,978.64				32,978.64
	268,618.00	50.00				268,668.00
	1,149,905.51	597,281.58	1,580.00		587,499.28	2,500,772.78
		(30,791.13)			3,165.22	(27,625.91)
		512,519.75				512,519.75
		180,295.14				180,295.14
-	1,418,523.51	1,338,696.13	1,580.00	-	590,664.50	20,117,680.86
		79,489.54				79,489.54
		15,115.93				15,115.93
	41,717.99	9,550.00		232,161.13		291,631.29
		19,534.38			65.74	19,600.12
		90,936.89				90,936.89
		1,364.98				1,364.98
		8,875.26				8,875.26
		43,311.52				43,311.52
	9,105.33					12,733.25
	10,684,189.93	32,978.64	750,127.00	132,100.10		16,132,100.10
	5.06	81,903.31		4,578,666.13		35,555,305.77
		6,760.50		2,307.56	3,086.93	87,302.86
				(1,450.00)		5,310.50
-	10,735,018.31	389,820.95	750,127.00	4,943,784.92	3,152.67	52,343,078.01
-	(9,316,494.80)	948,875.18	(748,547.00)	(4,943,784.92)	587,511.83	(92,225,397.15)
	44,377,664.73					60,444,200.06
1,882,940.90	356,937.88	8,530,057.95	2,672,064.34	15,371,590.04	741,454.78	35,825,928.17
(1,596,131.05)	(5,152,046.13)	(17,766,895.38)	(366,674.00)	(793,635.45)	(1,251,550.28)	(30,474,695.50)
286,809.85	39,582,556.48	(9,236,837.43)	2,305,390.34	14,577,954.59	(510,095.50)	65,795,432.73
286,809.85	30,266,061.68	(8,287,962.25)	1,556,843.34	9,634,169.67	77,416.33	33,570,036.58
231.03	161,487,787.29	23,946,921.79	13,920,020.00	-	19,348,829.93	219,156,071.97
\$ 287,040.88	\$ 191,753,848.97	\$ 15,658,959.54	\$ 15,476,863.34	\$ 9,634,169.67	\$ 19,426,246.26	\$ 252,726,107.55

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

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Texas Water Development Board (580)

Exhibit C-1 - Combining Balance Sheet – Debt Service Funds

August 31, 2002

	Economically Distressed Area Clearance Interest and Sinking Fund (0357) U/F (0357)	Agricultural Water Conservation Interest and Sinking Fund (0359) U/F (1359)	Texas Water Development Fund II Interest and Sinking Fund (0372) U/F (0343)	Totals (Exhibit I)
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	70,853.84	36,593.80	59,164.07	166,611.71
Total Current Assets	70,853.84	36,593.80	59,164.07	166,611.71
Non-Current Assets:				
Other Noncurrent Assets	-	-	-	-
Total Noncurrent Assets	-	-	-	-
Total Assets	\$ 70,853.84	\$ 36,593.80	\$ 59,164.07	\$ 166,611.71
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Total Current Liabilities	-	-	-	-
Non-Current Liabilities:				
Revenue Bonds Payable	-	-	-	-
General Obligation Bonds Payable	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
Total Liabilities	\$ -	\$ -	\$ -	\$ -
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances (Deficits):				
Reserved for:				
Debt Service	70,853.84	36,593.80	59,164.07	166,611.71
Total Fund Balances	\$ 70,853.84	\$ 36,593.80	\$ 59,164.07	\$ 166,611.71

Note: Appropriated fund is shown as (XXXX). USAS D23 Fund is shown as U/F (XXXX).

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Texas Water Development Board (580)
Exhibit C-2 - Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – Debt Service Funds
 For the Fiscal Year Ended August 31, 2002

	Economically Distressed Area Clearance Interest and Sinking Fund (0357) U/F (0357)	Agricultural Water Conservation Interest and Sinking Fund (0359) U/F (1359)	Texas Water Development Fund II Interest and Sinking Fund (0372) U/F (0343)	Totals (Exhibit II)
REVENUES				
Other	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt service:				
Principal	4,560,000.00			4,560,000.00
Interest (FFS)	7,716,402.31		5,948,757.29	13,665,159.60
Total Expenditures/Expenses	<u>12,276,402.31</u>	<u>-</u>	<u>5,948,757.29</u>	<u>18,225,159.60</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,276,402.31)</u>	<u>-</u>	<u>(5,948,757.29)</u>	<u>(18,225,159.60)</u>
OTHER FINANCING SOURCES (USES)				
Bond and Note Proceeds	67,471.69	34,213.67	58,564.84	160,250.20
Transfers In	12,279,784.46	2,380.13	5,949,356.52	18,231,521.11
Transfers Out			(136.25)	(136.25)
Total Other Financing Sources and Uses	<u>12,347,256.15</u>	<u>36,593.80</u>	<u>6,007,785.11</u>	<u>18,391,635.06</u>
Net Change in Fund Balances/Net Assets	<u>70,853.84</u>	<u>36,593.80</u>	<u>59,027.82</u>	<u>166,475.46</u>
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances--Beginning	-	-	136.25	136.25
Appropriations Lapsed				-
Fund Balances--August 31, 2002	<u>\$ 70,853.84</u>	<u>\$ 36,593.80</u>	<u>\$ 59,164.07</u>	<u>\$ 166,611.71</u>

Note: Appropriated fund is shown as (XXXX). USAS D23 Fund is shown as U/F (XXXX).

Texas Water Development Board (580)
Exhibit F-1 - Combining Statement of Net Assets - Enterprise Funds

August 31, 2002

	Water Development Clearance Fund (0350)	Texas Water Development Fund (0351)	Water Development Bonds Interest and Sinking Fund (0352) U/F (3521)	Agricultural Water Conservation Fund (0358)	Texas Water Development Fund II Clearance Fund (0370)
ASSETS					
Current Assets:					
Cash and Cash Equivalents:					
Cash in State Treasury					
		9,708,431.40	41,847,207.45	4,181,901.23	24,705,230.86
Short Term Investments					
Receivables from:					
Interest and Dividends					
121,381.18	2,831,568.28		97,366.08	547,605.76	
Due From Other Funds					
	3,510,000.00				
Deferred Charges					
Loans and Contracts					
		3,962,489.42		1,423,862.29	
Total Current Assets	121,381.18	20,012,489.10	41,847,207.45	5,703,129.60	25,252,836.62
Non-Current Assets:					
Loans and Contracts					
		181,999,351.26		2,616,338.57	
Investments					
Interfund Receivables					
		54,922,500.00			
Other Non-Current Assets					
Total Non-Current Assets	-	236,921,851.26	-	2,616,338.57	-
Total Assets	121,381.18	256,934,340.36	41,847,207.45	8,319,468.17	25,252,836.62
LIABILITIES					
Current Liabilities:					
Payables from:					
Accounts Payable					
					3,902.67
Other					
			1,084,338.98		
Due to Other Funds					
Deferred Revenue					
Revenue Bonds Payable					
G. O. Bonds Payable					
			7,355,000.00		
Total Current Liabilities	-	-	8,439,338.98	-	3,902.67
Non-Current Liabilities:					
Interfund Payable					
Revenue Bonds Payable					
G. O. Bonds Payable					
		208,540,000.00			
Total Non-Current Liabilities	-	208,540,000.00	-	-	-
Total Liabilities	-	208,540,000.00	8,439,338.98	-	3,902.67
NET ASSETS					
Restricted for:					
Debt Retirement					
			33,407,868.47		
Unrestricted					
121,381.18	48,394,340.36		8,319,468.17	25,248,933.95	
Total Net Assets	\$ 121,381.18	\$ 48,394,340.36	\$33,407,868.47	\$8,319,468.17	\$25,248,933.95

Note: Appropriated fund is shown as (XXXX). USAS D23 Fund is shown as U/F (XXXX), except as noted below:
 Appropriated Fund 0351 - USAS D23 Funds 3511, 3517
 Appropriated Fund 0358 - USAS D23 Funds 0358, 8358
 Appropriated Fund 0370 - USAS D23 Funds 0370, 8370
 Appropriated Fund 0371 - USAS D23 Funds 0371, 3717

Texas Water Development Fund II (0371)	Texas Water Development Fund II Interest and Sinking Fund (0372) U/F (0372)	Clean Water State Revolving Fund (9999) U/F (0651)	CPLP State Revolving Fund (9999) U/F (0851)	Drinking Water State Revolving Fund (9999) U/F (0951)	Totals (Exhibit III)
147,478,415.56	63,582.14	474,246,163.63	3,264.03	50,491,919.98	227,984,768.64 524,741,347.64
7,032,845.55 5,765,000.00	23,476,417.51	28,554,545.20	7,570.21	608,358.94	39,801,241.20 32,751,417.51
8,286,000.00		79,958,000.00		3,602,000.00	97,232,351.71
168,562,261.11	23,539,999.65	582,758,708.83	10,834.24	54,702,278.92	922,511,126.70
394,483,000.00		2,277,403,765.65	1,180,321.59	58,073,000.00	2,915,755,777.07
135,064,130.00 646,896.31					189,986,630.00 646,896.31
530,194,026.31	-	2,277,403,765.65	1,180,321.59	58,073,000.00	3,106,389,303.38
698,756,287.42	23,539,999.65	2,860,162,474.48	1,191,155.83	112,775,278.92	4,028,800,430.08
7,505.26	2,399,999.65	10,576,068.25			11,407.93 14,060,406.88
23,476,417.51		8,982,439.32		675,000.00	33,133,856.83
		25,361,692.14		3,414,409.65	28,776,101.79
		34,610,000.00			34,610,000.00
	21,140,000.00				28,495,000.00
23,483,922.77	23,539,999.65	79,530,199.71	-	4,089,409.65	139,086,773.43
		163,646,630.00		26,340,000.00	189,986,630.00
		1,458,415,000.00			1,458,415,000.00
642,545,000.00					851,085,000.00
642,545,000.00	-	1,622,061,630.00	-	26,340,000.00	2,499,486,630.00
666,026,922.77	23,539,999.65	1,701,591,829.71	-	30,429,409.65	2,638,573,403.43
					33,407,868.47
32,727,364.65		1,158,570,644.77	1,191,155.83	82,345,869.27	1,356,919,158.18
\$32,727,364.65	\$ -	\$1,158,570,644.77	\$1,191,155.83	\$82,345,869.27	\$1,390,327,028.65

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

UNAUDITED

Texas Water Development Board (580)

Exhibit F-2 - Combining Statement of Revenues, Expenses, and Changes in Net Assets - Enterprise Funds

For the Fiscal Year Ended August 31, 2002

	Water Development Clearance Fund (0350)	Texas Water Development Fund (0351)	Water Development Bonds Interest and Sinking Fund (0352) U/F (3521)	Agricultural Water Conservation Fund (0358)	Agricultural Water Conservation Interest and Sinking Fund (0359) U/F (0359)
OPERATING REVENUES:					
Interest and Investment Income	5,578,955.96	12,427,704.73		506,088.55	
Net Increase (Decrease) Fair Market Value					
Other Operating Revenues					
Total Operating Revenues	5,578,955.96	12,427,704.73	-	506,088.55	-
OPERATING EXPENSES:					
Salaries and Wages					
Payroll Related Costs					
Professional Fees and Services		12,560.36		2,000.00	850.00
Travel					
Materials and Supplies					
Communication and Utilities					
Repairs and Maintenance					
Rentals and Leases					
Printing and Reproduction					
Bad Debt Expense				26,624.45	
Interest		2.11	15,143,387.99		685,486.85
Other Operating Expenses		11,958.90			
Total Operating Expenses	-	24,519.37	15,143,387.99	28,624.45	686,336.85
Operating Income (Loss)	5,578,955.96	12,403,185.36	(15,143,387.99)	477,464.10	(686,336.85)
NONOPERATING REVENUES (EXPENSES):					
Federal Revenue					
Other Nonoperating Revenues (Expenses)					
Total Nonoperating Revenues (Expenses)	-	-	-	-	-
Income/(Loss), before Other Revenues, Expenses, Gains/Losses and Transfers	5,578,955.96	12,403,185.36	(15,143,387.99)	477,464.10	(686,336.85)
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:					
Special Items & Extraordinary Items	963,792.74	17,303,213.97			
Transfers-In		11,051,451.71	26,688,017.14	2,188,442.36	3,492,840.22
Transfers-Out	(6,812,495.84)	(47,238,057.38)	(9,508,948.23)	(3,527,787.40)	(2,153,495.18)
Total Other Revenue, Expenses, Gain/Losses and Transfers	(5,848,703.10)	(18,883,391.70)	17,179,068.91	(1,339,345.04)	1,339,345.04
Change in Net Assets	(269,747.14)	(6,480,206.34)	2,035,680.92	(861,880.94)	653,008.19
Total Net Assets, September 1, 2001	391,128.32	309,832,110.70	(231,242,812.45)	9,181,349.11	(653,008.19)
Restatements		(254,957,564.00)	262,615,000.00		
Total Net Assets, September 1, 2001, as Restated	391,128.32	54,874,546.70	31,372,187.55	9,181,349.11	(653,008.19)
Total Net Assets, August 31, 2002	\$ 121,381.18	\$ 48,394,340.36	\$ 33,407,868.47	\$ 8,319,668.17	\$ -

Note: Appropriated fund is shown as (XXXX). USAS D23 Fund is shown as U/F (XXXX), except as noted below:

Appropriated Fund 0350 - USAS D23 Funds 3501, 8350

Appropriated Fund 0351 - USAS D23 Funds 3511, 3517

Appropriated Fund 0358 - USAS D23 Funds 0358, 8358

Appropriated Fund 0370 - USAS D23 Funds 0370, 8370

Appropriated Fund 0371 - USAS D23 Funds 0371, 3717

UNAUDITED

Texas Water Development Fund II Clearance Fund (0370)	Texas Water Development Fund II (0371)	Texas Water Development Fund II Interest and Sinking Fund (0372) U/F (0372)	Clean Water State Revolving Fund (9999) U/F (0651)	CPLP State Revolving Fund (9999) U/F (0851)	Drinking Water State Revolving Fund (9999) U/F (0951)	Totals (Exhibit IV)
6,428,708.26	30,012,777.22		110,462,843.30 (443,262.16)	11,264.38	2,299,997.38	167,728,339.78 (443,262.16)
6,428,708.26	30,012,777.22	-	112,153,135.46	11,264.38	2,299,997.38	169,662,399.70
			3,897,227.70		1,619,074.68	5,516,302.38
950.00	239,582.39		603,199.26		250,594.73	853,793.99
			247,452.60		18,991.84	522,387.19
			56,255.19		20,804.24	77,059.43
			93,489.54		43,266.87	136,756.41
			30,973.59		14,586.94	45,560.53
			15,859.46		3,726.18	19,585.64
3,902.67	17,551.23		30,879.72		11,885.37	42,765.09
			2,295.63		115.26	23,864.79
						26,624.45
	4.74	29,067,656.94	88,622,924.63		573,050.00	134,092,513.26
	1,110,878.47		454,977.24	50.61	26,501.21	1,604,164.43
4,852.67	1,367,816.83	29,067,656.94	94,055,534.56	50.61	2,582,597.32	142,961,377.59
6,423,855.59	28,644,960.39	(29,067,656.94)	18,097,600.80	11,213.77	(38,832.18)	26,701,022.11
			46,742,412.83	69,405.71	24,228,495.00	71,040,313.54
			(776,452.00)	(1,200.00)	(6,028,400.30)	(6,806,052.30)
			45,965,960.83	68,205.71	18,200,094.70	64,234,261.24
6,423,855.59	28,644,960.39	(29,067,656.94)	64,063,561.73	79,419.48	18,161,262.62	90,931,283.36
						18,267,006.71
54,286,034.53 (53,378,251.17)	18,184,987.89 (43,697,784.87)	47,731,570.51 (497,193.48)			4,098,104.00	167,721,448.36 (166,814,013.55)
907,783.36	(25,512,796.98)	47,234,377.03	-	-	4,098,104.00	19,174,441.52
7,331,638.95	3,132,163.41	18,166,720.09	64,063,561.73	79,419.48	22,259,366.52	110,409,724.97
17,917,295.00	520,560,201.24 (490,965,000.00)	(509,131,720.09) 490,965,000.00	1,094,507,083.04	1,111,736.35	60,086,502.75	1,272,559,865.78 7,657,436.00
17,917,295.00	29,595,201.24	(18,166,720.09)	1,094,507,083.04	1,111,736.35	60,086,502.75	1,280,217,301.78
\$25,248,933.95	\$ 32,727,364.65	\$ -	\$1,158,570,644.77	\$1,191,155.83	\$ 82,345,869.27	\$ 1,390,327,026.65

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

UNAUDITED

Texas Water Development Board (580)
Exhibit F-3 - Combining Statement of Cash Flows - Enterprise Funds
 For the Fiscal Year Ended August 31, 2002

	Water Development Clearance Fund (0350)	Texas Water Development Fund (0351)	Water Development Bonds Interest and Sinking Fund (0352) U/F (3521)	Agricultural Water Conservation Fund (0358)	Agricultural Water Conservation Interest and Sinking Fund (0359) U/F (0359)
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	\$ -	\$ -	\$ -	\$ -	\$ -
Payments to Suppliers for Goods and Services		(30,968.15)		(2,000.00)	(850.00)
Payments to Employees					
Payments for Other Expenses					
Net Cash Provided by Operating Activities	-	(30,968.15)	-	(2,000.00)	(850.00)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Proceeds from Debt Issuance					
Proceeds of Transfers from Other Funds		3,696,451.71	26,688,017.14	2,188,442.36	3,492,840.22
Proceeds from Loan Programs	3,540,892.61	12,475,019.84		319,785.98	
Proceeds from other Financing					
Payments of Principal on Debt Issuance			(7,755,000.00)		(6,380,000.00)
Payments of Interest			(15,391,208.10)		(722,701.01)
Payments of Other Costs of Debt Issuance					
Payments for Transfers to Other Funds	(6,812,495.84)	(31,547,958.59)	(2,153,948.23)	(3,527,787.40)	(2,153,495.18)
Payments for Other Uses		(11,956.90)			
Net Cash Provided by Noncapital Financing Activities	(3,271,603.23)	(15,388,443.94)	1,387,860.81	(1,019,559.06)	(5,763,355.97)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from Sales of Investments	963,792.74	9,894,813.64		132,000.00	
Proceeds from Interest and Investment Income	2,091,920.38	3,845,545.96		258,355.48	
Proceeds from Principal Payments on Loans		7,095,000.00		3,358,711.70	
Payments to Acquire Investments		(1,663,000.00)			
Net Cash Provided by Investing Activities	3,055,713.12	19,172,359.60	-	3,749,067.18	-
Net (Decrease) in Cash and Cash Equivalents	(215,890.11)	3,752,947.51	1,387,860.81	2,727,508.12	(5,764,205.97)
Cash and Cash Equivalents--September 1, 2001	215,890.11	5,955,483.89	40,459,346.64	1,454,393.11	5,764,205.97
Restatement to Beginning Cash & Cash Equivalents					
Cash and Cash Equivalents--August 31, 2002	\$ -	\$ 9,708,431.40	\$ 41,847,207.45	\$ 4,181,901.23	\$ -

Note: Appropriated fund is shown as (XXXX). USAS D23 Fund is shown as U/F (XXXX), except as noted below:
 Appropriated Fund 0350 - USAS D23 Funds 3501, 8350
 Appropriated Fund 0351 - USAS D23 Funds 3511, 3517
 Appropriated Fund 0358 - USAS D23 Funds 0358, 8358
 Appropriated Fund 0370 - USAS D23 Funds 0370, 8370
 Appropriated Fund 0371 - USAS D23 Funds 0371, 3717

UNAUDITED

Texas Water Development Fund II Clearance Fund (0370)	Texas Water Development Fund II (0371)	Texas Water Development Fund II Interest and Sinking Fund (0372) U/F (0372)	Clean Water State Revolving Fund (9999) U/F (0651)	CPLP State Revolving Fund (9999) U/F (0851)	Drinking Water State Revolving Fund (9999) U/F (0951)	Totals (Exhibit V)
\$ - (2,364.32)	\$ - (275,439.99)	\$ -	\$ 2,133,554.32 (619,138.33) (4,188,463.23)	\$ - (50.61)	\$ 243,767.76 (119,073.67) (1,890,473.65)	\$ 2,377,322.08 (1,049,834.46) (6,078,936.88) (50.61)
(2,364.32)	(275,439.99)	-	(2,674,047.24)	(50.61)	(1,765,779.56)	(4,751,499.87)
54,286,034.53	128,121,067.04 2,636,751.09 27,127,327.74	45,331,570.86	5,268,481.29 71,357,589.36 46,742,412.83 (30,575,000.00) (78,046,856.38)	3,603.41 69,405.71	17,980,269.47 24,228,495.00 (573,050.00)	128,121,067.04 161,568,858.67 114,824,218.94 71,040,313.54 (60,245,000.00) (124,467,186.07) (1,068,191.83) (140,871,721.63) (6,859,858.34)
(53,378,251.17)	(1,068,191.83) (41,297,785.22) (41,849.14)	(15,535,000.00) (29,733,370.58)	(776,452.00)	(1,200.00)	(6,028,400.30)	(6,859,858.34)
907,783.36	115,477,319.68	63,200.28	13,970,175.10	71,809.12	35,607,314.17	142,042,500.32
6,729,830.10	7,800,539.69 9,990,000.00 (87,480,000.00)	-	10,550,708.74 4,262,000.00 (26,108,836.60)	(71,758.51)	900,477.53 (34,742,012.14)	18,791,146.07 24,376,838.19 24,705,711.70 (150,065,607.25)
6,729,830.10	(69,689,460.31)	-	(11,296,127.86)	(71,758.51)	(33,841,534.61)	(82,191,911.29)
7,635,249.14	45,512,419.38	63,200.28	-	-	-	55,099,089.16
17,069,981.72	101,965,996.18	381.86	370,506,285.41 (370,506,285.41)	3,113.66 (3,113.66)	33,448,534.26 (33,448,534.26)	576,843,612.81 (403,957,933.33)
\$ 24,705,230.86	\$ 147,478,415.56	\$ 63,582.14	\$ -	\$ -	\$ -	\$ 227,984,768.84

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

Texas Water Development Board (580)

Exhibit F-3 - Combining Statement of Cash Flows - Enterprise Funds (cont.)

For the Fiscal Year Ended August 31, 2002

	Water Development Clearance Fund (0350)	Texas Water Development Fund (0351)	Water Development Bonds Interest and Sinking Fund (0352) U/F (3521)	Agricultural Water Conservation Fund (0358)	Agricultural Water Conservation Interest and Sinking Fund (0359) U/F (0359)
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ 5,578,955.96	\$ 12,403,185.36	\$ (15,143,387.99)	\$ 477,464.10	\$ (686,336.85)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Bad Debt Expense	-	-	-	26,624.45	-
Operating Income and Cash Flow Categories: Classification Differences	(5,632,812.99)	(12,738,797.23)	15,391,208.10	(578,141.46)	722,701.01
Changes in Assets and Liabilities:					
(Increase) Decrease in Receivables	53,857.03	323,049.40		72,052.91	
(Increase) Decrease in Other Assets					
Increase (Decrease) in Payables		(18,405.68)	(247,820.11)		(37,214.16)
Increase (Decrease) in Due to Other Funds					
Total Adjustments	(5,578,955.96)	(12,434,153.51)	15,143,387.99	(479,464.10)	685,486.85
Net Cash Provided by Operating Activities	\$ -	\$ (30,968.15)	\$ -	\$ (3,000.00)	\$ (860.00)

Non-Cash Transactions

Net Increase (Decrease) in Fair Value of Investments

Note: Appropriated fund is shown as (XXXX). USAS D23 Fund is shown as U/F (XXXX), except as noted below:

Appropriated Fund 0350 - USAS D23 Funds 3501, 8350

Appropriated Fund 0351 - USAS D23 Funds 3511, 3517

Appropriated Fund 0358 - USAS D23 Funds 0358, 8358

Appropriated Fund 0370 - USAS D23 Funds 0370, 8370

Appropriated Fund 0371 - USAS D23 Funds 0371, 3717

UNAUDITED

Texas Water Development Fund II Clearance Fund (0370)	Texas Water Development Fund II (0371)	Texas Water Development Fund II Interest and Sinking Fund (0372) U/F (0372)	Clean Water State Revolving Fund (9999) U/F (0651)	CPLP State Revolving Fund (9999) U/F (0851)	Drinking Water State Revolving Fund (9999) U/F (0951)	Totals (Exhibit Va)
\$ 6,423,855.59	\$ 28,644,960.39	\$ (29,067,656.94)	\$ 18,097,600.90	\$ 11,213.77	\$ (38,832.18)	\$ 26,701,022.11
-	-	-	-	-	-	26,624.45
(6,729,830.10)	(27,531,135.15)	29,299,759.24	(21,154,087.46)	(10,558.47)	(1,726,947.38)	(30,688,641.89)
301,121.84	(1,370,963.60)			(555.54)		(621,437.96)
2,488.35	(18,301.63)	(232,102.30)		(150.37)		(160.37)
			382,439.32			(551,355.53)
						382,439.32
<u>(6,426,219.91)</u>	<u>(28,920,400.38)</u>	<u>29,067,656.94</u>	<u>(20,771,648.14)</u>	<u>(11,264.38)</u>	<u>(1,726,947.38)</u>	<u>(31,452,521.98)</u>
<u>\$ (2,364.32)</u>	<u>\$ (275,439.99)</u>	<u>\$ -</u>	<u>\$ (2,674,047.24)</u>	<u>\$ (50.61)</u>	<u>\$ (1,765,779.55)</u>	<u>\$ (4,751,499.87)</u>
			(443,262.16)			\$ (443,262.16)

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

UNAUDITED

Texas Water Development Board (580)

Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds

August 31, 2002

	Beginning Balance September 1, 2001	Additions	Deductions	Ending Balance August 31, 2002
U.S. Savings Bond Account (0901) U/F (0901)				
ASSETS				
Current				
Cash in State Treasury	\$ 1,362.50	\$ 8,862.50	\$ 8,812.50	\$ 1,412.50
Total Assets	\$ 1,362.50	\$ 8,862.50	\$ 8,812.50	\$ 1,412.50
LIABILITIES				
Current				
Payables	\$ -	\$ 7,450.00	\$ 7,450.00	\$ -
Funds Held for Others	1,362.50	8,862.50	8,812.50	1,412.50
Total Liabilities	\$ 1,362.50	\$ 16,312.50	\$ 16,262.50	\$ 1,412.50
Totals - All Agency Funds				
ASSETS				
Current				
Cash in State Treasury	\$ 1,362.50	\$ 8,862.50	\$ 8,812.50	\$ 1,412.50
Total Assets	\$ 1,362.50	\$ 8,862.50	\$ 8,812.50	\$ 1,412.50
LIABILITIES				
Current				
Payables	\$ -	\$ 7,450.00	\$ 7,450.00	\$ -
Funds Held for Others	1,362.50	8,862.50	8,812.50	1,412.50
Total Liabilities	\$ 1,362.50	\$ 16,312.50	\$ 16,262.50	\$ 1,412.50

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

Texas Water Development Board (580)
Exhibit L-1 - Combining Statement of Net Assets -
Discretely Presented Proprietary Component Units
August 31, 2002

	Texas Water Resources Finance Authority (TWRFA) (9999) U/F (0751)	Totals (Exhibit III)
ASSETS		
Current Assets:		
Short Term Investments	\$ 28,974,982.76	\$ 28,974,982.76
Receivables from:		
Interest and Dividends	1,299,636.96	1,299,636.96
Loans and Contracts	9,242,000.00	9,242,000.00
Total Current Assets	39,516,619.72	39,516,619.72
Non-Current Assets:		
Loans and Contracts	67,571,013.00	67,571,013.00
Investments	30,400,800.00	30,400,800.00
Total Non-Current Assets	97,971,813.00	97,971,813.00
Total Assets	137,488,432.72	137,488,432.72
LIABILITIES		
Current Liabilities:		
Payables from:		
Accounts Payable		
Other	174,745.17	174,745.17
Revenue Bonds Payable	12,670,000.00	12,670,000.00
Total Current Liabilities	12,844,745.17	12,844,745.17
Non-Current Liabilities:		
Revenue Bonds Payable	52,382,970.70	52,382,970.70
Total Non-Current Liabilities	52,382,970.70	52,382,970.70
Total Liabilities	65,227,715.87	65,227,715.87
NET ASSETS		
Restricted for:		
Debt Retirement		
Unrestricted	72,260,716.85	72,260,716.85
Total Net Assets	\$ 72,260,716.85	\$ 72,260,716.85

Note: Appropriated fund is shown as (XXXX). USAS D23 Fund is shown as U/F (XXXX).

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Texas Water Development Board (580)
Exhibit L-2 - Combining Statement of Revenues, Expenses, and
Changes in Net Assets - Discretely Presented Proprietary Component Units
 For the Fiscal Year Ended August 31, 2002

	Texas Water Resources Finance Authority (TWRFA) (9999) U/F (0751)	Totals (Exhibit IV)
OPERATING REVENUES:		
Interest and Investment Income	\$ 8,272,502.69	\$ 8,272,502.69
Net Increase (Decrease) Fair Market Value	8,132.94	8,132.94
Total Operating Revenues	8,280,635.63	8,280,635.63
OPERATING EXPENSES:		
Professional Fees and Services	500.00	500.00
Interest	6,593,581.45	6,593,581.45
Other Operating Expenses	624,245.05	624,245.05
Total Operating Expenses	7,218,326.50	7,218,326.50
Operating Income (Loss)	1,062,309.13	1,062,309.13
Income/(Loss) before Other Revenues, Expenses, Gains/Losses and Transfers	1,062,309.13	1,062,309.13
Change in Net Assets	1,062,309.13	1,062,309.13
Total Net Assets, September 1, 2001	71,198,407.72	71,198,407.72
Total Net Assets, August 31, 2002	\$ 72,260,716.85	\$ 72,260,716.85

Note: Appropriated fund is shown as (XXXX). USAS D23 Fund is shown as U/F (XXXX).

Texas Water Development Board (580)
Exhibit L-3 - Combining Statement of Cash Flows -
Discretely Presented Component Units (cont.)
 For the Fiscal Year Ended August 31, 2002

	Texas Water Resources Finance Authority (TWRFA) (9999) U/F (0751)		Totals (Exhibit Va)
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ 1,062,309.13	\$	1,062,309.13
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Operating Income and Cash Flow Categories:			
Classification Differences	(624,745.05)		(624,745.05)
Changes in Assets and Liabilities:			
(Increase) Decrease in Receivables	125,942.74		125,942.74
(Increase) Decrease in Loans & Contracts	15,110,500.00		15,110,500.00
(Increase) Decrease in Other Assets	(1,674,173.99)		(1,674,173.99)
Increase (Decrease) in Payables	(35,825.23)		(35,825.23)
Increase (Decrease) in Other Liabilities	(14,588,752.65)		(14,588,752.65)
Total Adjustments	(1,687,054.18)		(1,687,054.18)
Net Cash Provided by Operating Activities	\$ (624,745.05)	\$	(624,745.05)
Non Cash Transactions			
Net Increase (Decrease) in Fair Value of Investments	402.08	\$	402.08

Note: Appropriated fund is shown as (XXXX). USAS D23 Fund is shown as U/F (XXXX).

Texas Water Development Board (580)
Exhibit L-3 - Combining Statement of Cash Flows -
Discretely Presented Component Units
 For the Fiscal Year Ended August 31, 2002

	Texas Water Resources Finance Authority (TWRFA) (9999) U/F (0751)	Totals (Exhibit V)
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to Suppliers for Goods and Services	\$ (3,602.14)	\$ (3,602.14)
Payments for Other Expenses	(621,142.91)	(621,142.91)
Net Cash Provided by Operating Activities	(624,745.05)	(624,745.05)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Loan Programs	3,895,580.36	3,895,580.36
Payments of Principal on Debt Issuance	(14,588,752.65)	(14,588,752.65)
Payments of Interest	(6,418,836.28)	(6,418,836.28)
Net Cash Provided by Noncapital Financing Activities	(17,112,008.57)	(17,112,008.57)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	7,730.86	7,730.86
Proceeds from Interest and Investment Income	3,077,285.37	3,077,285.37
Proceeds from Principal Payments on Loans	15,110,500.00	15,110,500.00
Payments to Acquire Investments	(458,762.61)	(458,762.61)
Net Cash Provided by Investing Activities	17,736,753.62	17,736,753.62
Net (Decrease) in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents--September 1, 2001	24,239,055.37	24,239,055.37
Restatement to Beginning Cash and Cash Equivalents	(24,239,055.37)	(24,239,055.37)
Cash and Cash Equivalents--August 31, 2002	\$ -	\$ -

Note: Appropriated fund is shown as (XXXX). USAS D23 Fund is shown as U/F (XXXX).

Required Supplemental Information (Schedules)

Texas Water Development Board (580)
Schedule 1A - Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2002

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	Identifying Number	Pass-Through From		
			Agy/ Univ. #	Agencies or Univ. Amount	Non-State Entities Amount
U.S. Department of Commerce					
National Oceanic and Atmospheric Administration					
Pass-Through From Programs:					
Coastal Zone Management Administration Awards	11.419		305	11,600.17	
Total U.S. Department of Commerce				11,600.17	0.00
U.S. Department of Interior					
Bureau of Reclamation					
Direct Programs:					
Transboundary Resource Information Management System (TRIMS)	15.000	00-FC-40-3950			
U.S. Geological Survey					
Direct Programs:					
U.S. Geological Survey_Research and Data Acquisition	15.808				
StratMap Program	15.000	99HQAG0025			
Total U.S. Department of Interior				0.00	0.00
U.S. Environmental Protection Agency					
Direct Programs:					
Capitalization Grants for State Revolving Funds	66.458				
Capitalization Grants for Drinking Water State Revolving Fund	66.468				
New Loans Processed					
State Program Management					
Administrative Costs Recovered					
Surveys, Studies, Investigations and Special Purpose Grants	66.606				
Construction Management Assistance	66.000	C-48000089			
Colonia Wastewater Treatment Assistance Funds	66.000	C480001-04,05,06			
Grants Processed					
Administrative Costs Recovered					
Rural Communities Hardship Grants Program	66.000	HG-98623601			
Colonia Plumbing Loan Program	66.000	CS-48000101			
Total U.S. Environmental Protection Agency				0.00	0.00
Federal Emergency Management Agency					
Direct Programs:					
Flood Mitigation Assistance	83.536				
Total Federal Emergency Management Agency				0.00	0.00
TOTAL FEDERAL FINANCIAL ASSISTANCE				11,600.17	0.00

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Direct Program Amount	Total PT From & Direct Program	Pass-Through To			Expenditures Amount	Total PT To & Expenditures
		Agy./ Univ. #	State Agy. or Univ. Amount	Non-State Entities Amount		
	11,600.17				11,600.17	11,600.17
<u>0.00</u>	<u>11,600.17</u>		<u>0.00</u>	<u>0.00</u>	<u>11,600.17</u>	<u>11,600.17</u>
34,497.62	34,497.62				34,497.62	34,497.62
83,299.61	83,299.61				83,299.61	83,299.61
86,613.60	86,613.60				86,613.60	86,613.60
<u>204,410.83</u>	<u>204,410.83</u>		<u>0.00</u>	<u>0.00</u>	<u>204,410.83</u>	<u>204,410.83</u>
45,965,960.83	45,965,960.83			1,016,316.00	44,949,644.83	45,965,960.83
19,110,599.81	19,110,599.81			19,110,599.81		19,110,599.81
5,117,895.19	5,117,895.19				5,117,895.19	5,117,895.19
706,496.76	706,496.76				706,496.76	706,496.76
193,227.30	193,227.30			46,362.15	146,865.15	193,227.30
21,364.39	21,364.39				21,364.39	21,364.39
16,603,710.31	16,603,710.31			16,603,710.31		16,603,710.31
1,433,443.65	1,433,443.65				1,433,443.65	1,433,443.65
776,452.00	776,452.00			776,452.00		776,452.00
69,405.71	69,405.71			69,405.71		69,405.71
<u>89,998,555.95</u>	<u>89,998,555.95</u>		<u>0.00</u>	<u>37,622,845.98</u>	<u>52,375,709.97</u>	<u>89,998,555.95</u>
1,240,045.03	1,240,045.03			1,189,199.61	50,845.42	1,240,045.03
<u>1,240,045.03</u>	<u>1,240,045.03</u>		<u>0.00</u>	<u>1,189,199.61</u>	<u>50,845.42</u>	<u>1,240,045.03</u>
<u>91,443,011.81</u>	<u>91,454,611.98</u>		<u>0.00</u>	<u>38,812,045.59</u>	<u>52,642,566.39</u>	<u>91,454,611.98</u>

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TEXAS WATER DEVELOPMENT BOARD (580)

SCHEDULE 1A - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDING AUGUST 31, 2002

Note 2 - Reconciliation

Federal Revenue (Exhibit II)	20,402,698.27
Federal Pass-Through Revenue (Exhibit II)	11,600.17
Federal Revenue-Non-Operating (Exhibit IV)	71,040,313.54

RECONCILING ITEMS:

Federal Revenues:

Total Pass-Through and Expenditures per
Federal Schedule

\$ 91,454,611.98

Texas Water Development Board (580)**Schedule 1B - Schedule of State Grant Pass-Throughs From / To State Agencies**

For the Fiscal Year Ended August 31, 2002

Pass-Through From:

State Energy Conservation Office (Agency 907)

Energy Conservation	<u>\$ 106,981.12</u>
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Total Pass-Through From Other Agencies (Exhibit II)	<u>\$ 106,981.12</u>
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Pass-Through To:

Department of Agriculture (Agency 551)

Ag Bonds - Pecos River Ecosystem Project for Saltcedar Control	1,000,000.00
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Soil and Water Conservation Board (Agency 592)

Ag Bonds - Brush Control Cost Share Projects	15,000,000.00
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Texas Agricultural Experiment Station (Agency 556)

Water Systems Efficiency - Research and Planning	117,113.26
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Texas A&M University (Main University) (Agency 711)

Water Systems Efficiency - Research and Planning	<u>14,986.84</u>
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Total Pass-Through To Other Agencies (Exhibit II)	<u>\$ 16,132,100.10</u>
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Texas Water Development Board (580)
Schedule 2A - Miscellaneous Bond Information
 For the Fiscal Year Ended August 31, 2002
 (Amounts in Thousands)

Governmental Activities

Description of Issue	Bonds Issued To Date	Range of Interest Rates		Scheduled Maturities		First Call Date
				First Year	Last Year	
General Obligation Bonds - Non Self-Supporting						
ECONOMICALLY DISTRESSED AREAS PROGRAM (EDAP)						
W Dev Bds Ser '97-E	\$ 15,000	3.850%	5.500%	1999	2020	08/01/2007
W Dev Bds Ser '97-F	10,000	3.850%	5.500%	1999	2020	08/01/2007
W Dev & Ref Bds Ser '98-C	82,400	4.200%	5.375%	1999	2018	08/01/2008
W Dev Bds Ser '99-B	24,995	4.000%	5.500%	2001	2021	08/01/2009
W Dev Bds Ser '01-A	25,000	5.000%	5.750%	2019	2026	08/01/2011
W Dev Bds Ser '02-C	23,980	3.000%	5.375%	2003	2024	08/01/2012
Subtotal EDAP	<u>181,375</u>					
STATE PARTICIPATION PROGRAM						
W Dev Bds Ser '99-C	50,000	5.250%	5.500%	2020	2035	08/01/2009
W Dev Bds Ser '01-C	49,840	5.125%	5.750%	2021	2035	08/01/2011
W Dev Bds Ser '02-D	20,000	4.900%	5.000%	2022	2024	08/01/2012
Subtotal State Participation Program	<u>119,840</u>					
AGRICULTURAL WATER CONSERVATION						
Agri Water Cons Bds Tax Ser '02	16,160	2.000%	4.700%	2003	2009	N/A
Subtotal Agricultural Water Conservation	<u>16,160</u>					
SUBTOTAL GOVERNMENTAL ACTIVITIES:	<u>317,375</u>					

Business-Type Activities

General Obligation Bonds - Self-Supporting

DFUND I						
W Dev Bds Ser '92-A*	13,500	4.500%	7.500%	1993	2014	08/01/2002
W Dev Bds Ser '92-C*	8,305	4.500%	7.500%	1993	2014	08/01/2002
W Dev Bds Ser '93-A	23,000	4.600%	7.250%	1994	2015	08/01/2003
W Dev Bds Ser '93-B	3,000	4.600%	7.250%	1994	2015	08/01/2003
W Dev Bds Ser '93-D	14,000	4.600%	7.250%	1994	2015	08/01/2003
W Dev Bds Ser '93-G	15,000	2.500%	5.125%	1994	2015	08/01/2004
W Dev Bds Ser '93-I	20,000	2.500%	5.125%	1994	2015	08/01/2004
W Dev Bds Ser '94-A	35,000	5.250%	7.150%	1997	2035	08/01/2004
W Dev Bds Ser '94-B	20,000	5.250%	6.900%	1997	2015	08/01/2004
W Dev Bds Ser '95-A	40,000	4.500%	6.500%	1997	2026	08/01/2005
W Dev Bds Ser '96-A	20,000	4.000%	5.500%	1999	2021	08/01/2006
W Dev Bds Ser '96-B	15,000	4.000%	5.500%	1999	2019	08/01/2006
W Dev Bds Tax Ser '96-E	30,000	6.400%	7.875%	1998	2022	08/01/2006
W Dev Bds Ser '97-C	20,000	5.200%	5.500%	2011	2028	08/01/2007
Subtotal Development Fund I	<u>276,805</u>					

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Texas Water Development Board (580)
Schedule 2A - Miscellaneous Bond Information
 For the Fiscal Year Ended August 31, 2002
 (Amounts in Thousands)

Business-Type Activities (continued)

Description of Issue	Bonds Issued To Date	Range of Interest Rates		Scheduled Maturities		First Call Date
				First Year	Last Year	
DFUND II						
W Dev Bds Ser '97-A	50,000	4.800%	5.500%	2000	2027	08/01/2007
W Dev Bds Ser '97-B	20,000	4.800%	5.500%	2000	2019	08/01/2007
W Dev Bds Ser '97-D	75,000	3.850%	5.500%	1999	2019	08/01/2009
W Dev & Ref Bds Ser '98-A	80,000	4.200%	5.375%	1999	2018	08/01/2003
W Dev Ref Bds Tax Ser '98-B	46,615	5.870%	6.850%	1999	2020	08/01/2003
W Dev Bds Ser '99-A	74,735	4.000%	5.500%	2001	2024	08/01/2009
W Dev & Ref Bds Ser '00	60,000	5.000%	6.000%	2001	2022	08/01/2010
W Dev Bds Ser '00-A	75,000	4.300%	5.750%	2001	2022	08/01/2010
W Dev Ref Bds Ser '01-A**	30,940	3.000%	5.750%	2002	2035	08/01/2011
W Dev Bds Ser '01-B	43,725	3.000%	5.750%	2002	2035	08/01/2011
W Dev Bds Tax Ser '01-B**	245	5.000%	5.000%	2003	2003	N/A
W Dev Bds Ser '02-A (AMT)	25,000	2.550%	5.550%	2004	2041	08/01/2012
W Dev & Ref Bds Ser '02-B	98,500	2.250%	5.500%	2003	2024	08/01/2012
W Dev Bds Ser '02-E	18,035	3.000%	5.375%	2003	2024	08/01/2012
Subtotal Development Fund II	<u>697,795</u>					
AGRICULTURAL WATER CONSERVATION						
Agri Water Cons Bds Tax Ser '94-A	7,000	4.200%	6.100%	1995	2002	N/A
Agri Water Cons Bds Tax Ser '94-B	7,000	6.800%	8.100%	1996	2003	N/A
Agri Water Cons Bds Tax Ser '97	5,000	5.800%	6.750%	1998	2006	N/A
Subtotal Agricultural Water Conservation	<u>19,000</u>					
Revenue Bonds - Self-Supporting						
TWRFA Rev Ref Bds Ser '99	62,385	3.250%	4.800%	2000	2010	08/15/2004
TWRFA Rev Ref Bds Tax Ser '99	83,015	4.990%	6.620%	1999	2010	N/A
W Dev State Revolving Fund sub Lien Rev Bds Ser '92-A	50,000	VAR	VAR	2015	2015	04/01/1992
W Dev State Revolving Fund Rev Bds Ser '92	241,000	3.750%	6.500%	1994	2013	07/15/2002
W Dev State Revolving Fund Rev Bds Ser '93	125,000	3.850%	5.250%	1997	2015	07/15/2004
W Dev State Revolving Fund Rev Bds Ser '96-A	200,000	4.200%	6.000%	1997	2017	07/15/2006
W Dev State Revolving Fund Rev Bds Ser '96-B	185,000	4.250%	5.500%	2000	2018	01/15/2007
W Dev State Revolving Fund Rev Bds Ser '97-A	50,000	4.100%	5.250%	1999	2019	07/15/2007
W Dev State Revolving Fund Rev Bds Ser '97-B	300,000	4.200%	5.500%	2000	2019	07/15/2007
W Dev State Revolving Fund Rev Bds Ser '98-A	150,000	4.000%	5.250%	2001	2020	07/15/2008
W Dev State Revolving Fund Rev Bds Ser '99-A	100,000	4.100%	5.750%	2001	2021	07/15/2009
W Dev State Revolving Fund Rev Bds Ser '99-B	150,000	4.125%	5.750%	2001	2021	01/15/2010
W Dev State Revolving Fund Rev Bds Ser '00-A	100,000	4.300%	5.625%	2001	2021	07/15/2011
Subtotal Revenue Bonds	<u>1,796,400</u>					
SUBTOTAL BUSINESS TYPE ACTIVITIES:	<u>2,790,000</u>					
TOTAL TEXAS WATER DEVELOPMENT BOARD	<u>\$ 3,107,375</u>					

* Refunded by Development Fund II on a call date

** Transferred from DFI

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Texas Water Development Board (580)

Schedule 2B - Supplementary Bond Schedules

Changes in Bonded Indebtedness

For the Fiscal Year Ended August 31, 2002

Governmental Activities

Description of Issue	Bonds Outstanding 9/1/2001	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2002	Amounts Due Within One Year
General Obligation Bonds - Non Self-Supporting						
ECONOMICALLY DISTRESSED AREAS PROGRAM (EDAP)						
W Dev Bds Ser '97-E	\$ 13,875,000	\$	\$ 420,000	\$	\$ 13,455,000	\$ 445,000
W Dev Bds Ser '97-F	9,080,000		315,000		8,765,000	325,000
W Dev & Ref Bds Ser '98-C	74,540,000		3,085,000		71,455,000	3,250,000
W Dev Bds Ser '99-B	24,280,000		740,000		23,540,000	770,000
W Dev Bds Ser '01-A	25,000,000				25,000,000	
W Dev Bds Ser '02-C		23,980,000			23,980,000	670,000
Subtotal EDAP	146,775,000	23,980,000	4,560,000	-	166,195,000	5,460,000
STATE PARTICIPATION PROGRAM						
W Dev Bds Ser '99-C	50,000,000				50,000,000	
W Dev Bds Ser '01-C	49,840,000				49,840,000	
W Dev Bds Ser '02-D		20,000,000			20,000,000	
Subtotal State Participation Program	99,840,000	20,000,000	-	-	119,840,000	-
AGRICULTURAL WATER CONSERVATION						
Agri Water Cons Bds Tax Ser '02		16,160,000	-		16,160,000	2,110,000
Subtotal Agricultural Water Conservation	-	16,160,000	-	-	16,160,000	2,110,000
SUBTOTAL GOVERNMENTAL ACTIVITIES:	246,615,000	60,140,000	4,560,000	-	302,195,000	7,570,000

Business-Type Activities

General Obligation Bonds - Self Supporting

DFUND I

W Dev Bds Ser '92-A*	10,120,000		510,000	9,610,000		
W Dev Bds Ser '92-C*	6,240,000		315,000	5,925,000		
W Dev Bds Ser '93-A	17,880,000		835,000		17,045,000	885,000
W Dev Bds Ser '93-B	2,340,000		110,000		2,230,000	115,000
W Dev Bds Ser '93-D	10,895,000		505,000		10,390,000	540,000
W Dev Bds Ser '93-G	11,265,000		575,000		10,690,000	605,000
W Dev Bds Ser '93-I	15,015,000		770,000		14,245,000	805,000
W Dev Bds Ser '94-A	32,625,000		635,000		31,990,000	680,000
W Dev Bds Ser '94-B	16,980,000		730,000		16,250,000	775,000
W Dev Bds Ser '95-A	36,180,000		930,000		35,250,000	995,000
W Dev Bds Ser '96-A	18,450,000		560,000		17,890,000	585,000
W Dev Bds Ser '96-B	13,660,000		485,000		13,175,000	505,000
W Dev Bds Tax Ser '96-E	27,535,000		795,000		26,740,000	865,000
W Dev Bds Ser '97-C	20,000,000				20,000,000	
Subtotal Development Fund I	239,185,000	-	7,755,000	15,535,000	215,895,000	7,355,000

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Texas Water Development Board (580)
Schedule 2B - Supplementary Bond Schedules
Changes in Bonded Indebtedness
 For the Fiscal Year Ended August 31, 2002

Business-Type Activities (continued)

Description of Issue	Bonds Outstanding 9/1/2001	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2002	Amounts Due Within One Year
DFUND II						
W Dev Bds Ser '97-A	49,330,000	\$	470,000	\$	48,860,000	605,000
W Dev Bds Ser '97-B	18,790,000		655,000		18,135,000	690,000
W Dev Bds Ser '97-D	72,600,000		1,000,000		71,600,000	1,060,000
W Dev & Ref Bds Ser '98-A	76,240,000		2,780,000		73,460,000	6,060,000
W Dev Ref Bds Tax Ser '98-B	40,730,000		2,390,000		38,340,000	2,540,000
W Dev Bds Ser '99-A	74,245,000		2,640,000		71,605,000	1,295,000
W Dev & Ref Bds Ser '00	58,340,000		2,580,000		55,760,000	2,720,000
W Dev Bds Ser '00-A	72,500,000		2,100,000		70,400,000	2,100,000
W Dev Ref Bds Ser '01-A**	30,940,000		400,000		30,540,000	260,000
W Dev Bds Ser '01-B	43,725,000		420,000		43,305,000	70,000
W Dev Bds Tax Ser '01-B**	245,000		100,000		145,000	145,000
W Dev Bds Ser '02-A		25,000,000			25,000,000	
W Dev & Ref Bds '02-B		98,500,000			98,500,000	3,090,000
W Dev Bds Ser '02-E		18,035,000			18,035,000	505,000
Subtotal Development Fund II	537,685,000	141,535,000	15,535,000	-	663,685,000	21,140,000
AGRICULTURAL WATER CONSERVATION						
Agri Water Cons Bds Tax Ser '94-A	1,120,000		1,120,000			
Agri Water Cons Bds Tax Ser '94-B	2,155,000		1,035,000	1,120,000		
Agri Water Cons Bds Tax Ser '97	3,105,000		560,000	2,545,000		
Subtotal Agricultural Water Conservation	6,380,000	-	2,715,000	3,665,000	-	-
Revenue Bonds - Self-Supporting						
TWRFA Rev Bds, Ser '99	33,780,000		5,830,000	3,500,000	24,450,000	6,125,000
TWRFA Rev Bds Tax, Ser '99	52,510,000		7,170,000		45,340,000	6,545,000
W Dev State Revolving Fund Sub Lien Rev Bds Ser '92-A	50,000,000				50,000,000	
W Dev State Revolving Fund Rev Bds Ser '92	164,305,000		11,680,000		152,625,000	12,580,000
W Dev State Revolving Fund Rev Bds Ser '93	102,020,000		5,220,000		96,800,000	5,460,000
W Dev State Revolving Fund Rev Bds Ser '96-A	188,270,000		3,000,000		185,270,000	3,300,000
W Dev State Revolving Fund Rev Bds Ser '96-B	183,900,000		700,000		183,200,000	800,000
W Dev State Revolving Fund Rev Bds Ser '97-A	45,505,000		1,630,000		43,875,000	1,700,000
W Dev State Revolving Fund Rev Bds Ser '97-B	293,670,000		3,495,000		290,175,000	3,685,000
W Dev State Revolving Fund Rev Bds Ser '98-A	149,000,000		1,000,000		148,000,000	3,000,000
W Dev State Revolving Fund Rev Bds Ser '99-A	98,980,000		1,025,000		97,955,000	1,025,000
W Dev State Revolving Fund Rev Bds Ser '99-B	148,950,000		1,050,000		147,900,000	1,045,000
W Dev State Revolving Fund Rev Bds Ser '00-A	99,000,000		1,775,000		97,225,000	2,015,000
Subtotal Revenue Bonds	1,609,890,000	-	43,575,000	3,500,000	1,582,815,000	47,280,000
SUBTOTAL BUSINESS-TYPE ACTIVITIES	2,393,140,000	141,535,000	69,580,000	22,700,000	2,442,395,000	75,775,000
TOTAL TEXAS WATER DEVELOPMENT BOARD	\$ 2,639,755,000	\$ 201,675,000	\$ 74,140,000	\$ 22,700,000	\$ 2,744,590,000	\$ 83,345,000

* Refunded by DFI on a call date

** Transferred from DFI

Footnotes:

(a) Bonds Outstanding balance at 8/31/02 does not include unamortized loss on refunding for TWRFA Bonds.

Bonds Outstanding per Schedule 2B	\$ 2,744,590,000.00
Unamortized Gain / (Loss) on Refunding	(4,737,029.30)
Bonds Payable	<u>\$ 2,739,852,970.70</u>
Bonds Payable - Exhibit III	\$ 2,437,657,970.70
Bonds Payable - Schedule 5	302,195,000.00
Bonds Payable	<u>\$ 2,739,852,970.70</u>

UNAUDITED

Texas Water Development Board (580)
Schedule 2C - Supplementary Bond Schedules
Debt Service Requirements
 For the Fiscal Year Ended August 31, 2002

Governmental Activities

Description of Issue	2003	2004	2005	2006	2007
General Obligation bonds - Non Self-Supporting					
ECONOMICALLY DISTRESSED AREAS PROGRAM (EDAP)					
W Dev Bds Ser '97-E					
Principal	\$ 445,000	\$ 470,000	\$ 500,000	\$ 525,000	\$ 555,000
Interest	681,655	657,180	631,330	603,830	574,955
W Dev Bds Ser '97-F					
Principal	325,000	340,000	355,000	475,000	445,000
Interest	445,405	427,530	408,830	389,305	363,180
W Dev & Ref Bds Ser '98-C					
Principal	3,250,000	3,385,000	3,475,000	3,645,000	3,765,000
Interest	3,626,275	3,463,775	3,294,525	3,120,775	2,938,525
W Dev Bds Ser '99-B					
Principal	770,000	805,000	840,000	880,000	920,000
Interest	1,225,588	1,192,862	1,157,644	1,119,844	1,080,244
W Dev Bds Ser '01-A					
Principal	-	-	-	-	-
Interest	1,322,466	1,322,467	1,322,466	1,322,466	1,322,466
W Dev Bds Ser '02-C					
Principal	670,000	690,000	715,000	740,000	760,000
Interest	1,156,657	1,136,557	1,114,133	1,090,895	1,068,695
Subtotal EDAP	13,918,046	13,890,371	13,813,928	13,912,115	13,793,065
Less EDAP Interest	(8,458,046)	(8,200,371)	(7,928,928)	(7,647,115)	(7,348,065)
Subtotal EDAP Principal	5,460,000	5,690,000	5,885,000	6,265,000	6,445,000
STATE PARTICIPATION PROGRAM					
W Dev Bds Ser '99-C					
Principal	-	-	-	-	-
Interest	2,739,775	2,739,775	2,739,775	2,739,775	2,739,775
W Dev Bds Ser '01-C					
Principal	-	-	-	-	-
Interest	2,750,556	2,750,556	2,750,556	2,750,556	2,750,556
W Dev Bds Ser '02-D					
Principal	-	-	-	-	-
Interest	1,003,969	1,003,969	1,003,969	1,003,969	1,003,969
Subtotal State Participation	6,494,300	6,494,300	6,494,300	6,494,300	6,494,300
Less State Participation Interest	(6,494,300)	(6,494,300)	(6,494,300)	(6,494,300)	(6,494,300)
Subtotal State Participation Principal	-	-	-	-	-
AGRICULTURAL WATER CONSERVATION					
Agri Water Cons Bds Tax Ser '02					
Principal	2,110,000	2,150,000	2,210,000	2,280,000	2,370,000
Interest	586,520	544,320	486,270	413,340	327,840
Subtotal Agric Water Conservation	2,696,520	2,694,320	2,696,270	2,693,340	2,697,840
Less Agric Water Conservation Interest	(586,520)	(544,320)	(486,270)	(413,340)	(327,840)
Subtotal Agric Water Conservation Principal	2,110,000	2,150,000	2,210,000	2,280,000	2,370,000
Total General Obligation bonds - Non Self Supporting Principal	7,570,000	7,840,000	8,095,000	8,545,000	8,815,000

UNAUDITED

2008-2012	2013-2017	2018-2022	2023-2027	2028-2032	2033-2037	2038-2042	Requirements
\$ 3,295,000	\$ 4,380,000	\$ 3,285,000					\$ 13,455,000
2,422,250	1,503,250	334,500					7,408,950
2,270,000	2,690,000	1,865,000					8,765,000
1,480,290	879,000	188,750					4,582,290
21,920,000	26,270,000	5,745,000					71,455,000
11,633,513	5,446,800	287,250					33,811,438
5,340,000	6,945,000	7,040,000					23,540,000
4,652,031	3,043,685	954,862					14,426,760
-	-	15,945,000	9,055,000				25,000,000
6,612,331	6,612,332	5,379,768	916,737				26,133,499
4,315,000	5,530,000	7,160,000	3,400,000				23,980,000
4,826,875	3,613,677	1,977,668	257,000				16,242,157
68,767,290	66,913,744	50,162,798	13,628,737				268,800,094
(31,627,290)	(21,098,744)	(9,122,798)	(1,173,737)				(102,605,094)
37,140,000	45,815,000	41,040,000	12,455,000				166,195,000
-	-	6,315,000	13,185,000	17,450,000	13,050,000		50,000,000
13,698,875	13,698,875	13,379,675	10,643,875	6,575,250	1,461,900		73,157,325
-	-	3,215,000	14,600,000	19,285,000	12,740,000		49,840,000
13,752,781	13,752,781	13,715,113	11,378,638	6,687,038	1,281,525		74,320,656
-	-	925,000	5,365,000	6,865,000	6,845,000		20,000,000
5,019,844	5,019,844	5,019,843	4,282,968	2,784,700	876,500		28,023,544
32,471,500	32,471,500	42,569,631	59,455,481	59,646,988	36,254,925	-	295,341,525
(32,471,500)	(32,471,500)	(32,114,631)	(26,305,481)	(16,046,988)	(3,619,925)	-	(175,501,525)
-	-	10,455,000	33,150,000	43,600,000	32,635,000	-	119,840,000
5,040,000							16,160,000
350,510							2,708,800
5,390,510							18,868,800
(350,510)							(2,708,800)
5,040,000							16,160,000
42,180,000	45,815,000	51,495,000	45,605,000	43,600,000	32,635,000	-	302,195,000

UNAUDITED

Texas Water Development Board (580)
Schedule 2C - Supplementary Bond Schedules
Debt Service Requirements (cont.)
 For the Fiscal Year Ended August 31, 2002

Business-Type Activities

Description of Issue	2003	2004	2005	2006	2007
General Obligation Bonds - Self-Supporting					
WATER DEVELOPMENT FUND I					
W Dev Bds Ser '93-A					
Principal	885,000	940,000	1,000,000	1,065,000	1,130,000
Interest	1,000,755	952,965	901,265	845,265	784,560
W Dev Bds Ser '93-B					
Principal	115,000	125,000	130,000	140,000	150,000
Interest	130,925	124,715	117,840	110,560	102,580
W Dev Bds Ser '93-D					
Principal	540,000	575,000	610,000	650,000	690,000
Interest	610,005	580,845	549,220	515,060	478,010
W Dev Bds Ser '93-G					
Principal	605,000	635,000	665,000	700,000	735,000
Interest	532,986	505,761	476,393	445,137	411,538
W Dev Bds Ser '93-I					
Principal	805,000	845,000	890,000	935,000	980,000
Interest	710,216	673,991	634,910	593,080	548,200
W Dev Bds Ser '94-A					
Principal	680,000	730,000	775,000	835,000	890,000
Interest	2,195,625	2,154,145	2,108,885	2,060,835	2,007,812
W Dev Bds Ser '94-B					
Principal	775,000	830,000	885,000	940,000	1,180,000
Interest	1,080,818	1,033,543	982,082	927,213	867,522
W Dev Bds Ser '95-A					
Principal	995,000	1,065,000	1,140,000	1,225,000	1,310,000
Interest	2,023,764	1,959,088	1,889,864	1,815,764	1,749,920
W Dev Bds Ser '96-A					
Principal	585,000	610,000	640,000	670,000	700,000
Interest	935,745	910,005	882,250	852,650	820,825
W Dev Bds Ser '96-B					
Principal	505,000	525,000	555,000	585,000	620,000
Interest	685,028	662,809	638,921	613,253	585,465
W Dev Bds Tax Ser '96-E					
Principal	865,000	925,000	1,020,000	1,100,000	1,195,000
Interest	2,048,348	1,986,716	1,919,654	1,845,194	1,763,794
W Dev Bds Ser '97-C					
Principal	-	-	-	-	-
Interest	1,057,853	1,057,853	1,057,852	1,057,852	1,057,852
Subtotal Development Fund I	20,367,068	20,407,436	20,469,136	20,526,863	20,758,078
Less Development Fund I Interest	(13,012,068)	(12,602,436)	(12,159,136)	(11,681,863)	(11,178,078)
Subtotal Development Fund I Principal	7,355,000	7,805,000	8,310,000	8,845,000	9,580,000

UNAUDITED

2008-2012	2013-2017	2018-2022	2023-2027	2028-2032	2033-2037	2038-2042	Total Requirements
6,820,000	5,205,000						17,045,000
2,835,440	637,200						7,957,450
885,000	685,000						2,230,000
371,215	84,000						1,041,835
4,150,000	3,175,000						10,390,000
1,727,810	388,800						4,849,750
4,255,000	3,095,000						10,690,000
1,466,945	322,619						4,161,379
5,675,000	4,115,000						14,245,000
1,952,848	427,938						5,541,183
5,690,000	8,185,000	6,535,000	4,680,000	1,670,000	1,320,000		31,990,000
9,031,577	6,784,915	3,990,758	1,837,277	846,203	193,050		33,211,082
6,785,000	4,855,000						16,250,000
3,091,758	679,650						8,662,586
8,010,000	11,080,000	8,795,000	1,630,000				35,250,000
7,553,304	4,885,905	1,478,300	352,800				23,708,709
4,070,000	5,270,000	5,345,000					17,890,000
3,538,260	2,334,990	740,880					11,015,605
3,580,000	4,605,000	2,200,000					13,175,000
2,428,275	1,372,280	179,820					7,165,851
7,605,000	10,930,000	3,100,000					26,740,000
7,312,700	3,854,606	646,537					21,377,549
1,140,000	4,065,000	7,790,000	6,115,000	890,000			20,000,000
5,260,662	4,624,172	3,112,988	1,062,863	46,725			19,396,672
105,235,794	91,662,075	43,914,283	15,677,940	3,452,928	1,513,050	-	363,984,651
(46,570,794)	(26,397,075)	(10,149,283)	(3,252,940)	(892,928)	(193,050)	-	(148,089,651)
58,665,000	65,265,000	33,765,000	12,425,000	2,560,000	1,320,000	-	215,895,000

UNAUDITED

Texas Water Development Board (580)
Schedule 2C - Supplementary Bond Schedules
Debt Service Requirements (cont.)
 For the Fiscal Year Ended August 31, 2002

Business-Type Activities (cont.)

Description of Issue	2003	2004	2005	2006	2007
General Obligation Bonds - Self-Supporting (cont.)					
WATER DEVELOPMENT FUND II					
W Dev Bds Ser '97-A					
Principal	605,000	810,000	1,045,000	1,160,000	1,010,000
Interest	2,575,922	2,546,277	2,506,182	2,453,932	2,394,773
W Dev Bds Ser '97-B					
Principal	690,000	725,000	760,000	800,000	840,000
Interest	953,618	919,808	883,920	845,920	805,120
W Dev Bds Ser '97-D					
Principal	1,060,000	1,690,000	1,850,000	1,960,000	2,080,000
Interest	3,600,065	3,541,765	3,448,815	3,347,065	3,239,265
W Dev & Ref Bds Ser '98-A					
Principal	6,060,000	6,360,000	6,665,000	6,985,000	7,325,000
Interest	3,699,806	3,396,806	3,078,807	2,745,556	2,396,306
W Dev Ref Bds Tax Ser '98-B					
Principal	2,540,000	2,715,000	2,885,000	3,065,000	3,275,000
Interest	2,541,160	2,384,696	2,215,280	2,028,910	1,827,232
W Dev Bds Ser '99-A					
Principal	1,295,000	1,495,000	1,250,000	1,560,000	2,970,000
Interest	3,792,110	3,737,073	3,671,666	3,615,416	3,545,216
W Dev & Ref Bds Ser '00					
Principal	2,720,000	2,870,000	3,035,000	3,195,000	3,355,000
Interest	3,130,299	2,980,699	2,822,849	2,663,511	2,503,761
W Dev Bds Ser '00-A					
Principal	2,100,000	1,980,000	2,295,000	2,410,000	2,525,000
Interest	3,761,610	3,668,160	3,574,060	3,460,510	3,340,460
W Dev Ref Bds Ser '01-A*					
Principal	260,000	375,000	390,000	405,000	420,000
Interest	1,601,792	1,593,213	1,579,900	1,565,275	1,549,480
W Dev Bds Ser '01-B					
Principal	70,000	175,000	205,000	230,000	1,040,000
Interest	2,266,414	2,264,103	2,257,891	2,250,204	2,241,234
W Dev Bds Tax Ser '01-B*					
Principal	145,000				
Interest	7,250				
W Dev Bds Ser '02-A					
Principal		250,000	255,000	265,000	270,000
Interest	1,303,820	1,303,820	1,297,445	1,289,668	1,280,658
W Dev & Ref Bds '02-B					
Principal	3,090,000	3,200,000	3,325,000	3,460,000	2,600,000
Interest	4,964,709	4,868,934	4,752,934	4,626,559	4,471,079
W Dev Bds Ser '02-E					
Principal	505,000	520,000	535,000	555,000	570,000
Interest	869,949	854,799	837,899	820,511	803,861
Subtotal Development Fund II	56,208,524	57,225,153	57,422,648	57,763,037	58,678,445
Less Development Fund II Interest	(35,068,524)	(34,060,153)	(32,927,648)	(31,713,037)	(30,398,445)
Subtotal Development Fund II Principal	21,140,000	23,165,000	24,495,000	26,050,000	28,280,000
* Transferred from Dfund I					
Total General Obligation bonds - Self Supporting Principal	28,495,000	30,970,000	32,805,000	34,895,000	37,860,000

UNAUDITED

2008-2012	2013-2017	2018-2022	2023-2027	2028-2032	2033-2037	2038-2042	Total Requirements
7,975,000	12,645,000	14,395,000	9,215,000				48,860,000
11,020,158	8,283,655	4,626,300	1,511,738				37,918,937
4,930,000	6,360,000	3,030,000					18,135,000
3,321,168	1,869,244	240,450					9,839,248
21,420,000	29,040,000	12,500,000					71,600,000
13,721,570	7,671,500	897,500					39,467,545
22,705,000	14,100,000	3,260,000					73,460,000
7,046,606	3,009,294	163,000					25,536,181
16,080,000	6,995,000	785,000					38,340,000
5,646,798	1,633,040	108,573					18,385,689
23,700,000	18,060,000	17,105,000	4,170,000				71,605,000
15,130,800	8,260,902	4,552,055	229,625				46,534,863
19,915,000	8,915,000	11,755,000					55,760,000
9,490,516	4,947,268	2,106,613					30,645,516
14,670,000	19,225,000	25,195,000					70,400,000
14,671,387	10,117,375	4,139,918					46,733,480
2,380,000	2,995,000	3,840,000	5,000,000	6,610,000	7,865,000		30,540,000
7,465,095	6,853,658	6,007,087	4,849,013	3,242,072	989,363		37,295,948
5,260,000	9,925,000	12,900,000	5,140,000	3,370,000	4,990,000		43,305,000
10,532,919	8,729,731	5,752,100	2,856,950	1,898,275	655,725		41,705,546
							145,000
							7,250
1,535,000	1,915,000	2,450,000	3,165,000	4,105,000	5,350,000	5,440,000	25,000,000
6,232,060	5,852,202	5,316,975	4,600,390	3,656,020	2,410,375	767,800	35,311,233
19,840,000	23,705,000	26,585,000	12,695,000				98,500,000
20,155,282	14,133,025	7,675,112	1,008,262				66,655,896
3,245,000	4,160,000	5,390,000	2,555,000				18,035,000
3,631,257	2,718,621	1,487,891	193,250				12,218,038
291,720,616	242,119,515	182,263,574	57,189,228	22,881,367	22,260,463	6,207,800	1,111,940,370
(128,065,616)	(84,079,515)	(43,073,574)	(15,249,228)	(8,796,367)	(4,055,463)	(767,800)	(448,255,370)
163,655,000	158,040,000	139,190,000	41,940,000	14,085,000	18,205,000	5,440,000	663,685,000
222,320,000	223,305,000	172,955,000	54,365,000	16,645,000	19,525,000	5,440,000	879,580,000

UNAUDITED

Texas Water Development Board (580)
Schedule 2C - Supplementary Bond Schedules
Debt Service Requirements (cont.)
 For the Fiscal Year Ended August 31, 2002

Business-Type Activities (continued)

Description of Issue	2003	2004	2005	2006	2007
Revenue Bonds - Self-Supporting					
TWRFA Rev Ref Bds Ser '99					
Principal	6,125,000	5,610,000	4,890,000	3,870,000	3,490,000
Interest	1,030,938	789,000	558,990	348,720	178,440
TWRFA Rev Ref Bds Tax Ser '99					
Principal	6,545,000	5,840,000	5,800,000	5,840,000	5,485,000
Interest	2,900,829	2,500,275	2,137,611	1,769,891	1,394,963
W Dev State Revolving Fund Sub Lien Rev Bds Ser '92 (2)					
Principal					
Interest	1,699,625	1,795,740	1,790,833	1,790,833	1,790,833
W Dev State Revolving Fund Rev Bds Ser '92					
Principal	12,580,000	12,080,000	12,495,000	13,175,000	16,840,000
Interest	9,522,860	8,768,060	8,031,180	7,256,490	6,426,465
W Dev State Revolving Fund Rev Bds Ser '93					
Principal	5,460,000	5,715,000	5,990,000	6,290,000	6,605,000
Interest	4,968,637	4,712,018	4,437,697	4,138,197	3,823,698
W Dev State Revolving Fund Rev Bds Ser '96-A					
Principal	3,300,000	3,815,000	4,205,000	6,105,000	9,030,000
Interest	10,174,675	10,009,675	9,809,387	9,557,088	9,190,788
W Dev State Revolving Fund Rev Bds Ser '96-B					
Principal	800,000	900,000	1,000,000	1,100,000	1,200,000
Interest	9,521,550	9,486,550	9,446,050	9,400,050	9,348,350
W Dev State Revolving Fund Rev Bds Ser '97-A					
Principal	1,700,000	1,780,000	1,865,000	1,955,000	2,050,000
Interest	2,252,362	2,174,161	2,090,501	2,000,981	1,905,675
W Dev State Revolving Fund Rev Bds Ser '97-B					
Principal	3,685,000	3,775,000	4,025,000	4,275,000	5,485,000
Interest	14,504,846	14,320,596	14,155,440	13,978,340	13,743,215
W Dev State Revolving Fund Rev Bds Ser '98-A					
Principal	3,000,000	4,750,000	5,000,000	6,000,000	6,500,000
Interest	7,432,250	7,309,250	7,071,750	6,859,250	6,601,250
W Dev State Revolving Fund Rev Bds Ser '99-A					
Principal	1,025,000	1,230,000	3,480,000	3,715,000	3,955,000
Interest	5,364,908	5,320,320	5,266,200	5,109,600	4,937,781
W Dev State Revolving Fund Rev Bds Ser '99-B					
Principal	1,045,000	1,040,000	1,040,000	2,035,000	3,760,000
Interest	8,121,384	8,075,403	8,028,604	7,980,764	7,884,101
W Dev State Revolving Fund Rev Bds Ser '00-A					
Principal	2,015,000	3,045,000	3,610,000	3,585,000	3,940,000
Interest	5,168,057	5,071,508	4,923,908	4,750,878	4,589,552
Subtotal Revenue Bonds	129,942,921	129,912,556	131,148,151	132,886,082	140,155,111
Less Revenue Bonds Interest	(82,662,921)	(80,332,556)	(77,748,151)	(74,941,082)	(71,815,111)
Subtotal Revenue Bonds Principal	47,280,000	49,580,000	53,400,000	57,945,000	68,340,000
Total Revenue bonds - Principal	47,280,000	49,580,000	53,400,000	57,945,000	68,340,000
Total bonds - Principal	\$ 83,345,000	\$ 88,390,000	\$ 94,300,000	\$ 101,385,000	\$ 115,015,000

(1) Cash basis was used for reporting future debt payments.

(2) The W Dev State Revolving Fund Rev Bds Ser' 92A are variable rate bonds which are calculated at 5% based upon the Comptroller instructions.

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2008-2012	2013-2017	2018-2022	2023-2027	2028-2032	2033-2037	2038-2042	Total Requirements
465,000							24,450,000
21,390							2,927,478.00
15,830,000							45,340,000
2,092,208							12,795,777
	50,000,000						50,000,000
8,963,978	4,621,821						22,453,663
77,490,000	7,965,000						152,625,000
16,136,175	477,900						56,619,130
38,470,000	28,270,000						96,800,000
13,675,035	3,019,013						38,774,295
65,570,000	93,245,000						185,270,000
37,172,342	17,705,035						103,618,990
18,200,000	72,200,000	87,800,000					183,200,000
45,430,800	34,621,950	4,499,750					131,755,050
11,915,000	13,235,000	9,375,000					43,875,000
7,860,150	4,611,075	802,463					23,697,368
54,980,000	78,010,000	135,940,000					290,175,000
62,883,870	45,705,250	13,112,500					192,404,057
37,500,000	63,570,000	21,680,000					148,000,000
27,681,875	14,960,625	2,609,000					80,525,250
23,595,000	35,130,000	25,825,000					97,955,000
21,182,569	13,671,825	4,949,725					65,802,928
35,275,000	74,140,000	29,565,000					147,900,000
35,472,819	21,066,744	5,167,121					101,796,940
21,675,000	28,710,000	30,645,000					97,225,000
19,931,080	13,276,956	4,355,087					62,067,026
699,469,291	718,213,194	376,325,646					2,458,052,952
(298,504,291)	(173,738,194)	(35,495,646)					(895,237,952)
400,965,000	544,475,000	340,830,000					1,562,815,000
400,965,000	544,475,000	340,830,000	-	-	-	-	1,562,815,000
\$665,465,000	\$813,595,000	\$ 565,280,000	\$ 99,970,000	\$ 60,245,000	\$ 52,160,000	\$ 5,440,000	\$2,744,590,000

UNAUDITED

Texas Water Development Board (580)
Schedule 2D - Analysis of Funds Available for Debt Service
 For The Year Ended August 31, 2002

Governmental Activities
General Obligation Bonds

Description of Issue	Beginning Balance Available for Debt Service 09/01/01	Sources of Funds				Total Sources Available
		Pledged Sources		Other Sources		
		Interest Earned on Investments	Other Pledged Sources	Operating Transfers	State's General Revenue Fund	
W Dev Bds Ser (see Note 1)	\$ 131,891	\$ 3,172,383	\$ 2,091,740	\$ -	\$ 13,308,031	\$ 18,704,045
Agri Water Cons Bds Tax Ser '02	-	-	47,226	-	-	47,226
Total	\$ 131,891	\$ 3,172,383	\$ 2,138,966	\$ -	\$ 13,308,031	\$ 18,751,271

Business-Type Activities
General Obligation Bonds

Description of Issue	Beginning Balance Available for Debt Service 09/01/01	Sources of Funds				Total Sources Available
		Pledged Sources		Other Sources		
		Interest Earned on Investments	Other Pledged Sources	Operating Transfers	State's General Revenue Fund	
W Dev Bds Ser (see Note 2)	\$ 57,034,000	\$ 6,544,113	\$ 71,903,199	\$ -	\$ -	\$ 135,481,312
Agri Water Cons Bds Taxable Ser '94-A/'94-B and '97	9,955,000	296,979	3,194,671	-	-	13,446,650
Total	\$ 66,989,000	\$ 6,841,092	\$ 75,097,870	\$ -	\$ -	\$ 148,927,962

NOTE 1: W Dev Bds Ser '97-E, '97-F, '98-C, '99-B, '99-C, '01-A, '01-C, '02-C, '02-D

NOTE 2: W Dev Bds Ser '92-A, '92-C, '93-A, '93-B, '93-D, '93-G, '93-J, '94-A, '94-B, '95-A, '96-A, '96-B, '97-A, '97-B, '97-C, '97-D, '99-A, '00, '00-A, '01-B, '02-A, '02-E, W Dev Bds Taxable Ser '96-E, WDB Refunding Taxable Ser '98-B, '01-B, W Dev Ref Bds Ser '98-A, '01-A, '02-B

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Application of Funds

	Principal	Interest	Refunded Or Extinguished	Other Application Of Funds	Total Application Of Funds
W Dev Bds Ser (see Note 1)	\$ 4,560,000	\$ 13,665,160	\$ -	\$ 109,907	\$ 18,335,087
Agri Water Cons Bds Tax Ser '02	-	-	-	10,632	10,632
Total	\$ 4,560,000	\$ 13,665,160	\$ -	\$ 109,907	\$ 18,345,699

**Ending Balance Available For
Debt Service at 8-31-02**

	Required	Actual
W Dev Bds Ser (see Note 1)	-	368,978
Agri Water Cons Bds Tax Ser '02	-	36,594
Total	\$ -	\$ 405,572

Application of Funds

	Principal	Interest	Refunded Or Extinguished	Other Application Of Funds	Total Application Of Funds
W Dev Bds Ser (see Note 2)	\$ 23,290,000	\$ 45,375,811	\$ 15,535,000	\$ 1,347,739	\$ 85,548,550
Agri Water Cons Bds Tax Ser '94-A/94-B and '97	2,715,000	722,701	3,665,000	29,474	7,132,175
Total	\$ 26,005,000	\$ 46,098,512	\$ 19,200,000	\$ 1,377,213	\$ 92,680,725

**Ending Balance Available For
Debt Service at 8-31-02**

	Required	Actual
W Dev Bds Ser (see Note 1)	\$ 10,705,431	\$ 49,932,762
Agri Water Cons Bds Tax Ser '94-A/94-B and '97	-	6,314,475
Total	\$ 10,705,431	\$ 56,247,237

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Texas Water Development Board (580)
Schedule 2D - Analysis of Funds Available for Debt Service
 For The Year Ended August 31, 2002

Business-Type Activities (cont.)
Revenue Bonds

Description of Issue	Pledged Sources			A Total Pledged Sources
	Operating Revenues	Interest Earned on Investments	Other Pledged Revenues	
TWRFA Rev Ref Bonds Ser '99	\$	\$ 3,085,016	\$ 20,305,717	\$ 23,390,733
W Dev State Revolving Fund Rev Bds Ser (Note 3)		10,391,092	173,054,490	183,445,582
TOTAL	\$ -	\$ 13,476,108	\$ 193,360,207	\$ 206,836,315

DESCRIPTION OF ISSUE	Debt Service		Refunded or Extinguished
	Principal	Interest	
TWRFA Rev Ref Bds Ser '99	\$ 13,000,000	\$ 4,772,889	\$ 3,500,000
W Dev State Revolving Fund Rev Bds Ser (Note 3)	30,575,000	79,336,161	
TOTAL	\$ 43,575,000	\$ 84,109,050	\$ 3,500,000

NOTE 3: W Dev. State Revolving Fund Revenue Bonds Ser. '92A,
 '92, '93, '96-A, '96-B, '97-A, '97-B, '98-A, '99-A, '99-B, '00-A

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Other Sources and Related Expenditures for FY 2002			
B	C	D	(A+B-C-D)
Other Sources	Operating Expenses & Expenditures	Capital Outlay	Net Available For Debt Service
\$	\$ 624,745	\$	\$ 22,765,988
	4,545,099		178,900,483
\$	\$ 5,169,844	\$	\$ 201,666,471

Interest and Sinking Fund		Reserve Fund	
Minimum	Actual	Minimum	Actual
N/A	N/A	N/A	N/A
N/A	31,827,129	121,876,799	124,095,942
\$	\$ 31,827,129	\$ 121,876,799	\$ 124,095,942

UNAUDITED

Texas Water Development Board (580)
Schedule 2E - Defeased Bonds Outstanding
 For the Fiscal Year Ended August 31, 2002
 (Amounts in thousands)

Governmental Activities

Description of Issue	Year Refunded	Par Value Outstanding
General Obligation Bonds		
Water Development Bonds, Series 1992-B	1998	\$ -
Water Development Bonds, Series 1992-D	1998	-
Water Development Bonds, Series 1993-C	1998	1,485
Water Development Bonds, Series 1993-E	1998	7,425
Water Development Bonds, Series 1994-C	1998	4,090
Water Development Bonds, Series 1994-D	1998	4,105
Water Development Bonds, Series 1995-C	1998	9,440
Water Development Bonds, Series 1996-C	1998	10,910
Water Development Bonds, Series 1996-D	1998	10,030
		<u>\$ 47,485</u>

Business-Type Activities

Description of Issue	Year Refunded	Par Value Outstanding
General Obligation Bonds		
Water Development Bonds, Series 1986-A	1989	\$ 19,770
Water Development Bonds, Series 1986-B	1989	15,735
Water Development Bonds, Series 1987-A	1989	62,600
Water Development Bonds, Series 1987-B	1989	40,000
Water Development Bonds, Series 1987-C	1989	27,000
Water Development Bonds, Series 1992-A	2002*	-
Water Development Bonds, Series 1992-C	2002*	-
Water Development Bonds Taxable, Series 1992-E	1998	-
Water Development Bonds Taxable, Series 1992-F	1998	-
Water Development Bonds Taxable, Series 1993-F	1998	1,560
Water Development Bonds Taxable, Series 1993-J	1998	2,270
Water Development Refunding Bonds Taxable, Series '1995	1998	17,545
Water Development Bonds Taxable, Series 1995-B	1998	8,730
Agricultural Water Conservation Bonds Taxable, Series 1994-I	2002	1,120
Agricultural Water Conservation Bonds, Series 1997	2002	2,545
		<u>\$ 198,875</u>

* Ser 92-A and 92-C were defeased, and subsequently refunded

Texas Water Development Board (580)
 Schedule 5 - Schedule of Modified to Full Accrual Adjustments - Governmental Funds - Governmental Balance Sheet/Statement
 of Net Assets
 August 31, 2002

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Assets
ASSETS				
Current Assets:				
Cash and Temporary Investments				
Cash on Hand	25.00			25.00
Cash in Bank	13,475.00			13,475.00
Cash in State Treasury	123,996,271.56			123,996,271.56
Short Term Investments	27,901,720.51			27,901,720.51
Legislative Appropriations	5,309,014.97			5,309,014.97
Receivables from:				
Federal	631,485.99			631,485.99
Interest and Dividends	425,714.41			425,714.41
Accounts Receivable	158,443.87			158,443.87
Interfund Receivable	11,915.69			11,915.69
Due From Other Funds	12,680,286.11			12,680,286.11
Due From Other Agencies	61,395.09			61,395.09
Loans and Contracts	1,908,607.52			1,908,607.52
Total Current Assets	<u>173,098,355.72</u>	<u>-</u>	<u>-</u>	<u>173,098,355.72</u>
Noncurrent Assets:				
Investments	56,120.12			56,120.12
Loans and Contracts	116,046,090.85			116,046,090.85
Capital Assets:				
Depreciable				
Furniture and Equipment		1,545,024.31		1,545,024.31
Accumulated Depreciation		(958,544.74)		(958,544.74)
Vehicle, Boats, and Aircraft		3,560,597.47		3,560,597.47
Accumulated Depreciation		(1,121,129.05)		(1,121,129.05)
Other Capital Assets		5,866,783.00		5,866,783.00
Accumulated Depreciation		(904,651.62)		(904,651.62)
Total Noncurrent Assets	<u>116,102,210.97</u>	<u>7,988,079.37</u>	<u>-</u>	<u>124,090,290.34</u>
Total Assets	<u>289,200,566.69</u>	<u>7,988,079.37</u>	<u>-</u>	<u>297,188,646.06</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Payables from				
Accounts Payable	1,782,115.93	-	-	1,782,115.93
Payroll Payable	1,424,649.94			1,424,649.94
Interfund Payable	11,915.69			11,915.69
Due To Other Funds	12,297,846.79			12,297,846.79
Due To Other Agencies	16,517,663.59			16,517,663.59
General Obligation Bonds Payable			7,570,000.00	7,570,000.00
Employees Compensable Leave			1,064,477.08	1,064,477.08
Capital Lease Obligations			85,800.09	85,800.09
Total Current Liabilities	<u>32,034,191.94</u>	<u>-</u>	<u>8,720,277.17</u>	<u>40,754,469.11</u>
Noncurrent Liabilities:				
General Obligation Bonds Payable			294,625,000.00	294,625,000.00
Employees Compensable Leave			666,163.41	666,163.41
Capital Lease Obligations			285,669.56	285,669.56
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>295,576,832.97</u>	<u>295,576,832.97</u>
Total Liabilities	<u>32,034,191.94</u>	<u>-</u>	<u>304,297,110.14</u>	<u>336,331,302.08</u>
Fund Financial Statement-Fund Balances				
Fund Balances (Deficits):				
Reserved for:				
Encumbrances	16,013,906.68	-	-	16,013,906.68
Imprest Accounts	13,500.00			13,500.00
Debt Service	166,611.71			166,611.71
Loans and Contracts	117,954,698.37			117,954,698.37
Unreserved Designated for:				
Other	122,977,844.75			122,977,844.75
Undesignated	39,813.24			39,813.24
Total fund balances	<u>257,166,374.75</u>	<u>-</u>	<u>-</u>	<u>257,166,374.75</u>
Total Liabilities and Fund Balance	<u>289,200,566.69</u>	<u>-</u>	<u>304,297,110.14</u>	<u>593,497,676.83</u>

UNAUDITED

Texas Water Development Board (580)

Schedule 5 - Schedule of Modified to Full Accrual Adjustments - Governmental Funds - Governmental Balance Sheet/Statement of Net Assets

August 31, 2002

	<u>Governmental Funds Total</u>	<u>Capital Assets Adjustments</u>	<u>Long-Term Liabilities Adjustments</u>	<u>Statement of Net Assets</u>
Government-wide Statement-Net Assets				
Net Assets:				
Invested in Capital Assets, Net of Related Debt	-	7,988,079.37	(371,469.65)	7,616,609.72
Convert from Fund Balances to Net Assets (CPA)				-
Restricted for:				
Debt Retirement			(166,611.71)	(166,611.71)
Employee Benefit			(1,730,640.49)	(1,730,640.49)
Unrestricted			<u>(302,028,388.29)</u>	<u>(302,028,388.29)</u>
Total Net Assets	<u>-</u>	<u>7,988,079.37</u>	<u>(304,297,110.14)</u>	<u>(296,309,030.77)</u>

Texas Water Development Board (580)
 Schedule 5 - Schedule of Modified to Full Accrual Adjustments - Governmental Funds - Statement of Revenues, Expenditures, and
 Changes in Fund Balances/Statement of Activities
 For the Fiscal Year Ended August 31, 2002

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
REVENUES**				
Legislative Appropriations:				
Original Appropriations	\$ 21,485,639.00	\$ -	\$ -	\$ 21,485,639.00
Additional Appropriations	(1,955,497.83)			(1,955,497.83)
Federal Revenue (PR-Operating Grants/Contracts)	20,402,698.27			20,402,698.27
Federal Pass-Through Revenue (GR)	11,600.17			11,600.17
State Grant Pass-Through Revenue (GR)	106,981.12			106,981.12
Licenses, Fees and Permits (PR-Chgs for Services)	394,585.18			394,585.18
Interest and Other Investment Income (PR)	2,500,772.78		643,513.45	3,144,286.23
Net Increase (Decrease) in Fair Value (PR-OpGrants)	(27,625.91)			(27,625.91)
Settlement of Claims (GR)	628.87			628.87
Sales of Goods and Services (PR)	2,998,387.57			2,998,387.57
Other (PR-Operating Grants/Contracts)	180,295.14			180,295.14
Other (GR)	951,899.60			951,899.60
Total Revenues	<u>47,050,363.96</u>	<u>-</u>	<u>643,513.45</u>	<u>47,693,877.41</u>
EXPENDITURES				
Salaries and Wages	9,992,806.93	-	58,453.03	10,051,259.96
Payroll Related Costs	3,215,512.44			3,215,512.44
Professional Fees and Services	947,787.92		339,313.39	1,287,101.31
Travel	320,811.39			320,811.39
Materials and Supplies	914,288.66	-		914,288.66
Communication and Utilities	115,564.29			115,564.29
Repairs and Maintenance	162,232.32			162,232.32
Rentals and Leases	468,847.29		-	468,847.29
Printing and Reproduction	125,303.40			125,303.40
Claims and Judgments	65,469.77			65,469.77
State Pass-Through Expenditures	16,132,100.10			16,132,100.10
Intergovernmental Payments	37,798,843.74			37,798,843.74
Other Expenditures	864,940.63			864,940.63
Debt service:				
Principal	4,560,000.00		(4,560,000.00)	-
Interest (FFS)	13,665,159.60		(13,665,159.60)	-
Interest on Long-Term Debt (GWFS)			13,504,909.40	13,504,909.40
Capital Outlay	2,029,086.38	(2,029,086.38)		-
Depreciation Expense		1,069,155.94		1,069,155.94
Total Expenditures/Expenses	<u>91,378,734.86</u>	<u>(959,930.44)</u>	<u>(4,322,483.76)</u>	<u>86,096,320.64</u>
Excess (deficiency) of revenues over expenditures	<u>(44,328,370.90)</u>	<u>959,930.44</u>	<u>4,965,997.23</u>	<u>(38,402,443.23)</u>
OTHER FINANCING SOURCES (USES)				
Bond and Note Proceeds	60,604,450.26	-	(60,604,450.26)	-
Increase in Obligations Under Capital Leases			(371,469.65)	(371,469.65)
Sale of Capital Assets	15,320.19	(15,320.19)		-
Transfers In	54,429,184.12			54,429,184.12
Transfers Out	(34,625,176.78)			(34,625,176.78)
Legislative Transfers Out	(99,660.71)			(99,660.71)
Inc (Dec) in Capital Assets not requiring cash exchange		389,466.78		389,466.78
Gain (Loss) on Sale of Capital Assets		9,275.95		9,275.95
Total other financing sources and uses	<u>80,324,117.08</u>	<u>383,422.54</u>	<u>(60,975,919.91)</u>	<u>19,731,619.71</u>
Net change in fund balances/net assets	<u>35,995,746.18</u>	<u>1,343,352.98</u>	<u>(56,009,922.68)</u>	<u>(18,670,823.52)</u>
Fund Financial Statement-Fund Balances				
Fund Balances--Beginning	221,122,711.85			221,122,711.85
Appropriations Lapsed	47,916.72			47,916.72
Fund Balances--August 31, 2002	<u>257,166,374.75</u>			<u>202,499,805.05</u>

UNAUDITED

Texas Water Development Board (580)
 Schedule 5 - Schedule of Modified to Full Accrual Adjustments - Governmental Funds - Statement of Revenues, Expenditures, and
 Changes in Fund Balances/Statement of Activities
 For the Fiscal Year Ended August 31, 2002

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
Government-wide Statement-Net Assets				
Change in Net Assets		1,343,352.98	(56,009,922.68)	(54,666,569.70)
Net Assets-Beginning				
Adjustments to Beginning Net Assets				
FY01 Capital Assets Balances in GFAAG		11,119,459.02		11,119,459.02
Reduce for Threshold Increase of Capital Assets		(2,387,152.87)		(2,387,152.87)
Accumulated Depreciation from Prior Years		(2,087,579.76)		(2,087,579.76)
FY01 GO Bonds Payable in GLTDAG			(246,615,000.00)	(246,615,000.00)
FY01 Compensable Leave Balance in GLTDAG			(1,672,187.46)	(1,672,187.46)
Net Assets, September 1, 2001, as Restated and Adjusted	-	6,644,726.39	(248,287,187.46)	(241,642,461.07)
Net Assets-August 31, 2002	-	7,988,079.37	(304,297,110.14)	(296,309,030.77)

Additional Supplemental Information (Schedules)

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Texas Water Development Board (580)
 Schedule 6A - Loans and Contracts
 Economically Distressed Areas Program (EDAP)
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
WATER SUPPLY ACCOUNT				
BROWNSVILLE, CITY OF	\$ 650,000	\$ 110,000	09/01/1996	09/01/2002
CARRIZO HILL WSC	152,000	63,000	06/01/1999	06/01/2016
DEL RIO, CITY OF	278,000	223,000	06/01/1996	06/01/2015
DEL RIO, CITY OF	533,000	506,000	06/01/2001	06/01/2020
EDINBURG, CITY OF	220,000	100,000	03/01/1993	03/01/2011
EDINBURG, CITY OF	569,000	418,000	03/01/1995	03/01/2014
EL PASO CO	195,000	189,000	08/15/2002	08/15/2021
EL PASO WCID (WESTWAY)	222,000	157,000	03/01/1994	03/01/2013
EL PASO, CITY OF (THE "CITY")	106,000	100,000	03/01/2001	03/01/2019
INGLESIDE, CITY OF	285,000	285,000	02/01/2003	02/01/2015
LOWER VALLEY WD	400,000	290,000	09/15/1993	09/15/2012
LOWER VALLEY WD	56,000	20,000	09/15/1995	09/15/2006
LOWER VALLEY WD	264,000	208,000	09/15/1996	09/15/2013
LOWER VALLEY WD	2,022,000	1,968,000	09/15/2001	09/15/2021
NORTH ALAMO WSC	197,000	184,000	09/01/1999	09/01/2018
NORTH ALAMO WSC	365,000	335,000	09/01/1999	09/01/2018
PHARR, CITY OF	978,000	843,000	09/01/1997	09/01/2017
PHARR, CITY OF	1,651,000	1,488,000	09/01/1999	09/01/2018
RIO GRANDE CITY, CITY OF	173,000	142,000	07/10/1997	07/10/2016
WINDMILL WSC	107,000	101,000	03/01/2001	03/01/2020
ZAVALA CO WCID #1	178,000	178,000	01/01/2003	01/01/2022
SUBTOTAL WATER SUPPLY ACCOUNT	9,601,000	7,908,000		
WATER QUALITY ENHANCEMENT ACCOUNT				
ALTON, CITY OF	300,000	280,000	09/15/2000	09/15/2019
BROWNSVILLE, CITY OF	490,000	180,000	09/01/1995	09/01/2004
DEL RIO, CITY OF	224,000	184,000	06/01/1996	06/01/2015
EAGLE PASS, CITY OF	2,480,000	-	03/01/1994	03/01/2012
EAGLE PASS, CITY OF	389,000	356,000	12/01/1999	12/01/2018
EDINBURG, CITY OF	345,000	175,000	03/01/1993	03/01/2011
EDINBURG, CITY OF	155,000	155,000	03/01/2007	03/01/2009
EL PASO WCID (WESTWAY)	602,000	535,000	09/01/1998	09/01/2017
EL PASO, CITY OF (THE "CITY")	211,000	197,000	03/01/2001	03/01/2019
GATESVILLE, CITY OF	381,000	281,000	09/01/1999	09/01/2008
HARLINGEN, CITY OF	150,000	130,000	11/01/2000	11/01/2009
HUDSPETH CO WCID #1	150,000	135,000	02/01/2000	02/01/2019
LOWER VALLEY WD	2,413,000	2,413,000	09/15/2003	09/15/2018
LOWER VALLEY WD	1,073,000	985,000	09/15/1999	09/15/2018
LOWER VALLEY WD	104,000	104,000	09/15/2003	09/15/2023
MILITARY HIGHWAY WSC	107,000	102,616	01/04/2001	01/01/2021
MISSION, CITY OF	579,000	451,000	04/01/1996	04/01/2015
PHARR, CITY OF	630,000	555,000	09/01/1998	09/01/2017
PRIMERA, CITY OF	488,000	486,000	03/08/2001	02/15/2020
SAN JUAN, CITY OF	649,000	649,000	03/01/2003	03/01/2022
SEBASTIAN MUD	60,000	47,000	07/15/1996	07/15/2015
TERRELL CO WCID #1	380,000	380,000	02/15/2003	02/15/2021
SUBTOTAL WATER QUALITY ENHANC ACCT	12,360,000	8,780,616		
TOTAL EDAP	\$ 21,961,000	\$ 16,688,616		

UNAUDITED

Texas Water Development Board (580)
Schedule 6B - Loans and Contracts
State Participation Program
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
STATE PARTICIPATION PROGRAM				
BRAZOS RA	\$ 20,000,000	\$ 20,000,000	09/01/2020	09/01/2034
BRAZOS RA	6,000,000	6,000,000	08/15/2022	08/15/2036
HOUSTON, CITY OF	14,000,000	14,000,000	08/15/2022	08/15/2036
LOWER COLORADO RA	10,500,000	10,500,000	05/15/2020	05/15/2034
UPPER TRINITY REGIONAL WD	17,165,000	17,165,000	08/01/2020	08/01/2034
WACO, CITY OF	15,000,000	15,000,000	02/02/2022	02/01/2036
TOTAL STATE PARTICIPATION PROGRAM	\$ 82,665,000	\$ 82,665,000		

UNAUDITED

Texas Water Development Board (580)
 Schedule 6C - Loans and Contracts
 Agricultural Trust Fund
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
AGRICULTURAL TRUST FUND				
EDWARDS AQUIFER AUTHORITY	\$ 500,000	\$ 500,000	09/01/2003	09/01/2008
EDWARDS AQUIFER AUTHORITY	2,250,000	1,010,500	11/01/1999	11/01/2006
EVERGREEN UWCD	417,000	54,916	05/01/1999	05/01/2005
HIGH PLAINS UWCD #1	1,625,000	544,048	06/30/1999	06/30/2006
MEDINA CO	200,000	200,000	02/15/2003	02/15/2009
PANHANDLE GWCD #3	500,000	500,000	01/15/2003	01/15/2010
PANHANDLE GWCD #3	626,000	230,250	02/01/1999	02/01/2006
SANDY LAND UWCD	375,000	229,000	03/15/2000	03/15/2006
SANDY LAND UWCD	417,000	197,000	03/15/1999	03/15/2005
SANDY LAND UWCD	500,000	303,268	03/15/2002	03/15/2008
SANDY LAND UWCD	500,000	500,000	03/15/2003	03/15/2009
SOUTH PLAINS UWCD	562,500	205,500	02/15/2000	02/15/2006
SOUTH PLAINS UWCD	835,000	395,500	02/15/1999	02/15/2005
TOM GREEN CO WCID #1	125,000	59,000	08/01/1999	08/01/2005
TOTAL AGRICULTURAL TRUST FUND	\$ 9,432,500	\$ 4,928,982		

UNAUDITED

Texas Water Development Board (580)
 Schedule 6D- Loans and Contracts
 Water Development Fund I
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
WATER DEVELOPMENT FUND I				
ABBOTT, CITY OF	\$ 120,000	\$ 105,000	09/01/1999	09/01/2008
ANGELINA NECHES RA	105,000	60,000	09/01/1997	09/01/2007
ARGYLE, CITY OF	100,000	65,000	07/01/1996	07/01/2013
BAYVIEW MUD	210,000	190,000	09/01/1998	09/01/2016
BRAZORIA CO FWSD #1	500,000	345,000	03/01/1994	03/01/2013
BRECKENRIDGE, CITY OF	2,280,000	1,850,000	03/15/1995	03/15/2018
CANYON LAKE WSC	3,040,000	2,915,000	12/01/1999	12/01/2022
CANYON LAKE WSC	2,960,000	2,895,000	12/01/2001	12/01/2024
CANYON REGIONAL WA	4,600,000	4,405,000	08/01/2000	08/01/2024
CANYON REGIONAL WA	3,270,000	3,125,000	08/01/2000	08/01/2024
CANYON REGIONAL WA	3,445,000	3,400,000	08/01/2002	08/01/2025
CANYON REGIONAL WA	1,500,000	1,500,000	08/01/2003	08/01/2024
CHARTERWOOD MUD	545,000	435,000	05/01/1997	05/01/2015
CHIMNEY HILL MUD	1,520,000	1,500,000	10/01/1998	10/01/2017
COLORADO CITY, CITY OF	4,000,000	3,805,000	04/01/1997	04/01/2020
COMBINED CONSUMERS WSC	1,000,000	950,000	10/01/1999	10/01/2018
COMMODORE COVE ID	220,000	185,000	08/15/1998	08/15/2016
COVINGTON, CITY OF	100,000	91,000	10/01/1999	10/01/2018
CROSBY MUD	650,000	615,000	01/01/1996	01/01/2014
DONNA, CITY OF	850,000	670,000	08/01/1996	08/01/2015
EAST CEDAR CREEK FWSD	3,745,000	3,450,000	01/01/1998	01/01/2022
EDGEWOOD, CITY OF	450,000	440,000	05/01/2002	05/01/2010
EL PASO CO WA MUD	2,560,000	2,405,000	02/01/1998	02/01/2015
FORNEY LAKE WSC	325,000	285,000	12/01/1999	12/01/2013
GALVESTON CO MUD #12	280,000	255,000	09/01/1997	09/01/2015
GATESVILLE, CITY OF	205,000	165,000	09/01/2000	09/01/2008
GILMER, CITY OF	4,000,000	3,965,000	07/01/1996	07/01/2034
GILMER, CITY OF	4,800,000	4,800,000	07/15/2012	07/15/2035
GOLDEN WSC	133,000	124,076	03/15/2002	06/15/2008
GREATER TEXOMA UA	170,000	145,000	04/01/1998	04/01/2018
GREATER TEXOMA UA	50,000	47,000	04/01/2000	04/01/2019
GREATER TEXOMA UA	440,000	345,000	06/01/1996	06/01/2015
GREATER TEXOMA UA	150,000	125,000	10/01/1997	10/01/2015
GREATER TEXOMA UA	180,000	155,000	10/01/1997	10/01/2016
GREATER TEXOMA UA	290,000	240,000	10/01/1997	10/01/2015
GREENWOOD UD	185,000	65,000	08/01/1999	08/01/2003
HARDIN COUNTY WCID #1	500,000	350,000	08/15/1998	08/15/2017
HARRIS CO FWSD 1-A	800,000	735,000	06/01/2000	06/01/2020
HITCHCOCK, CITY OF	150,000	-	03/01/1993	03/01/2002
H-M-W SUD	4,600,000	4,305,000	09/01/1998	09/01/2019
HOLIDAY BEACH WSC	470,000	465,000	03/01/2002	03/01/2026
HOMESTEAD MUD	1,700,000	1,305,000	02/01/1996	02/01/2014
HOUSTON CO WCID #1	600,000	565,000	07/10/2000	07/10/2006
HURST CREEK MUD	480,000	400,000	04/01/1998	04/01/2016
INGLESIDE ON THE BAY, CITY OF	495,000	385,000	09/01/1995	09/01/2014
JACKSBORO, CITY OF	1,535,000	1,310,000	07/10/1996	07/10/2020
JASPER, CITY OF	730,000	545,000	08/15/1995	08/15/2014
JEFFERSON CO WCID #10	90,000	60,000	02/15/1997	02/15/2012
LAKE CITIES MUA	755,000	575,000	11/01/1997	11/01/2011

UNAUDITED

Texas Water Development Board (580)

Schedule 6D- Loans and Contracts

Water Development Fund I

For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
WATER DEVELOPMENT FUND I (continued)				
LONE STAR, CITY OF	350,000	-	01/01/1994	01/01/2002
LOWER VALLEY WD	2,510,000	1,700,000	09/15/1994	09/15/2010
MAURICEVILLE SUD	5,740,000	5,400,000	11/15/1996	11/15/2020
MAURICEVILLE SUD	750,000	730,000	11/15/1998	11/15/2019
MCCOY WSC	950,000	910,000	06/01/2000	06/01/2019
MONTGOMERY CO MUD # 56	840,000	840,000	04/01/2004	04/01/2027
MUENSTER WD	500,000	465,000	07/01/1996	07/01/2015
NORTH ALAMO WSC	205,000	190,000	09/01/1999	09/01/2018
NORTH ALAMO WSC	380,000	350,000	09/01/1999	09/01/2018
ORANGE CO WCID #1	2,040,000	1,690,000	02/15/1999	02/15/2014
PALO PINTO CO MWD #1	3,800,000	-	07/10/2007	07/10/2016
PARKWAY UD	465,000	-	03/01/1999	03/01/2002
PECAN ACRES WSC	64,450	60,700	01/01/2001	10/01/2015
PINEHURST, CITY OF	440,000	415,000	03/01/2001	03/01/2020
PROSPER, TOWN OF	805,000	670,000	01/10/1997	01/10/2016
RIVER OAKS, CITY OF	2,215,000	1,765,000	06/15/1994	06/15/2018
ROCK HILL WSC	495,000	482,900	11/15/2000	11/15/2025
ROCKETT SUD	6,625,000	6,525,000	07/10/1998	07/10/2022
ROSE CITY, CITY OF	500,000	385,000	02/15/1996	02/15/2015
RUSK, CITY OF	550,000	500,000	02/15/1998	02/15/2022
SABINE RA (TOLEDO BEND)	700,000	700,000	01/01/2005	01/01/2005
SAN DIEGO, CITY OF	1,115,000	825,000	06/01/1995	06/01/2013
SAN JACINTO RA	7,105,000	6,375,000	10/01/1997	10/01/2020
SAN JACINTO RA	19,000,000	17,310,000	10/01/1998	10/01/2024
SUNBELT FWSD	4,555,000	4,120,000	12/01/1997	12/01/2021
SURFSIDE BEACH, VILLAGE OF	555,000	470,000	08/15/1998	08/15/2017
TRAVIS COUNTY WCID #17	1,090,000	875,000	03/01/1997	03/01/2015
TRINITY RA	685,000	550,000	08/01/1997	08/01/2016
UPPER TRINITY REGIONAL WD	190,000	155,000	08/01/1996	08/01/2015
UPPER TRINITY REGIONAL WD	3,600,000	2,980,000	08/01/1996	08/01/2018
UPPER TRINITY REGIONAL WD	4,845,000	4,090,000	08/01/1997	08/01/2019
UPPER TRINITY REGIONAL WD	6,160,000	5,450,000	08/01/1998	08/01/2020
UPPER TRINITY REGIONAL WD	20,010,000	18,125,000	08/01/1999	08/01/2021
UPPER TRINITY REGIONAL WD	26,450,000	25,921,165	08/01/2013	08/01/2025
UPPER TRINITY REGIONAL WD	8,700,000	8,700,000	08/01/2016	08/01/2028
UPPER TRINITY REGIONAL WD	1,410,000	1,410,000	08/01/2017	08/01/2028
WALNUT CREEK SUD	520,000	-	01/10/1995	01/10/2002
WALNUT CREEK SUD	6,480,000	6,480,000	01/10/2003	01/10/2019
WALNUT GROVE WSC	1,200,000	1,200,000	09/01/2002	09/01/2022
WHARTON CO WCID #1	100,000	30,000	02/15/1996	02/15/2005
TOTAL WATER DEVELOPMENT FUND I	\$ 206,577,450	\$ 185,961,841		

UNAUDITED

Texas Water Development Board (580)
Schedule 6E - Loans and Contracts
Water Development Fund II
For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
DFUND II COMBINED WATER AND WASTEWATER ASSISTANCE				
ANAHUAC, CITY OF	\$ 840,000	\$ 735,000	08/01/1994	08/01/2018
ARCHER CO MUD #1	950,000	890,000	11/15/2000	11/15/2019
ARCOLA, CITY OF	195,000	-	03/01/1996	03/01/2012
BASTROP CO WCID #2	745,000	700,000	08/15/2001	08/15/2020
BELL COUNTY WCID #1	33,000,000	31,865,000	07/10/1999	07/10/2018
BELLS, CITY OF	330,000	280,000	02/15/1998	02/15/2017
BENTON CITY WSC	1,500,000	1,305,000	03/01/1998	03/01/2017
BENTON CITY WSC	2,200,000	2,160,000	03/01/2002	03/01/2021
BEXAR-MEDINA-ATASCOSA CO's WCID NO. 1	3,765,000	3,165,000	02/01/2001	02/01/2010
BLAND LAKE WSC	111,000	-	12/01/1992	12/01/2011
BLUM, CITY OF	140,000	70,000	08/01/1993	08/01/2008
BRIARCLIFF, VILLAGE OF	1,025,000	1,020,000	05/01/2002	05/01/2025
BROOKELAND FWSD	1,945,000	330,000	01/01/2000	01/01/2020
BROOKESMITH SUD	7,900,000	7,595,000	12/01/2000	12/01/2025
CANYON LAKE WSC	7,105,000	6,880,000	12/01/1996	12/01/2019
CANYON REGIONAL WA	6,230,000	5,855,000	08/01/2000	08/01/2024
CANYON REGIONAL WA	6,555,000	6,435,000	08/01/2002	08/01/2025
CHELFORD CITY MUD	1,500,000	1,500,000	09/01/2003	09/01/2017
CHINA, CITY OF	275,000	155,000	08/01/1992	08/01/2010
CHISHOLM TRAIL SUD	1,670,000	1,585,000	08/15/2000	08/15/2024
CHISHOLM TRAIL SUD	4,470,000	4,390,000	08/15/2001	09/30/2025
CLEAR LAKE CITY WA	7,885,000	7,635,000	03/01/2002	03/01/2019
CLEAR LAKE CITY WA	5,410,000	4,855,000	09/01/1999	09/01/2018
COLORADO CO WCID #2	253,000	231,000	02/15/2000	02/15/2019
COMBINED CONSUMERS WSC	1,100,000	945,000	10/01/1994	10/01/2018
COMBINED CONSUMERS WSC	2,245,000	2,005,000	10/01/1995	10/01/2018
CORINTHIAN POINT MUD #2	180,000	165,000	02/01/2000	02/01/2017
CRANDALL, CITY OF	155,000	75,000	05/01/1990	05/01/2008
CRANDALL, CITY OF	65,000	40,000	05/01/1998	05/01/2008
CROCKETT CO WCID #1	3,300,000	3,250,000	09/01/2001	09/01/2025
CROSBY MUD	4,000,000	3,835,000	08/15/2002	08/15/2021
DANBURY, CITY OF	235,000	5,000	03/01/1990	03/01/2005
DAVENPORT MUD #1	5,165,000	4,705,000	09/01/1999	09/01/2018
DEL RIO, CITY OF	4,970,000	4,970,000	06/01/2003	06/01/2027
DENTON CO LEVEE ID #1	1,905,000	1,790,000	08/01/2001	08/01/2020
DENVER CITY, CITY OF	1,825,000	-	09/01/1992	09/01/2011
DIANA WSC	260,000	130,000	05/01/1993	05/01/2007
DIANA WSC	310,000	190,000	05/01/1995	05/01/2009
DONNA, CITY OF	6,795,000	6,105,000	02/01/2000	02/01/2017
DOWDELL PUD	3,500,000	3,500,000	09/01/2007	09/01/2020
DUBLIN, CITY OF	1,700,000	1,700,000	02/15/2003	02/15/2022
EARLY, CITY OF	2,500,000	2,450,000	03/01/2002	03/01/2025
EAST CEDAR CREEK FWSD	80,000	45,000	01/01/1996	01/01/2011
EAST CEDAR CREEK FWSD	270,000	175,000	01/01/1996	01/01/2015
EAST CEDAR CREEK FWSD	2,120,000	2,030,000	01/01/2001	01/01/2024
EAST FORK SUD	5,100,000	5,050,000	07/10/2002	07/01/2026
EL PASO CO WA MUD	770,000	605,000	02/01/1999	02/01/2015
EL PASO CO WA MUD	1,330,000	1,310,000	02/01/2000	02/01/2015
EL PASO CO WA MUD	1,290,000	1,255,000	03/01/2002	03/01/2021
EL PASO CO WA MUD	7,780,000	7,575,000	03/01/2002	03/01/2026
EL PASO WCID (WESTWAY)	475,000	330,000	05/01/1992	05/01/2014

UNAUDITED

Texas Water Development Board (580)
 Schedule 6E - Loans and Contracts
 Water Development Fund II
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
DFUND II COMBINED WATER AND WASTEWATER ASSISTANCE (continued)				
EMORY, CITY OF	235,000	155,000	01/01/1992	01/01/2011
FALLS COUNTY WCID #1	235,000	190,000	08/01/1996	08/01/2015
FALLS COUNTY WCID #1	280,000	235,000	08/01/1997	08/01/2016
FAR HILLS UD	1,000,000	1,000,000	04/01/2003	04/01/2022
FAYETTE CO WCID (Monument Hill)	170,000	-	09/01/1992	09/01/2011
FIVE WAY WSC	150,000	-	09/01/1993	09/01/2011
FLOYDADA, CITY OF	820,000	245,000	02/01/1998	02/10/2017
FORT BEND FL CONTROL WSC	6,850,000	4,035,000	03/01/1996	03/01/2008
GALVESTON CO WCID #12	885,000	805,000	09/01/1999	09/01/2018
GALVESTON CO WCID #12	3,425,000	3,425,000	09/01/2002	09/01/2020
GASTONIA SCURRY WSC	1,550,000	950,000	03/01/1991	03/01/2010
GASTONIA SCURRY WSC	100,000	-	03/01/1993	03/01/2010
GRANDVIEW, CITY OF	1,320,000	1,235,000	08/15/2001	08/15/2020
GREATER TEXOMA UA	155,000	145,000	01/01/2001	01/01/2020
GREATER TEXOMA UA	785,000	780,000	01/01/2002	01/01/2020
GREATER TEXOMA UA	105,000	100,000	04/01/2002	04/01/2020
GREATER TEXOMA UA	600,000	590,000	05/01/2001	05/01/2020
GREATER TEXOMA UA	315,000	305,000	06/01/2001	06/01/2020
GREATER TEXOMA UA	1,600,000	1,515,000	06/01/2002	06/01/2020
GREATER TEXOMA UA	175,000	170,000	06/01/2002	06/01/2021
GREATER TEXOMA UA	1,000,000	995,000	06/01/2002	06/01/2021
GREATER TEXOMA UA	500,000	470,000	10/01/1999	10/01/2012
GREATER TEXOMA UA	150,000	115,000	10/01/2001	10/01/2020
GREATER TEXOMA UA	150,000	145,000	10/01/2001	10/01/2020
GREATER TEXOMA UA	150,000	145,000	10/01/2001	10/01/2020
GREATER TEXOMA UA	1,325,000	1,280,000	10/01/2001	10/01/2020
GREATER TEXOMA UA	1,475,000	1,475,000	06/01/2003	06/01/2022
GREENBELT M&I WA	5,300,000	5,205,000	07/10/2002	07/10/2026
HACIENDAS DEL NORTE WID	1,725,000	1,645,000	02/15/1999	02/15/2023
HACKBERRY, TOWN OF	170,000	110,000	07/10/1992	07/10/2011
HARRIS CO FWSD #61	4,735,000	4,655,000	09/01/2001	09/01/2025
HARRIS CO MUD #119	3,060,000	2,895,000	05/01/2001	05/01/2012
HARRIS CO MUD #217	270,000	270,000	04/01/2003	04/01/2019
HARRIS CO MUD #217	1,865,000	1,865,000	04/01/2004	04/01/2023
HARRIS CO MUD #44	3,400,000	3,390,000	09/01/2000	09/01/2024
HARRIS CO MUD #50	725,000	720,000	03/01/2002	03/01/2020
HARRIS CO UD #3	220,000	-	08/01/1994	08/01/2002
HARRIS CO WCID (FONDREN ROAD)	1,670,000	1,650,000	03/01/2001	03/01/2020
HARRIS COUNTY WCID # 36	690,000	690,000	09/15/2002	09/15/2021
HEMPHILL, CITY OF	495,000	400,000	04/01/1996	04/01/2015
HENDERSON CO LEVEE ID #3	140,000	140,000	04/01/2003	04/01/2020
HILL COUNTRY WSC	550,000	455,000	07/01/1995	07/1/2017
HILL COUNTRY WSC	3,645,000	3,345,000	07/01/2000	07/1/2017
HITCHCOCK, CITY OF	150,000	-	03/01/1993	03/01/2002
HOLIDAY BEACH WSC	630,000	590,000	03/01/2000	03/01/2019
HOLIDAY LAKES, TOWN OF	370,000	280,000	03/01/1996	03/01/2013
HUDSPETH CO CRD #1	2,250,000	1,730,000	10/01/1994	10/01/2013
HUNTER'S GLEN MUD	655,000	645,000	04/01/2001	04/01/2019
HURST CREEK MUD	350,000	340,000	04/01/2002	04/01/2020
HUXLEY, CITY OF	890,000	875,000	01/01/2000	01/01/2024
JACKSON WSC	665,000	395,000	05/01/1990	05/01/2009
JASPER CO WCID #1	825,000	725,000	03/15/1999	03/15/2018

UNAUDITED

Texas Water Development Board (580)
 Schedule 6E - Loans and Contracts
 Water Development Fund II
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
DFUND II COMBINED WATER AND WASTEWATER ASSISTANCE (continued)				
JASPER, CITY OF	1,740,000	1,645,000	02/15/2001	02/15/2020
JEFFERSON CO WCID #10	1,900,000	1,690,000	02/15/1998	02/15/2017
JOHNSON CO FWSD NO.1	1,500,000	1,500,000	05/15/2003	05/15/2022
JONAH WATER SUD	1,930,000	1,895,000	07/01/2002	07/01/2021
JOSEPHINE, CITY OF	185,000	150,000	06/01/1996	06/01/2008
JUNCTION, CITY OF	480,000	480,000	03/01/2004	03/01/2028
KENDALL CO WCID #1	220,000	205,000	01/01/2001	01/01/2020
KIRKMONT MUD	575,000	555,000	02/01/1999	02/01/2014
KLEINWOOD MUD	3,215,000	3,215,000	08/01/2003	08/01/2022
KYLE, CITY OF	185,000	135,000	08/01/1991	08/01/2009
KYLE, CITY OF	60,000	10,000	08/01/1993	08/01/2004
LAKE WORTH, CITY OF	2,500,000	2,110,000	03/01/1998	03/01/2017
LAVACA NAVIDAD RA	7,600,000	7,300,000	08/01/2002	08/01/2035
LAVACA NAVIDAD RA	30,900,000	30,300,000	08/01/2002	08/01/2035
LAVACA NAVIDAD RA	16,500,000	16,300,000	08/01/2002	08/01/2035
LAWRENCE WSC	150,000	90,000	12/01/1989	12/01/2012
LAZY RIVER ID	1,400,000	1,330,000	03/01/2001	03/01/2022
LILLY GROVE SUD	1,000,000	975,000	10/15/2001	10/15/2020
LITTLE ELM, TOWN OF	510,000	235,000	08/01/1992	08/01/2011
LORENA, CITY OF	3,335,000	3,275,000	07/01/1999	07/01/2022
LOS FRESNOS, CITY OF	360,000	360,000	02/01/2003	02/01/2022
LOUETTA ROAD UD	700,000	685,000	03/01/2000	03/01/2010
LOWER VALLEY WD	800,000	735,000	09/15/1999	09/15/2018
LOWER VALLEY WD	1,089,000	1,022,000	09/15/2000	09/15/2019
LOWER VALLEY WD	1,870,000	1,815,000	09/15/2001	09/15/2020
LOWER VALLEY WD	371,000	361,000	09/15/2001	09/15/2021
LOWER VALLEY WD	1,080,000	1,080,000	09/15/2003	09/15/2023
MADERA VALLEY WSC	495,000	115,000	05/01/1990	05/01/2004
MARION, CITY OF	255,000	100,000	07/01/1989	07/01/2005
MART, CITY OF	490,000	475,000	09/10/1999	09/10/2018
MAURICEVILLE SUD	5,520,000	5,520,000	11/15/2019	11/15/2023
MAURICEVILLE SUD	200,000	200,000	11/15/2021	11/15/2021
MEADOWHILL REGIONAL MUD	875,000	875,000	10/01/2003	10/01/2022
MILLSAP WSC	445,000	-	02/01/1994	02/01/2013
MINDEN-BRACHFIELD WSC	350,000	-	05/01/1993	05/01/2012
MONTGOMERY CO. WCID #1	1,890,000	1,805,000	03/01/2000	03/01/2015
MUSTANG WSC	1,145,000	910,000	09/01/1995	09/01/2013
NASH, CITY OF	700,000	365,000	08/15/1990	08/15/2009
NEEDVILLE, CITY OF	160,000	40,000	03/01/1993	03/01/2005
NEW CANEY MUD	2,265,000	2,260,000	04/01/2002	04/01/2020
NORTH CHANNEL WA	590,000	590,000	07/10/2018	07/10/2018
NORTHWEST GRAYSON CO WCID #1	925,000	820,000	07/10/1995	07/10/2019
NORTHWEST HARRIS CO MUD 21	1,185,000	1,185,000	10/01/2003	10/01/2013
NUECES CO WCID #3	9,250,000	9,250,000	02/01/2004	02/01/2026
NUECES WSC	490,000	165,000	08/01/1991	08/01/2014
OAK HILL FWSD #1	365,000	360,000	08/01/2002	08/01/2025
PALO PINTO CO MWD #1	1,060,000	-	07/10/2002	07/10/2006
PARKWAY UD	710,000	710,000	03/01/2003	03/01/2022
PECOS CITY, TOWN OF	460,000	440,000	06/15/2001	06/15/2020
PELICAN BAY, CITY OF	1,150,000	1,035,000	02/15/2000	02/15/2018
PHARR, CITY OF	2,160,000	2,145,000	09/01/1999	09/01/2023
PINE VILLAGE PUD	205,000	195,000	03/01/2001	03/01/2022

UNAUDITED

Texas Water Development Board (580)
 Schedule 6E - Loans and Contracts
 Water Development Fund II
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
DFUND II COMBINED WATER AND WASTEWATER ASSISTANCE (continued)				
POINT AQUARIUS MUD	2,200,000	2,195,000	03/01/2002	03/01/2022
POST WOOD MUD	815,000	810,000	09/01/2001	09/01/2009
REBECCA CO FWSD #1	1,400,000	1,170,000	02/15/1997	02/15/2016
RED RIVER CO WSC	1,280,000	-	05/01/1990	05/01/2008
RIO VISTA, CITY OF	475,000	409,000	09/01/1992	09/01/2021
ROMA, CITY OF	1,975,000	1,800,000	05/01/2001	05/01/2015
ROMAN FOREST CONSOLIDATED MUD	2,705,000	2,620,000	04/01/2001	04/01/2020
RUNGE, CITY OF	165,000	45,000	03/01/1992	03/01/2005
SABINE RA (TOLEDO BEND)	7,000,000	7,000,000	07/01/2010	07/01/2034
SAN AUGUSTINE, CITY OF	675,000	635,000	02/15/2001	02/15/2020
SAN JACINTO RA	14,730,000	14,545,000	10/01/2001	10/01/2030
SAN JACINTO RA	19,905,000	19,655,000	10/01/2001	10/01/2030
SHASLA PUD	1,300,000	1,300,000	03/01/2003	03/01/2022
SOUTH TEXAS WA	1,005,000	145,000	07/01/1991	07/01/2012
SOUTH TEXAS WA	250,000	185,000	07/01/1995	07/01/2013
STANLEY LAKE MUD	125,000	70,000	07/01/1997	07/01/2008
TARKINGTON SUD	1,000,000	975,000	04/01/2002	04/01/2021
TERRANOVA WEST MUD	450,000	435,000	04/01/2000	04/01/2008
TEXAS NATIONAL MUD	295,000	290,000	09/01/2001	09/01/2026
TRAVIS CO WCID #18	4,500,000	4,375,000	08/01/2001	08/01/2014
TRAVIS CO WCID (POINT VENTURE)	1,540,000	1,360,000	08/15/1999	08/15/2018
TRAVIS COUNTY WCID #17	2,100,000	1,970,000	10/01/1998	10/01/2026
TRINITY BAY CD	12,150,000	11,880,000	08/15/2002	08/15/2021
TRINITY BAY CD	1,200,000	1,175,000	08/15/1998	08/15/2017
TRINITY RA	82,000	54,000	02/01/1993	02/01/2012
VICTORIA CO WCID #2	625,000	535,000	02/15/1992	02/15/2020
WALNUT CREEK SUD	850,000	635,000	01/10/1990	01/10/2013
WALNUT CREEK SUD	400,000	345,000	01/10/1996	01/10/2020
WALNUT CREEK SUD	9,600,000	9,420,000	01/10/2000	01/10/2024
WALNUT CREEK SUD	500,000	495,000	01/10/2002	01/10/2026
WEBB CO	1,958,000	1,958,000	02/01/2003	02/01/2020
WELLBORN SUD	3,300,000	3,250,000	07/15/2001	07/15/2024
WEST, CITY OF	1,350,000	1,145,000	04/01/1998	04/01/2017
WHITE OAK BEND MUD	89,000	89,000	10/01/2011	10/01/2011
WHITEROCK WSC	2,600,000	2,600,000	09/01/2002	09/01/2021
WHITNEY, CITY OF	1,350,000	-	01/01/1992	01/01/2016
WORTHAM, CITY OF	820,000	795,000	05/15/1999	05/15/2023
TOTAL WATER DEVELOPMENT FUND II	\$ 434,633,000	\$ 402,769,000		

UNAUDITED

Texas Water Development Board (580)

Schedule 6F - Loans

Water Assistance Fund

For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
WATER ASSISTANCE FUND				
BEXAR METROPOLITAN WD	\$ 2,500,000	\$ 1,750,000	05/01/1997	05/01/2016
BRAZOS RA	210,000	210,000	01/01/2026	01/01/2026
BRAZOS RA	60,000	60,000	08/26/2003	08/26/2003
EL PASO, CITY OF (THE "CITY")	8,000,000	8,000,000	03/01/2013	03/01/2017
HACKBERRY, TOWN OF	65,000	10,000	07/10/1994	07/10/2003
HARLINGEN, CITY OF	1,785,000	1,150,000	11/01/1993	11/01/2009
HARRIS CO MUD #50	60,000	-	03/01/2000	03/01/2002
PHARR, CITY OF	1,587,500	1,587,500	09/01/2005	09/01/2013
PHARR, CITY OF	130,000	130,000	09/01/2006	09/01/2007
SABINE RA (TOLEDO BEND)	740,000	740,000	01/19/2025	01/19/2025
SAN ANTONIO RA	165,000	34,600	08/26/2003	08/26/2013
TOTAL WATER ASSISTANCE FUND	\$ 15,302,500	\$ 13,672,100		

UNAUDITED

Texas Water Development Board (580)
 Schedule 6G - Loans and Contracts
 Agricultural Water Conservation Fund
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
AGRICULTURAL WATER CONSERVATION FUND				
EDWARDS AQUIFER AUTHORITY	\$ 750,000	\$ 337,500	11/01/1999	11/01/2006
EVERGREEN UWCD	600,000	19,000	02/28/1996	05/01/2003
EVERGREEN UWCD	500,000	-	03/01/1995	03/01/2001
EVERGREEN UWCD	165,000	-	05/01/1997	05/01/2002
EVERGREEN UWCD	500,000	144,000	05/01/1998	05/01/2004
EVERGREEN UWCD	83,000	9,972	05/01/1999	05/01/2005
HIDALGO CO IRRIGATION DIST #19	300,000	-	09/01/1996	09/01/2001
HIGH PLAINS UWCD #1	1,700,000	-	06/15/1995	06/15/2002
HIGH PLAINS UWCD #1	2,000,000	-	06/15/1995	06/15/2002
HIGH PLAINS UWCD #1	4,000,000	-	06/30/1996	06/30/2003
HIGH PLAINS UWCD #1	2,000,000	817,000	06/30/1998	06/30/2005
HIGH PLAINS UWCD #1	320,000	105,121	06/30/1999	06/30/2006
LIVE OAK UWCD	40,000	-	01/15/1997	01/15/2003
MEDINA CO UWCD	300,000	45,000	02/15/1996	02/15/2003
MEDINA CO UWCD	10,000	3,000	02/15/1996	02/15/2003
PANHANDLE GWCD #3	650,000	-	01/15/1995	01/15/2002
PANHANDLE GWCD #3	300,000	251,000	01/15/2001	01/15/2008
PANHANDLE GWCD #3	500,000	27,000	01/31/1996	01/31/2003
PANHANDLE GWCD #3	70,000	14,000	02/01/1995	02/01/2004
PANHANDLE GWCD #3	300,000	123,000	02/01/1998	02/01/2005
PANHANDLE GWCD #3	124,000	45,250	02/01/1999	02/01/2006
PANHANDLE GWCD #3	185,000	99,000	02/01/1999	02/01/2006
PANHANDLE GWCD #3	504,055	13,503	03/01/1994	03/01/2003
SANDY LAND UWCD	500,000	-	03/15/1996	03/15/2002
SANDY LAND UWCD	140,000	-	03/15/1996	03/15/2002
SANDY LAND UWCD	650,000	99,000	03/15/1997	03/15/2003
SANDY LAND UWCD	500,000	156,000	03/15/1998	03/15/2004
SANDY LAND UWCD	400,000	125,000	03/15/1998	03/15/2004
SANDY LAND UWCD	83,000	38,000	03/15/1999	03/15/2005
SANDY LAND UWCD	125,000	76,000	03/15/2000	03/15/2006
SANDY LAND UWCD	500,000	370,000	03/15/2001	03/15/2007
SOUTH PLAINS UWCD	161,000	-	02/15/1996	02/15/2002
SOUTH PLAINS UWCD	1,000,000	-	02/15/1996	02/15/2002
SOUTH PLAINS UWCD	750,000	100,000	02/15/1997	02/15/2003
SOUTH PLAINS UWCD	350,000	109,000	02/15/1998	02/15/2004
SOUTH PLAINS UWCD	750,000	234,000	02/15/1998	02/15/2004
SOUTH PLAINS UWCD	165,000	77,000	02/15/1999	02/15/2005
SOUTH PLAINS UWCD	187,500	68,500	02/15/2000	02/15/2006
SOUTH PLAINS UWCD	500,000	341,700	02/15/2001	02/15/2007
TOM GREEN CO WCID #1	25,000	12,000	08/01/1999	08/01/2005
UPPER PECOS S&WCD #213	491,612	102,655	02/15/1997	02/15/2006
WARD CO WID #3	250,000	78,000	12/15/1997	12/15/2003
TOTAL AG WATER CONSERVATION FUND	\$ 23,429,167	\$ 4,040,201		

UNAUDITED

Texas Water Development Board (580)
 Schedule 6H - Loans and Contracts
 Clean Water State Revolving Fund
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
CLEAN WATER STATE REVOLVING FUND				
ALTO, CITY OF	\$ 425,000	\$ 350,000	07/15/1998	07/15/2017
ALVARADO, CITY OF	1,000,000	885,000	07/10/2001	07/10/2013
ALVIN, CITY OF	2,900,000	1,275,000	06/01/1990	06/01/2009
ALVIN, CITY OF	6,650,000	6,650,000	11/01/2004	11/01/2023
ALVORD, CITY OF	390,000	320,000	10/01/1997	10/01/2016
ANAHUAC, CITY OF	1,465,000	1,380,000	08/01/2001	08/01/2020
ANGELINA CO WCID # 3	580,000	580,000	07/01/2003	07/01/2021
ANGELINA NECHES RA	620,000	560,000	02/01/2000	02/01/2018
ANGELINA NECHES RA	330,000	305,000	09/01/1997	09/01/2016
ANGELINA NECHES RA	3,100,000	3,100,000	04/01/2003	04/01/2021
ANGLETON, CITY OF	4,335,000	435,000	02/01/1996	02/01/2013
ANGLETON, CITY OF	640,000	570,000	02/15/2000	02/15/2019
ANGLETON, CITY OF	425,000	40,000	08/01/1994	08/01/2013
ANGLETON, CITY OF	540,000	435,000	08/15/2001	08/15/2020
ANGLETON, CITY OF	655,000	615,000	08/15/2001	08/15/2020
ARGYLE, CITY OF	1,435,000	1,030,000	07/01/1995	07/01/2013
ATLANTA, CITY OF	2,420,000	1,895,000	02/15/1995	02/15/2014
ATLANTA, CITY OF	3,905,000	3,160,000	03/01/1997	03/01/2016
AUSTIN, CITY OF	6,395,000	-	11/15/1991	11/15/2010
AUSTIN, CITY OF	3,500,000	2,650,000	11/15/1995	11/15/2014
AUSTIN, CITY OF	10,000,000	9,215,000	11/15/2000	11/15/2017
BARDWELL, CITY OF	200,000	194,000	08/01/1998	08/01/2017
BAYTOWN, CITY OF	4,680,000	3,965,000	02/01/1998	02/01/2017
BAYTOWN, CITY OF	6,820,000	5,860,000	02/01/1999	02/01/2018
BAYVIEW MUD	490,000	425,000	09/01/1998	09/01/2016
BEAUMONT, CITY OF	20,000,000	17,945,000	09/01/1993	09/01/2012
BELLAIRE, CITY OF	1,385,000	620,000	02/15/1991	02/15/2008
BELLAIRE, CITY OF	1,100,000	460,000	02/15/1991	02/15/2008
BELLAIRE, CITY OF	885,000	480,000	02/15/1993	02/15/2010
BELLAIRE, CITY OF	190,000	120,000	02/15/1993	02/15/2011
BELLAIRE, CITY OF	1,270,000	845,000	02/15/1994	02/15/2012
BELLS, CITY OF	130,000	115,000	02/15/2000	02/15/2018
BENBROOK WSA	1,200,000	1,125,000	12/01/1995	12/01/2008
BIG SPRING, CITY OF	7,000,000	-	02/15/1995	02/15/2014
BLOSSOM, CITY OF	275,000	260,000	01/01/2000	01/01/2019
BOERNE, CITY OF	2,250,000	2,120,000	03/01/1998	03/01/2016
BOWIE, CITY OF	4,000,000	2,790,000	07/10/1994	07/10/2013
BRADY, CITY OF	1,655,000	1,065,000	09/01/1992	09/01/2011
BRAZOS RA	1,615,000	1,360,000	01/01/1998	01/01/2017
BRAZOS RA	3,155,000	1,910,000	01/10/1992	01/10/2011
BRAZOS RA	6,500,000	3,570,000	01/10/1992	01/10/2011
BRAZOS RA	1,400,000	820,000	03/01/1996	03/01/2009
BRAZOS RA	13,645,000	9,160,000	09/01/1995	09/01/2010
BRECKENRIDGE, CITY OF	4,015,000	2,825,000	03/15/1995	03/15/2014
BRIDGEPORT, CITY OF	2,200,000	1,495,000	07/01/1994	07/01/2013
BRIDGEPORT, CITY OF	1,200,000	1,155,000	08/15/2002	08/15/2021
BROWNSVILLE, CITY OF	13,000,000	11,505,000	09/01/1999	09/01/2018
BROWNSVILLE, CITY OF	11,000,000	10,035,000	09/1/2000	09/01/2019
BROWNWOOD, CITY OF	7,835,000	4,925,000	09/01/1995	09/01/2014
BRYAN, CITY OF	1,500,000	1,285,000	07/01/1999	07/01/2018
BRYAN, CITY OF	6,665,000	-	07/01/1992	07/01/2011

UNAUDITED

Texas Water Development Board (580)
 Schedule 6H - Loans and Contracts
 Clean Water State Revolving Fund
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
CLEAN WATER STATE REVOLVING FUND (continued)				
BRYAN, CITY OF	1,335,000	-	07/01/1992	07/01/2011
BRYAN, CITY OF	1,600,000	990,000	07/01/1994	07/01/2011
BRYAN, CITY OF	5,000,000	3,600,000	07/01/1995	07/01/2014
BULLARD, CITY OF	175,000	75,000	09/01/1993	09/01/2006
CAMPBELL, CITY OF	240,000	215,000	08/15/2000	08/15/2019
CANTON, CITY OF	2,155,000	1,400,000	07/01/1995	07/01/2012
CARTHAGE, CITY OF	3,910,000	3,270,000	04/10/1996	04/10/2015
CIBOLO CREEK MA	2,250,000	2,125,000	02/01/1999	02/01/2019
CLEAR LAKE CITY WA	7,000,000	4,975,000	03/01/1995	03/01/2013
CLEAR LAKE CITY WA	6,900,000	6,165,000	03/01/2000	03/01/2019
CLEAR LAKE CITY WA	4,485,000	4,330,000	03/01/2002	03/01/2021
CLEVELAND, CITY OF	2,250,000	1,900,000	02/01/1998	02/01/2017
CLEVELAND, CITY OF	1,960,000	1,950,000	08/01/2001	08/01/2020
CLYDE, CITY OF	265,000	-	08/01/1992	08/01/2009
CLYDE, CITY OF	1,300,000	-	08/01/1992	08/01/2011
COLDSRING, CITY OF	300,000	205,000	08/01/1994	08/01/2013
COLLEYVILLE, CITY OF	2,370,000	1,440,000	01/01/1995	01/01/2012
COLLEYVILLE, CITY OF	490,000	490,000	01/01/2012	01/01/2014
COLORADO CITY, CITY OF	3,080,000	2,505,000	03/15/1997	03/15/2016
COMMODORE COVE ID	490,000	400,000	02/15/1998	02/15/2016
CONROE, CITY OF	2,000,000	110,000	09/15/1993	09/15/2010
CONROE, CITY OF	10,000,000	405,000	09/15/1993	09/15/2011
COPPERAS COVE, CITY OF	4,450,000	4,275,000	08/01/1995	08/01/2014
CORINTHIAN POINT MUD #2	1,310,000	1,260,000	02/01/1998	02/01/2017
CORPUS CHRISTI, CITY OF	8,520,000	6,010,000	07/15/1995	07/15/2014
CORPUS CHRISTI, CITY OF	27,640,000	20,935,000	07/15/1996	07/15/2015
CORPUS CHRISTI, CITY OF	15,750,000	14,075,000	07/15/2000	07/15/2019
CORRIGAN, CITY OF	400,000	185,000	08/15/1994	08/15/2007
CORSICANA, CITY OF	10,075,000	8,310,000	08/15/1998	08/15/2017
CRANDALL, CITY OF	1,965,000	1,495,000	02/15/1996	02/15/2015
CRANE, CITY OF	2,630,000	2,080,000	02/01/1999	02/01/2013
CRANFILLS GAP, CITY OF	605,000	605,000	09/01/2002	09/01/2021
CROCKETT, CITY OF	4,275,000	4,065,000	09/15/1997	09/15/2016
CROSBY MUD	935,000	900,000	01/01/1996	01/01/2014
DALHART, CITY OF	5,870,000	5,870,000	02/01/2003	02/01/2022
DALLAS CO WCID #6	3,865,000	3,450,000	09/01/1999	09/01/2018
DAVENPORT MUD #1	3,665,000	3,225,000	09/01/1998	09/01/2017
DEER PARK, CITY OF	6,675,000	4,020,000	03/01/1995	03/01/2014
DEER PARK, CITY OF	3,000,000	2,250,000	03/01/1998	03/01/2017
DEER PARK, CITY OF	3,000,000	2,700,000	03/01/2001	03/01/2020
DEKALB, CITY OF	565,000	565,000	12/01/2004	12/01/2019
DEL RIO, CITY OF	280,000	175,000	12/01/1992	12/01/2011
DEL RIO, CITY OF	1,395,000	880,000	12/01/1992	12/01/2011
DETROIT, CITY OF	925,000	915,000	07/01/2002	07/01/2020
DEVINE, CITY OF	60,000	10,000	11/01/1992	11/01/2003
DEVINE, CITY OF	275,000	220,000	11/01/1992	11/01/2010
DIBOLL, CITY OF	4,635,000	4,515,000	02/01/2000	02/01/2019
DONNA, CITY OF	2,775,000	2,590,000	02/01/2001	02/01/2018
DUBLIN, CITY OF	1,960,000	1,545,000	02/15/1997	02/15/2016
EAGLE PASS, CITY OF	2,795,000	2,000,000	12/01/1993	12/01/2011
EAST CEDAR CREEK FWSD	415,000	285,000	01/01/1995	01/01/2014
EAST CEDAR CREEK FWSD	2,255,000	1,935,000	01/01/1998	01/01/2017

UNAUDITED

Texas Water Development Board (580)
 Schedule 6H - Loans and Contracts
 Clean Water State Revolving Fund
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
CLEAN WATER STATE REVOLVING FUND (continued)				
EAST CEDAR CREEK FWSD	2,075,000	1,905,000	01/01/2000	01/01/2019
EDINBURG, CITY OF	3,700,000	3,280,000	03/01/1996	03/01/2015
EL PASO CO WA MUD	5,275,000	3,705,000	02/01/1998	02/01/2015
EL PASO, CITY OF (THE "CITY")	22,000,000	12,050,000	03/01/1992	03/01/2011
EL PASO, CITY OF (THE "CITY")	25,000,000	16,825,000	03/01/1995	03/01/2012
EL PASO, CITY OF (THE "CITY")	18,000,000	13,105,000	03/01/1996	03/01/2014
EL PASO, CITY OF (THE "CITY")	10,000,000	8,200,000	03/01/1998	03/01/2017
EL PASO, CITY OF (THE "CITY")	22,000,000	18,555,000	03/01/1998	03/01/2017
EL PASO, CITY OF (THE "CITY")	7,520,000	7,520,000	03/01/2003	03/01/2022
EL PASO, CITY OF (THE "CITY")	16,265,000	16,265,000	03/01/2003	03/01/2022
EVADALE WCID # 1	1,550,000	1,550,000	07/01/2003	07/01/2022
FALLBROOK UD	2,380,000	1,555,000	03/01/1994	03/01/2007
FATE, CITY OF	1,000,000	915,000	09/01/1999	09/01/2017
FIRST COLONY MUD #9	4,000,000	3,680,000	10/01/1999	10/01/2018
FLATONIA, CITY OF	665,000	565,000	02/15/1999	02/15/2018
FOREST COVE MUD	4,870,000	4,175,000	03/15/1998	03/15/2017
FORT BEND CO WCID #2	4,740,000	4,025,000	09/01/1998	09/01/2017
FORT WORTH, CITY OF	13,460,000	8,925,000	03/01/1994	03/01/2012
FORT WORTH, CITY OF	2,695,000	1,775,000	03/01/1994	03/01/2012
FORT WORTH, CITY OF	12,000,000	7,200,000	03/01/1995	03/01/2014
FORT WORTH, CITY OF	18,880,000	14,895,000	03/01/1997	03/01/2015
FORT WORTH, CITY OF	17,120,000	13,580,000	03/01/1997	03/01/2016
FORT WORTH, CITY OF	60,980,000	52,220,000	03/01/1999	03/01/2018
FORT WORTH, CITY OF	38,000,000	34,070,000	03/01/2000	03/01/2019
FORT WORTH, CITY OF	61,750,000	57,580,000	03/01/2001	03/01/2020
FORT WORTH, CITY OF	8,080,000	7,790,000	03/01/2002	03/01/2021
FORT WORTH, CITY OF	34,310,000	34,310,000	03/01/2003	03/01/2022
FRITCH, CITY OF	2,350,000	2,080,000	02/15/2000	02/15/2018
GALVESTON CO MUD #12	1,820,000	1,775,000	09/01/1997	09/01/2015
GALVESTON CO WCID #12	1,920,000	1,690,000	09/01/1999	09/01/2016
GALVESTON CO WCID #12	515,000	455,000	09/01/1999	09/01/2018
GEORGETOWN, CITY OF	5,200,000	4,470,000	08/15/1996	08/15/2015
GIDDINGS, CITY OF	4,000,000	3,695,000	09/01/1997	09/01/2016
GLEN ROSE, CITY OF	1,450,000	920,000	04/01/1993	04/01/2012
GREATER TEXOMA UA	160,000	65,000	01/01/1995	01/01/2006
GREATER TEXOMA UA	95,000	50,000	01/01/1995	01/01/2007
GREATER TEXOMA UA	290,000	230,000	01/01/2007	01/01/2014
GREATER TEXOMA UA	995,000	650,000	04/01/1992	04/01/2011
GREATER TEXOMA UA	350,000	240,000	04/01/1994	04/01/2013
GREATER TEXOMA UA	300,000	250,000	04/01/1998	04/01/2017
GREATER TEXOMA UA	155,000	135,000	04/01/1999	04/01/2018
GREATER TEXOMA UA	150,000	145,000	04/01/2002	04/01/2021
GREATER TEXOMA UA	380,000	295,000	06/01/1996	06/01/2015
GREATER TEXOMA UA	440,000	350,000	06/01/1999	06/01/2013
GREATER TEXOMA UA	900,000	840,000	06/01/2001	06/01/2020
GREATER TEXOMA UA	150,000	135,000	06/01/2000	06/01/2019
GREATER TEXOMA UA	500,000	490,000	07/01/2001	07/01/2020
GREATER TEXOMA UA	765,000	470,000	10/01/1993	10/01/2010
GREATER TEXOMA UA	155,000	95,000	10/01/1993	10/01/2010
GREATER TEXOMA UA	1,090,000	895,000	10/01/1996	10/01/2015
GREATER TEXOMA UA	1,500,000	1,455,000	10/01/1999	10/01/2012
GREATER TEXOMA UA	150,000	145,000	10/01/2001	10/01/2020

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CLEAN WATER STATE REVOLVING FUND (continued)				
GREATER TEXOMA UA	250,000	215,000	11/01/1998	11/01/2017
GREATER TEXOMA UA	955,000	955,000	06/01/2003	06/01/2022
GREENWOOD UD	2,465,000	2,405,000	08/01/1999	08/01/2017
GROVES, CITY OF	14,000,000	13,030,000	09/01/1999	09/01/2018
GUADALUPE BLANCO RA	5,480,000	5,455,000	02/01/1998	02/01/2017
GUADALUPE BLANCO RA	3,750,000	2,635,000	10/01/1997	10/01/2010
HALLSVILLE, CITY OF	2,250,000	2,030,000	05/01/2000	05/01/2019
HALTOM CITY, CITY OF	8,600,000	7,875,000	02/01/2000	02/01/2019
HALTOM CITY, CITY OF	3,120,000	3,120,000	02/01/2003	02/01/2022
HARDIN COUNTY WCID #1	2,100,000	1,890,000	08/15/1998	08/15/2017
HARLINGEN, CITY OF	1,845,000	1,785,000	11/01/2001	11/01/2020
HARRIS CO FWSD #6	2,300,000	2,050,000	07/10/1998	07/10/2017
HARRIS CO MUD #11	2,000,000	1,960,000	03/01/1995	03/01/2014
HARRIS CO UD #3	2,260,000	2,005,000	08/01/1994	08/01/2013
HARRIS CO UD #5	6,130,000	5,250,000	10/01/1998	10/01/2017
HARRIS CO WCID #76	975,000	750,000	02/01/1996	02/01/2015
HARRIS CO WCID #84	2,075,000	1,490,000	08/01/1993	08/01/2012
HARRIS COA WCID #136	565,000	470,000	04/01/1998	04/01/2017
HARRIS COUNTY WCID #36	5,000,000	5,000,000	09/15/2002	09/15/2021
HIGH ISLAND ISD	195,000	150,000	08/15/2000	08/15/2010
HILLCREST VILLAGE, CITY OF	300,000	270,000	03/15/2001	03/15/2019
HITCHCOCK, CITY OF	700,000	330,000	05/01/1990	05/01/2009
HITCHCOCK, CITY OF	2,200,000	2,055,000	05/01/1996	05/01/2015
HONDO, CITY OF	1,310,000	775,000	02/01/1994	02/01/2011
HONDO, CITY OF	285,000	180,000	02/01/1994	02/01/2011
HONEY GROVE, CITY OF	1,000,000	935,000	09/01/2000	09/01/2019
HOOKS, CITY OF	190,000	110,000	08/15/1992	08/15/2011
HOOKS, CITY OF	915,000	530,000	08/15/1992	08/15/2011
HOUSTON, CITY OF	93,725,000	46,425,000	12/01/1993	12/01/2012
HOUSTON, CITY OF	52,000,000	39,095,000	12/01/1994	12/01/2013
HOUSTON, CITY OF	8,675,000	-	12/01/1993	12/01/2012
HOUSTON, CITY OF	5,745,000	-	12/01/1993	12/01/2012
HOUSTON, CITY OF	37,310,000	-	12/01/1993	12/01/2012
HOUSTON, CITY OF	1,930,000	-	12/01/1993	12/01/2012
HOUSTON, CITY OF	38,670,000	-	12/01/1993	12/01/2012
HOUSTON, CITY OF	62,335,000	62,310,000	12/01/1995	12/01/2014
HOUSTON, CITY OF	160,000,000	159,980,000	12/01/1995	12/01/2014
HOUSTON, CITY OF	67,660,000	67,650,000	12/01/1997	12/01/2016
HOUSTON, CITY OF	6,130,000	6,120,000	12/01/1997	12/01/2016
HOUSTON, CITY OF	47,500,000	47,490,000	12/01/1998	12/01/2017
HOUSTON, CITY OF	33,000,000	24,435,000	12/01/2008	12/01/2013
HOUSTON, CITY OF	175,000,000	174,985,000	12/01/2013	12/01/2014
HUBBARD, CITY OF	670,000	595,000	02/15/2000	02/15/2018
HULL FWSD	450,000	335,000	03/01/1996	03/01/2013
HUMBLE, CITY OF	4,800,000	4,305,000	03/01/2000	03/01/2019
HUNTER'S GLEN MUD	1,885,000	1,870,000	04/01/2000	04/01/2015
HUNTSVILLE, CITY OF	14,395,000	11,270,000	08/15/1997	08/15/2016
HURST CREEK MUD	2,600,000	2,050,000	04/01/1997	04/01/2016
HURST CREEK MUD	970,000	635,000	10/01/1992	10/01/2011
HURST CREEK MUD	200,000	125,000	10/01/1992	10/01/2011
IDALOU, CITY OF	160,000	110,000	02/15/1993	02/15/2012
IDLEWOOD WCID #1	1,650,000	-	04/01/1998	04/01/2017

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CLEAN WATER STATE REVOLVING FUND (continued)				
INGLESIDE, CITY OF	1,040,000	690,000	05/01/1994	05/01/2012
INGLESIDE, CITY OF	190,000	125,000	05/01/1995	05/01/2012
INGLESIDE, CITY OF	2,915,000	2,915,000	02/01/2003	02/01/2022
ISAACSON MUD	275,000	180,000	03/01/1994	03/01/2013
JACINTO CITY, CITY OF	7,255,000	7,255,000	05/01/2005	05/01/2024
JACKSBORO, CITY OF	1,040,000	860,000	07/10/1996	07/10/2015
JACKSBORO, CITY OF	2,550,000	2,220,000	07/10/1999	07/10/2017
JACKSONVILLE, CITY OF	8,000,000	7,875,000	08/15/2001	08/15/2020
JASPER, CITY OF	2,495,000	2,145,000	02/15/1999	02/15/2018
JASPER, CITY OF	1,400,000	775,000	08/15/1992	08/15/2011
JASPER, CITY OF	285,000	165,000	08/15/1992	08/15/2011
JASPER, CITY OF	600,000	290,000	08/15/1995	08/15/2008
JEFFERSON CO WCID #10	2,890,000	2,075,000	08/15/1996	08/15/2012
JOHNSON CO FWSD #1	1,640,000	1,380,000	05/15/1997	05/15/2016
KAUFMAN, CITY OF	5,600,000	4,615,000	07/15/1996	07/15/2015
KAUFMAN, CITY OF	2,455,000	2,455,000	02/15/2003	02/15/2022
KENDALL CO WCID #1	2,500,000	2,335,000	01/01/2001	01/01/2020
KINGSVILLE, CITY OF	2,000,000	1,485,000	04/15/1995	04/15/2012
LA COSTE, CITY OF	665,000	460,000	02/01/1994	02/01/2013
LA GRANGE, CITY OF	2,155,000	1,560,000	08/15/1998	08/15/2012
LA MARQUE, CITY OF	4,440,000	4,000,000	09/01/1998	09/01/2016
LA MARQUE, CITY OF	4,600,000	4,450,000	09/01/2000	09/01/2018
LAGUNA MADRE WD	3,600,000	3,200,000	03/01/1995	03/01/2008
LAGUNA MADRE WD	1,300,000	1,170,000	03/01/1995	03/01/2009
LAKE JACKSON, CITY OF	1,410,000	780,000	04/15/1994	04/15/2013
LAKE JACKSON, CITY OF	16,000,000	15,200,000	04/15/2002	04/15/2021
LAKE WORTH, CITY OF	1,500,000	1,245,000	03/01/1998	03/01/2017
LAKEWAY MUD	3,040,000	2,620,000	09/01/1998	09/01/2017
LAMPASAS, CITY OF	1,040,000	915,000	08/15/1999	08/15/2018
LAREDO, CITY OF	285,000	165,000	03/01/1992	03/01/2011
LAREDO, CITY OF	1,415,000	825,000	03/01/1992	03/01/2011
LEWISVILLE, CITY OF	9,950,000	8,855,000	08/15/2000	08/15/2019
LITTLEFIELD, CITY OF	2,565,000	2,135,000	02/15/1998	02/15/2017
LOCKHART, CITY OF	1,325,000	1,155,000	08/01/1998	08/01/2016
LOG CABIN, CITY OF	1,840,000	1,700,000	02/15/2001	02/15/2019
LONGVIEW, CITY OF	9,190,000	7,145,000	03/01/1994	03/01/2012
LONGVIEW, CITY OF	15,335,000	14,780,000	03/01/1999	03/01/2017
LONGVIEW, CITY OF	1,285,000	1,160,000	03/01/2001	03/01/2012
LORAIN, CITY OF	665,000	665,000	09/01/2004	09/01/2023
LORENZO, CITY OF	705,000	630,000	08/15/2000	08/15/2019
LOVELADY, CITY OF	330,000	250,000	05/01/1996	05/01/2015
LOWER COLORADO RA	9,300,000	8,555,000	01/01/2000	01/01/2010
LOWER COLORADO RA	3,810,000	3,775,000	01/01/2002	01/01/2020
LOWER COLORADO RA	6,556	6,556	01/01/2011	01/01/2011
LOWER COLORADO RA	25,280,000	22,525,000	07/01/2000	07/01/2011
LOWER COLORADO RA	9,070,210	9,070,210	07/01/2012	07/01/2016
LOWER VALLEY WD	1,347,000	1,225,000	09/15/1999	09/15/2018
LOWER VALLEY WD	300,000	270,000	09/15/1999	09/15/2018
LOWER VALLEY WD	285,000	265,000	09/15/2000	09/15/2019
LOWER VALLEY WD	910,000	880,000	09/15/2001	09/15/2020
LOWER VALLEY WD	765,000	742,000	09/15/2001	09/15/2021
LOWER VALLEY WD	775,000	752,000	09/15/2001	09/15/2021

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CLEAN WATER STATE REVOLVING FUND (continued)				
LUBBOCK, CITY OF	280,000	-	02/15/1993	02/15/2012
LUBBOCK, CITY OF	1,375,000	-	02/15/1993	02/15/2012
LUBBOCK, CITY OF	34,520,000	20,720,000	02/15/1995	02/15/2014
LUBBOCK, CITY OF	14,425,000	9,370,000	02/15/1996	02/15/2015
LULING, CITY OF	1,590,000	1,375,000	08/15/1999	08/15/2017
LUMBERTON MUD	470,000	95,000	01/01/1995	01/01/2004
LUMBERTON MUD	4,950,000	3,250,000	08/15/1995	08/15/2014
LUMBERTON MUD	5,200,000	4,450,000	08/15/1999	08/15/2018
MACEDONIA-EYLAU MUD #1	225,000	190,000	07/01/1999	07/01/2018
MARSHALL, CITY OF	7,020,000	6,200,000	06/15/1998	06/15/2017
MART, CITY OF	810,000	795,000	09/01/1999	09/01/2018
MAURICEVILLE SUD	925,000	895,000	11/15/1999	11/15/2018
MAURICEVILLE SUD	9,340,000	9,310,000	11/15/1999	11/15/2018
MCALLEN, CITY OF	4,240,000	2,050,000	02/01/1997	02/01/2006
MEADOWHILLS REGIONAL MUD	1,460,000	1,410,000	10/01/1997	10/01/2015
MEXIA, CITY OF	2,000,000	1,710,000	08/15/1999	08/15/2018
MEXIA, CITY OF	5,420,000	5,420,000	08/15/2003	08/15/2022
MIDLAND, CITY OF	8,730,000	6,795,000	05/01/1997	05/01/2016
MIDLOTHIAN, CITY OF	1,500,000	960,000	02/15/1993	02/15/2012
MINEOLA, CITY OF	770,000	740,000	09/01/1999	09/01/2017
MINEOLA, CITY OF	3,335,000	2,975,000	09/01/1999	09/01/2018
MINERAL WELLS, CITY OF	1,990,000	1,130,000	12/01/1998	12/01/2017
MINERAL WELLS, CITY OF	7,685,000	5,570,000	12/01/1999	12/01/2018
MINERAL WELLS, CITY OF	375,000	375,000	12/01/2013	12/01/2014
MINERAL WELLS, CITY OF	1,135,000	1,135,000	12/01/2008	12/01/2013
MISSION, CITY OF	2,032,000	1,522,000	04/01/1996	04/01/2015
MONT BELVIEU, CITY OF	2,990,000	1,630,000	09/01/1997	09/01/2006
MONTGOMERY CO MUD #15	815,000	765,000	03/01/1998	03/01/2017
MONTGOMERY CO MUD #15	675,000	615,000	03/01/1999	03/01/2017
MONTGOMERY CO UD #3	1,290,000	1,270,000	04/01/1999	04/01/2015
MOUNT CALM, CITY OF	100,000	90,000	09/01/2000	09/01/2019
MOUNT PLEASANT, CITY OF	5,975,000	-	03/15/1992	03/15/2010
MOUNT VERNON, CITY OF	1,520,000	1,385,000	09/01/1999	09/01/2018
NACOGDOCHES, CITY OF	1,670,000	1,465,000	03/01/1995	03/01/2009
NACOGDOCHES, CITY OF	5,900,000	5,100,000	03/01/1999	03/01/2018
NACOGDOCHES, CITY OF	5,670,000	5,630,000	09/01/1994	09/01/2012
NEDERLAND, CITY OF	5,000,000	4,775,000	09/01/1998	09/01/2017
NEDERLAND, CITY OF	4,850,000	4,840,000	09/01/2000	09/01/2019
NEDERLAND, CITY OF	2,900,000	2,895,000	09/01/2001	09/01/2019
NEEDVILLE, CITY OF	1,150,000	780,000	03/01/1996	03/01/2010
NEW CANEY MUD	1,720,000	1,660,000	04/01/1997	04/01/2015
NEWTON, CITY OF	1,855,000	1,645,000	03/15/2000	03/15/2019
ODEM, CITY OF	1,940,000	1,940,000	08/01/2004	08/01/2023
ORANGE CO WCID #1	2,415,000	2,395,000	02/15/1999	02/15/2018
ORANGE CO WCID #2	3,890,000	3,670,000	03/01/1997	03/01/2015
ORANGE GROVE, CITY OF	400,000	315,000	08/15/1997	08/15/2016
ORANGE, CITY OF	13,575,000	12,895,000	02/01/1997	02/01/2016
PALESTINE, CITY OF	6,545,000	4,700,000	07/15/1996	07/15/2015
PANHANDLE, CITY OF	1,875,000	1,875,000	02/15/2003	02/15/2022
PARKWAY UD	3,965,000	3,795,000	03/01/1999	03/01/2017
PASADENA, CITY OF	31,370,000	30,075,000	04/01/2000	04/01/2019
PEARLAND, CITY OF	17,100,000	16,925,000	03/01/2000	03/01/2018

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CLEAN WATER STATE REVOLVING FUND (continued)				
PEARLAND, CITY OF	8,870,000	8,090,000	09/01/1997	09/01/2016
PHARR, CITY OF	4,230,000	4,210,000	09/01/1998	09/01/2017
PINE VILLAGE PUD	845,000	835,000	03/01/2001	03/01/2020
PINE VILLAGE PUD	810,000	645,000	09/01/1996	10/01/2014
POLK CO FWSD #2	3,140,000	3,035,000	07/10/2000	07/10/2018
POLK CO FWSD #3	1,955,000	1,955,000	07/10/2003	07/10/2022
PORT ARTHUR, CITY OF	15,000,000	15,000,000	02/15/2003	02/15/2023
PORT LAVACA, CITY OF	4,950,000	4,240,000	02/15/1999	02/15/2018
PORTER MUD	2,145,000	2,125,000	03/01/1999	03/01/2018
PORTLAND, CITY OF	1,775,000	1,775,000	09/01/2002	09/01/2021
PRINCETON, CITY OF	990,000	820,000	02/15/1998	02/15/2017
PROSPER, TOWN OF	800,000	730,000	07/10/1999	07/10/2018
QUINLAN, CITY OF	845,000	775,000	09/01/1998	09/01/2017
RENO, CITY OF	1,950,000	1,905,000	01/01/1999	01/01/2018
RICHLAND HILLS, CITY OF	4,000,000	3,480,000	08/15/1999	08/15/2018
RICHMOND, CITY OF	4,400,000	4,100,000	03/01/2001	03/01/2020
RIO GRANDE CITY, CITY OF	1,750,000	1,205,000	07/10/1993	07/10/2012
RIO GRANDE CITY, CITY OF	210,000	130,000	07/10/1993	07/10/2012
RIO GRANDE CITY, CITY OF	350,000	205,000	07/10/1993	07/10/2012
RIVIERA WCID	280,000	235,000	11/01/1997	11/01/2016
ROBSTOWN, CITY OF	775,000	545,000	12/01/2000	12/01/2019
ROCKPORT, CITY OF	2,500,000	2,085,000	02/15/1997	02/15/2016
ROMA, CITY OF	3,035,000	2,835,000	11/01/2001	11/01/2020
RUSK, CITY OF	2,950,000	2,615,000	02/15/1999	02/15/2018
SAINT JO, CITY OF	850,000	650,000	02/15/1996	02/15/2015
SAN ANGELO, CITY OF	26,410,000	16,205,000	04/01/1993	04/01/2012
SAN ANGELO, CITY OF	2,855,000	2,395,000	04/01/1999	04/01/2017
SAN ANTONIO WATER SYSTEM	47,500,000	41,355,000	05/15/2000	05/15/2019
SAN ANTONIO WATER SYSTEM	71,410,000	63,245,000	05/15/2000	05/15/2019
SAN ANTONIO WATER SYSTEM	9,715,000	9,710,000	05/15/2002	05/15/2021
SAN ANTONIO WATER SYSTEM	15,435,000	15,430,000	05/15/2002	05/15/2021
SAN ANTONIO WATER SYSTEM	12,090,000	12,090,000	05/15/2003	05/15/2022
SAN ANTONIO WATER SYSTEM	15,650,000	15,650,000	05/15/2003	05/15/2022
SAN DIEGO, CITY OF	490,000	305,000	06/01/1995	06/01/2011
SAN JACINTO RA	3,100,000	1,530,000	04/01/1991	04/01/2009
SAN JACINTO RA	460,000	275,000	04/01/1993	04/01/2011
SAN JACINTO RA	2,275,000	1,365,000	04/01/1993	04/01/2011
SAN JACINTO RA	9,960,000	8,705,000	10/01/1997	10/01/2015
SAN LEON MUD	1,150,000	915,000	07/10/1997	07/10/2016
SAN MARCOS, CITY OF	7,500,000	7,000,000	02/15/1998	02/15/2016
SAN MARCOS, CITY OF	7,500,000	7,100,000	02/15/1999	02/15/2017
SAN PATRICIO MWD	3,050,000	2,795,000	02/01/2000	02/01/2018
SAN SABA, CITY OF	200,000	55,000	06/01/1994	06/01/2004
SANGER CITY OF	1,060,000	855,000	05/15/1997	05/15/2016
SEGUIN, CITY OF	1,300,000	1,280,000	02/01/1999	02/01/2017
SHASLA PUD	380,000	365,000	03/01/2000	03/01/2009
SHINER, CITY OF	1,630,000	1,390,000	09/01/1997	09/01/2016
SINTON, CITY OF	1,445,000	480,000	08/01/1996	08/01/2005
SINTON, CITY OF	600,000	525,000	08/01/1997	08/01/2011
SNYDER, CITY OF	4,375,000	2,975,000	03/01/1994	03/01/2013
SOUTH HOUSTON, CITY OF	6,750,000	5,700,000	03/01/1997	03/01/2016
STANLEY LAKE MUD	85,000	39,000	07/01/1993	07/01/2008

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Texas Water Development Board (580)
 Schedule 6H - Loans and Contracts
 Clean Water State Revolving Fund
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
CLEAN WATER STATE REVOLVING FUND (continued)				
STEPHENVILLE, CITY OF	7,680,000	4,960,000	06/01/1994	06/01/2013
SUGAR LAND, CITY OF	3,485,000	3,220,000	08/15/1999	08/15/2018
SUGAR LAND, CITY OF	3,365,000	3,165,000	08/15/1999	08/15/2018
SULPHUR SPRINGS, CITY OF	450,000	295,000	07/01/1993	07/01/2012
SUNBELT FWSD	9,945,000	8,260,000	12/01/2000	12/01/2019
SUNBELT FWSD	5,310,000	5,220,000	12/01/2000	12/01/2019
SUNBELT FWSD	495,000	480,000	12/01/2001	12/01/2020
SUNBELT FWSD	945,000	945,000	12/01/2003	12/01/2022
SWEETWATER, CITY OF	3,990,000	3,470,000	08/15/1999	08/15/2018
SWEETWATER, CITY OF	3,995,000	3,475,000	08/15/1999	08/15/2018
TAHOKA, CITY OF	1,780,000	1,580,000	02/15/2000	02/15/2018
TATTOR ROAD MD	560,000	510,000	03/01/1998	03/01/2016
TAYLOR, CITY OF	3,100,000	2,600,000	08/15/1998	08/15/2015
TAYLOR, CITY OF	2,950,000	2,850,000	08/15/1999	08/15/2017
TEMPLE, CITY OF	8,460,000	5,850,000	08/01/1995	08/01/2013
TERRELL, CITY OF	5,565,000	4,020,000	02/15/1995	02/15/2014
TEXARKANA, CITY OF	2,755,000	2,145,000	08/01/1997	08/01/2016
TEXAS A&M UNIV, BD OF REGENTS	5,920,000	4,205,000	05/15/1994	05/15/2013
TEXAS A&M UNIV, BD OF REGENTS	13,760,000	10,065,000	05/15/1995	05/15/2014
TEXAS CITY, CITY OF	5,620,000	4,420,000	02/15/1996	02/15/2015
TEXAS CITY, CITY OF	16,880,000	13,370,000	02/15/1998	02/15/2015
THE COLONY, CITY OF	925,000	460,000	08/15/1992	08/15/2009
THE COLONY, CITY OF	225,000	135,000	08/15/1992	08/15/2011
THE COLONY, CITY OF	1,000,000	760,000	08/15/1996	08/15/2015
THE COLONY, CITY OF	810,000	645,000	08/15/1997	08/15/2016
TIOGA, CITY OF	300,000	260,000	04/01/1999	04/01/2018
TOMBALL, CITY OF	7,550,000	6,730,000	02/15/2000	02/15/2019
TRAVIS CO WCID (POINT VENTURE)	1,460,000	1,260,000	08/15/1999	08/15/2018
TRINITY BAY CONSERVATION DISTRICT	900,000	870,000	02/15/1997	02/15/2005
TRINITY BAY CONSERVATION DISTRICT	1,300,000	1,275,000	08/15/1998	08/15/2017
TRINITY RA	8,480,000	8,480,000	02/01/2003	02/01/2021
TRINITY RA	4,775,000	3,330,000	08/01/1995	08/01/2013
TRINITY RA	3,180,000	2,440,000	08/01/1997	08/01/2016
TRINITY RA	50,845,000	43,270,000	08/01/1999	08/01/2017
TRINITY RA	6,075,000	6,070,000	08/01/2002	08/01/2020
TRINITY RA	88,225,000	88,225,000	08/01/2003	08/01/2020
TULIA, CITY OF	2,620,000	2,220,000	08/15/1998	08/15/2017
UPPER TRINITY REGIONAL WD	1,560,000	1,245,000	08/01/1996	08/01/2015
UPPER TRINITY REGIONAL WD	9,765,000	8,210,000	08/01/1997	08/01/2016
UPPER TRINITY REGIONAL WD	3,085,000	2,605,000	08/01/1997	08/01/2016
UPPER TRINITY REGIONAL WD	6,685,000	6,685,000	09/01/2004	09/01/2023
VAN, CITY OF	1,750,000	1,250,000	08/15/1995	08/15/2014
VERNON, CITY OF	6,140,000	5,275,000	09/15/1997	09/15/2016
VERNON, CITY OF	2,855,000	2,855,000	03/15/2004	03/15/2023
VICTORIA CO WCID #1	1,280,000	1,105,000	03/01/1999	03/01/2018
VICTORIA, CITY OF	25,580,000	25,535,000	12/01/2001	12/01/2020
WATAUGA, CITY OF	4,580,000	3,705,000	03/01/1997	03/01/2016
WAXAHACHIE, CITY OF	3,935,000	3,245,000	08/01/1998	08/01/2017
WELLMAN, CITY OF	600,000	440,000	03/01/1995	03/01/2014
WELLS BRANCH MUD	1,400,000	1,275,000	08/01/2000	08/01/2019
WELLS, CITY OF	220,000	170,000	09/01/1993	09/01/2011
WESLACO, CITY OF	5,930,000	5,340,000	12/01/2001	12/01/2020

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Texas Water Development Board (580)
Schedule 6H - Loans and Contracts
Clean Water State Revolving Fund
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
CLEAN WATER STATE REVOLVING FUND (continued)				
WEST TAWAKONI, CITY OF	250,000	190,000	01/01/1996	01/01/2015
WEST UNIVERSITY PLACE, CITY OF	4,970,000	4,045,000	02/01/1997	02/01/2016
WEST UNIVERSITY PLACE, CITY OF	3,015,000	3,015,000	02/01/2003	02/01/2021
WEST, CITY OF	1,200,000	895,000	10/01/1995	10/01/2013
WHITE OAK BEND MUD	1,531,000	1,501,000	10/01/1996	10/01/2010
WHITE OAK, CITY OF	1,845,000	1,740,000	03/01/2002	03/01/2015
WHITEHOUSE, CITY OF	760,000	530,000	08/15/1996	08/15/2010
WHITESBORO, CITY OF	2,725,000	2,725,000	08/15/2003	08/15/2022
WICHITA FALLS, CITY OF	11,420,000	10,890,000	08/01/1998	08/01/2016
WICHITA FALLS, CITY OF	8,060,000	7,960,000	08/01/1999	08/01/2018
WILLIS, CITY OF	1,170,000	1,095,000	08/01/1997	08/01/2016
WILLIS, CITY OF	1,000,000	1,000,000	08/01/2003	08/01/2022
WILMER, CITY OF	50,000	10,000	04/15/1995	04/15/2004
WILMER, CITY OF	250,000	210,000	04/15/1995	04/15/2014
WOODBANCH VILLAGE, CITY OF	700,000	440,000	03/01/1994	03/01/2011
YOAKUM, CITY OF	3,600,000	2,630,000	08/15/1996	08/15/2015
TOTAL CLEAN WATER SRF	\$2,854,206,766	\$2,357,361,766		

UNAUDITED

Texas Water Development Board (580)
 Schedule 6I - Loans and Contracts
 Drinking Water State Revolving Fund
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
DRINKING WATER STATE REVOLVING FUND				
BALLINGER, CITY OF	\$ 305,000	\$ 305,000	06/01/2004	06/01/2023
BIG FOOT WSC	36,000	35,000	10/01/2001	10/01/2030
BRADY, CITY OF	220,000	20,000	05/01/2002	05/01/2031
BROOKELAND FWSD	1,150,000	1,130,000	09/01/2001	09/01/2020
BROWNWOOD, CITY OF	1,245,000	1,220,000	03/15/2002	03/15/2021
BURLESON COUNTY MUD #1	144,000	144,000	06/01/2005	06/01/2034
CORSICANA, CITY OF	9,595,000	8,830,000	08/15/2001	08/15/2020
DEL RIO, CITY OF	8,788,000	4,449,000	06/01/2001	06/01/2020
DEL RIO, CITY OF	5,400,000	5,130,000	06/01/2002	06/01/2021
DEL RIO, CITY OF	150,000	150,000	06/01/2004	06/01/2022
DEPORT, CITY OF	320,000	310,000	09/01/2001	09/01/2020
EAST MEDINA CO SUD	3,200,000	3,095,000	07/01/2002	07/01/2021
EL PASO, CITY OF (THE "CITY")	15,150,000	14,615,000	03/01/2002	03/01/2021
GOLDEN WSC	90,000	85,000	07/01/2002	07/01/2022
GREATER TEXOMA UA	325,000	305,000	10/01/1999	10/01/2018
HAMLIN, CITY OF	395,000	385,000	03/01/2002	03/01/2031
HOUSTON, CITY OF	180,000	180,000	12/01/2004	12/01/2023
HUDSON OAKS, CITY OF	460,000	360,000	08/01/2001	08/01/2020
KOUNTZE, CITY OF	650,000	635,000	03/15/2000	03/15/2024
LOWER NECHES VALLEY AUTHORITY	3,237,000	3,237,000	08/01/2004	08/01/2033
LUFKIN, CITY OF	2,675,000	2,675,000	11/01/2002	11/01/2021
MEXIA, CITY OF	40,000	40,000	08/15/2003	08/15/2023
NACOGDOCHES, CITY OF	1,220,000	1,220,000	03/01/2003	03/01/2030
NACOGDOCHES, CITY OF	1,020,000	1,020,000	09/01/2004	09/01/2034
NORTHEAST TEXAS MWD	6,800,000	6,565,000	09/01/2001	09/01/2020
ORANGE CO WCID #1	175,000	175,000	02/15/2003	02/15/2021
PALMER, CITY OF	40,000	40,000	07/01/2003	07/01/2022
PECOS CITY, TOWN OF	2,290,000	1,795,000	06/15/2001	06/15/2020
RAYMONDVILE, CITY OF	210,000	210,000	04/01/2003	04/01/2022
ROMA, CITY OF	2,185,000	2,025,000	11/01/2000	11/01/2029
SUNBELT FWSD	265,000	265,000	12/01/2002	12/01/2026
SWEETWATER, CITY OF	225,000	-	08/15/2000	08/15/2019
TIOGA, CITY OF	70,000	65,000	04/01/2002	04/01/2031
VERNON, CITY OF	635,000	455,000	03/15/2002	03/15/2021
WALNUT GROVE WSC	25,000	25,000	09/01/2002	09/01/2021
WEST JEFFERSON COUNTY MWD	480,000	480,000	04/01/2003	04/01/2022
TOTAL DRINKING WATER SRF	\$ 69,395,000	\$ 61,675,000		

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Texas Water Development Board (580)
 Schedule 6J - Loans and Contracts
 Texas Water Resources Finance Authority
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
TEXAS WATER RESOURCES FINANCE AUTHORITY				
ABBOTT, CITY OF	\$ 275,000	\$ 90,000	01/10/1989	01/10/2006
ABBOTT, CITY OF	140,000	60,000	01/10/1990	01/10/2006
ALVARADO, CITY OF	100,000	5,000	07/10/1984	07/10/2003
ALVARADO, CITY OF	115,000	19,000	07/10/1997	07/10/2003
ARCOLA, CITY OF	325,000	-	03/01/1991	03/01/2009
BALLINGER, CITY OF	500,000	-	06/01/1984	06/01/2002
BELL CO WCID #3	675,000	330,000	06/01/1990	06/01/2007
BELLS, CITY OF	260,000	55,000	06/01/1991	06/01/2004
BELLS, CITY OF	180,000	180,000	06/01/2005	06/01/2009
BEVIL OAKS MUD	1,455,000	-	07/10/1980	07/10/2002
BIG SANDY, CITY OF	125,000	-	10/01/1987	10/01/2001
BIG SANDY, CITY OF	50,000	-	10/01/1992	10/01/2001
BLANCO, CITY OF	34,000	11,000	06/15/1967	06/15/2005
BOGATA, CITY OF	310,000	-	06/01/1986	06/01/2003
BOWIE WSD	3,985,000	1,295,000	10/01/1982	10/01/2006
BOWIE, CITY OF	1,500,000	410,000	04/01/1983	04/01/2006
BRAZORIA CO WCID #8	295,000	20,000	07/10/1987	07/10/2003
BRECKENRIDGE, CITY OF	2,640,000	1,345,000	01/10/1980	01/10/2015
BRIARCLIFF, VILLAGE OF	500,000	115,000	05/01/1989	05/01/2012
BROADDUS, TOWN OF	200,000	35,000	07/01/1979	07/01/2004
CELINA, CITY OF	825,000	35,000	09/01/1988	09/01/2004
CHATEAU WOODS MUD	500,000	-	03/01/1984	03/01/2002
CIBOLO CREEK MA	1,300,000	-	07/10/1978	07/10/2011
CIBOLO CREEK MA	900,000	-	07/10/1995	07/10/2011
CISCO, CITY OF	800,000	15,000	01/10/1985	01/10/2004
CISCO, CITY OF	500,000	80,000	01/10/1985	01/10/2004
CLEBURNE, CITY OF	2,090,000	-	01/10/1989	01/10/2002
CLYDE, CITY OF	430,000	265,000	01/10/1979	01/10/2012
CLYDE, CITY OF	350,000	60,000	01/10/1981	01/10/2006
CLYDE, CITY OF	145,000	10,000	01/10/1983	01/10/2003
COMMERCE WD	6,000,000	2,140,000	01/10/1976	07/10/2009
COOPER, CITY OF	463,000	93,000	04/01/1986	04/01/2004
COPPERAS COVE, CITY OF	565,000	115,000	08/01/1994	08/01/2004
CORINTH, CITY OF	850,000	185,000	07/10/1986	07/10/2005
COTTONWOOD SHORES, CITY OF	100,000	65,000	03/01/1992	03/01/2010
COVINGTON, CITY OF	275,000	185,000	01/10/1991	01/10/2013
COVINGTON, CITY OF	50,000	50,000	01/10/2013	01/10/2014
COVINGTON, CITY OF	190,000	117,000	07/10/1986	07/10/2012
CRANDALL, CITY OF	250,000	130,000	02/01/1990	02/01/2009
CRANDALL, CITY OF	1,045,000	570,000	02/01/1994	02/01/2009
CROSBY MUD	700,000	40,000	01/01/1988	01/01/2003
CRYSTAL CITY, CITY OF	500,000	-	03/01/1988	03/01/2012
CUMBY, CITY OF	138,000	39,000	01/01/1987	01/01/2005
DALLAS CO URD	2,225,000	1,330,000	09/15/1994	09/15/2008
DESOTO, CITY OF	435,000	-	12/15/1995	12/15/2001
DODD CITY, CITY OF	125,000	42,000	10/01/1985	10/01/2005
DRISCOLL, CITY OF	210,000	155,000	01/10/1994	01/10/2013
EAST TAWAKONI, CITY OF	28,500	4,000	01/01/1992	01/01/2003
EASTVALE, CITY OF	60,000	1,000	07/10/1986	07/10/2003
ECTOR CO UD	1,200,000	900,000	08/01/2003	08/01/2006
ECTOR, CITY OF	185,000	15,000	01/10/1986	01/10/2005
EDGEWOOD, CITY OF	805,000	85,000	05/01/1985	05/01/2003
ELLIS CO WCID #1	650,000	45,000	01/01/1977	01/01/2003
FAYETTE CO WCID (Monument Hill)	355,000	-	05/01/1984	05/01/2007

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Texas Water Development Board (580)
 Schedule 6J - Loans and Contracts
 Texas Water Resources Finance Authority
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
TEXAS WATER RESOURCES FINANCE AUTHORITY (continued)				
FAYETTE CO WCID (Monument Hill)	375,000	-	09/01/1992	09/01/2011
FULTON, TOWN OF	500,000	210,000	02/15/1990	02/15/2007
GALVESTON CO WA	3,050,000	-	07/10/1984	07/10/2009
GALVESTON CO WA	2,425,000	-	07/10/1993	07/10/2002
GALVESTON CO WCID #12	1,700,000	135,000	09/01/1983	09/01/2002
GATESVILLE, CITY OF	330,000	-	05/01/1991	05/01/2014
GLEN ROSE, CITY OF	235,000	135,000	04/01/1992	04/01/2011
GOLIAD, CITY OF	485,000	220,000	05/01/1993	05/01/2007
GREATER TEXOMA UA	225,000	150,000	01/01/1990	01/01/2013
GREATER TEXOMA UA	480,000	320,000	07/01/1993	07/01/2012
GREATER TEXOMA UA	4,000,000	570,000	10/01/1983	10/01/2002
GREENBELT M&I WA	10,150,000	7,820,000	07/10/1976	07/10/2025
GREENBELT M&I WA	200,000	10,000	07/10/1987	07/10/2003
GULF COAST WA	2,460,000	1,195,000	09/01/1993	09/01/2009
HACKBERRY, TOWN OF	320,000	195,000	07/10/1992	07/10/2011
HAMILTON, CITY OF	670,000	580,000	08/15/2001	08/15/2012
HARRIS CO FWSD #6	350,000	-	07/10/1987	07/10/2004
HARRIS CO MUD #50	1,200,000	75,000	03/01/1987	03/01/2006
HARRIS CO MUD #50	705,000	390,000	03/01/1998	03/01/2007
HIGHLAND VILLAGE, CITY OF	600,000	205,000	07/10/1979	07/10/2008
HOLLIDAY, CITY OF	180,000	49,500	07/10/1970	07/10/2009
HONDO, CITY OF	970,000	640,000	02/01/1994	02/01/2011
HOUSTON CO WCID #1	910,000	70,000	07/10/1978	07/10/2003
HUNGERFORD MUD #1	220,000	116,000	03/01/1990	03/01/2009
HUNGERFORD MUD #1	130,000	71,000	03/01/1991	03/01/2009
HUTCHINS, CITY OF	110,000	-	01/01/1987	01/01/2003
IOWA PARK, CITY OF	575,000	105,000	07/10/1973	07/10/2005
JACKSBORO, CITY OF	1,014,013	1,014,013	07/10/2007	07/10/2013
JIM WELLS CO FWSD #1	90,000	65,000	01/10/1998	01/10/2010
JOSEPHINE, CITY OF	200,000	-	07/10/1988	07/10/2003
KOUNTZE, CITY OF	1,400,000	515,000	07/10/1990	07/10/2006
LA VERNIA, CITY OF	165,000	165,000	01/10/2005	01/10/2015
LAGUNA MADRE WD	2,700,000	395,000	07/10/1980	07/10/2004
LAMAR CO WSD	725,000	211,000	07/10/1972	07/10/2008
LAMAR CO WSD	50,000	10,000	07/10/1973	07/10/2009
LAMAR CO WSD	575,000	190,000	07/10/1980	07/10/2009
LAMAR CO WSD	155,000	99,000	07/10/1997	07/10/2009
LIBERTY DANVILLE FWSD #2	150,000	6,000	07/10/1979	07/10/2003
LITTLE ELM, TOWN OF	400,000	95,000	01/10/1980	01/10/2007
LORENA, CITY OF	285,000	-	07/10/1989	07/10/2002
LUCAS, CITY OF	395,000	230,000	12/01/1990	12/01/2014
LUMBERTON MUD	1,720,000	350,000	01/01/1985	01/01/2004
MACKENZIE MWA	3,060,000	1,295,000	07/10/1973	07/10/2012
MACKENZIE MWA	300,000	80,000	07/10/1975	07/10/2010
MACKENZIE MWA	1,705,000	515,000	07/10/1983	07/10/2012
MACKENZIE MWA	365,000	104,000	07/10/1985	07/10/2011
MACKENZIE MWA	2,375,000	820,000	07/10/1985	07/10/2011
MACKENZIE MWA	1,560,000	555,000	07/10/1985	07/10/2011
MAGNOLIA, CITY OF	450,000	90,000	09/10/1990	09/10/2003
MALAKOFF, CITY OF	550,000	550,000	07/10/2003	07/10/2012
MALAKOFF, CITY OF	225,000	225,000	07/10/2013	07/10/2015
MALAKOFF, CITY OF	310,000	-	08/15/1989	08/15/2002
MART, CITY OF	675,000	305,000	01/10/1989	01/10/2008
MART, CITY OF	125,000	125,000	01/10/2006	01/10/2011
MATADOR WD	284,000	45,000	07/10/2006	07/10/2006

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Texas Water Development Board (580)
Schedule 6J - Loans and Contracts
Texas Water Resources Finance Authority
For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
TEXAS WATER RESOURCES FINANCE AUTHORITY (continued)				
MATAGORDA CO WCID #5	275,000	95,000	03/01/1991	03/01/2006
Muenster WD	580,000	260,000	07/01/2008	07/01/2008
Medina Co WCID #3	275,000	135,000	07/10/1981	07/10/2008
Milford, City of	100,000	10,000	01/01/1986	01/01/2003
NORTH CENTRAL TEXAS MWA	2,400,000	1,550,000	07/10/1994	07/10/2010
NORTH CENTRAL TEXAS MWA	265,000	265,000	07/10/2010	07/10/2010
NORTH CHANNEL WA	7,080,000	5,805,000	07/10/1995	07/10/2018
NORTH TEXAS MWD	2,000,000	800,000	06/01/1989	06/01/2007
NORTH TEXAS MWD	835,000	345,000	07/10/1980	07/10/2009
NORTH TEXAS MWD	570,000	250,000	07/10/1980	07/10/2009
OLNEY, CITY OF	565,000	265,000	01/01/1989	01/01/2008
ORANGE CO WCID #3	1,025,000	305,000	07/10/1979	07/10/2004
OVILLA, CITY OF	470,000	295,000	02/01/1994	02/01/2010
OVILLA, CITY OF	170,000	170,000	02/01/2010	02/01/2013
PALMER, CITY OF	290,000	-	07/01/1986	07/01/2002
PHARR, CITY OF	590,000	185,000	09/01/1988	09/01/2005
PHARR, CITY OF	1,672,500	602,500	09/01/1992	09/01/2005
POLK CO FWSD #2	250,000	-	07/10/1990	07/10/2009
POLK CO FWSD #2	1,925,000	1,730,000	07/10/2000	07/10/2018
PORT ARTHUR, CITY OF	545,000	35,000	07/10/1994	07/10/2003
PORT ARTHUR, CITY OF	265,000	235,000	07/10/2004	07/10/2007
PORT MANSFIELD PUD	200,000	116,000	07/10/1978	07/10/2011
POTTSBORO, CITY OF	180,000	-	08/01/1978	08/01/2002
PRAIRIE VIEW, CITY OF	75,000	37,000	07/10/1980	07/10/2012
PRAIRIE VIEW, CITY OF	175,000	95,000	07/10/1980	07/10/2013
PRAIRIE VIEW, CITY OF	150,000	90,000	07/10/1982	07/10/2015
PROSPER, TOWN OF	195,000	-	07/10/1989	07/10/2002
RANKIN, CITY OF	825,000	125,000	10/01/1989	10/01/2006
RED RIVER AUTH. OF TEXAS	245,000	-	04/01/1984	04/01/2002
RED RIVER AUTH. OF TEXAS	100,000	-	04/01/1984	04/01/2002
RED RIVER AUTH. OF TEXAS	600,000	215,000	04/01/1992	04/01/2016
RENO, CITY OF	700,000	60,000	01/01/1984	01/01/2003
RENO, CITY OF (PARKER CO)	225,000	130,000	01/01/1991	01/01/2010
RICHWOOD, CITY OF	70,000	20,000	07/01/2001	07/01/2003
RIO GRANDE CITY, CITY OF	600,000	460,000	07/10/1992	07/10/2012
ROCKETT SUD	1,600,000	1,275,000	01/10/1991	01/10/2005
ROMA, CITY OF	500,000	405,000	08/01/2001	08/01/2009
SABINE RA (TOLEDO BEND)	160,000	105,000	07/10/1977	07/10/2006
SABINE RA (TOLEDO BEND)	1,000,000	800,000	07/10/2001	07/10/2010
SABINE RA (TOLEDO BEND)	815,000	815,000	07/10/2005	07/10/2010
SAN ANTONIO RA	365,000	50,000	10/01/1994	10/01/2002
SAN AUGUSTINE, CITY OF	465,000	-	09/15/1977	09/15/2002
SAN AUGUSTINE, CITY OF	500,000	30,000	09/15/1981	09/15/2002
SAN LEON MUD	1,100,000	235,000	07/10/1980	07/10/2006
SAN LEON MUD	600,000	265,000	07/10/1990	07/10/2008
SAN LEON MUD	60,000	60,000	07/10/2006	07/10/2006
SAVOY, CITY OF	400,000	40,000	07/01/1986	07/01/2006
SMITH CO WCID #1	230,000	200,000	02/01/2002	02/01/2007
SNOOK, CITY OF	286,000	20,000	01/10/1982	01/10/2003
SOMERSET, CITY OF	350,000	210,000	06/01/1980	06/01/2016
SOUR LAKE, CITY OF	715,000	40,000	01/01/1986	01/01/2003
SOUTH TEXAS WA	320,000	220,000	01/10/1990	01/10/2013
SOUTH TEXAS WA	560,000	235,000	07/01/1987	07/01/2007
SOUTH TEXAS WA	335,000	130,000	07/01/1992	07/01/2009
SOUTH TEXAS WA	900,000	95,000	09/01/1986	09/01/2002

UNAUDITED

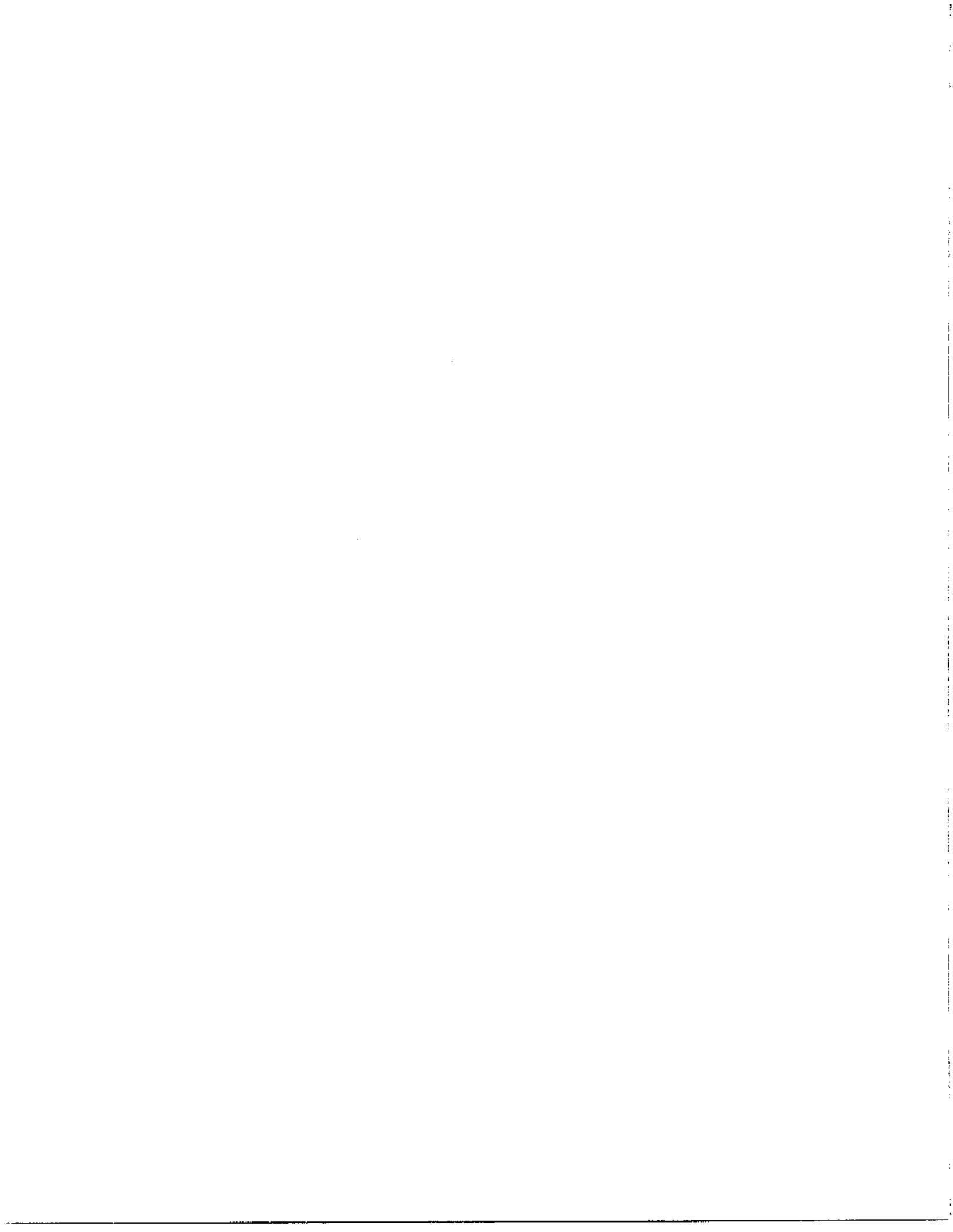
Texas Water Development Board (580)
 Schedule 6J - Loans and Contracts
 Texas Water Resources Finance Authority
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
TEXAS WATER RESOURCES FINANCE AUTHORITY (continued)				
SPRINGTOWN, CITY OF	185,000	-	04/01/1985	04/01/2002
TERRELL, CITY OF	730,000	165,000	01/10/1971	01/10/2007
TERRELL, CITY OF	1,000,000	850,000	01/10/2000	01/10/2013
THORNDALE, CITY OF	131,000	22,000	07/10/1982	07/10/2004
TIDWELL TIMBERS MUD	200,000	120,000	03/01/1989	03/01/2012
TIDWELL TIMBERS MUD	1,000,000	490,000	03/01/1989	03/01/2012
TIDWELL TIMBERS MUD	245,000	185,000	03/01/1991	03/01/2014
TITUS CO FWSD #1	5,030,000	330,000	07/10/1978	07/10/2003
TITUS CO FWSD #1	1,610,000	125,000	07/10/1986	07/10/2003
TITUS CO FWSD #1	16,240,000	13,875,000	07/10/1991	07/10/2017
TITUS CO FWSD #1	4,620,000	4,620,000	07/10/2004	07/10/2014
TRINITY RA	95,000	45,000	02/01/1993	02/01/2007
TRINITY RA	11,050,000	2,625,000	07/10/1979	07/10/2006
TRINITY RA	3,485,000	260,000	07/10/1980	07/10/2003
TRINITY RA	1,600,000	310,000	07/10/1982	07/10/2006
TROY, CITY OF	415,000	295,000	08/01/1991	08/01/2014
UPPER LEON RIVER MWD	600,000	-	01/10/1966	01/10/2004
UPPER LEON RIVER MWD	2,000,000	-	07/10/1973	07/10/2007
VENUS, CITY OF	210,000	26,000	07/10/1986	07/10/2003
VICTORIA CO WCID #1	375,000	215,000	03/01/1994	03/01/2011
WHITE RIVER MWD	500,000	-	07/10/2002	07/10/2003
WILLIS, CITY OF	110,000	80,000	08/01/1997	08/01/2016
WILMER, CITY OF	105,000	-	04/15/1985	04/15/2002
WILMER, CITY OF	380,000	65,000	04/15/1988	04/15/2003
WOLFE CITY, CITY OF	380,000	80,000	11/15/1990	11/15/2003
WORTHAM, CITY OF	160,000	58,000	01/01/1979	01/01/2009
TOTAL TWRFA	<u>\$ 184,676,013</u>	<u>\$ 76,813,013</u>		

UNAUDITED

Texas Water Development Board (580)
Schedule 6K - Loans and Contracts
Colonia Plumbing Loan Program
 For the fiscal year ended August 31, 2002

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
COLONIA PLUMBING LOAN PROGRAM				
EDINBURG, CITY OF	\$ 335,926	\$ 335,926	08/01/2016	08/01/2016
EL PASO CO	108,188	108,188	10/01/2017	10/01/2017
LOWER VALLEY WD	736,208	736,208	10/01/2017	10/01/2017
TOTAL COLONIA PLUMBING LOAN PROGRAM	\$ 1,180,322	\$ 1,180,322		



Additional Supplemental Information (Comments)

GENERAL COMMENTS

A. ORGANIZATIONAL DATA

1. TEXAS WATER DEVELOPMENT BOARD (TWDB)

The Board consists of six members who are appointed by the Governor with the advice and consent of the Senate. The Texas Water Code specifies that each member must have no conflict of interest as prohibited by state or federal law. The Governor designates the Chairman of the Board; and the Vice-Chairman is selected by and from the Board Members.

Board Members serving as of August 31, 2002, were:

Name	City	Term Expires December 31
Wales H. Madden, Jr., Chairman	Amarillo, Texas	2003
Jack Hunt, Vice Chairman	Houston, Texas	2003
William W. Meadows	Fort Worth, Texas	2005
Thomas Weir Labatt, III	San Antonio, Texas	2005
Dario Vidal Guerra, Jr.	Edinburg, Texas	2007
E. G. Rod Pittman	Lufkin, Texas	2007

The Board is required by law to meet at least once every other month; the Chairman or two Board Members may call special meetings when necessary. Members of the Board receive a per diem allowance of not more than \$30.00 for each day spent in performance of their duties, plus reimbursement of their travel and other necessary expenses.

2. EXECUTIVE ADMINISTRATOR

The administrative functions are vested in the Executive Administrator, who is employed by the Board to serve at its pleasure. A list of key administrative employees as of August 31, 2002, follows:

Name	Position
J. Kevin Ward	Executive Administrator
William F. Mullican, III	Deputy Executive Administrator
Leonard Olson	Acting Deputy Executive Administrator
Darryl Lindgens	Acting Deputy Executive Administrator
George Green	Acting Deputy Executive Administrator
Suzanne Schwartz	General Counsel

B. GENERAL INFORMATION

The Board's central office is located in the Stephen F. Austin Building in Austin. The TWDB participates in the statewide records management program by maintaining a Records Retention Schedule, which lists the agency records by record series. Regularly scheduled disposition of agency records occurs according to this schedule. The agency Records Retention Schedule was approved by the Records Management Division of the State Library on November 15, 1993, and was re-certified on January 21, 2000. Programs, employment opportunities, and other information concerning the Texas Water Development Board can be found at the TWDB web site at www.twdb.state.tx.us.

C. DESCRIPTION OF AGENCY PROGRAMS

MISSION STATEMENT

To provide leadership, technical services, and financial assistance to support planning, conservation and responsible development of water for Texas.

The Governor appoints the TWDB's six-member governing Board to six-year staggered terms. The Board meets monthly, usually in Austin, on the third Wednesday of the month. The Board considers loan applications from eligible applicants; awards grants, such as for economically distressed areas projects and water-related research and planning; and conducts other Board business, such as approving regional water plans and adopting the State Water Plan.

TWDB HISTORY

As a result of the droughts of the 1950s, the Texas Legislature (Legislature) and voters approved a constitutional amendment in 1957 to create the TWDB. This legislation authorized the TWDB to issue \$200 million in State of Texas General Obligation (GO) Water Development Bonds for the construction of dams, reservoirs and other water storage projects to provide communities with reliable water supplies. Subsequent constitutional amendments and legislation expanded the types of water-related facilities eligible for TWDB financial assistance and authorized a total of \$2.68 billion in GO bond authorizations. A constitutional amendment providing an additional \$2 billion in GO bond authorization was approved by voters in November 2001.

The TWDB currently:

- Provides loans to local entities for water supply projects; water quality projects, including wastewater treatment, municipal solid waste management and nonpoint source pollution control; flood control projects, including beach renourishment; agricultural water conservation projects; and groundwater district creation expenses;
- Provides grants and loans for the water and wastewater needs of the state's economically distressed areas;
- Provides agricultural water conservation funding and water-related research and planning grants;
- Supports regions in developing their regional water plans by providing data on Texas' surface and groundwater resources; TWDB staff incorporates regional water plans into a statewide water plan for the orderly development, management and conservation of the state's water resources;
- Collects data and conducts studies concerning the fresh water needs of the state's bays and estuaries;
- Administers the Texas Water Bank, which facilitates the transfer, sale or lease of water and water rights throughout the state; and administers the Texas Water Trust, where water rights are held for environmental flow-maintenance purposes; and
- Maintains a centralized data bank of information on the state's natural resources called the Texas Natural Resources Information System (TNRIS) and manages the Strategic Mapping Initiative (StratMap), a Texas-based, public and private sector cost-sharing program that produces large-scale computerized base maps describing geographic features of Texas.

TEXAS WATER DEVELOPMENT BOARD (580)

FINANCIAL ASSISTANCE PROGRAMS

Texas provides financing to entities for water- and wastewater-related infrastructure through the TWDB. TWDB's financial assistance programs are funded through a combination of state special program revenue bonds, general obligation bonds, federal grant funds, or limited appropriated funds.

The TWDB sells State of Texas general obligation and revenue bonds, and then loans or grants the proceeds to entities by buying the local entities' bonds or notes or by entering into contract agreements. Local entities use the proceeds to construct or improve water- and/or wastewater-related projects. As entities repay principal and interest on their loans to the TWDB, the TWDB uses the principal and interest collected to pay the debt service on the state's bonds.

The TWDB uses its strong credit rating and other available capital to offer interest rates that are generally lower than what a borrower could otherwise obtain from the market or other lending institutions. The TWDB's general obligation bonds are rated Aa1, AA and AA+; and its Clean Water State Revolving Fund revenue bonds are rated Aaa, AAA and AAA by Moody's Investor's Service, Standard and Poor's, and Fitch Investors Service, Inc., respectively.

TEXAS WATER DEVELOPMENT FUND

From 1957 to 2001, the Legislature and voters had approved constitutional amendments authorizing the TWDB to issue up to \$4,680,000,000 in Texas Water Development Bonds, i.e., general obligation bonds, to be used to finance water-related projects in Texas. A November 1997 constitutional amendment consolidated previously unissued, voter-approved TWDB general obligation bond authorizations to create the Texas Water Development Fund II. In November 2001, the Legislature and voters approved an additional \$2 billion in bond authorization for TWDB. This constitutional amendment included a provision to allow TWDB to invest in up to 100% of a state participation project. As of August 31, 2002, \$2,421,457,437 in unissued Texas Water Development Fund II general obligation bond authorizations remains for financing future construction of water-related projects, including State Participation projects. In addition, the TWDB has \$164,840,000 of unissued agricultural water conservation project bond authorizations.

Through the State Participation program, participants can build projects to optimum size, taking advantage of economies of scale and providing for future capacity. To keep projects from being a burden to local rate payers, the state bears the cost of excess capacity in the first several years following construction, when the excess capacity is not needed. As growth occurs and more of the capacity is needed, the TWDB sells its share of the capacity to the project's ultimate owner. The TWDB uses money from the sale to retire the state's debt or finance other projects.

The TWDB uses the State Participation Financing Program to assist local governments in paying for the construction of a regional water supply facility, reservoir, or regional wastewater treatment projects by allowing the state to purchase an interest in a project. The Legislature authorized, and the TWDB issued, \$50 million in State Participation bonds during the biennium ending August 31, 2001.

During the 77th legislative session, the Legislature authorized the TWDB to issue another \$35 million in State Participation bonds during the biennium ending August 31, 2003. A constitutional amendment approved by the voters in November 2001 allows for state participation in a project to be 100%. As of August 31, 2002, the TWDB has issued \$20 million from this authorization.

CLEAN WATER STATE REVOLVING FUND

In 1987, the U.S. Congress established the Clean Water State Revolving Fund (CWSRF) by passing the federal Clean Water Act of 1987. The TWDB added the CWSRF to its portfolio of financial assistance programs. The TWDB's CWSRF is a low-interest, state revolving loan fund. It is the second largest in the nation, with approximately \$3.4 billion in cumulative loan commitments.

The CWSRF can be used to finance costs associated with the planning, design, construction, expansion or improvement of wastewater treatment facilities, wastewater recycling and reuse facilities, collection systems, stormwater pollution control projects and nonpoint source pollution control projects. Funding for treatment works is limited to political subdivisions with the authority to own and operate a sewage system; nonprofit water supply corporations are not eligible for such assistance. However, private entities are eligible for funding of nonpoint source pollution control projects and other projects that are a part of the EPA approved Bays and Estuaries Management Plan.

Funded in part by federal grant money, the CWSRF provides loans at interest rates lower than the market can offer to any eligible applicant. The CWSRF offers 20-year loans using either a traditional long-term, fixed-rate loan at the beginning of construction or a short-term, variable-rate construction-period loan that converts to a long-term, fixed-rate loan within 90 days of the completion of construction. With either option, the borrower receives a net long-term interest rate of 0.7 percent below the rate the borrower would receive on the open market at the time of loan closing. This 0.7 percent interest rate reduction equates to a savings of approximately \$100,000 per \$1 million borrowed during the life of a loan. An additional 1.0 percent interest rate reduction is offered for projects that meet additional federal program requirements that allow the TWDB to receive additional federal grant funds.

In response to high CWSRF loan demand in 1998, the TWDB established a priority rating system for allocating CWSRF funds. The water quality based priority system for allocating CWSRF funds is used to rank potential CWSRF loan applicants and fund projects with the greatest environmental benefits. CWSRF projects are rated and ranked in priority order in the following eight different categories: six population groups, one hardship grant for the rural communities program group and one nonpoint source/bays and estuaries group. Available CWSRF funds are distributed among these groups based on Intended Use Plan (IUP) information submitted by potential loan applicants.

Since October 1995, the TWDB has a cost-recovery loan origination charge to cover the annual administrative costs of operating the CWSRF; an interest rate subsidy is offered to offset the charge. Amounts collected in excess of the budgeted administrative costs may be transferred back to the program account to be loaned (as described in Section 15.069c of the Water Code).

DRINKING WATER STATE REVOLVING FUND

The TWDB also administers the Drinking Water State Revolving Fund (DWSRF), which was established by Congress in 1996 with approval of the federal Safe Drinking Water Act (SDWA). The DWSRF is a low-interest, state revolving loan fund for financing public drinking water systems that facilitate compliance with primary drinking water regulations, or otherwise significantly further the health protection objectives of the SDWA. The Texas Commission on Environmental Quality (TCEQ) prioritizes potential DWSRF loan applicants' projects based on need using information contained in their files. Loan funds are distributed based on an applicant's priority rating and readiness to proceed. As of August 31, 2002, the TWDB has approved \$302.3 million in DWSRF loans.

The DWSRF can be used to finance costs associated with the planning, design and construction of projects to upgrade or replace water supply infrastructure; to correct non-compliance with SDWA health standards; and to consolidate water supplies. DWSRF loan proceeds can also be used to purchase land integral to the project.

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TEXAS WATER DEVELOPMENT BOARD (580)

Under the source water protection program of the DWSRF, an applicant may apply for a loan to purchase land or conservation easements, if the purpose of the purchase is to protect the source water of a public water system from contamination and to ensure compliance with national primary drinking water regulations. Political subdivisions of the state, nonprofit water supply corporations, privately owned water systems, and state agencies are eligible applicants.

Funded in part by federal grant money, the DWSRF provides loans at interest rates lower than the market can offer to any eligible applicant. The DWSRF offers 20-year loans with a net long-term interest rate of 1.2 percent below the rate the borrower would receive on the open market at the time of loan closing. This 1.2 percent interest rate reduction equates to a savings of approximately \$165,000 per \$1 million borrowed during the life of a loan.

A cost-recovery loan origination charge is collected to cover the administrative costs of operating the DWSRF; an interest rate subsidy is offered to offset the charge. Amounts collected in excess of budgeted administrative costs may be transferred back to the program account to be loaned.

ECONOMICALLY DISTRESSED AREAS PROGRAM

In 1989, the 71st Legislature passed comprehensive legislation that established the Economically Distressed Areas Program (EDAP) to be administered by the TWDB. The EDAP provides financial assistance to bring water and wastewater services to economically distressed areas where the present water or wastewater facilities are inadequate to meet the minimal needs of residents. Effective September 1, 1999, economically distressed areas are redefined as residential subdivisions established as of June 1, 1989, thus deleting the previous 80 percent occupancy requirement from prior law. Economically distressed areas must be located in eligible counties, which include counties on the Texas-Mexico border and others with qualifying income and unemployment levels. EDAP funds can be used for construction, acquisition or improvements to water supply and wastewater collection and treatment works, including all necessary engineering work. EDAP applicants are responsible for the operation and maintenance of their systems.

As of August 31, 2001, \$250 million in voter-authorized general obligation bonds and \$29 million of other state funds from the EDAP are being combined with \$300 million of federal Colonia Wastewater Treatment Assistance Program (CWTAP) funds to finance eligible water and/or wastewater construction projects in economically distressed areas. CWTAP funds may be used for providing service to areas within 100 kilometers of the international border that meet the EDAP criteria.

From the combined \$579 million in available funds as of August 31, 2002:

- 78 projects have received project construction commitments totaling \$511.9 million,
- Another 18 projects are in the EDAP facility-planning phase, which will cost an estimated \$61.7 million, if constructed.

Approximately 277,374 residents, or approximately 71 percent of residents identified as living in potentially eligible economically distressed areas by the TWDB's December 1996 needs survey, ultimately are targeted for service by the 96 EDAP projects currently completed, under construction, in design, or in the planning stage.

The EDAP is the only TWDB financial assistance program funded from state general obligation bonds that is currently authorized by the Legislature to provide financial assistance in the form of grants. Currently, up to 90 percent of the total general obligation bonds authorized for EDAP may be used for grants; however, individual projects can be awarded with up to 100 percent grant funds. The constitutional and statutory structure of EDAP provides that the repayment of EDAP general obligation bonds is from loan repayments and draws on general revenues and other sources available for appropriation.

TEXAS WATER DEVELOPMENT BOARD (580)

The TWDB also administers an EPA-funded loan program for plumbing improvements and connections, the Colonia Plumbing Loan Program (CPLP). Through the CPLP, the TWDB makes loans to local entities that in turn lend to residents in need of household plumbing improvements and/or connections. Colonia residents may borrow up to \$4,000 at one percent interest with up to a ten-year repayment schedule through the CPLP (the monthly payment is approximately \$43 per month). As of August 31, 2002, almost \$9.2 million is available for assistance through this program. However, residents have not typically sought these funds since they are loans, not grants.

SMALL COMMUNITY EMERGENCY LOAN PROGRAM

In July 1996, the TWDB established the Small Community Emergency Loan Program (SCELP). This program provides small communities with loans to make emergency repairs to their water treatment and distribution systems, wastewater collection and treatment systems, and flood control systems, including repairing temporary interruption of service due to emergency conditions. The solution to the emergency must be beyond the immediate means of the applicant. Emergencies include replacing water wells, water storage tanks or wastewater lines damaged or destroyed by tornado, flood or severe drought.

Political subdivisions or nonprofit water supply corporations with a population of 15,000 or less may:

- Borrow up to \$250,000;
- Issue up to a three-year repayment period bonds or make a one-year loan agreement;
- Receive an interest rate based on the Delphis "A" scale; and
- Pledge ad valorem tax revenues, utility system revenues, or a combination of the two as security for the emergency loan.

The TWDB has funded \$60,000 of loans under this program.

GROUNDWATER DISTRICT LOAN PROGRAM

In April 1999, the TWDB established the Groundwater District Loan Program to provide loans to eligible groundwater districts. Groundwater districts may regulate the spacing of and/or the production from water wells in a designated area. Loan proceeds will be used to pay for a groundwater district's start-up costs and initial operating expenses. Newly confirmed or legislatively created groundwater districts, which do not require voter confirmation, are eligible loan applicants.

The TWDB will:

- Accept loan applications from eligible groundwater districts at any time;
- Consider loans on a first-come, first-served basis;
- Approve loans with up to a three-year repayment period;
- Make loans with an interest rate based on the Delphis "A" scale; and
- Waive the requirement to engage the services of a bond counsel or a financial advisor since borrowers may issue a promissory note and enter into a loan agreement with the TWDB.

AGRICULTURAL WATER CONSERVATION PROGRAMS

Through the Agricultural Water Conservation Fund (AWCF), the TWDB uses agricultural water conservation bond proceeds to make loans to borrower and lender districts, such as soil and water conservation districts, irrigation districts, and underground water conservation districts. Borrower districts use loan proceeds for district irrigation system improvements, while lender districts make loans to individual farmers to purchase and install more efficient irrigation equipment on private property. In addition, the TWDB may loan AWCF

TEXAS WATER DEVELOPMENT BOARD (580)

funds for brush control and precipitation enhancement projects.

The Legislature established the Agricultural Trust Fund, a separate fund from the AWCF, in 1985 as an investment account to generate interest earnings for funding other agricultural programs. Senate Bill 1 (SB1), 75th Legislature, was a comprehensive water bill passed in 1997 that allows the TWDB to use the principal from the Agricultural Trust Fund as a revolving loan fund for agricultural water conservation projects. This will provide access to about \$15 million in loan funds without issuing bonds. Loans may be made to districts, which may use the loans for their own agricultural water conservation purposes or make loans to farmers for water conservation projects.

AGRICULTURAL WATER CONSERVATION GRANTS & PROGRAMS

The TWDB administers the Agricultural Grants to District program, whose funding comes from earnings on the Agricultural Trust Fund. The grants are 75 percent matching grants to Groundwater Conservation Districts, Irrigation Districts, Soil and Water Conservation Districts and political subdivisions. Funding of grants is based on an application and priority ranking procedure. These entities purchase equipment in order to: measure and evaluate irrigation systems and agricultural water conservation practices; demonstrate efficient irrigation systems and agricultural water conservation practices; measure, sample, test and evaluate water quality and the suitability of water from groundwater or surface water resources for irrigation, rural domestic, livestock, or agricultural industry use; and demonstrate efficient or sound chemical application and evaluate or demonstrate systems that will prevent contamination of groundwater and surface water from chemicals and other substances used in agriculture. Currently, the TWDB is working closely with Groundwater Districts around the state in an Irrigation Metering Program, providing meters for installation to collect data on water pumpage and effects on groundwater supplies.

APPROPRIATIONS FOR EMERGENCY INTERCONNECTS

On March 18, 1999, Governor George W. Bush signed the emergency appropriations bill sponsored by Senator Bill Ratliff and Representative Robert "Rob" Junell that included funding for a \$3.6 million emergency response plan to ensure water delivery to water service providers in the Lower Rio Grande Valley (LRGV) and to one provider in Maverick County. The emergency grants will be used to construct pipeline connections, called interconnects, between these service providers and alternative water suppliers. Twenty water systems, nineteen of which rely on seven of the LRGV major irrigation districts for water supply may benefit from the funding for interconnects, with the remaining project being located in Maverick County. These water systems will benefit the cities of Edcouch, Elsa, La Feria, La Paloma, Los Fresnos, Los Indios, La Villa, Lyford, Mercedes, Monte Alto, Raymondville, Rio Hondo, San Benito, Santa Rosa and Weslaco; and the Arroyo, El Indio, Military Highway, North Alamo and Sebastian Water Supply Corporations.

RURAL WATER ASSISTANCE FUND PROGRAM DESCRIPTION

Senate Bill 2, 77th Legislative Session, provided for the creation of the Rural Water Assistance Fund (RWAFF). The RWAFF was established for the purpose of providing rural areas of the state, characterized by small populations extended over large service areas, with an additional means of financing water projects.

The basic elements of the program are:

- (1) Provide low interest loans for water projects to rural political subdivisions with a service area of 10,000 or less in population.
- (2) By provisions of the tax code, a nonprofit water supply or sewer service corporation is exempt from the payment of any sales tax that may be incurred for any project financed by the RWAFF.

TEXAS WATER DEVELOPMENT BOARD (580)

- (3) The definition of "rural political subdivision" includes any nonprofit water supply or sewer service corporation, district, or municipality that qualifies for financing from a federal agency, regardless of population size.
- (4) The Board may transfer monies into the RWF from any sources available.
- (5) The RWF may be used to buy down interest rates on loans.
- (6) The use of the RWF includes the financing of outreach and technical assistance to help rural political subdivisions obtain assistance through the Board. The Board is authorized to use moneys in the RWF to contract for such outreach and technical assistance services.

The Rural Water Assistance Fund did not receive any general revenue appropriations from the Legislature. As a result, numbers (5) and (6) as outlined in the features of RWF cannot be undertaken by the Board at this time. However, the Board applied for and received an allocation of \$25,000,000 of the State's Private Activity Bond Cap. By selling General Obligation bonds the Board can offer loans to non-profit water supply corporations at tax-exempt rates. In addition such loans to the water supply corporations are also eligible for the sales tax exemption, making the RWF an attractive funding mechanism.

SECO GRANT FUNDS FOR WATER AND ENERGY CONSERVATION STUDIES FOR RIO GRANDE VALLEY IRRIGATION DISTRICTS

In July 2001, the Texas Water Development Board (Board) authorized the execution of a grant agreement with the State Energy Conservation Office of the State Comptroller which allows the Board to provide \$3,914,500 of Oil Overcharge proceeds in the form of contracts with irrigation districts in the Rio Grande Valley for the purpose of preparing feasibility studies on water infrastructure that improve water distribution efficiency and energy usage. These studies are intended to provide the necessary documentation to satisfy the requirements to receive federal grant funds (with a 50% local match requirement) for construction of the water infrastructure improvements pursuant to the "Lower Rio Grande Valley Water Resources and Conservation and Improvement Act of 2000" or the "Act" enacted by the U.S. Congress in December of 2000. The studies can additionally be used to enable the districts to seek funding from other avenues such as state, national or bi-national sources.

As of August 31, 2002, the Executive Administrator had received approval to negotiate contracts with twelve districts for a total of \$2,659,983. While only four districts were identified in the Act, all Texas irrigation districts along the Rio Grande are eligible for the SECO funds to perform feasibility studies on water infrastructure improvements that improve water distribution efficiency and energy usage. These studies would be in anticipation of funding for construction becoming available in the future.

RURAL COMMUNITY WATER AND WASTEWATER LOAN FUND

The Pilot Program for Water and Wastewater Loans for Rural Communities was established in the TWDB's Sunset legislation (S.B. 312), which was passed during the 77th Legislative Session. The legislation specifically created the Rural Community Water and Wastewater Fund, within the Water Assistance Fund, from which low cost loans can be made to rural communities for water and wastewater projects. Funds for the pilot program can consist of money transferred from the Water Assistance Fund, proceeds from the sale of political subdivision bonds, by the Board, to the Texas Water Resources Finance Authority (TWRFA), and repayments of loans made from the fund. The Legislature has authorized the use of \$520,000 from the TWRFA proceeds for the program for the FY 2002-2003 biennium. The Board adopted rules for this program effective November 2001. The Board has not received any applications for loans from this program.

The distinctive provisions in the proposed subchapter are as follows:

TEXAS WATER DEVELOPMENT BOARD (580)

- Financial assistance is available only to those rural communities with a population under 5,000 people as defined by Section 363.902 of the proposed rules.
- Loans provided under the pilot program cannot exceed \$250,000 for each project. (Section 363.904)
- Terms for loans cannot exceed 20 years. (Section 363.904)
- Interest rates for loans from the rural community water and wastewater loan fund will be established according to the Delphis A scale, minus 150 basis points. (Section 363.935) In addition, the loan origination fee would not be applied to loans made from this program. (Section 363.904)
- The Board may make financial assistance available by either purchasing bonds issued by the rural community or by entering into a loan agreement and promissory note with the rural community. (Sections 363.905) By entering into a loan agreement and promissory note with the Board, rural communities should achieve additional cost savings. Using this option, a rural community would avoid the costs of obtaining bond counsel or a financial advisor, which is usually necessary when issuing bonds.
- Applicants may pledge a percentage of the sales and use tax revenue that is received for loan security. (Section 363.906)

RESEARCH AND PLANNING FUND

Through its Research and Planning Fund, the TWDB provides financial assistance to individuals, private entities and political subdivisions to do research and feasibility studies into the practical solutions of water-related problems. Collectively, the TWDB has awarded research and planning grants totaling about \$52 million: \$14.9 million for regional planning; \$26.7 million for research; and \$10.4 million for flood protection planning. State money allocated to each proposal, when combined with local funds, often makes available the seed money to provide solutions to water-related problems. The TWDB has also provided more than \$29.3 million to political subdivisions to prepare regional water plans. The TWDB may provide money for research and planning by Texas political subdivisions, related to the proper conservation, management, and development of water sources of areas outside Texas, if such research and planning will result in water being available for use in or for the benefit of Texas, or will maintain and enhance the quality of water in Texas.

FLOOD MITIGATION ASSISTANCE GRANTS

In 1997, Governor George W. Bush named the TWDB to administer the Flood Mitigation Assistance (FMA) grant program in Texas and to serve as the point of contact for the State of Texas on behalf of the Federal Emergency Management Agency (FEMA). The overall goal of the FMA program is to provide federal grants to eligible communities in order to plan for and mitigate the impacts of flooding. Specific goals include encouraging long-term, comprehensive mitigation planning and reducing the number of repetitively or substantially damaged structures and associated claims under the National Flood Insurance Program. To date, FEMA has allocated about \$4.66 million to the TWDB in FEMA grants, with \$3.7 million for Project Grants, \$648,000 for Planning Grants and \$320,000 towards funding TWDB Technical Assistance.

TEXAS WATER RESOURCES FUND

The Legislature created the Texas Water Resources Fund in 1987. It is a revenue bond program that allows the TWDB to issue revenue bonds to: (1) finance the state's matching portion of the Clean Water State Revolving Fund, the Drinking Water State Revolving Fund and any additional revolving funds established by the federal government; (2) finance retail water distribution lines formerly precluded by the State Constitution; (3) provide financial assistance to nonprofit water supply corporations; and (4) provide short-term, interim

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period financial assistance for construction of a water supply, wastewater or flood control project that will be financed by the TWDB.

TEXAS WATER RESOURCES FINANCE AUTHORITY

In 1989, the TWDB sold its loan portfolio to the Texas Water Resources Finance Authority (TWRFA). The Board members of the TWDB also serve as Board members of the TWRFA. Bond proceeds and investment earnings, i.e., TWRFA proceeds, have been used to supplement TWDB funding sources since the 1989 portfolio sale. In 1999, TWRFA refunded the outstanding bonds for approximately \$21 million in present value savings.

WATER PLANNING AND TECHNICAL ASSISTANCE PROGRAMS**STATE WATER PLAN**

The TWDB is the lead agency for coordinating the regional water planning process and developing a comprehensive State Water Plan, a long-term plan for the development, conservation and protection of the State's valuable water resources. With the passage of SB 1 in 1997, the Legislature changed how water planning is done in Texas, converting to a process whereby local entities participate in the preparation of regional water plans every five years. The TWDB then incorporates regional water plans into a comprehensive State Water Plan. SB 1 was an outgrowth of increased awareness of Texas' vulnerability to drought and the limits of existing water supplies.

Data contained in the 2002 State Water Plan, *Water for Texas - 2002*, estimates the total capital cost for water supply, water infrastructure, wastewater treatment, and flood control through 2050 is \$108.6 billion. The 2002 State Water Plan concludes that by 2050, almost 900 cities and other water user groups will need either to reduce demand or develop additional sources of water supply beyond those currently available to meet their needs during drought. The estimated capital cost for water supply strategies through 2050 is approximately \$18 billion.

The 2002 State Water Plan concludes that the best response to the water supply needs situation is a thoughtful, feasible, long-term plan for water supply acquisition and demand reduction. Water management strategies identified by the Regional Water Planning Groups (Planning Groups) to meet future water needs include: surface water strategies (66.3%), groundwater strategies (10.7%), conservation (13.5%), reuse (5.8%), desalination (2.5%), and others, such as weather modification, brush control, aquifer storage and recovery, and contract renewals for systems with mixed water sources (1.2%).

REGIONAL WATER PLANNING

Senate Bill 1 established a locally-driven effort whereby Planning Groups develop regional water plans to map out how to conserve water supplies, meet future water supply needs, and respond to future droughts in their respective regional planning areas. The 2001 Regional Water Plans, which have been adopted by the Planning Groups and approved by the TWDB, were incorporated into the 2002 State Water Plan. The Planning Groups are made up of representatives from cities, counties, water districts and other local entities and interests.

The Legislature designated the TWDB as the lead agency for coordinating the regional water planning process and developing a comprehensive State Water Plan. Since February 1998, TWDB staff has been providing financial and technical assistance to Planning Groups to facilitate development of regional water plans.

In FY 2002, the TWDB funded \$1.6 million for the continuing development of 6 groundwater availability models (GAMs) that will support the regional water planning process by providing updated groundwater

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availability information. The GAM program is continuing into FY 2003, with TWDB partially funding the development of 5 additional GAMs at a funding level of \$1.7 million out of current appropriations. Additional appropriations will be necessary in FY 2004 to complete development of the 5 new models.

In FY 2002, the TWDB funded approximately \$427,000 for preparation of the Infrastructure Financing Report (IFR) required by Senate Bill 2 (SB 2), passed during the 77th Legislative Session. The IFR contains information on how much of the \$17.9 billion in water supply capital costs can be provided by the local entities and how much and by what means should the state assist in funding these strategies.

The estimated cost of the second round of regional planning to develop the 2006 Regional Water Plans is \$18.0 million. To date, the TWDB has approved funding to the Planning Groups for \$14.9 million of the total costs, of which \$7.8million is currently appropriated. The remaining approval was made pending legislative appropriation for FY 04-05.

PLANNING ASSISTANCE

The TWDB's Office of Planning conducts ongoing statewide data collection and evaluations that produce new and updated planning information. Sound data are needed to prepare the regional and state water plans and assist communities in making wise decisions on the development and use of available water sources.

The TWDB's planning program is supported by ongoing basic data collection programs designed to determine location, quantity and quality of surface water and groundwater resources across the state. In many areas, major water supply problems exist because of drought or are expected to occur because of declining groundwater levels. The TWDB conducts the only statewide ambient groundwater quality sampling and aquifer level monitoring programs, consisting of about 1,000 water wells sampled and 7,500 aquifer levels measured annually by TWDB and its cooperators. In addition, the TWDB conducts both local and regional groundwater studies and prepares reports on these studies for use by individuals, municipalities, industries and other state agencies involved in developing or managing groundwater resources.

The TWDB also maintains a cooperative program with the U.S. Geological Survey (USGS) that involves the collection of streamflow data across the State. This data is used in determining the amount of water that can be developed from potential new reservoirs and in managing the quantity and quality of the state's water resources. In response to legislative directives, the TWDB maintains a continual data collection and analytical study program on the State's bays, estuaries and instream segments of interest to decision-makers in cooperation with the Texas Parks and Wildlife Department, the Texas Commission on Environmental Quality, and other cooperating agencies and universities.

HYDROGRAPHIC SURVEYING PROGRAM

The Hydrographic Survey Program was legislatively established to measure the water storage capacity of lakes and reservoirs in Texas. Uncertain information on the original "as built" capacity of these lakes and reservoirs, and unknown sedimentation rates since their construction, significantly affects the reliability of predicted water supplies, proposed regional water plans, and dam safety/flood control projects throughout the state. In response to the critical need for accurate information, the TWDB uses boat-mounted state-of-the-art global positioning satellite receivers, sonar depth-sounding equipment, and advanced navigation software to survey cross-sections every 500 feet down the main axis of a lake or reservoir. The survey data and resulting bathymetric maps and tables allow lake and reservoir operators to better relate measured water levels to actual reservoir contents, greatly improving fact-based decision-making and allowing better water management operations.

More than 80 survey reports, covering over 600,000 surface acres, have been produced since the Hydrographic

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Survey Program began in 1992. The average cost per survey is approximately \$15,000, using cost-recovery rates established by the TWDB that are based on the surface area of the reservoir. Owners contract with the TWDB to conduct the survey, analyze the data, and produce a report with maps included. Lake and reservoir owners may also qualify for financial assistance (up to 50 percent of costs) from the U.S. Army Corps of Engineers through the Section 22 Planning Assistance to States Program. Based on the average sedimentation rates experienced in Texas, the TWDB recommends that lakes and reservoirs be surveyed at least once every ten years. In addition, the TWDB will be offering, by the end of FY2003, sub-bottom profiling of sediments in the lakes and reservoirs as a value-added feature for customers of this service.

CORE-DRILLING AND LOGGING PROGRAM

The TWDB has operated the Core-Drilling and Logging Program since the late 1960's. A mobile geophysical logging unit was first employed in 1968 and the drilling rig in 1969 to obtain hydrogeological data from the 30 major and minor aquifers of Texas. This program operates to supply reliable data in areas needed to support TWDB functions under Texas Water Code Section 16.015, which authorizes the TWDB to perform studies and investigations of aquifers, and Section 16.019, which authorizes cooperative studies and investigations on the quantity and quality of groundwater resources. More than 80 research projects have been completed, some involving as many as 44 wells drilled. Information obtained during drilling and logging is used to characterize the water-bearing formations and is becoming increasingly valuable to the government, private consultants, and the public that depend upon these critically important underground resources.

When not involved in these activities, the drilling rig and logging unit are available for use in evaluating the geological conditions near existing or proposed dam sites, foundation sites, embankments, and other projects seeking financing from TWDB. They may also be used to assist other governmental entities under contractual agreements, if the project will provide information useful to the TWDB. Currently, TWDB is drilling an additional 16 wells over the next five years as part of the Saline Water Study sponsored by San Antonio Water System.

TEXAS WATER BANK & WATER TRUST

The TWDB administers the Texas Water Bank, which was established in 1993, to facilitate the transfer, sale, or lease of water and water rights throughout the State. Within the Texas Water Bank the TWDB, in cooperation with the Texas Parks & Wildlife Department and the Texas Commission on Environmental Quality, also administers the Texas Water Trust, where water rights are held in trust for flow-related environmental purposes.

All usage of the Texas Water Bank and Texas Water Trust is voluntary. The TWDB is authorized by statute to facilitate water transactions both within and outside the Texas Water Bank. Operating rules and other useful information concerning the Water Bank and Water Trust can be found at the TWDB's web site at <http://www.twdb.state.tx.us/assistance/WaterBank/waterbankMain.htm>.

TECHNICAL ASSISTANCE

TWDB conservation staff provides technical assistance, data, and training to municipalities, water suppliers, water utilities and other political subdivisions, as well as to water user groups, trade and professional organization, and individuals. This technical assistance, data, and training cover topics on water use efficiency programs and water conservation as a water management strategy, including water conservation and drought planning, water reuse and alternative water sources. This is accomplished through on-site visits, workshops, training, seminars, displays, and literature distribution. The conservation technical assistance program includes municipal water supply unaccounted-for water and leak detection, agricultural water use efficiency and pilot metering, school educational programs, and alternative water sources such as water reuse, rainwater harvesting,

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and desalination.

TEXAS NATURAL RESOURCES INFORMATION SYSTEM

The Texas Natural Resources Information System (TNRIS) is a division of the TWDB that was established by the Texas Legislature in 1968 as the Texas Water-Oriented Data Bank. In 1972, it was renamed the Texas Natural Resources Information System due to the Bank's expanded role in data collection. Today, TNRIS houses one of the state's most complete collections of natural resources and socioeconomic data from numerous local, state, and federal sources.

TNRIS' most visible function is that of clearinghouse for Texas natural resource and socioeconomic data. TNRIS distributes an incredible array of information to the public: TWDB groundwater, water research, and planning reports; USGS maps; county grid maps; flood insurance rate data and maps; National Wetland Inventory maps; census data and maps; historic and current aerial photography and satellite imagery; and digital cartographic files are a few examples. TNRIS also houses the Texas/Mexico Borderlands Data and Information Center (BIC) and participates in the Transboundary Resource Information Management System (TRIMS). Through the BIC, TNRIS facilitates data sharing and access to natural resource and census data about both sides of the Texas-Mexico border. Products currently available include topographic, geologic, soils, and other maps of Mexico.

However, TNRIS serves a broader function than just distribution of information. The division collects data from various local, state, and federal sources and continuously works to place all data on the Internet for easy access. For example, historical data is gradually being digitized. This not only allows the public to access historical data over the Internet, but geographic information systems (GIS) can merge the historical data with current data to provide new analytical tools and products. TNRIS' goal is to put all data in electronic format accessible over the Internet.

THE STRATEGIC MAPPING PROGRAM

Senate Bill 1, 75th Legislative Session, designated the TWDB as the lead agency for the Strategic Mapping Initiative (StratMap). StratMap is a cost-sharing program to produce large-scale, computerized base map information on land features. Housed in TNRIS, StratMap has collected information on soils, elevation, hydrography, political boundaries, and roadways.

The first phase of StratMap was successfully completed by August 31, 2001, resulting in the creation of seven digital base map layers for the State of Texas (digital orthophotos, digital elevation models, soils, hypsography, hydrography, political boundaries, and transportation). As a result of this four-year effort, TWDB has created a common frame of reference for mapping throughout the state, and has provided the most comprehensive set of public domain, digital, geographic information to date.

The TWDB's central management of StratMap avoids duplicative data collection effort and provides a one-stop shopping source for local, state, and federal governmental entities, as well as the private sector. For example, data provided by StratMap can be used for hydrologic modeling, vegetation analysis, transportation routing, land use planning and management, environmental assessment and monitoring, crime analysis, and business applications.

StratMap is now in phase two, in which the digital orthophoto, political boundary, and transportation layers will be maintained, updated with new data, and improved on an ongoing basis. Also, a new National Hydrography Dataset (NHD) layer will be added. Additional statewide digital base map layers will be identified for future development, depending on statewide needs and available funding opportunities.

ADDITIONAL COMMENTS ON FINANCIAL ASSISTANCE

I. SUMMARY OF LOANS, CONTRACTS AND INTERFUND RECEIVABLES CLOSED OR COMMITTED DURING YEAR ENDED AUGUST 31, 2002.

A. WATER DEVELOPMENT FUND(S)

WATER DEVELOPMENT FUND I

During the year ended August 31, 2002, two (2) loans were made by the Board for water supply, water quality enhancement and state participation purposes. During FY02, \$973,000 of loans were closed, \$7,677,474.46 in payments for scheduled maturities were received, and \$3,800,000 in repayments prior to schedule maturities were received. \$14,750,000 of loans associated with the refunded debt (see Note 14), and \$45,500,000 of storage acquisition loans were transferred to Development Fund II (see Note 24), leaving loans, contracts and interfund receivables outstanding at August 31, 2002, in the amount of \$244,394,341.

WDF I LOANS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT LOANED
Golden WSC	\$ 133,000.00
Montgomery Co MUD # 56	840,000.00
TOTAL WDF I LOANS CLOSED	\$ 973,000.00

There were no outstanding loan commitments as of August 31, 2002.

WATER DEVELOPMENT FUND II

During the year ended August 31, 2002, twenty-seven (27) political subdivisions of the State received financial assistance from the Board for water supply water quality enhancement and state participation purposes. During FY02, \$126,670,000 of loans were closed and \$35,000,000 in state participation assistance provided. \$14,750,000 of loans associated with the refunded debt (see Note 14), and \$45,500,000 of storage acquisition loans were transferred from Development Fund I (see Note 24). \$12,565,000 in payments for scheduled maturities were received, and \$5,215,000 in repayments prior to schedule maturities were received, leaving loans, contracts and interfund receivables outstanding at August 31, 2002, in the amount of \$543,598,130 in loans and interfund receivables, and \$82,665,000 in state participation contracts.

WDF II LOANS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT LOANED
Chelford City MUD	\$ 1,500,000.00
Clear Lake City WA	7,885,000.00
Crosby MUD	4,000,000.00
Del Rio, City of	4,970,000.00
Dublin, City of	1,700,000.00
El Paso CO WA MUD	7,780,000.00
Far Hills UD	1,000,000.00
Greater Texoma UA	1,475,000.00
Greenbelt M&I WA	5,300,000.00
Harris Co MUD #217	1,865,000.00
Harris Co WCID # 36	690,000.00
Henderson Co Levee ID #3	140,000.00

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**WDF II LOANS CLOSED (CONT.):
POLITICAL SUBDIVISIONS**

**AMOUNT
LOANED**

Johnson Co FWSD NO.1	1,500,000.00
Junction, City of	480,000.00
Kleinwood MUD	3,215,000.00
* Lavaca Navidad RA	30,900,000.00
* Lavaca Navidad RA	7,600,000.00
Los Fresnos, City of	360,000.00
Meadowhill Regional MUD	875,000.00
Northwest Harris Co MUD # 21	1,185,000.00
Texas Water Development Board	13,000,000.00
Texas Water Development Board	14,500,000.00
Trinity Bay CD	12,150,000.00
Whiterock WSC	2,600,000.00
TOTAL WDF II LOANS CLOSED	\$ 126,670,000.00

* Loans Closed in FY02 transferred from DFI.

Outstanding loan commitments at August 31, 2002, with delivery subject to compliance to closing requirements were as follows:

LOAN COMMITMENTS:

POLITICAL SUBDIVISIONS

COMMITMENTS

Beechwood WSC	\$ 1,565,000.00
Brushy Creek MUD	1,200,000.00
Caney Creek MUD	100,000.00
Caney Creek MUD	765,000.00
Canyon Regional WA	11,710,000.00
Canyon Regional WA	900,000.00
Canyon Regional WA	22,290,000.00
Coleman Co WSC	5,000,000.00
Del Rio, City of	9,040,000.00
Eagle Pass, City of	7,335,000.00
Galveston Co WCID #1	1,040,000.00
Greater Texoma UA	250,000.00
Greater Texoma UA	560,000.00
La Joya WSC	33,160,000.00
Mission, City of	11,620,000.00
Northeast Texas MWD	435,000.00
Northeast Texas MWD	1,545,000.00
Skidmore WSC	175,000.00
South Newton WSC	6,250,000.00
Texas Water Development Board	18,270,000.00
Tioga, City of	75,000.00
Travis Co WCID #17	1,100,000.00
Tynan, City of	185,000.00
Venus, City of	650,000.00
Webb Co	1,102,000.00
TOTAL WDF II LOAN COMMITMENTS	\$ 136,322,000.00

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**STATE PARTICIPATION PROGRAM LOANS CLOSED:
POLITICAL SUBDIVISIONS****AMOUNT
LOANED**

Brazos RA	\$ 6,000,000.00
Houston, City of	14,000,000.00
Waco, City of	15,000,000.00

TOTAL STATE PARTICIPATION LOANS CLOSED**\$ 35,000,000.00**

Outstanding loan commitments at August 31, 2002, with delivery subject to compliance to closing requirements, were as follows:

**LOAN COMMITMENTS:
POLITICAL SUBDIVISIONS****COMMITMENTS**

Lower Colorado RA	\$ 14,040,000.00
Upper Trinity Regional WD	2,325,000.00

TOTAL STATE PARTICIPATION PROGRAM COMMITMENTS**\$ 16,365,000.00****B. ECONOMICALLY DISTRESSED AREAS PROGRAM (EDAP)**

During the year ended August 31, 2002, three (3) loans were funded by the Board for Financial Assistance Fund - EDAP. During FY02, \$843,000 of loans were closed, \$761,592 in payments for scheduled maturities were received, \$1,725,000 in repayments prior to scheduled maturities were received, leaving loans and contracts outstanding at August 31, 2002, in the amount of \$16,688,616.

**EDAP LOANS CLOSED:
POLITICAL SUBDIVISIONS****AMOUNT
LOANED**

Ingleside, City of	\$ 285,000.00
Terrell Co WCID #1	380,000.00
Zavala Co WCID #1	178,000.00

TOTAL EDAP LOANS CLOSED**\$ 843,000.00**

Outstanding loan commitments at August 31, 2002, with delivery subject to compliance with closing requirements, were as follows.

**LOAN COMMITMENTS:
POLITICAL SUBDIVISIONS****COMMITMENTS**

Asherton, City of	\$ 196,000.00
Batesville WSC	194,000.00
Brownsville, City of	394,000.00
Laredo, City of	741,000.00
Laredo, City of	710,000.00
Mission, City of	508,000.00
Moore WSC	90,000.00
San Juan, City of	249,000.00
Skidmore WSC	420,000.00
South Newton WSC	87,000.00
Tynan WSC	31,000.00
Webb Co	475,000.00
Zavala Co WCID #1	170,000.00

TOTAL EDAP COMMITMENTS**\$ 4,265,000.00**

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C. AGRICULTURAL WATER CONSERVATION LOAN FUND

During the year ending August 31, 2002, no loans were made by the Board to Districts for further distribution to farmers for loans for agricultural water conservation equipment. During FY02, \$2,916,212 in payments for scheduled maturities were received, and \$574,500 prior to scheduled maturities were received, leaving loans and contracts outstanding at August 31, 2002, in the amount of \$4,040,201.

There were no loan commitments as of August 31, 2002.

D. AGRICULTURAL TRUST FUND

During the year ending August 31, 2002, four (4) loans were made by the Board to Districts for further distribution to farmers for loans for agricultural water conservation equipment from this fund. During FY02 \$1,700,000 of loans were closed, \$783,632 in payments for scheduled maturities were received, and \$485,000 of repayments prior to scheduled maturities were received, leaving loans and contracts outstanding at August 31, 2002, in the amount of \$4,928,982.

AGRIC TRUST FUND LOANS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT LOANED
Edwards Aquifer Authority	\$ 500,000.00
Medina CO GCD	200,000.00
Panhandle GWCD #3	500,000.00
Sandy Land UWCD	500,000.00
TOTAL AGRIC TRUST FUND LOANS CLOSED	\$ 1,700,000.00

Outstanding loan commitments at August 31, 2002, with delivery subject to compliance to closing requirements, were as follows:

LOAN COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Edwards Aquifer Authority	\$ 500,000.00
TOTAL AGRIC TRUST FUND COMMITMENTS	\$ 500,000.00

E. WATER LOAN ASSISTANCE FUND

During the year ended August 31, 2002, no loans were made from the Water Loan Assistance Fund. During FY02, \$230,000 in payments for scheduled maturities were received, and \$17,200 of repayments prior to scheduled maturities were received, leaving loans and contracts outstanding at August 31, 2002, in the amount of \$13,672,100.

Outstanding loan commitments at August 31, 2002, with delivery subject to compliance with closing requirements, were as follows:

LOAN COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
El Paso, City of (The "City")	\$ 1,000,000.00
Fort Bend Co FWSD #1	1,000,000.00
TOTAL WLAF COMMITMENTS	\$ 2,000,000.00

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F. RURAL WATER ASSISTANCE FUND

Outstanding loan commitments at August 31, 2002 with delivery subject to funds availability at time of closing and compliance to closing requirements, were as follows:

LOAN COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
South Newton WSC	\$ 795,000.00
Oaks WSC	142,000.00
TOTAL RWF COMMITMENTS	\$ 937,000.00

G. CLEAN WATER STATE REVOLVING FUND (CWSRF)

During the year ended August 31, 2002, twenty-eight (28) loans were made by the Board, for Water quality enhancement purposes, from this program. During FY02, \$166,955,000 of loans were closed, \$72,642,000 in payments for scheduled maturities were received, and \$98,575,000 in repayments prior to scheduled maturities were received (excluding exchange refundings), leaving loans and contracts outstanding at August 31, 2002, in the amount of \$2,357,361,766.

CWSRF LOANS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT LOANED
Alvin, City of	\$ 6,650,000.00
Angelina Co WCID #3	580,000.00
Angelina Neches RA	3,100,000.00
Cranfills Gap, City of	605,000.00
Dalhart, City of	5,870,000.00
El Paso, City of (The "City")	16,265,000.00
El Paso, City of (The "City")	7,520,000.00
Evadale WCID #1	1,550,000.00
Fort Worth, City of	34,310,000.00
Greater Texoma UA	955,000.00
Haltom City, City of	3,120,000.00
Harris Co WCID # 36	5,000,000.00
Ingleside, City of	2,915,000.00
Jacinto City, City of	7,255,000.00
Kaufman, City of	2,455,000.00
Loraine, City of	665,000.00
Mexia, City of	5,420,000.00
Odem, City of	1,940,000.00
Panhandle, City of	1,875,000.00
Polk Co FWSD #2	1,955,000.00
Port Arthur, City of	15,000,000.00
San Antonio Water System	12,090,000.00
San Antonio Water System	15,650,000.00
Sunbelt FWSD	945,000.00
Upper Trinity Regional WD	6,685,000.00
Vernon, City of	2,855,000.00
Whitesboro, City of	2,725,000.00
Willis, City of	1,000,000.00
TOTAL CWSRF LOANS CLOSED	\$ 166,955,000.00

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Outstanding loan commitments at August 31, 2002 with delivery subject to funds availability at time of closing and compliance to closing requirements, were as follows:

LOAN COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Alton, City of	\$ 1,170,000.00
Angleton, City of	645,000.00
Bacliff MUD	4,890,000.00
Bacliff MUD	4,890,000.00
Bridgeport, City of	2,365,000.00
Bryan, City of	2,440,000.00
Eagle Pass, City of	12,150,000.00
El Paso, City of (The "City")	13,650,000.00
Fairfield, City of	4,415,000.00
Galveston Co WCID #1	6,395,000.00
Greater Texoma UA	865,000.00
Greater Texoma UA	3,440,000.00
Houston, City of	24,935,000.00
Houston, City of	50,050,000.00
Houston, City of	19,460,000.00
La Feria, City of	385,000.00
Lower Valley MD	2,550,000.00
Magnolia, City of	2,825,000.00
New Caney MUD	3,475,000.00
Olney, City of	265,000.00
Palestine, City of	4,605,000.00
Roma, City of	1,150,000.00
San Antonio Water System	2,765,000.00
San Antonio Water System	44,635,000.00
Sugar Land, City of	7,365,000.00
Sugar Land, City of	4,915,000.00
Sunset, City of	295,000.00
TOTAL CWSRF COMMITMENTS	<u>\$ 226,990,000.00</u>

H. DRINKING WATER STATE REVOLVING FUND (DWSRF)

During the year ended August 31, 2002 thirty (30) loans were closed by the Board for Water supply purposes from this program. During FY02, \$22,218,000 of loan installments were closed, \$2,702,000 in payments for scheduled maturities were received, and no repayments prior to scheduled maturities were received, leaving loans and contracts outstanding at August 31, 2002, in the amount of \$61,675,000.

DWSRF LOANS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT LOANED
Ballinger, City of	\$ 120,000.00
Brady, City of	80,000.00
Brownwood, City of	805,000.00
Burleson Co MUD #2	144,000.00
Corsicana, City of	1,730,000.00
Del Rio, City of	3,160,000.00
Del Rio, City of	150,000.00
Deport, City of	110,000.00
East Medina Co SUD	2,185,000.00
El Paso, City of (The "City")	2,065,000.00
Golden WSC	90,000.00
Hamlin, City of	95,000.00

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**DWSRF LOANS CLOSED (CONT.):
POLITICAL SUBDIVISIONS****AMOUNT
LOANED**

Houston, City of	180,000.00
Hudson Oaks, City of	395,000.00
Kountze, City of	595,000.00
Lower Neches Valley Authority	2,316,000.00
Lufkin, City of	1,960,000.00
Mexia, City of	40,000.00
Nacogdoches, City of	345,000.00
Nacogdoches, City of	1,020,000.00
Northeast Texas MWD	745,000.00
Orange Co WCID #1	175,000.00
Palmer, City of	40,000.00
Pecos City, Town of	1,745,000.00
Raymondville, City of	210,000.00
Roma, City of	853,000.00
Sunbelt FWSD	265,000.00
Tioga, City of	35,000.00
Vernon, City of	345,000.00
West Jefferson County MWD	220,000.00

TOTAL DWSRF LOAN INSTALLMENTS CLOSED**\$ 22,218,000.00**

Outstanding loan commitments at August 31, 2002 with delivery subject to funds availability at time of closing and compliance to closing requirements, were as follows:

**LOAN COMMITMENTS:
POLITICAL SUBDIVISIONS****COMMITMENTS**

Ballinger, City of	\$ 4,945,000.00
Big Foot WSC	109,000.00
Brady, City of	5,895,000.00
Bright Star-Salem WSC	825,000.00
Brookeland FWSD	795,000.00
Brownwood, City of	5,680,000.00
Burleson Co MUD #1	135,000.00
Burleson Co MUD #2	1,296,000.00
Corsicana, City of	1,270,000.00
Del Rio, City of	6,285,000.00
Del Rio, City of	1,248,000.00
Deport, City of	30,000.00
Eagle Pass, City of	15,760,000.00
Eagle Pass, City of	4,590,000.00
Eagle Pass, City of	11,545,000.00
El Paso, City of (The "City")	40,000.00
Golden WSC	760,000.00
Hamlin, City of	5,105,000.00
Houston, City of	5,955,000.00
Hudson Oaks, City of	1,080,000.00
Junction, City of	3,480,000.00
Kountze, City of	280,000.00
Lower Neches Valley Authority	17,283,000.00
Lufkin, City of	13,325,000.00
Mexia, City of	520,000.00
Millersview-Doole WSC	823,000.00
Millersview-Doole WSC	15,816,000.00

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**LOAN COMMITMENTS (CONT.):
POLITICAL SUBDIVISIONS**

COMMITMENTS

Nacogdoches, City of	16,610,000.00
Nacogdoches, City of	17,615,000.00
Northeast Texas MWD	12,400,000.00
Northeast Texas MWD	8,650,000.00
Olney, City of	1,250,000.00
Orange Co WCID #1	2,425,000.00
Palmer, City of	1,375,000.00
Pecos City, Town of	6,085,000.00
Possum Kingdom WSC	4,700,000.00
Raymondville, City of	3,035,000.00
Roma, City of	142,000.00
Sunbelt FWSD	2,365,000.00
Sweetwater, City of	7,090,000.00
Thunderbird Bay Water Services, Inc.	1,200,000.00
Tioga, City of	510,000.00
Vernon, City of	5,030,000.00
Walnut Grove WSC	1,015,000.00
West Jefferson County MWD	3,715,000.00

TOTAL DWSRF COMMITMENTS

\$ 220,087,000.00

I. COLONIA PLUMBING LOAN PROGRAM (CPLP)

During the year ended August 31, 2002, there were three (3) loans funded by the Board from the Colonia Plumbing Loan Program. During FY02, \$78,713.57 of loans were closed, no principal repayments were scheduled, nor were any repayments made prior to scheduled payment dates. The loans outstanding at August 31, 2002 were in the amount of \$1,180,321.

**CPLP LOANS CLOSED:
POLITICAL SUBDIVISIONS**

**AMOUNT
LOANED**

Edinburg, City of	\$ 12,324.00
El Paso Co	4,900.00
Lower Valley WD	61,489.57

TOTAL CPLP LOANS CLOSED

\$ 78,713.57

Outstanding loan commitments at August 31, 2002, with delivery subject to compliance with closing requirements, were as follows.

**LOAN COMMITMENTS:
POLITICAL SUBDIVISIONS**

COMMITMENTS

Combes, Town of	\$ 350,000.00
Del Rio, City of	200,000.00
Edinburg, City of	567,274.25
El Paso Co	234,612.49
El Paso, City of (The "City")	400,000.00
Lower Valley WD	349,551.67
Pharr, City of	1,370,000.00
San Benito, City of	100,000.00

TOTAL CPLP COMMITMENTS

\$ 3,571,438.41

J. TEXAS WATER RESOURCES FINANCING AUTHORITY

During the year ended August 31, 2002, no loans were funded by the Board from the Texas Water Resources Financing Authority. During FY02, \$10,218,500 of scheduled repayments and \$4,892,000 of repayments made prior to scheduled payment dates were received leaving the loans outstanding at August 31, 2002 in the amount of \$76,813,013.

II. GRANTS MADE OR COMMITTED DURING YEAR ENDED AUGUST 31, 2001**A. ECONOMICALLY DISTRESSED AREAS PROGRAM (EDAP)**

During the year ended August 31, 2002, thirty-one (31) grants were funded by the Board for water supply and water quality enhancement purposes for the Financial Assistance Fund - EDAP. For these applicants, total grant payments amounted to \$10,518,586.93.

GRANTS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT GRANTED
Batesville WSC	\$ 10,262.00
Brookeland FWSD	112,096.00
Brookeland FWSD	77,442.00
Carrizo Hill WSC	8,255.00
Combes, Town of	96,229.00
Del Rio, City of	732,767.00
Donna, City of	27,720.00
Edinburg, City of	24,428.93
El Paso Co	4,249,692.00
El Paso WCID (Westway)	200,000.00
El Paso, City of (The "City")	46,753.00
Ingleside on the Bay, City of	753,436.00
Laredo, City of	604,819.00
Mercedes, City of	1,433.00
Moore WSC	54,931.00
Odem, City of	36,592.00
Pharr, City of	21,080.00
Pharr, City of	285,044.00
Rincon WSC	34,881.00
Rio Grande City, City of	66,507.00
Roma, City of	463,784.00
San Benito, City of	528,084.00
San Benito, City of	37,000.00
South Newton WSC	473,323.00
South Newton WSC	35,612.00
St. Paul WSC	101,950.00
Terrell Co WCID #1	86,733.00
Webb Co	928,146.00
Weslaco, City of	6,395.00
Windmill WSC	17,965.00
Zavala Co WCID #1	395,227.00
TOTAL EDAP GRANTS CLOSED	\$ 10,518,586.93

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Outstanding grant commitments at August 31, 2002, were as follows:

GRANT COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Alton, City of	\$ 76,791.00
Batesville WSC	55,223.00
Brookeland FWSD	884,012.00
Brookeland FWSD	3,176,813.00
Carrizo Hill WSC	6,668.00
Combes, Town of	1,302,996.00
Del Rio, City of	90,083.00
Del Rio, City of	703,690.00
Donna, City of	1,325,602.00
Donna, City of	2,206.54
Eagle Pass, City of	166,083.00
Edinburg, City of	525,380.00
Edinburg, City of	45,391.00
El Paso Co	3,225,158.00
El Paso WCID (Westway)	33,343.00
El Paso, City of (The "City")	498,267.00
Gatesville, City of	11,076.00
Homestead MUD	1,222,847.00
Hudspeth Co WCID #1	13,000.00
Ingleside on the Bay, City of	1,672,695.00
Ingleside on the Bay, City of	534,599.00
Ingleside on the Bay, City of	3,777,791.00
Laredo, City of	3,029,379.00
Lower Valley WD	2,130,804.00
Lower Valley WD	27,757.98
Lower Valley WD	39,600.00
Mercedes, City of	124,556.00
Mercedes, City of	6,200.00
Moore WSC	1,369,843.00
North Alamo WSC	409,750.00
North Alamo WSC	950,110.00
North Alamo WSC	757,011.00
Odem, City of	2,582,024.00
Pecos City, Town of	305,739.00
Pharr, City of	5,839,943.00
Pineland, City of	4,106.00
Rincon WSC	333,173.00
Rio Grande City, City of	3,894.00
Rio Grande City, City of	4,426.00
Rio Hondo, City of	14,778.00
Roma, City of	215,095.00
Roma, City of	111,200.00
San Benito, City of	334,010.00
Skidmore WSC	4,240,613.00
South Newton WSC	1,064,829.00
South Newton WSC	10,521,052.00
St. Paul WSC	7,287.00
Terrell Co WCID #1	6,000.00
Tynan WSC	320,454.00
Webb Co	1,846,533.00
Weslaco, City of	219,062.00
Windmill WSC	78,232.00
Zavala Co WCID #1	401,586.00
TOTAL EDAP GRANT COMMITMENTS	\$ 56,648,761.52

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B. COLONIA WASTEWATER TREATMENT ASSISTANCE PROGRAM

During the year ended August 31, 2002, twenty (20) grants were funded by the Board for the Colonia Wastewater Treatment Assistance Program (CWTAP). For these applicants, total grant payments amounted to \$19,662,371.07.

GRANTS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT GRANTED
Batesville WSC	\$ 139,569.00
Combes, Town of	2,530,234.00
Crystal City, City of	44,600.00
Del Rio, City of	2,841,797.00
Donna, City of	54,926.00
Edinburg, City of	93,336.07
El Paso WCID (Westway	162,674.00
El Paso, City of (The "City")	1,083,873.00
Laredo, City of	408,191.00
Los Fresnos, City of	86,527.00
Lower Valley WD	494,125.00
Mercedes, City of	1,494,822.00
Pharr, City of	1,150,479.00
Primera, City of	2,914,623.00
Roma, City of	1,823,322.00
San Benito, City of	817,414.00
San Juan, City of	1,575,815.00
Terrell Co WCID #1	1,619,692.00
Webb Co	232,558.00
Zavala Co WCID #1	93,794.00
TOTAL CWTAP GRANTS CLOSED	\$ 19,662,371.07

Outstanding grant commitments at August 31, 2002 were as follows:

GRANT COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Alton, City of	\$ 439,686.00
Asherton, City of	619,381.00
Asherton, City of	1,342,213.00
Batesville WSC	2,233,997.00
Brownsville, City of	3,330,285.00
Combes, Town of	4,446,646.12
Crystal City, City of	107,760.00
Del Rio, City of	930,632.00
Del Rio, City of	196,247.00
Donna, City of	769,977.46
Eagle Pass, City of	23,016,581.00
Eagle Pass, City of	20,828,823.00
Edinburg, City of	212,032.77
El Paso WCID (Westway	143,206.00
El Paso, City of (The "City")	3,247,380.35
Hudspeth Co WCID #1	15,560.00
La Joya WSC	53,427,619.00
Laredo, City of	6,424,936.00
Laredo, City of	4,706,539.00
Los Fresnos, City of	9,306,538.00
Lower Valley WD	626,155.02

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**GRANT COMMITMENTS:
POLITICAL SUBDIVISIONS**

COMMITMENTS

Lower Valley WD	4,088,384.00
Mercedes, City of	3,678,525.00
Mercedes, City of	379,400.00
Mission, City of	15,363,591.00
Primera, City of	1,857,258.00
Rio Hondo, City of	24,632.00
Roma, City of	6,807,803.00
San Benito, City of	219,849.00
San Juan, City of	7,716,791.00
Terrell Co WCID #1	33,000.00
Webb Co	4,075,842.00
Webb Co	772,574.00
Webb Co	10,281,400.00
Zavala Co WCID #1	2,760,667.00
TOTAL GRANT COMMITMENTS	\$ 194,431,910.72

C. AGRICULTURAL CONSERVATION PROGRAM

Outstanding grant commitments as of August 31, 2002 were as follows:

**GRANT COMMITMENTS:
POLITICAL SUBDIVISIONS**

COMMITMENTS

Texas Department of Agriculture	\$ 1,000,000.00
Texas State and Soil Water Conservation Board	15,000,000.00
TOTAL GRANT COMMITMENTS	\$ 16,000,000.00

D. WATER LOAN ASSISTANCE FUNDS

During the year ended August 31, 2002, nine (9) grants were funded by the Board from the Water Loan Assistance Fund. For these applicants, total grant payments amounted to \$660,203.

**WLAF GRANTS CLOSED:
POLITICAL SUBDIVISION**

**AMOUNT
GRANTED**

Angelina Co WCID #3	\$ 656.00
Arroyo WSC	24,167.00
Cranfills Gap, City of	14,042.00
Eagle Pass WW SYS	43,172.00
Eagle Pass WW SYS	256,670.00
Evadale WCID #1	24,125.00
La Feria, City of	208,500.00
Los Fresnos, City of	76,295.00
North Alamo WSC	12,576.00
TOTAL WLAF GRANTS CLOSED	\$ 660,203.00

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Outstanding grant commitments at August 31, 2002 were as follows:

GRANT COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Alpine, City of	\$ 200,000.00
Angelina Co WCID #3	20,434.00
Arroyo WSC	143,621.00
Cranfills Gap, City of	7,287.00
Eagle Pass WW SYS	43,330.00
Edinburgh, City of	243,875.00
Evadale WCID #1	36,835.00
La Feria, City of	411,433.00
Los Fresnos, City of	348,159.34
Los Fresnos, City of	60,480.66
North Alamo WSC	439,748.00
North Alamo WSC	102,486.00
San Benito, City of	566,950.00
Sunset, City of	13,917.00
TOTAL GRANT COMMITMENTS	\$ 2,638,556.00

E. RURAL COMMUNITY WATER AND WASTEWATER LOAN PROGRAM

Outstanding grant commitments as of August 31, 2002 were as follows:

GRANT COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Border Waterworks	\$ 18,918.00
Border Waterworks	14,862.00
Rensselaerville Institute	15,759.00
TOTAL GRANT COMMITMENTS	\$ 49,539.00

F. SECO GRANT FUNDS - WATER SYSTEMS EFFICIENCY

SECO GRANTS CLOSED: POLITICAL SUBDIVISION	AMOUNT GRANTED
Cameron Co ID #2	\$ 32,978.64
TOTAL GRANT COMMITMENTS	\$ 32,978.64

Outstanding grant commitments as of August 31, 2002 were as follows:

GRANT COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Cameron Co ID #2	\$ 494,345.36
Delta Lake ID	253,020.00
Donna ID - Hidalgo Co #1	329,816.00
El Paso Co WID #1	202,181.00
Harlingen ID CA	178,030.00

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Hidalgo & Cameron Co ID #9	88,230.00
Hidalgo Co ID #16	271,180.00
Hidalgo Co ID	302,648.00
Hidalgo Co ID	230,924.00
Hudspeth Co CRD #1	143,560.00
Maverick Co WCD	308,882.00
TOTAL GRANT COMMITMENTS	<u>\$ 2,802,816.36</u>

G. CLEAN WATER STATE REVOLVING FUND

During the year ended August 31, 2002, three (3) grants were funded by the Board for the Rural Communities Hardship Grant Program. For these applicants, total grant payments amounted to \$776,452 within this program with additional matching grants from the Water Loan Assistance Fund.

GRANTS CLOSED POLITICAL SUBDIVISION	GRANTS CLOSED
Angelina Co WCID #3	\$ 13,116.00
Cranfills Gap, City of	280,832.00
Evadale WCID #1	482,504.00
TOTAL CWSRF GRANTS CLOSED	<u>\$ 776,452.00</u>

Outstanding grant commitments as of August 31, 2002 were as follows:

GRANT COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Angelina Co WCID #3	\$ 408,680.00
Cranfills Gap, City of	145,747.00
Evadale WCID #1	736,683.00
Sunset, City of	278,333.00
TOTAL CWSRF GRANT COMMITMENT	<u>\$ 1,569,443.00</u>

H. DRINKING WATER STATE REVOLVING FUND

During the year ended August 31, 2002, three (3) grants were funded by the Board for the disadvantaged program. For these applicants, total grant payments disbursed amounted to \$910,505.30.

GRANTS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT GRANTED
Brady, City of	\$ 43,775.40
Lower Neches Valley Authority	407,030.90
Roma, City of	459,699.00
TOTAL DWSRF GRANTS CLOSED	<u>\$ 910,505.30</u>

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Outstanding grant commitments as of August 31, 2002 were as follows:

GRANT COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Brady, City of	\$ 3,172,253.43
Eagle Pass, City of	6,215,000.00
Lower Neches Valley Authority	2,218,789.09
Millersview-Doole WSC	2,791,000.00
Roma, City of	76,552.12
TOTAL DWSRF GRANT COMMITMENTS	\$ 14,473,594.64

I. COLONIA PLUMBING LOAN PROGRAM (CPLP)

During the year ended August 31, 2002, one (1) grant was funded by the Board for the Colonia Plumbing Loan Program (CPLP). For this applicant, total grant payments amounted to \$1,200.

GRANTS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT GRANTED
Lower Valley WD	\$ 1,200.00
TOTAL CPLP GRANTS CLOSED	\$ 1,200.00

Outstanding grant commitments at August 31, 2002 were as follows:

GRANT COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Combes, Town of	\$ 31,500.00
Del Rio, City of	18,000.00
Lower Valley WD	86,800.00
San Benito, City of	9,000.00
TOTAL CPLP GRANT COMMITMENTS	\$ 145,300.00