

**OHIO WATER
DEVELOPMENT AUTHORITY**

Financial Statements

December 31, 1999

(With Independent Auditors' Report Thereon)

**OHIO WATER
DEVELOPMENT AUTHORITY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Ohio Water Development Authority
88 East Broad Street, Suite 1300
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We have audited the accompanying combining financial statements and the individual funds included in the schedules of the combining funds of the Ohio Water Development Authority (the Authority), component unit of the State of Ohio, as of and for the year ended December 31, 1999. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the financial statements present only the Ohio Water Development Authority's enterprise funds and are not intended to present fairly the financial position of the State of Ohio and the results of the State of Ohio's operations and cash flows of its proprietary fund types in conformity with generally accepted accounting principles.

In our opinion, the combining financial statements referred to above present fairly, in all material respects, the financial position of the Ohio Water Development Authority as of December 31, 1999, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the individual fund and group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and groups of the Ohio Water Development Authority as of December 31, 1999, and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2000 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts.


JIM PETRO
Auditor of State

March 29, 2000

OHIO WATER DEVELOPMENT AUTHORITY

Combining Balance Sheet

December 31, 1999, with comparative for 1998

Assets	Trusteed Funds					
	Operating Fund	Working Capital Fund	Other Projects Group	Rural Utility Services Group (Note 4 and 5)	Community Assistance Fund (Note 6)	Fresh Water Group (Note 7 and 8)
Cash -- Note 2	\$ 31,174	-	1,947,744	-	310,601	355,572
Investments -- Note 2	5,907,767	24,400	85,909,440	13,397,457	32,091,086	233,879,516
Receivables:						
Federal and local government authorities	125,899	7,133,881	17,525,698	10,426,954	87,136,386	248,126,659
Other	5,958	-	-	-	-	-
Due from other funds -- Note 3	35,508	-	-	90,425	19,224	1,278,039
Deferred bond and note issuance expense	-	-	-	131,218	651,454	2,596,031
Office furniture and automobiles, at depreciated cost	679,553	-	-	-	-	-
Total assets	\$ 6,785,859	7,158,281	105,382,882	24,046,054	120,208,751	486,235,817
Liabilities and Retained Earnings						
Accounts payable	255,823	-	40,376	1,695,897	705,185	6,443,058
Retainages payable	-	-	-	-	48,701	804,321
Accrued interest	-	-	-	54,246	221,345	943,180
Due to other funds -- Note 3	-	-	25,000	90,425	17,232	1,277,040
Water Development Revenue Notes:						
RD Series 1998-A -- Note 4	-	-	-	2,300,000	-	-
RD Series 1999-A -- Note 5	-	-	-	13,205,000	-	-
Water Development Revenue Bonds:						
Community Assistance Series 1997, net of discount -- Note 6	-	-	-	-	51,439,843	-
Fresh Water 1995 Series, net of discount -- Note 7	-	-	-	-	-	74,295,127
Fresh Water 1998 Series, net of premium -- Note 8	-	-	-	-	-	142,603,814
Water Development Revenue Refunding Bonds:						
1992 Clean Water Series, net of discount -- Note 9	-	-	-	-	-	-
Safe Water Refunding 1987 Series A & B, net of discount -- Note 10	-	-	-	-	-	-
1992 Safe Water Series, net of discount -- Note 11	-	-	-	-	-	-
1997 Safe Water Series, net of loss and premium -- Note 12	-	-	-	-	-	-
Pure Water Refunding and Improvement Series, net of discount -- Note 13	-	-	-	-	-	-
Water Pollution Control Loan Fund Revenue Bonds:						
State Match Series 1991, net of discount -- Note 14	-	-	-	-	-	-
State Match Series 1993, net of discount -- Note 15	-	-	-	-	-	-
State Match Series 1995, net of premium -- Note 16	-	-	-	-	-	-
Water Quality Series 1995, net of premium -- Note 17	-	-	-	-	-	-
Water Quality Series 1997, net of premium -- Note 18	-	-	-	-	-	-
Total liabilities	255,823	-	65,376	17,345,568	52,432,306	226,366,540
Fund equity:						
Retained Earnings -- Note 22 and 24	6,530,036	7,158,281	105,317,506	6,700,486	67,776,445	259,869,277
Commitments -- Note 21	-	-	-	-	-	-
Total liabilities and retained earnings	\$ 6,785,859	7,158,281	105,382,882	24,046,054	120,208,751	486,235,817

See accompanying notes to financial statements.

Trusteed Funds

Refunding Group (Note 9)	Safe Water Refunding Group (Notes 10, 11 and 12)	Pure Water Refunding Fund (Note 13)	Water Pollution Control Loan Group (Notes 14, 15, 16, 17 & 18)	Drinking Water Assistance Fund	Combined 1999	Comparative Combined 1998
713,295	47,800	616,742	4,170,832	-	8,193,760	17,492,031
13,859,624	27,748,181	70,016,380	383,465,629	12,952,369	879,251,849	932,521,273
65,246,357	149,602,422	361,945,715	1,034,836,952	24,055,441	2,006,162,364	1,879,211,832
-	-	-	-	-	5,958	54,324
-	105,864	2,997,008	1,287,282	35,822	5,849,172	1,905,241
1,215,315	1,605,900	5,553,024	5,991,002	-	17,743,944	19,072,785
-	-	-	-	-	679,553	370,416
<u>81,034,591</u>	<u>179,110,167</u>	<u>441,128,869</u>	<u>1,429,751,697</u>	<u>37,043,632</u>	<u>2,917,886,600</u>	<u>2,850,627,902</u>
-	180,920	-	19,059,031	781,378	29,161,668	20,524,876
-	-	-	4,471,083	57,830	5,381,935	4,093,272
291,194	592,882	1,727,010	2,348,086	-	6,177,943	6,619,284
45,318	60,545	10,822	4,287,282	35,508	5,849,172	1,905,241
-	-	-	-	-	2,300,000	7,675,000
-	-	-	-	-	13,205,000	-
-	-	-	-	-	51,439,843	51,597,180
-	-	-	-	-	74,295,127	77,595,549
-	-	-	-	-	142,603,814	145,230,293
64,573,414	-	-	-	-	64,573,414	79,713,273
-	46,110,750	-	-	-	46,110,750	47,758,011
-	48,863,258	-	-	-	48,863,258	62,322,550
-	71,461,392	-	-	-	71,461,392	71,647,892
-	-	356,243,876	-	-	356,243,876	404,470,965
-	-	-	18,273,714	-	18,273,714	20,695,317
-	-	-	35,544,821	-	35,544,821	39,302,800
-	-	-	70,300,663	-	70,300,663	77,074,989
-	-	-	204,849,765	-	204,849,765	209,248,973
-	-	-	205,461,094	-	205,461,094	209,517,383
<u>64,909,926</u>	<u>167,269,747</u>	<u>357,981,708</u>	<u>364,595,539</u>	<u>874,716</u>	<u>1,452,097,249</u>	<u>1,536,992,848</u>
16,124,665	11,840,420	83,147,161	865,156,158	36,168,916	1,465,789,351	1,313,635,054
<u>81,034,591</u>	<u>179,110,167</u>	<u>441,128,869</u>	<u>1,429,751,697</u>	<u>37,043,632</u>	<u>2,917,886,600</u>	<u>2,850,627,902</u>

OHIO WATER DEVELOPMENT AUTHORITY
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
Year ended December 31, 1999, with comparative for 1998

	Trusteed Funds					
	Operating Fund	Working Capital Fund	Other Projects Group	Rural Utility Services Group (Note 4 and 5)	Community Assistance Fund (Note 6)	Fresh Water Group (Note 7 and 8)
Revenues:						
Loan Income	\$ -	503,057	713,659	318,972	1,706,257	14,348,670
Investment income	242,398	1,100	3,962,034	633,875	1,790,348	12,740,677
Administrative fees from projects	1,951,186	-	-	-	-	-
Contribution from U.S. EPA	-	-	-	-	-	-
	<u>2,193,584</u>	<u>504,157</u>	<u>4,675,693</u>	<u>952,847</u>	<u>3,496,605</u>	<u>27,089,347</u>
Expenses:						
Interest on bonds and notes	-	-	-	503,202	2,637,681	11,398,620
Amortization of bond issuance expense	-	-	-	108,201	26,058	112,141
Operating expense and other	1,983,791	-	540,424	130,865	17,315	1,398,767
	<u>1,983,791</u>	<u>-</u>	<u>540,424</u>	<u>742,268</u>	<u>2,681,054</u>	<u>12,909,528</u>
Excess (deficiency) of revenues over expenses before non-operating revenues and operating transfers						
	209,793	504,157	4,135,269	210,579	815,551	14,179,819
Other						
Operating transfers in (out), net	824	(1,954,068)	(4,150,714)	-	(127,914)	12,915,479
Excess (deficiency) of revenues over expenses						
	210,617	(1,449,911)	(15,445)	210,579	687,637	27,095,298
Retained Earnings at beginning of year	6,319,419	8,608,192	105,472,067	6,489,907	67,088,808	237,234,863
Residual equity transfers in (out), net -- Note 23	-	-	(139,116)	-	-	(4,460,884)
Retained Earnings at end of year	<u>\$ 6,530,036</u>	<u>7,158,281</u>	<u>105,317,506</u>	<u>6,700,486</u>	<u>67,776,445</u>	<u>259,869,277</u>

See accompanying notes to financial statements.

Refunding Group (Note 9)	Trusteed Funds				Combined 1999	Comparative Combined 1998
	Safe Water Refunding Group (Notes 10, 11 and 12)	Pure Water Refunding Fund (Note 13)	Water Pollution Control Loan Group (Notes 14,15,16,17 &18)	Drinking Water Assistance Fund		
4,875,500	16,413,696	29,115,311	39,647,623	375,706	108,018,451	105,369,076
806,332	1,305,861	4,941,537	21,313,307	636,600	48,374,069	53,235,244
-	-	-	-	379,095	2,330,281	1,140,024
-	-	-	63,297,504	22,789,512	86,087,016	76,004,825
5,681,832	17,719,557	34,056,848	124,258,434	24,180,913	244,809,817	235,749,169
4,068,612	10,527,937	23,039,236	28,274,763	-	80,450,051	81,527,443
71,489	211,293	332,408	353,400	-	1,214,990	1,090,529
27,855	69,017	125,187	4,071,942	1,383,483	9,748,646	5,118,706
4,167,956	10,808,247	23,496,831	32,700,105	1,383,483	91,413,687	87,736,678
1,513,876	6,911,310	10,560,017	91,558,329	22,797,430	153,396,130	148,012,491
-	-	(1,241,833)	-	-	(1,241,833)	332,871
(545,020)	(6,091,467)	(778,876)	732,580	(824)	-	-
968,856	819,843	8,539,308	92,290,909	22,796,606	152,154,297	148,345,362
15,155,809	11,020,577	74,607,853	772,865,249	8,772,310	1,313,635,054	1,165,289,692
-	-	-	-	4,600,000	-	-
16,124,665	11,840,420	83,147,161	865,156,158	36,168,916	1,465,789,351	1,313,635,054

OHIO WATER DEVELOPMENT AUTHORITY

Combining Statement of Cash Flows
Year ended December 31, 1999, with comparative for 1998

	Trusteed Funds					
	Operating Fund	Working Capital Fund	Other Projects Group	Rural Utility Services Group (Note 4 and 5)	Community Assistance Fund (Note 6)	Fresh Water Group (Note 7 and 8)
Operating activities:						
Administrative fees from projects	\$ 2,032,399	-	-	-	-	-
Operating expenses	(1,269,069)	-	(74,170)	(40,440)	-	(77,868)
Salaries and fringes expense	(975,457)	-	-	-	-	-
Net cash provided (used) by operating activities	(212,127)	-	(74,170)	(40,440)	-	(77,868)
Investing activities:						
Proceeds from maturity or sale of investments	7,384,994	-	188,750,744	197,218,731	670,717,063	323,319,944
Purchase of investments	(7,889,051)	-	(189,001,591)	(203,323,317)	(666,244,478)	(310,438,586)
Interest received on investments, net of purchased interest	277,883	-	4,267,667	595,092	1,870,115	13,074,472
Interest received on projects	-	-	724,105	361,766	1,092,958	10,743,569
Principal collected on projects	-	-	1,106,697	6,829,000	2,263,532	7,078,457
Payment for construction of projects	-	-	(1,420,730)	(8,842,874)	(6,924,023)	(37,272,866)
Net cash provided (used) by investing activities	(226,174)	-	4,426,892	(7,161,602)	2,775,167	6,504,990
Noncapital financing activities:						
Interest paid on bonds and notes, net of purchased interest	-	-	-	(470,951)	(2,660,496)	(11,742,410)
Proceeds of bonds and notes	-	-	-	13,205,000	-	-
Bond and note issuance expense	-	-	-	(154,235)	-	-
Redemption of bonds and notes	-	-	-	(5,375,000)	(135,000)	(5,605,000)
Contribution from U.S. EPA	-	-	-	-	-	-
Federal grant advances received	-	-	21,330	-	-	-
Other	-	-	-	(2,772)	(1,000)	(4,477)
Transfers to/from other funds	822	-	(4,249,972)	-	-	8,454,595
Net cash provided (used) by noncapital financing activities	822	-	(4,228,642)	7,202,042	(2,796,496)	(8,897,292)
Net increase (decrease) in cash and cash equivalents	(437,479)	-	124,080	-	(21,329)	(2,470,170)
Cash and cash equivalents at beginning of period	468,653	-	-	-	331,930	2,825,742
Cash and cash equivalents at end of period -- Note 2	\$ 31,174	-	124,080	-	310,601	355,572
Reconciliation to net cash provided (used) by operating activities:						
Excess (deficiency) of revenues over expenses before non-operating revenues and operating transfers	209,793	504,157	4,135,269	210,579	815,551	14,179,819
Adjustments:						
Investment income	(242,398)	(1,100)	(3,962,034)	(633,875)	(1,790,348)	(12,740,677)
Operating expenses	-	-	466,254	90,425	17,315	1,320,899
Interest on bonds and notes	-	-	-	503,202	2,637,681	11,398,620
Loan Income	-	(503,057)	(713,659)	(318,972)	(1,706,257)	(14,348,670)
Amortization of bond issuance cost	-	-	-	108,201	26,058	112,141
Contribution from U.S. EPA	-	-	-	-	-	-
Net change in other assets and other liabilities	(179,522)	-	-	-	-	-
Net cash provided (used) by operating activities	\$ (212,127)	-	(74,170)	(40,440)	-	(77,868)

See accompanying notes to financial statements.

Trusteed Funds

Refunding Group (Note 9)	Safe Water Refunding Group (Notes 10, 11 and 12)	Pure Water Refunding Fund (Note 13)	Water Pollution Control Loan Group (Notes 14,15,16,17 &18)	Drinking Water Assistance Fund	Combined 1999	Comparative Combined 1998
-	-	-	-	336,708	2,369,107	1,159,792
(27,855)	(8,394)	(125,187)	(2,405,634)	(1,383,483)	(5,412,100)	(1,588,346)
-	-	-	-	-	(973,457)	(801,984)
(27,855)	(8,394)	(125,187)	(2,405,634)	(1,046,775)	(4,018,450)	(1,230,538)
114,787,678 (115,220,167)	155,125,991 (158,723,809)	504,374,547 (484,183,609)	6,948,150,571 (6,922,255,250)	188,773,627 (193,004,763)	9,298,603,890 (9,250,284,621)	10,608,155,025 (10,657,810,898)
947,932	1,800,285	5,142,163	21,790,126	621,951	50,387,686	52,044,947
5,217,978	16,834,605	29,289,502	32,889,245	21,409	97,175,137	103,663,696
15,186,679	11,566,107	19,985,037	45,046,364	38,765	109,100,638	108,197,644
-	-	-	(142,512,702)	(22,828,410)	(219,801,605)	(237,684,870)
20,920,100	26,603,179	74,607,640	(16,891,646)	(26,377,421)	85,181,125	(23,434,456)
(4,066,825)	(7,812,993)	(23,250,141)	(29,034,975)	-	(79,038,791)	(81,101,861)
-	-	-	-	-	13,205,000	153,046,372
-	-	-	-	-	(154,235)	(1,807,342)
(15,205,000)	(18,085,000)	(49,220,000)	(20,730,000)	-	(114,355,000)	(115,545,000)
-	-	-	63,297,504	22,789,512	86,087,016	76,004,825
-	-	-	-	-	21,330	20,497
-	-	(2,989,178)	4,184,234	35,508	1,222,315	(322,283)
(2,499,088)	(5,971,171)	(1,066,943)	732,581	4,599,176	-	-
(21,770,913)	(31,869,164)	(76,526,262)	18,449,344	27,424,196	(93,012,365)	30,295,208
(878,668)	(5,274,379)	(2,043,809)	(847,936)	-	(11,849,690)	5,630,214
1,591,963	5,322,179	2,660,551	2,759,544	-	15,960,562	10,330,348
713,295	47,800	616,742	1,911,608	-	4,110,872	15,960,562
1,513,876	6,911,310	10,560,017	91,558,329	22,797,430	153,396,130	148,012,491
(806,332)	(1,305,861)	(4,941,537)	(21,313,307)	(636,600)	(48,374,069)	(53,235,244)
-	60,623	-	1,666,308	-	3,621,824	3,068,836
4,068,612	10,527,937	23,039,236	28,274,763	-	80,450,051	81,527,443
(4,875,500)	(16,413,696)	(29,115,311)	(39,647,623)	(375,706)	(108,018,451)	(105,369,076)
71,489	211,293	332,408	353,400	-	1,214,990	1,090,529
-	-	-	(63,297,504)	(22,789,512)	(86,087,016)	(76,004,825)
-	-	-	-	(42,387)	(221,909)	(320,692)
(27,855)	(8,394)	(125,187)	(2,405,634)	(1,046,775)	(4,018,450)	(1,230,538)

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

December 31, 1999

(1) AUTHORIZING LEGISLATION, DESCRIPTIONS OF PROGRAMS AND FUNDS AND SIGNIFICANT ACCOUNTING POLICIES

Authorizing Legislation

The Ohio Water Development Authority (Authority) is a body corporate and politic in the State of Ohio created by an Act of the General Assembly of the State of Ohio effective March 7, 1968. It is authorized and empowered to acquire, construct, maintain, repair, and operate water development projects and solid waste projects, to issue water development and solid waste revenue bonds and notes, and to collect rentals and other charges to pay such bonds and notes and the interest thereon. The Authority was given jurisdiction over financing solid waste control by an Act of the General Assembly of the State of Ohio during 1970. Under provisions of the Acts, such revenue bonds and notes shall not be deemed to constitute a debt or a pledge of faith and credit of the State nor any political subdivision thereof.

Reporting Entity

The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, functions and component units for which the Authority (the reporting entity) is financially accountable. Financial accountability is defined by Statement No. 14, as the level of accountability that exists if the reporting entity appoints a voting majority of the component unit's board, and is either (1) able to impose its will on that component unit, or (2) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the reporting entity. Based on this definition, the Authority does not have any component units. However, the Authority is a component unit of the State of Ohio.

Programs

The Authority has established the following programs:

Local Communities

The Authority has established financing programs to provide loans to local communities in the State of Ohio for the construction of sewage and related water treatment facilities. These programs are accounted for in various funds, which are described, in the following paragraphs. These loans provide for the financing of project construction costs. The federal government's share of costs (federal grants) is secured and assigned by the local community to the Authority. The local community agrees to pay to the Authority its share of project costs plus any costs ineligible for federal reimbursement over a period of 5 to 40 years, plus interest. The underlying project serves as collateral for the loan. The Authority's initial funding of the program came from a \$100,000,000 appropriation, all of which has been designated for use, from the State of Ohio. Subsequent funding of this program came from issuance by the Authority of bonds and notes.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

Industrial

The Authority has established financing programs to assist private industry and certain municipalities participating in a manner similar to private industry, all located in the State of Ohio, in controlling water pollution and solid wastes by constructing appropriate facilities. These programs are accounted for in various funds, which are described in Note 19. The Authority issues revenue bonds and notes to finance these programs. The Authority and the industrial companies and municipalities enter into agreements whereby the industrial companies and municipalities are required to make payments, as they become due, sufficient to pay the interest and principal on the bonds and notes issued to finance the projects.

These bonds and notes are principally secured by either revenues from the services, lease purchase agreements, mortgages, letters of credit or a combination thereof and are not secured by assets of the Authority.

Basis of Presentation—Fund Accounting

The accounts of the Authority are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, retained earnings, revenues and expenses, and are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with laws, regulations or other restrictions. The various funds are summarized by group in the financial statements. The following is a description of the funds and groups adopted by the Authority.

(a) Operating Fund

The Operating Fund was established to account for the administrative activities and transactions of the Authority, which are required to carry out the provisions of the aforementioned authorizing legislation.

Revenues for Authority operations are principally provided by an administrative fee charged as a percentage of the total cost of each project which the Authority assists by providing financing. Fee income is recognized at the time that the financing agreements are finalized since substantially all of the costs associated with the agreements have been incurred by that time. Operating expenses, substantially salaries, employee fringe benefits and legal and professional fees, include administrative expenses of the Authority and other expenses incurred in connection with the financing of projects.

(b) Working Capital Fund

The Working Capital Fund was established to account for loans made to eligible municipalities, counties and other public bodies for the purpose of financing construction of sewage treatment and related facilities required by orders of the Ohio Environmental Protection Agency (Ohio EPA). The resources of this fund came from the \$100,000,000 appropriation from the State of Ohio.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

Construction costs may be reimbursed by federal grants in amounts up to 55% of the total eligible costs. The balance of the construction costs is repaid by Local Government Authorities (LGAs) under the terms of installment contracts (loan agreements) over periods of 25 to 40 years with interest at 5.25% to 7.00%.

All payments received from LGAs for project costs, interest, and maturities of investments are deposited in the accounts of the Refunding Group for payment of the Water Development Revenue Refunding Bonds—1992 Clean Water Series.

(c) Other Projects Group - Unallocated Reserve Fund

In March 1992, the Unallocated Reserve Fund was established by a resolution of the Authority and is administered by a Trustee. Initial funding for the Unallocated Reserve Fund was provided by an \$8,300,000 transfer from the Pure Water Other Projects account. Additional funding has been provided by monetary transfers from the Pure Water Refunding Fund.

This Fund was established for potential collectibility or cash flow problems that may arise in the future on any Authority project.

(d) Other Projects Group - Endowment Grant Fund

The Endowment Grant Fund was established during 1990 by a resolution of the Authority and is administered by a Trustee. Funding for the Endowment Grant Fund was provided by a \$6,000,000 transfer from the Pure Water Other Projects account.

The purpose of the fund is to provide grants to local governments for the purpose of developing innovative projects in the area of drinking water, wastewater and solid waste management. Each grant will fund 50% of the total project cost; funding for the remaining 50% is to be provided by a cash match from the local government.

(e) Other Projects Group - Solid Waste Fund

The Solid Waste Fund was established during 1991 by a resolution of the Authority and is administered by a Trustee. Funding for the Solid Waste Fund was provided by a \$15,000,000 transfer from the Pure Water Other Projects account.

The purpose of the fund is to provide financing to local governments for the construction of solid waste facilities including recycling projects, composting, waste-to-energy projects and landfills. Additional funding has been provided through monetary transfers from the Pure Water Other Projects account.

The balance of the construction costs is paid by the solid waste facilities under terms of installment contracts over 20 years with interest at 7.71%.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(f) Other Projects Group - Local Economic Development Fund

The Local Economic Development Fund was established during 1995 by a resolution of the Authority and is administered by a Trustee. Funding for the Local Economic Development Fund was provided by a \$4,196,200 transfer from the Safe Water Refunding Fund and a \$5,803,800 transfer from the Pure Water Refunding Fund.

The purpose of the fund is to provide financing to local governments in Ohio for the purpose of constructing projects which will provide economic development benefits. Each loan is not to exceed \$5,000,000 and is to be repaid at a term not to exceed 10 years. The interest rate for each loan is negotiated by the local government and the Ohio Department of Development.

The fund also provides financing for clean-up of contaminated brownfield sites under the state's voluntary action program. The loans are to be repaid under terms of installment contracts over periods of 5 to 20 years with interest rates of 6.25% to 6.62%.

(g) Other Projects Group - Village Capital Improvements Fund

The Village Capital Improvements Fund was established during 1995 by the Budget Reconciliation Bill which gave the Authority the responsibility to principally administer this fund after pre-approval by the Ohio EPA. Funding was provided by a \$1,961,037 contribution from the Ohio EPA, consisting of loans receivable of \$1,595,433 and cash of \$365,604, and a \$375,000 transfer from the Pure Water Refunding Fund. Additional funding has been provided by monetary transfers from the Pure Water Refunding Fund.

The purpose of the fund is to provide interest-free planning and design loans to qualifying villages for water and wastewater facilities. These loans are to be repaid at a term not to exceed 10 years.

(h) Other Projects Group - Emergency Relief Fund

The Emergency Relief Fund was established during 1997 by a resolution of the Authority and is administered by a Trustee. Initial funding for the fund was provided by a \$5,000,000 transfer from the 1995 Fresh Water Fund. Additional funding has been provided by monetary transfers from the 1995 Fresh Water Fund.

The purpose of the fund is to provide financial assistance to communities that sustained damage to their water or wastewater utilities as the result of a natural disaster. To be eligible, communities must have an outstanding loan from the Authority and be in a federal or state designated disaster area. The fund can provide a community with up to two semi-annual payments to the Authority for loans in the amount equivalent to the amount of the damage sustained by the water or wastewater systems.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

As of December 31, 1999, the Authority has approved \$2,052,310 in assistance to Twelve communities for damage caused by flooding in 1997 and 1998 in southern Ohio.

(i) Other Projects Group – Dam Safety Fund

The Dam Safety Fund was established during 1999 by a resolution of the Authority and is administered by a Trustee. Initial funding for the fund was provided by a \$10,000,000 transfer from the Solid Waste Fund.

The purpose of the fund is to help eligible Ohio dam owners receive below market interest rate loans to finance dam repairs and improvements that have been so ordered by the Ohio Department of Natural Resources. These loans are available through the Dam Safety linked deposit program. In the program, Dam Safety funds are invested in local participating banks at below-market rates. The banks, in return, issue low interest rate loans to qualified participants. The amount invested in this program as of December 31, 1999 was 1,823,664.

(j) Rural Utility Services Group

The Rural Utility Services Group was established during 1996 by a resolution of the Authority and is administered by a Trustee. Initial funding for the group was provided by a \$2,800,150 transfer from the Pure Water Refunding Fund. Additional funding was provided by the proceeds of the Adjustable Rate Water Development Revenue Notes—RUS Loan Advance Series 1996-A, RD Loan Advance Series 1998-A, RD Loan Advance Series 1999-A, and monetary transfers from the 1995 Fresh Water Fund.

The purpose of these funds is to provide interim loans to local governments to finance water development projects pending their receipt of loan or grant money from the United States of America, acting through Rural Utility Services. The loans accrue interest at rates of 3.83% to 4.72%.

(k) Community Assistance Fund

The Community Assistance Fund (formerly known as the Hardship Fund) was established during 1983 by resolution of the Authority and is administered by a Trustee. The purpose of the fund is to provide a financing program for LGAs that are unable to meet debt service requirements at normal market interest rates without undue hardship to users as certified by the Ohio EPA.

Construction costs may be reimbursed by federal grants in amounts up to 75% of the total eligible costs. The balance of the construction costs is paid by the LGA under the terms of installment contracts over periods of 10 to 30 years with interest rates determined by the Ohio EPA at not less than 2%. LGA payments of construction costs may be used for providing additional funding for qualifying projects.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

Initial funding for the Community Assistance Fund was provided from a \$15,000,000 transfer from the Pure Water Group Other Projects account. Additional funding has been provided through monetary transfers from the Refunding and Safe Water Refunding Surplus accounts and the Pure Water Other Projects account, and the issuance of the Water Development Revenue Bonds—Community Assistance Series 1997.

(l) Fresh Water Group

The Fresh Water Group, which consists of various funds and accounts, was established in 1992 by a resolution providing for the issuance of the Water Development Revenue Refunding Bonds—Pure Water Refunding and Improvement Series. Initial funding was provided by a portion of the proceeds from these bonds and a transfer from the Pure Water Refunding Fund. The Water Development Revenue Bonds—1995 Fresh Water Series and Fresh Water Series 1998 were later issued to provide additional funds necessary for making loans to LGAs as part of the Authority's Fresh Water Program.

The purpose of these funds is to provide moneys necessary to finance the LGA portion of costs for planning, designing, acquiring or constructing wastewater treatment, sewage collection, and water supply and distribution facilities, and to finance other projects approved by the Authority.

The balance of construction costs is repaid by LGAs under terms of installment contracts over periods of 5 to 25 years with interest rates of 5.50% to 7.38%.

(m) Refunding Group

The Refunding Group consists of various funds and accounts, which are administered by a Trustee. Initial funding for the group was provided by the Water Development Revenue Bonds—Pollution Abatement Series and Clean Water Series. In 1979, the Water Development Revenue Refunding Bonds—Refunding and Improvement Series were issued to advance refund the outstanding Pollution Abatement and Clean Water Bonds, and to provide initial funding for the Safe Water Refunding Group. The Water Development Revenue Refunding Bonds—1985 Refunding and Improvement Series and 1992 Clean Water Series, were later issued, both for the purpose of advance refunding the presently outstanding Refunding Bonds.

The Refunding Group was established to provide additional funding necessary for the construction of LGA projects in addition to those financed by the State appropriation, referred to previously. Similar to the Working Capital Fund, certain project costs financed were reimbursed by federal grants in amounts up to 75% of the total eligible construction costs. The balance of the construction costs is paid by the LGA under terms of installment contracts over periods of 15 to 40 years with interest rates of 5.25% to 12.00%. LGA payments of project costs are restricted for the purposes of providing additional moneys for projects or for debt service.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(n) Safe Water Refunding Group

The Safe Water Refunding Group consists of various funds and accounts which were established by the Water Development Revenue Refunding Bonds—Safe Water Refunding and Improvement Series resolutions and are administered by a Trustee. The initial series of bonds were issued in 1982 through 1984, a portion of which was advance refunded in 1983. The Water Development Revenue Refunding Bonds—Safe Water Refunding 1987 Series A & B and the 1992 Safe Water Series were established by resolutions of the Authority and advance refunded the 1985 Safe Water Refunding and Improvement Series. Additionally, in 1997, the Water Development Revenue Refunding Bonds—1997 Safe Water Series were issued for the purpose of refunding presently outstanding Safe Water Refunding Bonds.

Similar to the Refunding Group and the Working Capital Fund, certain project costs were reimbursed by federal grants in amounts up to 75% of the total eligible costs. The balance of the costs is paid by the LGA under terms of installment contracts over periods of 18 to 25 years with interest rates of 7.11% to 12.00%. LGA payments of project costs are restricted for the purposes of providing additional moneys for projects or for debt service.

(o) Pure Water Refunding Fund

The Pure Water Refunding Fund consists of various accounts which were established by a resolution providing for the issuance of the Water Development Revenue Refunding Bonds—Pure Water Refunding and Improvement Series.

Similar to the Refunding Group, the Safe Water Refunding Group and the Working Capital Fund, certain project costs financed were reimbursed by federal grants in amounts up to 75% of the total eligible costs. The balance of the costs is repaid by the LGA under terms of installment contracts over periods of 5 to 25 years with interest rates of 6.02% to 9.48%. LGA repayments of project costs are restricted for the purposes of providing additional moneys for projects or for debt service.

(p) Water Pollution Control Loan Group

The Water Pollution Control Loan Group consists of various funds and accounts which were established by an Act of the General Assembly of the State of Ohio in 1989 and are administered by a Trustee. The purpose of this group is to provide financial assistance for the construction of publicly owned wastewater treatment works by LGAs.

Construction costs are paid by LGAs under terms of installment contracts over periods of 5 to 20 years with interest rates of 0.00% to 5.20%. LGA repayments of project costs are restricted for the purpose of providing additional moneys for projects or for debt service.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

The Water Pollution Control Loan Group was initially funded in 1989 by a U.S. Environmental Protection Agency capitalization grant, which required a 20% matching contribution from the Ohio EPA. Additional grant funding has been awarded as detailed in the following table:

Year Awarded	Capitalization Grant	State Match
1989	\$ 53,099,244	10,619,849
1990	64,124,705	12,824,941
1992	120,534,782	24,106,956
1992	109,382,724	21,876,545
1993	108,203,832	21,640,766
1994	75,855,333	15,171,067
1995	72,717,472	14,543,495
1996	118,581,512	23,716,302
1997	35,085,699	7,017,140
1998	86,175,844	17,235,168
1999	75,812,616	15,162,523

The Group received additional funding from the proceeds of the Water Pollution Control Loan Fund Revenue Bonds—State Match Series 1991, State Match Series 1993, State Match Series 1995, Water Quality Series 1995, and Water Quality Series 1997 (WPCLF Bonds). The WPCLF Bonds were established by resolutions providing for the issuance of these bonds and are administered by Trustees.

The WPCLF Bonds are special obligations of the Authority, issued to fund the State Match account for use in making loans to LGAs provided by the Ohio EPA and the Authority. All interest earned on moneys and/or investments in the WPCLF Group remain within the Group.

In 1994, the Authority established the Linked Deposit Program. This program is aimed at helping Ohio farmers receive low-interest loans to reduce non-point source pollution from agricultural run-off. In the program, WPCLF funds are invested in local participating banks at below-market rates. The banks, in return, issue low interest rate loans to qualified participants. The amount invested in this program as of December 31, 1999 was \$6,431,108.

(q) *Drinking Water Assistance Fund*

The Drinking Water Assistance Fund was established by legislation enacted by the General Assembly of the State of Ohio in 1997 and is administered by a Trustee. The purpose of this fund is to assist public water systems to finance the costs of infrastructure needed to achieve or maintain compliance with the Safe Drinking Water Act requirements and to protect public health.

Construction costs are paid under terms of installment contracts over periods of 5 to 20 years with interest rates of 2.00% to 4.38%. Repayments of project costs are restricted for the purpose of providing additional moneys for projects.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

Initial funding for the Drinking Water Assistance Fund was provided by a 1998 U.S. Environmental Protection Agency capitalization grant in the amount of \$43,073,000, with a required state match contribution of \$8,614,600. A second grant in the amount of \$22,806,200 was awarded in 1999, with a required state match contribution of \$4,561,240.

Accounting Policies

(a) Basis of Accounting

The basis of accounting determines when transactions and economic events are reflected in financial statements. The Authority has prepared the financial statements on the accrual basis of accounting. Accordingly, revenues are recognized as earned and expenses are recognized as incurred, including interest expense on bonds and notes outstanding.

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Authority follows GASB pronouncements as applicable to proprietary funds and Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

(b) Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit with Trustees and petty cash.

For the purpose of the statement of cash flows, the Authority considers cash deposits with a maturity of three months or less when purchased to be cash equivalents. Additionally, the Authority considers its loans to be program loans due to the fact that the LGAs are deemed to be constituents.

(c) Investments

With the exception of money market investments, participating interest-earning investment contracts, and holdings in the State Treasury Asset Reserve of Ohio (STAROhio) investment pool, which is managed by the State Treasurer's office, investments are carried at fair value, which includes accrued interest receivable. STAROhio operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940, which requires investments in the 2a7-like pool to be reported at amortized cost (which approximates fair value). Accordingly, the Authority reports money market investments, participating interest-earning investment contracts and holdings in STAROhio at amortized cost plus accrued interest receivable.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(d) Due to and Due from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

(e) Loan Income as Defined by the Contracts

Loan income consists primarily of interest charged to LGAs, as defined by the contracts with LGAs, on the amounts estimated to be paid under the loan agreements. Interest charged during the construction period is capitalized by the Authority and is reflected as part of LGA receivables.

(f) Amortization of Premium, Discount and Issuance Expense of Bonds and Notes

Premium, discount and issuance expense are amortized over the life of the bonds, following the interest method.

(g) Interfund Transfers/Retained Earnings

The Authority reports the following types of interfund transactions when incurred:

- a) Operating transfers: Transfers to a receiving fund from a disbursing fund required to meet routine operating requirements, such as debt service repayments and loan disbursements.
- b) Residual equity transfers: Nonrecurring or nonroutine transfers between funds that are accounted for as additions to or deductions from the corresponding funds' retained earnings.

Interfund transfers have not been eliminated in the combined column of the financial statements.

Retained earnings in excess of those amounts required by the various trust agreements may, upon Board authorization, be used for any lawful purpose.

(h) Office Furniture and Automobiles and Facilities

Office furniture and automobiles are stated at historical cost. Depreciation is computed under the straight-line method over a five to ten year period.

The Authority leases office space under an operating lease that expires in 2001. Lease expense is approximately \$114,000 per year and is accounted for in the Operating Fund.

(i) Risk Management

It is the policy of the Authority to eliminate or transfer risk. The Authority does not self-insure any risk resulting from acts of God, injury to employees, or breach of contract.

The Authority carries property insurance on property and equipment in the aggregate sum of approximately \$300,000. The Authority carries liability insurance coverage in the amount of approximately \$4,000,000. The Authority also carries premium-based medical and dental coverage for all employees.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(2) CASH AND INVESTMENTS

The Authority's carrying amount and bank balance of deposits, including long term certificates of deposit of \$4,082,888, as of December 31, 1999 was \$8,193,760. Of this amount, \$300,000 was covered by federal depository insurance, and \$7,893,760 was collateralized with securities held by the bank's agent but not in the Authority's name.

Statutes authorize the Authority to invest in notes, bonds, or other obligations of the United States Government or of any agency or instrumentality thereof, including repurchase agreements secured by such obligations, or obligations of the State of Ohio or any political subdivision thereof.

The Authority's investments are categorized to give an indication of the level of custodial risk assumed by the entity as of December 31, 1999. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the Authority's agent but not in the Authority's name. Money market funds, guaranteed investment contracts and investments with STAROhio (a statewide external investment pool created pursuant to Ohio statutes and administered by the Treasurer of the State of Ohio) are not required to be categorized due to their nature.

	Carrying amount		Carrying amount	Fair value
	Category			
	1	2		
Repurchase agreements	\$ -	196,990,807	196,990,807	196,990,807
U.S. government and agency securities	-	179,466,242	179,466,242	177,755,285
Ohio political subdivision bonds	37,979	-	37,979	37,083
U.S. Treasury certificate of indebtedness state and local government securities	-	4,321,641	4,321,641	4,321,641
	\$ 37,979	380,778,690	380,816,669	379,104,816
Investment in State Treasurer's Investment Pool (STAROhio)			147,503,066	147,503,066
Money market funds			53,593,233	53,593,233
Guaranteed investment contracts			297,338,881	297,338,881
Total investments			879,251,849	877,539,996

Trust agreements require that securities underlying repurchase agreements have a fair value at least equal to the amount of the repurchase agreement.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(3) INTERFUND RECEIVABLES AND PAYABLES

Interfund balances as of December 31, 1999 consist of the following individual fund receivables and payables:

	<u>Receivables</u>	<u>Payables</u>
Operating Fund	\$ 35,508	-
Village Capital Improvements Fund	-	25,000
Rural Development 1998 Fund - Advance account	-	90,425
Rural Development 1998 Fund - Rebate account	90,425	-
Community Assistance Fund - Construction account	1,992	-
Community Assistance Fund - Surplus account	-	17,232
Community Assistance Fund - Rebate account	17,232	-
1995 Fresh Water Fund - Construction account	416	-
1998 Fresh Water Fund - Construction account	583	-
1998 Fresh Water Fund - Construction account	-	1,277,040
1998 Fresh Water Fund - Rebate account	1,277,040	-
1985 Refunding Fund - Construction account	-	45,318
Safe Water Refunding Fund - Construction account	45,319	-
1997 Safe Water Refunding Fund - Surplus account	-	60,545
1997 Safe Water Refunding Fund - Rebate account	60,545	-
Pure Water Refunding Fund - Construction account	3,764	-
Pure Water Refunding Fund - Revenue account	-	10,822
Pure Water Refunding Fund - Other Projects account	2,993,244	-
WPCLF Fund - Principal Repayments account	2,587	-
WPCLF Fund - Interest Repayments account	133	-
WPCLF Fund - Other Projects account	-	3,437,269
WPCLF Fund - Administration Repayments account	-	2,720
State Match 1995 Fund - Rebate account	391,130	-
Water Quality 1995 Fund - Rebate account	46,139	-
Water Quality 1997 Fund - Net Bond Proceeds account	-	847,293
Water Quality 1997 Fund - Rebate account	847,293	-
Drinking Water Assistance Fund - State Match account	25,000	-
Drinking Water Assistance Fund - Repayments account	10,822	-
Drinking Water Assistance Fund - Administrative Fee account	-	35,508
Total	\$ 5,849,172	5,849,172

(4) WATER DEVELOPMENT REVENUE NOTES—RURAL DEVELOPMENT SERIES 1998-A

As of December 31, 1999, there was \$2,300,000 of Water Development Revenue Notes—Rural Development Series 1998-A notes outstanding, which will mature on July 1, 2000. These notes have an adjustable interest rate not to exceed 10%.

The notes are secured exclusively by Federal Assistance to be received by the Authority from the United States of America, acting through Rural Utility Services based upon assignment from the LGAs. Debt service deficiencies, if any, will be provided from an irrevocable letter of credit issued by the National City Bank of Columbus.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

The trust agreement provides for four separate accounts to be held by the trustee and designated as follows:

- a) The Loan Advance account is to receive the proceeds of the notes less such sums as are required to be paid to the Debt Service account and is to disburse such moneys for construction in anticipation of receipt of Federal Assistance moneys.
- b) The Revenue account is to receive the Federal Assistance moneys.
- c) The Debt Service account is to receive note proceeds representing capitalized interest and transfers from the Revenue account as necessary to pay the note debt service charges.
- d) The Rebate account is established to comply with the provisions of Section 148(f) of the Internal Revenue Code, as amended. As of December 1, 1999, \$90,425 has been required to be deposited in the Rebate account from currently available surplus funds.

(5) WATER DEVELOPMENT REVENUE NOTES—RURAL DEVELOPMENT SERIES 1999-A

As of December 31, 1999, there was \$13,205,000 of Water Development Revenue Notes—Rural Development Series 1999-A notes outstanding, which will mature on May 1, 2001. These notes have an adjustable interest rate not to exceed 10%.

The notes are secured exclusively by Federal Assistance to be received by the Authority from the United States of America, acting through Rural Utility Services based upon assignment from the LGAs. Debt service deficiencies, if any, will be provided from an irrevocable letter of credit issued by the National City Bank of Columbus.

The trust agreement provides for four separate accounts to be held by the trustee and designated as follows:

- a) The Loan Advance account is to receive the proceeds of the notes less such sums as are required to be paid to the Debt Service account and is to disburse such moneys for construction in anticipation of receipt of Federal Assistance moneys.
- b) The Revenue account is to receive the Federal Assistance moneys.
- c) The Debt Service account is to receive note proceeds representing capitalized interest and transfers from the Revenue account as necessary to pay the note debt service charges.
- d) The Rebate account is established to comply with the provisions of Section 148(f) of the Internal Revenue Code, as amended. As of December 31, 1999, no amounts have been required to be deposited in the rebate account.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(6) WATER DEVELOPMENT REVENUE BONDS—COMMUNITY ASSISTANCE SERIES 1997

As of December 31, 1999, there was \$51,635,000 of Water Development Revenue Bonds—Community Assistance Series 1997 outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Serial	4.25% to 6.00%	2000–2012	\$ 27,680,000
Term	5.250% to 5.375%	2013–2024	23,955,000
			<u>51,635,000</u>
		Less unamortized discount	<u>(195,157)</u>
			<u>\$ 51,439,843</u>

The scheduled maturities of the serial bonds and the mandatory redemption of the term bonds for the five years subsequent to December 31, 1999 are as follows: 2000—\$1,595,000; 2001—\$1,665,000; 2002—\$1,735,000; 2003—\$1,810,000; and 2004—\$1,890,000.

The term bonds are subject to mandatory redemption beginning June 1, 2013. The serial bonds are callable for redemption prior to maturity at the option of the Authority, in whole or in part, on or after December 1, 2007, or on any interest payment thereafter at par plus accrued interest plus a premium of 2%, which diminishes to zero by December 1, 2009.

LGA reimbursements of Community Assistance project costs, including interest, are pledged as security for the bonds.

The bond resolution provides for six separate accounts designated as the Community Assistance Fund Construction account, Revenue account, Debt Service account, Debt Service Reserve account, Surplus account, and Rebate account. As of December 1, 1999, \$145,228 has been required to be deposited in the Rebate account from currently available surplus funds.

Amounts received from the LGAs as reimbursements of project or construction costs, including capitalized interest, are deposited in the Revenue account. The trustee then allocates or pays out moneys in the Revenue account as follows:

- a) To the trustee for the payment of its fees on the first day of each May and November.
- b) To the Debt Service account on the first day of each May and November, commencing on May 1, 1998, (1) a sum which, when added to any available balance then on deposit in the Debt Service account, will be equal to the interest due on that day on all bonds outstanding; (2) a sum which will be equal to the next ensuing mandatory redemption for term bonds; and (3) a sum which will be equal to the next ensuing principal maturity on all outstanding bonds.
- c) To the Debt Service Reserve account, a semiannual sum as necessary to maintain in the Debt Service Reserve account investments or cash having an aggregate value at least equal to 50% of the maximum annual bond service charges required to be paid in that year or any succeeding year.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the first day of November of each year, prior to making allocations or payments of moneys on hand in the Revenue account.

On December 1 of each year, all remaining moneys (after making up any deficiencies) in the Revenue account (excluding amounts received for the next ensuing LGA repayment date) are allocated to the Surplus account.

Any deficiency in the amounts required to be deposited in the Debt Service account or the Debt Service Reserve account is to be made up by moneys available in the Surplus account.

(7) WATER DEVELOPMENT REVENUE BONDS—FRESH WATER 1995 SERIES

As of December 31, 1999, there was \$74,800,000 of Water Development Revenue Bonds—Fresh Water 1995 Series outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Serial	5.10% to 6.25%	2000–2013	\$ 34,420,000
Term	5.90%	2014–2021	40,380,000
			74,800,000
	Less unamortized discount		(504,873)
			\$ 74,295,127

Not included in the above amounts is \$31,370,000 of bonds remaining outstanding, which the Authority defeased in April 1998. For accounting purposes, the assets and liabilities for the defeased bonds are not reflected in the Authority's financial statements.

The scheduled maturities of the serial bonds and the mandatory redemption of the term bonds for the five years subsequent to December 31, 1999 are as follows: 2000—\$3,425,000; 2001—\$3,590,000; 2002—\$3,775,000; 2003—\$4,000,000; and 2004—\$4,210,000.

The term bonds are subject to mandatory redemption beginning June 1, 2014. Both the term and serial bonds are callable for redemption prior to maturity at the option of the Authority, in whole or in part, on or after June 1, 2005, or on any interest payment thereafter at par plus accrued interest plus a premium of 2%, which diminishes to zero by June 1, 2007.

LGA reimbursements of Fresh Water project costs, including interest, are pledged as security for the bonds.

The bond resolution provides for seven separate accounts designated as the 1995 Fresh Water Fund Construction account, Revenue account, Debt Service account, Debt Service Reserve account, Surplus account, Cross-Collateralization account and Rebate account. As of December 1, 1999, \$203,033 has been required to be deposited in the Rebate account from currently available surplus funds.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

Amounts received from the LGAs as reimbursements of project or construction costs, including capitalized interest, are deposited in the Revenue account. The trustee then allocates or pays out moneys in the Revenue account as follows:

- a) To the trustee for the payment of its fees on the first day of each May and November.
- b) To the Debt Service account on the first day of each May and November, commencing on May 1, 1995, (1) a sum which, when added to any available balance then on deposit in the Debt Service account, will be equal to the interest due on that day on all bonds outstanding; (2) a sum which will be equal to the next ensuing mandatory redemption for term bonds; and (3) a sum which will be equal to the next ensuing principal maturity on all outstanding bonds.
- c) To the Debt Service Reserve account, a semiannual sum as necessary to maintain in the Debt Service Reserve account investments or cash having an aggregate value at least equal to 50% of the maximum annual bond service charges required to be paid in that year or any succeeding year.

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the first day of November of each year, prior to making allocations or payments of moneys on hand in the Revenue account.

On December 1 of each year, all remaining moneys (after making up any deficiencies) in the Revenue account (excluding amounts received for the next ensuing LGA repayment date) are allocated to the Surplus account.

Any deficiency in the amounts required to be deposited in the Debt Service account or the Debt Service Reserve account is to be made up by moneys available in the Surplus account.

(8) WATER DEVELOPMENT REVENUE BONDS—FRESH WATER 1998 SERIES

As of December 31, 1999, there was \$140,980,000 of Water Development Revenue Bonds—Fresh Water 1998 Series outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Serial	4.50% to 5.25%	2000–2016	\$ 116,020,000
Term	5.125%	2017–2023	<u>24,960,000</u>
			140,980,000
	Add unamortized premium		<u>1,623,814</u>
			<u>\$ 142,603,814</u>

The scheduled maturities of the serial bonds and the mandatory redemption of the term bonds for the five years subsequent to December 31, 1999 are as follows: 2000—\$3,625,000; 2001—\$3,895,000; 2002—\$4,095,000; 2003—\$4,300,000; and 2004—\$4,530,000.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

The term bonds are subject to mandatory redemption beginning June 1, 2017. Both the term and serial bonds are callable for redemption prior to maturity at the option of the Authority, in whole or in part, on or after June 1, 2008, or on any interest payment thereafter at par plus accrued interest plus a premium of 1%, which diminishes to zero by June 1, 2010.

LGA reimbursements of Fresh Water project costs, including interest, are pledged as security for the bonds.

The bond resolution provides for six separate accounts designated as the 1998 Fresh Water Fund Construction account, Revenue account, Debt Service account, Debt Service Reserve account, Surplus account, and Rebate account. As of December 1, 1999, \$1,277,039 has been required to be deposited in the Rebate account from currently available surplus funds.

Amounts received from the LGAs as reimbursements of project or construction costs, including capitalized interest, are deposited in the Revenue account. The trustee then allocates or pays out moneys in the Revenue account as follows:

- a) To the trustee for the payment of its fees on the first day of each May and November.
- b) To the Debt Service account on the first day of each May and November, commencing on November 1, 1998, (1) a sum which, when added to any available balance then on deposit in the Debt Service account, will be equal to the interest due on that day on all bonds outstanding; (2) a sum which will be equal to the next ensuing mandatory redemption for term bonds; and (3) a sum which will be equal to the next ensuing principal maturity on all outstanding bonds.
- c) To the Debt Service Reserve account, a semiannual sum as necessary to maintain in the Debt Service Reserve account investments or cash having an aggregate value at least equal to 50% of the maximum annual bond service charges required to be paid in that year or any succeeding year.

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the first day of November of each year, prior to making allocations or payments of moneys on hand in the Revenue account.

On December 1 of each year, all remaining moneys (after making up any deficiencies) in the Revenue account (excluding amounts received for the next ensuing LGA repayment date) are allocated to the Surplus account.

Any deficiency in the amounts required to be deposited in the Debt Service account or the Debt Service Reserve account is to be made up by moneys available in the Surplus account.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(9) WATER DEVELOPMENT REVENUE REFUNDING BONDS—1992 CLEAN WATER SERIES

As of December 31, 1999, there was \$64,785,000 of Water Development Revenue Refunding Bonds—1992 Clean Water Series outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Serial	5.15% to 5.65%	2000–2007	\$ 59,730,000
Term	6.00%	2008–2016	<u>5,055,000</u>
			64,785,000
		Less unamortized discount	<u>(211,586)</u>
			<u>\$ 64,573,414</u>

Not included in the above amounts is \$42,020,000 of bonds remaining outstanding which the Authority defeased in May 1985. For accounting purposes, the assets and liabilities for the defeased bonds are not reflected in the Authority's financial statements.

The scheduled maturities of the serial bonds and the mandatory redemption of the term bonds through a sinking fund for the five years subsequent to December 31, 1999 are as follows: 2000—\$15,160,000; 2001—\$13,635,000; 2002—\$11,235,000; 2003—\$7,255,000; and 2004—\$5,165,000.

The term bonds are subject to mandatory redemption under a sinking fund requirement and are also subject to current redemption on June 1 and December 1 of each year at par, beginning June 1, 1993. Both the term and serial bonds are callable for redemption prior to maturity at the option of the Authority, in whole or in part, on or after December 1, 2002, or on any interest payment thereafter at par plus accrued interest plus a premium of 2%, which diminishes to zero by December 1, 2004.

LGA reimbursement of project costs, including interest, financed by the Working Capital Fund and the 1985 Refunding Fund are pledged as security for the bonds.

The bond resolution provides for six separate accounts designated as the Clean Water Refunding Construction account, Revenue account, Debt Service account, Debt Service Reserve account, Surplus account and Rebate account. As of December 1, 1999, no amounts have been required to be deposited in the Rebate account.

Amounts received from the LGAs as reimbursement of project or construction costs, including capitalized interest, are deposited in the Revenue account. The trustee then allocates or pays out moneys in the Revenue account as follows:

- a) To the trustee for the payment of its fees on the first day of each May and November.
- b) To the Debt Service account on the first day of each May and November, commencing on May 1, 1993, (1) a sum which, when added to any available balance then on deposit in the Debt Service account, will be equal to the interest due on the next ensuing interest payment date on all outstanding bonds, (2) a sum which will be equal to the next ensuing principal

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

maturity on all outstanding bonds and (3) a sum which will be equal to the next ensuing mandatory sinking fund requirement less the mandatory sinking fund credit.

- c) To the Debt Service Reserve account on the first day of each June and November, an amount necessary to maintain investments or cash therein having a par value at least equal to \$2,700,000 through November 1, 2002, and thereafter, an amount at least equal to 10% of the maximum annual debt service requirements.
- d) To the Surplus account on the first day of each December, any remaining balance in the Revenue account, excluding any advance repayments, after the requirements of (a) through (c) above are met.

The trustee transfers to the Debt Service account on the first day of each November all investment income paid to the Debt Service Reserve account.

Any deficiency in the amounts required to be deposited in the Debt Service account or the Debt Service Reserve account is to be made up by the Surplus account. Any remaining deficit in the Debt Service account is to be made up by the Debt Service Reserve account.

(10) WATER DEVELOPMENT REVENUE REFUNDING BONDS—SAFE WATER REFUNDING 1987 SERIES A & B

As of December 31, 1999, there was \$51,270,000 of Water Development Revenue Refunding Bonds—Safe Water Refunding 1987 Series A&B bonds outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Serial	6.00% to 6.50%	2000–2002	\$ 15,955,000
Term	5.00%	2008–2012	<u>35,315,000</u>
			51,270,000
		Less unamortized discount	<u>(5,159,250)</u>
			<u>\$ 46,110,750</u>

Not included in the above amounts is \$103,250,000 of bonds remaining outstanding which the Authority defeased in September 1985. For accounting purposes, the assets and liabilities for the defeased bonds are not reflected in the Authority's financial statements.

The scheduled maturities of the serial bonds and the mandatory redemption of the term bonds for the five years subsequent to December 31, 1999 are as follows: 2000—\$2,010,000; 2001—\$5,120,000; 2002—\$8,825,000; 2003—\$0; and 2004—\$0.

The term bonds are subject to mandatory redemption, beginning June 1, 2008. The bonds maturing on December 1, 2012 are callable for optional redemption prior to maturity, in whole or in part, on June 1, 1997, or on any interest payment thereafter at par plus accrued interest. The bonds not maturing on December 1, 2012 are also callable for optional redemption prior to maturity, in whole or in part, on June 1, 1997, or on any interest payment thereafter at par plus accrued interest plus a premium of 3%, which diminishes to zero by June 1, 2000.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

LGA reimbursements of project costs from Safe Water projects, including interest, in addition to all moneys and investments in the Safe Water Refunding Group, are pledged as security for the bonds.

The bond resolution provides for five separate accounts designated as Safe Water Refunding 1987 Series A&B Revenue account, Debt Service account, Debt Service Reserve account, Surplus account and Rebate account. As of December 1, 1999, no amounts have been required to be deposited in the Rebate account. However, the amount currently deposited in the Rebate account as of December 31, 1999 is \$49,297.

A pro rata portion of amounts received from the LGAs as reimbursements of project or construction costs, including capitalized interest, are deposited in the Revenue account. The trustee then allocates or pays out moneys in the Revenue account as follows:

- a) To the trustee for the payment of its fees on the first day of each May and November.
- b) To the Debt Service account on the first day of each May and November, (1) a sum which when added to any available balance then on deposit in the Debt service account, will be equal to the interest due on the next ensuing interest payment date for all bonds outstanding, (2) a sum which will be equal to the next ensuing principal maturity, and (3) a sum which will be equal to the next ensuing mandatory sinking fund requirement.
- c) To the Debt Service Reserve account, as much of the balance remaining in the Revenue account after the deposit described in (b) above, as may be necessary to maintain in the Debt Service Reserve account investments or cash having a par value at least equal to one-half of the average annual 1987 bond service charges remaining to be paid.
- d) To the Surplus account on the first day of each December, any remaining balance in the Revenue account after making up any existing deficiencies and meeting the current deposit requirements.

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the first day of November of each year prior to making allocations or payments of moneys on hand in the Revenue account.

(11) WATER DEVELOPMENT REVENUE REFUNDING BONDS—1992 SAFE WATER SERIES

As of December 31, 1999, there was \$48,867,171 of Water Development Revenue Refunding Bonds—1992 Safe Water Series bonds outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Serial	5.15%	2000	\$ 8,135,000
Capital Appreciation	5.55% to 6.00%	2000–2005	40,732,171
			<u>48,867,171</u>
		Less unamortized discount	<u>(3,913)</u>
			<u>\$ 48,863,258</u>

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

The scheduled maturities of the serial bonds and the capital appreciation bonds for the five years subsequent to December 31, 1999 are as follows: 2000—\$16,480,000; 2001—\$13,715,000; 2002—\$9,215,000; 2003—\$6,530,000; and 2004—\$5,005,000.

The 1992 Safe Water Series bonds are not subject to mandatory or optional redemption prior to maturity.

LGA reimbursements of project costs from Safe Water projects, including interest, in addition to all moneys and investments in the Safe Water Refunding Group, are pledged as security for the bonds.

The bond resolution provides for five separate accounts designated as 1992 Safe Water Refunding Revenue account, Debt Service account, Debt Service Reserve account, Surplus account and Rebate account. As of December 1, 1999, no amounts have been required to be deposited in the Rebate account.

A pro rata portion of amounts received from the LGAs as reimbursements of project or construction costs, including capitalized interest, are deposited in the Revenue account. The trustee then allocates or pays out moneys in the Revenue account as follows:

- a) To the trustee for the payment of its fees on the first day of each May and November.
- b) To the Debt Service account on the first day of each May and November, commencing May 1, 1993, (1) a sum which, when added to any available balance then on deposit in the Debt service account, will be equal to the interest due on the next ensuing interest payment date for all bonds outstanding, (2) a sum which will be equal to the next ensuing principal maturity, and (3) a sum which will be equal to the next ensuing mandatory sinking fund requirement.
- c) To the Debt Service Reserve account, as much of the balance remaining in the Revenue account after the deposit described in (b) above, as may be necessary to maintain in the Debt Service Reserve account investments or cash having a par value of one-half the average annual service charges remaining to be paid on the outstanding 1992 Safe Water Series Bonds.
- d) To the Surplus account on the first day of each December, any remaining balance in the Revenue account after making up any existing deficiencies and meeting the current deposit requirements.

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the first day of November of each year prior to making allocations or payments of moneys on hand in the Revenue account.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(12) WATER DEVELOPMENT REVENUE REFUNDING BONDS—1997 SAFE WATER SERIES

As of December 31, 1999, there was \$73,860,000 of Water Development Revenue Refunding Bonds—1997 Safe Water Series bonds outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Serial	4.20% to 6.00%	2000–2007	\$ 73,860,000
		Less unamortized loss	(4,646,945)
		Plus unamortized premium	<u>2,248,337</u>
			<u>\$ 71,461,392</u>

The scheduled maturities of the serial bonds for the five years subsequent to December 31, 1999 are as follows: 2000—\$750,000; 2001—\$785,000; 2002—\$820,000; 2003—\$12,245,000; and 2004—\$13,900,000.

The 1997 Safe Water Series Bonds are not subject to mandatory or optional redemption prior to maturity.

LGA reimbursements of project costs from Safe Water projects, including interest, in addition to all moneys and investments in the Safe Water Refunding Group, are pledged as security for the bonds.

The bond resolution provides for five separate accounts designated as 1997 Safe Water Refunding Revenue account, Debt Service account, Debt Service Reserve account, Surplus account and Rebate account. As of December 31, 1999, \$180,919 has been required to be deposited in the Rebate account from currently available surplus funds.

A pro rata portion of amounts received from the LGAs as reimbursements of project or construction costs, including capitalized interest, are deposited in the Revenue account. The trustee then allocates or pays out moneys in the Revenue account as follows:

- a) To the trustee for the payment of its fees on the first day of each May and November.
- b) To the Debt Service account on the first day of each May and November, commencing on June 1, 1997, (1) a sum which, when added to any available balance then on deposit in the Debt service account, will be equal to the interest due on the next ensuing interest payment date for all bonds outstanding, (2) a sum which will be equal to the next ensuing principal maturity, and (3) a sum which will be equal to the next ensuing mandatory sinking fund requirement.
- c) To the Debt Service Reserve account, as much of the balance remaining in the Revenue account after the deposit described in (b) above, as may be necessary to maintain in the Debt Service Reserve account investments or cash having a par value of one-half the average annual service charges remaining to be paid on the outstanding 1997 Safe Water Refunding Bonds.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

- d) To the Surplus account on the first day of each December, any remaining balance in the Revenue account after making up any existing deficiencies and meeting the current deposit requirements.

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the first day of November of each year, prior to making allocations or payments of moneys on hand in the Revenue account.

(13) WATER DEVELOPMENT REVENUE REFUNDING BONDS—PURE WATER REFUNDING AND IMPROVEMENT SERIES

As of December 31, 1999, there was \$368,215,000 of Water Development Revenue Refunding Bonds—Pure Water Refunding and Improvement Series outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Serial	5.40% to 5.75%	2000-2006	\$ 197,005,000
Term	5.50% to 6.00%	2007-2018	171,210,000
			<u>368,215,000</u>
		Less unamortized discount	<u>(11,971,124)</u>
			<u>\$ 356,243,876</u>

Not included in the above amounts is \$104,170,000 of bonds remaining outstanding which the Authority defeased in 1992 and 1999. For accounting purposes, the assets and liabilities for the defeased bonds are not reflected in the Authority's financial statements.

The scheduled maturities of the serial bonds and the mandatory redemption of the term bonds for the five years subsequent to December 31, 1999 are as follows: 2000—\$25,040,000; 2001—\$26,105,000; 2002—\$27,255,000; 2003—\$28,485,000; and 2004—\$29,410,000.

The term bonds are subject to mandatory redemption beginning June 1, 2007. Both the term and serial bonds are callable for redemption prior to maturity at the option of the Authority, in whole or in part, on or after December 1, 2002, or on any interest payment thereafter at par plus accrued interest plus a premium of 2%, which diminishes to zero by December 1, 2004.

LGA reimbursements of Pure Water project costs, including interest, are pledged as security for the bonds.

The bond resolution provides for seven separate accounts designated as Pure Water Refunding Construction account, Revenue account, Debt Service account, Debt Service Reserve account, Surplus account, Other Projects account and Rebate account. As of October 14, 1999, no amounts have been required to be deposited in the Rebate account. However, as of December 31, 1999, the amount currently deposited in the Rebate account is \$2,661,934.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

Amounts received from the LGAs as reimbursement of project or construction costs, including capitalized interest, are deposited in the Revenue account. The trustee then allocates or pays out moneys in the Revenue account as follows:

- a) To the trustee for the payment of its fees on the first day of each May and November.
- b) To the Debt Service account on the first day of each May and November, commencing May 1, 1993, (1) a sum which, when added to any available balance then on deposit in the Debt Service account, will be equal to the interest due on that day on all bonds outstanding; (2) a sum which will be equal to the next ensuing mandatory redemption for term bonds; and (3) a sum which will be equal to the next ensuing principal maturity on all outstanding bonds.
- c) To the Debt Service Reserve account, a semiannual sum as necessary to maintain in the Debt Service Reserve account investments or cash having a par value at least equal to 50% of the maximum annual bond service charges required to be paid in that year or any succeeding year.

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the first day of November of each year, prior to making allocations or payments of moneys on hand in the Revenue account.

On December 1 of each year, all remaining moneys (after making up any deficiencies) in the Revenue accounts (excluding amounts received for the next ensuing LGA repayment date) are allocated to the Surplus account.

Any deficiency in the amounts required to be deposited in the Debt Service account or the Debt Service Reserve account is to be made up by moneys available in the Surplus account.

On December 4, 1998, the Authority entered into a Swap Option Agreement with Bear Stearns Financial Products, Inc. (BSFP). If the Swap Option Agreement were exercised by BSFP, the Authority would issue variable rate bonds to refund \$108,030,000 of Pure Water Refunding and Improvement Series bonds, and swap the variable rate bonds with BSFP for a fixed rate of interest not to exceed 4.60%. The swap transaction would allow the Authority to achieve net debt service savings of at least 5%. The period during which BSFP may exercise the option extends from September 1, 2002 to September 1, 2004. If BSFP should decide not to exercise the Swap Option, BSFP must pay a non-exercise fee that shall not be less than \$1,500,000.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(14) WATER POLLUTION CONTROL LOAN FUND REVENUE BONDS—STATE MATCH SERIES 1991

As of December 31, 1999, there was \$18,630,000 of Water Pollution Control Loan Fund Revenue Bonds—State Match Series 1991 outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Serial	5.90%	2000	\$ 2,380,000
Term	5.90% to 6.00%	2001–2011	16,250,000
			<u>18,630,000</u>
	Less unamortized discount		<u>(356,286)</u>
			<u>\$ 18,273,714</u>

The scheduled maturities of the serial bonds and the mandatory redemption of the term bonds for the five years subsequent to December 31, 1999 are as follows: 2000—2,380,000; and 2001—\$2,300,000; 2002—\$2,200,000; 2003—\$2,080,000; and 2004—\$1,940,000.

The Series 1991 bonds maturing on or after June 1, 2002 are subject to redemption prior to maturity at the option of the Authority, in whole or in part, on December 1, 2001, or at any time thereafter at par plus accrued interest plus a premium of 2%, which diminishes to zero by December 1, 2003.

LGA reimbursements of Water Pollution Control Loan Fund project costs of interest only, not the principal, pursuant to Water Pollution Control Loan Fund loan agreements, are pledged as security for the bonds.

The bond resolution provides for four separate accounts designated as Net Bond Proceeds account, Debt Service account, Debt Service Reserve account and Cost of Issuance account. A Rebate account is also provided by the bond resolution. As of December 5, 1999, no amounts have been required to be deposited in the Rebate account.

Amounts received as interest from the LGAs as reimbursement of project or construction costs are deposited in the Interest account. The trustee then allocates or pays out moneys in the Interest account as follows:

- a) To the Debt Service account on the fifteenth day of each January or July, (1) a sum which, when added to any available balance then on deposit in the Debt Service account, will be equal to the interest due on the next interest payment date; (2) a sum which will be equal to the next ensuing principal payment due on all outstanding bonds; and (3) a sum which will be equal to the next ensuing mandatory sinking fund requirement due on all outstanding bonds.
- b) To the trustee for the payment of its fees on the last day of each May and November.

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Notes to Financial Statements, Continued

- c) To the Debt Service Reserve account, a semiannual sum on June 1 and December 1 as may be necessary to maintain in the Debt Service Reserve account investments or cash having a par value at least equal to the lesser of 50% of the maximum annual bond service charges required to be paid in that year or any succeeding year, or 10% of the principal amount of WPCLF Bonds issued and outstanding computed in accordance with the Trust Agreement.

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the last day of May or November of each year.

On November 1 of each year, commencing November 1, 2001, all remaining moneys in the Interest account (excluding repayments received from LGAs for the next ensuing due date) are allocated to the Debt Service account, but only after first making up any existing deficiencies in specified deposit requirements and fund balances, and meeting the requirements of subparagraphs (a), (b) and (c) above.

(15) WATER POLLUTION CONTROL LOAN FUND REVENUE BONDS—STATE MATCH SERIES 1993

As of December 31, 1999, there was \$35,730,000 of Water Pollution Control Loan Fund Revenue Bonds—State Match Series 1993 outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Serial	4.35% to 5.05%	2000–2007	\$ 25,775,000
Term	5.25%	2008–2014	9,955,000
			35,730,000
		Less unamortized discount	(185,179)
			\$ 35,544,821

The scheduled maturities of the serial bonds and the mandatory redemption of the term bonds for the five years subsequent to December 31, 1999 are as follows: 2000—\$3,695,000; 2001—\$3,590,000; 2002—\$3,470,000; 2003—\$3,340,000; and 2004—\$3,195,000.

The Series 1993 bonds maturing on or after December 1, 2003 are subject to redemption prior to maturity at the option of the Authority, in whole or in part, on June 1, 2003, or at any time thereafter at par plus accrued interest.

LGA reimbursements of Water Pollution Control Loan Fund project costs of interest only, not the principal, pursuant to Water Pollution Control Loan Fund loan agreements, are pledged as security for the bonds.

The bond resolution provides for four separate accounts designated as Net Bond Proceeds account, Debt Service account, Debt Service Reserve account and Cost of Issuance account. A Rebate account is also provided by the bond resolution. As of December 1, 1999, no amounts have been required to be deposited in the Rebate account.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

Amounts received as interest from the LGAs as reimbursement of project or construction costs are deposited in the Interest account. The trustee then allocates or pays out moneys in the Interest account as follows:

- a) To the Debt Service account, (a) all revenues as soon as received until the balance in the Debt Service account equals an amount which, when added to any balance then on deposit in the Debt Service account and available for such purpose, will be equal to the sum of (1) the interest on all outstanding WPCLF Bonds due on the next interest payment date, and (2) the principal of all outstanding WPCLF Bonds due on the next interest payment date, and (3) the mandatory sinking fund requirement for all outstanding WPCLF Bonds due on the next interest payment date and (b) on the last day of May, the amount contained in a direction from the Authority to be used to purchase WPCLF Bonds received by the trustee pursuant to any invitation to the holders to tender such WPCLF Bonds in accordance with the provisions of the applicable Series resolution.
- b) To the trustee for the payment of its fees on the last day of each May and November.
- c) To the Debt Service Reserve account, a semiannual sum on June 1 and December 1 as may be necessary to maintain in the Debt Service Reserve account investments or cash having a par value at least equal to the lesser of 50% of the maximum annual bond service charges required to be paid on all WPCLF Bonds issued and outstanding, or 10% of the principal amount of WPCLF Bonds issued and outstanding computed in accordance with the Trust Agreement.

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the last day of May or November of each year.

(16) WATER POLLUTION CONTROL LOAN FUND REVENUE BONDS—STATE MATCH SERIES 1995

As of December 31, 1999, there was \$69,620,000 of Water Pollution Control Loan Fund Revenue Bonds—State Match Series 1995 outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Serial	4.70% to 6.50%	2000–2011	\$ 62,030,000
Term	5.75%	2012–2017	7,590,000
			<u>69,620,000</u>
		Plus unamortized premium	680,663
			<u>\$ 70,300,663</u>

The scheduled maturities of the serial bonds and the mandatory redemption of the term bonds for the five years subsequent to December 31, 1999 are as follows: 2000—\$6,470,000; 2001—\$6,290,000; 2002—\$6,090,000; 2003—\$5,885,000; and 2004—\$5,720,000.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

The term bonds are subject to mandatory redemption beginning June 1, 2012 at par plus accrued interest. Both the term and serial bonds are callable for redemption prior to maturity at the option of the Authority, in whole or in part, on or after June 1, 2005, at par plus accrued interest plus a premium of 1%, which diminishes to zero by June 1, 2007.

LGA reimbursements of Water Pollution Control Loan Fund project costs of interest only, not the principal, pursuant to Water Pollution Control Loan Fund loan agreements, are pledged as security for the bonds.

The bond resolution provides for five separate accounts designated as Net Bond Proceeds account, Debt Service account, Debt Service Reserve account, Cost of Issuance account, and a Rebate account. As of December 1, 1999, \$1,097,482 has been required to be deposited in the Rebate account from currently available surplus funds.

Amounts received as interest from the LGAs as reimbursement of project or construction costs are deposited in the Interest account. The trustee then allocates or pays out moneys in the Interest account as follows:

- a) To the Debt Service account, (a) all revenues as soon as received until the balance in the Debt Service account equals an amount which, when added to any balance then on deposit in the Debt Service account and available for such purpose, will be equal to the sum of (1) the interest on all outstanding WPCLF Bonds due on the next interest payment date, and (2) the principal of all outstanding WPCLF Bonds due on the next interest payment date, and (3) the mandatory sinking fund requirement for all outstanding WPCLF Bonds due on the next interest payment date and (b) on the last day of May, the amount contained in a direction from the Authority to be used to purchase WPCLF Bonds received by the trustee pursuant to any invitation to the holders to tender such WPCLF Bonds in accordance with the provisions of the applicable Series resolution.
- b) To the trustee for the payment of its fees on the last day of each May and November.
- c) To the Debt Service Reserve account, a semiannual sum on June 1 and December 1 as may be necessary to maintain in the Debt Service Reserve account investments or cash having a par value at least equal to the lesser of 50% of the maximum annual bond service charges required to be paid on all WPCLF Bonds issued and outstanding, or 10% of the principal amount of WPCLF Bonds issued and outstanding computed in accordance with the Trust Agreement.

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the last day of May or November of each year.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(17) WATER POLLUTION CONTROL LOAN FUND REVENUE BONDS—WATER QUALITY SERIES 1995

As of December 31, 1999, there was \$204,185,000 of Water Pollution Control Loan Fund Revenue Bonds—Water Quality Series 1995 outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Serial	4.40% to 6.00%	2000–2015	\$ 204,185,000
	Plus unamortized premium		<u>664,765</u>
			<u>\$ 204,849,765</u>

The scheduled maturities of the serial bonds for the five years subsequent to December 31, 1999 are as follows: 2000—\$4,730,000; 2001—\$5,640,000; 2002—\$6,625,000; 2003—\$7,770,000; and 2004—\$9,015,000.

The bonds are callable for redemption prior to maturity at the option of the Authority, in whole or in part, on or after June 1, 2005, at par plus accrued interest plus a premium of 1%, which diminishes to zero by June 1, 2007.

LGA reimbursements of Water Pollution Control Loan Fund project costs of principal only, not the interest, pursuant to Water Pollution Control Loan Fund loan agreements, are pledged as security for the bonds.

The bond resolution provides for five separate accounts designated as Net Bond Proceeds account, Debt Service account, Debt Service Reserve account, Cost of Issuance account, and a Rebate account. As of December 1, 1999, \$244,251 has been required to be deposited in the Rebate account from currently available surplus funds.

Amounts received as principal from the LGAs as reimbursement of project or construction costs are deposited in the Repayment account. The trustee then allocates or pays out moneys in the Repayment account as follows:

- a) To the Debt Service account, (a) all revenues as soon as received until the balance in the Debt Service account equals an amount which, when added to any balance then on deposit in the Debt Service account and available for such purpose, will be equal to the sum of (1) the interest on all outstanding WPCLF Bonds due on the next interest payment date, and (2) the principal of all outstanding WPCLF Bonds due on the next interest payment date, and (3) the mandatory sinking fund requirement for all outstanding WPCLF Bonds due on the next interest payment date and (b) on the last day of May, the amount contained in a direction from the Authority to be used to purchase WPCLF Bonds received by the trustee pursuant to any invitation to the holders to tender such WPCLF Bonds in accordance with the provisions of the applicable Series resolution.
- b) To the trustee for the payment of its fees on the last day of each May and November.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

- c) To the Debt Service Reserve account, a semiannual sum on June 1 and December 1 as may be necessary to maintain in the Debt Service Reserve account investments or cash having a par value at least equal to the lesser of 50% of the maximum annual bond service charges required to be paid on all Water Quality Bonds outstanding.

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the last day of May or November of each year.

(18) WATER POLLUTION CONTROL LOAN FUND REVENUE BONDS—WATER QUALITY SERIES 1997

As of December 31, 1999, there was \$205,105,000 of Water Pollution Control Loan Fund Revenue Bonds—Water Quality Series 1997 outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Serial	4.20% to 5.50%	2000-2016	\$ 161,605,000
Term	5.125%	2016-2019	<u>43,500,000</u>
			205,105,000
	Plus unamortized premium		<u>356,094</u>
			<u>\$ 205,461,094</u>

The scheduled maturities of the serial bonds for the five years subsequent to December 31, 1999 are as follows: 2000—\$2,635,000; 2001—\$3,715,000; 2002—\$4,475,000; 2003—\$5,195,000; and 2004—\$5,970,000.

The bonds are callable for redemption prior to maturity at the option of the Authority, in whole or in part, on or after December 1, 2007, at par plus accrued interest plus a premium of 1%, which diminishes to zero by December 1, 2009.

LGA reimbursements of Water Pollution Control Loan Fund project costs of principal only, not the interest, pursuant to Water Pollution Control Loan Fund loan agreements, are pledged as security for the bonds.

The bond resolution provides for five separate accounts designated as Net Bond Proceeds account, Debt Service account, Debt Service Reserve account, Cost of Issuance account, and a Rebate account. As of December 1, 1999, \$2,031,372 has been required to be deposited in the Rebate account from currently available surplus funds.

Amounts received as principal from the LGAs as reimbursement of project or construction costs are deposited in the Repayment account. The trustee then allocates or pays out moneys in the Repayment account as follows:

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

- a) To the Debt Service account, (a) all revenues as soon as received until the balance in the Debt Service account equals an amount which, when added to any balance then on deposit in the Debt Service account and available for such purpose, will be equal to the sum of (1) the interest on all outstanding WPCLF Bonds due on the next interest payment date, and (2) the principal of all outstanding WPCLF Bonds due on the next interest payment date, and (3) the mandatory sinking fund requirement for all outstanding WPCLF Bonds due on the next interest payment date and (b) on the last day of May, the amount contained in a direction from the Authority to be used to purchase WPCLF Bonds received by the trustee pursuant to any invitation to the holders to tender such WPCLF Bonds in accordance with the provisions of the applicable Series resolution.
- b) To the trustee for the payment of its fees on the last day of each May and November.
- c) To the Debt Service Reserve account, a semiannual sum on June 1 and December 1 as may be necessary to maintain in the Debt Service Reserve account investments or cash having a par value at least equal to the lesser of 50% of the maximum annual bond service charges required to be paid on all Water Quality Bonds outstanding.

After the Debt Service Reserve account has reached the required reserve fund balance, interest earned on that balance will be transferred to the Debt Service account on the last day of May or November of each year.

(19) WATER DEVELOPMENT REVENUE BONDS AND NOTES—INDUSTRIAL SERIES

The Authority established the industrial program to assist private industry and certain municipalities in financing the construction of water and solid waste pollution control facilities. Under the financing agreements, industrial companies and municipalities are required to make payments for a period of up to 38 years, sufficient to pay, as they become due, interest and principal on the bonds and notes issued to finance the projects. The Authority has no liability for repayment of these bonds and notes.

As of December 31, 1999, outstanding bonds and notes under this program are \$2,061,825,565. Annual maturities of the bonds and notes for the five years subsequent to December 31, 1999 are as follows: 2000—\$9,225,565; 2001—\$21,580,000; 2002—\$23,980,000; 2003—\$36,640,000; and 2004—\$8,850,000

(20) DEFINED BENEFIT PENSION PLAN

All employees of the Authority participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system. The total payroll as well as the payroll for employees covered by PERS for the years ended December 31, 1999, 1998 and 1997 were approximately \$733,000, \$600,000 and \$559,000, respectively.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Ohio Revised Code also provides statutory authority for employee and employer contributions. In 1999, the employee and employer contribution rate was 8.50% and 13.31%, respectively, for all employees. Total required employer contributions were approximately \$98,000, \$80,000 and \$74,000 for the years ending December 31, 1999, 1998 and 1997, respectively, and are equal to 100% of the dollar amount billed to the Authority.

The PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085.

Postretirement Healthcare

PERS provides postretirement healthcare coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Healthcare coverage for disabled recipients and primary survivor recipients is also available.

The healthcare coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, *Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Governmental Employers*. The ORC provides statutory authority for employer contributions and requires public employers to fund postretirement healthcare through their contributions to PERS. A portion of each contribution to PERS is set aside for the funding of postretirement healthcare. For the year ended December 31, 1999, that portion was 4.2% for all Authority employees.

OPEB are financed through employer contributions and investment earnings there on. The contributions allocated to retiree healthcare, along with investment income on allocated assets and periodic adjustments in healthcare provisions are expected to be sufficient to sustain the program indefinitely.

Expenditures for OPEB during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for OPEB as of December 31, 1999 was 118,062.

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

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(21) COMMITMENTS

As of December 31, 1999, the Authority has loan commitments to finance LGA construction projects in the following amounts:

	<u>Amount</u>
Endowment Grant Fund	\$ 573,968
Local Economic Development Fund	1,461,664
Village Capital Improvements Fund	388,672
Rural Development 1998 Fund	734,674
Rural Development 1999 Fund	6,104,408
Community Assistance Fund	2,781,535
Fresh Water Fund	1,007,886
1995 Fresh Water Fund	11,702,532
1998 Fresh Water Fund	33,330,571
Pure Water Refunding Fund	334,885
Water Pollution Control Loan Fund – State Match account	4,832,226
Water Pollution Control Loan Fund – Capitalization Grant account	101,937,337
Water Pollution Control Loan Fund – Water Quality account	170,659,219
Water Pollution Control Loan Fund – Other Projects account	8,679,703
Drinking Water Assistance Fund – State Match account	10,500,285
Drinking Water Assistance Fund – Revolving Loan account	38,422
	<u>\$ 355,067,987</u>

The Authority intends to meet these LGA commitments with currently available funds.

(22) DEFICIT RETAINED EARNINGS

Retained earnings as of December 31, 1999 include the following individual fund deficits:

Rural Development 1999 Fund	\$ (3,032,646)
Safe Water Refunding Fund	(15,181,759)
Water Pollution Control Loan Group:	
State Match Bond Proceeds Series 1991 Fund	(12,892,224)
State Match Bond Proceeds Series 1993 Fund	(28,308,617)
State Match Bond Proceeds Series 1995 Fund	(62,252,610)
Water Quality Bond Proceeds Series 1995 Fund	(168,001,856)
Water Quality Bond Proceeds Series 1997 Fund	(26,758,690)

The fund deficit in the Rural Development 1999 Fund is due to a transfer to the Solid Waste Fund to reimburse that fund for amounts expended in connection with existing projects. The deficit will be eliminated with future loan repayments and future repayments of debt outstanding.

The fund deficit in the Safe Water Refunding Fund is due to the closing of the Safe Water Construction account in 1995 and the Safe Water Surplus account in 1996. The deficit will be eliminated by future loan repayments and future repayments of debt outstanding.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

The fund deficits in the State Match Bond Proceeds Series 1991, 1993 and 1995 Funds and the Water Quality Bond Proceeds Series 1995 and 1997 Funds are due to transfers of moneys to the WPCLF State Match and Water Quality accounts as required by the Water Pollution Control Loan Group trust agreements. These deficits will be eliminated by future repayments of debt outstanding by the WPCLF Fund.

(23) RESIDUAL EQUITY TRANSFERS

In February 1999, the Authority's Board authorized a transfer of \$10,000,000 from the Solid Waste Fund to the Dam Safety Fund to provide the initial funding to the fund.

In February 1999, the Authority's Board authorized a transfer of \$4,600,000 from the Solid Waste Fund to the Drinking Water Assistance Fund to provide additional funding to the fund.

In February 1999, the Authority's Board authorized a transfer of \$4,460,884 from the 1995 Fresh Water Fund to the Local Economic Development Fund to provide additional funding to the fund.

(24) RETAINED EARNINGS

As of December 31, 1999, the Authority has a retained earnings balance of \$1,465,789,351, which is restricted for bond or grant requirements and unrestricted as follows:

	Restricted	Unrestricted	Total
Operating Fund	\$ -	6,530,036	6,530,036
Working Capital Fund	7,158,281	-	7,158,281
Other Projects Group	2,424,304	102,893,202	105,317,506
Rural Utility Services Group	6,700,486	-	6,700,486
Community Assistance Fund	67,776,445	-	67,776,445
Fresh Water Group	240,240,640	19,628,637	259,869,277
Refunding Group	16,124,665	-	16,124,665
Safe Water Refunding Group	11,840,420	-	11,840,420
Pure Water Refunding Fund	68,345,381	14,801,780	83,147,161
Water Pollution Control Loan Group	797,417,126	67,739,032	865,156,158
Drinking Water Assistance Fund	36,168,916	-	36,168,916
	<u>\$ 1,254,196,664</u>	<u>211,592,687</u>	<u>1,465,789,351</u>

(25) SUBSEQUENT EVENT

On February 2, 2000, the Authority entered into a five-year interest rate swap agreement for \$50,080,000 of its Pure Water Refunding and Improvement Series bonds. As a result of the agreement, which is dated February 2, 2000 and terminates on December 1, 2004, the Authority makes interest payments to the counterparty based on the weekly BMA Municipal Bond Index and receives payment from the counterparty at a fixed rate of 4.68%. The rate used to calculate the payment to the counterparty shall not exceed 7.32%.

**OHIO WATER DEVELOPMENT AUTHORITY
OTHER PROJECTS GROUP**

Schedule of Combining Balance Sheets

December 31, 1999

		Trusteed Funds		
		Other Projects Group		
		Unallocated Reserve Fund	Endowment Grant Fund	Solid Waste Fund
<u>Assets</u>				
Cash	\$	-	-	-
Investments		19,423,769	7,679,821	12,670,542
Receivables:				
Federal and local government authorities		-	-	7,323,040
Total assets	\$	19,423,769	7,679,821	19,993,582
<u>Liabilities and Retained Earnings</u>				
Accounts payable		-	37,376	-
Due to other funds		-	-	-
Total liabilities		-	37,376	-
Retained earnings		19,423,769	7,642,445	19,993,582
Total liabilities and retained earnings	\$	19,423,769	7,679,821	19,993,582

See accompanying notes to financial statements.

Trusteed Funds

Other Projects Group

Local Economic Development Fund	Village Capital Improvements Fund	Emergency Relief Fund	Dam Safety Fund	Group Total
-	-	124,080	1,823,664	1,947,744
31,946,464	1,395,575	4,233,226	8,560,043	85,909,440
8,428,893	1,773,765	-	-	17,525,698
<u>40,375,357</u>	<u>3,169,340</u>	<u>4,357,306</u>	<u>10,383,707</u>	<u>105,382,882</u>
-	3,000	-	-	40,376
-	25,000	-	-	25,000
-	28,000	-	-	65,376
40,375,357	3,141,340	4,357,306	10,383,707	105,317,506
<u>40,375,357</u>	<u>3,169,340</u>	<u>4,357,306</u>	<u>10,383,707</u>	<u>105,382,882</u>

**OHIO WATER DEVELOPMENT AUTHORITY
OTHER PROJECTS GROUP**

Schedule of Combining Statements of Revenues,
Expenses and Changes in Retained Earnings

Year ended December 31, 1999

	Trusteed Funds		
	Other Projects Group		
	Unallocated Reserve Fund	Endowment Grant Fund	Solid Waste Fund
Revenues:			
Loan Income	\$ -	-	553,690
Investment income	899,714	210,497	763,276
	<u>899,714</u>	<u>210,497</u>	<u>1,316,966</u>
Expenses:			
Operating expense and other	11,607	476,514	16,199
	<u>11,607</u>	<u>476,514</u>	<u>16,199</u>
Excess (deficiency) of revenues over expenses before operating transfers	888,107	(266,017)	1,300,767
Operating transfers in (out), net	-	-	-
Excess (deficiency) of revenues over expenses	888,107	(266,017)	1,300,767
Retained Earnings at beginning of year	18,535,662	7,908,462	33,292,815
Residual equity transfers in (out), net	-	-	(14,600,000)
Retained Earnings at end of year	<u>\$ 19,423,769</u>	<u>7,642,445</u>	<u>19,993,582</u>

See accompanying notes to financial statements.

Trusteed Funds

Other Projects Group

Local Economic Development Fund	Village Capital Improvements Fund	Federal Grant Advance Fund	Emergency Relief Fund	Dam Safety Fund	Group Total
159,969	-	-	-	-	713,659
1,438,285	53,529	2,631	209,395	384,707	3,962,034
1,598,254	53,529	2,631	209,395	384,707	4,675,693
20,546	5,019	-	9,539	1,000	540,424
20,546	5,019	-	9,539	1,000	540,424
1,577,708	48,510	2,631	199,856	383,707	4,135,269
-	-	(3,374,276)	(776,438)	-	(4,150,714)
1,577,708	48,510	(3,371,645)	(576,582)	383,707	(15,445)
34,336,765	3,092,830	3,371,645	4,933,888	-	105,472,067
4,460,884	-	-	-	10,000,000	(139,116)
40,375,357	3,141,340	-	4,357,306	10,383,707	105,317,506

**OHIO WATER DEVELOPMENT AUTHORITY
OTHER PROJECTS GROUP**

Schedule of Combining Statements of Cash Flows

Year ended December 31, 1999

	Trusteed Funds		
	Other Projects Group		
	Unallocated Reserve Fund	Endowment Grant Fund	Solid Waste Fund
Operating activities:			
Operating expenses	\$ (11,607)	(15,279)	(16,199)
Net cash provided (used) by operating activities	(11,607)	(15,279)	(16,199)
Investing activities:			
Proceeds from maturity or sale of investments	31,762,092	2,407,080	47,194,348
Purchase of investments	(32,695,141)	(2,347,349)	(34,175,363)
Interest received on investments, net of purchased interest	944,656	435,878	773,007
Interest received on projects	-	-	563,372
Principal collected on projects	-	-	260,835
Payment for construction of projects	-	(480,330)	-
Net cash provided (used) by investing activities	11,607	15,279	14,616,199
Noncapital financing activities:			
Other	-	-	-
Transfers to/from other funds	-	-	(14,600,000)
Net cash provided (used) by noncapital financing activities	-	-	(14,600,000)
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents at beginning of period	-	-	-
Cash and cash equivalents at end of period	\$ -	-	-
Reconciliation to net cash provided (used) by operating activities:			
Excess (deficiency) of revenues over expenses before operating transfers	888,107	(266,017)	1,300,767
Adjustments:			
Investment income	(899,714)	(210,497)	(763,276)
Operating expenses	-	461,235	-
Loan Income	-	-	(553,690)
Net cash provided (used) by operating activities	\$ (11,607)	(15,279)	(16,199)

See accompanying notes to financial statements.

Trusteed Funds					
Other Projects Group					
Local Economic Development Fund	Village Capital Improvements Fund	Federal Grant Advance Fund	Emergency Relief Fund	Dam Safety Fund	Group Total
(20,546)	-	-	(9,539)	(1,000)	(74,170)
(20,546)	-	-	(9,539)	(1,000)	(74,170)
26,758,528	293,023	3,326,205	35,155,367	41,854,101	188,750,744
(32,600,219)	(483,872)	(6)	(34,525,535)	(52,174,106)	(189,001,591)
1,451,335	52,342	9,219	280,225	321,005	4,267,667
160,733	-	-	-	-	724,105
444,045	401,817	-	-	-	1,106,697
(654,760)	(285,640)	-	-	-	(1,420,730)
(4,440,338)	(22,330)	3,335,418	910,057	(9,999,000)	4,426,892
-	22,330	(1,000)	-	-	21,330
4,460,884	-	(3,334,418)	(776,438)	10,000,000	(4,249,972)
4,460,884	22,330	(3,335,418)	(776,438)	10,000,000	(4,228,642)
-	-	-	124,080	-	124,080
-	-	-	-	-	-
-	-	-	124,080	-	124,080
1,577,708	48,510	2,631	199,856	383,707	4,135,269
(1,438,285)	(53,529)	(2,631)	(209,395)	(384,707)	(3,962,034)
-	5,019	-	-	-	466,254
(159,969)	-	-	-	-	(713,659)
(20,546)	-	-	(9,539)	(1,000)	(74,170)

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**OHIO WATER DEVELOPMENT AUTHORITY
RURAL UTILITY SERVICES GROUP**

Schedule of Combining Balance Sheets

December 31, 1999

	<u>Trusted Fund</u>		
	<u>Rural Utility Services Fund</u>		
<u>Assets</u>	Advance	Revenue	Fund Total
Investments	\$ 43,077	59	43,136
Receivables:			
Federal and local government authorities	2,386,292	-	2,386,292
Due from other funds	-	-	-
Deferred bond and note issuance expense	-	-	-
Total assets	\$ 2,429,369	59	2,429,428
<u>Liabilities and Retained Earnings</u>			
Accrued interest	-	-	-
Accounts payable	-	-	-
Due to other funds	-	-	-
Water Development Revenue Notes:			
Rural Development Series 1998-A	-	-	-
Rural Development Series 1999-A	-	-	-
Total liabilities	-	-	-
Retained earnings	2,429,369	59	2,429,428
Total liabilities and retained earnings	\$ 2,429,369	59	2,429,428

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
RURAL UTILITY SERVICES GROUP**

Schedule of Combining Balance Sheets, Continued

December 31, 1999

	Trusteed Fund					
	Rural Development 1998 Fund					
	Advance	Revenue	Debt Service	Rebate	Cost of Issuance	Fund Total
<u>Assets</u>						
Investments	\$ 4,209,941	13,313	335,014	-	20,490	4,578,758
Receivables:						
Federal and local government authorities	5,522,572	-	-	-	-	5,522,572
Due from other funds	-	-	-	90,425	-	90,425
Deferred bond and note issuance expense	28,395	-	-	-	-	28,395
Total assets	<u>\$ 9,760,908</u>	<u>13,313</u>	<u>335,014</u>	<u>90,425</u>	<u>20,490</u>	<u>10,220,150</u>
 <u>Liabilities and Retained Earnings</u>						
Accrued interest	-	-	8,047	-	-	8,047
Accounts payable	427,549	-	-	90,425	-	517,974
Due to other funds	90,425	-	-	-	-	90,425
Water Development Revenue Notes:						
Rural Development Series 1998-A	2,300,000	-	-	-	-	2,300,000
Rural Development Series 1999-A	-	-	-	-	-	-
Total liabilities	2,817,974	-	8,047	90,425	-	2,916,446
Retained earnings	6,942,934	13,313	326,967	-	20,490	7,303,704
Total liabilities and retained earnings \$	<u>9,760,908</u>	<u>13,313</u>	<u>335,014</u>	<u>90,425</u>	<u>20,490</u>	<u>10,220,150</u>

See accompanying notes to financial statements.

Trusteed Fund

Rural Development 1999 Fund

Advance	Revenue	Debt Service	Cost of Issuance	Fund Total	Group Total
6,630,479	1,816,748	327,236	1,100	8,775,563	13,397,457
2,518,090	-	-	-	2,518,090	10,426,954
-	-	-	-	-	90,425
102,823	-	-	-	102,823	131,218
<u>9,251,392</u>	<u>1,816,748</u>	<u>327,236</u>	<u>1,100</u>	<u>11,396,476</u>	<u>24,046,054</u>
-	-	46,199	-	46,199	54,246
1,177,923	-	-	-	1,177,923	1,695,897
-	-	-	-	-	90,425
-	-	-	-	-	2,300,000
13,205,000	-	-	-	13,205,000	13,205,000
14,382,923	-	46,199	-	14,429,122	17,345,568
(5,131,531)	1,816,748	281,037	1,100	(3,032,646)	6,700,486
<u>9,251,392</u>	<u>1,816,748</u>	<u>327,236</u>	<u>1,100</u>	<u>11,396,476</u>	<u>24,046,054</u>

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**OHIO WATER DEVELOPMENT AUTHORITY
RURAL UTILITY SERVICES GROUP**

Schedule of Combining Statements of Revenues,
Expenses and Changes in Retained Earnings

Year ended December 31, 1999

	Trusteed Fund		Fund Total
	Rural Utility Services Fund		
	Advance	Revenue	
Revenues:			
Loan Income	\$ 190,092	-	190,092
Investment income	9,476	3	9,479
	<u>199,568</u>	<u>3</u>	<u>199,571</u>
Expenses:			
Interest on bonds and notes	-	-	-
Amortization of bond issuance expense	-	-	-
Operating expense and other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenses before operating transfers	199,568	3	199,571
Operating transfers in (out), net	(5,247,692)	-	(5,247,692)
Excess (deficiency) of revenues over expenses	(5,048,124)	3	(5,048,121)
Retained earnings at beginning of year	7,477,493	56	7,477,549
Retained earnings at end of year	<u>\$ 2,429,369</u>	<u>59</u>	<u>2,429,428</u>

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
RURAL UTILITY SERVICES GROUP**

Schedule of Combining Statements of Revenues,
Expenses and Changes in Retained Earnings, Continued

Year ended December 31, 1999

	Trusteed Fund					Fund Total
	Rural Development 1998 Fund					
	Advance	Revenue	Debt Service	Rebate	Cost of Issuance	
Revenues:						
Loan Income	\$ 80,619	-	-	-	-	80,619
Investment income	309,417	9,621	16,725	-	1,921	337,684
	<u>390,036</u>	<u>9,621</u>	<u>16,725</u>	<u>-</u>	<u>1,921</u>	<u>418,303</u>
Expenses:						
Interest on bonds and notes	-	-	186,995	-	-	186,995
Amortization of bond issuance expense	56,789	-	-	-	-	56,789
Operating expense and other	2,366	-	-	90,425	38,074	130,865
	<u>59,155</u>	<u>-</u>	<u>186,995</u>	<u>90,425</u>	<u>38,074</u>	<u>374,649</u>
Excess (deficiency) of revenues over expenses before operating transfers	330,881	9,621	(170,270)	(90,425)	(36,153)	43,654
Operating transfers in (out), net	7,992,302	3,692	161,273	90,425	-	8,247,692
Excess (deficiency) of revenues over expenses	8,323,183	13,313	(8,997)	-	(36,153)	8,291,346
Retained earnings at beginning of year	(1,380,249)	-	335,964	-	56,643	(987,642)
Retained earnings at end of year	<u>\$ 6,942,934</u>	<u>13,313</u>	<u>326,967</u>	<u>-</u>	<u>20,490</u>	<u>7,303,704</u>

See accompanying notes to financial statements.

Trusteed Fund
Rural Development 1999 Fund

Advance	Revenue	Debt Service	Cost of Issuance	Fund Total	Group Total
48,261	-	-	-	48,261	318,972
267,768	2,596	15,384	964	286,712	633,875
316,029	2,596	15,384	964	334,973	952,847
-	-	316,207	-	316,207	503,202
51,412	-	-	-	51,412	108,201
-	-	-	-	-	130,865
51,412	-	316,207	-	367,619	742,268
264,617	2,596	(300,823)	964	(32,646)	210,579
(5,396,148)	1,814,152	581,860	136	(3,000,000)	-
(5,131,531)	1,816,748	281,037	1,100	(3,032,646)	210,579
-	-	-	-	-	6,489,907
(5,131,531)	1,816,748	281,037	1,100	(3,032,646)	6,700,486

**OHIO WATER DEVELOPMENT AUTHORITY
RURAL UTILITY SERVICES GROUP**

Schedule of Combining Statements of Cash Flows

Year ended December 31, 1999

	Trusteed Fund		
	Rural Utility Services Fund		
	Advance	Revenue	Fund Total
Operating activities:			
Operating expenses	-	-	-
Net cash provided (used) by operating activities	-	-	-
Investing activities:			
Proceeds from maturity or sale of investments	10,592,246	-	10,592,246
Purchase of investments	(10,006,839)	(3)	(10,006,842)
Interest received on investments, net of purchased interest	10,616	3	10,619
Interest received on projects	-	-	-
Principal collected on projects	-	-	-
Payment for construction of projects	(593,489)	-	(593,489)
Net cash provided (used) by investing activities	2,534	-	2,534
Noncapital financing activities:			
Bond and note issuance expense	-	-	-
Proceeds of bonds and notes	-	-	-
Interest paid on bonds and notes, net of purchased interest	-	-	-
Redemption of bonds and notes	-	-	-
Other	(2,534)	-	(2,534)
Transfers to/from other funds	-	-	-
Net cash provided (used) by noncapital financing activities	(2,534)	-	(2,534)
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents at beginning of period	-	-	-
Cash and cash equivalents at end of period	-	-	-
Reconciliation to net cash provided (used) by operating activities:			
Excess (deficiency) of revenues over expenses before operating transfers	199,568	3	199,571
Adjustments:			
Investment income	(9,476)	(3)	(9,479)
Operating expenses	-	-	-
Interest on bonds and notes	-	-	-
Loan Income	(190,092)	-	(190,092)
Amortization of bond issuance cost	-	-	-
Net cash provided (used) by operating activities	-	-	-

Trusteed Fund
Rural Development 1998 Fund

Advance	Revenue	Debt Service	Rebate	Cost of Issuance	Fund Total
(2,366)	-	-	-	(38,074)	(40,440)
(2,366)	-	-	-	(38,074)	(40,440)
101,282,905	3,847,922	7,450,172	-	38,312	112,619,311
(99,297,155)	(3,861,183)	(7,426,833)	-	(2,033)	(110,587,204)
323,293	9,569	16,331	-	2,033	351,226
-	325,614	-	-	-	325,614
-	5,051,000	-	-	-	5,051,000
(5,143,326)	-	-	-	-	(5,143,326)
(2,834,283)	5,372,922	39,670	-	38,312	2,616,621
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(200,943)	-	-	(200,943)
-	-	(5,375,000)	-	-	(5,375,000)
-	-	-	-	(238)	(238)
2,836,649	(5,372,922)	5,536,273	-	-	3,000,000
2,836,649	(5,372,922)	(39,670)	-	(238)	(2,576,181)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
330,881	9,621	(170,270)	(90,425)	(36,153)	43,654
(309,417)	(9,621)	(16,725)	-	(1,921)	(337,684)
-	-	-	90,425	-	90,425
-	-	186,995	-	-	186,995
(80,619)	-	-	-	-	(80,619)
56,789	-	-	-	-	56,789
(2,366)	-	-	-	(38,074)	(40,440)

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
RURAL UTILITY SERVICES GROUP**

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 1999

	Trusteed Fund		
	Rural Development 1999 Fund		
	Advance	Revenue	Debt Service
Operating activities:			
Operating expenses	\$ -	-	-
Net cash provided (used) by operating activities	-	-	-
Investing activities:			
Proceeds from maturity or sale of investments	56,924,194	-	16,620,313
Purchase of investments	(63,504,593)	(1,814,152)	(16,946,764)
Interest received on investments, net of purchased interest	217,688	-	14,599
Interest received on projects	-	36,152	-
Principal collected on projects	-	1,778,000	-
Payment for construction of projects	(3,106,059)	-	-
Net cash provided (used) by investing activities	(9,468,770)	-	(311,852)
Noncapital financing activities:			
Bond and note issuance expense	-	-	-
Proceeds of bonds and notes	12,468,770	-	581,860
Interest paid on bonds and notes, net of purchased interest	-	-	(270,008)
Redemption of bonds and notes	-	-	-
Other	-	-	-
Transfers to/from other funds	(3,000,000)	-	-
Net cash provided (used) by noncapital financing activities	9,468,770	-	311,852
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents at beginning of period	-	-	-
Cash and cash equivalents at end of period	\$ -	-	-
Reconciliation to net cash provided (used) by operating activities:			
Excess (deficiency) of revenues over expenses before operating transfers	264,617	2,596	(300,823)
Adjustments:			
Investment income	(267,768)	(2,596)	(15,384)
Operating expenses	-	-	-
Interest on bonds and notes	-	-	316,207
Loan Income	(48,261)	-	-
Amortization of bond issuance cost	51,412	-	-
Net cash provided (used) by operating activities	\$ -	-	-

See accompanying notes to financial statements.

Trusteed Fund		
Rural Development 1999 Fund		
Cost of Issuance	Fund Total	Group Total
-	-	(40,440)
-	-	(40,440)
462,667	74,007,174	197,218,731
(463,762)	(82,729,271)	(203,323,317)
960	233,247	595,092
-	36,152	361,766
-	1,778,000	6,829,000
-	(3,106,059)	(8,842,874)
(135)	(9,780,757)	(7,161,602)
(154,235)	(154,235)	(154,235)
154,370	13,205,000	13,205,000
-	(270,008)	(470,951)
-	-	(5,375,000)
-	-	(2,772)
-	(3,000,000)	-
135	9,780,757	7,202,042
-	-	-
-	-	-
-	-	-
964	(32,646)	210,579
(964)	(286,712)	(633,875)
-	-	90,425
-	316,207	503,202
-	(48,261)	(318,972)
-	51,412	108,201
-	-	(40,440)

**OHIO WATER DEVELOPMENT AUTHORITY
COMMUNITY ASSISTANCE FUND**

Schedule of Combining Balance Sheets

December 31, 1999

		Trusted Fund		
		Community Assistance Fund		
		Construction	Revenue	Debt Service
<u>Assets</u>				
Cash		\$ -	310,601	-
Investments		25,257,523	1,277,811	4,738
Receivables:				
Federal and local government authorities		87,136,386	-	-
Due from other funds		1,992	-	-
Deferred bond and note issuance expense		651,454	-	-
Total assets		\$ 113,047,355	1,588,412	4,738
<u>Liabilities and Retained Earnings</u>				
Accrued interest		-	-	221,345
Accounts payable		559,956	-	-
Retainages payable		48,701	-	-
Due to other funds		-	-	-
Water Development Revenue Bonds:				
Community Assistance Series 1997, net of discount		51,439,843	-	-
Total liabilities		52,048,500	-	221,345
Retained earnings		60,998,855	1,588,412	(216,607)
Total liabilities and retained earnings		\$ 113,047,355	1,588,412	4,738

See accompanying notes to financial statements.

Trusteed Fund			
Community Assistance Fund			
Debt Service Reserve	Surplus	Rebate	Fund Total
-	-	-	310,601
4,259,757	1,163,260	127,997	32,091,086
-	-	-	87,136,386
-	-	17,232	19,224
-	-	-	651,454
<u>4,259,757</u>	<u>1,163,260</u>	<u>145,229</u>	<u>120,208,751</u>
-	-	-	221,345
-	-	145,229	705,185
-	-	-	48,701
-	17,232	-	17,232
-	-	-	51,439,843
-	17,232	145,229	52,432,306
4,259,757	1,146,028	-	67,776,445
<u>4,259,757</u>	<u>1,163,260</u>	<u>145,229</u>	<u>120,208,751</u>

**OHIO WATER DEVELOPMENT AUTHORITY
COMMUNITY ASSISTANCE FUND**

Schedule of Combining Statements of Revenues,
Expenses and Changes in Retained Earnings

Year ended December 31, 1999

	Trusteed Fund		
	Community Assistance Fund		
	Construction	Revenue	Debt Service
Revenues:			
Loan Income	\$ 1,706,257	-	-
Investment income	1,443,285	56,918	9,505
	3,149,542	56,918	9,505
Expenses:			
Interest on bonds and notes	-	-	2,637,681
Amortization of bond issuance expense	26,058	-	-
Operating expense and other	-	-	-
	26,058	-	2,637,681
Excess (deficiency) of revenues over expenses before operating transfers	3,123,484	56,918	(2,628,176)
Operating transfers in (out), net	(3,199,155)	145,522	2,628,724
Excess (deficiency) of revenues over expenses	(75,671)	202,440	548
Retained earnings at beginning of year	61,074,526	1,385,972	(217,155)
Retained earnings at end of year	\$ 60,998,855	1,588,412	(216,607)

See accompanying notes to financial statements.

Trusteed Fund

Community Assistance Fund			
Debt Service Reserve	Surplus	Rebate	Fund Total
-	-	-	1,706,257
244,117	36,440	83	1,790,348
244,117	36,440	83	3,496,605
-	-	-	2,637,681
-	-	-	26,058
-	-	17,315	17,315
-	-	17,315	2,681,054
244,117	36,440	(17,232)	815,551
(245,339)	525,102	17,232	(127,914)
(1,222)	561,542	-	687,637
4,260,979	584,486	-	67,088,808
4,259,757	1,146,028	-	67,776,445

**OHIO WATER DEVELOPMENT AUTHORITY
COMMUNITY ASSISTANCE FUND**

Schedule of Combining Statements of Cash Flows

Year ended December 31, 1999

		<i>Trusteed Fund</i>	
		Community Assistance Fund	
		Construction	Revenue
Operating activities:			
Operating expenses	\$	-	-
Net cash provided (used) by operating activities		-	-
Investing activities:			
Proceeds from maturity or sale of investments		653,152,710	10,230,184
Purchase of investments		(647,752,085)	(10,453,592)
Interest received on investments, net of purchased interest		1,524,398	56,559
Interest received on projects		-	1,092,958
Principal collected on projects		-	2,263,532
Payment for construction of projects		(6,924,023)	-
Net cash provided (used) by investing activities		1,000	3,189,641
Noncapital financing activities:			
Interest paid on bonds and notes, net of purchased interest		-	-
Redemption of bonds and notes		-	-
Other		(1,000)	-
Transfers to/from other funds		-	(3,210,970)
Net cash provided (used) by noncapital financing activities		(1,000)	(3,210,970)
Net increase (decrease) in cash and cash equivalents		-	(21,329)
Cash and cash equivalents at beginning of period		-	331,930
Cash and cash equivalents at end of period	\$	-	310,601
Reconciliation to net cash provided (used) by operating activities:			
Excess (deficiency) of revenues over expenses before operating transfers		3,123,484	56,918
Adjustments:			
Investment income		(1,443,285)	(56,918)
Operating expenses		-	-
Interest on bonds and notes		-	-
Loan Income		(1,706,257)	-
Amortization of bond issuance cost		26,058	-
Net cash provided (used) by operating activities	\$	-	-

See accompanying notes to financial statements.

Trusteed Fund

Community Assistance Fund

Debt Service	Debt Service Reserve	Surplus	Rebate	Fund Total
-	-	-	-	-
5,222,176	245,305	1,866,688	-	670,717,063
(5,223,481)	(244,896)	(2,442,510)	(127,914)	(666,244,478)
10,740	244,930	33,488	-	1,870,115
-	-	-	-	1,092,958
-	-	-	-	2,263,532
-	-	-	-	(6,924,023)
9,435	245,339	(542,334)	(127,914)	2,775,167
(2,660,496)	-	-	-	(2,660,496)
(135,000)	-	-	-	(135,000)
-	-	-	-	(1,000)
2,786,061	(245,339)	542,334	127,914	-
(9,435)	(245,339)	542,334	127,914	(2,796,496)
-	-	-	-	(21,329)
-	-	-	-	331,930
-	-	-	-	310,601
(2,628,176)	244,117	36,440	(17,232)	815,551
(9,505)	(244,117)	(36,440)	(83)	(1,790,348)
-	-	-	17,315	17,315
2,637,681	-	-	-	2,637,681
-	-	-	-	(1,706,257)
-	-	-	-	26,058
-	-	-	-	-

**OHIO WATER DEVELOPMENT AUTHORITY
FRESH WATER GROUP**

Schedule of Combining Balance Sheets

December 31, 1999

	<u>Trusteed Fund</u>		
	<u>Fresh Water Fund</u>		
	<u>Construction</u>	<u>Revenue</u>	<u>Fund Total</u>
<u>Assets</u>			
Cash	\$ -	162,854	162,854
Investments	29,834,974	2,237,774	32,072,748
Receivables:			
Federal and local government authorities	117,595,982	-	117,595,982
Due from other funds	-	-	-
Deferred bond and note issuance expense	-	-	-
Total assets	<u>\$ 147,430,956</u>	<u>2,400,628</u>	<u>149,831,584</u>
<u>Liabilities and Retained Earnings</u>			
Accrued interest	-	-	-
Accounts payable	6,567	-	6,567
Retainages payable	-	-	-
Due to other funds	-	-	-
Water Development Revenue Bonds:			
Fresh Water 1995 Series, net of discount	-	-	-
Fresh Water 1998 Series, net of premium	-	-	-
Total liabilities	<u>6,567</u>	<u>-</u>	<u>6,567</u>
Retained earnings	<u>147,424,389</u>	<u>2,400,628</u>	<u>149,825,017</u>
Total liabilities and retained earnings \$	<u>147,430,956</u>	<u>2,400,628</u>	<u>149,831,584</u>

Trusteed Fund

1995 Fresh Water Fund

Construction	Revenue	Debt Service	Debt Service Reserve	Cross Collateralization	Surplus	Rebate	Fund Total
-	101,298	14,802	-	-	-	-	116,100
16,157,830	1,869,171	-	5,070,495	29,681,102	9,174,739	682,456	62,635,793
107,978,686	-	-	-	-	-	-	107,978,686
416	-	-	-	-	-	-	416
1,049,077	-	-	-	-	-	-	1,049,077
<u>125,186,009</u>	<u>1,970,469</u>	<u>14,802</u>	<u>5,070,495</u>	<u>29,681,102</u>	<u>9,174,739</u>	<u>682,456</u>	<u>171,780,072</u>
-	-	344,006	-	-	-	-	344,006
1,091,603	-	-	-	-	-	203,033	1,294,636
47,338	-	-	-	-	-	-	47,338
-	-	-	-	-	-	-	-
74,295,127	-	-	-	-	-	-	74,295,127
-	-	-	-	-	-	-	-
75,434,068	-	344,006	-	-	-	203,033	75,981,107
49,751,941	1,970,469	(329,204)	5,070,495	29,681,102	9,174,739	479,423	95,798,965
<u>125,186,009</u>	<u>1,970,469</u>	<u>14,802</u>	<u>5,070,495</u>	<u>29,681,102</u>	<u>9,174,739</u>	<u>682,456</u>	<u>171,780,072</u>

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
FRESH WATER GROUP**

Schedule of Combining Balance Sheets, Continued

December 31, 1999

		Trusteed Fund				
		1998 Fresh Water Fund				
<u>Assets</u>		Construction	Revenue	Debt Service	Debt Service Reserve	Rebate
Cash	\$	-	76,618	-	-	-
Investments		134,262,382	-	20,203	4,888,390	-
Receivables:						
Federal and local government authorities		22,551,991	-	-	-	-
Due from other funds		583	-	-	-	1,277,040
Deferred bond and note issuance expense		1,546,954	-	-	-	-
Total assets	\$	<u>158,361,910</u>	<u>76,618</u>	<u>20,203</u>	<u>4,888,390</u>	<u>1,277,040</u>
<u>Liabilities and Retained Earnings</u>						
Accrued interest		-	-	599,174	-	-
Accounts payable		3,864,815	-	-	-	1,277,040
Retainages payable		756,983	-	-	-	-
Due to other funds		1,277,040	-	-	-	-
Water Development Revenue Bonds:						
Fresh Water 1995 Series, net of discount		-	-	-	-	-
Fresh Water 1998 Series, net of premium		142,603,814	-	-	-	-
Total liabilities		<u>148,502,652</u>	<u>-</u>	<u>599,174</u>	<u>-</u>	<u>1,277,040</u>
Retained earnings		9,859,258	76,618	(578,971)	4,888,390	-
Total liabilities and retained earnings	\$	<u>158,361,910</u>	<u>76,618</u>	<u>20,203</u>	<u>4,888,390</u>	<u>1,277,040</u>

See accompanying notes to financial statements.

Trusteed Fund
1998 Fresh Water Fund

<u>Fund Total</u>	<u>Group Total</u>
76,618	355,572
139,170,975	233,879,516
22,551,991	248,126,659
1,277,623	1,278,039
1,546,954	2,596,031
<u>164,624,161</u>	<u>486,235,817</u>
599,174	943,180
5,141,855	6,443,058
756,983	804,321
1,277,040	1,277,040
-	74,295,127
<u>142,603,814</u>	<u>142,603,814</u>
150,378,866	226,366,540
14,245,295	259,869,277
<u>164,624,161</u>	<u>486,235,817</u>

**OHIO WATER DEVELOPMENT AUTHORITY
FRESH WATER GROUP**

Schedule of Combining Statements of Revenues,
Expenses and Changes in Retained Earnings

Year ended December 31, 1999

	Trusteed Fund		Fund Total
	Fresh Water Fund		
	Construction	Revenue	
Revenues:			
Loan Income	\$ 7,394,551	-	7,394,551
Investment income	1,464,642	165,148	1,629,790
	<u>8,859,193</u>	<u>165,148</u>	<u>9,024,341</u>
Expenses:			
Interest on bonds and notes	-	-	-
Amortization of bond issuance expense	-	-	-
Operating expense and other	43,886	21,541	65,427
	<u>43,886</u>	<u>21,541</u>	<u>65,427</u>
Excess (deficiency) of revenues over expenses before operating transfers	8,815,307	143,607	8,958,914
Operating transfers in (out), net	<u>(9,704,879)</u>	<u>(1,846,419)</u>	<u>(11,551,298)</u>
Excess (deficiency) of revenues over expenses	(889,572)	(1,702,812)	(2,592,384)
Retained earnings at beginning of year	148,313,961	4,103,440	152,417,401
Residual equity transfers in (out), net	-	-	-
Retained earnings at end of year	<u>\$ 147,424,389</u>	<u>2,400,628</u>	<u>149,825,017</u>

Trusteed Fund

1995 Fresh Water Fund							
Construction	Revenue	Debt Service	Debt Service Reserve	Cross Collateralization	Surplus	Rebate	Fund Total
6,507,574	-	-	-	-	-	-	6,507,574
1,215,802	149,680	30,140	215,246	668,284	485,038	344,514	3,108,704
7,723,376	149,680	30,140	215,246	668,284	485,038	344,514	9,616,278
-	-	4,417,567	-	-	-	-	4,417,567
47,685	-	-	-	-	-	-	47,685
70	37,729	2,343	482	4,278	284	2,424	47,610
47,755	37,729	4,419,910	482	4,278	284	2,424	4,512,862
7,675,621	111,951	(4,389,770)	214,764	664,006	484,754	342,090	5,103,416
(3,198,315)	(2,380,282)	4,405,169	-	17,840,233	(1,786,331)	-	14,880,474
4,477,306	(2,268,331)	15,399	214,764	18,504,239	(1,301,577)	342,090	19,983,890
45,274,635	4,238,800	(344,603)	4,855,731	15,637,747	10,476,316	137,333	80,275,959
-	-	-	-	(4,460,884)	-	-	(4,460,884)
49,751,941	1,970,469	(329,204)	5,070,495	29,681,102	9,174,739	479,423	95,798,965

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
FRESH WATER GROUP**

Schedule of Combining Statements of Revenues,
Expenses and Changes in Retained Earnings, Continued

Year ended December 31, 1999

	Trusteed Fund				
	1998 Fresh Water Fund				
	Construction	Revenue	Debt Service	Debt Service Reserve	Rebate
Revenues:					
Loan Income	\$ 446,545	-	-	-	-
Investment income	7,698,168	-	38,328	265,687	-
	<u>8,144,713</u>	<u>-</u>	<u>38,328</u>	<u>265,687</u>	<u>-</u>
Expenses:					
Interest on bonds and notes	-	-	6,981,053	-	-
Amortization of bond issuance expense	64,456	-	-	-	-
Operating expense and other	5,324	-	2,910	456	1,277,040
	<u>69,780</u>	<u>-</u>	<u>6,983,963</u>	<u>456</u>	<u>1,277,040</u>
Excess (deficiency) of revenues over expenses before operating transfers	8,074,933	-	(6,945,635)	265,231	(1,277,040)
Operating transfers in (out), net	1,272,821	76,618	6,959,824	-	1,277,040
Excess (deficiency) of revenues over expenses	9,347,754	76,618	14,189	265,231	-
Retained earnings at beginning of year	511,504	-	(593,160)	4,623,159	-
Residual equity transfers in (out), net	-	-	-	-	-
Retained earnings at end of year	<u>\$ 9,859,258</u>	<u>76,618</u>	<u>(578,971)</u>	<u>4,888,390</u>	<u>-</u>

See accompanying notes to financial statements.

Trusted Fund
1998 Fresh Water Fund

<u>Fund</u> <u>Total</u>	<u>Group</u> <u>Total</u>
446,545	14,348,670
<u>8,002,183</u>	<u>12,740,677</u>
8,448,728	27,089,347
6,981,053	11,398,620
64,456	112,141
<u>1,285,730</u>	<u>1,398,767</u>
<u>8,331,239</u>	<u>12,909,528</u>
117,489	14,179,819
<u>9,586,303</u>	<u>12,915,479</u>
9,703,792	27,095,298
4,541,503	237,234,863
-	(4,460,884)
<u>14,245,295</u>	<u>259,869,277</u>

**OHIO WATER DEVELOPMENT AUTHORITY
FRESH WATER GROUP**

Schedule of Combining Statements of Cash Flows

Year ended December 31, 1999

	Trusteed Fund		Fund Total
	Construction	Revenue	
Operating activities:			
Operating expenses	\$ (27)	(21,541)	(21,568)
Net cash provided (used) by operating activities	(27)	(21,541)	(21,568)
Investing activities:			
Proceeds from maturity or sale of investments	6,909,177	10,531,424	17,440,601
Purchase of investments	(7,261,140)	(10,269,716)	(17,530,856)
Interest received on investments, net of purchased interest	1,448,962	166,384	1,615,346
Interest received on projects	92,376	5,997,041	6,089,417
Principal collected on projects	250,300	2,676,464	2,926,764
Payment for construction of projects	(408,274)	-	(408,274)
Net cash provided (used) by investing activities	1,031,401	9,101,597	10,132,998
Noncapital financing activities:			
Interest paid on bonds and notes, net of purchased interest	-	-	-
Redemption of bonds and notes	-	-	-
Other	-	(4,893)	(4,893)
Transfers to/from other funds	(1,031,374)	(10,519,924)	(11,551,298)
Net cash provided (used) by noncapital financing activities	(1,031,374)	(10,524,817)	(11,556,191)
Net increase (decrease) in cash and cash equivalents	-	(1,444,761)	(1,444,761)
Cash and cash equivalents at beginning of period	-	1,607,615	1,607,615
Cash and cash equivalents at end of period	\$ -	162,854	162,854
Reconciliation to net cash provided (used) by operating activities:			
Excess (deficiency) of revenues over expenses before operating transfers	8,815,307	143,607	8,958,914
Adjustments:			
Investment income	(1,464,642)	(165,148)	(1,629,790)
Operating expenses	43,859	-	43,859
Interest on bonds and notes	-	-	-
Loan Income	(7,394,551)	-	(7,394,551)
Amortization of bond issuance cost	-	-	-
Net cash provided (used) by operating activities	\$ (27)	(21,541)	(21,568)

Trusteed Fund

1995 Fresh Water Fund

Construction	Revenue	Debt Service	Debt Service Reserve	Cross Collateralization	Surplus	Rebate	Fund Total
(70)	(37,729)	(2,343)	(482)	(4,278)	(284)	(2,424)	(47,610)
(70)	(37,729)	(2,343)	(482)	(4,278)	(284)	(2,424)	(47,610)
31,990,484	9,901,219	7,744,732	-	177,825,634	48,204,480	-	275,666,549
(16,326,280)	(8,755,112)	(7,731,789)	(319,572)	(191,863,272)	(47,178,263)	(27,879)	(272,202,167)
1,473,112	155,075	30,183	320,054	662,567	760,398	30,303	3,431,692
52,770	4,548,837	-	-	-	-	-	4,601,607
1,146,346	2,981,274	-	-	-	-	-	4,127,620
(19,367,736)	-	-	-	-	-	-	(19,367,736)
(1,031,304)	8,831,293	43,126	482	(13,375,071)	1,786,615	2,424	(3,742,435)
-	-	(4,471,572)	-	-	-	-	(4,471,572)
-	-	(3,260,000)	-	-	-	-	(3,260,000)
-	-	-	-	-	-	-	-
1,031,374	(9,910,393)	7,705,591	-	13,379,349	(1,786,331)	-	10,419,590
1,031,374	(9,910,393)	(25,981)	-	13,379,349	(1,786,331)	-	2,688,018
-	(1,116,829)	14,802	-	-	-	-	(1,102,027)
-	1,218,127	-	-	-	-	-	1,218,127
-	101,298	14,802	-	-	-	-	116,100
7,675,621	111,951	(4,389,770)	214,764	664,006	484,754	342,090	5,103,416
(1,215,802)	(149,680)	(30,140)	(215,246)	(668,284)	(485,038)	(344,514)	(3,108,704)
-	-	-	-	-	-	-	-
-	-	4,417,567	-	-	-	-	4,417,567
(6,507,574)	-	-	-	-	-	-	(6,507,574)
47,685	-	-	-	-	-	-	47,685
(70)	(37,729)	(2,343)	(482)	(4,278)	(284)	(2,424)	(47,610)

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
FRESH WATER GROUP**

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 1999

	Trusteed Fund 1998 Fresh Water Fund				
	Construction	Revenue	Debt Service	Debt Service Reserve	Rebate
Operating activities:					
Operating expenses	\$ (5,324)	-	(2,910)	(456)	-
Net cash provided (used) by operating activities	(5,324)	-	(2,910)	(456)	-
Investing activities:					
Proceeds from maturity or sale of investments	20,630,915	-	9,581,879	-	-
Purchase of investments	(10,854,416)	-	(9,587,063)	(264,084)	-
Interest received on investments, net of purchased interest	7,725,265	-	37,629	264,540	-
Interest received on projects	-	52,545	-	-	-
Principal collected on projects	-	24,073	-	-	-
Payment for construction of projects	(17,496,856)	-	-	-	-
Net cash provided (used) by investing activities	4,908	76,618	32,445	456	-
Noncapital financing activities:					
Interest paid on bonds and notes, net of purchased interest	-	-	(7,270,838)	-	-
Redemption of bonds and notes	-	-	(2,345,000)	-	-
Other	416	-	-	-	-
Transfers to/from other funds	-	-	9,586,303	-	-
Net cash provided (used) by noncapital financing activities	416	-	(29,535)	-	-
Net increase (decrease) in cash and cash equivalents	-	76,618	-	-	-
Cash and cash equivalents at beginning of period	-	-	-	-	-
Cash and cash equivalents at end of period	\$ -	76,618	-	-	-
Reconciliation to net cash provided (used) by operating activities					
Excess (deficiency) of revenues over expenses before operating transfers	8,074,933	-	(6,945,635)	265,231	(1,277,040)
Adjustments:					
Investment income	(7,698,168)	-	(38,328)	(265,687)	-
Operating expenses	-	-	-	-	1,277,040
Interest on bonds and notes	-	-	6,981,053	-	-
Loan Income	(446,545)	-	-	-	-
Amortization of bond issuance cost	64,456	-	-	-	-
Net cash provided (used) by operating activities	\$ (5,324)	-	(2,910)	(456)	-

See accompanying notes to financial statements.

Trusteed Fund
 1998 Fresh Water Fund

Fund Total	Group Total
(8,690)	(77,868)
(8,690)	(77,868)
30,212,794	323,319,944
(20,705,563)	(310,438,586)
8,027,434	13,074,472
52,545	10,743,569
24,073	7,078,457
(17,496,856)	(37,272,866)
114,427	6,504,990
(7,270,838)	(11,742,410)
(2,345,000)	(5,605,000)
416	(4,477)
9,586,303	8,454,595
(29,119)	(8,897,292)
76,618	(2,470,170)
-	2,825,742
76,618	355,572
117,489	14,179,819
(8,002,183)	(12,740,677)
1,277,040	1,320,899
6,981,053	11,398,620
(446,545)	(14,348,670)
64,456	112,141
(8,690)	(77,868)

**OHIO WATER DEVELOPMENT AUTHORITY
REFUNDING GROUP**

Schedule of Combining Balance Sheets

December 31, 1999

	<u>Assets</u>	<u>Trusteed Fund</u>		<u>Fund Total</u>
		<u>Construction</u>	<u>Revenue</u>	
Cash	\$ -	-	-	-
Investments	189,187	903,252	-	1,092,439
Receivables:				
Federal and local government authorities	65,246,357	-	-	65,246,357
Deferred bond and note issuance expense	1,215,315	-	-	1,215,315
Total assets	<u>\$ 66,650,859</u>	<u>903,252</u>	<u>-</u>	<u>67,554,111</u>
	<u>Liabilities and Retained Earnings</u>			
Accrued interest	-	-	-	-
Due to other funds	45,318	-	-	45,318
Water Development Revenue Refunding Bonds:				
1992 Clean Water Series, net of discount	64,573,414	-	-	64,573,414
Total liabilities	64,618,732	-	-	64,618,732
Retained earnings	2,032,127	903,252	-	2,935,379
Total liabilities and retained earnings	<u>\$ 66,650,859</u>	<u>903,252</u>	<u>-</u>	<u>67,554,111</u>

See accompanying notes to financial statements.

Trusteed Fund					
1992 Clean Water Refunding Fund					
Revenue	Debt Service	Debt Service Reserve	Surplus	Fund Total	Group Total
713,295	-	-	-	713,295	713,295
4,502,887	39,042	2,701,369	5,523,887	12,767,185	13,859,624
-	-	-	-	-	65,246,357
-	-	-	-	-	1,215,315
<u>5,216,182</u>	<u>39,042</u>	<u>2,701,369</u>	<u>5,523,887</u>	<u>13,480,480</u>	<u>81,034,591</u>
-	291,194	-	-	291,194	291,194
-	-	-	-	-	45,318
-	-	-	-	-	64,573,414
-	291,194	-	-	291,194	64,909,926
<u>5,216,182</u>	<u>(252,152)</u>	<u>2,701,369</u>	<u>5,523,887</u>	<u>13,189,286</u>	<u>16,124,665</u>
<u>5,216,182</u>	<u>39,042</u>	<u>2,701,369</u>	<u>5,523,887</u>	<u>13,480,480</u>	<u>81,034,591</u>

**OHIO WATER DEVELOPMENT AUTHORITY
REFUNDING GROUP**

Schedule of Combining Statements of Revenues,
Expenses and Changes in Retained Earnings

Year ended December 31, 1999

	Trusteed Fund		Fund Total
	1985 Refunding Fund		
	Construction	Revenue	
Revenues:			
Loan Income	\$ 4,875,500	-	4,875,500
Investment income	8,170	37,392	45,562
	<u>4,883,670</u>	<u>37,392</u>	<u>4,921,062</u>
Expenses:			
Interest on bonds and notes	65,141	-	65,141
Amortization of bond issuance expense	71,489	-	71,489
Operating expenses and other	-	-	-
	<u>136,630</u>	<u>-</u>	<u>136,630</u>
Excess (deficiency) of revenues over expenses before operating transfers	4,747,040	37,392	4,784,432
Operating transfers in (out), net	(3,245,589)	364,651	(2,880,938)
Excess (deficiency) of revenues over expenses	1,501,451	402,043	1,903,494
Retained earnings at beginning of year	530,676	501,209	1,031,885
Retained earnings at end of year	<u>\$ 2,032,127</u>	<u>903,252</u>	<u>2,935,379</u>

See accompanying notes to financial statements.

Trusteed Fund

1992 Clean Water Refunding Fund

Revenue	Debt Service	Debt Service Reserve	Surplus	Fund Total	Group Total
-	-	-	-	-	4,875,500
393,087	73,994	39,402	254,287	760,770	806,332
393,087	73,994	39,402	254,287	760,770	5,681,832
-	4,003,471	-	-	4,003,471	4,068,612
-	-	-	-	-	71,489
27,855	-	-	-	27,855	27,855
27,855	4,003,471	-	-	4,031,326	4,167,956
365,232	(3,929,477)	39,402	254,287	(3,270,556)	1,513,876
(1,502,931)	3,992,169	(155,253)	1,933	2,335,918	(545,020)
(1,137,699)	62,692	(115,851)	256,220	(934,638)	968,856
6,353,881	(314,844)	2,817,220	5,267,667	14,123,924	15,155,809
5,216,182	(252,152)	2,701,369	5,523,887	13,189,286	16,124,665

**OHIO WATER DEVELOPMENT AUTHORITY
REFUNDING GROUP**

Schedule of Combining Statements of Cash Flows

Year ended December 31, 1999

	Trusteed Fund		
	1985 Refunding Fund		
	Construction	Revenue	Fund Total
Operating activities:			
Operating expenses	\$ -	-	-
Net cash provided (used) by operating activities	-	-	-
Investing activities:			
Proceeds from maturity or sale of investments	-	158,964	158,964
Purchase of investments	(7,172)	(563,001)	(570,173)
Interest received on investments, net of purchased interest	7,172	37,611	44,783
Interest received on projects	-	39,576	39,576
Principal collected on projects	-	511,034	511,034
Net cash provided (used) by investing activities	-	184,184	184,184
Noncapital financing activities:			
Interest paid on bonds and notes, net of purchased interest	-	-	-
Redemption of bonds and notes	-	-	-
Transfers to/from other funds	-	(185,959)	(185,959)
Net cash provided (used) by noncapital financing activities	-	(185,959)	(185,959)
Net increase (decrease) in cash and cash equivalents	-	(1,775)	(1,775)
Cash and cash equivalents at beginning of period	-	1,775	1,775
Cash and cash equivalents at end of period	\$ -	-	-
Reconciliation to net cash provided (used) by operating activities:			
Excess (deficiency) of revenues over expenses before operating transfers	4,747,040	37,392	4,784,432
Adjustments:			
Investment income	(8,170)	(37,392)	(45,562)
Interest on bonds and notes	65,141	-	65,141
Loan Income	(4,875,500)	-	(4,875,500)
Amortization of bond issuance cost	71,489	-	71,489
Net cash provided (used) by operating activities	\$ -	-	-

See accompanying notes to financial statements.

Trusteed Fund

1992 Clean Water Refunding Fund

Revenue	Debt Service	Debt Service Reserve	Surplus	Fund Total	Group Total
(27,855)	-	-	-	(27,855)	(27,855)
(27,855)	-	-	-	(27,855)	(27,855)
67,002,697	28,870,426	5,531,440	13,224,151	114,628,714	114,787,678
(66,742,864)	(28,870,997)	(5,557,794)	(13,478,339)	(114,649,994)	(115,220,167)
394,060	75,227	181,607	252,255	903,149	947,932
5,178,402	-	-	-	5,178,402	5,217,978
14,675,645	-	-	-	14,675,645	15,186,679
20,507,940	74,656	155,253	(1,933)	20,735,916	20,920,100
-	(4,066,825)	-	-	(4,066,825)	(4,066,825)
-	(15,205,000)	-	-	(15,205,000)	(15,205,000)
(21,356,978)	19,197,169	(155,253)	1,933	(2,313,129)	(2,499,088)
(21,356,978)	(74,656)	(155,253)	1,933	(21,584,954)	(21,770,913)
(876,893)	-	-	-	(876,893)	(878,668)
1,590,188	-	-	-	1,590,188	1,591,963
713,295	-	-	-	713,295	713,295
365,232	(3,929,477)	39,402	254,287	(3,270,556)	1,513,876
(393,087)	(73,994)	(39,402)	(254,287)	(760,770)	(806,332)
-	4,003,471	-	-	4,003,471	4,068,612
-	-	-	-	-	(4,875,500)
-	-	-	-	-	71,489
(27,855)	-	-	-	(27,855)	(27,855)

**OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING GROUP**

Schedule of Combining Balance Sheets

December 31, 1999

	Trusted Fund Safe Water Refunding Fund
<u>Assets</u>	<u>Construction</u>
Cash	\$ -
Investments	-
Receivables:	
Federal and local government authorities	149,602,422
Due from other funds	45,319
Deferred bond and note issuance expense	1,605,900
Total assets	\$ 151,253,641
<u>Liabilities and Retained Earnings</u>	
Accrued interest	-
Accounts Payable	-
Due to other funds	-
Water Development Revenue Refunding Bonds:	
Safe Water Refunding 1987 Series A & B, net of discount	46,110,750
1992 Safe Water Series, net of discount	48,863,258
1997 Safe Water Series, net of loss and premium	71,461,392
Total liabilities	166,435,400
Retained earnings	(15,181,759)
Total liabilities and retained earnings	\$ 151,253,641

Trusteed Fund

Safe Water Refunding 1987 Series A & B Fund

Revenue	Debt Service	Debt Service Reserve	Rebate	Surplus	Fund Total
8,603	-	-	-	-	8,603
1,506,095	8,746	3,358,485	49,297	1,881,481	6,804,104
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,514,698</u>	<u>8,746</u>	<u>3,358,485</u>	<u>49,297</u>	<u>1,881,481</u>	<u>6,812,707</u>
-	229,725	-	-	-	229,725
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	229,725	-	-	-	229,725
1,514,698	(220,979)	3,358,485	49,297	1,881,481	6,582,982
<u>1,514,698</u>	<u>8,746</u>	<u>3,358,485</u>	<u>49,297</u>	<u>1,881,481</u>	<u>6,812,707</u>

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING GROUP

Schedule of Combining Balance Sheets, Continued

December 31, 1999

		Trusteed Fund				
		1992 Safe Water Refunding Fund				
<u>Assets</u>	Revenue	Debt Service	Debt Service Reserve	Surplus	Fund Total	
Cash	\$ 30,593	-	-	-	30,593	
Investments	5,383,595	32,787	4,067,767	4,988,913	14,473,062	
Receivables:						
Federal and local government authorities	-	-	-	-	-	
Due from other funds	-	-	-	-	-	
Deferred bond and note issuance expense	-	-	-	-	-	
Total assets	<u>\$ 5,414,188</u>	<u>32,787</u>	<u>4,067,767</u>	<u>4,988,913</u>	<u>14,503,655</u>	
<u>Liabilities and Retained Earnings</u>						
Accrued interest	-	34,913	-	-	34,913	
Accounts Payable	-	-	-	-	-	
Due to other funds	-	-	-	-	-	
Water Development Revenue Refunding Bonds:						
Safe Water Refunding 1987 Series A & B, net of discount	-	-	-	-	-	
1992 Safe Water Series, net of discount	-	-	-	-	-	
1997 Safe Water Series, net of loss and premium	-	-	-	-	-	
Total liabilities	-	34,913	-	-	34,913	
Retained earnings	5,414,188	(2,126)	4,067,767	4,988,913	14,468,742	
Total liabilities and retained earnings	<u>\$ 5,414,188</u>	<u>32,787</u>	<u>4,067,767</u>	<u>4,988,913</u>	<u>14,503,655</u>	

See accompanying notes to financial statements.

Trusteed Fund						
1997 Safe Water Refunding Fund						
Revenue	Debt Service	Debt Service Reserve	Surplus	Rebate	Fund Total	Group Total
8,604	-	-	-	-	8,604	47,800
1,514,071	8,644	3,431,861	1,396,064	120,375	6,471,015	27,748,181
-	-	-	-	-	-	149,602,422
-	-	-	-	60,545	60,545	105,864
-	-	-	-	-	-	1,605,900
<u>1,522,675</u>	<u>8,644</u>	<u>3,431,861</u>	<u>1,396,064</u>	<u>180,920</u>	<u>6,540,164</u>	<u>179,110,167</u>
-	328,244	-	-	-	328,244	592,882
-	-	-	-	180,920	180,920	180,920
-	-	-	60,545	-	60,545	60,545
-	-	-	-	-	-	46,110,750
-	-	-	-	-	-	48,863,258
-	-	-	-	-	-	71,461,392
-	328,244	-	60,545	180,920	569,709	167,269,747
<u>1,522,675</u>	<u>(319,600)</u>	<u>3,431,861</u>	<u>1,335,519</u>	<u>-</u>	<u>5,970,455</u>	<u>11,840,420</u>
<u>1,522,675</u>	<u>8,644</u>	<u>3,431,861</u>	<u>1,396,064</u>	<u>180,920</u>	<u>6,540,164</u>	<u>179,110,167</u>

OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING GROUP

Schedule of Combining Statements of Revenues,
Expenses and Changes in Retained Earnings

Year ended December 31, 1999

		Trusteed Fund
		<u>Safe Water Refunding Fund</u>
		<u>Construction</u>
Revenues:		
Loan Income	\$	16,413,696
Investment income		-
		<u>16,413,696</u>
Expenses:		
Interest on bonds and notes		555,633
Amortization of bond issuance expense		211,293
Operating expenses and other		-
		<u>766,926</u>
Excess (deficiency) of revenues over expenses before operating transfers		15,646,770
Operating transfers in (out), net		<u>(12,552,024)</u>
Excess (deficiency) of revenues over expenses		3,094,746
Retained earnings at beginning of year		<u>(18,276,505)</u>
Retained earnings at end of year	\$	<u><u>(15,181,759)</u></u>

Trusteed Fund

Safe Water Refunding 1987 Series A & B Fund

Revenue	Debt Service	Debt Service Reserve	Rebate	Surplus	Fund Total
-	-	-	-	-	-
92,901	17,294	70,423	2,048	123,408	306,074
92,901	17,294	70,423	2,048	123,408	306,074
-	2,836,543	-	-	-	2,836,543
-	-	-	-	-	-
7,686	-	-	-	-	7,686
7,686	2,836,543	-	-	-	2,844,229
85,215	(2,819,249)	70,423	2,048	123,408	(2,538,155)
(40,933)	2,828,408	(207,085)	-	(992,854)	1,587,536
44,282	9,159	(136,662)	2,048	(869,446)	(950,619)
1,470,416	(230,138)	3,495,147	47,249	2,750,927	7,533,601
1,514,698	(220,979)	3,358,485	49,297	1,881,481	6,582,982

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING GROUP

Schedule of Combining Statements of Revenues,
Expenses and Changes in Retained Earnings, Continued

Year ended December 31, 1999

	Trusteed Fund				Fund Total
	1992 Safe Water Refunding Fund				
	Revenue	Debt Service	Debt Service Reserve	Surplus	
Revenues:					
Loan Income	\$ -	-	-	-	-
Investment income	335,687	63,109	84,380	247,604	730,780
	<u>335,687</u>	<u>63,109</u>	<u>84,380</u>	<u>247,604</u>	<u>730,780</u>
Expenses:					
Interest on bonds and notes	-	3,181,536	-	-	3,181,536
Amortization of bond issuance expense	-	-	-	-	-
Operating expenses and other	708	-	-	-	708
	<u>708</u>	<u>3,181,536</u>	<u>-</u>	<u>-</u>	<u>3,182,244</u>
Excess (deficiency) of revenues over expenses before operating transfers	334,979	(3,118,427)	84,380	247,604	(2,451,464)
Operating transfers in (out), net	(230,881)	3,182,712	(251,712)	(415,366)	2,284,753
Excess (deficiency) of revenues over expenses	104,098	64,285	(167,332)	(167,762)	(166,711)
Retained earnings at beginning of year	5,310,090	(66,411)	4,235,099	5,156,675	14,635,453
Retained earnings at end of year	<u>\$ 5,414,188</u>	<u>(2,126)</u>	<u>4,067,767</u>	<u>4,988,913</u>	<u>14,468,742</u>

See accompanying notes to financial statements.

Trusteed Fund

1997 Safe Water Refunding Fund

Revenue	Debt Service	Debt Service Reserve	Surplus	Rebate	Fund Total	Group Total
-	-	-	-	-	-	16,413,696
89,845	16,197	48,087	114,800	78	269,007	1,305,861
89,845	16,197	48,087	114,800	78	269,007	17,719,557
-	3,954,225	-	-	-	3,954,225	10,527,937
-	-	-	-	-	-	211,293
-	-	-	-	60,623	60,623	69,017
-	3,954,225	-	-	60,623	4,014,848	10,808,247
89,845	(3,938,028)	48,087	114,800	(60,545)	(3,745,841)	6,911,310
65,195	3,940,316	(116,974)	(1,360,814)	60,545	2,588,268	(6,091,467)
155,040	2,288	(68,887)	(1,246,014)	-	(1,157,573)	819,843
1,367,635	(321,888)	3,500,748	2,581,533	-	7,128,028	11,020,577
1,522,675	(319,600)	3,431,861	1,335,519	-	5,970,455	11,840,420

**OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING GROUP**

Schedule of Combining Statements of Cash Flows

Year ended December 31, 1999

	Trusteed Fund
	Safe Water Refunding Fund
	Construction
Operating activities:	
Operating expenses	\$ -
Net cash provided (used) by operating activities	-
Investing activities:	
Proceeds from maturity or sale of investments	-
Purchase of investments	-
Interest received on investments, net of purchased interest	-
Interest received on projects	-
Principal collected on projects	-
Net cash provided (used) by investing activities	-
Noncapital financing activities:	
Redemption of bonds and notes	-
Interest paid on bonds and notes, net of purchased interest	-
Transfers to/from other funds	-
Net cash provided (used) by noncapital financing activities	-
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	\$ -
Reconciliation to net cash provided (used) by operating activities:	
Excess (deficiency) of revenues over expenses before operating transfers	15,646,770
Adjustments:	
Investment income	-
Operating expenses	-
Interest on bonds and notes	555,633
Loan Income	(16,413,696)
Amortization of bond issuance cost	211,293
Net cash provided (used) by operating activities	\$ -

Trusteed Fund

Safe Water Refunding 1987 Series A & B Fund

Revenue	Debt Service	Debt Service Reserve	Rebate	Surplus	Fund Total
(7,686)	-	-	-	-	(7,686)
(7,686)	-	-	-	-	(7,686)
16,087,570	7,102,530	104,335	-	5,605,436	28,899,871
(17,048,124)	(7,101,981)	(104,302)	(2,013)	(4,738,811)	(28,995,231)
92,557	17,508	207,052	2,013	126,229	445,359
3,061,316	-	-	-	-	3,061,316
2,103,258	-	-	-	-	2,103,258
4,296,577	18,057	207,085	-	992,854	5,514,573
-	(1,890,000)	-	-	-	(1,890,000)
-	(2,846,465)	-	-	-	(2,846,465)
(5,205,507)	4,718,408	(207,085)	-	(992,854)	(1,687,038)
(5,205,507)	(18,057)	(207,085)	-	(992,854)	(6,423,503)
(916,616)	-	-	-	-	(916,616)
925,219	-	-	-	-	925,219
8,603	-	-	-	-	8,603
85,215	(2,819,249)	70,423	2,048	123,408	(2,538,155)
(92,901)	(17,294)	(70,423)	(2,048)	(123,408)	(306,074)
-	-	-	-	-	-
-	2,836,543	-	-	-	2,836,543
-	-	-	-	-	-
-	-	-	-	-	-
(7,686)	-	-	-	-	(7,686)

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING GROUP

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 1999

	Trusteed Fund		
	1992 Safe Water Refunding Fund		
	Revenue	Debt Service	Debt Service Reserve
Operating activities:			
Operating expenses	\$ (708)	-	-
Net cash provided (used) by operating activities	(708)	-	-
Investing activities:			
Proceeds from maturity or sale of investments	57,298,246	25,054,103	251,712
Purchase of investments	(60,894,960)	(25,054,929)	(251,659)
Interest received on investments, net of purchased interest	334,606	65,130	251,659
Interest received on projects	10,842,418	-	-
Principal collected on projects	7,449,213	-	-
Net cash provided (used) by investing activities	15,029,523	64,304	251,712
Noncapital financing activities:			
Redemption of bonds and notes	-	(15,715,000)	-
Interest paid on bonds and notes, net of purchased interest	-	(1,010,703)	-
Transfers to/from other funds	(18,522,512)	16,661,399	(251,712)
Net cash provided (used) by noncapital financing activities	(18,522,512)	(64,304)	(251,712)
Net increase (decrease) in cash and cash equivalents	(3,493,697)	-	-
Cash and cash equivalents at beginning of period	3,524,290	-	-
Cash and cash equivalents at end of period	\$ 30,593	-	-
Reconciliation to net cash provided (used) by operating activities:			
Excess (deficiency) of revenues over expenses before operating transfers	334,979	(3,118,427)	84,380
Adjustments:			
Investment income	(335,687)	(63,109)	(84,380)
Operating expenses	-	-	-
Interest on bonds and notes	-	3,181,536	-
Loan Income	-	-	-
Amortization of bond issuance cost	-	-	-
Net cash provided (used) by operating activities	\$ (708)	-	-

Trusteed Fund
1992 Safe Water Refunding Fund

<u>Surplus</u>	<u>Fund Total</u>
-	(708)
-	(708)
10,519,841	93,123,902
(10,350,584)	(96,552,132)
246,109	897,504
-	10,842,418
-	7,449,213
415,366	15,760,905
-	(15,715,000)
-	(1,010,703)
(415,366)	(2,528,191)
(415,366)	(19,253,894)
-	(3,493,697)
-	3,524,290
-	30,593
247,604	(2,451,464)
(247,604)	(730,780)
-	-
-	3,181,536
-	-
-	-
-	(708)

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING GROUP**

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 1999

	Trusteed Fund	
	1997 Safe Water Refunding Fund	
	Revenue	Debt Service
Operating activities:		
Operating expenses	\$ -	-
Net cash provided (used) by operating activities	-	-
Investing activities:		
Proceeds from maturity or sale of investments	15,276,115	6,529,560
Purchase of investments	(16,294,741)	(6,530,376)
Interest received on investments, net of purchased interest	89,365	16,325
Interest received on projects	2,930,871	-
Principal collected on projects	2,013,636	-
Net cash provided (used) by investing activities	4,015,246	15,509
Noncapital financing activities:		
Redemption of bonds and notes	-	(480,000)
Interest paid on bonds and notes, net of purchased interest	-	(3,955,825)
Transfers to/from other funds	(4,879,312)	4,420,316
Net cash provided (used) by noncapital financing activities	(4,879,312)	(15,509)
Net increase (decrease) in cash and cash equivalents	(864,066)	-
Cash and cash equivalents at beginning of period	872,670	-
Cash and cash equivalents at end of period	\$ 8,604	-
Reconciliation to net cash provided (used) by operating activities:		
Excess (deficiency) of revenues over expenses before operating transfers	89,845	(3,938,028)
Adjustments:		
Investment income	(89,845)	(16,197)
Operating expenses	-	-
Interest on bonds and notes	-	3,954,225
Loan Income	-	-
Amortization of bond issuance cost	-	-
Net cash provided (used) by operating activities	\$ -	-

See accompanying notes to financial statements.

Trusteed Fund				
1997 Safe Water Refunding Fund				
Debt Service Reserve	Surplus	Rebate	Fund Total	Group Total
-	-	-	-	(8,394)
-	-	-	-	(8,394)
6,034,641	5,261,902	-	33,102,218	155,125,991
(6,151,907)	(4,079,125)	(120,297)	(33,176,446)	(158,723,809)
234,240	117,492	-	457,422	1,800,285
-	-	-	2,930,871	16,834,605
-	-	-	2,013,636	11,566,107
116,974	1,300,269	(120,297)	5,327,701	26,603,179
-	-	-	(480,000)	(18,085,000)
-	-	-	(3,955,825)	(7,812,993)
(116,974)	(1,300,269)	120,297	(1,755,942)	(5,971,171)
(116,974)	(1,300,269)	120,297	(6,191,767)	(31,869,164)
-	-	-	(864,066)	(5,274,379)
-	-	-	872,670	5,322,179
-	-	-	8,604	47,800
48,087	114,800	(60,545)	(3,745,841)	6,911,310
(48,087)	(114,800)	(78)	(269,007)	(1,305,861)
-	-	60,623	60,623	60,623
-	-	-	3,954,225	10,527,937
-	-	-	-	(16,413,696)
-	-	-	-	211,293
-	-	-	-	(8,394)

**OHIO WATER DEVELOPMENT AUTHORITY
PURE WATER REFUNDING FUND**

Schedule of Combining Balance Sheets

December 31, 1999

	<u>Assets</u>	<u>Trusteed Fund</u>		
		<u>Pure Water Refunding Fund</u>		
		<u>Construction</u>	<u>Revenue</u>	<u>Debt Service</u>
Cash		\$ -	616,742	-
Investments		1,977,839	20,003,417	98,987
Receivables:				
Federal and local government authorities		359,572,356	-	-
Due from other funds		3,764	-	-
Deferred bond and note issuance expense		5,404,954	-	-
Total assets		<u>\$ 366,958,913</u>	<u>20,620,159</u>	<u>98,987</u>
	<u>Liabilities and Retained Earnings</u>			
Accrued interest		-	-	1,727,010
Due to other funds		-	10,822	-
Water Development Revenue Refunding Bonds:				
Pure Water Refunding and Improvement Series, net of discount		356,243,876	-	-
Total liabilities		<u>356,243,876</u>	<u>10,822</u>	<u>1,727,010</u>
Retained earnings		10,715,037	20,609,337	(1,628,023)
Total liabilities and retained earnings		<u>\$ 366,958,913</u>	<u>20,620,159</u>	<u>98,987</u>

See accompanying notes to financial statements.

Trusteed Fund

Pure Water Refunding Fund

Debt Service Reserve	Surplus	Other Projects	Rebate	Fund Total
-	-	-	-	616,742
22,219,490	13,767,606	9,287,107	2,661,934	70,016,380
-	-	2,373,359	-	361,945,715
-	-	2,993,244	-	2,997,008
-	-	148,070	-	5,553,024
<u>22,219,490</u>	<u>13,767,606</u>	<u>14,801,780</u>	<u>2,661,934</u>	<u>441,128,869</u>
-	-	-	-	1,727,010
-	-	-	-	10,822
-	-	-	-	356,243,876
-	-	-	-	357,981,708
22,219,490	13,767,606	14,801,780	2,661,934	83,147,161
<u>22,219,490</u>	<u>13,767,606</u>	<u>14,801,780</u>	<u>2,661,934</u>	<u>441,128,869</u>

OHIO WATER DEVELOPMENT AUTHORITY
PURE WATER REFUNDING FUND

Schedule of Combining Statements of Revenues,
Expenses and Changes in Retained Earnings

Year ended December 31, 1999

	Trusteed Fund		
	Pure Water Refunding Fund		
	Construction	Revenue	Debt Service
Revenues:			
Loan Income	\$ 28,954,648	-	-
Investment income	770,397	1,123,655	191,300
	<u>29,725,045</u>	<u>1,123,655</u>	<u>191,300</u>
Expenses:			
Interest on bonds and notes	634,280	-	22,404,956
Amortization of bond issuance expense	332,408	-	-
Operating expenses and other	92,913	30,547	319
	<u>1,059,601</u>	<u>30,547</u>	<u>22,405,275</u>
Excess (deficiency) of revenues over expenses before <i>non-operating revenues and operating transfers</i>	28,665,444	1,093,108	(22,213,975)
Other	(1,241,833)	-	-
Operating transfers in (out), net	(24,634,762)	(2,127,930)	22,491,874
Excess (deficiency) of revenues over expenses	2,788,849	(1,034,822)	277,899
Retained earnings at beginning of year	7,926,188	21,644,159	(1,905,922)
Retained earnings at end of year	<u>\$ 10,715,037</u>	<u>20,609,337</u>	<u>(1,628,023)</u>

See accompanying notes to financial statements.

Trusteed Fund

Pure Water Refunding Fund

Debt Service Reserve	Surplus	Other Projects	Rebate	Fund Total
-	-	160,663	-	29,115,311
1,659,395	504,388	563,918	128,484	4,941,537
1,659,395	504,388	724,581	128,484	34,056,848
-	-	-	-	23,039,236
-	-	-	-	332,408
-	807	570	31	125,187
-	807	570	31	23,496,831
1,659,395	503,581	724,011	128,453	10,560,017
-	-	-	-	(1,241,833)
(4,068,839)	2,155,241	5,405,540	-	(778,876)
(2,409,444)	2,658,822	6,129,551	128,453	8,539,308
24,628,934	11,108,784	8,672,229	2,533,481	74,607,853
22,219,490	13,767,606	14,801,780	2,661,934	83,147,161

**OHIO WATER DEVELOPMENT AUTHORITY
PURE WATER REFUNDING FUND**

Schedule of Combining Statements of Cash Flows

Year ended December 31, 1999

	Trusteed Fund	
	Pure Water Refunding Fund	
	Construction	Revenue
Operating activities:		
Operating expenses	\$ (92,913)	(30,547)
Net cash provided (used) by operating activities	(92,913)	(30,547)
Investing activities:		
Proceeds from maturity or sale of investments	26,514,180	175,799,133
Purchase of investments	(1,706,760)	(176,861,363)
Interest received on investments, net of purchased interest	875,164	1,166,076
Interest received on projects	68,004	29,081,540
Principal collected on projects	341,388	19,389,277
Net cash provided (used) by investing activities	26,091,976	48,574,663
Noncapital financing activities:		
Interest paid on bonds and notes, net of purchased interest	(829,063)	-
Redemption of bonds and notes	(25,170,000)	-
Other	-	10,822
Transfers to/from other funds	-	(50,598,747)
Net cash provided (used) by noncapital financing activities	(25,999,063)	(50,587,925)
Net increase (decrease) in cash and cash equivalents	-	(2,043,809)
Cash and cash equivalents at beginning of period	-	2,660,551
Cash and cash equivalents at end of period	\$ -	616,742
Reconciliation to net cash provided (used) by operating activities:		
Excess (deficiency) of revenues over expenses before non-operating revenues and operating transfers	28,665,444	1,093,108
Adjustments:		
Investment income	(770,397)	(1,123,655)
Interest on bonds and notes	634,280	-
Loan Income	(28,954,648)	-
Amortization of bond issuance cost	332,408	-
Net cash provided (used) by operating activities	\$ (92,913)	(30,547)

See accompanying notes to financial statements.

Trusteed Fund

Pure Water Refunding Fund

Debt Service	Debt Service Reserve	Surplus	Other Projects	Rebate	Fund Total
(319)	-	(807)	(570)	(31)	(125,187)
(319)	-	(807)	(570)	(31)	(125,187)
95,389,787	15,391,237	49,808,872	6,787,323	134,684,015	504,374,547
(95,437,293)	(13,004,705)	(52,529,983)	(9,832,582)	(134,810,923)	(484,183,609)
190,974	1,682,307	566,677	534,026	126,939	5,142,163
-	-	-	139,958	-	29,289,502
-	-	-	254,372	-	19,985,037
143,468	4,068,839	(2,154,434)	(2,116,903)	31	74,607,640
(22,421,078)	-	-	-	-	(23,250,141)
(24,050,000)	-	-	-	-	(49,220,000)
-	-	-	(3,000,000)	-	(2,989,178)
46,327,929	(4,068,839)	2,155,241	5,117,473	-	(1,066,943)
(143,149)	(4,068,839)	2,155,241	2,117,473	-	(76,526,262)
-	-	-	-	-	(2,043,809)
-	-	-	-	-	2,660,551
-	-	-	-	-	616,742
(22,213,975)	1,659,395	503,581	724,011	128,453	10,560,017
(191,300)	(1,659,395)	(504,388)	(563,918)	(128,484)	(4,941,537)
22,404,956	-	-	-	-	23,039,236
-	-	-	(160,663)	-	(29,115,311)
-	-	-	-	-	332,408
(319)	-	(807)	(570)	(31)	(125,187)

**OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN GROUP**

Schedule of Combining Balance Sheets

December 31, 1999

	Trusteed Fund		
	Water Pollution Control Loan Fund		
<u>Assets</u>	State Match	Capitalization Grant	Water Quality
Cash	\$ -		-
Investments	3,213,130	5,347,408	-
Receivables:			
Federal and local government authorities	168,958,857	590,587,176	249,173,535
Deferred bond and note issuance expense	-	-	-
Due from other funds	-	-	-
Total assets	<u>\$ 172,171,987</u>	<u>595,934,584</u>	<u>249,173,535</u>
<u>Liabilities and Retained Earnings</u>			
Accrued interest	-	-	-
Accounts payable	6,408	4,670,603	9,456,146
Retainages payable	581,412	1,800,523	2,079,238
Due to other funds	-	-	-
Water Pollution Control Loan Fund Revenue Bonds:			
State Match Series 1991, net of discount	-	-	-
State Match Series 1993, net of discount	-	-	-
State Match Series 1995, net of premium	-	-	-
Water Quality Series 1995, net of premium	-	-	-
Water Quality Series 1997, net of premium	-	-	-
Total liabilities	587,820	6,471,126	11,535,384
Retained earnings	171,584,167	589,463,458	237,638,151
Total liabilities and retained earnings	<u>\$ 172,171,987</u>	<u>595,934,584</u>	<u>249,173,535</u>

Trusteed Fund

Water Pollution Control Loan Fund

Principal Repayments	Interest Repayments	Other Projects	Surplus	Administration Repayments	Fund Total
375,470	336,643	2,259,224	-	15,416	2,986,753
11,969,129	35,518,782	51,857,995	33,947,136	6,103,068	147,956,648
-	-	26,117,384	-	-	1,034,836,952
-	-	-	-	-	-
2,587	133	-	-	-	2,720
<u>12,347,186</u>	<u>35,855,558</u>	<u>80,234,603</u>	<u>33,947,136</u>	<u>6,118,484</u>	<u>1,185,783,073</u>
-	-	-	-	-	-
-	-	368,689	-	-	14,501,846
-	-	9,910	-	-	4,471,083
-	-	3,437,269	-	2,720	3,439,989
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,815,868	-	2,720	22,412,918
<u>12,347,186</u>	<u>35,855,558</u>	<u>76,418,735</u>	<u>33,947,136</u>	<u>6,115,764</u>	<u>1,163,370,155</u>
<u>12,347,186</u>	<u>35,855,558</u>	<u>80,234,603</u>	<u>33,947,136</u>	<u>6,118,484</u>	<u>1,185,783,073</u>

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN GROUP**

Schedule of Combining Balance Sheets, Continued

December 31, 1999

<u>Assets</u>	Trusteed Fund			
	State Match Bond Proceeds Series 1991 Fund			
	Net Bond Proceeds	Debt Service	Debt Service Reserve	Fund Total
Cash	\$ -	-	-	-
Investments	2,842,380	34,166	2,302,201	5,178,747
Receivables:				
Federal and local government authorities	-	-	-	-
Deferred bond and note issuance expense	288,978	-	-	288,978
Due from other funds	-	-	-	-
Total assets	<u>\$ 3,131,358</u>	<u>34,166</u>	<u>2,302,201</u>	<u>5,467,725</u>
<u>Liabilities and Retained Earnings</u>				
Accrued interest	-	86,235	-	86,235
Accounts payable	-	-	-	-
Retainages payable	-	-	-	-
Due to other funds	-	-	-	-
Water Pollution Control Loan Fund Revenue Bonds:				
State Match Series 1991, net of discount	18,273,714	-	-	18,273,714
State Match Series 1993, net of discount	-	-	-	-
State Match Series 1995, net of premium	-	-	-	-
Water Quality Series 1995, net of premium	-	-	-	-
Water Quality Series 1997, net of premium	-	-	-	-
Total liabilities	<u>18,273,714</u>	<u>86,235</u>	<u>-</u>	<u>18,359,949</u>
Retained earnings	<u>(15,142,356)</u>	<u>(52,069)</u>	<u>2,302,201</u>	<u>(12,892,224)</u>
Total liabilities and retained earnings \$	<u>3,131,358</u>	<u>34,166</u>	<u>2,302,201</u>	<u>5,467,725</u>

Trusteed Fund

State Match Bond Proceeds Series 1993 Fund

Net Bond Proceeds	Debt Service	Debt Service Reserve	Fund Total
-	-	-	-
3,664,989	53,070	3,008,676	6,726,735
-	-	-	-
646,779	-	-	646,779
<u>4,311,768</u>	<u>53,070</u>	<u>3,008,676</u>	<u>7,373,514</u>
-	137,310	-	137,310
-	-	-	-
-	-	-	-
-	-	-	-
35,544,821	-	-	35,544,821
-	-	-	-
-	-	-	-
<u>35,544,821</u>	<u>137,310</u>	<u>-</u>	<u>35,682,131</u>
<u>(31,233,053)</u>	<u>(84,240)</u>	<u>3,008,676</u>	<u>(28,308,617)</u>
<u>4,311,768</u>	<u>53,070</u>	<u>3,008,676</u>	<u>7,373,514</u>

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN GROUP**

Schedule of Combining Balance Sheets, Continued

December 31, 1999

<u>Assets</u>	Trusteed Fund				Fund Total
	State Match Bond Proceeds Series 1995 Fund				
	Net Bond Proceeds	Debt Service	Debt Service Reserve	Rebate	
Cash	\$ -	-	-	-	-
Investments	2,150,321	100,305	5,200,313	706,353	8,157,292
Receivables:					
Federal and local government authorities	-	-	-	-	-
Deferred bond and note issuance expense	919,365	-	-	-	919,365
Due from other funds	-	-	-	391,130	391,130
Total assets	<u>\$ 3,069,686</u>	<u>100,305</u>	<u>5,200,313</u>	<u>1,097,483</u>	<u>9,467,787</u>
 <u>Liabilities and Retained Earnings</u>					
Accrued interest	-	322,251	-	-	322,251
Accounts payable	-	-	-	1,097,483	1,097,483
Retainages payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Water Pollution Control Loan Fund Revenue Bonds:					
State Match Series 1991, net of discount	-	-	-	-	-
State Match Series 1993, net of discount	-	-	-	-	-
State Match Series 1995, net of premium	70,300,663	-	-	-	70,300,663
Water Quality Series 1995, net of premium	-	-	-	-	-
Water Quality Series 1997, net of premium	-	-	-	-	-
Total liabilities	70,300,663	322,251	-	1,097,483	71,720,397
Retained earnings	(67,230,977)	(221,946)	5,200,313	-	(62,252,610)
Total liabilities and retained earnings \$	<u>3,069,686</u>	<u>100,305</u>	<u>5,200,313</u>	<u>1,097,483</u>	<u>9,467,787</u>

Trusteed Fund

Water Quality Bond Proceeds Series 1995 Fund

Net Bond Proceeds	Debt Service	Debt Service Reserve	Rebate	Cost of Issuance	Fund Total
-	-	-	-	-	-
23,362,347	149,930	12,202,685	198,112	5,479	35,918,553
-	-	-	-	-	-
2,052,736	-	-	-	-	2,052,736
-	-	-	46,139	-	46,139
<u>25,415,083</u>	<u>149,930</u>	<u>12,202,685</u>	<u>244,251</u>	<u>5,479</u>	<u>38,017,428</u>
-	925,268	-	-	-	925,268
-	-	-	244,251	-	244,251
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
204,849,765	-	-	-	-	204,849,765
-	-	-	-	-	-
204,849,765	925,268	-	244,251	-	206,019,284
(179,434,682)	(775,338)	12,202,685	-	5,479	(168,001,856)
<u>25,415,083</u>	<u>149,930</u>	<u>12,202,685</u>	<u>244,251</u>	<u>5,479</u>	<u>38,017,428</u>

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN GROUP**

Schedule of Combining Balance Sheets, Continued

December 31, 1999

		Trusteed Fund		
		Water Quality Bond Proceeds Series 1997 Fund		
		Net Bond Proceeds	Debt Service	Debt Service Reserve
	<u>Assets</u>			
Cash		\$ -	-	-
Investments		169,047,389	121,129	10,249,474
Receivables:				
Federal and local government authorities		-	-	-
Deferred bond and note issuance expense		2,083,144	-	-
Due from other funds		-	-	-
Total assets		\$ 171,130,533	121,129	10,249,474
<u>Liabilities and Retained Earnings</u>				
Accrued interest		-	877,022	-
Accounts payable		1,184,079	-	-
Retainages payable		-	-	-
Due to other funds		847,293	-	-
Water Pollution Control Loan Fund Revenue Bonds:				
State Match Series 1991, net of discount		-	-	-
State Match Series 1993, net of discount		-	-	-
State Match Series 1995, net of premium		-	-	-
Water Quality Series 1995, net of premium		-	-	-
Water Quality Series 1997, net of premium		205,461,094	-	-
Total liabilities		207,492,466	877,022	-
Retained earnings		(36,361,933)	(755,893)	10,249,474
Total liabilities and retained earnings		\$ 171,130,533	121,129	10,249,474

See accompanying notes to financial statements.

Trusted Fund

<u>Water Quality Bond Proceeds Series 1997 Fund</u>			
<u>Cost of Issuance</u>	<u>Rebate</u>	<u>Fund Total</u>	<u>Group Total</u>
-	1,184,079	1,184,079	4,170,832
109,662	-	179,527,654	383,465,629
-	-	-	1,034,836,952
-	-	2,083,144	5,991,002
-	847,293	847,293	1,287,282
<u>109,662</u>	<u>2,031,372</u>	<u>183,642,170</u>	<u>1,429,751,697</u>
-	-	877,022	2,348,086
-	2,031,372	3,215,451	19,059,031
-	-	-	4,471,083
-	-	847,293	4,287,282
-	-	-	18,273,714
-	-	-	35,544,821
-	-	-	70,300,663
-	-	-	204,849,765
-	-	205,461,094	205,461,094
-	2,031,372	210,400,860	564,595,539
109,662	-	(26,758,690)	865,156,158
<u>109,662</u>	<u>2,031,372</u>	<u>183,642,170</u>	<u>1,429,751,697</u>

**OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN GROUP**

Schedule of Combining Statements of Revenues,
Expenses and Changes in Retained Earnings

Year ended December 31, 1999

	Trusteed Fund		
	Water Pollution Control Loan Fund		
	State Match	Capitalization Grant	Water Quality
Revenues:			
Loan Income	\$ 7,148,475	23,823,222	7,961,281
Investment income	155,165	260,594	-
Contribution from U.S. EPA	-	60,497,504	-
	<u>7,303,640</u>	<u>84,581,320</u>	<u>7,961,281</u>
Expenses:			
Interest on bonds and notes	-	-	-
Amortization of bond issuance expense	-	-	-
Operating expenses and other	303,935	284,741	144,339
	<u>303,935</u>	<u>284,741</u>	<u>144,339</u>
Excess (deficiency) of revenues over expenses before operating transfers	6,999,705	84,296,579	7,816,942
Operating transfers in (out), net	(10,525,310)	(42,716,345)	49,929,964
Excess (deficiency) of revenues over expenses	(3,525,605)	41,580,234	57,746,906
Retained earnings at beginning of year	175,109,772	547,883,224	179,891,245
Retained earnings at end of year	<u>\$ 171,584,167</u>	<u>589,463,458</u>	<u>237,638,151</u>

Trusteed Fund

Water Pollution Control Loan Fund

Principal Repayments	Interest Repayments	Other Projects	Surplus	Administration Repayments	Fund Total
-	-	714,645	-	-	39,647,623
141,397	1,255,545	2,615,926	1,220,330	242,968	5,891,925
-	-	-	-	2,800,000	63,297,504
141,397	1,255,545	3,330,571	1,220,330	3,042,968	108,837,052
-	-	-	-	-	-
5,615	6,830	1,659	452	2,378,158	3,125,729
5,615	6,830	1,659	452	2,378,158	3,125,729
135,782	1,248,715	3,328,912	1,219,878	664,810	105,711,323
493,946	7,329,331	1,164,969	21,765,853	1,429,213	28,871,621
629,728	8,578,046	4,493,881	22,985,731	2,094,023	134,582,944
11,717,458	27,277,512	71,924,854	10,961,405	4,021,741	1,028,787,211
12,347,186	35,855,558	76,418,735	33,947,136	6,115,764	1,163,370,155

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN GROUP**

Schedule of Combining Statements of Revenues,
Expenses and Changes in Retained Earnings, Continued

Year ended December 31, 1999

	Trusteed Fund			
	State Match Bond Proceeds Series 1991 Fund			
	Net Bond Proceeds	Debt Service	Debt Service Reserve	Fund Total
Revenues:				
Loan Income	\$ -	-	-	-
Investment income	136,498	65,801	44,691	246,990
Contribution from U.S. EPA	-	-	-	-
	<u>136,498</u>	<u>65,801</u>	<u>44,691</u>	<u>246,990</u>
Expenses:				
Interest on bonds and notes	33,397	1,205,183	-	1,238,580
Amortization of bond issuance expense	24,082	-	-	24,082
Operating expenses and other	-	-	-	-
	<u>57,479</u>	<u>1,205,183</u>	<u>-</u>	<u>1,262,662</u>
Excess (deficiency) of revenues over expenses before operating transfers	79,019	(1,139,382)	44,691	(1,015,672)
Operating transfers in (out), net	<u>2,455,000</u>	<u>1,145,226</u>	<u>(135,472)</u>	<u>3,464,754</u>
Excess (deficiency) of revenues over expenses	2,534,019	5,844	(90,781)	2,449,082
Retained earnings at beginning of year	<u>(17,676,375)</u>	<u>(57,913)</u>	<u>2,392,982</u>	<u>(15,341,306)</u>
Retained earnings at end of year	<u>\$ (15,142,356)</u>	<u>(52,069)</u>	<u>2,302,201</u>	<u>(12,892,224)</u>

Trusteed Fund

State Match Bond Proceeds Series 1993 Fund			
Net Bond Proceeds	Debt Service	Debt Service Reserve	Fund Total
-	-	-	-
182,373	101,933	156,309	440,615
-	-	-	-
182,373	101,933	156,309	440,615
27,021	1,833,566	-	1,860,587
43,118	-	-	43,118
-	-	-	-
70,139	1,833,566	-	1,903,705
112,234	(1,731,633)	156,309	(1,463,090)
3,355,014	1,737,627	(155,632)	4,937,009
3,467,248	5,994	677	3,473,919
(34,700,301)	(90,234)	3,007,999	(31,782,536)
(31,233,053)	(84,240)	3,008,676	(28,308,617)

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN GROUP**

Schedule of Combining Statements of Revenues,
Expenses and Changes in Retained Earnings, Continued

Year ended December 31, 1999

	Trusteed Fund				Fund Total
	State Match Bond Proceeds Series 1995 Fund				
	Net Bond Proceeds	Debt Service	Debt Service Reserve	Rebate	
Revenues:					
Loan Income	\$ -	-	-	-	-
Investment income	154,698	193,794	318,638	29,348	696,478
Contribution from U.S. EPA	-	-	-	-	-
	<u>154,698</u>	<u>193,794</u>	<u>318,638</u>	<u>29,348</u>	<u>696,478</u>
Expenses:					
Interest on bonds and notes	-	3,930,740	-	-	3,930,740
Amortization of bond issuance expense	51,076	-	-	-	51,076
Operating expenses and other	-	-	-	86,438	86,438
	<u>51,076</u>	<u>3,930,740</u>	<u>-</u>	<u>86,438</u>	<u>4,068,254</u>
Excess (deficiency) of revenues over expenses before operating transfers	103,622	(3,736,946)	318,638	(57,090)	(3,371,776)
Operating transfers in (out), net	3,132,326	3,748,530	(319,532)	57,090	6,618,414
Excess (deficiency) of revenues over expenses	3,235,948	11,584	(894)	-	3,246,638
Retained earnings at beginning of year	(70,466,925)	(233,530)	5,201,207	-	(65,499,248)
Retained earnings at end of year	<u>\$ (67,230,977)</u>	<u>(221,946)</u>	<u>5,200,313</u>	<u>-</u>	<u>(62,252,610)</u>

Trusteed Fund

Water Quality Bond Proceeds Series 1995 Fund

Net Bond Proceeds	Debt Service	Debt Service Reserve	Rebate	Cost of Issuance	Fund Total
-	-	-	-	-	-
1,479,342	311,552	684,863	38,684	246	2,514,687
<u>1,479,342</u>	<u>311,552</u>	<u>684,863</u>	<u>38,684</u>	<u>246</u>	<u>2,514,687</u>
-	10,844,478	-	-	-	10,844,478
128,296	-	-	-	-	128,296
842	5	1,492	704	19	3,062
<u>129,138</u>	<u>10,844,483</u>	<u>1,492</u>	<u>704</u>	<u>19</u>	<u>10,975,836</u>
1,350,204	(10,532,931)	683,371	37,980	227	(8,461,149)
<u>(11,503,188)</u>	<u>10,667,020</u>	<u>(800,570)</u>	<u>(37,980)</u>	<u>-</u>	<u>(1,674,718)</u>
(10,152,984)	134,089	(117,199)	-	227	(10,135,867)
<u>(169,281,698)</u>	<u>(909,427)</u>	<u>12,319,884</u>	<u>-</u>	<u>5,252</u>	<u>(157,865,989)</u>
<u>(179,434,682)</u>	<u>(775,338)</u>	<u>12,202,685</u>	<u>-</u>	<u>5,479</u>	<u>(168,001,856)</u>

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN GROUP**

Schedule of Combining Statements of Revenues,
Expenses and Changes in Retained Earnings, Continued

Year ended December 31, 1999

	Trusteed Fund		
	Water Quality Bond Proceeds	Series 1997 Fund	Debt Service Reserve
Revenues:			
Loan Income	\$ -	-	-
Investment income	10,631,154	298,499	587,900
Contribution from U.S. EPA	-	-	-
	<u>10,631,154</u>	<u>298,499</u>	<u>587,900</u>
Expenses:			
Interest on bonds and notes	-	10,400,378	-
Amortization of bond issuance expense	106,828	-	-
Operating expenses and other	4,837	5	1,178
	<u>111,665</u>	<u>10,400,383</u>	<u>1,178</u>
Excess (deficiency) of revenues over expenses before operating transfers	10,519,489	(10,101,884)	586,722
Operating transfers in (out), net	(51,901,842)	10,207,929	(637,880)
Excess (deficiency) of revenues over expenses	(41,382,353)	106,045	(51,158)
Retained earnings at beginning of year	5,020,420	(861,938)	10,300,632
Retained earnings at end of year	<u>\$ (36,361,933)</u>	<u>(755,893)</u>	<u>10,249,474</u>

See accompanying notes to financial statements.

Trusteed Fund

Water Quality Bond Proceeds Series 1997 Fund			
Cost of Issuance	Rebate	Fund Total	Group Total
-	-	-	39,647,623
5,059	-	11,522,612	21,313,307
-	-	-	63,297,504
5,059	-	11,522,612	124,258,434
-	-	10,400,378	28,274,763
-	-	106,828	353,400
3,400	847,293	856,713	4,071,942
3,400	847,293	11,363,919	32,700,105
1,659	(847,293)	158,693	91,558,329
-	847,293	(41,484,500)	732,580
1,659	-	(41,325,807)	92,290,909
108,003	-	14,567,117	772,865,249
109,662	-	(26,758,690)	865,156,158

**OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN GROUP**

Schedule of Combining Statements of Cash Flows

Year ended December 31, 1999

	Trusteed Fund		
	Water Pollution Control Loan Fund		
	State Match	Capitalization Grant	Water Quality
Operating activities:			
Operating expenses	\$ (44)	(394)	-
Net cash provided (used) by operating activities	(44)	(394)	-
Investing activities:			
Proceeds from maturity or sale of investments	162,707,745	273,300,553	-
Purchase of investments	(162,861,323)	(273,558,210)	-
Interest received on investments, net of purchased interest	153,622	258,023	-
Interest received on projects	-	-	-
Principal collected on projects	-	-	-
Payment for construction of projects	(4,071,986)	(60,497,476)	(69,829,155)
Net cash provided (used) by investing activities	(4,071,942)	(60,497,110)	(69,829,155)
Noncapital financing activities:			
Interest paid on bonds and notes, net of purchased interest	-	-	-
Redemption of bonds and notes	-	-	-
Contribution from U.S. EPA	-	60,497,504	-
Other	-	-	-
Transfers to/from other funds	4,071,986	-	69,829,155
Net cash provided (used) by noncapital financing activities	4,071,986	60,497,504	69,829,155
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents at beginning of period	-	-	-
Cash and cash equivalents at end of period	\$ -	-	-
Reconciliation to net cash provided (used) by operating activities:			
Excess (deficiency) of revenues over expenses before operating transfers	6,999,705	84,296,579	7,816,942
Adjustments:			
Investment income	(155,165)	(260,594)	-
Operating expenses	303,891	284,347	144,339
Interest on bonds and notes	-	-	-
Loan Income	(7,148,475)	(23,823,222)	(7,961,281)
Amortization of bond issuance cost	-	-	-
Contribution from U.S. EPA	-	(60,497,504)	-
Net cash provided (used) by operating activities	\$ (44)	(394)	-

Trusteed Fund

Water Pollution Control Loan Fund

Principal Repayments	Interest Repayments	Other Projects	Surplus	Administration Repayments	Fund Total
(5,615)	(6,830)	(1,659)	(452)	(2,378,158)	(2,393,152)
(5,615)	(6,830)	(1,659)	(452)	(2,378,158)	(2,393,152)
165,936,183 (167,622,747)	1,292,499,491 (1,301,865,813)	2,539,708,737 (2,537,923,753)	1,234,398,257 (1,257,323,456)	246,559,033 (248,659,850)	5,915,109,999 (5,949,815,152)
134,488	1,193,859	2,607,825	1,159,797	236,435	5,744,049
-	31,214,325	255,886	-	1,419,034	32,889,245
44,634,964	-	411,400	-	-	45,046,364
-	-	(8,058,591)	(55,494)	-	(142,512,702)
43,082,888	23,041,862	(2,998,496)	(21,820,896)	(445,348)	(93,538,197)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,800,000	63,297,504
-	-	3,000,155	-	-	3,000,155
(44,141,022)	(23,884,993)	-	21,821,348	10,178	27,706,652
(44,141,022)	(23,884,993)	3,000,155	21,821,348	2,810,178	94,004,311
(1,063,749)	(849,961)	-	-	(13,328)	(1,927,038)
1,439,219	1,186,604	-	-	28,744	2,654,567
375,470	336,643	-	-	15,416	727,529
135,782	1,248,715	3,328,912	1,219,878	664,810	105,711,323
(141,397)	(1,255,545)	(2,615,926)	(1,220,330)	(242,968)	(5,891,925)
-	-	-	-	-	732,577
-	-	-	-	-	-
-	-	(714,645)	-	-	(39,647,623)
-	-	-	-	-	-
-	-	-	-	(2,800,000)	(63,297,504)
(5,615)	(6,830)	(1,659)	(452)	(2,378,158)	(2,393,152)

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN GROUP**

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 1999

	Trusteed Fund			
	State Match Bond Proceeds Series 1991 Fund			
	Net Bond Proceeds	Debt Service	Debt Service Reserve	Fund Total
Operating activities:				
Operating expenses	\$ -	-	-	-
Net cash provided (used) by operating activities	-	-	-	-
Investing activities:				
Proceeds from maturity or sale of investments	141,058,622	-10,694,631	67,763	151,821,016
Purchase of investments	(141,193,639)	(10,688,412)	(67,761)	(151,949,812)
Interest received on investments, net of purchased interest	135,017	65,808	135,470	336,295
Interest received on projects	-	-	-	-
Principal collected on projects	-	-	-	-
Payment for construction of projects	-	-	-	-
Net cash provided (used) by investing activities	-	72,027	135,472	207,499
Noncapital financing activities:				
Interest paid on bonds and notes, net of purchased interest	-	(1,217,253)	-	(1,217,253)
Redemption of bonds and notes	-	(2,455,000)	-	(2,455,000)
Contribution from U.S. EPA	-	-	-	-
Other	-	-	-	-
Transfers to/from other funds	-	3,600,226	(135,472)	3,464,754
Net cash provided (used) by noncapital financing activities	-	(72,027)	(135,472)	(207,499)
Net increase (decrease) in cash and cash equivalents	-	-	-	-
Cash and cash equivalents at beginning of period	-	-	-	-
Cash and cash equivalents at end of period	\$ -	-	-	-
Reconciliation to net cash provided (used) by operating activities:				
Excess (deficiency) of revenues over expenses before operating transfers	79,019	(1,139,382)	44,691	(1,015,672)
Adjustments:				
Investment income	(136,498)	(65,801)	(44,691)	(246,990)
Operating expenses	-	-	-	-
Interest on bonds and notes	33,397	1,205,183	-	1,238,580
Loan Income	-	-	-	-
Amortization of bond issuance cost	24,082	-	-	24,082
Contribution from U.S. EPA	-	-	-	-
Net cash provided (used) by operating activities	\$ -	-	-	-

Trusteed Fund

State Match Bond Proceeds Series 1993 Fund

Net Bond Proceeds	Debt Service	Debt Service Reserve	Fund Total
-	-	-	-
438,893	16,537,549	155,632	17,132,074
(190,720)	(16,531,154)	(156,748)	(16,878,622)
181,813	102,634	156,748	441,195
-	-	-	-
-	-	-	-
-	-	-	-
429,986	109,029	155,632	694,647
-	(1,846,656)	-	(1,846,656)
-	(3,785,000)	-	(3,785,000)
-	-	-	-
-	-	-	-
(429,986)	5,522,627	(155,632)	4,937,009
(429,986)	(109,029)	(155,632)	(694,647)
-	-	-	-
-	-	-	-
-	-	-	-
112,234	(1,731,633)	156,309	(1,463,090)
(182,373)	(101,933)	(156,309)	(440,615)
-	-	-	-
27,021	1,833,566	-	1,860,587
-	-	-	-
43,118	-	-	43,118
-	-	-	-
-	-	-	-

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN GROUP**

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 1999

	Trusteed Fund				Fund Total
	State Match Bond Proceeds Series 1995 Fund				
	Net Bond Proceeds	Debt Service	Debt Service Reserve	Rebate	
Operating activities:					
Operating expenses	\$ -	-	-	-	-
Net cash provided (used) by operating activities	-	-	-	-	-
Investing activities:					
Proceeds from maturity or sale of investments	166,939,194	31,456,142	319,532	-	198,714,868
Purchase of investments	(163,457,377)	(31,443,627)	(319,542)	(28,847)	(195,249,393)
Interest received on investments, net of purchased interest	160,183	195,128	319,542	28,847	703,700
Interest received on projects	-	-	-	-	-
Principal collected on projects	-	-	-	-	-
Payment for construction of projects	-	-	-	-	-
Net cash provided (used) by investing activities	3,642,000	207,643	319,532	-	4,169,175
Noncapital financing activities:					
Interest paid on bonds and notes, net of purchased interest	-	(4,095,500)	-	-	(4,095,500)
Redemption of bonds and notes	-	(6,635,000)	-	-	(6,635,000)
Contribution from U.S. EPA	-	-	-	-	-
Other	-	-	-	-	-
Transfers to/from other funds	(3,642,000)	10,522,857	(319,532)	-	6,561,325
Net cash provided (used) by noncapital financing activities	(3,642,000)	(207,643)	(319,532)	-	(4,169,175)
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at beginning of period	-	-	-	-	-
Cash and cash equivalents at end of period	\$ -	-	-	-	-
Reconciliation to net cash provided (used) by operating activities:					
Excess (deficiency) of revenues over expenses before operating transfers	103,622	(3,736,946)	318,638	(57,090)	(3,371,776)
Adjustments:					
Investment income	(154,698)	(193,794)	(318,638)	(29,348)	(696,478)
Operating expenses	-	-	-	86,438	86,438
Interest on bonds and notes	-	3,930,740	-	-	3,930,740
Loan Income	-	-	-	-	-
Amortization of bond issuance cost	51,076	-	-	-	51,076
Contribution from U.S. EPA	-	-	-	-	-
Net cash provided (used) by operating activities \$	-	-	-	-	-

Trusteed Fund

Water Quality Bond Proceeds Series 1995 Fund

Net Bond Proceeds	Debt Service	Debt Service Reserve	Rebate	Cost of Issuance	Fund Total
(842)	(5)	(1,492)	(704)	(19)	(3,062)
(842)	(5)	(1,492)	(704)	(19)	(3,062)
74,454,172	35,893,709	1,134,143	-	-	111,482,024
(60,419,784)	(36,012,017)	(1,019,068)	(8,093)	(224)	(97,459,186)
1,778,287	310,026	686,987	8,797	243	2,784,340
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,812,675	191,718	802,062	704	19	16,807,178
-	(11,232,941)	-	-	-	(11,232,941)
-	(4,025,000)	-	-	-	(4,025,000)
-	-	-	-	-	-
-	-	-	-	-	-
(15,902,396)	15,066,228	(800,570)	-	-	(1,636,738)
(15,902,396)	(191,713)	(800,570)	-	-	(16,894,679)
(90,563)	-	-	-	-	(90,563)
90,563	-	-	-	-	90,563
-	-	-	-	-	-
1,350,204	(10,532,931)	683,371	37,980	227	(8,461,149)
(1,479,342)	(311,552)	(684,863)	(38,684)	(246)	(2,514,687)
-	10,844,478	-	-	-	10,844,478
-	-	-	-	-	-
128,296	-	-	-	-	128,296
-	-	-	-	-	-
(842)	(5)	(1,492)	(704)	(19)	(3,062)

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN GROUP**

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 1999

	Trusteed Fund		
	Water Quality Bond Proceeds Series 1997 Fund		
	Net Bond Proceeds	Debt Service	Debt Service Reserve
Operating activities:			
Operating expenses	\$ (4,837)	(5)	(1,178)
Net cash provided (used) by operating activities	(4,837)	(5)	(1,178)
Investing activities:			
Proceeds from maturity or sale of investments	520,073,253	33,179,333	635,433
Purchase of investments	(477,044,748)	(33,268,252)	(585,911)
Interest received on investments, net of purchased interest	10,888,677	297,331	589,536
Interest received on projects	-	-	-
Principal collected on projects	-	-	-
Payment for construction of projects	-	-	-
Net cash provided (used) by investing activities	53,917,182	208,412	639,058
Noncapital financing activities:			
Interest paid on bonds and notes, net of purchased interest	-	(10,642,625)	-
Redemption of bonds and notes	-	(3,830,000)	-
Contribution from U.S. EPA	-	-	-
Other	1,184,079	-	-
Transfers to/from other funds	(55,110,838)	14,264,218	(637,880)
Net cash provided (used) by noncapital financing activities	(53,926,759)	(208,407)	(637,880)
Net increase (decrease) in cash and cash equivalents	(14,414)	-	-
Cash and cash equivalents at beginning of period	14,414	-	-
Cash and cash equivalents at end of period	\$ -	-	-
Reconciliation to net cash provided (used) by operating activities:			
Excess (deficiency) of revenues over expenses before operating transfers	10,519,489	(10,101,884)	586,722
Adjustments:			
Investment income	(10,631,154)	(298,499)	(587,900)
Operating expenses	-	-	-
Interest on bonds and notes	-	10,400,378	-
Loan Income	-	-	-
Amortization of bond issuance cost	106,828	-	-
Contribution from U.S. EPA	-	-	-
Net cash provided (used) by operating activities	\$ (4,837)	(5)	(1,178)

See accompanying notes to financial statements.

Trusteed Fund

Water Quality Bond Proceeds Series 1997 Fund			
Cost of Issuance	Rebate	Fund Total	Group Total
(3,400)	-	(9,420)	(2,405,634)
(3,400)	-	(9,420)	(2,405,634)
2,571	-	553,890,590	6,948,150,571
(4,174)	-	(510,903,085)	(6,922,255,250)
5,003	-	11,780,547	21,790,126
-	-	-	32,889,245
-	-	-	45,046,364
-	-	-	(142,512,702)
3,400	-	54,768,052	(16,891,646)
-	-	(10,642,625)	(29,034,975)
-	-	(3,830,000)	(20,730,000)
-	-	-	63,297,504
-	-	1,184,079	4,184,234
-	1,184,079	(40,300,421)	732,581
-	1,184,079	(53,588,967)	18,449,344
-	1,184,079	1,169,665	(847,936)
-	-	14,414	2,759,544
-	1,184,079	1,184,079	1,911,608
1,659	(847,293)	158,693	91,558,329
(5,059)	-	(11,522,612)	(21,313,307)
-	847,293	847,293	1,666,308
-	-	10,400,378	28,274,763
-	-	-	(39,647,623)
-	-	106,828	353,400
-	-	-	(63,297,504)
(3,400)	-	(9,420)	(2,405,634)

**OHIO WATER DEVELOPMENT AUTHORITY
DRINKING WATER ASSISTANCE FUND**

Schedule of Combining Balance Sheets

December 31, 1999

		<u>Trusted Fund</u>		
		<u>Drinking Water Assistance Fund</u>		
		<u>Revolving Loan</u>	<u>State Match</u>	<u>Repayments</u>
<u>Assets</u>				
Investments		\$ 26,594	11,970,159	60,380
Receivables:				
Federal and local government authorities		21,354,913	2,658,141	-
Due from other funds		-	25,000	10,822
Total assets		<u>\$ 21,381,507</u>	<u>14,653,300</u>	<u>71,202</u>
<u>Liabilities and Retained Earnings</u>				
Accounts payable		88,165	693,213	-
Retainages payable		-	57,830	-
Due to other funds		-	-	-
Total liabilities		<u>88,165</u>	<u>751,043</u>	<u>-</u>
Retained earnings		21,293,342	13,902,257	71,202
Total liabilities and retained earnings		<u>\$ 21,381,507</u>	<u>14,653,300</u>	<u>71,202</u>

See accompanying notes to financial statements.

Trusteed Fund

Drinking Water Assistance Fund			
Source Water Protection	Small Systems Technical Assistance	Administrative Fee	Fund Total
289,536	416	605,284	12,952,369
-	-	42,387	24,055,441
-	-	-	35,822
<u>289,536</u>	<u>416</u>	<u>647,671</u>	<u>37,043,632</u>
-	-	-	781,378
-	-	-	57,830
-	-	35,508	35,508
-	-	35,508	874,716
<u>289,536</u>	<u>416</u>	<u>612,163</u>	<u>36,168,916</u>
<u>289,536</u>	<u>416</u>	<u>647,671</u>	<u>37,043,632</u>

**OHIO WATER DEVELOPMENT AUTHORITY
DRINKING WATER ASSISTANCE FUND**

Schedule of Combining Statements of Revenues,
Expenses and Changes in Retained Earnings

Year ended December 31, 1999

	Trusteed Fund		
	Drinking Water Assistance Fund		
	Revolving Loan	State Match	Repayments
Revenues:			
Loan Income	\$ 340,609	35,097	-
Investment income	26,592	587,846	217
Administrative fees from projects	-	-	-
Contribution from U.S. EPA	20,926,141	-	-
	<u>21,293,342</u>	<u>622,943</u>	<u>217</u>
Expenses:			
Operating expense and other	-	22,000	11
	<u>-</u>	<u>22,000</u>	<u>11</u>
Excess (deficiency) of revenues over expenses before operating transfers	21,293,342	600,943	206
Operating transfers in (out), net	-	(70,996)	70,996
Excess (deficiency) of revenues over expenses	21,293,342	529,947	71,202
Retained earnings at beginning of year	-	8,772,310	-
Residual equity transfers in (out), net	-	4,600,000	-
Retained earnings at end of year	<u>\$ 21,293,342</u>	<u>13,902,257</u>	<u>71,202</u>

See accompanying notes to financial statements.

Trusteed Fund

Drinking Water Assistance Fund			
Source Water Protection	Small Systems Technical Assistance	Administrative Fee	Fund Total
-	-	-	375,706
6,161	416	15,368	636,600
-	-	379,095	379,095
826,870	336,501	700,000	22,789,512
833,031	336,917	1,094,463	24,180,913
543,495	336,501	481,476	1,383,483
543,495	336,501	481,476	1,383,483
289,536	416	612,987	22,797,430
-	-	(824)	(824)
289,536	416	612,163	22,796,606
-	-	-	8,772,310
-	-	-	4,600,000
289,536	416	612,163	36,168,916

**OHIO WATER DEVELOPMENT AUTHORITY
DRINKING WATER ASSISTANCE FUND**

Schedule of Combining Statements of Cash Flows

Year ended December 31, 1999

	Trusteed Fund	
	Drinking Water Assistance Fund	
	Revolving Loan	State Match
Operating activities:		
Administrative fees from projects	\$ -	-
Operating expenses	-	(22,000)
Net cash provided (used) by operating activities	-	(22,000)
Investing activities:		
Proceeds from maturity or sale of investments	20,927,501	165,835,461
Purchase of investments	(20,953,971)	(169,087,890)
Interest received on investments, net of purchased interest	26,467	576,701
Interest received on projects	-	-
Principal collected on projects	-	-
Payment for construction of projects	(20,926,138)	(1,902,272)
Net cash provided (used) by investing activities	(20,926,141)	(4,578,000)
Noncapital financing activities:		
Contribution from U.S. EPA	20,926,141	-
Other	-	-
Transfers to/from other funds	-	4,600,000
Net cash provided (used) by noncapital financing activities	20,926,141	4,600,000
Net increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at end of period	\$ -	-
Reconciliation to net cash provided (used) by operating activities:		
Excess (deficiency) of revenues over expenses before operating transfers	21,293,342	600,943
Adjustments:		
Investment income	(26,592)	(587,846)
Loan Income	(340,609)	(35,097)
Contribution from U.S. EPA	(20,926,141)	-
Net change in other assets and liabilities	-	-
Net cash provided (used) by operating activities	\$ -	(22,000)

See accompanying notes to financial statements.

Trusteed Fund

Drinking Water Assistance Fund

Repayments	Source Water Protection	Small Systems Technical Assistance	Administrative Fee	Fund Total
-	-	-	336,708	336,708
(11)	(543,495)	(336,501)	(481,476)	(1,383,483)
(11)	(543,495)	(336,501)	(144,768)	(1,046,775)
-	1,133,922	153,300	723,443	188,773,627
(60,289)	(1,422,518)	(153,714)	(1,326,381)	(193,004,763)
126	5,221	414	13,022	621,951
21,409	-	-	-	21,409
38,765	-	-	-	38,765
-	-	-	-	(22,828,410)
11	(283,375)	-	(589,916)	(26,377,421)
-	826,870	336,501	700,000	22,789,512
-	-	-	35,508	35,508
-	-	-	(824)	4,599,176
-	826,870	336,501	734,684	27,424,196
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
206	289,536	416	612,987	22,797,430
(217)	(6,161)	(416)	(15,368)	(636,600)
-	-	-	-	(375,706)
-	(826,870)	(336,501)	(700,000)	(22,789,512)
-	-	-	(42,387)	(42,387)
(11)	(543,495)	(336,501)	(144,768)	(1,046,775)



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Ohio Water Development Authority
88 East Broad Street, Suite 1300
Columbus, OH 43215-3516

We have audited the financial statements of the Ohio Water Development Authority as of and for the year ended December 31, 1999, and have issued our report thereon dated March 29, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Ohio Water Development Authority in a separate letter dated March 29, 2000.

This report is intended for the information and use of the Ohio Water Development Authority, its management, the State of Ohio, the Ohio Legislature and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


JIM PETRO
Auditor of State

March 29, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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OHIO WATER DEVELOPMENT AUTHORITY

FRANKLIN

CLERK'S CERTIFICATION

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

By: Susan Babbitt

Date: MAY 09 2000