Annual Financial Report

for the fiscal year ended
August 31, 2003

Texas Water Development Board

TEXAS WATER DEVELOPMENT BOARD

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2003

TEXAS WATER DEVELOPMENT BOARD

E. G. ROD PITTMAN, CHAIRMAN

JACK HUNT, VICE CHAIRMAN

WALES H. MADDEN, JR., MEMBER
WILLIAM W. MEADOWS, MEMBER
THOMAS WEIR LABATT, III, MEMBER
DARIO VIDAL GUERRA, JR., 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

E. G. Rod Pittman, *Chairman*
Wales H. Madden, Jr., *Member*
Thomas Weir Labatt III, *Member*

J. Kevin Ward
Executive Administrator

Jack Hunt, *Vice Chairman*
William W. Meadows, *Member*
Dario Vidal Guerra, Jr., *Member*

November 20, 2003

Honorable Rick Perry, Governor
Honorable Carole Keeton Strayhorn, Texas 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, 2003, 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 statewide requirements embedded in 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 comply with all the requirements in this statement. 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.

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Texas Water Development Board (580)

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General Purpose Financial Statements

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

August 31, 2003

	Governmental Fund Types			
	General Funds (Exhibit A-1)	Special Revenue Funds (Exhibit B-1)	Debt Service Funds (Exhibit C-1)	Governmental Funds Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash on Hand	$ 25.00	$ -	$ -	$ 25.00
Cash in Bank (Note 3)	13,475.00	-	-	13,475.00
Cash in State Treasury (Note 3)	271,510.31	97,848,238.53	503.90	98,120,252.74
Short Term Investments (Note 3)	-	24,516,880.00	-	24,516,880.00
Legislative Appropriations	3,668,263.30	-	-	3,668,263.30
Receivables From:				
Federal	955,068.17	56,748.12	-	1,011,816.29
Interest and Dividends	-	666,741.16	-	666,741.16
Accounts Receivable	227,275.83	-	-	227,275.83
Due From Other Funds	492,374.50	13,705,099.24	-	14,197,473.74
Loans and Contracts	-	1,705,968.87	-	1,705,968.87
Total Current Assets	**5,627,992.11**	**138,499,675.92**	**503.90**	**144,128,171.93**
Non-Current Assets:				
Loans & Contracts	-	166,580,280.82	-	166,580,280.82
Investments (Note 3)	-	43,691.78	-	43,691.78
Total Non-Current Assets	**-**	**166,623,972.60**	**-**	**166,623,972.60**
Total Assets	**$ 5,627,992.11**	**$ 305,123,648.52**	**$ 503.90**	**$ 310,752,144.53**
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable	$ 616,536.46	$ 718,805.86	$ -	$ 1,335,342.32
Payroll Payable	1,546,247.29	-	-	1,546,247.29
Due To Other Funds	-	14,005,697.21	-	14,005,697.21
Due To Other Agencies	250,530.55	42,836.20	-	293,366.75
Total Current Liabilities	**2,413,314.30**	**14,767,339.27**	**-**	**17,180,653.57**
Total Liabilities	**2,413,314.30**	**14,767,339.27**	**-**	**17,180,653.57**
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances (Deficits):				
Reserved for:				
Encumbrances	1,912,568.01	13,992,780.12	-	15,905,348.13
Imprest	13,500.00	-	-	13,500.00
Debt Service	-	-	503.90	503.90
Loans and Contracts	-	168,286,249.69	-	168,286,249.69
Unreserved Designated for:				
Other	-	108,077,279.44	-	108,077,279.44
Undesignated	1,288,609.80	-	-	1,288,609.80
Total Fund Balances	**3,214,677.81**	**290,356,309.25**	**503.90**	**293,571,490.96**
Total Liabilities and Fund Balances	**$ 5,627,992.11**	**$ 305,123,648.52**	**$ 503.90**	**$ 310,752,144.53**

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, 2003

	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	40,036,320.00	-	-	$ 40,036,320.00
Additional Appropriations	(930,953.05)	-	-	(930,953.05)
Federal Revenue	4,245,974.33	19,252,307.31	-	23,498,281.64
Federal Grant Pass-Through Revenue	87,223.19	57,333.55	-	144,556.74
State Grant Pass-Through Revenue	48,407.71	1,326,170.67	-	1,374,578.38
License, Fees and Permits	96,408.00	170,665.78	-	267,073.78
Interest and Other Investment Income	-	2,499,022.78	-	2,499,022.78
Net Increase (Decrease) in Fair Value	-	(23,207.24)	-	(23,207.24)
Sales of Goods and Services	687,649.22	471,113.08	-	1,158,762.30
Other	568,623.12	-	-	568,623.12
Total Revenues	**44,839,652.52**	**23,753,405.93**	**-**	**68,593,058.45**
EXPENDITURES				
Salaries and Wages	10,806,285.94	206,666.56	-	11,012,952.50
Payroll Related Costs	3,215,072.80	41,477.99	-	3,256,550.79
Professional Fees and Services	516,823.04	3,645,651.09	-	4,162,474.13
Travel	200,995.07	37,028.08	-	238,023.15
Materials and Supplies	643,430.45	66,678.18	-	710,108.63
Communication and Utilities	202,435.66	3,141.75	-	205,577.41
Repairs and Maintenance	279,605.70	6,233.10	-	285,838.80
Rentals and Leases	414,648.92	50,308.95	-	464,957.87
Printing and Reproduction	89,922.86	1,657.42	-	91,580.28
Claims and Judgments	637.12	-	-	637.12
State Grant Pass-Through Expenditures	-	100,071.88	-	100,071.88
Intergovernmental Payments	882,285.43	33,326,118.72	-	34,208,404.15
Public Assistance Payments	-	14,359.00	-	14,359.00
Other Expenditures	738,828.74	532,589.18	-	1,271,417.92
Debt service:				
Principal	-	-	7,570,000.00	7,570,000.00
Interest	-	-	15,533,656.06	15,533,656.06
Capital Outlay	2,375,826.15	27,382.00	-	2,403,208.15
Total Expenditures/Expenses	**20,366,797.88**	**38,059,363.90**	**23,103,656.06**	**81,529,817.84**
Excess (Deficiency) of Revenues Over Expenditures	**24,472,854.64**	**(14,305,957.97)**	**(23,103,656.06)**	**(12,936,759.39)**
OTHER FINANCING SOURCES (USES)				
Bond and Note Proceeds	-	22,121,465.75	-	22,121,465.75
Increase in Obligations Under Capital Leases	-	-	-	-
Sale of Capital Assets	16,871.04	-	-	16,871.04
Transfers In	213,480.36	76,403,339.92	22,943,909.76	99,560,730.04
Transfers Out	(4,297,190.17)	(46,588,646.00)	(6,361.51)	(50,892,197.68)
Legislative Transfers In	56,452.74	-	-	56,452.74
Legislative Transfers Out	(18,916,987.72)	-	-	(18,916,987.72)
Total Other Financing Sources (Uses)	**(22,927,373.75)**	**51,936,159.67**	**22,937,548.25**	**51,946,334.17**
Net Change in Fund Balances/Net Assets	**1,545,480.89**	**37,630,201.70**	**(166,107.81)**	**39,009,574.78**
FUND FINANCIAL STATEMENT - FUND BALANCES				
Fund Balances - Beginning	4,273,655.49	252,726,107.55	166,611.71	257,166,374.75
Appropriations Lapsed	(2,604,458.57)	-	-	(2,604,458.57)
Fund Balances, August 31, 2003	**$ 3,214,677.81**	**$ 290,356,309.25**	**$ 503.90**	**$ 293,571,490.96**

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, 2003

	Total Enterprise Funds (Exhibit F-1)	Total Proprietary Component Unit (Exhibit L-1)
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Note 3)		
Cash in State Treasury	206,457,599.31	-
Short Term Investments (Note 3)	681,324,865.49	23,067,391.89
Receivables from:		
Federal	3,993,313.57	-
Interest and Dividends	37,961,356.66	2,189,189.38
Due from Other Funds	39,841,122.42	-
Loans and Contracts	91,153,275.64	9,547,000.00
Total Current Assets	**1,060,731,533.09**	**34,803,581.27**
Non-Current Assets:		
Loans and Contracts	2,815,912,303.45	55,164,013.00
Investments (Note 3)	-	27,564,700.00
Interfund Receivables (Note 7)	209,158,631.56	-
Other Non-Current Assets	636,062.17	-
Total Non-Current Assets	**3,025,706,997.18**	**82,728,713.00**
Total Assets	**4,086,438,530.27**	**117,532,294.27**
LIABILITIES		
Current Liabilities:		
Payables from:		
Accounts Payable	105,440.56	-
Other	13,021,825.58	140,909.55
Due to Other Funds	39,999,953.52	32,945.43
Due to Other Agencies	3,993,313.57	-
Deferred Revenue	28,670,264.49	-
Revenue Bonds Payable (Note 4)	37,250,000.00	11,075,000.00
General Obligation Bonds Payable (Note 4)	31,540,000.00	-
Total Current Liabilities	**154,580,797.72**	**11,248,854.98**
Non-Current Liabilities:		
Interfund Payable (Note 7)	209,158,631.56	-
Revenue Bonds Payable (Note 4)	1,384,850,000.00	40,179,446.32
General Obligation Bonds Payable (Note 4)	849,805,000.00	-
Total Non-Current Liabilities	**2,443,813,631.56**	**40,179,446.32**
Total Liabilities	**2,598,394,429.28**	**51,428,301.30**
NET ASSETS		
Restricted for:		
Debt Retirement	23,845,775.33	-
Unrestricted	1,464,198,325.66	66,103,992.97
Total Net Assets	**$ 1,488,044,100.99**	**$ 66,103,992.97**

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, 2003

	Total Enterprise Funds (Exhibit F-2)	Total Proprietary Component Unit (Exhibit L-2)
OPERATING REVENUES:		
Interest and Investment Income	166,831,586.92	7,971,646.24
Net Increase (Decrease) Fair Market Value	(186,781.09)	(1,276.67)
Other Operating Revenue	3,002,067.13	-
Total Operating Revenues	**169,646,872.96**	**7,970,369.57**
OPERATING EXPENSES:		
Salaries and Wages	4,461,396.53	285,726.39
Payroll Related Costs	674,756.81	43,321.46
Professional Fees and Services	1,156,604.45	6,772.99
Travel	36,692.74	1,957.91
Materials and Supplies	94,960.91	4,600.26
Communication and Utilities	38,509.49	2,925.67
Repairs and Maintenance	55,875.35	482.87
Rentals and Leases	27,695.97	3,972.73
Printing and Reproduction	14,916.24	29.60
Bad Debt Expense	15,919.25	-
Interest	133,875,673.54	5,391,384.85
Other Operating Expenses	5,248,681.18	215,918.72
Total Operating Expenses	**145,701,682.46**	**5,957,093.45**
Operating Income (Loss)	**23,945,190.50**	**2,013,276.12**
NONOPERATING REVENUES (EXPENSES):		
Federal Revenue	98,943,158.27	-
Federal Grant Pass-Through Revenue (Expense)	(5,371,396.57)	-
Other Nonoperating Revenue (Expenses)	(2,436,691.56)	-
Total Nonoperating Revenue (Expenses)	**91,135,070.14**	**-**
Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	**115,080,260.64**	**2,013,276.12**
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:		
Transfers In	206,614,997.20	-
Transfers Out	(223,978,183.50)	(8,170,000.00)
Total Other Revenue, Expenses, Gain/Losses and Transfers	**(17,363,186.30)**	**(8,170,000.00)**
Change in Net Assets	**97,717,074.34**	**(6,156,723.88)**
Total Net Assets - Beginning	1,390,327,026.65	72,260,716.85
Total Net Assets, August 31, 2003	**$ 1,488,044,100.99**	**$ 66,103,992.97**

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, 2003

	Total Enterprise Funds (Exhibit F-3)	Total Proprietary Component Unit (Exhibit L-3)
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to Suppliers for Goods and Services	$ (2,119,192.99)	$ (41,293.90)
Payments to Employees for Salaries	(4,109,429.86)	(259,967.31)
Payments to Employees for Benefits	(621,524.18)	(39,425.57)
Payments to Employees for Other	(35,501.20)	(1,745.39)
Payments for Other Expenses	(17.14)	-
Net Cash Provided by Operating Activities	**(6,885,665.37)**	**(342,432.17)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Debt Issuance	58,994,962.78	-
Proceeds from Federal Grants	94,949,844.70	-
Proceeds from State Appropriations	4,098,104.00	-
Proceeds of Transfers from Other Funds	152,803,978.54	-
Proceeds from Advances from Other Funds	20,000,000.00	-
Payments of Principal on Debt Issuance	(101,820,000.00)	(15,360,000.00)
Payments of Interest	(134,637,836.51)	(3,863,744.85)
Payments of Other Costs of Debt Issuance	(1,875,000.00)	-
Payments for Transfers to Other Funds	(154,633,411.72)	(8,360,331.00)
Payments for Grant Disbursements	(2,640,553.56)	-
Payment for Federal Grant Pass-Through	(1,378,083.00)	-
Payments for Advances to Other Funds	(20,000,000.00)	-
Repayments of Advances from Other Funds	(9,275,000.00)	-
Payments for Other Uses	(1,007,817.90)	-
Net Cash Provided by Noncapital Financing Activities	**(96,420,812.67)**	**(27,584,075.85)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	143,468,346.39	9,795,525.94
Proceeds from Interest Income	14,359,000.57	352,337.68
Proceeds from Investment Income	147,363,493.14	6,729,756.14
Proceeds from Principal Payments on Loans	269,480,140.30	12,102,000.00
Payments for Loans Provided	(192,653,026.36)	-
Payments to Acquire Investments	(300,238,645.33)	(1,053,111.74)
Net Cash Provided by Investing Activities	**81,779,308.71**	**27,926,508.02**
Net (Decrease) in Cash and Cash Equivalents	**(21,527,169.33)**	**0.00**
Cash and Cash Equivalents--September 1, 2002	227,984,768.64	-
Cash and Cash Equivalents--August 31, 2003	**$ 206,457,599.31**	**$ 0.00**

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, 2003

	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)	$ 23,945,190.50	$ 2,013,276.12
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Bad Debt Expense	15,919.25	-
Operating Income and Cash Flow Categories:		
Classification Differences	(31,014,937.74)	(2,388,653.72)
Changes in Assets and Liabilities:		
Increase (Decrease) in Payables	94,032.63	-
Increase (Decrease) in Due to Other Funds	74,129.99	32,945.43
Total Adjustments	**(30,830,855.87)**	**(2,355,708.29)**
Net Cash Provided by Operating Activities	**$ (6,885,665.37)**	**$ (342,432.17)**
Non Cash Transactions		
Net Increase (Decrease) in Fair Value of Investments	7,655.44	-

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

Texas Water Development Board (580)
Exhibit VI - Combined Statement of Net Assets - Fiduciary Funds
August 31, 2003

	Agency Funds (Exhibit J-1)	Totals
ASSETS		
Current Assets:		
Cash and Cash Equivalents:		
Cash in State Treasury	$ 1,712.50	$ 1,712.50
Total Current Assets	**1,712.50**	**1,712.50**
Total Assets	**1,712.50**	**1,712.50**
LIABILITIES		
Funds Held for Others	1,712.50	1,712.50
Total Current Liabilities	**1,712.50**	**1,712.50**
Total Liabilities	**1,712.50**	**1,712.50**
NET ASSETS		
Held in trust for:		
Individuals, Organizations, and Other Governments:		-
Non-Expendable	-	-
Total Net Assets	**$ -**	**$ -**

The accompanying notes to the financials 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 3 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.

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.

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.

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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 unit, which follows 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.

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.

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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.

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.

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.

Current Payables - Other

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.

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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.

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.

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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.

INTERFUND ACTIVITIES 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, 2003 is presented in Note 7.

Texas Water Development Board (580)

NOTE 2: Capital Asset

Revenue received from the sale of surplus property has been transferred to unappropriated general revenue in accordance with H.B. 7, Section 20. A summary of changes in Capital Assets for the year ended August 31, 2003, is presented on the following page.

NOTE 3: Deposits, Investments & Repurchase Agreements

As of August 31, 2003, deposits held in the Texas State Treasury totaled $304,579,564.55. 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.

Deposits of Cash in Bank

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 subdivisions, 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 agency's investments at fiscal year end are illustrated below. The securities, stated at both carrying and market values at August 31, 2003, 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.

Texas Water Development Board (580)

	PRIMARY GOVERNMENT			
	Balance 09/01/02	Additions	Deletions	Balance 08/31/03
Governmental Activities:				
Non-depreciable Assets:				
Land and Land Improvements	$ -	$ -	$ -	$ -
Total non-depreciable assets	-	-	-	-
Depreciable Assets:				
Furniture and Equipment	1,545,024.31	424,650.66	(149,581.43)	1,820,093.54
Vehicles, Boats & Aircraft	1,858,995.80	65,602.71	(117,814.92)	1,806,783.59
Other Capital Assets	7,568,384.67	1,912,954.78		9,481,339.45
Total depreciable assets at historical costs	10,972,404.78	2,403,208.15	(267,396.35)	13,108,216.58
Less accumulated depreciation for:				
Furniture and Equipment	958,544.74	166,187.85	(137,218.29)	987,514.30
Vehicles, Boats & Aircraft	1,121,129.05	167,377.52	(117,814.92)	1,170,691.65
Other Capital Assets	904,651.62	948,133.53	-	1,852,785.15
Total accumulated depreciation	2,984,325.41	1,281,698.90	(255,033.21)	4,010,991.10
Depreciable assets, net	7,988,079.37	1,121,509.25	(12,363.14)	9,097,225.48
Governmental Activities capital assets, net	$ 7,988,079.37	$ 1,121,509.25	$ (12,363.14)	$ 9,097,225.48

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- 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.

Type of Security	Category 1	Category 2	Category 3	Fair Value
Repurchase Agreements (Texas Treasury Safekeeping Trust Company)	$673,313,148.79			$673,313,148.79
U.S. Mortgage Backed Securities	32,572,288.48			32,572,288.48
Total	$705,885,437.27	-	-	$705,885,437.27

Consisting of the following:

Governmental Funds Current Short Term Investments (Exh. I)	$24,516,880.00
Governmental Funds Non-current Investments (Exh. I)	43,691.78
Proprietary Funds Current Short Term Investments (Exh. III)	681,324,865.49
Total	$705,885,437.27

Investments for Discretely Presented Component Units are:

Type of Security	Category 1	Category 2	Category 3	Fair Value
Repurchase Agreements (Texas Treasury Safekeeping Trust Company)	$23,067,391.89			$23,067,391.89
U.S. Govt. Investments	27,564,700.00			27,564,700.00
Total	$50,632,091.89	-	-	$50,632,091.89

Consisting of the following:

Proprietary Funds Current Short Term Investments (Exh. III)	$23,067,391.89
Proprietary Funds Non-current Investments (Exh. III)	27,564,700.00
Total	$50,632,091.89

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, 2003, the following changes occurred in liabilities:

Governmental Activities	Balance 09/01/2002	Additions	Reductions	Balance 08/31/2003	Amounts Due Within One Year
GO Bonds Payable	$302,195,000.00	$21,870,000.00**	$7,570,000.00	$316,495,000.00	$7,840,000.00
Compensable Leave	1,730,640.49	1,602,139.53	1,781,054.70	1,551,725.32	914,988.89
Capital Lease	371,469.65		86,973.89	284,495.76	91,137.80
Total Governmental Activities	304,297,110.14	23,472,139.53	9,438,028.59	318,331,221.08	8,846,126.69
Business-Type Activities	**Balance 09/01/2002**	**Additions**	**Reductions**	**Balance 08/31/2003**	**Amounts Due Within One Year**
Notes and Loans Payable (Interfund)	199,261,630.00	29,622,000.00	9,275,000.00	219,608,630.00	10,449,998.44
GO Bonds Payable	879,580,000.00*	146,245,000.00	144,480,000.00***	881,345,000.00	31,540,000.00
Revenue Bonds Payable	1,562,815,000.00	187,600,000.00	273,885,000.00	1,476,530,000.00	48,325,000.00
Total Business-Type Activities	$2,641,656,630.00	$363,467,000.00	$427,640,000.00	$2,577,483,630.00	$90,314,998.44

*During FY03, the Water Development Bonds Series 1997C issue was transferred by Board resolution from Business-Type DFund I general obligation bonds to Governmental Type State Participation Program. The $20 million issue is the reconciling item between the 9/1/2002 balance in Note 4, and the 9/1/2002 balance of Bonds Outstanding in Schedule 2B.

** Additions to Governmental Activities – GO Bonds Payable includes:

Bonds Issued (Sch 2B)	1,870,000
W Dev Bonds Ser '97C – transferred in	20,000,000
Total Additions	$21,870,000

***Reduction to Business-Type Activities – GO Bonds Payable includes:

Bonds Matured or Retired (Sch 2B)	28,495,000
Bonds Refunded or Extinguished (Sch 2B)	95,985,000
W Dev Bonds Ser '97C – transferred out	20,000,000
Total Reductions	$144,480,000

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Notes and Loans Payable (Interfund 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, as well as advances to the Rural Water Assistance Fund for loans to political subdivisions. The Debt Service requirements, including interest of $118,623,713.14, are as follows:

Notes Payable Debt Service Requirements (Principal and Interest)	Business-Type Activities
2004	$22,955,231.84
2005	23,182,477.61
2006	23,234,612.48
2007	23,599,867.15
2008	24,133,820.60
2009-2013	106,147,318.56
2014-2018	65,686,946.14
2019-2023	36,880,311.82
2024-2028	8,674,951.91
2029-2033	1,341,396.83
2034-2038	1,330,364.25
2039-2043	1,065,043.95
Total Requirements	**$338,232,343.14**

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 Schedule 4 – Schedule of Modified to Full Accrual Adjustments – Governmental Funds – Balance Sheet/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, 2003.

Assets Under Capital Leases	Governmental Activities	Business-Type Activities
Vehicles	$499,362.69	
Less: Accumulated Depreciation	119,638.87	
Total	$379,723.82	

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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:

Future Minimum Lease Payments	Governmental Activities		Business- Type Activities	
	Principal	Interest	Principal	Interest
2004	$91,137.80	$12,802.31		
2005	94,783,31	8,701.11		
2006	98,574.65	4,435.86		
Total Minimum Lease Payments	310,435.04			
Less: Amount Representing Interest	25,939.28			
Present Value of Net Minimum Lease Payments (Schedule 4)	$284,495.76			

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
2004	$333,753.00
2005	333,753.00
2006	283,535.21
2007	238,423.52
2008	233,723.52
2009-2013	42,848.89
Total Future Minimum Lease Payments	$1,466,037.14

NOTE 7: Interfund Balances / Activities

As explained in Note 1 on Interfund Activities and Balances there 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, 2003, follows:

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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	$43,872,500.00		Match Bonds
Appd Fund 9999, D23 Fund 0951	175,000.00		Match Bonds
Appd Fund 0371, D23 Fund 0371			
Appd Fund 0301, D23 Fund 3010	9,507,001.56		Interfund Loans
Appd Fund 9999, D23 Fund 0651	110,624,130.00		Match Bonds
Appd Fund 9999, D23 Fund 0951	44,980,000.00		Match Bonds
Appd Fund 0301, D23 Fund 3010			
Appd Fund 0371, D23 Fund 0371		9,507,001.56	Interfund Loans
Appd Fund 9999, D23 Fund 0651			
Appd Fund 0351, D23 Fund 3511		43,872,500.00	Match Bonds
Appd Fund 0371, D23 Fund 0371		110,624,130.00	Match Bonds
Appd Fund 9999, D23 Fund 0951			
Appd Fund 0351, D23 Fund 3511		175,000.00	Match Bonds
Appd Fund 0371, D23 Fund 0371		44,980,000.00	Match Bonds
Total Interfund Receivable/Payable	**$209,158,631.56**	**$209,158,631.56**	

Legislative Transfers		
	Legislative TRANSFERS IN	**Legislative TRANSFERS OUT**
GENERAL REVENUE (01)		
Appd Fund 0001, D23 Fund 0001		
Agency 497, D23 Fund 0001	$56,452.74	
Appd Fund 0372, D23 Fund 0343		
Appd Fund 0001, D23 Fund 0001		
Appd Fund 0357, D23 Fund 0357		$10,951,853.09
Appd Fund 0359, D23 Fund 1359		2,643,406.04
Appd Fund 0372, D23 Fund 0343		5,298,118.74
Appd Fund 0001, D23 Fund 1000		
Agency 902, D23 Fund 0001		23,609.85
Total Legislative Transfers	**$56,452.74**	**$18,916,987.72**

NOTE 8: Contingent Liabilities

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 around January following the close of each fiscal year. The final determination of rebate requirements was $2,440,169.91, as established in January 2003 for FY 2002. For fiscal year 2003, a preliminary determination of rebatable arbitrage totaling $530,868.72 was provided to the Board on October 31, 2003. Any necessary increase in deposit will be deposited after the final determination is received.

Outstanding Loan and Grant Commitments

At August 31, 2003, the Board had made commitments to provide political subdivisions and not-for-profit entities financing from the proceeds remaining from current bond issues, from the proceeds of future bond issues, from the federal draw downs, or from appropriations, as follows:

Program	For Loans	For Grants	Total
Rural Water Assistance Fund	7,688,000.00	-	7,688,000.00
Water Development Fund I	175,000.00	-	175,000.00
Water Development Fund II	86,277,000.00	-	86,277,000.00
State Participation Fund	15,260,000.00	-	15,260,000.00
Water Development Fund (EDAP)	2,448,000.00	40,668,340.54	43,116,340.54
Colonia Plumbing Loan Program (CPLP)	1,680,526.05	145,300.00	1,825,826.05
Colonia Wastewater Treatment Program	-	179,191,956.49	179,191,956.49
Water Loan Assistance Fund	2,000,000.00	2,046,213.74	4,046,213.74
Groundwater District Loan Assist Fund	135,000.00	-	135,000.00
Colonia Self-Help Program	-	225,868.00	225,868.00
Clean Water Pollution Control Revolving Fund (CWSRF)	389,900,000.00	663,262.00	390,563,262.00
Drinking Water State Revolving Fund (DWSRF)	194,955,000.00	17,530,084.48	212,485,084.48
Total Commitments	**$700,518,526.05**	**$240,471,025.25**	**$940,989,551.30**

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 $300,000. An adverse ruling is reasonably possible.

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Federal Costs

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, 2003.

NOTE 9: Continuance 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.

NOTE 10: 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 administrating 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 11: 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.

Segment disclosure is not required for segments that are also major individual enterprise funds due to information already provided in the basic financial statements. See Exhibits F-1, F-2, L-1 and L-2.

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NOTE 12: 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 35 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 Texas Constitution Article 3, Sections 49-c, 49-d, 49-d-1, 49-d-2, 49-d-6, 49-d-7, 49-d-8, 49-d-9, 50-d, 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 (five 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 in fiscal year 2002 under Rider 15 of the Appropriations Bill of the 77th Legislative Session. Grants totaling $16,000,000 were 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 11 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 nor 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 (TWRFA and 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 nor 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 the Development Fund I or Development Fund II. To date, the Authority has two revenue bond series outstanding.

UNAUDITED

Texas Water Development Board (580)

Description of Issue	Issued (In 1000's)	Purpose of Issue	Issue Date
General Obligation Bonds – DFund I			
W Dev Bds Ser '93-G	$15,000	Provide financial assistance for water supply purposes	12/1/1993
W Dev Bds Ser '93-I	20,000	Provide financial assistance for water quality enhancement purposes	12/1/1993
W Dev Bds Ser '94-A	35,000	Provide financial assistance for water supply purposes	12/1/1994
W Dev Bds Ser '94-B	20,000	Provide financial assistance for water quality enhancement purposes	12/1/1994
W Dev Bds Ser '95-A	40,000	Provide financial assistance for water supply purposes	5/1/1995
W Dev Bds Ser '96-A	20,000	Provide financial assistance for water supply purposes	4/1/1996
W Dev Bds Ser '96-B	15,000	Provide financial assistance for water quality enhancement purposes	4/1/1996
W Dev Bds Tax Ser '96-E	30,000	Provide financial assistance for water supply purposes	8/1/1996
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	1/1/1997
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	1/1/1997
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	8/1/1997
W Dev Bds Ser '98-A	42,180	Provide financial assistance for water assistance projects	5/28/1998
W Dev Bds Ser '99-A	74,735	Provide financial assistance for water projects and for transfers to any SRF administered by the Board	8/1/1999
W Dev & Ref Bds Ser '00	60,000	Refund, in advance of their maturities, certain outstanding TWDB bonds and provide financial assistance for water projects and for transfers to any SRF administered by the Board	5/1/2000
W Dev Bds Ser '00-A	75,000	Provide financial assistance for water assistance projects	12/1/2000
W Dev Ref Bds Ser '01-A	30,940	Prepay Board's obligation related to the Palmetto Bend Project	6/1/2001
W Dev Bds Ser '01-B	43,725	Provide financial assistance for water projects and for transfers to any SRF administered by the Board	6/1/2001
W Dev Bds Ser '02-A	25,000	Provide financial assistance to rural political subdivisions for water and water-related projects	3/1/2002
W Dev & Ref Bds Ser '02-B	98,500	Refund, in advance of their maturities, certain outstanding TWDB bonds and provide financial assistance for water assistance projects	4/1/2002
W Dev Bds Ser '02-E	18,035	Provide financial assistance for any water assistance projects	8/1/2002
W Dev Bds Ser '03-A	25,000	Provide financial assistance to rural political subdivisions for water and water-related projects	6/15/2003
W Dev & Ref Bds Tax Ser '03-B	50,915	Refund, in advance of their maturities, certain outstanding TWDB bonds and provide financial assistance for water assistance projects	6/15/2003
W Dev & Ref Bds Ser '03-C	70,330	Refund, in advance of their maturities, certain outstanding TWDB bonds and provide financial assistance for water assistance projects	6/15/2003

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Texas Water Development Board (580)

Description of Issue	Issued (In 1000's)	Purpose of Issue	Issue Date
General Obligation Bonds – AG			
Ag Water Cons Bds Tax Ser '02	16,160	Provide funds to the Texas State Soil and Water Conservation Board for brush control cost share projects, and the Texas Department of Agriculture for salt cedar control	8/1/2002
General Obligation Bonds – EDAP			
W Dev Bds Ser '97-E	15,000	Provide financial assistance to the EDAP for water supply	8/1/1997
W Dev Bds Ser '97-F	10,000	Provide financial assistance to the EDAP for water supply	8/1/1997
W Dev Bds Ser '98-C	82,400	Refund, in advance of their maturities, certain outstanding TWDB 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	5/1/1998
W Dev Bds Ser '99-B	24,995	Provide financial assistance for EDAP projects	8/1/1999
W Dev Bds Ser '01-A	25,000	Provide financial assistance for EDAP projects	6/1/2001
W Dev Bds Ser '02-C	23,980	Provide financial assistance for EDAP projects	8/1/2002
General Obligation Bonds – State Participation			
W Dev Bds Ser '97-C	20,000	Provide financial assistance for state participation projects	1/1/1997
W Dev Bds Ser '99-C	50,000	Provide funding for state participation projects	8/1/1999
W Dev Bds Ser '01-C	49,840	Provide funding for state participation projects	6/1/2001
W Dev Bds Ser '02-D	20,000	Provide funding for state participation projects	8/1/2002
W Dev Bds Ser '03-D	1,870	Refund, in advance of their maturities, certain outstanding TWDB bonds	6/15/2003
TWDB Revenue Bonds			
W Dev SRF Rev Bds Ser '92	241,000	Provide financial assistance for water quality enhancement purposes	10/15/1992
W Dev SRF Rev Bds Ser '93	125,000	Provide financial assistance for water quality enhancement purposes	11/15/1993
W Dev SRF Rev Bds Ser '96-A	200,000	Provide financial assistance for water quality enhancement purposes	4/1/1996
W Dev SRF Rev Bds Ser '96-B	185,000	Provide financial assistance for water quality enhancement purposes	12/1/1996
W Dev SRF Rev Bds Ser '97-A	50,000	Provide financial assistance for water quality enhancement purposes	3/1/1997
W Dev SRF Rev Bds Ser '97-B	300,000	Provide financial assistance for water quality enhancement purposes	10/1/1997
W Dev SRF Rev Bds Ser '98-A	150,000	Provide financial assistance for water quality enhancement purposes	8/1/1998
W Dev SRF Rev Bds Ser '99-A	100,000	Provide financial assistance for water quality enhancement purposes	9/1/1999
W Dev SRF Rev Bds Ser '99-B	150,000	Provide financial assistance for water quality enhancement purposes	11/15/1999
W Dev SRF Rev Bds Ser '00-A	100,000	Provide financial assistance for water quality enhancement purposes	8/15/2000
W Dev SRF Rev Bds Ser '03	187,600	Refund, in advance of their maturities, certain outstanding TWDB revenue bonds	1/9/2003

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Description of Issue	Issued (In 1000's)	Purpose of Issue	Issue Date
TWRFA Revenue Bonds			
TWRFA Rev Ref Bds Tax Ser '99	83,015	Provide current refunding of TWRFA Series 1989 Revenue Bonds	5/1/1999
TWRFA Rev Ref Bds Ser '99	62,385	Provide current refunding of TWRFA Series 1989 Revenue Bonds	5/1/1999

Authorized but Unissued

In 1985, the voters authorized $200,000,000 for the Agricultural Water Conservation Program pursuant to Article 3, Section 50-d 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 the Texas Water Development Fund II pursuant to Article 3, 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 projects. Additionally, $26,523,431 of bond authorization, which had previously been used for a contingent liability for a federal contract relating to the 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, 2003, to $362,834,871.18.

Certain bonds issued in 1999, 2001, 2002, and 2003, were issued at a premium. The outstanding authorization is reduced by the amount of the premium.

In November 2001 Constitutional Amendment 19 was passed by the voters of Texas. It authorizes the Texas Water Development Board to issue up to $2 billion in additional general obligation bonds under Article 3, Section 49-d-9 of the Texas Constitution.

The combined remaining balance of all general obligation bond authorization as of August 31, 2003, totals $2,527,674,871.18.

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 Legislative session, gave the Board the authority 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 15 days prior to debt service payment dates with respect to Development Fund II.

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 has come from outside of the programs from excess cash flows determined to be available from the Texas Water Resources Finance Authority (TWRFA) and from General Revenue Draws. During the period of fiscal year 1991-1999, TWRFA provided transfers from excess cash flow for debt service in the amount of $18,876,254.28. Of that amount, $15,302,267.28 was transferred for EDAP, and $3,573,987 was transferred in fiscal year 1991 for the debt service of the Water Development Fund. The table below represents transfers from the state's General Revenue Fund for debt service:

Total General Revenue Draws

Year	DFund I	State Participation	EDAP	AG	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		6,541,917.34
2001		2,356,397.72	7,710,332.04		10,066,729.76
2002		4,364,318.38	8,943,712.18		13,308,030.56
2003		5,442,061.86	10,951,853.09	$2,643,406.04	19,037,320.99
Total	**$62,755,444.42**	**$13,722,227.55**	**$33,125,329.36**	**$2,643,406.04**	**$112,246,407.37**

Refunding Bonds

In fiscal year 2003, TWDB issued Series 2003B, 2003C, and 2003D General Obligation bonds. The major proceeds from the sale of the Series 2003B, 2003C and 2003D bonds were used for a current refunding of its series 1993A, 1993B, 1993D, 1998B and a portion of the series 1998A General Obligation bonds payable by Development Fund I and Development Fund II. The new refunding debt became an obligation of Development Fund II and State Participation. The refunding occurred within 90 days of the bond sale, thus the sale qualifies as a current refunding.

In addition, pursuant to the Board Resolution, Series 1997C and its underlying assets, consisting mostly of loans receivable, were transferred from Development Fund II to State Participation to help defray the cost of debt service for the State Participation's bond issues.

In consideration of the new debt being assumed by Development Fund II and State Participation, all remaining outstanding assets and loan balances originally funded by the Series 1993A, B, and D, and 1997C, were transferred to Development Fund II and State Participation. The assets (loans, cash, and accrued interest receivable) transferred to Development Fund II and to State Participation totaled, respectively, $26,508,971.46 and $41,602,995.12.

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For Development Fund, the difference between the cash flows required to service the refunding portion of the new debt of $89,230,000, and the old debt of $93,870,000, resulted in a $20 million decrease in debt service. The present value of this decrease, or the economic gain, is $16 million, which represents a savings of 17 percent. For State Participation, the difference between the cash flows required to service the refunding portion of the new debt of $1,870,000, and the old debt of $2,115,000, resulted in a $442,820 decrease in debt service. The present value of this decrease, or the economic gain, is $383,514, which represents an 18 percent savings.

In addition, in fiscal year 2003, TWDB issued its Series 2003 State Revolving Fund Subordinate Lien Revenue Bonds Variable Rate Refunding Bonds in the amount of $187,600,000. The bonds refunded a major portion of the State Revolving Fund Series 1992 and the Variable Rate Series 1992A Bonds. The difference between the cash flows required to service the refunding portion of the new debt of $187,600,000, and the old debt of $185,200,000, resulted in a $5.6 million decrease in debt service. The present value of the decrease in debt service, or the economic gain, is $14.6 million, which represents a savings of 8 percent.

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 1998A, Taxable Series 1998B, and EDAP Series, 1998C. 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 1994B and Taxable Series 1997 were defeased. Subsequent to its defeasance in 2002, Taxable Series 1994A was extinguished. Also in 2002, Series 1992A & 1992C bonds from Development Fund I were defeased and subsequently extinguished.

In 2003, Series 1993A, 1993B, 1993D, 1998A and 1998B from the Development Fund I and II were defeased and subsequently extinguished. The defeased bonds outstanding at August 31,2003, were $198,045,000. They are listed in Schedule 2-E.

NOTE 13: Subsequent Events

Senate Bill 1053 of the 78th Legislature, Regular Session abolished the Agricultural Trust Fund and the Agricultural Soil and Water Conservation Fund effective September 1, 2003, and directed that the assets of those funds be transferred to the Agricultural Water Conservation Fund. The consolidation of these agricultural funds will take place during Fiscal Year 2004.

NOTE 14: Related Parties

Not Applicable

Texas Water Development Board (580)

NOTE 15: Stewardship, Compliance and Accountability

Not Applicable

NOTE 16: The Financial Reporting Entity

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 17: Restatement of Fund Balances and Net Assets

Not Applicable

NOTE 18: Employees Retirement Plans

Not Applicable

NOTE 19: Deferred Compensation

Not Applicable

NOTE 20: Donor Restricted Endowments

Not Applicable

NOTE 21: Management Discussion and Analysis (Material Changes to AFR)

The following events occurred in fiscal year 2003 which impacted the AFR:

- The Board issued a total of $123,115,000 in general obligation bonds, which were used for a current refunding of bonds payable by Development Fund I and Development Fund II. The new refunding debt became an obligation of Development Fund II and State Participation. In addition, Series 1997-C and its underlying assets were transferred from Development Fund II (Business-Type) to State Participation (Governmental Activities) to help defray the cost of debt service for these non-self supporting bonds. See Note 12 for additional information on these issues.

- The Board issued $187,600,000 in State Revolving Fund Subordinate Lien Revenue Bonds Variable Rate Refunding Bonds. These bonds refunded a major portion of the State Revolving Fund Series 1992 and the Variable Rate Series 1992-A Bonds. See Note 12 for additional information on this issue.

- The Board issued $25,000,000 in general obligation bonds to be used to provide financial assistance for water, wastewater and flood control projects, specifically to provide financial assistance to rural political subdivisions. These bonds are Private Activity Bonds, and are used to provide lower rate loans for "taxable" entities such as water supply corporations.

Individual Funds Financial Statements

Texas Water Development Board (580)
Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds
August 31, 2003

	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		271,510.31	271,510.31
Legislative Appropriations	3,668,263.30		3,668,263.30
Receivables From:			
Federal	955,068.17		955,068.17
Accounts Receivable	227,275.83		227,275.83
Due From Other Funds	489,514.74	2,859.76	492,374.50
Total Current Assets	**5,353,622.04**	**274,370.07**	**5,627,992.11**
Total Assets	**$ 5,353,622.04**	**$ 274,370.07**	**$ 5,627,992.11**
LIABILITIES AND FUND BALANCES			
Liabilities:			
Current Liabilities:			
Payables From:			
Accounts Payable	$ 616,536.46		$ 616,536.46
Payroll Payable	1,546,247.29		1,546,247.29
Due To Other Agencies		250,530.55	250,530.55
Total Current Liabilities	**2,162,783.75**	**250,530.55**	**2,413,314.30**
Total Liabilities	**2,162,783.75**	**250,530.55**	**2,413,314.30**
FUND FINANCIAL STATEMENT-FUND BALANCES			
Fund Balances (Deficits):			
Reserved for:			
Encumbrances	1,912,568.01		1,912,568.01
Imprest	13,500.00		13,500.00
Undesignated	1,264,770.28	23,839.52	1,288,609.80
Total Fund Balances	**3,190,838.29**	**23,839.52**	**3,214,677.81**
Total Liabilities and Fund Balances	**$ 5,353,622.04**	**$ 274,370.07**	**$ 5,627,992.11**

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.

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, 2003

	General Revenue (0001)	Consolidated Account: Agricultural Soil and Water Conservation (0563) U/F (5634)	Total (Exhibit II)
REVENUES			
Legislative Appropriations:			
Original Appropriations	$ 40,036,320.00		$ 40,036,320.00
Additional Appropriations	(930,953.05)		(930,953.05)
Federal Revenue	4,245,974.33		4,245,974.33
Federal Grant Pass-Through Revenue	87,223.19		87,223.19
State Grant Pass-Through Revenue	48,407.71		48,407.71
License, Fees and Permits	96,408.00		96,408.00
Sales of Goods and Services	687,649.22		687,649.22
Other	568,623.12		568,623.12
Total Revenues	**44,839,652.52**	**-**	**44,839,652.52**
EXPENDITURES			
Salaries and Wages	10,806,285.94		10,806,285.94
Payroll Related Costs	3,215,072.80		3,215,072.80
Professional Fees and Services	516,823.04		516,823.04
Travel	200,995.07		200,995.07
Materials and Supplies	643,430.45		643,430.45
Communication and Utilities	202,435.66		202,435.66
Repairs and Maintenance	279,605.70		279,605.70
Rentals and Leases	414,648.92		414,648.92
Printing and Reproduction	89,922.86		89,922.86
Claims and Judgments	637.12		637.12
Intergovernmental Payments	805,954.93	76,330.50	882,285.43
Other Expenditures	738,828.74		738,828.74
Capital Outlay	2,375,826.15		2,375,826.15
Total Expenditures	**20,290,467.38**	**76,330.50**	**20,366,797.88**
Excess (Deficiency) of Revenues Over Expenditures	**24,549,185.14**	**(76,330.50)**	**24,472,854.64**
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	16,871.04		16,871.04
Transfers In	123,011.85	90,468.51	213,480.36
Transfers Out	(4,267,078.44)	(30,111.73)	(4,297,190.17)
Legislative Transfers In	56,452.74		56,452.74
Legislative Transfers Out	(18,916,987.72)		(18,916,987.72)
Total Other Financing Sources (Uses)	**(22,987,730.53)**	**60,356.78**	**(22,927,373.75)**
Net Change in Fund Balances	**1,561,454.61**	**(15,973.72)**	**1,545,480.89**
FUND FINANCIAL STATEMENT - FUND BALANCES			
Fund Balances - Beginning	4,233,842.25	39,813.24	4,273,655.49
Appropriations Lapsed	(2,604,458.57)		(2,604,458.57)
Fund Balances, August 31, 2003	**$ 3,190,838.29**	**$ 23,839.52**	**$ 3,214,677.81**

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.

Texas Water Development Board (580)
Exhibit B-1 - Combining Balance Sheet – Special Revenue Funds

August 31, 2003

	Economically Distressed Areas Clearance Fund (0356)	Groundwater District Loan Assistance Fund (0363) U/F (0363)	Texas Water Development Fund II Clearance Fund (0370) U/F (0340)	Texas Water Development Fund II (0371)
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	$ 125,825.21	$ 305,784.88	$ 240,662.58	$ 80,214,046.56
Short Term Investments				
Receivables From:				
Federal				
Interest and Dividends	105.34			639,314.71
Due From Other Funds				
Loans and Contracts		5,000.00		748,207.00
Total Current Assets	**125,930.55**	**310,784.88**	**240,662.58**	**81,601,568.27**
Non-Current Assets:				
Loans and Contracts		11,000.00		151,022,566.14
Investments				
Total Noncurrent Assets	**-**	**11,000.00**	**-**	**151,022,566.14**
Total Assets	**$ 125,930.55**	**$ 321,784.88**	**$ 240,662.58**	**$ 232,624,134.41**
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable				$ 1,626.25
Due To Other Funds				297,738.21
Due To Other Agencies				
Total Current Liabilities	**-**	**-**	**-**	**299,364.46**
Total Liabilities	**-**	**-**	**-**	**299,364.46**
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances (Deficits):				
Reserved for:				
Encumbrances				
Loans and Contracts		16,000.00		151,770,773.14
Unreserved Designated for:				
Other	125,930.55	305,784.88	240,662.58	80,553,996.81
Total Fund Balances	**125,930.55**	**321,784.88**	**240,662.58**	**232,324,769.95**
Total Liabilities and Fund Balances	**$ 125,930.55**	**$ 321,784.88**	**$ 240,662.58**	**$ 232,624,134.41**

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, 4076, 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.

Water Assistance Fund (0480)	Water Loan Assistance Fund (0481) U/F (0481)	Research and Planning Fund (0483)	Agriculture Trust Fund (0562)	Totals (Exhibit I)
$ 617,897.45		$ 18,920.00	$ 16,325,101.85	$ 97,848,238.53
24,516,880.00				24,516,880.00
56,748.12				56,748.12
			27,321.11	666,741.16
	2,369,045.00	11,336,054.24		13,705,099.24
	195,000.00		757,761.87	1,705,968.87
25,191,525.57	**2,564,045.00**	**11,354,974.24**	**17,110,184.83**	**138,499,675.92**
	13,194,900.00		2,351,814.68	166,580,280.82
			43,691.78	43,691.78
-	**13,194,900.00**	**-**	**2,395,506.46**	**166,623,972.60**
$ 25,191,525.57	**$ 15,758,945.00**	**$ 11,354,974.24**	**$ 19,505,691.29**	**$ 305,123,648.52**
$ 336,556.16	$ 17,831.00	$ 361,693.09	$ 1,099.36	$ 718,805.86
13,705,099.24			2,859.76	14,005,697.21
		34,256.92	8,579.28	42,836.20
14,041,655.40	**17,831.00**	**395,950.01**	**12,538.40**	**14,767,339.27**
14,041,655.40	**17,831.00**	**395,950.01**	**12,538.40**	**14,767,339.27**
675,112.10	2,351,214.00	10,959,024.23	7,429.79	13,992,780.12
	13,389,900.00		3,109,576.55	168,286,249.69
10,474,758.07			16,376,146.55	108,077,279.44
11,149,870.17	**15,741,114.00**	**10,959,024.23**	**19,493,152.89**	**290,356,309.25**
$ 25,191,525.57	**$ 15,758,945.00**	**$ 11,354,974.24**	**$ 19,505,691.29**	**$ 305,123,648.52**

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

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, 2003

	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	$ 19,147,392.72			
Federal Grant Pass-Through Revenue				
State Grant Pass-Through Revenue				
License, Fees and Permits				
Interest and Other Investment Income	13,251.30	18,880.70		
Net Increase (Decrease) in Fair Value				
Sales of Goods and Services				
Total Revenues	**19,160,644.02**	**18,880.70**	**-**	**-**
EXPENDITURES				
Salaries and Wages				
Payroll Related Costs				
Professional Fees and Services			36,578.50	
Travel			299.37	
Materials and Supplies				
Communication and Utilities				
Repairs and Maintenance				
Rentals and Leases				
Printing and Reproduction				
State Grant Pass-Through Expenditures				
Intergovernmental Payments	22,163,899.23			
Public Assistance Payments				
Other Expenditures			125.00	
Capital Outlay				
Total Expenditures	**22,163,899.23**	**-**	**37,002.87**	**-**
Excess (Deficiency) of Revenues Over Expenditures	**(3,003,255.21)**	**18,880.70**	**(37,002.87)**	**-**
OTHER FINANCING SOURCES (USES)				
Bond and Note Proceeds				
Increase in Obligations Under Capital Leases				
Transfers In	3,002,869.75	3,002,241.55		
Transfers Out		(3,008,477.22)	(16,520.16)	
Total Other Financing Sources (Uses)	**3,002,869.75**	**(6,235.67)**	**(16,520.16)**	**-**
Net Change in Fund Balances	**(385.46)**	**12,645.03**	**(53,523.03)**	**-**
FUND FINANCIAL STATEMENT - FUND BALANCES				
Fund Balances - Beginning	385.46	113,285.52	53,523.03	321,784.88
Fund Balances, August 31, 2003	**$ (0.00)**	**$ 125,930.55**	**$ -**	**$ 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, 4076, 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.

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)
		$ 104,914.59				$ 19,252,307.31
		57,333.55				57,333.55
		1,326,170.67				1,326,170.67
	170,615.78	50.00				170,665.78
	1,586,330.88	385,506.79	600.00		494,453.11	2,499,022.78
		(21,249.23)			(1,958.01)	(23,207.24)
		471,113.08				471,113.08
-	**1,756,946.66**	**2,323,839.45**	**600.00**	-	**492,495.10**	**23,753,405.93**
		89,673.64			116,992.92	206,666.56
		17,997.51			23,480.48	41,477.99
	63,645.55	1,649,787.08		1,895,639.96		3,645,651.09
	443.84	31,131.48			5,153.39	37,028.08
		46,771.21			19,906.97	66,678.18
		1,566.92			1,574.83	3,141.75
		5,901.59			331.51	6,233.10
		47,169.60			3,139.35	50,308.95
	150.08				1,507.34	1,657.42
				100,071.88		100,071.88
	5,471,103.08		1,830,566.58	3,860,549.83		33,326,118.72
		14,359.00				14,359.00
	466,114.85	17,440.72		46,243.38	2,665.23	532,589.18
		27,382.00				27,382.00
-	**6,001,457.40**	**1,949,180.75**	**1,830,566.58**	**5,902,505.05**	**174,752.02**	**38,059,363.90**
-	**(4,244,510.74)**	**374,658.70**	**(1,829,966.58)**	**(5,902,505.05)**	**317,743.08**	**(14,305,957.97)**
	22,121,465.75					22,121,465.75
						-
1,224,462.16	50,090,147.37	9,456,753.96	2,383,149.00	7,243,716.13		76,403,339.92
(1,270,840.46)	(27,396,181.40)	(14,340,502.03)	(288,931.76)	(16,356.52)	(250,836.45)	(46,588,646.00)
(46,378.30)	**44,815,431.72**	**(4,883,748.07)**	**2,094,217.24**	**7,227,359.61**	**(250,836.45)**	**51,936,159.67**
(46,378.30)	**40,570,920.98**	**(4,509,089.37)**	**264,250.66**	**1,324,854.56**	**66,906.63**	**37,630,201.70**
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
$ 240,662.58	**$ 232,324,769.95**	**$ 11,149,870.17**	**$ 15,741,114.00**	**$ 10,959,024.23**	**$ 19,493,152.89**	**$ 290,356,309.25**

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

Texas Water Development Board (580)
Exhibit C-1 - Combining Balance Sheet – Debt Service Funds

August 31, 2003

	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	503.90	503.90
Total Current Assets	**503.90**	**503.90**
Total Assets	**$ 503.90**	**$ 503.90**
LIABILITIES AND FUND BALANCES		
Liabilities:		
Current Liabilities:		
Payables From:		
Accounts Payable	-	-
Total Current Liabilities	**-**	**-**
Total Liabilities	**$ -**	**$ -**
FUND FINANCIAL STATEMENT-FUND BALANCES		
Fund Balances (Deficits):		
Reserved for:		
Debt Service	503.90	503.90
Total Fund Balances	**$ 503.90**	**$ 503.90**
Total Liabilities and Fund Balances	**$ 503.90**	**$ 503.90**

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

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

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, 2003

	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	-	-	-	-
EXPENDITURES				
Debt service:				
Principal	5,460,000.00	2,110,000.00		7,570,000.00
Interest	8,458,046.26	586,520.00	6,489,089.80	15,533,656.06
Total Expenditures	**13,918,046.26**	**2,696,520.00**	**6,489,089.80**	**23,103,656.06**
Excess (Deficiency) of Revenues Over Expenditures	**(13,918,046.26)**	**(2,696,520.00)**	**(6,489,089.80)**	**(23,103,656.06)**
OTHER FINANCING SOURCES (USES)				
Transfers In	13,850,574.57	2,662,306.33	6,431,028.86	22,943,909.76
Transfers Out	(3,382.15)	(2,380.13)	(599.23)	(6,361.51)
Total Other Financing Sources (Uses)	**13,847,192.42**	**2,659,926.20**	**6,430,429.63**	**22,937,548.25**
Net Change in Fund Balances/Net Assets	**(70,853.84)**	**(36,593.80)**	**(58,660.17)**	**(166,107.81)**
FUND FINANCIAL STATEMENT - FUND BALANCES				
Fund Balances - Beginning	70,853.84	36,593.80	59,164.07	166,611.71
Fund Balances, August 31, 2003	**$ 0.00**	**$ 0.00**	**$ 503.90**	**$ 503.90**

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

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

Texas Water Development Board (580)
Exhibit F-1 - Combining Statement of Net Assets - Enterprise Funds
August 31, 2003

	Rural Water Assistance Fund (0301) U/F (3010)	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 Clearance Fund (0366) U/F (3660)
ASSETS						
Current Assets:						
Cash and Cash Equivalents:						
Cash in State Treasury	3,151.49	15,940,895.16	4,253,024.65	30,834,613.62	4,403,930.74	1,689,467.44
Short Term Investments						
Receivables from:						
Federal						
Interest and Dividends	192,939.10	88,438.89	2,279,697.76		10,172.42	
Due From Other Funds			3,291,756.25			
Loans and Contracts	114,998.44		3,715,722.37		983,554.83	
Total Current Assets	**311,089.03**	**16,029,334.05**	**13,540,201.03**	**30,834,613.62**	**5,397,657.99**	**1,689,467.44**
Non-Current Assets:						
Loans and Contracts	9,507,001.56		121,197,463.75		1,415,838.54	
Interfund Receivables			44,047,500.00			
Other Non-Current Assets						
Total Non-Current Assets	**9,507,001.56**	**-**	**165,244,963.75**	**-**	**1,415,838.54**	**-**
Total Assets	**9,818,090.59**	**16,029,334.05**	**178,785,164.78**	**30,834,613.62**	**6,813,496.53**	**1,689,467.44**
LIABILITIES						
Current Liabilities:						
Payables from:						
Accounts Payable						
Other				823,838.29		
Due to Other Funds	114,998.44	1,756.25	1,756.25			
Due to Other Agencies						
Deferred Revenue						
Revenue Bonds Payable						
General Obligation Bonds Payable				6,165,000.00		
Total Current Liabilities	**114,998.44**	**1,756.25**	**1,756.25**	**6,988,838.29**	**-**	**-**
Non-Current Liabilities:						
Interfund Payables	9,507,001.56					
Revenue Bonds Payable						
General Obligation Bonds Payable			154,250,000.00			
Total Non-Current Liabilities	**9,507,001.56**	**-**	**154,250,000.00**	**-**	**-**	**-**
Total Liabilities	**9,622,000.00**	**1,756.25**	**154,251,756.25**	**6,988,838.29**	**-**	**-**
NET ASSETS						
Restricted for:						
Debt Retirement				23,845,775.33		
Unrestricted	196,090.59	16,027,577.80	24,533,408.53		6,813,496.53	1,689,467.44
Total Net Assets	**$ 196,090.59**	**$ 16,027,577.80**	**$ 24,533,408.53**	**$ 23,845,775.33**	**$ 6,813,496.53**	**$ 1,689,467.44**

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

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

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 III)
17,863,857.92	131,453,983.64	14,674.65				206,457,599.31
			610,067,617.68	3,383.65	71,253,864.16	681,324,865.49
					3,993,313.57	3,993,313.57
393,070.78	7,899,187.53		26,268,265.68	8,916.10	820,668.40	37,961,356.66
1,756.25	7,161,754.69	28,918,987.94	466,867.29			39,841,122.42
	10,350,000.00		69,742,000.00	-	6,247,000.00	91,153,275.64
18,258,684.95	**156,864,925.86**	**28,933,662.59**	**706,544,750.65**	**12,299.75**	**82,314,846.13**	**1,060,731,533.09**
	447,019,000.00		2,144,341,765.65	1,301,233.95	91,130,000.00	2,815,912,303.45
	165,111,131.56					209,158,631.56
	636,062.17					636,062.17
-	**612,766,193.73**	**-**	**2,144,341,765.65**	**1,301,233.95**	**91,130,000.00**	**3,025,706,997.18**
18,258,684.95	**769,631,119.59**	**28,933,662.59**	**2,850,886,516.30**	**1,313,533.70**	**173,444,846.13**	**4,086,438,530.27**
	105,440.56					105,440.56
		3,558,662.59	8,639,324.70			13,021,825.58
	29,089,873.27		9,533,908.27		1,257,661.04	39,999,953.52
					3,993,313.57	3,993,313.57
			24,530,324.95		4,139,939.54	28,670,264.49
			37,250,000.00			37,250,000.00
		25,375,000.00				31,540,000.00
-	**29,195,313.83**	**28,933,662.59**	**79,953,557.92**	**-**	**9,390,914.15**	**154,580,797.72**
			154,496,630.00		45,155,000.00	209,158,631.56
			1,384,850,000.00			1,384,850,000.00
	695,555,000.00					849,805,000.00
-	**695,555,000.00**	**-**	**1,539,346,630.00**	**-**	**45,155,000.00**	**2,443,813,631.56**
-	**724,750,313.83**	**28,933,662.59**	**1,619,300,187.92**	**-**	**54,545,914.15**	**2,598,394,429.28**
						23,845,775.33
18,258,684.95	44,880,805.76		1,231,586,328.38	1,313,533.70	118,898,931.98	1,464,198,325.66
$ 18,258,684.95	**$ 44,880,805.76**	**$ -**	**$ 1,231,586,328.38**	**$ 1,313,533.70**	**$ 118,898,931.98**	**$ 1,488,044,100.99**

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

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, 2003

	Rural Water Assistance Fund (0301) U/F (3010)	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 Clearance Fund (0366) U/F (3660)
OPERATING REVENUES:						
Interest and Investment Income	241,723.44	1,098,781.58	14,338,129.57		202,958.10	
Net Increase (Decrease) Fair Market Value						
Other Operating Revenue						
Total Operating Revenues	**241,723.44**	**1,098,781.58**	**14,338,129.57**	**-**	**202,958.10**	**-**
OPERATING EXPENSES:						
Salaries and Wages						
Payroll Related Costs						
Professional Fees and Services						
Travel						
Materials and Supplies						
Communication and Utilities						
Repairs and Maintenance						
Rentals and Leases						
Printing and Reproduction						
Bad Debt Expense					15,919.25	
Interest	45,632.85			12,751,566.95		1.05
Other Operating Expenses					2,742.00	800.00
Total Operating Expenses	**45,632.85**	**-**	**-**	**12,751,566.95**	**18,661.25**	**801.05**
Operating Income (Loss)	**196,090.59**	**1,098,781.58**	**14,338,129.57**	**(12,751,566.95)**	**184,296.85**	**(801.05)**
NONOPERATING REVENUE (EXPENSES):						
Federal Revenue (PR - Grants/Contributions)						
Federal Grant Pass-Through Revenue (Expense)						
Other Nonoperating Revenue (Expenses)			-			
Total Nonoperating Revenue (Expenses)	**-**	**-**	**-**	**-**	**-**	**-**
Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	**196,090.59**	**1,098,781.58**	**14,338,129.57**	**(12,751,566.95)**	**184,296.85**	**(801.05)**
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:						
Transfers In	93,424.98	18,339,312.40	62,548,188.06	10,545,442.99		1,690,268.49
Transfers Out	(93,424.98)	(3,531,897.36)	(100,747,249.46)	(7,355,969.18)	(1,690,268.49)	
Total Other Revenue, Expenses, Gain/Losses and Transfers	**-**	**14,807,415.04**	**(38,199,061.40)**	**3,189,473.81**	**(1,690,268.49)**	**1,690,268.49**
Change in Net Assets	**196,090.59**	**15,906,196.62**	**(23,860,931.83)**	**(9,562,093.14)**	**(1,505,971.64)**	**1,689,467.44**
Total Net Assets - Beginning	-	121,381.18	48,394,340.36	33,407,868.47	8,319,468.17	-
Total Net Assets, August 31, 2003	**$ 196,090.59**	**$ 16,027,577.80**	**$ 24,533,408.53**	**$ 23,845,775.33**	**$ 6,813,496.53**	**$ 1,689,467.44**

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

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

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)
5,103,407.72	39,360,026.88		103,665,292.08	12,714.17	2,808,553.38	166,831,586.92
			(186,781.09)			(186,781.09)
			2,688,967.02		313,100.11	3,002,067.13
5,103,407.72	**39,360,026.88**	**-**	**106,167,478.01**	**12,714.17**	**3,121,653.49**	**169,646,872.96**
			3,786,288.44		675,108.09	4,461,396.53
			572,651.16		102,105.65	674,756.81
	294,957.86		842,022.89		19,623.70	1,156,604.45
	2,863.43		22,437.98		11,391.33	36,692.74
			76,676.62		18,284.29	94,960.91
			27,982.01		10,527.48	38,509.49
			40,415.59		15,459.76	55,875.35
			27,489.65		206.32	27,695.97
	12,666.92		2,148.89		100.43	14,916.24
						15,919.25
3.29	16.09	36,193,141.96	83,105,417.18		1,779,894.17	133,875,673.54
108,294.28	1,429,180.91		3,610,845.99		96,818.00	5,248,681.18
108,297.57	**1,739,685.21**	**36,193,141.96**	**92,114,376.40**	**-**	**2,729,519.22**	**145,701,682.46**
4,995,110.15	**37,620,341.67**	**(36,193,141.96)**	**14,053,101.61**	**12,714.17**	**392,134.27**	**23,945,190.50**
			59,868,763.00	109,663.70	38,964,731.57	98,943,158.27
					(5,371,396.57)	(5,371,396.57)
			(906,181.00)		(1,530,510.56)	(2,436,691.56)
-	**-**	**-**	**58,962,582.00**	**109,663.70**	**32,062,824.44**	**91,135,070.14**
4,995,110.15	**37,620,341.67**	**(36,193,141.96)**	**73,015,683.61**	**122,377.87**	**32,454,958.71**	**115,080,260.64**
46,127,560.25	26,901,679.14	36,271,016.89			4,098,104.00	206,614,997.20
(58,112,919.40)	(52,368,579.70)	(77,874.93)				(223,978,183.50)
(11,985,359.15)	**(25,466,900.56)**	**36,193,141.96**	**-**	**-**	**4,098,104.00**	**(17,363,186.30)**
(6,990,249.00)	**12,153,441.11**	**-**	**73,015,683.61**	**122,377.87**	**36,553,062.71**	**97,717,074.34**
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
$ 18,258,684.95	**$ 44,880,805.76**	**$ -**	**$ 1,231,586,328.38**	**$ 1,313,533.70**	**$ 118,898,931.98**	**$ 1,488,044,100.99**

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
For the Fiscal Year Ended August 31, 2003

	Rural Water Assistance Fund (0301) U/F (3010)	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)
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to Suppliers for Goods and Services	$ -	$ -	$ -	$ -	$ (2,742.00)
Payments to Employees for Salaries					
Payments to Employees for Benefits					
Payments to Employees for Other					
Payments for Other Expenses					
Net Cash Provided by Operating Activities	-	-	-	-	(2,742.00)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Proceeds from Debt Issuance					
Proceeds from Federal Grants					
Proceeds from State Appropriations					
Proceeds of Transfers from Other Funds	9,623,079.64	18,341,068.65	8,258,188.06	9,354,473.81	
Proceeds from Advances from Other Funds					
Payments of Principal on Debt Issuance				(7,355,000.00)	
Payments of Interest				(13,012,067.64)	
Payments of Other Costs of Debt Issuance					
Payments for Transfers to Other Funds		(3,531,897.36)	(35,458,177.13)		(1,690,268.49)
Payments for Grant Disbursements			(203,862.00)		
Payment for Federal Grant Pass-Through					
Payments for Advances to Other Funds					
Repayments of Advances from Other Funds					
Payments for Other Uses					
Net Cash Provided by Noncapital Financing Activities	**9,623,079.64**	**14,809,171.29**	**(27,403,851.07)**	**(11,012,593.83)**	**(1,690,268.49)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from Sales of Investments					
Proceeds from Interest Income	2,071.85	874,562.07			123,298.61
Proceeds from Investment Income		257,161.80	14,184,026.40		166,853.15
Proceeds from Principal Payments on Loans			11,474,417.92		2,374,888.24
Payments for Loans Provided	(9,622,000.00)		(3,710,000.00)		(750,000.00)
Payments to Acquire Investments					
Net Cash Provided by Investing Activities	**(9,619,928.15)**	**1,131,723.87**	**21,948,444.32**	**-**	**1,915,040.00**
Net (Decrease) in Cash and Cash Equivalents	3,151.49	15,940,895.16	(5,455,406.75)	(11,012,593.83)	222,029.51
Cash and Cash Equivalents--September 1, 2002	-	-	9,708,431.40	41,847,207.45	4,181,901.23
Cash and Cash Equivalents--August 31, 2003	**$ 3,151.49**	**$ 15,940,895.16**	**$ 4,253,024.65**	**$ 30,834,613.62**	**$ 4,403,930.74**

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

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

Agricultural Water Conservation Clearance Fund (0366) U/F (3660)	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)
$ (800.00)	$ (112,200.24)	$ (222,687.50)	$ -	$ (1,649,374.07)	$ -	$ (131,389.18)	$ (2,119,192.99)
				(3,471,587.42)		(637,842.44)	(4,109,429.86)
				(525,054.71)		(96,469.47)	(621,524.18)
		(2,863.43)		(21,374.85)		(11,262.92)	(35,501.20)
(1.05)		(16.09)					(17.14)
(801.05)	**(112,200.24)**	**(225,567.02)**	**-**	**(5,667,391.05)**	**-**	**(876,964.01)**	**(6,885,665.37)**
		58,446,626.40		548,336.38			58,994,962.78
				59,868,763.00	109,663.70	34,971,418.00	94,949,844.70
						4,098,104.00	4,098,104.00
1,690,268.49	46,171,436.85	3,029,908.94	56,335,554.10				152,803,978.54
						20,000,000.00	20,000,000.00
			(21,140,000.00)	(73,325,000.00)			(101,820,000.00)
			(35,244,461.59)	(84,601,413.11)		(1,779,894.17)	(134,637,836.51)
				(1,875,000.00)			(1,875,000.00)
	(58,158,552.25)	(55,794,516.49)					(154,633,411.72)
				(906,181.00)		(1,530,510.56)	(2,640,553.56)
						(1,378,083.00)	(1,378,083.00)
		(20,000,000.00)					(20,000,000.00)
				(8,600,000.00)		(675,000.00)	(9,275,000.00)
		(486,767.39)		(521,050.51)			(1,007,817.90)
1,690,268.49	**(11,987,115.40)**	**(14,804,748.54)**	**(48,907.49)**	**(109,411,545.24)**	**109,663.70**	**53,706,034.27**	**(96,420,812.67)**
				143,468,346.39			143,468,346.39
	5,257,942.70			7,299,055.03	56.01	802,014.30	14,359,000.57
		32,030,049.50		98,919,860.40	11,312.27	1,794,229.62	147,363,493.14
		20,840,834.14		230,828,000.00		3,962,000.00	269,480,140.30
		(53,865,000.00)		(85,959,744.00)	(120,912.36)	(38,625,370.00)	(192,653,026.36)
				(279,476,581.53)	(119.62)	(20,761,944.18)	(300,238,645.33)
-	**5,257,942.70**	**(994,116.36)**	**-**	**115,078,936.29**	**(109,663.70)**	**(52,829,070.26)**	**81,779,308.71**
1,689,467.44	(6,841,372.94)	(16,024,431.92)	(48,907.49)	-	-	-	(21,527,169.33)
-	24,705,230.86	147,478,415.56	63,582.14	-	-	-	227,984,768.64
$ 1,689,467.44	**$ 17,863,857.92**	**$ 131,453,983.64**	**$ 14,674.65**	**$ -**	**$ -**	**$ -**	**$ 206,457,599.31**

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, 2003

	Rural Water Assistance Fund (0301) U/F (3010)	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)
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income (Loss)	$ 196,090.59	$ 1,098,781.58	$ 14,338,129.57	$ (12,751,566.95)	$ 184,296.85
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Bad Debt Expense	-	-	-	-	15,919.25
Operating Income and Cash Flow Categories:					
Classification Differences	(196,090.59)	(1,098,781.58)	(14,338,129.57)	12,751,566.95	(202,958.10)
Changes in Assets and Liabilities:					
Increase (Decrease) in Payables					
Increase (Decrease) in Due to Other Funds					
Total Adjustments	**(196,090.59)**	**(1,098,781.58)**	**(14,338,129.57)**	**12,751,566.95**	**(187,038.85)**
Net Cash Provided by Operating Activities	**$ -**	**$ -**	**$ -**	**$ -**	**$ (2,742.00)**

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

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

Agricultural Water Conservation Clearance Fund (0366) U/F (3660)	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)
$ (801.05)	$ 4,995,110.15	$ 37,620,341.67	$ (36,193,141.96)	$ 14,053,101.61	$ 12,714.17	$ 392,134.27	$ 23,945,190.50
-	-	-	-	-	-	-	15,919.25
	(5,103,407.72)	(37,943,843.99)	36,193,141.96	(19,721,961.61)	(12,714.17)	(1,341,759.32)	(31,014,937.74)
	(3,902.67)	97,935.30					94,032.63
				1,468.95		72,661.04	74,129.99
-	**(5,107,310.39)**	**(37,845,908.69)**	**36,193,141.96**	**(19,720,492.66)**	**(12,714.17)**	**(1,269,098.28)**	**(30,830,855.87)**
$ (801.05)	**$ (112,200.24)**	**$ (225,567.02)**	**$ -**	**$ (5,667,391.05)**	**$ -**	**$ (876,964.01)**	**$ (6,885,665.37)**
				7,655.44			$ 7,655.44

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

Texas Water Development Board (580)
Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds
August 31, 2003

	Beginning Balance September 1, 2002	Additions	Deductions	Ending Balance August 31, 2003
UNAPPROPRIATED RECEIPTS				
U.S. Savings Bond Account (0901) U/F (0901)				
ASSETS				
Current				
Cash in State Treasury	$ 1,412.50	$ 8,287.50	$ 7,987.50	$ 1,712.50
Total Assets	**$ 1,412.50**	**$ 8,287.50**	**$ 7,987.50**	**$ 1,712.50**
LIABILITIES				
Current				
Payables		$ 6,575.00	$ 6,575.00	$ -
Funds Held for Others	1,412.50	8,287.50	7,987.50	1,712.50
Total Liabilities	**$ 1,412.50**	**$ 14,862.50**	**$ 14,562.50**	**$ 1,712.50**
Totals - All Agency Funds				
ASSETS				
Current				
Cash in State Treasury	$ 1,412.50	$ 8,287.50	$ 7,987.50	$ 1,712.50
Total Assets	**$ 1,412.50**	**$ 8,287.50**	**$ 7,987.50**	**$ 1,712.50**
LIABILITIES				
Current				
Payables	$ -	$ 6,575.00	$ 6,575.00	$ -
Funds Held for Others	1,412.50	8,287.50	7,987.50	1,712.50
Total Liabilities	**$ 1,412.50**	**$ 14,862.50**	**$ 14,562.50**	**$ 1,712.50**

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, 2003

	Texas Water Resources Finance Authority (TWRFA) (9999) U/F (0751)	Totals (Exhibit III)
ASSETS		
Current Assets:		
Short Term Investments	23,067,391.89	23,067,391.89
Receivables from:		
Interest and Dividends	2,189,189.38	2,189,189.38
Loans and Contracts	9,547,000.00	9,547,000.00
Total Current Assets	**34,803,581.27**	**34,803,581.27**
Non-Current Assets:		
Loans and Contracts	55,164,013.00	55,164,013.00
Investments	27,564,700.00	27,564,700.00
Total Non-Current Assets	**82,728,713.00**	**82,728,713.00**
Total Assets	**117,532,294.27**	**117,532,294.27**
LIABILITIES		
Current Liabilities:		
Payables from:		
Other	140,909.55	140,909.55
Due to Other Funds	32,945.43	32,945.43
Revenue Bonds Payable	11,075,000.00	11,075,000.00
Total Current Liabilities	**11,248,854.98**	**11,248,854.98**
Non-Current Liabilities:		
Revenue Bonds Payable	40,179,446.32	40,179,446.32
Total Non-Current Liabilities	**40,179,446.32**	**40,179,446.32**
Total Liabilities	**51,428,301.30**	**51,428,301.30**
NET ASSETS		
Unrestricted	66,103,992.97	66,103,992.97
Total Net Assets	**$ 66,103,992.97**	**$ 66,103,992.97**

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

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

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, 2003

	Texas Water Resources Finance Authority (TWRFA) (9999) U/F (0751)	Totals (Exhibit IV)
OPERATING REVENUES:		
Interest and Investment Income	7,971,646.24	7,971,646.24
Net Increase (Decrease) Fair Market Value	(1,276.67)	(1,276.67)
Total Operating Revenues	**7,970,369.57**	**7,970,369.57**
OPERATING EXPENSES:		
Salaries and Wages	285,726.39	285,726.39
Payroll Related Costs	43,321.46	43,321.46
Professional Fees and Services	6,772.99	6,772.99
Travel	1,957.91	1,957.91
Materials and Supplies	4,600.26	4,600.26
Communication and Utilities	2,925.67	2,925.67
Repairs and Maintenance	482.87	482.87
Rentals and Leases	3,972.73	3,972.73
Printing and Reproduction	29.60	29.60
Interest	5,391,384.85	5,391,384.85
Other Operating Expenses	215,918.72	215,918.72
Total Operating Expenses	**5,957,093.45**	**5,957,093.45**
Operating Income (Loss)	**2,013,276.12**	**2,013,276.12**
Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	**2,013,276.12**	**2,013,276.12**
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:		
Transfers Out	(8,170,000.00)	(8,170,000.00)
Total Other Revenue, Expenses, Gain/Losses and Transfers	**(8,170,000.00)**	**(8,170,000.00)**
Change in Net Assets	**(6,156,723.88)**	**(6,156,723.88)**
Total Net Assets - Beginning	72,260,716.85	72,260,716.85
Total Net Assets, August 31, 2003	**$ 66,103,992.97**	**$ 66,103,992.97**

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

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

Texas Water Development Board (580)
Exhibit L-3 - Combining Statement of Cash Flows - Discretely Presented Component Units
For the Fiscal Year Ended August 31, 2003

	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	$ (41,293.90)	$ (41,293.90)
Payments to Employees for Salaries	(259,967.31)	(259,967.31)
Payments to Employees for Benefits	(39,425.57)	(39,425.57)
Payments to Employees for Other	(1,745.39)	(1,745.39)
Net Cash Provided by Operating Activities	**(342,432.17)**	**(342,432.17)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Payments of Principal on Debt Issuance	(15,360,000.00)	(15,360,000.00)
Payments of Interest	(3,863,744.85)	(3,863,744.85)
Payments for Transfers to Other Funds	(8,360,331.00)	(8,360,331.00)
Net Cash Provided by Noncapital Financing Activities	**(27,584,075.85)**	**(27,584,075.85)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	9,795,525.94	9,795,525.94
Proceeds from Interest Income	352,337.68	352,337.68
Proceeds from Investment Income	6,729,756.14	6,729,756.14
Proceeds from Principal Payments on Loans	12,102,000.00	12,102,000.00
Payments to Acquire Investments	(1,053,111.74)	(1,053,111.74)
Net Cash Provided by Investing Activities	**27,926,508.02**	**27,926,508.02**
Net (Decrease) in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents--September 1, 2002	-	-
Cash and Cash Equivalents--August 31, 2003	**$ -**	**$ -**

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

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

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, 2003

	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)	$ 2,013,276.12	$ 2,013,276.12
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Operating Income and Cash Flow Categories:		
Classification Differences	(2,388,653.72)	(2,388,653.72)
Changes in Assets and Liabilities:		
Increase (Decrease) in Due to Other Funds	32,945.43	32,945.43
Total Adjustments	**(2,355,708.29)**	**(2,355,708.29)**
Net Cash Provided by Operating Activities	**$ (342,432.17)**	**$ (342,432.17)**

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

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

Required Supplemental Information (Schedules)

Texas Water Development Board (580)
Schedule 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2003

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	134,133.38	
Total U.S. Department of Commerce				134,133.38	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				
Total U.S. Department of Interior				0.00	0.00
U.S. Environmental Protection Agency					
Direct Programs:					
Capitalization Grants for Clean Water State Revolving Funds	66.458				
Capitalization Grants for Drinking Water State Revolving Funds	66.468				
Gulf of Mexico Program	66.475				
Surveys, Studies, Investigations and Special Purpose Grants	66.606				
Colonia Wastewater Treatment Assistance Funds	66.000	C480001-04,06,07			
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				
Pass-Through From Programs:					
Public Assistance Grants	83.544		405	10,423.36	
Total Federal Emergency Management Agency				10,423.36	0.00
TOTAL FEDERAL FINANCIAL ASSISTANCE				**144,556.74**	**0.00**

Direct Program Amount	Total PT From & Direct Program	Pass-Through To Agy./ Univ. #	State Agy. or Univ. Amount	Non-State Entities Amount	Expenditures Amount	Total PT To & Expenditures
	134,133.38				134,133.38	134,133.38
0.00	134,133.38		0.00	0.00	134,133.38	134,133.38
5,019.66	5,019.66				5,019.66	5,019.66
772,016.61	772,016.61				772,016.61	772,016.61
777,036.27	777,036.27		0.00	0.00	777,036.27	777,036.27
58,962,582.00	58,962,582.00			5,230,236.00	53,732,346.00	58,962,582.00
40,751,319.58	40,751,319.58	582	5,371,396.57	33,593,335.00	1,786,588.01	40,751,319.58
43,670.52	43,670.52				43,670.52	43,670.52
9,428.98	9,428.98				9,428.98	9,428.98
20,301,213.80	20,301,213.80			19,147,392.72	1,153,821.08	20,301,213.80
906,181.00	906,181.00			906,181.00		906,181.00
109,663.70	109,663.70			109,663.70		109,663.70
121,084,059.58	121,084,059.58		5,371,396.57	58,986,808.42	56,725,854.59	121,084,059.58
580,344.06	580,344.06			529,665.31	50,678.75	580,344.06
	10,423.36				10,423.36	10,423.36
580,344.06	590,767.42		0.00	529,665.31	61,102.11	590,767.42
122,441,439.91	**122,585,996.65**		**5,371,396.57**	**59,516,473.73**	**57,698,126.35**	**122,585,996.65**

Texas Water Development Board (580)
Schedule 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2003

Note 2 - Reconciliation

Federal Revenue (Exhibit II)	$ 23,498,281.64
Federal Grant Pass-Through Revenue (Exhibit II)	144,556.74
Federal Revenue-Non-Operating (Exhibit IV)	98,943,158.27
Total Pass-Through and Expenditures per Federal Schedule	**$ 122,585,996.65**

Texas Water Development Board (580)
Schedule 1B - Schedule of State Grant Pass-Throughs From/To State Agencies
For the Fiscal Year Ended August 31, 2003

Pass-Through From:

State Energy Conservation Office (Agency 907)		
Energy Conservation	$	1,374,578.38
Total Pass-Through From Other Agencies (Exhibit II)	**$**	**1,374,578.38**

Pass-Through To:

Texas Agricultural Experiment Station (Agency 556)		
Water Systems Efficiency - Research and Planning	$	39,328.42
Texas A&M University (Main University) (Agency 711)		
Water Systems Efficiency - Research and Planning		1,165.72
Texas A&M University at Galveston (Agency 718)		
Water Systems Efficiency - Research and Planning		56,005.14
Southwest State Texas University (Agency 754)		
Water Systems Efficiency - Research and Planning		3,572.60
Total Pass-Through To Other Agencies (Exhibit II)	**$**	**100,071.88**

Texas Water Development Board (580)
Schedule 2A - Miscellaneous Bond Information
For the Fiscal Year Ended August 31, 2003
(Amounts in Thousands)

Description of Issue	Bonds Issued To Date	Range of Interest Rates		Scheduled Maturities First Year	Scheduled Maturities Last Year	First Call Date
Governmental Activities						
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	181,375					
STATE PARTICIPATION PROGRAM						
W Dev Bds Ser '97-C***	20,000	5.200%	5.500%	2011	2028	08/01/2007
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%	5.125%	2022	2036	08/01/2012
W Dev Ref Bds Ser '03-D	1,870	5.000%	5.000%	2005	2015	08/01/2013
Subtotal State Participation Program	141,710					
AGRICULTURAL WATER CONSERVATION						
Agri Water Cons Bds Tax Ser '02	16,160	2.000%	4.700%	2003	2009	N/A
Subtotal Agricultural Water Conservation	16,160					
SUBTOTAL GOVERNMENTAL ACTIVITIES:	339,245					
Business-Type Activities						
General Obligation Bonds - Self-Supporting						
DFUND I						
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	2017	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
Subtotal Development Fund I	235,000					
DFUND II						
W Dev Bds Ser '97-A	50,000	4.800%	5.500%	2000	2028	08/01/2007
W Dev Bds Ser '97-B	20,000	4.800%	5.500%	2000	2028	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

Texas Water Development Board (580)
Schedule 2A - Miscellaneous Bond Information
For the Fiscal Year Ended August 31, 2003
(Amounts in Thousands)

Description of Issue	Bonds Issued To Date	Range of Interest Rates		Scheduled Maturities First Year	Scheduled Maturities Last Year	First Call Date
Business-Type Activities (continued)						
DFUND II (continued)						
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%	5.500%	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
W Dev Bds Ser '03-A (AMT)	25,000	3.000%	5.375%	2005	2042	08/01/2013
W Dev & Ref Bds Tax Ser '03-B	50,915	1.370%	4.650%	2004	2021	08/01/2013
W Dev & Ref Bds Ser '03-C	70,330	2.000%	5.000%	2004	2023	08/01/2013
Subtotal Development Fund II	844,040					
Revenue Bonds - Self Supporting						
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	07/15/2010
W Dev State Revolving Fund Sub Lien Rev & Ref Bds Ser '03	187,600	VAR	VAR	2003	2022	07/15/2013
Subtotal SRF Revenue Bonds	1,838,600					
SUBTOTAL BUSINESS TYPE ACTIVITIES:	2,917,640					
Component Units						
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
Subtotal TWRFA Revenue Bonds	145,400					
SUBTOTAL COMPONENT UNITS	145,400					
TOTAL TEXAS WATER DEVELOPMENT BOARD	$3,402,285					

* Refunded by Development Fund II on a call date
** Refunded by State Participation Program on a call date
*** Transferred from DFI General Obligation Bonds - Self Supporting

UNAUDITED

Texas Water Development Board (580)
Schedule 2B - Changes in Bonded Indebtedness
For the Fiscal Year Ended August 31, 2003

Description of Issue	Bonds Outstanding 9/1/2002	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2003	Amounts Due Within One Year
Governmental Activities						
General Obligation Bonds - Non Self-Supporting						
ECONOMICALLY DISTRESSED AREAS PROGRAM (EDAP)						
W Dev Bds Ser '97-E	$ 13,455,000	$	$ 445,000	$	$ 13,010,000	$ 470,000
W Dev Bds Ser '97-F	8,765,000		325,000		8,440,000	340,000
W Dev & Ref Bds Ser '98-C	71,455,000		3,250,000		68,205,000	3,385,000
W Dev Bds Ser '99-B	23,540,000		770,000		22,770,000	805,000
W Dev Bds Ser '01-A	25,000,000		-		25,000,000	
W Dev Bds Ser '02-C	23,980,000		670,000		23,310,000	690,000
Subtotal EDAP	166,195,000	-	5,460,000	-	160,735,000	5,690,000
STATE PARTICIPATION PROGRAM						
W Dev Bds Ser '97-C***	20,000,000				20,000,000	
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	
W Dev Ref Bds Ser '03-D		1,870,000			1,870,000	
Subtotal State Participation Program	139,840,000	1,870,000	-	-	141,710,000	-
AGRICULTURAL WATER CONSERVATION						
Agri Water Cons Bds Tax Ser '02	16,160,000		2,110,000		14,050,000	2,150,000
Subtotal Agricultural Water Conservation	16,160,000	-	2,110,000	-	14,050,000	2,150,000
SUBTOTAL GOVERNMENTAL ACTIVITIES:	322,195,000	1,870,000	7,570,000	-	316,495,000	7,840,000
Business-Type Activities						
General Obligation Bonds - Self Supporting						
DFUND I						
W Dev Bds Ser '93-A*	17,045,000		885,000	16,160,000	-	
W Dev Bds Ser '93-B**	2,230,000		115,000	2,115,000	-	
W Dev Bds Ser '93-D*	10,390,000		540,000	9,850,000	-	
W Dev Bds Ser '93-G	10,690,000		605,000		10,085,000	635,000
W Dev Bds Ser '93-I	14,245,000		805,000		13,440,000	845,000
W Dev Bds Ser '94-A	31,990,000		680,000		31,310,000	730,000
W Dev Bds Ser '94-B	16,250,000		775,000		15,475,000	830,000
W Dev Bds Ser '95-A	35,250,000		995,000		34,255,000	1,065,000
W Dev Bds Ser '96-A	17,890,000		585,000		17,305,000	610,000
W Dev Bds Ser '96-B	13,175,000		505,000		12,670,000	525,000
W Dev Bds Tax Ser '96-E	26,740,000		865,000		25,875,000	925,000
Subtotal Development Fund I	195,895,000	-	7,355,000	28,125,000	160,415,000	6,165,000
DFUND II						
W Dev Bds Ser '97-A	$ 48,860,000	$	$ 605,000	$	$ 48,255,000	810,000
W Dev Bds Ser '97-B	18,135,000		690,000		17,445,000	725,000
W Dev Bds Ser '97-D	71,600,000		1,060,000		70,540,000	1,690,000
W Dev & Ref Bds Ser '98-A*	73,460,000		6,060,000	32,060,000	35,340,000	1,625,000
W Dev Ref BdsTax Ser '98-B*	38,340,000		2,540,000	35,800,000	-	
W Dev Bds Ser '99-A	71,605,000		1,295,000		70,310,000	1,495,000
W Dev & Ref Bds Ser '00	55,760,000		2,720,000		53,040,000	2,870,000
W Dev Bds Ser '00-A	70,400,000		2,100,000		68,300,000	1,980,000
W Dev Ref Bds Ser '01-A***	30,540,000		260,000		30,280,000	375,000

Texas Water Development Board (580) **UNAUDITED**

Schedule 2B - Changes in Bonded Indebtedness

For the Fiscal Year Ended August 31, 2003

Description of Issue	Bonds Outstanding 9/1/2002	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2003	Amounts Due Within One Year
Business-Type Activities (continued)						
DFUND II (continued)						
W Dev Bds Ser '01-B	43,305,000		70,000		43,235,000	175,000
W Dev Bds Tax Ser '01-B***	145,000		145,000		-	
W Dev Bds Ser '02-A (AMT)	25,000,000				25,000,000	250,000
W Dev & Ref Bds '02-B	98,500,000		3,090,000		95,410,000	3,200,000
W Dev Bds Ser '02-E	18,035,000		505,000		17,530,000	520,000
W Dev Bds Ser '03-A (AMT)		25,000,000			25,000,000	
W Dev & Ref Bds Tax Ser '03-B		50,915,000			50,915,000	4,065,000
W Dev & Ref Bds Ser '03-C		70,330,000			70,330,000	5,595,000
Subtotal Development Fund II	663,685,000	146,245,000	21,140,000	67,860,000	720,930,000	25,375,000
Revenue Bonds - Self-Supporting						
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	152,625,000			135,200,000	17,425,000	-
W Dev State Revolving Fund Rev Bds Ser '93	96,800,000		5,460,000		91,340,000	5,715,000
W Dev State Revolving Fund Rev Bds Ser '96-A	185,270,000		3,300,000		181,970,000	3,815,000
W Dev State Revolving Fund Rev Bds Ser '96-B	183,200,000		800,000		182,400,000	900,000
W Dev State Revolving Fund Rev Bds Ser '97-A	43,875,000		1,700,000		42,175,000	1,780,000
W Dev State Revolving Fund Rev Bds Ser '97-B	290,175,000		3,685,000		286,490,000	3,775,000
W Dev State Revolving Fund Rev Bds Ser '98-A	148,000,000		3,000,000		145,000,000	4,750,000
W Dev State Revolving Fund Rev Bds Ser '99-A	97,955,000		1,025,000		96,930,000	1,230,000
W Dev State Revolving Fund Rev Bds Ser '99-B	147,900,000		1,045,000		146,855,000	1,040,000
W Dev State Revolving Fund Rev Bds Ser '00-A	97,225,000		2,015,000		95,210,000	3,045,000
W Dev State Revolving Fund Sub Lien Rev & Ref Bds Ser '03		187,600,000	12,545,000	38,750,000	136,305,000	11,200,000
Subtotal Revenue Bonds	1,493,025,000	187,600,000	34,575,000	223,950,000	1,422,100,000	37,250,000
SUBTOTAL BUSINESS-TYPE ACTIVITIES	2,352,605,000	333,845,000	63,070,000	319,935,000	2,303,445,000	68,790,000
Component Units						
Revenue Bonds - Self-Supporting						
TWRFA Rev Ref Bds Ser '99	24,450,000		5,585,000	3,230,000	15,635,000	5,235,000
TWRFA Rev Ref Bds Tax Ser '99	45,340,000		6,545,000		38,795,000	5,840,000
Subtotal TWRFA Revenue Bonds	69,790,000	-	12,130,000	3,230,000	54,430,000	11,075,000
SUBTOTAL COMPONENT UNITS	69,790,000	-	12,130,000	3,230,000	54,430,000	11,075,000
TOTAL TEXAS WATER DEVELOPMENT BOARD	$ 2,744,590,000	$335,715,000	$ 82,770,000	$323,165,000	$ 2,674,370,000	$ 87,705,000

* Refunded by DFII on a call date

** Refunded by State Participation Program on a call date

*** Transferred from DFI General Obligation Bonds - Self Supporting

Footnotes:

(a) Bonds Outstanding balance at 8/31/03 does not include unamortized loss on refunding for TWRFA Bonds.

Bonds Outstanding per Schedule 2B	$2,674,370,000.00
Unamortized Gain / (Loss) on Refunding	(3,175,553.68)
Bonds Payable	$2,671,194,446.32

Bonds Payable - Exhibit III	$2,354,699,446.32
Bonds Payable - Schedule 4	316,495,000.00
Bonds Payable	$2,671,194,446.32

Texas Water Development Board (580)
Schedule 2C - Debt Service Requirements
For the Fiscal Year Ended August 31, 2003

Governmental Activities

Description of Issue	2004	2005	2006	2007	2008
General Obligation bonds - Non Self-Supporting					
ECONOMICALLY DISTRESSED AREAS PROGRAM (EDAP)					
W Dev Bds Ser '97-E					
Principal	$ 470,000	$ 500,000	$ 525,000	$ 555,000	$ 585,000
Interest	657,180	631,330	603,830	574,955	544,430
W Dev Bds Ser '97-F					
Principal	340,000	355,000	475,000	445,000	430,000
Interest	427,530	408,830	389,305	363,180	338,705
W Dev & Ref Bds Ser '98-C					
Principal	3,385,000	3,475,000	3,645,000	3,765,000	3,955,000
Interest	3,463,775	3,294,525	3,120,775	2,938,525	2,750,275
W Dev Bds Ser '99-B					
Principal	805,000	840,000	880,000	920,000	965,000
Interest	1,192,863	1,157,644	1,119,844	1,080,244	1,034,244
W Dev Bds Ser '01-A					
Principal	-		-	-	-
Interest	1,322,466	1,322,466	1,322,466	1,322,466	1,322,466
W Dev Bds Ser '02-C					
Principal	690,000	715,000	740,000	760,000	790,000
Interest	1,136,557	1,114,133	1,090,895	1,068,695	1,038,295
Subtotal EDAP	13,890,371	13,813,928	13,912,115	13,793,065	13,753,415
Less EDAP Interest	(8,200,371)	(7,928,928)	(7,647,115)	(7,348,065)	(7,028,415)
Subtotal EDAP Principal	5,690,000	5,885,000	6,265,000	6,445,000	6,725,000
STATE PARTICIPATION PROGRAM					
W Dev Bds Ser '97-C					
Principal	-	-	-	-	-
Interest	1,057,853	1,057,852	1,057,853	1,057,852	1,057,853
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
W Dev Ref Bds Ser '03-D					
Principal	-	130,000	135,000	145,000	150,000
Interest	105,447	93,500	87,000	80,250	73,000
Subtotal State Participation	7,657,600	7,775,652	7,774,153	7,777,402	7,775,153
Less State Participation Interest	(7,657,600)	(7,645,652)	(7,639,153)	(7,632,402)	(7,625,153)
Subtotal State Participation Principal	-	130,000	135,000	145,000	150,000
AGRICULTURAL WATER CONSERVATION					
Agri Water Cons Bds Tax Ser '02					
Principal	2,150,000	2,210,000	2,280,000	2,370,000	2,465,000
Interest	544,320	486,270	413,340	327,840	229,485
Subtotal Agric Water Conservation	2,694,320	2,696,270	2,693,340	2,697,840	2,694,485
Less Agric Water Conservation Interest	(544,320)	(486,270)	(413,340)	(327,840)	(229,485)
Subtotal Agric Water Conservation Principal	2,150,000	2,210,000	2,280,000	2,370,000	2,465,000
Total General Obligation bonds - Non Self Supporting Principal	7,840,000	8,225,000	8,680,000	8,960,000	9,340,000

2009-2013	2014-2018	2019-2023	2024-2028	2029-2033	2034-2038	2039-2043	Total Requirements
$ 3,490,000	$ 4,635,000	$ 2,250,000					$ 13,010,000
2,261,070	1,284,250	170,250					6,727,295
2,340,000	2,790,000	1,265,000					8,440,000
1,369,335	744,500	95,500					4,136,885
23,045,000	26,935,000						68,205,000
10,503,037	4,114,250						30,185,162
5,620,000	7,325,000	5,415,000					22,770,000
4,370,938	2,664,710	580,688					13,201,175
-	-	19,760,000	5,240,000				25,000,000
6,612,331	6,612,331	4,558,889	415,150				24,811,031
4,520,000	5,825,000	7,530,000	1,740,000				23,310,000
4,622,975	3,319,479	1,607,471	87,000				15,085,500
68,754,686	66,249,520	43,232,798	7,482,150				254,882,048
(29,739,686)	(18,739,520)	(7,012,798)	(502,150)				(94,147,048)
39,015,000	47,510,000	36,220,000	6,980,000				160,735,000
1,770,000	4,825,000	8,155,000	5,250,000				20,000,000
5,200,497	4,403,222	2,704,013	741,825				18,338,820
-	-	8,670,000	13,940,000	18,450,000	8,940,000		50,000,000
13,698,875	13,698,875	13,042,575	9,918,700	5,615,500	744,150		70,417,550
-	-	5,825,000	15,430,000	20,370,000	8,215,000		49,840,000
13,752,781	13,752,782	13,547,244	10,552,187	5,599,650	612,675		71,570,099
-	-	1,895,000	5,635,000	7,215,000	5,255,000		20,000,000
5,019,844	5,019,844	4,974,519	4,014,719	2,436,556	534,250		27,019,577
885,000	425,000						1,870,000
244,500	32,250	-	-	-			715,947
40,571,497	42,156,973	58,813,351	65,482,431	59,686,706	24,301,075	-	329,771,993
(37,916,497)	(36,906,973)	(34,268,351)	(25,227,431)	(13,651,706)	(1,891,075)	-	(188,061,993)
2,655,000	5,250,000	24,545,000	40,255,000	46,035,000	22,410,000	-	141,710,000
2,575,000							14,050,000
121,025							2,122,280
2,696,025							16,172,280
(121,025)							(2,122,280)
2,575,000							14,050,000
44,245,000	52,760,000	60,765,000	47,235,000	46,035,000	22,410,000	-	316,495,000

Texas Water Development Board (580)
Schedule 2C - Debt Service Requirements
For the Fiscal Year Ended August 31, 2003

Business-Type Activities

Description of Issue	2004	2005	2006	2007	2008
General Obligation Bonds - Self-Supporting					
WATER DEVELOPMENT FUND I					
W Dev Bds Ser '93-G					
Principal	635,000	665,000	700,000	735,000	770,000
Interest	505,761	476,393	445,137	411,538	375,522
W Dev Bds Ser '93-I					
Principal	845,000	890,000	935,000	980,000	1,030,000
Interest	673,991	634,910	593,080	548,200	500,180
W Dev Bds Ser '94-A					
Principal	730,000	775,000	835,000	890,000	1,050,000
Interest	2,154,145	2,108,885	2,060,835	2,007,812	1,950,407
W Dev Bds Ser '94-B					
Principal	830,000	885,000	940,000	1,180,000	1,230,000
Interest	1,033,543	982,082	927,213	867,523	791,413
W Dev Bds Ser '95-A					
Principal	1,065,000	1,140,000	1,225,000	1,310,000	1,400,000
Interest	1,959,089	1,889,864	1,815,764	1,749,920	1,679,180
W Dev Bds Ser '96-A					
Principal	610,000	640,000	670,000	700,000	735,000
Interest	910,005	882,250	852,650	820,825	786,525
W Dev Bds Ser '96-B					
Principal	525,000	555,000	585,000	620,000	645,000
Interest	662,809	638,921	613,252	585,465	555,085
W Dev Bds Tax Ser '96-E					
Principal	925,000	1,020,000	1,100,000	1,195,000	1,280,000
Interest	1,986,716	1,919,654	1,845,194	1,763,794	1,674,169
Subtotal Development Fund I	16,051,059	16,102,959	16,143,125	16,365,077	16,452,481
Less Development Fund I Interest	(9,886,059)	(9,532,959)	(9,153,125)	(8,755,077)	(8,312,481)
Subtotal Development Fund I Principal	6,165,000	6,570,000	6,990,000	7,610,000	8,140,000

2009-2013	2014-2018	2019-2023	2024-2028	2029-2033	2034-2038	2039-2043	Total Requirements
4,465,000	2,115,000						10,085,000
1,250,042	164,000						3,628,393
5,955,000	2,805,000						13,440,000
1,663,561	217,044						4,830,966
6,060,000	8,755,000	5,840,000	3,675,000	1,790,000	910,000		31,310,000
8,648,810	6,220,150	3,532,133	1,506,812	726,798	98,670		31,015,457
7,095,000	3,315,000						15,475,000
2,635,340	344,655						7,581,769
8,545,000	11,825,000	6,215,000	1,530,000				34,255,000
7,094,976	4,239,490	1,001,662	255,000				21,684,945
4,280,000	5,555,000	4,115,000					17,305,000
3,327,105	2,048,250	452,250					10,079,860
3,765,000	4,845,000	1,130,000					12,670,000
2,242,545	1,121,725	61,020					6,480,822
8,245,000	9,775,000	2,335,000					25,875,000
6,732,550	3,004,712	402,413					19,329,202
82,004,929	66,350,026	25,084,478	6,966,812	2,516,798	1,008,670	-	265,046,414
(33,594,929)	(17,360,026)	(5,449,478)	(1,761,812)	(726,798)	(98,670)	-	(104,631,414)
48,410,000	48,990,000	19,635,000	5,205,000	1,790,000	910,000		160,415,000

Texas Water Development Board (580)
Schedule 2C - Debt Service Requirements
For the Fiscal Year Ended August 31, 2003

Business-Type Activities (cont.)

Description of Issue	2004	2005	2006	2007	2008
General Obligation Bonds - Self-Supporting (cont.)					
WATER DEVELOPMENT FUND II					
W Dev Bds Ser '97-A					
Principal	810,000	1,045,000	1,160,000	1,010,000	1,060,000
Interest	2,546,277	2,506,183	2,453,933	2,394,773	2,339,223
W Dev Bds Ser '97-B					
Principal	725,000	760,000	800,000	840,000	890,000
Interest	919,808	883,920	845,920	805,120	758,920
W Dev Bds Ser '97-D					
Principal	1,690,000	1,850,000	1,960,000	2,080,000	3,610,000
Interest	3,541,765	3,448,815	3,347,065	3,239,265	3,124,865
W Dev & Ref Bds Ser '98-A					
Principal	1,625,000	1,710,000	1,795,000	1,885,000	1,980,000
Interest	1,793,806	1,712,556	1,627,056	1,537,306	1,443,056
W Dev Bds Ser '99-A					
Principal	1,495,000	1,250,000	1,560,000	2,970,000	2,205,000
Interest	3,737,073	3,671,666	3,615,416	3,545,216	3,396,716
W Dev & Ref Bds Ser '00					
Principal	2,870,000	3,035,000	3,195,000	3,355,000	3,535,000
Interest	2,980,699	2,822,849	2,663,511	2,503,761	2,336,011
W Dev Bds Ser '00-A					
Principal	1,980,000	2,295,000	2,410,000	2,525,000	2,650,000
Interest	3,668,160	3,574,060	3,460,510	3,340,460	3,216,310
W Dev Ref Bds Ser '01-A*					
Principal	375,000	390,000	405,000	420,000	435,000
Interest	1,593,212	1,579,900	1,565,275	1,549,480	1,532,470
W Dev Bds Ser '01-B					
Principal	175,000	205,000	230,000	1,040,000	1,105,000
Interest	2,264,104	2,257,891	2,250,204	2,241,234	2,199,114
W Dev Bds Ser '02-A					
Principal	250,000	255,000	265,000	270,000	280,000
Interest	1,303,820	1,297,445	1,289,668	1,280,658	1,270,668
W Dev & Ref Bds '02-B					
Principal	3,200,000	3,325,000	3,460,000	2,600,000	2,725,000
Interest	4,868,934	4,752,934	4,626,559	4,471,079	4,352,079
W Dev Bds Ser '02-E					
Principal	520,000	535,000	555,000	570,000	595,000
Interest	854,799	837,899	820,511	803,861	781,061
W Dev Bds Ser '03-A (AMT)					
Principal	-	265,000	275,000	285,000	290,000
Interest	1,226,719	1,226,719	1,218,769	1,210,519	1,201,969
W Dev & Ref Bds Tax Ser '03-B					
Principal	4,065,000	5,000,000	5,060,000	5,150,000	5,265,000
Interest	1,660,465	1,350,384	1,281,884	1,195,358	1,086,178
W Dev & Ref Bds Ser '03-C					
Principal	5,595,000	6,830,000	7,140,000	7,550,000	7,840,000
Interest	3,416,660	2,889,676	2,595,426	2,263,926	2,007,926
Subtotal Development Fund II	61,751,301	63,562,897	63,931,707	64,932,016	65,511,566
Less Development Fund II Interest	(36,376,301)	(34,812,897)	(33,661,707)	(32,382,016)	(31,046,566)
Subtotal Development Fund II Principal	25,375,000	28,750,000	30,270,000	32,550,000	34,465,000
* Transferred from Dfund I					
Total General Obligation bonds - Self Supporting Principal	31,540,000	35,320,000	37,260,000	40,160,000	42,605,000

2009-2013	2014-2018	2019-2023	2024-2028	2029-2033	2034-2038	2039-2043	Total Requirements
9,500,000	12,930,000	13,145,000	7,595,000				48,255,000
10,608,242	7,595,873	3,870,562	1,027,950				35,343,016
5,185,000	6,695,000	1,550,000					17,445,000
3,067,335	1,523,233	81,375					8,885,631
23,070,000	30,830,000	5,450,000					70,540,000
12,673,705	6,219,500	272,500					35,867,480
11,530,000	14,815,000						35,340,000
5,591,594	2,294,750						16,000,124
26,445,000	13,805,000	20,575,000	5,000				70,310,000
13,865,375	7,272,421	3,638,594	275				42,742,752
17,980,000	9,410,000	9,660,000					53,040,000
8,327,496	4,452,344	1,428,545					27,515,216
15,450,000	20,325,000	20,665,000					68,300,000
13,895,075	9,014,687	2,802,608					42,971,870
2,490,000	3,140,000	4,045,000	5,285,000	6,985,000	6,310,000		30,280,000
7,359,193	6,704,743	5,804,275	4,565,987	2,863,170	576,450		35,694,155
5,965,000	10,400,000	13,575,000	2,770,000	3,615,000	4,155,000		43,235,000
10,286,936	8,183,856	5,077,469	2,576,200	1,708,375	393,750		39,439,133
1,605,000	2,005,000	2,580,000	3,330,000	4,330,000	5,645,000	4,185,000	25,000,000
6,166,487	5,759,125	5,188,287	4,432,180	3,434,350	2,116,125	468,600	34,007,413
22,370,000	23,230,000	27,990,000	6,510,000				95,410,000
19,181,129	12,829,250	6,267,450	341,775				61,691,189
3,400,000	4,380,000	5,665,000	1,310,000				17,530,000
3,477,931	2,497,304	1,209,223	65,500				11,348,089
1,610,000	1,965,000	2,480,000	3,180,000	4,090,000	5,280,000	5,280,000	25,000,000
5,857,813	5,507,600	4,984,187	4,297,688	3,388,356	2,191,706	693,156	33,005,201
18,120,000	4,820,000	3,435,000					50,915,000
3,213,599	1,436,420	322,084					11,546,372
19,185,000	10,350,000	5,840,000					70,330,000
6,116,730	2,504,937	894,480					22,689,761
313,593,640	252,896,043	178,496,639	47,292,555	30,414,251	26,668,031	10,626,756	1,179,677,402
(129,688,640)	(83,796,043)	(41,841,639)	(17,307,555)	(11,394,251)	(5,278,031)	(1,161,756)	(458,747,402)
183,905,000	169,100,000	136,655,000	29,985,000	19,020,000	21,390,000	9,465,000	720,930,000
232,315,000	218,090,000	156,290,000	35,190,000	20,810,000	22,300,000	9,465,000	881,345,000

Texas Water Development Board (580)
Schedule 2C - Debt Service Requirements
For the Fiscal Year Ended August 31, 2003

Business-Type Activities (continued)

Description of Issue	2004	2005	2006	2007	2008
Revenue Bonds - Self-Supporting					
W Dev State Revolving Fund Rev Bds Ser '92					
Principal	-	-	-	-	-
Interest	1,132,625	1,132,625	1,132,625	1,132,625	1,132,625
W Dev State Revolving Fund Rev Bds Ser '93					
Principal	5,715,000	5,990,000	6,290,000	6,605,000	6,935,000
Interest	4,712,017	4,437,698	4,138,197	3,823,698	3,493,447
W Dev State Revolving Fund Rev Bds Ser '96-A					
Principal	3,815,000	4,205,000	6,105,000	9,030,000	11,440,000
Interest	10,009,675	9,809,387	9,557,088	9,190,788	8,721,227
W Dev State Revolving Fund Rev Bds Ser '96-B					
Principal	900,000	1,000,000	1,100,000	1,200,000	1,300,000
Interest	9,486,550	9,446,050	9,400,050	9,348,350	9,290,750
W Dev State Revolving Fund Rev Bds Ser '97-A					
Principal	1,780,000	1,865,000	1,955,000	2,050,000	2,150,000
Interest	2,174,161	2,090,501	2,000,981	1,905,675	1,803,175
W Dev State Revolving Fund Rev Bds Ser '97-B					
Principal	3,775,000	4,025,000	4,275,000	5,485,000	6,800,000
Interest	14,320,596	14,155,440	13,978,340	13,743,215	13,441,540
W Dev State Revolving Fund Rev Bds Ser '98-A					
Principal	4,750,000	5,000,000	6,000,000	6,500,000	6,750,000
Interest	7,309,250	7,071,750	6,859,250	6,601,250	6,276,250
W Dev State Revolving Fund Rev Bds Ser '99-A					
Principal	1,230,000	3,480,000	3,715,000	3,955,000	4,190,000
Interest	5,320,320	5,266,200	5,109,600	4,937,781	4,749,919
W Dev State Revolving Fund Rev Bds Ser '99-B					
Principal	1,040,000	1,040,000	2,035,000	3,760,000	4,240,000
Interest	8,075,404	8,028,604	7,980,764	7,884,101	7,703,621
W Dev State Revolving Fund Rev Bds Ser '00-A					
Principal	3,045,000	3,610,000	3,585,000	3,940,000	3,945,000
Interest	5,071,508	4,923,908	4,750,877	4,589,552	4,412,253
W Dev State Revolving Fund Sub Lien Rev & Ref Bds Ser '03**					
Principal	11,200,000	10,930,000	10,175,000	13,225,000	12,440,000
Interest	612,805	1,038,372	947,652	863,200	753,432
Subtotal SRF Revenue Bonds	105,474,911	108,545,535	111,090,424	119,770,235	121,968,239
Less SRF Revenue Bonds Interest	(68,224,911)	(67,400,535)	(65,855,424)	(64,020,235)	(61,778,239)
Subtotal SRF Revenue Bonds Principal	37,250,000	41,145,000	45,235,000	55,750,000	60,190,000
Component Units					
Revenue Bonds - Self-Supporting					
TWRFA Rev Ref Bds Ser '99					
Principal	5,235,000	4,495,000	3,455,000	2,450,000	
Interest	645,733	411,965	219,540	68,400	
TWRFA Rev Ref Bds Tax Ser '99					
Principal	5,840,000	5,800,000	5,840,000	5,485,000	5,090,000
Interest	2,500,275	2,137,611	1,769,891	1,394,963	1,040,083
Subtotal Component Units	14,221,008	12,844,576	11,284,431	9,398,363	6,130,083
Less Component Units Interest	(3,146,008)	(2,549,576)	(1,989,431)	(1,463,363)	(1,040,083)
Subtotal Component Units Principal	11,075,000	10,295,000	9,295,000	7,935,000	5,090,000
Total Revenue Bonds - Principal	48,325,000	51,440,000	54,530,000	63,685,000	65,280,000
Total Bonds - Principal	$ 87,705,000	$ 94,985,000	$ 100,470,000	$ 112,805,000	$ 117,225,000

Note: Cash basis was used for reporting future debt payments.
** The W Dev State Revolving Fund Sub Lien Rev & Ref Bds Ser '03 are variable rate bonds, which are calculated at 0.83%, which was the interest rate in effect as of 8/31/03.

2009-2013	2014-2018	2019-2023	2024-2028	2029-2033	2034-2038	2039-2043	Total Requirements
17,425,000							17,425,000
2,265,250							7,928,375
40,480,000	19,325,000						91,340,000
11,665,762	1,534,838						33,805,657
68,280,000	79,095,000						181,970,000
33,625,858	12,530,292						93,444,315
29,900,000	147,000,000						182,400,000
44,512,400	30,749,350						122,233,500
12,535,000	13,930,000	5,910,000					42,175,000
7,244,000	3,916,238	310,275					21,445,006
64,905,000	70,915,000	126,310,000					286,490,000
60,139,830	41,804,750	6,315,500					177,899,211
39,750,000	59,250,000	17,000,000					145,000,000
25,730,000	11,677,750	1,567,500					73,093,000
22,910,000	31,625,000	25,825,000					96,930,000
19,873,000	11,651,850	3,529,350					60,438,020
43,585,000	66,460,000	24,695,000					146,855,000
33,514,544	16,988,081	3,500,438					93,675,557
22,795,000	32,925,000	21,365,000					95,210,000
18,782,044	11,679,252	2,689,575					56,898,969
29,935,000	-	48,400,000					136,305,000
2,709,037	2,008,600	1,606,880					10,539,978
652,561,725	665,066,001	289,024,518					2,173,501,588
(260,061,725)	(144,541,001)	(19,519,518)					(751,401,588)
392,500,000	520,525,000	269,505,000					1,422,100,000
							15,635,000
							1,345,638
10,740,000							38,795,000
1,052,125							9,894,948
11,792,125	-	-	-	-	-	-	65,670,586
(1,052,125)	-	-	-	-	-	-	(11,240,586)
10,740,000	-	-	-	-	-	-	54,430,000
403,240,000	520,525,000	269,505,000	-	-	-	-	1,476,530,000
$ 679,800,000	$ 791,375,000	$ 486,560,000	$ 82,425,000	$ 66,845,000	$ 44,710,000	$ 9,465,000	$2,674,370,000

Texas Water Development Board (580)
Schedule 2D - Analysis of Funds Available for Debt Service
For the Year Ended August 31, 2003

Governmental Activities
General Obligation Bonds

	Application of Funds	
	Principal	Interest
W Dev Bds Ser (Note A)	$ 5,460,000	$ 14,952,346
Agri Water Cons Bds Tax Ser '02	2,110,000	586,520
Total	$ 7,570,000	$ 15,538,866

Business-Type Activities
General Obligation Bonds

	Application of Funds	
	Principal	Interest
W Dev Bds Ser (Note B)	$ 28,495,000	$ 48,944,709
Total	$ 28,495,000	$ 48,944,709

NOTE A: W Dev Bds Ser '97-C, '97-E, '97-F, '98-C, '99-B, '99-C, '01-A, '01-C, '02-C, '02-D, 03-D

NOTE B: W Dev Bds Ser '93-A, '93-B, '93-D, '93-G, '93-I, '94-A, '94-B, '95-A,'96-A, '96-B, '96-E, 97-A, '97-B, '97-D, '98-A, '98-B, '99-A, '00, '00-A, '01-A, '01-B, Tax '01-B, '02-A,'02-B, '02-E, 03-A, '03-B, '03-C

Texas Water Development Board (580)
Schedule 2D - Analysis of Funds Available for Debt Service
For the Year Ended August 31, 2003

Business-Type Activities
Revenue Bonds

	Pledged and Other Sources and Related Expenditures for FY2003				
	Total Pledged and Other	Operating Expenses &	Capital	Debt Service	
Description of Issue	Sources	Expenditures	Outlay	Principal	Interest
W Dev State Revolving Fund Rev Bds Ser (Note C)	$ 183,704,592	$ 8,626,520		$ 34,575,000	$ 69,960,547
TOTAL	$ 183,704,592	$ 8,626,520	$ -	$ 34,575,000	$ 69,960,547

TOTAL

NOTE C: 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, '03

Note: The minimum reserve required as of 08/31/2003 was $113,411,114.16. The actual reserve as of 08/31/2003 was 122,358,928.47.

Component Units
Revenue Bonds

	Pledged and Other Sources and Related Expenditures for FY2003				
	Total Pledged and Other	Operating Expenses &	Capital	Debt Service	
Description of Issue	Sources	Expenditures	Outlay	Principal	Interest
TWRFA Rev Ref Bonds Ser '99	$ 16,215,475	$ 247,871		$ 12,130,000	$ 3,805,379
TOTAL	$ 16,215,475	$ 247,871	$ -	$ 12,130,000	$ 3,805,379

Texas Water Development Board (580)
Schedule 2E - Defeased Bonds Outstanding
For the Fiscal Year Ended August 31, 2003
(Amounts in thousands)

Governmental Activities

Description of Issue	Year Refunded	Par Value Outstanding
General Obligation Bonds		
Water Development Bonds, Series 1993-C	1998	$ -
Water Development Bonds, Series 1993-E	1998	-
Water Development Bonds, Series 1994-C	1998	3,885
Water Development Bonds, Series 1994-D	1998	3,895
Water Development Bonds, Series 1995-C	1998	9,070
Water Development Bonds, Series 1996-C	1998	10,480
Water Development Bonds, Series 1996-D	1998	9,630
		$ 36,960

Business-Type Activities

Description of Issue	Year Refunded	Par Value Outstanding
General Obligation Bonds		
Water Development Bonds, Series 1986-A	1989	$ 13,620
Water Development Bonds, Series 1986-B	1989	10,840
Water Development Bonds, Series 1987-A	1989	44,600
Water Development Bonds, Series 1987-B	1989	40,000
Water Development Bonds, Series 1987-C	1989	23,400
Water Development Bonds Taxable, Series 1993-F	1998	-
Water Development Bonds Taxable, Series 1993-J	1998	2,160
Water Development Refunding Bonds Taxable, Series 1995	1998	16,050
Water Development Bonds Taxable, Series 1995-B	1998	8,465
W Dev & Ref Bds Ser '98-A*	2003	-
W Dev Ref Bds Tax Ser '98-B*	2003	-
W Dev Bds Ser '93-A*	2003	-
W Dev Bds Ser '93-B*	2003	-
W Dev Bds Ser '93-D*	2003	-
Subtotal, Water Development Bonds		159,135
Agricultural Water Conservation Bonds Taxable, Series 1994-B	2002	-
Agricultural Water Conservation Bonds, Series 1997	2002	1,950
Subtotal, Agricultural Water Conservation Bonds		1,950
Total, General Obligation Bonds		$ 161,085
Revenue Bonds		
W Dev State Revolving Fund Sub Lien Rev Bds Ser '92-A*	2003	$ -

* The series were defeased, and subsequently refunded

UNAUDITED

Texas Water Development Board (580)
Schedule 4 - Schedule of Modified to Full Accrual Adjustments - Governmental Funds
- Balance Sheet/Statement of Net Assets
August 31, 2003

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Assets
ASSETS				
Current Assets:				
Cash				
On Hand	$ 25.00	$ -	$ -	$ 25.00
In Bank	13,475.00			13,475.00
In State Treasury	98,120,252.74			98,120,252.74
Short Term Investments	24,516,880.00			24,516,880.00
Legislative Appropriations	3,668,263.30			3,668,263.30
Receivables from:				
Federal	1,011,816.29			1,011,816.29
Interest and Dividends	666,741.16			666,741.16
Accounts Receivable	227,275.83			227,275.83
Due From Other Funds	14,197,473.74			14,197,473.74
Loans and Contracts	1,705,968.87			1,705,968.87
Total Current Assets	144,128,171.93	-	-	144,128,171.93
Non-Current Assets:				
Loans and Contracts	166,580,280.82			166,580,280.82
Investments	43,691.78			43,691.78
Capital Assets:				
Depreciable:				
Furniture and Equipment		1,820,093.54		1,820,093.54
Less Accumulated Depreciation		(987,514.30)		(987,514.30)
Vehicle, Boats and Aircraft		1,806,783.59		1,806,783.59
Less Accumulated Depreciation		(1,170,691.65)		(1,170,691.65)
Other Capital Assets		9,481,339.45		9,481,339.45
Less Accumulated Depreciation		(1,852,785.15)		(1,852,785.15)
Total Non-Current Assets	166,623,972.60	9,097,225.48	-	175,721,198.08
Total Assets	$ 310,752,144.53	$ 9,097,225.48	$ -	$ 319,849,370.01
LIABILITIES AND FUND BALANCES				
Liabilities				
Current Liabilities:				
Payables From				
Accounts	$ 1,335,342.32	$ -	$ -	$ 1,335,342.32
Payroll	1,546,247.29			1,546,247.29
Other			1,377,809.20	1,377,809.20
Due To Other Funds	14,005,697.21			14,005,697.21
Due To Other Agencies	293,366.75			293,366.75
General Obligation Bonds Payable	-		7,840,000.00	7,840,000.00
Employees' Compensable Leave	-		914,988.89	914,988.89
Capital Lease Obligations	-		91,137.80	91,137.80
Total Current Liabilities	17,180,653.57	-	10,223,935.89	27,404,589.46
Non-Current Liabilities				
General Obligation Bonds Payable	-		308,655,000.00	308,655,000.00
Employees' Compensable Leave	-		636,736.43	636,736.43
Capital Lease Obligations	-		193,357.96	193,357.96
Total Non-Current Liabilities	-	-	309,485,094.39	309,485,094.39
Total Liabilities	17,180,653.57	-	319,709,030.28	336,889,683.85
Fund Financial Statement				
Fund Balances (Deficits):				
Reserved for				
Encumbrances	15,905,348.13			15,905,348.13
Imprest	13,500.00			13,500.00
Debt Service	503.90			503.90
Loans and Contracts	168,286,249.69			168,286,249.69
Unreserved/Designated for:				
Other	108,077,279.44			108,077,279.44
Undesignated	1,288,609.80			1,288,609.80
Total Fund Balances	293,571,490.96	-	-	293,571,490.96
Total Liabilities and Fund Balances	$ 310,752,144.53	$ -	$ 319,709,030.28	$ 630,461,174.81
Government-Wide Statement of Net Assets				
Net Assets				
Invested in Capital Assets, net of Related Debt		9,097,225.48	(284,495.76)	8,812,729.72
Restricted For				
Debt Retirement			(503.90)	(503.90)
Unrestricted			(319,424,030.62)	(319,424,030.62)
Total Net Assets		$ 9,097,225.48	$ (319,709,030.28)	$ (17,040,313.84)

Texas Water Development Board (580)
Schedule 4 - 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, 2003

	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
REVENUES				
Legislative Appropriations				
Original Appropriations (GR)	$ 40,036,320.00	$ -	$ -	$ 40,036,320.00
Additional Appropriations (GR)	(930,953.05)			(930,953.05)
Federal Revenue (PR - Operating or Capital)	23,498,281.64			23,498,281.64
Federal Grant Pass-Through Revenue (GR)	144,556.74			144,556.74
State Grant Pass-Through Revenue (GR)	1,374,578.38			1,374,578.38
License, Fees & Permits (PR)	267,073.78			267,073.78
Interest and Other Investment Income (PR)	2,499,022.78		261,099.50	2,760,122.28
Net Increase (Decrease) in Fair Value (PR)	(23,207.24)			(23,207.24)
Sales of Goods and Services (PR)	1,158,762.30			1,158,762.30
Other (GR)	568,623.12			568,623.12
Total Revenues	68,593,058.45	-	261,099.50	68,854,157.95
EXPENDITURES				
Salaries and Wages	11,012,952.50		(178,915.17)	10,834,037.33
Payroll Related Costs	3,256,550.79			3,256,550.79
Professional Fees and Services	4,162,474.13		9,633.75	4,172,107.88
Travel	238,023.15			238,023.15
Materials and Supplies	710,108.63			710,108.63
Communication and Utilities	205,577.41			205,577.41
Repairs and Maintenance	285,838.80			285,838.80
Rentals and Leases	464,957.87			464,957.87
Printing and Reproduction	91,580.28			91,580.28
Claims and Judgments	637.12			637.12
State Grant Pass-Through Expenditures	100,071.88			100,071.88
Intergovernmental Payments	34,208,404.15			34,208,404.15
Public Assistance Payments	14,359.00			14,359.00
Other Expenditures	1,271,417.92			1,271,417.92
Debt Service:				
Principal	7,570,000.00		(7,570,000.00)	-
Interest	15,533,656.06		1,377,809.20	16,911,465.26
Capital Outlay	2,403,208.15	(2,403,208.15)		-
Depreciation Expense	-	1,281,698.90		1,281,698.90
Total Expenditures/Expenses	81,529,817.84	(1,121,509.25)	(6,361,472.22)	74,046,836.37
Excess (Deficiency) of Revenues over Expenditures	(12,936,759.39)	1,121,509.25	6,622,571.72	(5,192,678.42)
OTHER FINANCING SOURCES (USES)				
Bond and Note Proceeds	22,121,465.75		(22,121,465.75)	-
Sale of Capital Assets	16,871.04	(16,871.04)		-
Transfers In	99,560,730.04			99,560,730.04
Transfers Out	(50,892,197.68)		86,973.89	(50,805,223.79)
Legislative Transfers In	56,452.74			56,452.74
Legislative Transfers Out	(18,916,987.72)			(18,916,987.72)
Gain (Loss) on Sale of Capital Assets	-	4,507.90		4,507.90
Total Other Financing Sources (Uses)	51,946,334.17	(12,363.14)	(22,034,491.86)	29,899,479.17
Net Change in Fund Balances/Net Assets	39,009,574.78	1,109,146.11	(15,411,920.14)	24,706,800.75
Fund Financial Statement - Fund Balances				
Fund Balances - Beginning	257,166,374.75			257,166,374.75
Restatements				-
Fund Balances - September 1, 2003, as Restated	257,166,374.75			257,166,374.75
				-
Appropriations Lapsed	(2,604,458.57)			(2,604,458.57)
Fund Balances, August 31, 2003	$ 293,571,490.96	1,109,146.11	(15,411,920.14)	279,268,716.93
Government-Wide Statement of Net Assets				
Change in Net Assets		1,109,146.11	(15,411,920.14)	
Net Assets, Beginning		7,988,079.37	(304,297,110.14)	(296,309,030.77)
Restatements				-
Net Assets, September 1, 2002, as Restated		7,988,079.37	(304,297,110.14)	(296,309,030.77)
Net Assets as of August 31, 2003		$ 9,097,225.48	$ (319,709,030.28)	$ (17,040,313.84)

Additional Supplemental Information (Schedules)

Texas Water Development Board (580)
Schedule 5A - Loans and Contracts
Economically Distressed Areas Program (EDAP)
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
WATER SUPPLY ACCOUNT				
BATESVILLE WSC	$ 213,000	$ 213,000	12/01/2004	12/01/2023
BROWNSVILLE, CITY OF	650,000	-	09/01/1996	09/01/2002
CARRIZO HILL WSC	152,000	61,000	06/01/1999	06/01/2016
DEL RIO, CITY OF	278,000	213,000	06/01/1996	06/01/2015
DEL RIO, CITY OF	533,000	489,000	06/01/2001	06/01/2020
EDINBURG, CITY OF	220,000	85,000	03/01/1993	03/01/2011
EDINBURG, CITY OF	569,000	394,000	03/01/1995	03/01/2014
EL PASO CO	195,000	183,000	08/15/2002	08/15/2021
EL PASO WCID (WESTWAY)	222,000	11,000	03/01/1994	03/01/2013
EL PASO, CITY OF (THE "CITY")	106,000	96,000	03/01/2001	03/01/2019
INGLESIDE, CITY OF	285,000	270,000	02/01/2003	02/01/2015
LAREDO, CITY OF	741,000	741,000	04/01/2005	04/01/2024
LOWER VALLEY WD	400,000	270,000	09/15/1993	09/15/2012
LOWER VALLEY WD	56,000	15,000	09/15/1995	09/15/2006
LOWER VALLEY WD	264,000	196,000	09/15/1996	09/15/2013
LOWER VALLEY WD	2,022,000	1,911,000	09/15/2001	09/15/2021
NORTH ALAMO WSC	197,000	179,000	09/01/1999	09/01/2018
NORTH ALAMO WSC	365,000	325,000	09/01/1999	09/01/2018
PHARR, CITY OF	978,000	813,000	09/01/1997	09/01/2017
PHARR, CITY OF	1,651,000	1,435,000	09/01/1999	09/01/2018
RIO GRANDE CITY, CITY OF	173,000	135,000	07/10/1997	07/10/2016
SOUTH NEWTON WSC	87,000	87,000	03/15/2005	03/15/2029
WINDMILL WSC	107,000	98,000	03/01/2001	03/01/2020
ZAVALA CO WCID #1	178,000	174,000	01/01/2003	01/01/2022
SUBTOTAL WATER SUPPLY ACCOUNT	10,642,000	8,394,000		
WATER QUALITY ENHANCEMENT ACCOUNT				
ALTON, CITY OF	300,000	270,000	09/15/2000	09/15/2019
BROWNSVILLE, CITY OF	490,000	125,000	09/01/1995	09/01/2004
DEL RIO, CITY OF	224,000	174,000	06/01/1996	06/01/2015
EAGLE PASS, CITY OF	389,000	343,000	12/01/1999	12/01/2018
EDINBURG, CITY OF	345,000	150,000	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	510,000	09/01/1998	09/01/2017
EL PASO, CITY OF (THE "CITY")	211,000	190,000	03/01/2001	03/01/2019
GATESVILLE, CITY OF	381,000	225,000	09/01/1999	09/01/2008
HARLINGEN, CITY OF	150,000	115,000	11/01/2000	11/01/2009
HUDSPETH CO WCID #1	150,000	130,000	02/01/2000	02/01/2019
LAREDO, CITY OF	710,000	710,000	09/01/2005	09/01/2024
LOWER VALLEY WD	2,413,000	2,413,000	09/15/2003	09/15/2023
LOWER VALLEY WD	1,073,000	950,000	09/15/1999	09/15/2018
LOWER VALLEY WD	104,000	104,000	09/15/2003	09/15/2023
MILITARY HIGHWAY WSC	107,000	99,608	01/04/2001	01/01/2021
MISSION, CITY OF	579,000	428,000	04/01/1996	04/01/2015
PHARR, CITY OF	630,000	535,000	09/01/1998	09/01/2017
PRIMERA, CITY OF	488,000	482,000	02/15/2002	02/15/2020
SAN JUAN, CITY OF	649,000	630,000	03/01/2003	03/01/2022
SAN JUAN, CITY OF	249,000	249,000	03/01/2004	03/01/2023
SEBASTIAN MUD	60,000	45,000	07/15/1996	07/15/2015
TERRELL CO WCID #1	380,000	368,000	02/15/2003	02/15/2021
SUBTOTAL WATER QUALITY ENHANC ACCT	10,839,000	9,400,608		
TOTAL EDAP	$ 21,481,000	$ 17,794,608		

Texas Water Development Board (580)
Schedule 5B - Loans and Contracts
State Participation Program
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
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
GILMER, CITY OF	4,800,000	4,800,000	07/15/2012	07/15/2035
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
LOWER COLORADO RA	7,455,000	7,455,000	05/15/2022	05/15/2036
SABINE RA (TOLEDO BEND)	700,000	700,000	01/01/2005	01/01/2005
UPPER TRINITY REGIONAL WD	17,165,000	17,165,000	08/01/2020	08/01/2034
UPPER TRINITY REGIONAL WD	2,325,000	2,325,000	02/02/2022	02/01/2036
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
WACO, CITY OF	15,000,000	15,000,000	02/02/2022	02/01/2036
TOTAL STATE PARTICIPATION PROGRAM	$ 134,505,000	$ 133,976,165		

Texas Water Development Board (580)
Schedule 5C - Loans and Contracts
Agricultural Trust Fund
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
EDWARDS AQUIFER AUTHORITY	$ 500,000	$ 295,836	09/01/2003	09/01/2014
EDWARDS AQUIFER AUTHORITY	2,250,000	825,500	11/01/1999	11/01/2006
EVERGREEN UWCD	417,000	37,263	05/01/1999	05/01/2005
HIGH PLAINS UWCD #1	1,625,000	-	06/30/1999	06/30/2006
MEDINA CO	200,000	173,000	02/15/2003	02/15/2009
PANHANDLE GWCD #3	500,000	442,000	01/15/2003	01/15/2010
PANHANDLE GWCD #3	626,000	-	02/01/1999	02/01/2006
SANDY LAND UWCD	375,000	175,500	03/15/2000	03/15/2006
SANDY LAND UWCD	417,000	134,500	03/15/1999	03/15/2005
SANDY LAND UWCD	500,000	258,268	03/15/2002	03/15/2008
SANDY LAND UWCD	500,000	299,210	03/15/2003	03/15/2009
SOUTH PLAINS UWCD	562,500	157,500	02/15/2000	02/15/2006
SOUTH PLAINS UWCD	835,000	270,500	02/15/1999	02/15/2005
TOM GREEN CO WCID #1	125,000	40,500	08/01/1999	08/01/2005
TOTAL AGRICULTURAL TRUST FUND	$ 9,432,500	$ 3,109,577		

Texas Water Development Board (580)
Schedule 5D - Loans and Contracts
Groundwater District Loan Fund
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
KINNEY CO GCD	$ 16,000	$ 16,000	06/01/2004	06/01/2006
TOTAL GROUNDWTR DISTRICT LOAN FUND	$ 16,000	$ 16,000		

Texas Water Development Board (580)
Schedule 5E - Loans and Contracts
Water Development Fund I
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
ANGELINA NECHES RA	$ 105,000	$ 50,000	09/01/1997	09/01/2007
BAYVIEW MUD	210,000	180,000	09/01/1998	09/01/2016
CADE LAKES	235,000	235,000	10/01/2003	10/01/2028
CANYON LAKE WSC	3,040,000	2,840,000	12/01/1999	12/01/2022
CANYON LAKE WSC	2,960,000	2,870,000	12/01/2001	12/01/2024
CANYON REGIONAL WA	4,600,000	4,330,000	08/01/2000	08/01/2024
CANYON REGIONAL WA	3,270,000	3,070,000	08/01/2000	08/01/2024
CANYON REGIONAL WA	3,445,000	3,350,000	08/01/2002	08/01/2025
CANYON REGIONAL WA	1,500,000	1,475,000	08/01/2003	08/01/2024
CHARTERWOOD MUD	545,000	410,000	05/01/1997	05/01/2015
CHIMNEY HILL MUD	1,520,000	1,495,000	10/01/1998	10/01/2017
COLORADO CITY, CITY OF	4,000,000	3,715,000	04/01/1997	04/01/2020
COMBINED CONSUMERS WSC	1,000,000	930,000	10/01/1999	10/01/2018
COMMODORE COVE ID	220,000	175,000	08/15/1998	08/15/2016
COVINGTON, CITY OF	100,000	88,000	10/01/1999	10/01/2018
CROSBY MUD	650,000	610,000	01/01/1996	01/01/2014
DONNA, CITY OF	850,000	635,000	08/01/1996	08/01/2015
EAST CEDAR CREEK FWSD	3,745,000	3,380,000	01/01/1998	01/01/2022
EDGEWOOD, CITY OF	450,000	430,000	05/01/2002	05/01/2010
EL PASO CO WA MUD	2,560,000	2,335,000	02/01/1998	02/01/2015
FORNEY LAKE WSC	325,000	270,000	12/01/1999	12/01/2013
GALVESTON CO MUD #12	280,000	250,000	09/01/1997	09/01/2015
GATESVILLE, CITY OF	205,000	145,000	09/01/2000	09/01/2008
GILMER, CITY OF	4,000,000	3,960,000	07/01/1996	07/01/2034
GOLDEN WSC	133,000	105,486	03/15/2002	06/15/2008
GREATER TEXOMA UA	170,000	140,000	04/01/1998	04/01/2018
GREATER TEXOMA UA	50,000	46,000	04/01/2000	04/01/2019
GREATER TEXOMA UA	440,000	330,000	06/01/1996	06/01/2015
GREATER TEXOMA UA	150,000	120,000	10/01/1997	10/01/2015
GREATER TEXOMA UA	180,000	150,000	10/01/1997	10/01/2016
GREATER TEXOMA UA	290,000	230,000	10/01/1997	10/01/2015
GREENWOOD UD	185,000	-	08/01/1999	08/01/2003
HARDIN COUNTY WCID #1	500,000	320,000	08/15/1998	08/15/2017
HARRIS CO FWSD 1-A	800,000	710,000	06/01/2000	06/01/2020
H-M-W SUD	4,600,000	4,155,000	09/01/1998	09/01/2019
HOLIDAY BEACH WSC	470,000	460,000	03/01/2002	03/01/2026
HOMESTEAD MUD	1,700,000	1,230,000	02/01/1996	02/01/2014
HOUSTON CO WCID #1	600,000	545,000	07/10/2000	07/10/2006
HURST CREEK MUD	480,000	380,000	04/01/1998	04/01/2016
HURST CREEK MUD	425,000	425,000	04/01/2004	04/01/2020
JACKSBORO, CITY OF	1,535,000	1,270,000	07/10/1996	07/10/2020
JASPER, CITY OF	730,000	515,000	08/15/1995	08/15/2014
LAKE CITIES MUA	755,000	530,000	11/01/1997	11/01/2011
MACBEE SUD	640,000	640,000	08/15/2004	08/15/2025
MAURICEVILLE SUD	5,740,000	5,250,000	11/15/1996	11/15/2020
MCCOY WSC	950,000	885,000	06/01/2000	06/01/2019
MUENSTER WD	500,000	455,000	07/01/1996	07/01/2015
NORTH ALAMO WSC	205,000	185,000	09/01/1999	09/01/2018
NORTH ALAMO WSC	380,000	340,000	09/01/1999	09/01/2018
ORANGE CO WCID #1	2,040,000	1,590,000	02/15/1999	02/15/2014
PECAN ACRES WSC	64,450	58,000	01/01/2001	10/01/2015
PINEHURST, CITY OF	440,000	400,000	03/01/2001	03/01/2020
PROSPER, TOWN OF	805,000	640,000	01/10/1997	01/10/2016
ROCK HILL WSC	495,000	475,700	11/15/2000	11/15/2025
ROCKETT SUD	6,625,000	6,495,000	07/10/1998	07/10/2022

Texas Water Development Board (580)
Schedule 5E - Loans and Contracts
Water Development Fund I
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
ROSE CITY, CITY OF	500,000	365,000	02/15/1996	02/15/2015
RUSK, CITY OF	550,000	485,000	02/15/1998	02/15/2022
SAN DIEGO, CITY OF	1,115,000	770,000	06/01/1995	06/01/2013
SAN JACINTO RA	7,105,000	6,200,000	10/01/1997	10/01/2020
SAN JACINTO RA	19,000,000	16,965,000	10/01/1998	10/01/2024
SUNBELT FWSD	4,555,000	4,015,000	12/01/1997	12/01/2021
SURFSIDE BEACH, VILLAGE OF	555,000	450,000	08/15/1998	08/15/2017
TRAVIS COUNTY WCID #17	1,090,000	830,000	03/01/1997	03/01/2015
TRINITY RA	685,000	525,000	08/01/1997	08/01/2016
UPPER TRINITY REGIONAL WD	4,845,000	3,940,000	08/01/1997	08/01/2019
UPPER TRINITY REGIONAL WD	6,160,000	5,280,000	08/01/1998	08/01/2020
UPPER TRINITY REGIONAL WD	20,010,000	17,590,000	08/01/1999	08/01/2021
WALNUT GROVE WSC	1,200,000	1,175,000	09/01/2002	09/01/2022
WHARTON CO WCID #1	100,000	20,000	02/15/1996	02/15/2005
TOTAL WATER DEVELOPMENT FUND I	$ 140,362,450	$ 124,913,186		

Texas Water Development Board (580)
Schedule 5F - Loans and Contracts
Water Development Fund II
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
ABBOTT, CITY OF	$ 120,000	$ 100,000	09/01/1999	09/01/2008
ACTON MUD	335,000	335,000	02/01/2004	02/01/2023
ANAHUAC, CITY OF	840,000	-	08/01/1994	08/01/2018
ARCHER CO MUD #1	950,000	860,000	11/15/2000	11/15/2019
ARGYLE, CITY OF	100,000	-	07/01/1996	07/01/2013
BASTROP CO WCID #2	745,000	680,000	08/15/2001	08/15/2020
BELL COUNTY WCID #1	33,000,000	31,420,000	07/10/1999	07/10/2018
BELLS, CITY OF	330,000	270,000	02/15/1998	02/15/2017
BENTON CITY WSC	1,500,000	1,260,000	03/01/1998	03/01/2017
BENTON CITY WSC	2,200,000	2,115,000	03/01/2002	03/01/2021
BEXAR-MEDINA-ATASCOSA CO's WCID NO. 1	3,765,000	2,850,000	02/01/2001	02/01/2010
BLUM, CITY OF	140,000	60,000	08/01/1993	08/01/2008
BRAZORIA CO FWSD #1	500,000	320,000	03/01/1994	03/01/2013
BRECKENRIDGE, CITY OF	2,280,000	-	03/15/1995	03/15/2018
BRIARCLIFF, VILLAGE OF	1,025,000	1,015,000	05/01/2002	05/01/2025
BROOKELAND FWSD	1,945,000	320,000	01/01/2000	01/01/2020
BROOKESMITH SUD	7,900,000	7,430,000	12/01/2000	12/01/2025
BRUSHY CREEK	1,500,000	1,455,000	06/01/2003	06/01/2022
CANEY CREEK MUD	100,000	100,000	03/01/2005	03/01/2024
CANEY CREEK MUD	765,000	765,000	03/01/2005	03/01/2029
CANYON LAKE WSC	7,105,000	6,775,000	12/01/1996	12/01/2019
CANYON REGIONAL WA	6,230,000	5,715,000	08/01/2000	08/01/2024
CANYON REGIONAL WA	6,555,000	6,305,000	08/01/2002	08/01/2025
CANYON REGIONAL WA	22,290,000	22,290,000	08/01/2005	08/01/2028
CANYON REGIONAL WA	11,710,000	11,710,000	08/01/2005	08/01/2028
CHELFORD CITY MUD	1,500,000	1,500,000	09/01/2003	09/01/2017
CHINA, CITY OF	275,000	140,000	08/01/1992	08/01/2010
CHISHOLM TRAIL SUD	1,670,000	1,545,000	08/15/2000	08/15/2024
CHISHOLM TRAIL SUD	4,470,000	4,290,000	08/15/2001	09/30/2025
CLEAR LAKE CITY WA	7,885,000	7,375,000	03/01/2002	03/01/2021
CLEAR LAKE CITY WA	5,410,000	4,675,000	09/01/1999	09/01/2018
COLORADO CO WCID #2	253,000	223,000	02/15/2000	02/15/2019
COMBINED CONSUMERS WSC	1,100,000	920,000	10/01/1994	10/01/2018
COMBINED CONSUMERS WSC	2,245,000	1,940,000	10/01/1995	10/01/2018
CORINTHIAN POINT MUD #2	180,000	160,000	02/01/2000	02/01/2017
CRANDALL, CITY OF	155,000	65,000	05/01/1990	05/01/2008
CRANDALL, CITY OF	65,000	35,000	05/01/1998	05/01/2008
CROCKETT CO WCID #1	3,300,000	3,200,000	09/01/2001	09/01/2025
CROSBY MUD	4,000,000	3,705,000	08/15/2002	08/15/2021
DANBURY, CITY OF	235,000	-	03/01/1990	03/01/2005
DAVENPORT MUD #1	5,165,000	4,535,000	09/01/1999	09/01/2018
DEL RIO, CITY OF	4,970,000	4,870,000	06/01/2003	06/01/2027
DENTON CO LEVEE ID #1	1,905,000	1,730,000	08/01/2001	08/01/2020
DIANA WSC	260,000	110,000	05/01/1993	05/01/2007
DIANA WSC	310,000	170,000	05/01/1995	05/01/2009
DONNA, CITY OF	6,795,000	5,845,000	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	1,685,000	02/15/2003	02/15/2022
EAGLE PASS, CITY OF	2,145,000	2,145,000	12/01/2003	12/01/2022
EARLY, CITY OF	2,500,000	2,395,000	03/01/2002	03/01/2025
EAST CEDAR CREEK FWSD	80,000	40,000	01/01/1996	01/01/2011
EAST CEDAR CREEK FWSD	270,000	155,000	01/01/1996	0101/2015
EAST CEDAR CREEK FWSD	2,120,000	1,980,000	01/01/2001	01/01/2024
EAST FORK SUD	5,100,000	4,945,000	07/10/2002	07/01/2026
EL PASO CO WA MUD	770,000	600,000	02/01/1999	02/01/2015

Texas Water Development Board (580)
Schedule 5F - Loans and Contracts
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Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
EL PASO CO WA MUD	1,330,000	1,305,000	02/01/2000	02/01/2015
EL PASO CO WA MUD	1,290,000	1,220,000	03/01/2002	03/01/2021
EL PASO CO WA MUD	7,780,000	7,435,000	03/01/2002	03/01/2026
EL PASO WCID (WESTWAY)	475,000	-	05/01/1992	05/01/2014
EMORY, CITY OF	235,000	-	01/01/1992	01/01/2011
FALLS COUNTY WCID #1	235,000	180,000	08/01/1996	08/01/2015
FALLS COUNTY WCID #1	280,000	225,000	08/01/1997	08/01/2016
FAR HILLS UD	1,000,000	970,000	04/01/2003	04/01/2022
FLOYDADA, CITY OF	820,000	215,000	02/01/1998	02/10/2017
FORT BEND FL CONTROL WSC	6,850,000	3,490,000	03/01/1996	03/01/2008
GALVESTON CO WCID #1	1,040,000	1,040,000	03/01/2004	03/01/2022
GALVESTON CO WCID #12	885,000	775,000	09/01/1999	09/01/2018
GALVESTON CO WCID #12	3,425,000	3,420,000	09/01/2002	09/01/2020
GASTONIA SCURRY WSC	1,550,000	-	03/01/1991	03/01/2010
GRANDVIEW, CITY OF	1,320,000	1,195,000	08/15/2001	08/15/2020
GREATER TEXOMA UA	500,000	460,000	10/01/1999	10/01/2012
GREATER TEXOMA UA	155,000	140,000	01/01/2001	01/01/2020
GREATER TEXOMA UA	785,000	775,000	01/01/2002	01/01/2020
GREATER TEXOMA UA	105,000	95,000	04/01/2002	04/01/2020
GREATER TEXOMA UA	600,000	585,000	05/01/2001	05/01/2020
GREATER TEXOMA UA	315,000	295,000	06/01/2001	06/01/2020
GREATER TEXOMA UA	1,600,000	1,470,000	06/01/2000	06/01/2019
GREATER TEXOMA UA	175,000	165,000	06/01/2002	06/01/2021
GREATER TEXOMA UA	1,000,000	985,000	06/01/2002	06/01/2021
GREATER TEXOMA UA	150,000	110,000	10/01/2001	10/01/2020
GREATER TEXOMA UA	150,000	140,000	10/01/2001	10/01/2020
GREATER TEXOMA UA	150,000	140,000	10/01/2001	10/01/2020
GREATER TEXOMA UA	1,325,000	1,250,000	10/01/2001	10/01/2020
GREATER TEXOMA UA	1,475,000	1,460,000	06/01/2003	06/01/2022
GREATER TEXOMA UA	1,030,000	1,030,000	10/01/2003	10/01/2022
GREATER TEXOMA UA	560,000	560,000	10/01/2003	10/01/2021
GREENBELT M&I WA	5,300,000	5,105,000	07/10/2002	07/10/2026
HACIENDAS DEL NORTE WID	1,725,000	1,625,000	02/15/1999	02/15/2023
HACKBERRY, TOWN OF	170,000	100,000	07/10/1992	07/10/2011
HARRIS CO FWSD #61	4,735,000	4,570,000	09/01/2001	09/01/2025
HARRIS CO MUD #119	3,060,000	2,805,000	05/01/2001	05/01/2012
HARRIS CO MUD #217	270,000	265,000	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	3,315,000	09/01/2000	09/01/2024
HARRIS CO MUD #50	725,000	715,000	03/01/2002	03/01/2020
HARRIS CO WCID (FONDREN ROAD)	1,670,000	1,640,000	03/01/2001	03/01/2020
HARRIS COUNTY WCID # 36	690,000	685,000	09/15/2002	09/15/2021
HEMPHILL, CITY OF	495,000	380,000	04/01/1996	04/01/2015
HENDERSON CO LEVEE ID #3	140,000	135,000	04/01/2003	04/01/2020
HILL COUNTRY WSC	550,000	440,000	07/01/1995	07/1/2017
HILL COUNTRY WSC	3,645,000	3,225,000	07/01/2000	07/1/2017
HOLIDAY BEACH WSC	630,000	575,000	03/01/2000	03/01/2019
HOLIDAY LAKES, TOWN OF	370,000	265,000	03/01/1996	03/01/2013
HUDSPETH CO CRD #1	2,250,000	1,645,000	10/01/1994	10/01/2013
HUNTER'S GLEN MUD	655,000	640,000	04/01/2001	04/01/2019
HURST CREEK MUD	350,000	330,000	04/01/2002	04/01/2020
HUXLEY, CITY OF	890,000	870,000	01/01/2000	01/01/2024
INGLESIDE ON THE BAY, CITY OF	495,000	365,000	09/01/1995	09/01/2014
JACKSON WSC	665,000	-	05/01/1990	05/01/2009
JASPER CO WCID #1	825,000	695,000	03/15/1999	03/15/2018

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Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
JASPER, CITY OF	1,740,000	1,590,000	02/15/2001	02/15/2020
JEFFERSON CO WCID #10	90,000	55,000	02/15/1997	02/15/2012
JEFFERSON CO WCID #10	1,900,000	1,620,000	02/15/1998	02/15/2017
JOHNSON CO FWSD NO.1	1,500,000	1,460,000	05/15/2003	05/15/2022
JONAH WATER SUD	1,930,000	1,835,000	07/01/2002	07/01/2021
JOSEPHINE, CITY OF	185,000	145,000	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	200,000	01/01/2001	01/01/2020
KIRKMONT MUD	575,000	550,000	02/01/1999	02/01/2014
KLEINWOOD MUD	3,215,000	3,210,000	08/01/2003	08/01/2022
KYLE, CITY OF	185,000	125,000	08/01/1991	08/01/2009
KYLE, CITY OF	60,000	5,000	08/01/1993	08/01/2004
LAKE WORTH, CITY OF	2,500,000	2,020,000	03/01/1998	03/01/2017
LAVACA NAVIDAD RA	7,600,000	7,200,000	08/01/2002	08/01/2035
LAVACA NAVIDAD RA	30,900,000	30,200,000	08/01/2002	08/01/2035
LAVACA NAVIDAD RA	16,500,000	16,100,000	08/01/2002	08/01/2035
LAWRENCE WSC	150,000	-	12/01/1989	12/01/2012
LAZY RIVER ID	1,400,000	1,295,000	03/01/2001	03/01/2022
LILLY GROVE SUD	1,000,000	945,000	10/15/2001	10/15/2020
LITTLE ELM, TOWN OF	510,000	210,000	08/01/1992	08/01/2011
LORENA, CITY OF	3,335,000	3,260,000	07/01/1999	07/01/2022
LOS FRESNOS, CITY OF	360,000	350,000	02/01/2003	02/01/2022
LOUETTA ROAD UD	700,000	680,000	03/01/2000	03/01/2010
LOWER VALLEY WD	800,000	710,000	09/15/1999	09/15/2018
LOWER VALLEY WD	1,089,000	986,000	09/15/2000	09/15/2019
LOWER VALLEY WD	1,870,000	1,760,000	09/15/2001	09/15/2020
LOWER VALLEY WD	371,000	351,000	09/15/2001	09/15/2021
LOWER VALLEY WD	1,080,000	1,080,000	09/15/2003	09/15/2023
LOWER VALLEY WD	2,510,000	1,555,000	09/15/1994	09/15/2010
MADERA VALLEY WSC	495,000	60,000	05/01/1990	05/01/2004
MARION, CITY OF	255,000	70,000	07/01/1989	07/01/2005
MART, CITY OF	490,000	470,000	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
MAURICEVILLE SUD	750,000	725,000	11/15/1998	11/15/2019
MEADOWHILL REGIONAL MUD	875,000	875,000	10/01/2003	10/01/2022
MEEKER MWD	840,000	840,000	09/01/2003	09/01/2026
MEEKER MWD	1,660,000	1,660,000	09/01/2005	09/01/2029
MONTGOMERY CO. WCID #1	1,890,000	1,720,000	03/01/2000	03/01/2015
MONTGOMERY CO MUD # 56	840,000	840,000	04/01/2004	04/01/2027
MUSTANG WSC	1,145,000	865,000	09/01/1995	09/01/2013
NASH, CITY OF	700,000	-	08/15/1990	08/15/2009
NEEDVILLE, CITY OF	160,000	25,000	03/01/1993	03/01/2005
NEW CANEY MUD	2,265,000	2,240,000	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	-	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	10,000	08/01/1991	08/01/2014
OAK HILL FWSD #1	365,000	350,000	08/01/2002	08/01/2025
PARKWAY UD	710,000	705,000	03/01/2003	03/01/2022
PECOS CITY, TOWN OF	460,000	425,000	06/15/2001	06/15/2020
PELICAN BAY, CITY OF	1,150,000	990,000	02/15/2000	02/15/2018
PHARR, CITY OF	2,160,000	2,140,000	09/01/1999	09/01/2023
PINE VILLAGE PUD	205,000	190,000	03/01/2001	03/01/2022

Texas Water Development Board (580)
Schedule 5F - Loans and Contracts
Water Development Fund II
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
POINT AQUARIUS MUD	2,200,000	2,190,000	03/01/2002	03/01/2022
POST WOOD MUD	815,000	805,000	09/01/2001	09/01/2009
REBECCA CO FWSD #1	1,400,000	1,115,000	02/15/1997	02/15/2016
RIO VISTA, CITY OF	475,000	400,000	09/01/1992	09/01/2021
RIVER OAKS, CITY OF	2,215,000	-	06/15/1994	06/15/2018
ROMA, CITY OF	1,975,000	1,705,000	05/01/2001	050/1/2015
ROMAN FOREST CONSOLIDATED MUD	2,705,000	2,535,000	04/01/2001	04/01/2020
RUNGE, CITY OF	165,000	30,000	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	615,000	02/15/2001	02/15/2020
SAN JACINTO RA	14,730,000	14,350,000	10/01/2001	10/01/2030
SAN JACINTO RA	19,905,000	19,390,000	10/01/2001	10/01/2030
SHASLA PUD	1,300,000	1,295,000	03/01/2003	03/01/2022
SOUTH NEWTON WSC	6,250,000	6,250,000	03/15/2006	03/15/2043
SOUTH TEXAS WA	1,005,000	-	07/01/1991	07/01/2012
SOUTH TEXAS WA	250,000	100,000	07/01/1995	07/01/2013
STANLEY LAKE MUD	125,000	60,000	07/01/1997	07/01/2008
TARKINGTON SUD	1,000,000	950,000	04/01/2002	04/01/2021
TERRANOVA WEST MUD	450,000	385,000	04/01/2000	04/01/2008
TEXAS NATIONAL MUD	295,000	285,000	09/01/2001	09/01/2026
TRAVIS CO WCID #18	4,500,000	4,315,000	08/01/2001	08/01/2014
TRAVIS CO WCID (POINT VENTURE)	1,540,000	1,310,000	08/15/1999	08/15/2018
TRAVIS COUNTY WCID #17	2,100,000	1,930,000	10/01/1998	10/01/2026
TRAVIS COUNTY WCID #17	3,110,000	3,110,000	11/01/2005	11/01/2023
TRAVIS COUNTY WCID #17	1,180,000	1,180,000	11/01/2005	11/01/2023
TRINITY BAY CD	12,150,000	11,555,000	08/15/2002	08/15/2021
TRINITY BAY CD	1,200,000	1,170,000	08/15/1998	08/15/2017
TRINITY RA	82,000	50,000	02/01/1993	02/01/2012
UPPER TRINITY REGIONAL WD	3,600,000	120,000	08/01/1996	08/01/2018
UPPER TRINITY REGIONAL WD	190,000	145,000	08/01/1996	08/01/2015
VENUS, CITY OF	850,000	850,000	07/10/2004	07/10/2023
VICTORIA CO WCID #2	625,000	520,000	02/15/1992	02/15/2020
WALNUT CREEK SUD	850,000	605,000	01/10/1990	01/10/2013
WALNUT CREEK SUD	400,000	335,000	01/10/1996	01/10/2020
WALNUT CREEK SUD	9,600,000	9,360,000	01/10/2000	01/10/2024
WALNUT CREEK SUD	500,000	485,000	01/10/2002	01/10/2026
WALNUT CREEK SUD	6,480,000	6,340,000	01/10/2003	01/10/2019
WEBB CO	1,958,000	1,950,000	02/01/2003	02/01/2020
WELLBORN SUD	3,300,000	3,225,000	07/15/2001	07/15/2024
WEST, CITY OF	1,350,000	1,095,000	04/01/1998	04/01/2017
WHITE OAK BEND MUD	89,000	89,000	10/01/2011	10/01/2011
WHITE OAK BEND MUD	910,000	910,000	10/01/2004	10/01/2027
WHITEROCK WSC	2,600,000	2,540,000	09/01/2002	09/01/2021
WORTHAM, CITY OF	820,000	785,000	05/15/1999	05/15/2023
TOTAL WATER DEVELOPMENT FUND II	$ 503,672,000	$ 457,369,000		

Texas Water Development Board (580)
Schedule 5G - Loans
Water Loan Assistance Fund
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
BEXAR METROPOLITAN WD	$ 2,500,000	$ 1,625,000	05/01/1997	05/01/2016
BRAZOS RA	210,000	210,000	01/01/2026	01/01/2026
BRAZOS RA	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	-	07/10/1994	07/10/2003
HARLINGEN, CITY OF	1,785,000	1,080,000	11/01/1993	11/01/2009
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	17,400	08/26/2013	08/26/2013
TOTAL WATER ASSISTANCE FUND	$ 15,242,500	$ 13,389,900		

Texas Water Development Board (580)
Schedule 5H - Loans
Rural Water Assistance Fund
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
BENTON CITY WSC	$ 3,300,000	$ 3,300,000	03/01/2004	03/01/2042
CADE LAKES WSC	185,000	185,000	10/01/2003	10/01/2042
CANYON REGIONAL WA	2,000,000	2,000,000	08/01/2004	08/01/2028
MOUNTAIN PEAK WSC	3,200,000	3,200,000	12/01/2003	12/01/2027
SOUTH NEWTON WSC	795,000	795,000	03/15/2005	03/15/2042
THE OAKS WSC	142,000	142,000	09/15/2003	08/15/2023
TOTAL RURAL WATER ASSISTANCE FUND	$ 9,622,000	$ 9,622,000		

Texas Water Development Board (580)
Schedule 5I - Loans and Contracts
Agricultural Water Conservation Fund
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
EDWARDS AQUIFER AUTHORITY	$ 750,000	$ 275,500	11/01/1999	11/01/2006
EVERGREEN UWCD	600,000	-	02/28/1996	05/01/2003
EVERGREEN UWCD	500,000	62,000	05/01/1998	05/01/2004
EVERGREEN UWCD	83,000	6,458	05/01/1999	05/01/2005
HIGH PLAINS UWCD #1	2,000,000	524,000	06/30/1998	06/30/2005
HIGH PLAINS UWCD #1	320,000	-	06/30/1999	06/30/2006
MEDINA CO UWCD	300,000	-	02/15/1996	02/15/2003
MEDINA CO UWCD	10,000	-	02/15/1996	02/15/2003
PANHANDLE GWCD #3	300,000	213,000	01/15/2001	01/15/2008
PANHANDLE GWCD #3	500,000	-	01/31/1996	01/31/2003
PANHANDLE GWCD #3	70,000	-	02/01/1995	02/01/2004
PANHANDLE GWCD #3	300,000	-	02/01/1998	02/01/2005
PANHANDLE GWCD #3	124,000	-	02/01/1999	02/01/2006
PANHANDLE GWCD #3	185,000	-	02/01/1999	02/01/2006
PANHANDLE GWCD #3	504,055	-	03/01/1994	03/01/2003
PANHANDLE GWCD #4	250,000	-	01/15/2004	01/15/2011
SANDY LAND UWCD	650,000	-	03/15/1997	03/15/2003
SANDY LAND UWCD	500,000	79,000	03/15/1998	03/15/2004
SANDY LAND UWCD	400,000	64,000	03/15/1998	03/15/2004
SANDY LAND UWCD	83,000	25,500	03/15/1999	03/15/2005
SANDY LAND UWCD	125,000	58,000	03/15/2000	03/15/2006
SANDY LAND UWCD	500,000	301,000	03/15/2001	03/15/2007
SANDY LAND UWCD	500,000	146,640	03/15/2004	03/15/2010
SOUTH PLAINS UWCD	750,000	-	02/15/1997	02/15/2003
SOUTH PLAINS UWCD	350,000	55,000	02/15/1998	02/15/2004
SOUTH PLAINS UWCD	750,000	119,000	02/15/1998	02/15/2004
SOUTH PLAINS UWCD	165,000	52,500	02/15/1999	02/15/2005
SOUTH PLAINS UWCD	187,500	52,500	02/15/2000	02/15/2006
SOUTH PLAINS UWCD	500,000	278,195	02/15/2001	02/15/2007
TOM GREEN CO WCID #1	25,000	8,500	08/01/1999	08/01/2005
UPPER PECOS S&WCD #213	449,068	78,600	02/15/1997	02/15/2006
WARD CO WID #3	250,000	-	12/15/1997	12/15/2003
TOTAL AG WATER CONSERVATION FUND	$ 12,980,623	$ 2,399,393		

Texas Water Development Board (580)
Schedule 5J - Loans and Contracts
Clean Water State Revolving Fund
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
ALTO, CITY OF	$ 425,000	$ 335,000	07/15/1998	07/15/2017
ALVARADO, CITY OF	1,000,000	825,000	07/10/2001	07/10/2013
ALVIN, CITY OF	2,900,000	-	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	305,000	10/01/1997	10/01/2016
ANAHUAC, CITY OF	1,465,000	1,340,000	08/01/2001	08/01/2020
ANGELINA CO WCID # 3	580,000	565,000	07/01/2003	07/01/2021
ANGELINA NECHES RA	620,000	535,000	02/01/2000	02/01/2018
ANGELINA NECHES RA	330,000	300,000	09/01/1997	09/01/2016
ANGELINA NECHES RA	3,100,000	3,035,000	04/01/2003	04/01/2021
ANGLETON, CITY OF	4,335,000	225,000	02/01/1996	02/01/2013
ANGLETON, CITY OF	640,000	545,000	02/15/2000	02/15/2019
ANGLETON, CITY OF	425,000	20,000	08/01/1994	08/01/2013
ANGLETON, CITY OF	540,000	415,000	08/15/2001	08/15/2020
ANGLETON, CITY OF	655,000	595,000	08/15/2001	08/15/2020
ANGLETON, CITY OF	645,000	625,000	08/15/2003	08/15/2022
ARGYLE, CITY OF	1,435,000	960,000	07/01/1995	07/01/2013
ATLANTA, CITY OF	2,420,000	1,775,000	02/15/1995	02/15/2014
ATLANTA, CITY OF	3,905,000	2,995,000	03/01/1997	03/01/2016
AUBREY, CITY OF	1,740,000	1,740,000	08/15/2004	08/15/2023
AUSTIN, CITY OF	3,500,000	2,500,000	11/15/1995	11/15/2014
AUSTIN, CITY OF	10,000,000	8,800,000	11/15/2000	11/15/2017
BACLIFF, CITY OF	4,890,000	4,890,000	09/01/2004	09/01/2023
BARDWELL, CITY OF	200,000	191,000	08/01/1998	08/01/2017
BAYTOWN, CITY OF	4,680,000	3,795,000	02/01/1998	02/01/2017
BAYTOWN, CITY OF	6,820,000	5,600,000	02/01/1999	02/01/2018
BAYVIEW MUD	490,000	405,000	09/01/1998	09/01/2016
BEAUMONT, CITY OF	20,000,000	-	09/01/1993	09/01/2012
BELLAIRE, CITY OF	1,385,000	-	02/15/1991	02/15/2008
BELLAIRE, CITY OF	1,100,000	-	02/15/1991	02/15/2008
BELLAIRE, CITY OF	885,000	-	02/15/1993	02/15/2010
BELLAIRE, CITY OF	190,000	-	02/15/1993	02/15/2011
BELLAIRE, CITY OF	1,270,000	-	02/15/1994	02/15/2012
BELLS, CITY OF	130,000	110,000	02/15/2000	02/15/2018
BENBROOK WSA	1,200,000	1,100,000	12/01/1999	12/01/2008
BLOSSOM, CITY OF	275,000	245,000	01/01/2000	01/01/2019
BOERNE, CITY OF	2,250,000	2,005,000	03/01/1998	03/01/2016
BOWIE, CITY OF	4,000,000	2,610,000	07/10/1994	07/10/2013
BRADY, CITY OF	1,655,000	985,000	09/01/1992	09/01/2011
BRAZOS RA	1,615,000	1,295,000	01/01/1998	01/01/2017
BRAZOS RA	3,155,000	1,740,000	01/10/1992	01/10/2011
BRAZOS RA	6,500,000	3,230,000	01/10/1992	01/10/2011
BRAZOS RA	1,400,000	715,000	03/01/1996	03/01/2009
BRAZOS RA	13,645,000	8,350,000	09/01/1995	09/01/2010
BRECKENRIDGE, CITY OF	4,015,000	2,645,000	03/15/1995	03/15/2014
BRIDGEPORT, CITY OF	2,200,000	1,395,000	07/01/1994	07/01/2013
BRIDGEPORT, CITY OF	1,200,000	1,110,000	08/15/2002	08/15/2021
BRIDGEPORT, CITY OF	2,365,000	2,365,000	08/15/2004	08/15/2023
BROWNSVILLE, CITY OF	13,000,000	10,995,000	09/01/1999	09/01/2018
BROWNSVILLE, CITY OF	11,000,000	9,650,000	09/01/2000	09/01/2019
BROWNWOOD, CITY OF	7,835,000	4,565,000	09/01/1995	09/01/2014
BRYAN, CITY OF	1,500,000	1,225,000	07/01/1999	07/01/2018
BRYAN, CITY OF	1,600,000	-	07/01/1994	07/01/2011
BRYAN, CITY OF	5,000,000	3,380,000	07/01/1995	07/01/2014
BULLARD, CITY OF	175,000	60,000	09/01/1993	09/01/2006

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CAMERON, CITY OF	710,000	710,000	02/01/2005	02/01/2024
CAMPBELL, CITY OF	240,000	205,000	08/15/2000	08/15/2019
CANTON, CITY OF	2,155,000	-	07/01/1995	07/01/2012
CARTHAGE, CITY OF	3,910,000	3,100,000	04/10/1996	04/10/2015
CIBOLO CREEK MA	2,250,000	2,040,000	02/01/1999	02/01/2019
CIBOLO CREEK MA	1,500,000	1,425,000	07/10/2003	07/10/2022
CLEAR LAKE CITY WA	7,000,000	4,645,000	03/01/1995	03/01/2013
CLEAR LAKE CITY WA	6,900,000	5,900,000	03/01/2000	03/01/2019
CLEAR LAKE CITY WA	4,485,000	4,170,000	03/01/2002	03/01/2021
CLEVELAND, CITY OF	2,250,000	1,810,000	02/01/1998	02/01/2017
CLEVELAND, CITY OF	1,960,000	1,945,000	08/01/2001	08/01/2020
COLDSPRING, CITY OF	300,000	190,000	08/01/1994	08/01/2013
COLLEYVILLE, CITY OF	2,370,000	1,310,000	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	2,385,000	03/15/1997	03/15/2016
COMMODORE COVE ID	490,000	380,000	02/15/1998	02/15/2016
CONROE, CITY OF	2,000,000	-	09/15/1993	09/15/2010
CONROE, CITY OF	10,000,000	-	09/15/1993	09/15/2011
COPPERAS COVE, CITY OF	4,450,000	4,240,000	08/01/1995	08/01/2014
CORINTHIAN POINT MUD #2	1,310,000	1,250,000	02/01/1998	02/01/2017
CORPUS CHRISTI, CITY OF	8,520,000	5,635,000	07/15/1995	07/15/2014
CORPUS CHRISTI, CITY OF	27,640,000	19,770,000	07/15/1996	07/15/2015
CORPUS CHRISTI, CITY OF	15,750,000	13,475,000	07/15/2000	07/15/2019
CORRIGAN, CITY OF	400,000	155,000	08/15/1994	08/15/2007
CORSICANA, CITY OF	10,075,000	7,910,000	08/15/1998	08/15/2017
CRANDALL, CITY OF	1,965,000	1,415,000	02/15/1996	02/15/2015
CRANE, CITY OF	2,630,000	1,815,000	02/01/1999	02/01/2013
CRANFILLS GAP, CITY OF	605,000	585,000	09/01/2002	09/01/2021
CROCKETT, CITY OF	4,275,000	3,975,000	09/15/1997	09/15/2016
CROSBY MUD	935,000	895,000	01/01/1996	01/01/2014
DALHART, CITY OF	5,870,000	5,655,000	02/01/2003	02/01/2022
DALLAS CO WCID #6	3,865,000	3,300,000	09/01/1999	09/01/2018
DAVENPORT MUD #1	3,665,000	3,090,000	09/01/1998	09/01/2017
DEER PARK, CITY OF	6,675,000	-	03/01/1995	03/01/2014
DEER PARK, CITY OF	3,000,000	2,100,000	03/01/1998	03/01/2017
DEER PARK, CITY OF	3,000,000	2,550,000	03/01/2001	03/01/2020
DEER PARK, CITY OF	5,000,000	5,000,000	03/01/2004	03/01/2023
DEKALB, CITY OF	565,000	565,000	12/01/2004	12/01/2019
DEL RIO, CITY OF	280,000	-	12/01/1992	12/01/2011
DEL RIO, CITY OF	1,395,000	-	12/01/1992	12/01/2011
DETROIT, CITY OF	925,000	895,000	07/01/2002	07/01/2020
DEVINE, CITY OF	60,000	5,000	11/01/1992	11/01/2003
DEVINE, CITY OF	275,000	210,000	11/01/1992	11/01/2010
DIBOLL, CITY OF	4,635,000	4,475,000	02/01/2000	02/01/2019
DONNA, CITY OF	2,775,000	2,490,000	02/01/2001	02/01/2018
DUBLIN, CITY OF	1,960,000	1,465,000	02/15/1997	02/15/2016
EAGLE PASS, CITY OF	2,795,000	1,875,000	12/01/1993	12/01/2012
EAGLE PASS, CITY OF	10,110,000	10,110,000	12/01/2005	12/01/2024
EAST CEDAR CREEK FWSD	415,000	265,000	01/01/1995	01/01/2014
EAST CEDAR CREEK FWSD	2,255,000	1,855,000	01/01/1998	01/01/2017
EAST CEDAR CREEK FWSD	2,075,000	1,825,000	01/01/2000	01/01/2019
EDINBURG, CITY OF	3,700,000	3,120,000	03/01/1996	03/01/2015
EL PASO CO WA MUD	5,275,000	3,555,000	02/01/1998	02/01/2015
EL PASO, CITY OF (THE "CITY")	22,000,000	10,910,000	03/01/1992	03/01/2011
EL PASO, CITY OF (THE "CITY")	25,000,000	15,525,000	03/01/1995	03/01/2012

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EL PASO, CITY OF (THE "CITY")	18,000,000	12,280,000	03/01/1996	03/01/2014
EL PASO, CITY OF (THE "CITY")	10,000,000	7,800,000	03/01/1998	03/01/2017
EL PASO, CITY OF (THE "CITY")	22,000,000	17,740,000	03/01/1998	03/01/2017
EL PASO, CITY OF (THE "CITY")	7,520,000	7,215,000	03/01/2003	03/01/2022
EL PASO, CITY OF (THE "CITY")	16,265,000	15,705,000	03/01/2003	03/01/2022
EVADALE WCID # 1	1,550,000	1,500,000	07/01/2003	07/01/2022
FAIRFIELD, CITY OF	4,415,000	4,415,000	09/01/2003	09/01/2022
FALLBROOK UD	2,380,000	290,000	03/01/1994	03/01/2007
FATE, CITY OF	1,000,000	880,000	09/01/1999	09/01/2017
FIRST COLONY MUD #9	4,000,000	3,650,000	10/01/1999	10/01/2018
FLATONIA, CITY OF	665,000	540,000	02/15/1999	02/15/2018
FOREST COVE MUD	4,870,000	3,975,000	03/15/1998	03/15/2017
FORT BEND CO WCID #2	4,740,000	3,835,000	09/01/1998	09/01/2017
FORT WORTH, CITY OF	13,460,000	-	03/01/1994	03/01/2012
FORT WORTH, CITY OF	2,695,000	-	03/01/1994	03/01/2012
FORT WORTH, CITY OF	12,000,000	-	03/01/1995	03/01/2014
FORT WORTH, CITY OF	18,880,000	14,105,000	03/01/1997	03/01/2015
FORT WORTH, CITY OF	17,120,000	12,850,000	03/01/1997	03/01/2016
FORT WORTH, CITY OF	60,980,000	49,840,000	03/01/1999	03/01/2018
FORT WORTH, CITY OF	38,000,000	32,635,000	03/01/2000	03/01/2019
FORT WORTH, CITY OF	61,750,000	55,385,000	03/01/2001	03/01/2020
FORT WORTH, CITY OF	8,080,000	7,490,000	03/01/2002	03/01/2021
FORT WORTH, CITY OF	34,310,000	33,035,000	03/01/2003	03/01/2022
FRITCH, CITY OF	2,350,000	-	02/15/2000	02/15/2018
GALVESTON CO MUD #1	6,395,000	6,395,000	03/01/2004	03/01/2022
GALVESTON CO MUD #12	1,820,000	1,760,000	09/01/1997	09/01/2015
GALVESTON CO WCID #12	1,920,000	1,605,000	09/01/1999	09/01/2016
GALVESTON CO WCID #12	515,000	435,000	09/01/1999	09/01/2018
GEORGETOWN, CITY OF	5,200,000	4,345,000	08/15/1996	08/15/2015
GIDDINGS, CITY OF	4,000,000	3,625,000	09/01/1997	09/01/2016
GLEN ROSE, CITY OF	1,450,000	850,000	04/01/1993	04/01/2012
GREATER TEXOMA UA	160,000	50,000	01/01/1995	01/01/2006
GREATER TEXOMA UA	95,000	40,000	01/01/1995	01/01/2007
GREATER TEXOMA UA	290,000	230,000	01/01/2007	01/01/2014
GREATER TEXOMA UA	995,000	595,000	04/01/1992	04/01/2011
GREATER TEXOMA UA	350,000	225,000	04/01/1994	04/01/2013
GREATER TEXOMA UA	300,000	240,000	04/01/1998	04/01/2017
GREATER TEXOMA UA	155,000	130,000	04/01/1999	04/01/2018
GREATER TEXOMA UA	150,000	140,000	04/01/2002	04/01/2021
GREATER TEXOMA UA	380,000	280,000	06/01/1996	06/01/2015
GREATER TEXOMA UA	440,000	325,000	06/01/1999	06/01/2013
GREATER TEXOMA UA	900,000	810,000	06/01/2001	06/01/2020
GREATER TEXOMA UA	150,000	130,000	06/01/2000	06/01/2019
GREATER TEXOMA UA	500,000	485,000	07/01/2001	07/01/2020
GREATER TEXOMA UA	765,000	430,000	10/01/1993	10/01/2010
GREATER TEXOMA UA	155,000	85,000	10/01/1993	10/01/2010
GREATER TEXOMA UA	1,090,000	850,000	10/01/1996	10/01/2015
GREATER TEXOMA UA	1,500,000	1,435,000	10/01/1999	10/01/2012
GREATER TEXOMA UA	150,000	140,000	10/01/2001	10/01/2020
GREATER TEXOMA UA	250,000	205,000	11/01/1998	11/01/2017
GREATER TEXOMA UA	955,000	950,000	06/01/2003	06/01/2022
GREATER TEXOMA UA	1,035,000	1,035,000	10/01/2003	10/01/2022
GREATER TEXOMA UA	3,440,000	3,440,000	10/01/2003	10/01/2021
GREATER TEXOMA UA	865,000	865,000	10/01/2003	10/01/2021
GREENWOOD UD	2,465,000	2,350,000	08/01/1999	08/01/2017

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GROVES, CITY OF	14,000,000	12,570,000	09/01/1999	09/01/2018
GUADALUPE BLANCO RA	5,480,000	5,450,000	02/01/1998	02/01/2017
GUADALUPE BLANCO RA	3,750,000	2,390,000	10/01/1997	10/01/2010
HALLSVILLE, CITY OF	2,250,000	1,950,000	05/01/2000	05/01/2019
HALTOM CITY, CITY OF	8,600,000	7,525,000	02/01/2000	02/01/2019
HALTOM CITY, CITY OF	3,120,000	2,840,000	02/01/2003	02/01/2022
HARDIN COUNTY WCID #1	2,100,000	1,820,000	08/15/1998	08/15/2017
HARLINGEN, CITY OF	1,845,000	1,725,000	11/01/2001	11/01/2020
HARRIS CO FWSD #6	2,300,000	2,000,000	07/10/1998	07/10/2017
HARRIS CO MUD #11	2,000,000	1,845,000	03/01/1995	03/01/2014
HARRIS CO UD #3	2,260,000	1,885,000	08/01/1994	08/01/2013
HARRIS CO UD #5	6,130,000	5,010,000	10/01/1998	10/01/2017
HARRIS CO WCID #36	5,000,000	4,995,000	09/15/2002	09/15/2021
HARRIS CO WCID #76	975,000	710,000	02/01/1996	02/01/2015
HARRIS CO WCID #84	2,075,000	1,375,000	08/01/1993	08/01/2012
HARRIS CO WCID #136	565,000	450,000	04/01/1998	04/01/2017
HIGH ISLAND ISD	195,000	135,000	08/15/2000	08/15/2010
HILLCREST VILLAGE, CITY OF	300,000	260,000	03/15/2001	03/15/2019
HITCHCOCK, CITY OF	700,000	290,000	05/01/1990	05/01/2009
HITCHCOCK, CITY OF	2,200,000	2,030,000	05/01/1996	05/01/2015
HONDO, CITY OF	1,310,000	700,000	02/01/1994	02/01/2011
HONDO, CITY OF	285,000	165,000	02/01/1994	02/01/2011
HONEY GROVE, CITY OF	1,000,000	900,000	09/01/2000	09/01/2019
HOOKS, CITY OF	190,000	100,000	08/15/1992	08/15/2011
HOOKS, CITY OF	915,000	480,000	08/15/1992	08/15/2011
HOUSTON, CITY OF	93,725,000	-	12/01/1993	12/01/2012
HOUSTON, CITY OF	52,000,000	36,855,000	12/01/1995	12/01/2014
HOUSTON, CITY OF	62,335,000	62,305,000	12/01/1997	12/01/2016
HOUSTON, CITY OF	160,000,000	159,975,000	12/01/1998	12/01/2017
HOUSTON, CITY OF	67,660,000	67,645,000	12/01/2000	12/01/2019
HOUSTON, CITY OF	6,130,000	6,115,000	12/01/2000	12/01/2019
HOUSTON, CITY OF	47,500,000	47,485,000	12/01/2000	12/01/2019
HOUSTON, CITY OF	33,000,000	22,955,000	12/01/1995	12/01/2014
HOUSTON, CITY OF	175,000,000	174,980,000	12/01/1999	12/01/2018
HUBBARD, CITY OF	670,000	570,000	02/15/2000	02/15/2018
HULL FWSD	450,000	315,000	03/01/1996	03/01/2013
HUMBLE, CITY OF	4,800,000	4,125,000	03/01/2000	03/01/2019
HUNTER'S GLEN MUD	1,885,000	1,770,000	04/01/2000	04/01/2015
HUNTSVILLE, CITY OF	14,395,000	10,675,000	08/15/1997	08/15/2016
HURST CREEK MUD	2,600,000	1,935,000	04/01/1997	04/01/2016
HURST CREEK MUD	970,000	-	10/01/1992	10/01/2011
HURST CREEK MUD	200,000	-	10/01/1992	10/01/2011
IDALOU, CITY OF	160,000	105,000	02/15/1993	02/15/2012
INGLESIDE, CITY OF	1,040,000	640,000	05/01/1994	05/01/2012
INGLESIDE, CITY OF	190,000	115,000	05/01/1995	05/01/2012
INGLESIDE, CITY OF	2,915,000	2,830,000	02/01/2003	02/01/2022
ISAACSON MUD	275,000	145,000	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	815,000	07/10/1996	07/10/2015
JACKSBORO, CITY OF	2,550,000	2,120,000	07/10/1999	07/10/2017
JACKSONVILLE, CITY OF	8,000,000	7,715,000	08/15/2001	08/15/2020
JASPER, CITY OF	2,495,000	2,050,000	02/15/1999	02/15/2018
JASPER, CITY OF	1,400,000	-	08/15/1992	08/15/2011
JASPER, CITY OF	285,000	-	08/15/1992	08/15/2011
JASPER, CITY OF	600,000	245,000	08/15/1995	08/15/2008

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JEFFERSON CO WCID #10	2,890,000	1,915,000	08/15/1996	08/15/2012
JOHNSON CO FWSD #1	1,640,000	1,310,000	05/15/1997	05/15/2016
KAUFMAN, CITY OF	5,600,000	4,350,000	07/15/1996	07/15/2015
KAUFMAN, CITY OF	2,455,000	2,375,000	02/15/2003	02/15/2022
KENDALL CO WCID #1	2,500,000	2,255,000	01/01/2001	01/01/2020
KINGSVILLE, CITY OF	2,000,000	1,370,000	04/15/1995	04/15/2012
LA COSTE, CITY OF	665,000	430,000	02/01/1994	02/01/2013
LA GRANGE, CITY OF	2,155,000	1,430,000	08/15/1998	08/15/2012
LA MARQUE, CITY OF	4,440,000	3,880,000	09/01/1998	09/01/2016
LA MARQUE, CITY OF	4,600,000	4,360,000	09/01/2000	09/01/2018
LAGUNA MADRE WD	3,600,000	-	03/01/1995	03/01/2008
LAGUNA MADRE WD	1,300,000	-	03/01/1995	03/01/2009
LAKE JACKSON, CITY OF	1,410,000	710,000	04/15/1994	04/15/2013
LAKE JACKSON, CITY OF	16,000,000	14,400,000	04/15/2002	04/15/2021
LAKE WORTH, CITY OF	1,500,000	1,185,000	03/01/1998	03/01/2017
LAKEWAY MUD	3,040,000	2,505,000	09/01/1998	09/01/2017
LAMPASAS, CITY OF	1,040,000	875,000	08/15/1999	08/15/2018
LAREDO, CITY OF	285,000	150,000	03/01/1992	03/01/2011
LAREDO, CITY OF	1,415,000	750,000	03/01/1992	03/01/2011
LEWISVILLE, CITY OF	9,950,000	8,465,000	08/15/2000	08/15/2019
LITTLEFIELD, CITY OF	2,565,000	2,030,000	02/15/1998	02/15/2017
LOCKHART, CITY OF	1,325,000	1,095,000	08/01/1998	08/01/2016
LOG CABIN, CITY OF	1,840,000	-	02/15/2001	02/15/2019
LONGVIEW, CITY OF	9,190,000	-	03/01/1994	03/01/2012
LONGVIEW, CITY OF	15,335,000	14,055,000	03/01/1999	03/01/2017
LONGVIEW, CITY OF	1,285,000	-	03/01/2001	03/01/2012
LORAINE, CITY OF	665,000	665,000	09/01/2004	09/01/2023
LORENZO, CITY OF	705,000	605,000	08/15/2000	08/15/2019
LOVELADY, CITY OF	330,000	235,000	05/01/1996	05/01/2015
LOWER COLORADO RA	9,300,000	7,765,000	01/01/2000	01/01/2010
LOWER COLORADO RA	3,810,000	3,720,000	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	21,090,000	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	1,180,000	09/15/1999	09/15/2018
LOWER VALLEY WD	300,000	260,000	09/15/1999	09/15/2018
LOWER VALLEY WD	285,000	255,000	09/15/2000	09/15/2019
LOWER VALLEY WD	910,000	850,000	09/15/2001	09/15/2020
LOWER VALLEY WD	765,000	718,000	09/15/2001	09/15/2021
LOWER VALLEY WD	775,000	728,000	09/15/2001	09/15/2021
LUBBOCK, CITY OF	34,520,000	18,995,000	02/15/1995	02/15/2014
LUBBOCK, CITY OF	14,425,000	8,645,000	02/15/1996	02/15/2015
LULING, CITY OF	1,590,000	1,315,000	08/15/1999	08/15/2017
LUMBERTON MUD	470,000	20,000	01/01/1995	01/01/2004
LUMBERTON MUD	4,950,000	3,075,000	08/15/1995	08/15/2014
LUMBERTON MUD	5,200,000	4,245,000	08/15/1999	08/15/2018
MACEDONIA-EYLAU MUD #1	225,000	180,000	07/01/1999	07/01/2018
MARSHALL, CITY OF	7,020,000	5,905,000	06/15/1998	06/15/2017
MART, CITY OF	810,000	790,000	09/01/1999	09/01/2018
MAURICEVILLE SUD	925,000	885,000	11/15/1999	11/15/2018
MAURICEVILLE SUD	9,340,000	9,300,000	11/15/1999	11/15/2018
MCALLEN, CITY OF	4,240,000	1,570,000	02/01/1997	02/01/2006
MEADOWHILLS REGIONAL MUD	1,460,000	1,400,000	10/01/1997	10/01/2015
MEXIA, CITY OF	2,000,000	1,630,000	08/15/1999	08/15/2018
MEXIA, CITY OF	5,420,000	5,225,000	08/15/2003	08/15/2022

Texas Water Development Board (580)
Schedule 5J - Loans and Contracts
Clean Water State Revolving Fund
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
MIDLAND, CITY OF	8,730,000	6,430,000	05/01/1997	05/01/2016
MIDLOTHIAN, CITY OF	1,500,000	885,000	02/15/1993	02/15/2012
MINEOLA, CITY OF	770,000	725,000	09/01/1999	09/01/2017
MINEOLA, CITY OF	3,335,000	2,845,000	09/01/1999	09/01/2018
MINERAL WELLS, CITY OF	1,990,000	985,000	12/01/1995	12/01/2008
MINERAL WELLS, CITY OF	7,685,000	-	12/01/1994	12/01/2013
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	1,436,000	04/01/1996	04/01/2015
MISSOURI CITY, CITY OF	1,215,000	1,215,000	06/15/2005	06/15/2024
MONT BELVIEU, CITY OF	2,990,000	1,330,000	09/01/1997	09/01/2006
MONTGOMERY CO MUD #15	815,000	755,000	03/01/1998	03/01/2017
MONTGOMERY CO MUD #15	675,000	600,000	03/01/1999	03/01/2017
MONTGOMERY CO MUD #3	1,290,000	1,265,000	04/01/1999	04/01/2015
MOUNT CALM, CITY OF	100,000	85,000	09/01/2000	09/01/2019
MOUNT VERNON, CITY OF	1,520,000	1,325,000	09/01/1999	09/01/2018
NACOGDOCHES, CITY OF	1,670,000	1,285,000	03/01/1995	03/01/2009
NACOGDOCHES, CITY OF	5,900,000	4,850,000	03/01/1999	03/01/2018
NACOGDOCHES, CITY OF	5,670,000	5,625,000	09/01/1994	09/01/2012
NEDERLAND, CITY OF	5,000,000	4,560,000	09/01/1998	09/01/2017
NEDERLAND, CITY OF	4,850,000	4,830,000	09/01/2000	09/01/2019
NEDERLAND, CITY OF	2,900,000	2,885,000	09/01/2001	09/01/2019
NEEDVILLE, CITY OF	1,150,000	710,000	03/01/1996	03/01/2010
NEW CANEY MUD	1,720,000	1,650,000	04/01/1997	04/01/2015
NEW CANEY MUD	380,000	380,000	04/01/2005	04/01/2024
NEWTON, CITY OF	1,855,000	1,570,000	03/15/2000	03/15/2019
ODEM, CITY OF	1,940,000	1,940,000	08/01/2004	08/01/2023
OLNEY, CITY OF	265,000	265,000	09/01/2003	09/01/2022
ORANGE CO WCID #1	2,415,000	2,390,000	02/15/1999	02/15/2018
ORANGE CO WCID #2	3,890,000	3,465,000	03/01/1997	03/01/2015
ORANGE GROVE, CITY OF	400,000	300,000	08/15/1997	08/15/2016
ORANGE, CITY OF	13,575,000	12,775,000	02/01/1997	02/01/2016
PALESTINE, CITY OF	6,545,000	4,420,000	07/15/1996	07/15/2015
PALESTINE, CITY OF	3,745,000	3,745,000	07/15/2005	07/15/2022
PANHANDLE,CITY OF	1,875,000	1,830,000	02/15/2003	02/15/2022
PARKWAY UD	3,965,000	3,615,000	03/01/1999	03/01/2017
PASADENA, CITY OF	31,370,000	28,755,000	04/01/2000	04/01/2019
PEARLAND, CITY OF	17,100,000	16,835,000	03/01/2000	03/01/2018
PEARLAND, CITY OF	8,870,000	7,880,000	09/01/1997	09/01/2016
PHARR, CITY OF	4,230,000	4,205,000	09/01/1998	09/01/2017
PINE VILLAGE PUD	845,000	830,000	03/01/2001	03/01/2020
PINE VILLAGE PUD	810,000	610,000	09/01/1996	10/01/2014
POLK CO FWSD #2	3,140,000	2,915,000	07/10/2000	07/10/2018
POLK CO FWSD #3	1,955,000	1,950,000	07/10/2003	07/10/2022
PORT ARTHUR, CITY OF	15,000,000	14,440,000	02/15/2003	02/15/2023
PORT LAVACA, CITY OF	4,950,000	4,045,000	02/15/1999	02/15/2018
PORTER MUD	2,145,000	2,120,000	03/01/1999	03/01/2018
PORTLAND, CITY OF	1,775,000	1,725,000	09/01/2002	09/01/2021
PRINCETON, CITY OF	990,000	780,000	02/15/1998	02/15/2017
PROSPER, TOWN OF	800,000	695,000	07/10/1999	07/10/2018
QUINLAN, CITY OF	845,000	740,000	09/01/1998	09/01/2017
RENO, CITY OF	1,950,000	1,895,000	01/01/1999	01/01/2018
RICHLAND HILLS, CITY OF	4,000,000	3,335,000	08/15/1999	08/15/2018
RICHMOND, CITY OF	4,400,000	3,940,000	03/01/2001	03/01/2020
RIO GRANDE CITY, CITY OF	1,750,000	1,105,000	07/10/1993	07/10/2012

Texas Water Development Board (580)
Schedule 5J - Loans and Contracts
Clean Water State Revolving Fund
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
RIO GRANDE CITY, CITY OF	210,000	115,000	07/10/1993	07/10/2012
RIO GRANDE CITY, CITY OF	350,000	185,000	07/10/1993	07/10/2012
RIVIERA WCID	280,000	225,000	11/01/1997	11/01/2016
ROBSTOWN, CITY OF	775,000	510,000	12/01/1993	12/01/2012
ROCKPORT, CITY OF	2,500,000	1,970,000	02/15/1997	02/15/2016
ROMA, CITY OF	3,035,000	2,730,000	11/01/2001	11/01/2020
ROMA, CITY OF	1,150,000	1,150,000	05/01/2005	05/01/2024
RUSK, CITY OF	2,950,000	2,510,000	02/15/1999	02/15/2018
SAINT JO, CITY OF	850,000	615,000	02/15/1996	02/15/2015
SAN ANGELO, CITY OF	26,410,000	-	04/01/1993	04/01/2012
SAN ANGELO, CITY OF	2,855,000	2,270,000	04/01/1999	04/01/2017
SAN ANTONIO WATER SYSTEM	47,500,000	39,545,000	05/15/2000	05/15/2019
SAN ANTONIO WATER SYSTEM	71,410,000	60,425,000	05/15/2000	05/15/2019
SAN ANTONIO WATER SYSTEM	9,715,000	9,705,000	05/15/2002	05/15/2021
SAN ANTONIO WATER SYSTEM	15,435,000	15,425,000	05/15/2002	05/15/2021
SAN ANTONIO WATER SYSTEM	12,090,000	12,085,000	05/15/2003	05/15/2022
SAN ANTONIO WATER SYSTEM	15,650,000	15,645,000	05/15/2003	05/15/2022
SAN ANTONIO WATER SYSTEM	34,000,000	34,000,000	05/15/2004	05/15/2023
SAN DIEGO, CITY OF	490,000	275,000	06/01/1995	06/01/2011
SAN JACINTO RA	3,100,000	1,345,000	04/01/1991	04/01/2009
SAN JACINTO RA	460,000	250,000	04/01/1993	04/01/2011
SAN JACINTO RA	2,275,000	1,245,000	04/01/1993	04/01/2011
SAN JACINTO RA	9,960,000	8,425,000	10/01/1997	10/01/2015
SAN LEON MUD	1,150,000	870,000	07/10/1997	07/10/2016
SAN MARCOS, CITY OF	7,500,000	6,900,000	02/15/1998	02/15/2016
SAN MARCOS, CITY OF	7,500,000	7,000,000	02/15/1999	02/15/2017
SAN PATRICIO MWD	3,050,000	2,695,000	02/01/2000	02/01/2018
SAN SABA, CITY OF	200,000	30,000	06/01/1994	06/01/2004
SANGER CITY OF	1,060,000	810,000	05/15/1997	05/15/2016
SEGUIN, CITY OF	1,300,000	1,270,000	02/01/1999	02/01/2017
SHASLA PUD	380,000	360,000	03/01/2000	03/01/2009
SHINER, CITY OF	1,630,000	1,330,000	09/01/1997	09/01/2016
SINTON, CITY OF	1,445,000	325,000	08/01/1996	08/01/2005
SINTON, CITY OF	600,000	495,000	08/01/1997	08/01/2011
SNYDER, CITY OF	4,375,000	2,775,000	03/01/1994	03/01/2013
SOUTH HOUSTON, CITY OF	6,750,000	5,450,000	03/01/1997	03/01/2016
STANLEY LAKE MUD	85,000	33,000	07/01/1993	07/01/2008
STEPHENVILLE, CITY OF	7,680,000	-	06/01/1994	06/01/2013
SUGAR LAND, CITY OF	3,485,000	3,080,000	08/15/1999	08/15/2018
SUGAR LAND, CITY OF	3,365,000	3,115,000	08/15/1999	08/15/2018
SUGAR LAND, CITY OF	3,215,000	3,075,000	08/15/2003	08/15/2022
SULPHUR SPRINGS, CITY OF	450,000	275,000	07/01/1993	07/01/2012
SUNBELT FWSD	9,945,000	7,870,000	12/01/1997	12/01/2016
SUNBELT FWSD	5,310,000	5,035,000	12/01/2001	12/01/2020
SUNBELT FWSD	495,000	465,000	12/01/2001	12/01/2020
SUNBELT FWSD	945,000	945,000	12/01/2003	12/01/2022
SWEETWATER, CITY OF	3,990,000	3,325,000	08/15/1999	08/15/2018
SWEETWATER, CITY OF	3,995,000	3,330,000	08/15/1999	08/15/2018
TAHOKA, CITY OF	1,780,000	1,510,000	02/15/2000	02/15/2018
TATTOR ROAD MD	560,000	500,000	03/01/1998	03/01/2016
TAYLOR, CITY OF	3,100,000	2,485,000	08/15/1998	08/15/2015
TAYLOR, CITY OF	2,950,000	2,825,000	08/15/1999	08/15/2017
TEMPLE, CITY OF	8,460,000	-	08/01/1995	08/01/2013
TERRELL, CITY OF	5,565,000	3,775,000	02/15/1995	02/15/2014
TEXARKANA, CITY OF	2,755,000	2,030,000	08/01/1997	08/01/2016

Texas Water Development Board (580)
Schedule 5J - Loans and Contracts
Clean Water State Revolving Fund
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
TEXAS A&M UNIV, BD OF REGENTS	5,920,000	-	05/15/1994	05/15/2013
TEXAS A&M UNIV, BD OF REGENTS	13,760,000	-	05/15/1995	05/15/2014
TEXAS CITY, CITY OF	5,620,000	4,160,000	02/15/1996	02/15/2015
TEXAS CITY, CITY OF	16,880,000	12,585,000	02/15/1998	02/15/2015
THE COLONY, CITY OF	925,000	400,000	08/15/1992	08/15/2009
THE COLONY, CITY OF	225,000	125,000	08/15/1992	08/15/2011
THE COLONY, CITY OF	1,000,000	715,000	08/15/1996	08/15/2015
THE COLONY, CITY OF	810,000	615,000	08/15/1997	08/15/2016
TIOGA, CITY OF	300,000	250,000	04/01/1999	04/01/2018
TOMBALL, CITY OF	7,550,000	6,440,000	02/15/2000	02/15/2019
TRAVIS CO WCID (POINT VENTURE)	1,460,000	1,205,000	08/15/1999	08/15/2018
TRINITY BAY CONSERVATION DISTRICT	900,000	865,000	02/15/1997	02/15/2005
TRINITY BAY CONSERVATION DISTRICT	1,300,000	1,270,000	08/15/1998	08/15/2017
TRINITY RA	8,480,000	8,475,000	02/01/2003	02/01/2021
TRINITY RA	4,775,000	-	08/01/1995	08/01/2013
TRINITY RA	3,180,000	2,305,000	08/01/1997	08/01/2016
TRINITY RA	50,845,000	41,050,000	08/01/1999	08/01/2017
TRINITY RA	6,075,000	6,065,000	08/01/2002	08/01/2020
TRINITY RA	88,225,000	88,220,000	08/01/2003	08/01/2020
TULIA, CITY OF	2,620,000	2,110,000	08/15/1998	08/15/2017
UPPER TRINITY REGIONAL WD	1,560,000	1,175,000	08/01/1996	08/01/2015
UPPER TRINITY REGIONAL WD	9,765,000	7,785,000	08/01/1997	08/01/2016
UPPER TRINITY REGIONAL WD	3,085,000	2,475,000	08/01/1997	08/01/2016
UPPER TRINITY REGIONAL WD	6,685,000	6,685,000	08/01/2004	08/01/2023
VAN, CITY OF	1,750,000	1,175,000	08/15/1995	08/15/2014
VERNON, CITY OF	6,140,000	5,035,000	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	1,055,000	03/01/1999	03/01/2018
VICTORIA, CITY OF	25,580,000	25,485,000	12/01/2001	12/01/2020
WATAUGA, CITY OF	4,580,000	3,510,000	03/01/1997	03/01/2016
WAXAHACHIE, CITY OF	3,935,000	3,090,000	08/01/1998	08/01/2017
WELLMAN, CITY OF	600,000	415,000	03/01/1995	03/01/2014
WELLS BRANCH MUD	1,400,000	1,220,000	08/01/2000	08/01/2019
WELLS, CITY OF	220,000	155,000	09/01/1993	09/01/2011
WESLACO, CITY OF	5,930,000	5,240,000	12/01/1998	12/01/2017
WEST TAWAKONI, CITY OF	250,000	180,000	01/01/1996	01/01/2015
WEST UNIVERSITY PLACE, CITY OF	4,970,000	3,835,000	02/01/1997	02/01/2016
WEST UNIVERSITY PLACE, CITY OF	3,015,000	2,955,000	02/01/2003	02/01/2021
WEST, CITY OF	1,200,000	840,000	10/01/1995	10/01/2013
WHITE OAK BEND MUD	1,531,000	1,496,000	10/01/1996	10/01/2010
WHITE OAK BEND MUD	470,000	470,000	10/01/2004	10/01/2022
WHITE OAK, CITY OF	1,845,000	1,635,000	03/01/2002	03/01/2015
WHITEHOUSE, CITY OF	760,000	490,000	08/15/1996	08/15/2010
WHITESBORO, CITY OF	2,725,000	2,655,000	08/15/2003	08/15/2022
WICHITA FALLS, CITY OF	11,420,000	10,765,000	08/01/1998	08/01/2016
WICHITA FALLS, CITY OF	8,060,000	7,935,000	08/01/1999	08/01/2018
WILLIS, CITY OF	1,170,000	1,040,000	08/01/1997	08/01/2016
WILLIS, CITY OF	1,000,000	970,000	08/01/2003	08/01/2022
WILMER, CITY OF	50,000	5,000	04/15/1995	04/15/2004
WILMER, CITY OF	250,000	200,000	04/15/1995	04/15/2014
WOODBRANCH VILLAGE, CITY OF	700,000	400,000	03/01/1994	03/01/2011
YOAKUM, CITY OF	3,600,000	2,475,000	08/15/1996	08/15/2015
TOTAL CLEAN WATER SRF	$2,817,186,766	$2,214,083,766		

Texas Water Development Board (580)
Schedule 5K - Loans and Contracts
Drinking Water State Revolving Fund
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
BALLINGER, CITY OF	$ 420,000	$ 420,000	06/01/2004	06/01/2023
BIG FOOT WSC	36,000	34,000	10/01/2001	10/01/2030
BRADY, CITY OF	290,000	20,000	05/01/2002	05/01/2031
BROOKELAND FWSD	1,660,000	1,610,000	09/01/2001	09/01/2020
BROWNWOOD, CITY OF	1,710,000	1,635,000	03/15/2002	03/15/2021
BURLESON COUNTY MUD #1	181,000	181,000	06/01/2005	06/01/2034
CORSICANA, CITY OF	10,735,000	9,570,000	08/15/2001	08/15/2020
DEL RIO, CITY OF	5,640,000	4,848,000	06/01/2001	06/01/2020
DEL RIO, CITY OF	5,400,000	4,860,000	06/01/2002	06/01/2021
DEL RIO, CITY OF	1,195,000	1,195,000	06/01/2004	06/01/2022
DEPORT, CITY OF	350,000	325,000	09/01/2001	09/01/2020
EAGLE PASS, CITY OF	890,000	890,000	12/01/2003	12/01/2032
EAGLE PASS, CITY OF	668,000	668,000	12/01/2005	12/01/2034
EAST MEDINA CO SUD	3,200,000	2,970,000	07/01/2002	07/01/2021
EL PASO, CITY OF (THE "CITY")	15,190,000	14,100,000	03/01/2002	03/01/2021
GOLDEN WSC	90,000	80,000	07/01/2002	07/01/2022
GREATER TEXOMA UA	325,000	295,000	10/01/1999	10/01/2018
HAMLIN, CITY OF	485,000	290,000	03/01/2002	03/01/2031
HOUSTON, CITY OF	180,000	180,000	12/01/2004	12/01/2023
HUDSON OAKS, CITY OF	1,130,000	975,000	08/01/2001	08/01/2020
KOUNTZE, CITY OF	705,000	685,000	03/15/2000	03/15/2024
LOWER NECHES VALLEY AUTHORITY	8,311,000	8,311,000	08/01/2004	08/01/2033
LUFKIN, CITY OF	6,110,000	5,540,000	11/01/2002	11/01/2021
MEXIA, CITY OF	40,000	20,000	08/15/2003	08/15/2023
NACOGDOCHES, CITY OF	3,360,000	3,355,000	03/01/2003	03/01/2030
NACOGDOCHES, CITY OF	3,730,000	3,730,000	03/01/2004	03/01/2034
NORTHEAST TEXAS MWD	6,800,000	6,320,000	09/01/2001	09/01/2020
NORTHEAST TEXAS MWD	905,000	905,000	09/01/2007	09/01/2026
NORTHEAST TEXAS MWD	550,000	550,000	09/01/2005	09/01/2024
OLNEY, CITY OF	440,000	440,000	09/01/2003	09/01/2022
ORANGE CO WCID #1	290,000	180,000	02/15/2003	02/15/2021
PALMER, CITY OF	55,000	5,000	07/01/2003	07/01/2022
PECOS CITY, TOWN OF	6,320,000	5,585,000	06/15/2001	06/15/2020
POSSUM KINGDOM WSC	3,735,000	3,735,000	12/15/2004	12/15/2023
RAYMONDVILE, CITY OF	630,000	625,000	04/01/2003	04/01/2022
ROMA, CITY OF	2,327,000	2,087,000	11/01/2000	11/01/2029
SUNBELT FWSD	265,000	240,000	12/01/2002	12/01/2026
SWEETWATER, CITY OF	4,885,000	4,360,000	08/15/2000	08/15/2020
THUNDERBIRD BAY WS	63,000	63,000	12/20/2002	11/20/2022
TIOGA, CITY OF	85,000	75,000	04/01/2002	04/01/2031
VERNON, CITY OF	3,685,000	3,320,000	03/15/2002	03/15/2021
WALNUT GROVE WSC	25,000	-	09/01/2002	09/01/2021
WEST JEFFERSON COUNTY MWD	2,105,000	2,100,000	04/01/2003	04/01/2022
TOTAL DRINKING WATER SRF	$ 105,196,000	$ 97,377,000		

Texas Water Development Board (580)
Schedule 5L - Loans and Contracts
Texas Water Resources Finance Authority
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
ABBOTT, CITY OF	$ 275,000	$ 70,000	01/10/1989	01/10/2006
ABBOTT, CITY OF	140,000	45,000	01/10/1990	01/10/2006
ALVARADO, CITY OF	100,000	-	07/10/1984	07/10/2003
ALVARADO, CITY OF	115,000	-	07/10/1997	07/10/2003
BELL CO WCID #3	675,000	270,000	06/01/1990	06/01/2007
BELLS, CITY OF	260,000	30,000	06/01/1991	06/01/2004
BELLS, CITY OF	180,000	180,000	06/01/2005	06/01/2009
BLANCO, CITY OF	34,000	10,000	06/15/1967	06/15/2005
BOWIE WSD	3,985,000	1,065,000	10/01/1982	10/01/2006
BOWIE, CITY OF	1,500,000	315,000	04/01/1983	04/01/2006
BRAZORIA CO WCID #8	295,000	-	07/10/1987	07/10/2003
BRECKENRIDGE, CITY OF	2,640,000	1,260,000	01/10/1980	01/10/2015
BRIARCLIFF, VILLAGE OF	500,000	-	05/01/1989	05/01/2012
BROADDUS, TOWN OF	200,000	18,000	07/01/1979	07/01/2004
CELINA, CITY OF	825,000	-	09/01/1988	09/01/2004
CISCO, CITY OF	800,000	-	01/10/1985	01/10/2004
CISCO, CITY OF	500,000	40,000	01/10/1985	01/10/2004
CLYDE, CITY OF	430,000	250,000	01/10/1979	01/10/2012
CLYDE, CITY OF	350,000	40,000	01/10/1981	01/10/2006
CLYDE, CITY OF	145,000	-	01/10/1983	01/10/2003
COMMERCE WD	6,000,000	-	01/10/1976	07/10/2009
COOPER, CITY OF	463,000	48,000	04/01/1986	04/01/2004
COPPERAS COVE, CITY OF	565,000	45,000	08/01/1994	08/01/2004
CORINTH, CITY OF	850,000	125,000	07/10/1986	07/10/2005
COTTONWOOD SHORES, CITY OF	100,000	60,000	03/01/1992	03/01/2010
COVINGTON, CITY OF	275,000	175,000	01/10/1991	01/10/2013
COVINGTON, CITY OF	50,000	50,000	01/10/2013	01/10/2014
COVINGTON, CITY OF	190,000	109,000	07/10/1986	07/10/2012
CRANDALL, CITY OF	250,000	-	02/01/1990	02/01/2009
CRANDALL, CITY OF	1,045,000	-	02/01/1994	02/01/2009
CROSBY MUD	700,000	-	01/01/1988	01/01/2003
CUMBY, CITY OF	138,000	27,000	01/01/1987	01/01/2005
DALLAS CO URD	2,225,000	1,175,000	09/15/1994	09/15/2008
DODD CITY, CITY OF	125,000	33,000	10/01/1985	10/01/2005
DRISCOLL, CITY OF	210,000	145,000	01/10/1994	01/10/2013
EAST TAWAKONI, CITY OF	28,500	-	01/01/1992	01/01/2003
EASTVALE, CITY OF	60,000	-	07/10/1986	07/10/2003
ECTOR CO UD	1,200,000	630,000	08/01/2003	08/01/2006
ECTOR, CITY OF	185,000	-	01/10/1986	01/10/2005
EDGEWOOD, CITY OF	805,000	-	05/01/1985	05/01/2003
ELLIS CO WCID #1	650,000	-	01/01/1977	01/01/2003
FULTON, TOWN OF	500,000	175,000	02/15/1990	02/15/2007
GALVESTON CO WCID #12	1,700,000	-	09/01/1983	09/01/2002
GLEN ROSE, CITY OF	235,000	125,000	04/01/1992	04/01/2011
GOLIAD, CITY OF	485,000	180,000	05/01/1993	05/01/2007
GREATER TEXOMA UA	225,000	140,000	01/01/1990	01/01/2013
GREATER TEXOMA UA	480,000	295,000	07/01/1993	07/01/2012
GREATER TEXOMA UA	4,000,000	-	10/01/1983	10/01/2002
GREENBELT M&I WA	10,150,000	7,674,000	07/10/1976	07/10/2025
GREENBELT M&I WA	200,000	-	07/10/1987	07/10/2003
GULF COAST WA	2,460,000	1,050,000	09/01/1993	09/01/2009
HACKBERRY, TOWN OF	320,000	180,000	07/10/1992	07/10/2011
HAMILTON, CITY OF	670,000	530,000	08/15/2001	08/15/2012
HARRIS CO MUD #50	1,200,000	50,000	03/01/1987	03/01/2006

Texas Water Development Board (580)
Schedule 5L - Loans and Contracts
Texas Water Resources Finance Authority
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
HARRIS CO MUD #50	705,000	320,000	03/01/1998	03/01/2007
HIGHLAND VILLAGE, CITY OF	600,000	-	07/10/1979	07/10/2008
HOLLIDAY, CITY OF	180,000	42,500	07/10/1970	07/10/2009
HONDO, CITY OF	970,000	590,000	02/01/1994	02/01/2011
HOUSTON CO WCID #1	910,000	-	07/10/1978	07/10/2003
HUNGERFORD MUD #1	220,000	103,000	03/01/1990	03/01/2009
HUNGERFORD MUD #1	130,000	63,000	03/01/1991	03/01/2009
IOWA PARK, CITY OF	575,000	70,000	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	60,000	01/10/1998	01/10/2010
KOUNTZE, CITY OF	1,400,000	400,000	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	150,000	07/10/1980	07/10/2004
LAMAR CO WSD	725,000	178,000	07/10/1972	07/10/2008
LAMAR CO WSD	50,000	10,000	07/10/1973	07/10/2009
LAMAR CO WSD	575,000	165,000	07/10/1980	07/10/2009
LAMAR CO WSD	155,000	87,000	07/10/1997	07/10/2009
LIBERTY DANVILLE FWSD #2	150,000	-	07/10/1979	07/10/2003
LITTLE ELM, TOWN OF	400,000	75,000	01/10/1980	01/10/2007
LUCAS, CITY OF	395,000	220,000	12/01/1990	12/01/2014
LUMBERTON MUD	1,720,000	200,000	01/01/1985	01/01/2004
MACKENZIE MWA	3,060,000	1,190,000	07/10/1973	07/10/2012
MACKENZIE MWA	300,000	70,000	07/10/1975	07/10/2010
MACKENZIE MWA	1,705,000	450,000	07/10/1983	07/10/2012
MACKENZIE MWA	365,000	87,000	07/10/1985	07/10/2011
MACKENZIE MWA	2,375,000	700,000	07/10/1985	07/10/2011
MACKENZIE MWA	1,560,000	480,000	07/10/1985	07/10/2011
MAGNOLIA, CITY OF	450,000	45,000	09/10/1990	09/10/2003
MALAKOFF, CITY OF	550,000	505,000	07/10/2003	07/10/2012
MALAKOFF, CITY OF	225,000	225,000	07/10/2013	07/10/2015
MART, CITY OF	675,000	260,000	01/10/1989	01/10/2008
MART, CITY OF	125,000	125,000	01/10/2006	01/10/2011
MATADOR WD	284,000	30,000	07/10/2006	07/10/2006
MATAGORDA CO WCID #5	275,000	75,000	03/01/1991	03/01/2006
MUENSTER WD	580,000	225,000	07/01/2008	07/01/2008
MEDINA CO WCID #3	275,000	115,000	07/10/1981	07/10/2008
MILFORD, CITY OF	100,000	-	01/01/1986	01/01/2003
NORTH CENTRAL TEXAS MWA	2,400,000	1,430,000	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	5,585,000	07/10/1995	07/10/2018
NORTH TEXAS MWD	2,000,000	660,000	06/01/1989	06/01/2007
NORTH TEXAS MWD	835,000	315,000	07/10/1980	07/10/2009
NORTH TEXAS MWD	570,000	220,000	07/10/1980	07/10/2009
OLNEY, CITY OF	565,000	230,000	01/01/1989	01/01/2008
ORANGE CO WCID #3	1,025,000	160,000	07/10/1979	07/10/2004
OVILLA, CITY OF	470,000	265,000	02/01/1994	02/01/2010
OVILLA, CITY OF	170,000	170,000	02/01/2010	02/01/2013
PHARR, CITY OF	590,000	140,000	09/01/1988	09/01/2005
PHARR, CITY OF	1,672,500	447,500	09/01/1992	09/01/2005
POLK CO FWSD #2	1,925,000	1,655,000	07/10/2000	07/10/2018
PORT ARTHUR, CITY OF	545,000	-	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	111,000	07/10/1978	07/10/2011
PRAIRIE VIEW, CITY OF	75,000	34,000	07/10/1980	07/10/2012
PRAIRIE VIEW, CITY OF	175,000	88,000	07/10/1980	07/10/2013

Texas Water Development Board (580)
Schedule 5L - Loans and Contracts
Texas Water Resources Finance Authority
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
PRAIRIE VIEW, CITY OF	150,000	85,000	07/10/1982	07/10/2015
RANKIN, CITY OF	825,000	65,000	10/01/1989	10/01/2006
RED RA OF TEXAS	600,000	200,000	04/01/1992	04/01/2016
RENO, CITY OF	700,000	-	01/01/1984	01/01/2003
RENO, CITY OF (PARKER CO)	225,000	120,000	01/01/1991	01/01/2010
RICHWOOD, CITY OF	70,000	-	07/01/2001	07/01/2003
RIO GRANDE CITY, CITY OF	600,000	430,000	07/10/1992	07/10/2012
ROCKETT SUD	1,600,000	885,000	01/10/1991	01/10/2005
ROMA, CITY OF	500,000	350,000	08/01/2001	08/01/2009
SABINE RA (TOLEDO BEND)	160,000	80,000	07/10/1977	07/10/2006
SABINE RA (TOLEDO BEND)	1,000,000	700,000	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	-	10/01/1994	10/01/2002
SAN AUGUSTINE, CITY OF	500,000	-	09/15/1981	09/15/2002
SAN LEON MUD	1,100,000	165,000	07/10/1980	07/10/2006
SAN LEON MUD	600,000	225,000	07/10/1990	07/10/2008
SAN LEON MUD	60,000	60,000	07/10/2006	07/10/2006
SAVOY, CITY OF	400,000	-	07/01/1986	07/01/2006
SMITH CO WCID #1	230,000	165,000	02/01/2002	02/01/2007
SNOOK, CITY OF	286,000	-	01/10/1982	01/10/2003
SOMERSET, CITY OF	350,000	200,000	06/01/1980	06/01/2016
SOUR LAKE, CITY OF	715,000	-	01/01/1986	01/01/2003
SOUTH TEXAS WA	320,000	210,000	01/10/1990	01/10/2013
SOUTH TEXAS WA	560,000	195,000	07/01/1987	07/01/2007
SOUTH TEXAS WA	335,000	110,000	07/01/1992	07/01/2009
SOUTH TEXAS WA	900,000	-	09/01/1986	09/01/2002
TERRELL, CITY OF	730,000	135,000	01/10/1971	01/10/2007
TERRELL, CITY OF	1,000,000	800,000	01/10/2000	01/10/2013
THORNDALE, CITY OF	131,000	6,000	07/10/1982	07/10/2004
TIDWELL TIMBERS MUD	200,000	110,000	03/01/1989	03/01/2012
TIDWELL TIMBERS MUD	1,000,000	445,000	03/01/1989	03/01/2012
TIDWELL TIMBERS MUD	245,000	180,000	03/01/1991	03/01/2014
TITUS CO FWSD #1	5,030,000	-	07/10/1978	07/10/2003
TITUS CO FWSD #1	1,610,000	-	07/10/1986	07/10/2003
TITUS CO FWSD #1	16,240,000	13,450,000	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	40,000	02/01/1993	02/01/2007
TRINITY RA	11,050,000	1,945,000	07/10/1979	07/10/2006
TRINITY RA	3,485,000	-	07/10/1980	07/10/2003
TRINITY RA	1,600,000	200,000	07/10/1982	07/10/2006
TROY, CITY OF	415,000	280,000	08/01/1991	08/01/2014
VENUS, CITY OF	210,000	-	07/10/1986	07/10/2003
VICTORIA CO WCID #1	375,000	195,000	03/01/1994	03/01/2011
WILLIS, CITY OF	110,000	75,000	08/01/1997	08/01/2016
WILMER, CITY OF	380,000	-	04/15/1988	04/15/2003
WOLFE CITY, CITY OF	380,000	-	11/15/1990	11/15/2003
WORTHAM, CITY OF	160,000	51,000	01/01/1979	01/01/2009
TOTAL TWRFA	$ 163,281,013	$ 64,711,013		

Texas Water Development Board (580)
Schedule 5M - Loans and Contracts
Colonia Plumbing Loan Program
For the fiscal year ended August 31, 2003

Political Subdivision	Original Amount	Outstanding Balance	Due From	Due To
EDINBURG, CITY OF	$ 335,926	$ 335,926	08/01/2016	08/01/2016
EL PASO CO	108,187	108,187	10/01/2017	10/01/2017
LOWER VALLEY WD	857,121	857,121	10/01/2017	10/01/2017
TOTAL COLONIA PLUMBING LOAN PROGRAM	$ 1,301,234	$ 1,301,234		

Additional Supplemental Information (Comments)

GENERAL COMMENTS

A. ORGANIZATIONAL DATA

Texas Water Development Board (TWDB)

The Texas Water Development Board's Board of Directors 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. The Governor designates the Chairman of the Board. The Vice-Chairman is selected by and from the Board Members.

Board Members serving as of August 31, 2003, were:

Name	City	Term Expires December 31
E. G. Rod Pittman, Chairman	Lufkin, Texas	2007
Wales H. Madden, Jr.	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

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.

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, 2003, follows:

Name	Position
J. Kevin Ward	Executive Administrator
Ignacio Madera, Jr.	Deputy Executive Administrator
William F. Mullican, III	Deputy Executive Administrator
Leonard Olson	Deputy Executive Administrator
Suzanne Schwartz	General Counsel
Otis Williams	Deputy Executive Administrator

B. GENERAL INFORMATION

The Board's central office is located in the Stephen F. Austin Building in Austin, Texas. The TWDB participates in the statewide records management program by maintaining a Records Retention Schedule, which lists the agency records by 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 August 28, 2003. 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 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 $4.68 billion in GO bond authorizations.

The TWDB currently:

- Provides loans to local entities for water supply projects; water quality projects, including wastewater treatment; 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 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 streams, rivers, bays and estuaries, and instream flows;
- Administers the Texas Water Bank, which facilitates the transfer, sale or lease of water and water rights throughout the state. 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). 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.

FINANCIAL ASSISTANCE PROGRAMS

Texas provides financing to entities for flood control and 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, and 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 collected funds are used 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+. The Clean Water State Revolving Fund revenue bonds are rated as follows: AAA by Standard and Poor's; Aaa by Moody's Investor's Service; and AAA by Fitch Investor's Service.

TEXAS WATER DEVELOPMENT FUND

From 1957 to 2003, the Texas Legislature and voters have approved constitutional amendments authorizing the TWDB to issue up to $4.68 billion 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 Texas Legislature and voters approved an additional $2 billion in bond authorization for TWDB. This constitutional amendment included a provision to allow the TWDB to invest in up to 100 percent in a state participation project. As of August 31, 2003, $2.36 billion 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 $164.8 million of unissued agricultural water conservation project bond authorizations.

STATE PARTICIPATION PROGRAM

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 to finance other projects.

The TWDB uses the State Participation 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 Texas Legislature authorized, and the TWDB issued, $20 million in State Participation bonds during the biennium ending August 31, 2003.

The 78th Texas Legislative session did not authorized the issuance of State Participation bonds during the biennium ending August 31, 2005.

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 $3.6 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 sewer 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 Environmental Protection Agency (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 and one nonpoint source/bays and estuaries. Available CWSRF funds are distributed among these groups based on Intended Use Plan (IUP) information submitted by potential loan applicants.

During the 78th Texas Legislative Session, the TWDB was authorized to fund a disadvantage communities program within the CWSRF. This program provides a means wherein small disadvantage communities can access capital, at below market rates, for infrastructure improvements. The program will offer zero-interest or one percent loans to small disadvantaged communities. The initial funding for the program is $30 million for fiscal year 2004.

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, 2003, the TWDB has approved $332 million in DWSRF loans. The DWSRF portfolio has $212.7 million in outstanding loan commitments as of August 31, 2003.

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. 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.

The DWSRF disadvantaged communities program provides a limited amount of funding for low interest loans (lower interest rates than the mainstream DWSRF) and some loan forgiveness to communities that qualify as "disadvantaged." Eligible applicants can receive a net fixed interest rate from zero-interest to one percent, and possible loan forgiveness up to 35 percent of the principal. Additionally, the repayment period for the disadvantaged applicants can be up to 30 years. As of August 31, 2003, the TWDB has approved $123.4 million in disadvantaged loans.

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 Texas 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 voter-authorized general obligation bonds and $29 million in 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 shall 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, 2003:

- 82 projects have received project construction commitments totaling $531.7 million; and
- another 8 projects are in the EDAP facility-planning phase, which will cost an estimated $65 million, if funded by the TWDB.

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 87 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 Texas 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.

COLONIA SELF-HELP PROGRAM

The Texas State Legislature created the Colonia Self Help Program during the 77th Legislative Session in 2001. The program provides financial assistance to nonprofit organizations that have a history of developing and participating in self-help projects along the Texas/Mexico border. A self-help project is one in which the colonia residents actively participate in the construction of the water or wastewater infrastructure. The nonprofit organization provides leadership in organizing the work efforts of the residents, contacting local and regional suppliers for assistance and donations, and applying for financial assistance on behalf of the community. Financial assistance through grants is used to reimburse the nonprofit organizations for eligible project development and construction expenses. As of August 31, 2003, the TWDB has approved six projects totaling $240,227.

COLONIA PLUMBING LOAN PROGRAM

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 10-year repayment schedule through the CPLP (the monthly payment is approximately $43 per month). As of August 31, 2003, 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 and nonprofit water supply corporations that serve populations of 15,000 or less are eligible to apply for financial assistance from the program. Since inception of the program, the TWDB has funded $60,000 in financial assistance.

GROUNDWATER DISTRICT LOAN PROGRAM

In September 1997, 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. Since the inception of the program, the TWDB has funded $16,000 in financial assistance.

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 funds for brush control and precipitation enhancement projects.

The Texas 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 Texas 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. Senate Bill 1053 of the 78th Texas Legislative Session combined the various agricultural water conservation programs into a single fund. This consolidated fund will begin operating in September 2003.

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. Senate Bill 1053 of the 78th Texas Legislative Session combined the various agricultural water conservation programs into a single fund. This consolidated fund will begin operating in September 2003.

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 have been 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.

To date, the Board has committed $3.9 million from the Emergency Drought Fund (EDF) to 17 projects, which includes approximately $335,000 of interest earnings. The EDF has a balance of $155,215 that is currently available for any unforeseen increases to the projects under design or construction. No other drought relief projects are expected.

At this time, 13 emergency interconnect projects are now complete and are available to provide an alternative water source to El Indio Water Supply Corporation in Maverick County and several communities in the Lower Rio Grande Valley. Of these, three are finalizing project close-out. One project is in the final stages of construction and should be complete within 30 days. Two of the projects have submitted plans and specifications for review. There is only one project that is still in the design phase.

RURAL WATER ASSISTANCE FUND PROGRAM

Senate Bill 2, 77th Legislative Session, provided for the creation of the Rural Water Assistance Fund (RWAF). The RWAF 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 78th Texas Legislature expanded the program to include wastewater projects effective June 20, 2003.

The basic elements of the program are:

(1) Provide low interest loans for water and wastewater 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 the purchase of selected equipment and other project components financed through the RWAF.

(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 RWAF from any sources available.

(5) The RWAF may be used to buy down interest rates on loans.

(6) The use of the RWAF includes the financing of outreach and technical assistance to help rural political subdivisions obtain assistance through the Board. The Board is authorized to use monies in the RWAF to contract for such outreach and technical assistance services.

The Rural Water Assistance Fund did not receive any general revenue appropriations from the Texas Legislature. As a result, numbers (5) and (6) as outlined in the features of RWAF cannot be undertaken by the Board at this time. However, during the last biennium, the Board applied for and received an allocation of $50,000,000 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 RWAF an attractive funding mechanism.

STATE ENERGY CONSERVATION OFFICE (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 SECO of the State Comptroller which allows the Board to provide up to $3,914,500 in 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 50percent 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 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, 2003, the Executive Administrator had received approval to negotiate contracts with 15 districts for a total of $3,757,860. 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 are in anticipation of funding for construction becoming available.

As of August 31, 2003, a considerable amount of construction funding has been committed to water conservation efforts along the Rio Grande with the majority of the funds going to districts that are participating in the SECO program. Currently the North American Development Bank has committed $25.6 million to water conservation efforts with $23.9 million going to irrigation districts that participate in the SECO program. The Bureau of Reclamation has committed an additional $1.2 million with all of the funds going to irrigation districts that participate in the SECO program.

RURAL COMMUNITY WATER AND WASTEWATER LOAN FUND

This program was established in the TWDB's Sunset legislation (S.B. 312), which was passed during the 77th Legislative Session. The purpose of the program is to fund loans to rural communities for water and wastewater projects. Funds for the 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 Texas Legislature has authorized the use of $520,000 from the TWRFA proceeds for the program for the 2002-2003 biennium. The Board adopted rules for this program effective November 2001.

The distinctive provisions of the program are as follows:

- Financial assistance is available only to those rural communities with a population under 5,000 as defined by Section 363.902 of the TWDB rules.
- Loans provided under the pilot program cannot exceed $250,000 for each project. However, the $250,000 cap has been removed for applicants applying for assistance after August 31, 2003.
- Terms for loans cannot exceed 20 years.
- 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. In addition, the loan origination fee would not be applied to loans made from this program.
- 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. 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.

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 almost $46.8 million: $18.4 million for regional facility planning; $17.6 million for research; and $10.8 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 $31.2 million to political subdivisions to prepare regional water plans. It is anticipated that additional funding will be provided in fiscal year 2004. 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 designated 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 almost $6.3 million to the TWDB in FEMA grants, with approximately $5.2 million for Project Grants, $730,000 for Planning Grants and $390,000 towards funding TWDB Technical Assistance.

TEXAS WATER RESOURCES FUND

The Texas 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 funds for the Clean Water State Revolving Fund, the Drinking Water State Revolving Fund and any additional revolving funds established by the federal government; (2) finance water supply and treatment works; (3) provide financial assistance to nonprofit water supply corporations; (4) provide short-term, interim period financial assistance for construction of a water supply, wastewater or flood control project that will be financed by the TWDB; (5) finance water and wastewater projects for economically distressed areas; and (6) provide funds for the Water Infrastructure Fund. To date, this fund has been used only to fund the Clean Water SRF.

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. Since passage of SB 1 in 1997, Regional Water Planning Groups (planning groups) prepare regional water plans every five years. The TWDB then incorporates the 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.

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

The 2002 State Water Plan concludes that the best response to meeting future water supply needs is a feasible, long-term plan for water supply acquisition and demand reduction. Water management strategies identified by the 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 a mixed supply of groundwater and surface water (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 planning groups are made up of representatives from cities, counties, water districts and other local entities and interests. 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 Texas 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 the development of regional water plans.

In fiscal year 2003, the TWDB funded $1.535 million for the development of 5 groundwater availability models (GAMs) that will support the regional water planning process by providing tools to assess groundwater availability information. The GAM program is continuing into fiscal year 2004, with TWDB partially funding the continuing development of 5 GAMs at a funding level of $1.535 million out of current appropriations. By October 2004, TWDB expects to have a total of 20 GAMs available for use.

In fiscal year 2003, 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 Texas Legislative Session. The IFR contains information on how much of the approximately $18 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 those costs.

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 was appropriated in fiscal year 2002/2003. Additional funding is being provided during fiscal year 2004/2005.

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, lake level and groundwater level 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 and 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 SURVEY 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 the entire 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 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 10 years. In addition, the TWDB offers 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 1960s. 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 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. Currently, TWDB is drilling an additional 16 wells over the next 5 years as part of the Saline Water Study sponsored by San Antonio Water System.

TEXAS WATER BANK & TEXAS WATER TRUST

The Texas Water Bank was established in 1993 to facilitate the voluntary transfer of water and/or water rights, either surface or groundwater, between willing buyers and sellers. The Water Bank, as administered by the TWDB, maintains registries of water and water rights for potential buyers and sellers, as well as a listing of deposits. Most surface water transactions require a permit modification from the Texas Commission on Environmental Quality (TCEQ). Groundwater transactions are subject to all applicable rules of the groundwater conservation district in which the source groundwater may be located.

The Texas Water Trust was established within the Texas Water Bank in 1997 to hold water rights dedicated to environmental needs, including instream flows, water quality, fish and wildlife habitat, or bay and estuary inflows. No water right may be placed into the Trust without review and approval of the TCEQ after appropriate consultation with the TWDB and the Texas Parks and Wildlife Department.

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, 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; United States Geological Survey 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). 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.

TNRIS serves a number of other functions as well. Its 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, TNRIS staff are currently digitizing a large archive of historical aerial photography. This will allow the public to access historical data over the Internet, and to merge the historical data with current data using Geographic

Information system (GIS) technology 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 Texas Strategic Mapping program (StratMap). StratMap is a cost-sharing program to produce large-scale, digital 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, elevation contours , hydrography, political boundaries, and transportation). As a result of this four-year effort, TWDB has created a common set of base maps 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, the hydrography dataset is being enhanced to meet new National Hydrograhy Dataset (NHD) standard 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, 2003.

A. WATER DEVELOPMENT FUND(S)

WATER DEVELOPMENT FUND I (DF I)

During the year ended August 31, 2003, five (5) loans were made by the Board for water supply, water quality enhancement and state participation purposes. During FY03, $3,710,000 of loans were closed, $3,887,489.42 in payments for scheduled maturities were received, and $3,540,000 in repayments prior to scheduled maturities were received. $23,385,000 of loans and interfund receivables associated with the refunded debt were transferred to Development Fund II, and $41,531,165.14 of loans were transferred to the State Participation Program (see Note 12), leaving loans, contracts and interfund receivables outstanding at August 31, 2003, in the amount of $172,250,686.12.

WDF I LOANS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT LOANED
Brushy Creek MUD*	$ 1,500,000.00
Cade Lakes WSC	235,000.00
Hurst Creek MUD	425,000.00
Macbee Utility District	640,000.00
White Oak Bend MUD*	910,000.00
TOTAL WDF I LOANS CLOSED	**$ 3,710,000.00**

*Transferred to Development Fund II.

Outstanding loan commitments for Development Fund I at August 31, 2003, are as follows:

LOAN COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Skidmore WSC	$ 175,000.00
TOTAL WDF I LOAN COMMITMENTS	**$ 175,000.00**

WATER DEVELOPMENT FUND II (DF II)

During the year ended August 31, 2003, twenty-three (23) political subdivisions of the State received financial assistance from the Board for water supply, water quality enhancement, and state participation purposes. During FY03, $83,487,000 of loans were closed in DFII and $9,780,000 in state participation assistance provided. A total of $64,916,165.14 in loans associated with the refunded debt (see Note 12) were transferred from Development Fund I. $8,321,000 in payments for scheduled maturities were received, and $6,744,000 in repayments prior to schedule maturities were received. Loans, contracts and interfund receivables outstanding as of August 31, 2003, for Development Fund II were in the amount of 629,640,130, while state participation contracts outstanding were $133,976,165.14.

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WDF II LOANS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT LOANED
Acton MUD	$ 335,000.00
Caney Creek MUD	100,000.00
Caney Creek MUD	765,000.00
Canyon Regional WA	11,710,000.00
Canyon Regional WA	22,290,000.00
Eagle Pass, City of	2,145,000.00
Galveston Co WCID #1	1,040,000.00
Greater Texoma UA	560,000.00
Greater Texoma UA	1,030,000.00
Meeker Municipal Water District	840,000.00
Meeker Municipal Water District	1,660,000.00
South Newton WSC	6,250,000.00
Texas Water Development Board	12,000,000.00
Texas Water Development Board	3,300,000.00
Texas Water Development Board	185,000.00
Texas Water Development Board	3,200,000.00
Texas Water Development Board	795,000.00
Texas Water Development Board	2,000,000.00
Texas Water Development Board	142,000.00
Texas Water Development Board	8,000,000.00
Travis Co WCID #17	3,110,000.00
Travis Co WCID #17	1,180,000.00
Venus, City of	850,000.00
TOTAL WDF II LOANS CLOSED	**$ 83,487,000.00**

Outstanding loan commitments for Development Fund II at August 31, 2003, with delivery subject to compliance to closing requirements were as follows:

LOAN COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Big Foot WSC	$ 175,000.00
Canyon Regional WA	900,000.00
Coleman Co WSC	5,000,000.00
Greater Texoma UA	2,800,000.00
Greater Texoma UA	600,000.00
Harris Co WCID (Fondren Road)	2,625,000.00
La Feria, City of	8,350,000.00
La Joya WSC	33,160,000.00
Mission, City of	11,620,000.00
Mount Houston Road MUD	3,390,000.00
North Channel WA	3,510,000.00
Northeast Texas MWD	435,000.00
Northeast Texas MWD	1,545,000.00
San Benito, City of	9,110,000.00
San Leanna, Village of	640,000.00
Travis Co WCID #17	1,100,000.00
Travis Co WCID #17	20,000.00
Travis Co WCID #17	10,000.00
Tynan, City of	185,000.00
Webb Co	1,102,000.00
TOTAL WDF II LOAN COMMITMENTS	**$ 86,277,000.00**

STATE PARTICIPATION LOANS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT LOANED
Lower Colorado RA	$ 7,455,000.00
Upper Trinity Regional WD	2,325,000.00
TOTAL SP LOANS CLOSED	**$ 9,780,000.00**

Outstanding loan commitments for the State Participation Program at August 31, 2003, with delivery subject to compliance to closing requirements, were as follows:

LOAN COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Greater Texoma UA	$ 8,675,000.00
Lower Colorado RA	6,585,000.00
TOTAL STATE PARTICIPATION PROGRAM COMMITMENTS	**$ 15,260,000.00**

B. ECONOMICALLY DISTRESSED AREAS PROGRAM (EDAP)

During the year ended August 31, 2003, five (5) loans were funded by the Board for the Economically Distressed Areas Program. During FY03, $2,000,000 of loans were closed, $758,008 in payments for scheduled maturities, and $136,000 in repayments prior to scheduled maturities were received, leaving loans and contracts outstanding at August 31, 2003, in the amount of $17,794,608.

EDAP LOANS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT LOANED
Batesville WSC	$ 213,000.00
Laredo, City of	741,000.00
Laredo, City of	710,000.00
San Juan, City of	249,000.00
South Newton WSC	87,000.00
TOTAL EDAP LOANS CLOSED	**$ 2,000,000.00**

Outstanding loan commitments at August 31, 2003, with delivery subject to compliance with closing requirements, were as follows:

LOAN COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Asherton, City of	$ 196,000.00
Brownsville, City of	394,000.00
El Paso Co Tornillo WID	164,000.00
Mission, City of	508,000.00
Moore WSC	90,000.00
Skidmore WSC	420,000.00
Tynan WSC	31,000.00
Webb Co	475,000.00
Zavala Co WCID #1	170,000.00
TOTAL EDAP COMMITMENTS	**$ 2,448,000.00**

C. AGRICULTURAL WATER CONSERVATION LOAN FUND

During the year ending August 31, 2003, two (2) loans were made by the Board to Districts for further distribution to farmers for loans for agricultural water conservation equipment. During FY03, $750,000 of loans were closed, $1,381,166.31 in payments for scheduled maturities were received, and $993,721.93 prior to scheduled maturities were received, leaving loans and contracts outstanding at August 31, 2003, in the amount of $2,399,393.07.

AGRIC WATER CONSERVATION LOANS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT LOANED
Panhandle GWCD #3	$ 250,000.00
Sandy Land UWCD	500,000.00
TOTAL AGRIC WATER CONSERVATION LOANS CLOSED	**$ 750,000.00**

There were no loan commitments as of August 31, 2003.

D. AGRICULTURAL TRUST FUND

During the year ending August 31, 2003, no loans were made by the Board to Districts for further distribution to farmers for loans for agricultural water conservation equipment from this fund. During FY03 $863,301.20 in payments for scheduled maturities were received, and $956,104.62 of repayments prior to scheduled maturities were received, leaving loans and contracts outstanding at August 31, 2003, in the amount of $3,109,576.55.

There were no loan commitments as of August 31, 2003.

E. WATER LOAN ASSISTANCE FUND (WLAF)

During the year ended August 31, 2003, no loans were made from the Water Loan Assistance Fund. During FY03, $265,000 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, 2003, in the amount of $13,389,900.

Outstanding loan commitments at August 31, 2003, with delivery subject to compliance with closing requirements, were as follows:

LOAN COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
El Paso, City of	$ 1,000,000.00
Fort Bend Co FWSD #1	1,000,000.00
TOTAL WLAF COMMITMENTS	**$ 2,000,000.00**

F. RURAL WATER ASSISTANCE FUND (RWAF)

During the year ended August 31, 2003, six (6) loans were funded from Rural Water Assistance Fund. During FY03, $9,622,000 of loans were closed, no payments for scheduled maturities were received, leaving loans and contracts outstanding at August 31, 2003, in the amount of $9,622,000.

RWAF LOANS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT LOANED
Benton City, City of	$ 3,300,000.00
Cade Lakes WSC	185,000.00
Canyon Regional WA	2,000,000.00
Mountain Peak WSC	3,200,000.00
South Newton WSC	795,000.00
The Oaks WSC	142,000.00
TOTAL RWAF LOANS CLOSED	**$ 9,622,000.00**

Outstanding loan commitments at August 31, 2003, with delivery subject to funds availability at time of closing and compliance to closing requirements, were as follows:

LOAN COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Ben Wheeler WSC	$ 458,000.00
Creedmoor-Maha WSC	3,000,000.00
East Rio Hondo WSC	3,000,000.00
Mccoy WSC	1,050,000.00
Mill Creek WSC	180,000.00
TOTAL RWAF COMMITMENTS	**$ 7,688,000.00**

F. GROUNDWATER DISTRICT LOAN FUND (GWDLF)

During the year ended August 31, 2003, one (1) loans was funded from Groundwater District Loan Fund. During FY03, $16,000 of loans were closed, no payments for scheduled maturities were received, leaving loans and contracts outstanding at August 31, 2003, in the amount of $16,000.

GWDLF LOANS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT LOANED
Kinney Co GWCD	$ 16,000.00
TOTAL GWDLF LOANS CLOSED	**$ 16,000.00**

LOAN COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Clear Fork GWCD	$ 15,000.00
Middle Pecos GWCD	120,000.00
TOTAL GWDLF COMMITMENTS	**$ 135,000.00**

H. CLEAN WATER STATE REVOLVING FUND (CWSRF)

During the year ended August 31, 2003, twenty-one (21) loans were made by the Board, for Water quality enhancement purposes, from this program. During FY03, $87,550,000 of loans were closed, $80,043,000 in payments for scheduled maturities were received, and $150,785,000 in repayments prior to scheduled maturities were received (excluding exchange refundings), leaving loans and contracts outstanding at August 31, 2003, in the amount of $2,214,083,766.

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CWSRF LOANS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT LOANED
Angleton, City of	$ 645,000.00
Aubrey, City of	1,740,000.00
Bacliff MUD	4,890,000.00
Bridgeport, City of	2,365,000.00
Cameron, City of	710,000.00
Cibolo Creek MA	1,500,000.00
Deer Park, City of	5,000,000.00
El Paso, City of (The "City")	10,110,000.00
Fairfield, City of	4,415,000.00
Galveston Co WCID #1	6,395,000.00
Greater Texoma UA	1,035,000.00
Greater Texoma UA	3,440,000.00
Greater Texoma UA	865,000.00
Missouri City, City of	1,215,000.00
New Caney MUD	380,000.00
Olney, City of	265,000.00
Palestine, City of	3,745,000.00
Roma, City of	1,150,000.00
San Antonio Water System	34,000,000.00
Sugar Land, City of	3,215,000.00
White Oak Bend MUD	470,000.00
TOTAL CWSRF LOANS CLOSED	**$ 87,550,000.00**

Outstanding loan commitments at August 31, 2003, 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
Bacliff MUD	4,890,000.00
Bryan, City of	2,440,000.00
Del Rio, City of	2,190,000.00
Eagle Pass, City of	2,040,000.00
Eagle Pass, City of	1,960,000.00
Eagle Pass, City of	3,230,000.00
El Paso, City of (The "City")	13,650,000.00
Garland, City of	42,205,000.00
Houston, City of	15,400,000.00
Houston, City of	6,105,000.00
Houston, City of	5,265,000.00
Houston, City of	14,875,000.00
Houston, City of	71,770,000.00
Houston, City of	14,195,000.00
Houston, City of	34,650,000.00
Houston, City of	18,830,000.00
Kaufman, City of	1,325,000.00
La Feria, City of	385,000.00
Lower Valley MD	2,550,000.00
Magnolia, City of	2,825,000.00
Missouri City, City of	14,900,000.00
New Caney MUD	3,095,000.00
Palestine, City of	860,000.00
San Antonio Water System	82,235,000.00

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LOAN COMMITMENTS (CONT.):

POLITICAL SUBDIVISIONS	COMMITMENTS
San Antonio Water System	2,765,000.00
San Antonio Water System	10,635,000.00
Santa Rosa, City of	4,100,000.00
Sugar Land, City of	9,065,000.00
Sunset, City of	295,000.00
TOTAL CWSRF COMMITMENTS	**$ 389,900,000.00**

I. DRINKING WATER STATE REVOLVING FUND (DWSRF)

During the year ended August 31, 2003 thirty-three (33) loans were closed by the Board for Water supply purposes from this program. During FY03, $39,664,000 of loans and loan installments were closed, $3,962,000 in payments for scheduled maturities were received, and no repayments prior to scheduled maturities were received, leaving loans and contracts outstanding at August 31, 2003, in the amount of $97,377,000.

DWSRF LOANS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT LOANED
Ballinger, City of	$ 115,000.00
Brady, City of	70,000.00
Brookeland FWSD	510,000.00
Brownwood, City of	465,000.00
Burleson Co MUD #2	37,000.00
Corsicana, City of	1,140,000.00
Del Rio, City of	1,045,000.00
Del Rio, City of	715,000.00
Deport, City of	30,000.00
Eagle Pass, City of	668,000.00
Eagle Pass, City of	890,000.00
El Paso, City of (The "City")	40,000.00
Hamlin, City of	90,000.00
Hudson Oaks, City of	670,000.00
Kountze, City of	55,000.00
Lower Neches Valley Authority	5,074,000.00
Lufkin, City of	3,435,000.00
Nacogdoches, City of	2,140,000.00
Nacogdoches, City of	2,710,000.00
Northeast Texas MWD	905,000.00
Northeast Texas MWD	550,000.00
Olney, City of	440,000.00
Orange Co WCID #1	115,000.00
Palmer, City of	15,000.00
Pecos City, Town of	4,030,000.00
Possum Kingdom WSC	3,735,000.00
Raymondvile, City of	420,000.00
Roma, City of	142,000.00
Sweetwater, City of	4,660,000.00
Thunderbird Bay Water Services, Inc.	63,000.00
Tioga, City of	15,000.00
Vernon, City of	3,050,000.00
West Jefferson County MWD	1,625,000.00
TOTAL DWSRF LOANS AND LOAN INSTALLMENTS CLOSED	**$ 39,664,000.00**

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Outstanding loan commitments at August 31, 2003, 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	$ 4,830,000.00
Benton City WSC	1,270,000.00
Big Foot WSC	109,000.00
Brady, City of	5,825,000.00
Brookeland FWSD	285,000.00
Brownwood, City of	5,215,000.00
Burleson Co MUD #1	1,259,000.00
Burleson Co MUD #1	135,000.00
Corsicana, City of	130,000.00
Del Rio, City of	533,000.00
Del Rio, City of	5,240,000.00
Eagle Pass, City of	10,877,000.00
Eagle Pass, City of	6,565,000.00
Eagle Pass, City of	4,590,000.00
Eagle Pass, City of	5,400,000.00
El Jardin WSC	3,550,000.00
Golden WSC	760,000.00
Hamlin, City of	5,015,000.00
Houston, City of	5,955,000.00
Hudson Oaks, City of	410,000.00
Junction, City of	3,480,000.00
Kountze, City of	225,000.00
Lower Colorado RA	6,327,000.00
Lower Colorado RA	759,000.00
Lower Colorado RA	1,606,000.00
Lower Neches Valley Authority	12,209,000.00
Lufkin, City of	9,890,000.00
Mexia, City of	520,000.00
Millersview-Doole WSC	15,816,000.00
Millersview-Doole WSC	823,000.00
Mount Calm WSC	340,000.00
Nacogdoches, City of	15,475,000.00
Nacogdoches, City of	13,900,000.00
Northeast Texas MWD	11,495,000.00
Northeast Texas MWD	8,100,000.00
Olney, City of	810,000.00
Orange Co WCID #1	2,310,000.00
Palmer, City of	1,360,000.00
Pecos City, Town of	2,055,000.00
Possum Kingdom WSC	965,000.00
Raymondvile, City of	2,615,000.00
Santa Rosa, City of	2,180,000.00
Sunbelt FWSD	2,365,000.00
Sweetwater, City of	2,430,000.00
Thunderbird Bay Water Services, Inc.	1,137,000.00
Tioga, City of	495,000.00
Vernon, City of	1,980,000.00
West Jefferson County MWD	2,090,000.00
Willis, City of	3,245,000.00
TOTAL DWSRF COMMITMENTS	**$ 194,955,000.00**

J. COLONIA PLUMBING LOAN PROGRAM (CPLP)

During the year ended August 31, 2003, there were one (1) loan funded by the Board from the Colonia Plumbing Loan Program. During FY03, $120,912.36 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, 2003, were in the amount of $1,301,233.82.

CPLP LOANS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT LOANED
Lower Valley WD	$ 120,912.36
TOTAL CPLP LOANS CLOSED	**$ 120,912.36**

Outstanding loan commitments at August 31, 2003, 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
Lower Valley WD	228,639.31
San Benito, City of	100,000.00
TOTAL CPLP COMMITMENTS	**$ 1,680,526.05**

K. TEXAS WATER RESOURCES FINANCING AUTHORITY

During the year ended August 31, 2003, no loans were funded by the Board from the Texas Water Resources Financing Authority. During FY03, $8,702,000 of scheduled repayments and $3,400,000 of repayments made prior to scheduled payment dates were received leaving the loans outstanding at August 31, 2003, in the amount of $64,711,013.

II. GRANTS MADE OR COMMITTED DURING YEAR ENDED AUGUST 31, 2003

A. ECONOMICALLY DISTRESSED AREAS PROGRAM (EDAP)

During the year ended August 31, 2003, twenty-one (21) grants were funded by the Board for water supply and water quality enhancement purposes for the Economically Distressed Areas Program. For these applicants, total grant payments amounted to $5,500,136.

GRANTS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT GRANTED
Batesville WSC	$ 66,223.00
Brookeland FWSD	237,091.00
Brookeland FWSD	119.00
Combes, Town of	357,901.00
Eagle Pass, City of	29,309.00
El Paso Co	230,102.00
Ingleside, City of	148,110.00
Ingleside, City of	50,311.00
Ingleside on the Bay, City of	1,286,446.00

GRANTS CLOSED (CONT.): POLITICAL SUBDIVISIONS	AMOUNT GRANTED
Laredo, City of	381,647.00
Moore WSC	28,566.00
North Alamo WSC	203,862.00
Odem, City of	62,419.00
Roma, City of	171,501.00
San Benito, City of	11,063.00
Skidmore WSC	647,054.00
South Newton WSC	671,998.00
South Newton WSC	542,653.00
Tynan WSC	18,233.00
Webb Co	110,429.00
Zavala Co WCID #1	245,099.00
TOTAL EDAP GRANTS CLOSED	**$ 5,500,136.00**

Outstanding grant commitments at August 31, 2003, were as follows:

GRANT COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Alton, City of	$ 76,791.00
Brookeland FWSD	646,921.00
Brookeland FWSD	3,176,694.00
Combes, Town of	945,095.00
Donna, City of	1,325,602.00
Donna, City of	2,206.54
Hudspeth Co WCID #1	13,000.00
Ingleside on the Bay, City of	386,249.00
Ingleside on the Bay, City of	484,288.00
Ingleside, City of	3,629,681.00
Laredo, City of	2,648,002.00
Mercedes, City of	124,556.00
Mercedes, City of	6,200.00
Moore WSC	1,341,277.00
North Alamo WSC	553,149.00
Odem, City of	2,519,605.00
Pecos City, Town of	305,739.00
Pharr, City of	5,839,943.00
Roma, City of	111,200.00
Roma, City of	43,594.00
San Benito, City of	322,947.00
Skidmore WSC	3,593,559.00
South Newton WSC	392,831.00
South Newton WSC	9,978,399.00
Terrell Co WCID #1	6,000.00
Tynan WSC	302,221.00
Webb Co	1,736,104.00
Zavala Co WCID #1	156,487.00
TOTAL EDAP GRANT COMMITMENTS	**$ 40,668,340.54**

B. COLONIA WASTEWATER TREATMENT ASSISTANCE PROGRAM

During the year ended August 31, 2003, twenty-three (23) grants were funded by the Board for the Colonia Wastewater Treatment Assistance Program (CWTAP). For these applicants, total grant payments amounted to $22,293,149.44.

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GRANTS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT GRANTED
Asherton, City of	$ 61,560.00
Asherton, City of	46,131.00
Batesville WSC	82,796.00
Brownsville, City of	266,542.00
Combes, Town of	2,068,344.00
Del Rio, City of	30,023.00
Edinburg, City of	71,898.48
Eagle Pass, City of	1,654,927.35
Eagle Pass, City of	271,232.00
La Joya WSC	3,551,298.00
Laredo, City of	211,454.00
Los Fresnos, City of	2,169,984.00
Lower Valley WD	591,389.00
Mercedes, City of	579,364.00
Mission, City of	780,904.00
Primera, City of	726,906.00
Roma, City of	2,870,116.00
San Benito, City of	18,471.00
San Juan, City of	6,091,839.00
Santa Rosa, City of	9,913.86
Santa Rosa, City of	80,883.75
Webb Co	55,430.00
Zavala Co WCID #1	1,743.00
TOTAL CWTAP GRANTS CLOSED	**$ 22,293,149.44**

Outstanding grant commitments at August 31, 2003 were as follows:

GRANT COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Alton, City of	$ 439,686.00
Asherton, City of	573,250.00
Asherton, City of	1,280,653.00
Batesville WSC	2,151,201.00
Brownsville, City of	3,063,743.00
Combes, Town of	2,378,302.12
Del Rio, City of	304,735.00
Donna, City of	769,977.46
Eagle Pass, City of	21,361,653.65
Eagle Pass, City of	20,557,591.00
El Paso Co Tornillo WID	5,328,876.00
Hudspeth Co WCID #1	15,560.00
La Feria, City of	840,684.00
La Feria, City of	4,303,675.00
La Joya WSC	49,876,321.00
Laredo, City of	6,213,482.00
Laredo, City of	4,706,539.00
Los Fresnos, City of	7,136,554.00
Lower Valley WD	1,693.21
Lower Valley WD	1,942,289.66
Mercedes, City of	3,099,161.00
Mercedes, City of	379,400.00
Mission, City of	14,582,687.00

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GRANT COMMITMENTS (CONT.):

POLITICAL SUBDIVISIONS	COMMITMENTS
Primera, City of	1,130,352.00
Rio Grande City, City of	9,150.00
Roma, City of	3,937,687.00
San Benito, City of	201,378.00
San Juan, City of	1,624,952.00
Santa Rosa, City of	633,281.14
Santa Rosa, City of	3,130,416.25
Terrell Co WCID #1	33,000.00
Webb Co	4,020,412.00
Webb Co	123,290.00
Webb Co	10,281,400.00
Zavala Co WCID #1	2,758,924.00
TOTAL GRANT COMMITMENTS	**$ 179,191,956.49**

C. AGRICULTURAL CONSERVATION PROGRAM

During the year ended August 31, 2003, two (2) grants were funded by the Board for the Agricultural Conservation Program. For these applicants, total grant payments amounted to $16,000,000.

GRANTS CLOSED:

POLITICAL SUBDIVISIONS	COMMITMENTS
Texas Department of Agriculture	$ 1,000,000.00
Texas State Soil and Water Conservation Board	15,000,000.00
TOTAL GRANTS CLOSED	**$ 16,000,000.00**

D. WATER LOAN ASSISTANCE FUNDS

During the year ended August 31, 2003, eleven (11) grants were funded by the Board from the Water Loan Assistance Fund. For these applicants, total grant payments amounted to $1,910,016.26

WLAF GRANTS CLOSED: POLITICAL SUBDIVISION	AMOUNT GRANTED
Angelina Co WCID #3	$ 17,297.00
Cranfills Gap, City of	5,239.00
Eagle Pass WW SYS	15,622.00
Edinburg, City of	186,060.00
Evadale WCID #1	24,682.00
La Feria, City of	409,886.00
Los Fresnos, City of	19,324.66
Los Fresnos, City of	348,159.34
North Alamo WSC	439,748.00
North Alamo WSC	84,202.26
San Benito, City of	359,796.00
TOTAL WLAF GRANTS CLOSED	**$ 1,910,016.26**

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Outstanding grant commitments at August 31, 2003, were as follows:

GRANT COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Alpine, City of	$ 200,000.00
Angelina Co WCID #3	3,137.00
Arroyo WSC	143,621.00
Clifton, City of	300,274.00
Cranfills Gap, City of	2,048.00
Eagle Pass WW SYS	27,708.00
Edinburgh, City of	57,815.00
Evadale WCID #1	12,153.00
La Feria, City of	32,547.00
Los Fresnos, City of	41,156.00
North Alamo WSC	18,283.74
North Alamo WSC	540,255.00
North Alamo WSC	347,017.00
San Benito, City of	207,154.00
Sunset, City of	13,917.00
Weslaco, City of	99,128.00
TOTAL GRANT COMMITMENTS	**$ 2,046,213.74**

E. COLONIA SELF-HELP PROGRAM (CSHP)

During the year ended August 31, 2003, one (1) grant was funded by the Board from the Colonia Self-Help Program. For this applicant, total grant payments amounted to $14,359.

CSHP GRANTS CLOSED: POLITICAL SUBDIVISION	AMOUNT GRANTED
Rensselaerville Institute	$ 14,359.00
TOTAL CSHP GRANTS CLOSED	**14,359.00**

Outstanding grant commitments as of August 31, 2003, were as follows:

GRANT COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Border Waterworks	$ 18,918.00
Border Waterworks	93,745.00
Border Waterworks	14,862.00
Rensselaerville Institute	33,525.00
Rensselaerville Institute	63,418.00
Rensselaerville Institute	1,400.00
TOTAL GRANT COMMITMENTS	**$ 225,868.00**

G. CLEAN WATER STATE REVOLVING FUND

During the year ended August 31, 2003, three (3) grants were funded by the Board for the Rural Communities Hardship Grant Program. For these applicants, total grant payments amounted to 906,181.

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GRANTS CLOSED POLITICAL SUBDIVISION	GRANTS CLOSED
Angelina Co WCID #3	$ 345,949.00
Cranfills Gap, City of	104,778.00
Evadale WCID #1	455,454.00
TOTAL CWSRF GRANTS CLOSED	**$ 906,181.00**

Outstanding grant commitments as of August 31, 2003 were as follows:

GRANT COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Angelina Co WCID #3	$ 62,731.00
Cranfills Gap, City of	40,969.00
Evadale WCID #1	281,229.00
Sunset, City of	278,333.00
TOTAL CWSRF GRANT COMMITMENT	**$ 663,262.00**

H. DRINKING WATER STATE REVOLVING FUND

During the year ended August 31, 2003, four (4) grants were funded by the Board for the disadvantaged communities program. For these applicants, total grant payments disbursed amounted to $1,345,510.16.

GRANTS CLOSED: POLITICAL SUBDIVISIONS	AMOUNT GRANTED
Brady, City of	$ 37,699.22
Eagle Pass, City of	359,692.00
Lower Neches Valley Authority	872,566.82
Roma, City of	76,552.12
TOTAL DWSRF GRANTS CLOSED	**$ 1,346,510.16**

Outstanding grant commitments as of August 31, 2003 were as follows:

GRANT COMMITMENTS: POLITICAL SUBDIVISIONS	COMMITMENTS
Brady, City of	$ 3,134,554.21
Eagle Pass, City of	5,855,308.00
Eagle Pass, City of	2,905,000.00
Lower Colorado RA	1,498,000.00
Lower Neches Valley Authority	1,346,222.27
Millersview-Doole WSC	2,791,000.00
TOTAL DWSRF GRANT COMMITMENTS	**$ 17,530,084.48**

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I. COLONIA PLUMBING LOAN PROGRAM (CPLP)

Outstanding grant commitments at August 31, 2003 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**