



**OHIO WATER DEVELOPMENT AUTHORITY
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**OHIO WATER
DEVELOPMENT AUTHORITY**

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REPORT OF INDEPENDENT ACCOUNTANTS

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

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 years ended December 31, 2000 and 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, 2000 and 1999, and the results of its operations and its cash flows for the years 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, 2000, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2001 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

JIM PETRO
Auditor of State

March 27, 2001

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OHIO WATER DEVELOPMENT AUTHORITY

Combining Balance Sheet

December 31, 2000, with comparative for 1999

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	\$ 1,389	-	1,735,190	-	-	671,787
Investments -- Note 2	5,911,824	12,275	103,876,749	12,870,889	64,985,367	172,012,364
Receivables:						
Federal and local government authorities	180,505	6,068,520	21,578,911	10,637,141	86,226,116	291,572,137
Other	8,363	-	-	-	-	-
Due from other funds -- Note 3	-	-	-	-	1,992	400
Deferred bond and note issuance expense	-	-	-	112,804	625,396	2,483,892
Office furniture and automobiles, at depreciated cost	564,236	-	-	-	-	-
Total assets	\$ 6,666,317	6,080,795	127,190,850	23,620,834	151,838,871	466,740,580
<u>Liabilities and Retained Earnings</u>						
Accounts payable	243,913	-	132,417	2,000,058	578,073	6,800,588
Retainages payable	-	-	-	-	-	757,843
Accrued interest	-	-	-	53,948	215,696	913,519
Due to other funds -- Note 3	736	-	-	-	-	-
Water Development Revenue Notes:						
RD Series 1999-A -- Note 4	-	-	-	7,260,000	-	-
RD Series 2000-A -- Note 5	-	-	-	7,100,000	-	-
Water Development Revenue Bonds:						
Community Assistance Series 1997, net of discount -- Note 6	-	-	-	-	49,822,107	-
Fresh Water 1995 Series, net of discount -- Note 7	-	-	-	-	-	70,827,698
Fresh Water 1998 Series, net of premium -- Note 8	-	-	-	-	-	138,700,147
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	-	-	-	-	-	-
State Match Series 2000, net of premium -- Note 17	-	-	-	-	-	-
Water Quality Series 1995, net of premium -- Note 18	-	-	-	-	-	-
Water Quality Series 1997, net of premium -- Note 19	-	-	-	-	-	-
Total liabilities	244,649	-	132,417	16,414,006	50,615,876	217,999,795
Fund equity:						
Retained Earnings -- Note 23 and 25	6,421,668	6,080,795	127,058,433	7,206,828	101,222,995	248,740,785
Commitments -- Note 22						
Total liabilities and retained earnings	\$ 6,666,317	6,080,795	127,190,850	23,620,834	151,838,871	466,740,580

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, & 19)	Drinking Water Assistance Fund	Combined 2000	Comparative Combined 1999
-	-	3,048,599	14,590,916	41,679	20,089,560	8,193,760
14,813,595	27,113,007	68,902,028	421,069,212	8,638,981	900,206,291	879,251,849
50,416,191	137,129,957	338,904,092	1,180,516,255	48,891,517	2,172,121,342	2,006,162,364
-	-	-	-	-	8,363	5,958
-	45,319	4,764	43,013	89,462	184,950	5,849,172
1,143,826	1,394,607	5,268,553	6,292,025	-	17,321,103	17,743,944
-	-	-	-	-	564,236	679,553
<u>66,373,612</u>	<u>165,682,890</u>	<u>416,128,036</u>	<u>1,622,511,421</u>	<u>57,661,639</u>	<u>3,110,495,845</u>	<u>2,917,886,600</u>
-	261,551	320,528	24,572,779	3,148,406	38,058,313	29,161,668
-	-	24,232	5,786,139	63,107	6,631,321	5,381,935
226,132	544,625	1,614,331	2,618,535	-	6,186,786	6,177,943
45,319	-	6,756	43,014	89,125	184,950	5,849,172
-	-	-	-	-	7,260,000	15,505,000
-	-	-	-	-	7,100,000	-
-	-	-	-	-	49,822,107	51,439,843
-	-	-	-	-	70,827,698	74,295,127
-	-	-	-	-	138,700,147	142,603,814
49,466,550	-	-	-	-	49,466,550	64,573,414
-	44,360,026	-	-	-	44,360,026	46,110,750
-	34,713,283	-	-	-	34,713,283	48,863,258
-	70,990,640	-	-	-	70,990,640	71,461,392
-	-	331,863,331	-	-	331,863,331	356,243,876
-	-	-	15,931,157	-	15,931,157	18,273,714
-	-	-	31,874,308	-	31,874,308	35,544,821
-	-	-	63,677,440	-	63,677,440	70,300,663
-	-	-	79,186,639	-	79,186,639	-
-	-	-	199,747,061	-	199,747,061	204,849,765
-	-	-	202,621,229	-	202,621,229	205,461,094
<u>49,738,001</u>	<u>150,870,125</u>	<u>333,829,178</u>	<u>626,058,301</u>	<u>3,300,638</u>	<u>1,449,202,986</u>	<u>1,452,097,249</u>
16,635,611	14,812,765	82,298,858	996,453,120	54,361,001	1,661,292,859	1,465,789,351
<u>66,373,612</u>	<u>165,682,890</u>	<u>416,128,036</u>	<u>1,622,511,421</u>	<u>57,661,639</u>	<u>3,110,495,845</u>	<u>2,917,886,600</u>

OHIO WATER DEVELOPMENT AUTHORITY

Combining Statement of Revenues, Expenses and Changes in Retained Earnings
Year ended December 31, 2000, with comparative for 1999

	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	\$ -	433,039	753,153	295,758	1,746,366	16,694,884
Investment income	376,683	700	6,048,783	607,972	2,999,823	11,758,312
Administrative fees from projects	1,575,231	-	-	-	-	-
	<u>1,951,914</u>	<u>433,739</u>	<u>6,801,936</u>	<u>903,730</u>	<u>4,746,189</u>	<u>28,453,196</u>
Expenses:						
Interest on bonds and notes	-	-	-	461,645	2,610,968	11,101,558
Amortization of bond issuance expense	-	-	-	112,207	26,058	112,141
Operating expense and other	2,060,282	-	571,657	232,163	292,010	1,026,328
	<u>2,060,282</u>	<u>-</u>	<u>571,657</u>	<u>806,015</u>	<u>2,929,036</u>	<u>12,240,027</u>
Excess (deficiency) of revenues over expenses before non-operating revenues and operating transfers	(108,368)	433,739	6,230,279	97,715	1,817,153	16,213,169
Contribution from U.S. EPA	-	-	-	-	-	-
Other	-	-	-	8,627	-	97,029
Operating transfers in (out), net	-	(1,511,225)	(359,352)	-	(454,663)	10,791,171
Excess (deficiency) of revenues over expenses	(108,368)	(1,077,486)	5,870,927	106,342	1,362,490	27,101,369
Retained Earnings at beginning of year	6,530,036	7,158,281	105,317,506	6,700,486	67,776,445	259,869,277
Residual equity transfers in (out), net -- Note 24	-	-	15,870,000	400,000	32,084,060	(38,229,861)
Retained Earnings at end of year	<u>\$ 6,421,668</u>	<u>6,080,795</u>	<u>127,058,433</u>	<u>7,206,828</u>	<u>101,222,995</u>	<u>248,740,785</u>

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, & 19)	Drinking Water Assistance Fund	Combined 2000	Comparative Combined 1999
3,885,100	15,196,770	27,583,690	43,275,235	1,550,858	111,414,853	108,018,451
1,233,320	2,138,173	5,089,108	25,278,946	540,185	56,072,005	48,374,069
-	-	-	-	279,551	1,854,782	2,330,281
<u>5,118,420</u>	<u>17,334,943</u>	<u>32,672,798</u>	<u>68,554,181</u>	<u>2,370,594</u>	<u>169,341,640</u>	<u>158,722,801</u>
3,289,661	9,685,935	20,936,778	29,336,666	-	77,423,211	80,450,051
71,489	211,292	284,471	368,983	-	1,186,641	1,214,990
9,298	106,989	152,440	5,147,449	2,470,422	12,069,038	9,748,646
<u>3,370,448</u>	<u>10,004,216</u>	<u>21,373,689</u>	<u>34,853,098</u>	<u>2,470,422</u>	<u>90,678,890</u>	<u>91,413,687</u>
1,747,972	7,330,727	11,299,109	33,701,083	(99,828)	78,662,750	67,309,114
-	-	-	98,006,051	18,291,913	116,297,964	86,087,016
-	-	384,318	52,820	-	542,794	(1,241,833)
<u>(1,237,026)</u>	<u>(4,358,382)</u>	<u>(2,407,531)</u>	<u>(462,992)</u>	<u>-</u>	<u>-</u>	<u>-</u>
510,946	2,972,345	9,275,896	131,296,962	18,192,085	195,503,508	152,154,297
16,124,665	11,840,420	83,147,161	865,156,158	36,168,916	1,465,789,351	1,313,635,054
-	-	(10,124,199)	-	-	-	-
<u>16,635,611</u>	<u>14,812,765</u>	<u>82,298,858</u>	<u>996,453,120</u>	<u>54,361,001</u>	<u>1,661,292,859</u>	<u>1,465,789,351</u>

OHIO WATER DEVELOPMENT AUTHORITY

Combining Statement of Cash Flows

Year ended December 31, 2000, with comparative for 1999

	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	\$ 1,556,133	-	-	-	-	-
Operating expenses	(985,793)	-	(130,953)	(72,675)	(1,000)	(89,161)
Salaries and fringes expense	(972,652)	-	-	-	-	-
Net cash provided (used) by operating activities	(402,312)	-	(130,953)	(72,675)	(1,000)	(89,161)
Investing activities:						
Proceeds from maturity or sale of investments	6,955,864	-	214,574,144	57,159,447	584,435,341	580,500,055
Purchase of investments	(6,888,553)	-	(231,444,424)	(56,623,199)	(616,898,448)	(518,912,688)
Interest received on investments, net of purchased interest	305,216	-	5,040,229	598,289	2,568,650	12,038,098
Interest received on projects	-	-	734,509	293,521	1,673,220	16,119,227
Principal collected on projects	-	-	1,494,337	6,687,000	3,475,450	16,532,926
Payment for construction of projects	-	-	(5,902,569)	(6,659,851)	(2,958,857)	(59,850,608)
Net cash provided (used) by investing activities	372,527	-	(15,503,774)	1,455,207	(27,704,644)	46,427,010
Noncapital financing activities:						
Interest paid on bonds and notes, net of purchased interest	-	-	-	(461,942)	(2,639,353)	(11,452,315)
Proceeds of bonds and notes	-	-	-	7,100,000	-	-
Bond and note issuance expense	-	-	-	(93,792)	-	-
Redemption of bonds and notes	-	-	-	(8,245,000)	(1,595,000)	(7,050,000)
Contribution from U.S. EPA	-	-	-	-	-	-
Federal grant advances received	-	-	-	-	-	-
Other	-	-	-	(81,798)	-	(80,630)
Transfers to/from other funds	-	-	15,510,649	400,000	31,629,396	(27,438,689)
Net cash provided (used) by noncapital financing activities	-	-	15,510,649	(1,382,532)	27,395,043	(46,021,634)
Net increase (decrease) in cash and cash equivalents	(29,785)	-	(124,078)	-	(310,601)	316,215
Cash and cash equivalents at beginning of period	31,174	-	124,080	-	310,601	355,572
Cash and cash equivalents at end of period -- Note 2	\$ 1,389	-	2	-	-	671,787
Reconciliation to net cash provided (used) by operating activities:						
Excess (deficiency) of revenues over expenses before non-operating revenues and operating transfers	(108,368)	433,739	6,230,279	97,715	1,817,153	16,213,169
Adjustments:						
Investment income	(376,683)	(700)	(6,048,783)	(607,972)	(2,999,823)	(11,758,312)
Operating expenses	-	-	440,704	159,488	291,010	937,167
Interest on bonds and notes	-	-	-	461,645	2,610,968	11,101,558
Loan Income	-	(433,039)	(753,153)	(295,758)	(1,746,366)	(16,694,884)
Amortization of bond issuance cost	-	-	-	112,207	26,058	112,141
Net change in other assets and other liabilities	82,739	-	-	-	-	-
Net cash provided (used) by operating activities	\$ (402,312)	-	(130,953)	(72,675)	(1,000)	(89,161)

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, & 19)	Drinking Water Assistance Fund	Combined 2000	Comparative Combined 1999
-	-	-	-	194,549	1,750,682	2,369,107
(9,298)	(26,358)	(152,440)	(3,249,922)	(2,470,422)	(7,188,022)	(5,412,100)
-	-	-	-	-	(972,652)	(975,457)
(9,298)	(26,358)	(152,440)	(3,249,922)	(2,275,873)	(6,409,992)	(4,018,450)
108,290,718 (109,181,940)	152,291,177 (151,486,348)	485,961,732 (484,416,534)	9,327,691,446 (9,364,940,814)	33,210,975 (28,903,700)	11,551,070,899 (11,569,696,648)	9,298,603,890 (9,250,284,621)
1,157,023	1,968,517	4,658,273	23,556,239	546,298	52,436,832	50,387,686
4,753,609	15,473,278	28,021,883	37,357,277	551,475	104,977,999	97,175,137
15,486,428	12,195,954	24,258,757	47,588,801	591,826	128,311,479	109,100,638
-	-	(1,322,388)	(179,984,282)	(21,935,727)	(278,614,282)	(219,801,605)
20,505,838	30,442,578	57,161,723	(108,731,333)	(15,938,853)	(11,513,721)	85,181,125
(3,301,586)	(6,865,641)	(20,390,003)	(29,864,358)	-	(74,975,198)	(79,038,791)
-	-	-	79,595,918	-	86,695,918	13,205,000
-	-	-	(670,007)	-	(763,799)	(154,235)
(15,160,000)	(19,240,000)	(25,040,000)	(20,190,000)	-	(96,520,000)	(114,355,000)
-	-	-	98,006,051	18,291,913	116,297,964	86,087,016
-	-	-	-	-	-	21,330
-	-	3,384,318	(5,381,767)	(35,508)	(2,195,385)	1,222,315
(2,748,249)	(4,358,379)	(12,531,741)	(462,987)	-	-	-
(21,209,835)	(30,464,020)	(54,577,426)	121,032,850	18,256,405	28,539,500	(93,012,365)
(713,295)	(47,800)	2,431,857	9,051,595	41,679	10,615,787	(11,849,690)
713,295	47,800	616,742	1,911,608	-	4,110,872	15,960,562
-	-	3,048,599	10,963,203	41,679	14,726,659	4,110,872
1,747,972	7,330,727	11,299,109	33,701,083	(99,828)	78,662,750	67,309,114
(1,233,320)	(2,138,173)	(5,089,108)	(25,278,946)	(540,185)	(56,072,005)	(48,374,069)
-	80,631	-	1,897,527	-	3,806,527	3,621,824
3,289,661	9,685,935	20,936,778	29,336,666	-	77,423,211	80,450,051
(3,885,100)	(15,196,770)	(27,583,690)	(43,275,235)	(1,550,858)	(111,414,853)	(108,018,451)
71,489	211,292	284,471	368,983	-	1,186,641	1,214,990
-	-	-	-	(85,002)	(2,263)	(221,909)
(9,298)	(26,358)	(152,440)	(3,249,922)	(2,275,873)	(6,409,992)	(4,018,450)

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OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

December 31, 2000

(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 20. 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 Agencies (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. Additional funding has been provided by monetary transfers from the 1995 Fresh Water 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.

As of December 31, 2000, the Authority has approved \$2,080,420 in assistance to Thirteen communities for damage caused by flooding in Ohio.

(i) *Other Projects Group - Dam Safety Fund*

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

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, 2000 was 1,735,188.

(j) *Other Project Group – Lake Erie Soil Erosion Fund*

The Lake Erie Soil Erosion Fund was established during 2000 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 1995 Fresh Water Fund.

The purpose of the fund is to provide financing to the eight counties with Lake Erie shorelines containing coastal erosion areas. Any county receiving financing from the fund will then provide financial assistance to property owners for the construction of erosion control structures in areas defined by statute as coast erosion areas.

The loans to the counties are to be repaid under terms of installment contracts. As of December 31, 2000, no loans had been awarded from this fund.

(k) *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, RD Loan Advance Series 2000-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 5.33%.

(l) *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

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

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.

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 Fund, Safe Water Refunding Fund, Pure Water Refunding Fund, 1995 Fresh Water Fund, and the issuance of the Water Development Revenue Bonds—Community Assistance Series 1997.

(m) 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 5.27% to 7.38%.

(n) 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.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

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 20 to 40 years with interest rates of 5.25% to 7.00%. LGA payments of project costs are restricted for the purposes of providing additional moneys for projects or for debt service.

(o) *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.

(p) *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.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(q) *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.

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
2000	78,490,933	15,701,752

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, State Match Series 2000, 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, 2000 was \$9,848,814.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(r) *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 4.66%. Repayments of project costs are restricted for the purpose of providing additional moneys for projects.

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. Additional grant funding has been awarded as detailed in the following table:

Year Awarded	Capitalization Grant	State Match
1998	\$ 43,073,000	8,614,600
1999	22,806,200	4,561,240
2000	48,745,300	9,749,060

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.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(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.

(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.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(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 \$5,362,902, as of December 31, 2000 was \$20,089,560. Of this amount, \$101,391 was covered by federal depository insurance, and \$19,988,169 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, 2000. 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	\$ -	246,141,565	246,141,565	246,141,565
U.S. government and agency securities	-	220,138,719	220,138,719	217,071,033
Ohio political subdivision bonds	12,275	-	12,275	12,000
U.S. Treasury certificate of indebtedness state and local government securities	-	8,831,151	8,831,151	8,831,151
	\$ 12,275	475,111,435	475,123,710	472,055,749
Investment in State Treasurer's Investment Pool (STAROhio)			121,190,450	121,190,450
Money market funds			103,949,881	103,949,881
Guaranteed investment contracts			199,942,250	199,942,250
Total investments			900,206,291	897,138,330

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, 2000 consist of the following individual fund receivables and payables:

	<u>Receivables</u>	<u>Payables</u>
Operating Fund	\$ —	736
Community Assistance Fund – Construction account	1,992	–
1998 Fresh Water Fund – Construction account	400	–
1985 Refunding Fund – Construction account	–	45,319
Safe Water Refunding Fund – Construction account	45,319	–
Pure Water Refunding Fund – Construction account	4,764	–
Pure Water Refunding Fund – Other Projects account	–	6,756
WPCLF Fund – Principal Repayments account	–	43,013
WPCLF Fund – Interest Repayments account	13,126	–
WPCLF Fund – Other Projects account	–	1
WPCLF Fund – Administration Repayments account	29,887	–
Drinking Water Assistance Fund – Revolving Loan account	–	88,165
Drinking Water Assistance Fund – State Match account	88,165	–
Drinking Water Assistance Fund – Repayments account	–	960
Drinking Water Assistance Fund – Administrative Fee account	1,297	–
Total	\$ 184,950	184,950

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

As of December 31, 2000, there was \$7,260,000 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.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

- 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, 2000, \$159,488 has been required to be deposited in the rebate account from currently available surplus funds.

(5) WATER DEVELOPMENT REVENUE NOTES—RURAL DEVELOPMENT SERIES 2000-A

As of December 31, 2000, there was \$7,100,000 of Water Development Revenue Notes—Rural Development Series 2000-A notes outstanding, which will mature on March 1, 2003. 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, 2000, no amounts have been required to be deposited in the rebate account.

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

As of December 31, 2000, there was \$50,040,000 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%	2001–2012	\$ 26,085,000
Term	5.250% to 5.375%	2013–2024	<u>23,955,000</u>
			50,040,000
		Less unamortized discount	<u>(217,893)</u>
			<u>\$ 49,822,107</u>

The scheduled maturities of the serial bonds and the mandatory redemption of the term bonds for the five years subsequent to December 31, 2000 are as follows: 2001—\$1,665,000; 2002—\$1,735,000; 2003—\$1,810,000; 2004—\$1,890,000; and 2005—\$1,975,000.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

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, 2000, \$436,239 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.

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

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

As of December 31, 2000, there was \$71,375,000 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	5.20% to 6.25%	2001–2013	\$ 30,995,000
Term	5.90%	2014–2021	40,380,000
			<u>71,375,000</u>
	Less unamortized discount		<u>(547,302)</u>
			<u>\$ 70,827,698</u>

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, 2000 are as follows: 2001—\$3,590,000; 2002—\$3,775,000; 2003—\$4,000,000; 2004—\$4,210,000; and 2005—\$2,980,000.

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, 2000, \$67,830 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, 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

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

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, 2000, there was \$137,355,000 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	5.00% to 5.25%	2001–2016	\$ 112,395,000
Term	5.125%	2017–2023	24,960,000
			<u>137,355,000</u>
	Add unamortized premium		<u>1,345,147</u>
			<u><u>\$ 138,700,147</u></u>

The scheduled maturities of the serial bonds and the mandatory redemption of the term bonds for the five years subsequent to December 31, 2000 are as follows: 2001—\$3,895,000; 2002—\$4,095,000; 2003—\$4,300,000; 2004—\$4,530,000; and 2005—\$6,055,000.

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, 2000, \$2,157,609 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:

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

- 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.

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

As of December 31, 2000, there was \$49,625,000 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	5.25% to 5.65%	2001–2007	\$ 44,570,000
Term	6.00%	2008–2016	<u>5,055,000</u>
			49,625,000
		Less unamortized discount	<u>(158,450)</u>
			<u>\$ 49,466,550</u>

Not included in the above amounts is \$29,415,000 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.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

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, 2000 are as follows: 2001—\$13,635,000; 2002—\$11,235,000; 2003—\$7,255,000; 2004—\$5,165,000; and 2005—\$3,595,000.

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, 2000, 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 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.

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Notes to Financial Statements, Continued

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

As of December 31, 2000, there was \$49,260,000 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%	2001–2002	\$ 13,945,000
Term	5.00%	2008–2012	35,315,000
			<u>49,260,000</u>
	Less unamortized discount		<u>(4,899,974)</u>
			<u><u>\$ 44,360,026</u></u>

Not included in the above amounts is \$93,005,000 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, 2000 are as follows: \$2,010,000; 2001—\$5,120,000; 2002—\$8,825,000; 2003—\$0; 2004—\$0; and 2005—\$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.

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, 2000, 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, 2000 is \$52,029.

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.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

- 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, 2000, there was \$34,713,283 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>
Capital Appreciation	5.65% to 6.00%	2001–2005	34,713,283

The scheduled maturities of the capital appreciation bonds for the five years subsequent to December 31, 2000 are as follows: 2001—\$13,715,000; 2002—\$9,215,000; 2003—\$6,530,000; 2004—\$5,005,000; and 2005—\$4,550,000.

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, 2000, no amounts have been required to be deposited in the Rebate account.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

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.

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

As of December 31, 2000, there was \$73,110,000 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	4.30% to 6.00%	2001–2007	\$ 73,110,000
		Less unamortized loss	(4,066,077)
		Plus unamortized premium	<u>1,946,717</u>
			<u>\$ 70,990,640</u>

The scheduled maturities of the serial bonds for the five years subsequent to December 31, 2000 are as follows: 2001—\$785,000; 2002—\$820,000; 2003—\$12,245,000; 2004—\$13,900,000; and 2005—\$13,430,000.

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

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 1997 Safe Water Refunding Revenue account, Debt Service account, Debt Service Reserve account, Surplus account and Rebate account. As of December 1, 2000, \$261,551 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.
- 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

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

As of December 31, 2000, there was \$343,175,000 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	5.50% to 5.75%	2001–2006	\$ 171,965,000
Term	5.50% to 6.00%	2007–2018	171,210,000
			<u>343,175,000</u>
	Less unamortized discount		<u>(11,311,669)</u>
			<u>\$ 331,863,331</u>

Not included in the above amounts is \$42,125,000 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, 2000 are as follows: 2001—\$26,105,000; 2002—\$27,255,000; 2003—\$28,485,000; 2004—\$29,410,000; and 2005—\$29,875,000.

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, 2000, no amounts have been required to be deposited in the Rebate account. However, as of December 31, 2000, the amount currently deposited in the Rebate account is \$2,831,107.

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.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

- 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.

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%. As of December 31, 2000, the Authority has received net interest payments of \$202,613 from the counterparty.

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, 2000, there was \$16,250,000 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>
Term	5.90% to 6.00%	2001–2011	16,250,000
	Less unamortized discount		<u>(318,843)</u>
			<u>\$ 15,931,157</u>

The scheduled maturities of the serial bonds and the mandatory redemption of the term bonds for the five years subsequent to December 31, 2000 are as follows: 2001—\$2,300,000; 2002—\$2,200,000; 2003—\$2,080,000; 2004—\$1,940,000; and 2005—\$1,780,000.

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, 2000, 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.
- 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.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

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

As of December 31, 2000, there was \$32,035,000 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	4.45% to 5.05%	2001–2007	\$ 22,080,000
Term	5.25%	2008–2014	9,955,000
			<u>32,035,000</u>
	Less unamortized discount		<u>(160,692)</u>
			<u>\$ 31,874,308</u>

The scheduled maturities of the serial bonds and the mandatory redemption of the term bonds for the five years subsequent to December 31, 2000 are as follows: 2001—\$3,590,000; 2002—\$3,470,000; 2003—\$3,340,000; and 2004—\$3,195,000; and 2005—\$3,025,000.

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, 2000, 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:

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 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, 2000, there was \$63,150,000 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	4.80% to 6.50%	2001–2011	\$ 55,560,000
Term	5.75%	2012–2017	<u>7,590,000</u>
			63,150,000
	Plus unamortized premium		<u>527,440</u>
			<u>\$ 63,677,440</u>

The scheduled maturities of the serial bonds and the mandatory redemption of the term bonds for the five years subsequent to December 31, 2000 are as follows: 2001—\$6,290,000; 2002—\$6,090,000; 2003—\$5,885,000; 2004—\$5,720,000; and 2005—\$5,525,000.

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.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

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, 2000, \$61,944 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—STATE MATCH SERIES 2000

As of December 31, 2000, there was \$77,970,000 of Water Pollution Control Loan Fund Revenue Bonds—State Match Series 2000 outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
Serial	5.00% to 5.50%	2001–2011	\$ 77,970,000
	Plus unamortized premium		<u>1,216,639</u>
			<u><u>\$ 79,186,639</u></u>

The scheduled maturities of the serial bonds and the mandatory redemption of the term bonds for the five years subsequent to December 31, 2000 are as follows: 2001—\$3,665,000; 2002—\$7,580,000; 2003—\$7,680,000; 2004—\$7,335,000; and 2005—\$6,860,000.

The bonds maturing on or before June 1, 2010 are not subject to prior redemption. The bonds maturing on or after December 1, 2010 are callable for redemption prior to maturity at the option of the Authority, in whole or in part, on or after June 1, 2010, 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 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, 2000, 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, (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 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.

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

As of December 31, 2000, there was \$199,455,000 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%	2001–2015	\$ 199,455,000
	Plus unamortized premium		<u>292,061</u>
			<u>\$ 199,747,061</u>

The scheduled maturities of the serial bonds for the five years subsequent to December 31, 2000 are as follows: 2001—\$5,640,000; 2002—\$6,625,000; 2003—\$7,770,000; 2004—\$9,015,000; and 2005—\$10,330,000.

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, 2000, \$233,084 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 POLLUTION CONTROL LOAN FUND REVENUE BONDS—WATER QUALITY SERIES 1997

As of December 31, 2000, there was \$202,470,000 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%	2001-2016	\$ 158,970,000
Term	5.125%	2016-2019	<u>43,500,000</u>
			202,470,000
	Plus unamortized premium		<u>151,229</u>
			<u>\$ 202,621,229</u>

The scheduled maturities of the serial bonds for the five years subsequent to December 31, 2000 are as follows: 2001—\$3,715,000; 2002—\$4,475,000; 2003—\$5,195,000; 2004—\$5,970,000; and 2005—6,885,000.

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.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

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, 2000, \$3,380,041 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.
- 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.

(20) 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, 2000, outstanding bonds and notes under this program are \$1,919,145,000. Annual maturities of the bonds and notes for the five years subsequent to December 31, 2000 are as follows: 2001—\$21,580,000; 2002—\$23,980,000; 2003—\$6,640,000; 2004—\$8,850,000; and 2005—\$7,980,000.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(21) 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, 2000, 1999 and 1998 were approximately \$736,000, \$733,000 and \$600,000, respectively.

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 2000, the employee and employer contribution rate was 8.50% and 10.65%, respectively, for all employees. Total required employer contributions were approximately \$78,000, \$98,000 and \$80,000 for the years ending December 31, 2000, 1999 and 1998, 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 retirees 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, 2000, that portion was 4.3% 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.

As of December 31, 1999, the actuarial value of net assets available for future OPEB payments was \$10,805,500,000. The number of benefit recipients eligible for OPEB as of December 31, 2000 was 401,339.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

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.

(22) COMMITMENTS

As of December 31, 2000, the Authority has loan commitments to finance LGA construction projects in the following amounts:

	<u>Amount</u>
Endowment Grant Fund	\$ 1,070,310
Local Economic Development Fund	1,314,852
Village Capital Improvements Fund	301,900
Rural Development 1999 Fund	4,746,262
Community Assistance Fund	3,657,930
Fresh Water Fund	130,663
1995 Fresh Water Fund	5,627,420
1998 Fresh Water Fund	39,778,538
1985 Refunding Fund	167,226
Pure Water Refunding Fund – Construction account	93,396
Pure Water Refunding Fund – Other Projects account	1,323,194
Water Pollution Control Loan Fund – State Match account	55,118,092
Water Pollution Control Loan Fund – Capitalization Grant account	111,162,385
Water Pollution Control Loan Fund – Water Quality account	113,448,252
Water Pollution Control Loan Fund – Other Projects account	10,118,601
Drinking Water Assistance Fund – State Match account	2,702,068
Drinking Water Assistance Fund – Revolving Loan account	17,313,040
	<u>\$ 368,074,129</u>

The Authority intends to meet these LGA commitments with currently available funds and grant commitments from the U.S. EPA.

(23) DEFICIT RETAINED EARNINGS

Retained earnings as of December 31, 2000 include the following individual fund deficits:

Rural Development 2000 Fund	\$ (283,680)
Safe Water Refunding Fund	(11,494,066)
Water Pollution Control Loan Group:	
State Match Bond Proceeds Series 1991 Fund	(10,369,532)
State Match Bond Proceeds Series 1993 Fund	(24,419,509)
State Match Bond Proceeds Series 1995 Fund	(56,117,684)
Water Quality Bond Proceeds Series 1995 Fund	(173,861,772)
Water Quality Bond Proceeds Series 1997 Fund	(82,781,464)

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

The fund deficit in the Rural Development 2000 Fund is due to a transfer to the Pure Water 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.

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.

(24) RESIDUAL EQUITY TRANSFERS

In October 1999, the Authority's Board authorized a transfer of \$10,000,000 from the 1995 Fresh Water Fund to the Lake Erie Soil Erosion Fund to provide the initial funding to the fund.

In October 1999, the Authority's Board authorized a transfer of \$20,084,061 from the Pure Water Refunding Fund and 1995 Fresh Water Fund to the Community Assistance Fund to provide additional funding to the fund.

In December 2000, the Authority's Board authorized a transfer of \$12,000,000 from the 1995 Fresh Water Fund to the Community Assistance Fund to provide additional funding to the fund.

In December 2000, the Authority's Board authorized a transfer of \$5,000,000 from the 1995 Fresh Water Fund to the Local Economic Development Fund to provide additional funding to the fund.

In December 2000, the Authority's Board authorized a transfer of \$870,000 from the 1995 Fresh Water Fund to the Emergency Relief Fund to provide additional funding to the fund.

In December 2000, the Authority's Board authorized a transfer of \$400,000 from the 1995 Fresh Water Fund to the Rural Development 1999 Fund to provide additional funding to the fund.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements, Continued

(25) RETAINED EARNINGS

As of December 31, 2000, the Authority has a retained earnings balance of \$1,661,292,859, which is restricted for bond or grant requirements and unrestricted as follows:

	Restricted	Unrestricted	Total
Operating Fund	\$ —	6,421,668	6,421,668
Working Capital Fund	6,080,795	—	6,080,795
Other Projects Group	2,687,062	124,371,371	127,058,433
Rural Utility Services Group	7,206,828	—	7,206,828
Community Assistance Fund	101,222,995	—	101,222,995
Fresh Water Group	248,740,785	—	248,740,785
Refunding Group	16,635,611	—	16,635,611
Safe Water Refunding Group	14,812,765	—	14,812,765
Pure Water Refunding Fund	74,765,325	7,533,533	82,298,858
Water Pollution Control Loan Group	927,024,886	69,428,234	996,453,120
Drinking Water Assistance Fund	54,361,001	—	54,361,001
	<u>\$ 1,453,538,053</u>	<u>207,754,806</u>	<u>1,661,292,859</u>

For comparability purposes, please see the footnotes for the year ended December 31, 1999 in our previous annual report.

**OHIO WATER DEVELOPMENT AUTHORITY
OTHER PROJECTS GROUP**

Schedule of Combining Balance Sheets

December 31, 2000

		Trusted Funds		
		Other Projects Group		
		Unallocated Reserve Fund	Endowment Grant Fund	Solid Waste Fund
<u>Assets</u>				
Cash		\$ -	-	-
Investments		20,668,083	7,667,557	14,352,693
Receivables:				
Federal and local government authorities		-	-	7,031,667
Total assets		\$ 20,668,083	7,667,557	21,384,360
<u>Liabilities and Retained Earnings</u>				
Accounts payable		-	-	-
Total liabilities		-	-	-
Retained earnings		20,668,083	7,667,557	21,384,360
Total liabilities and retained earnings		\$ 20,668,083	7,667,557	21,384,360

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	Lake Erie Soil Erosion Fund	Group Total
-	-	1	1,735,188	1	1,735,190
34,459,344	1,811,856	5,114,858	9,260,138	10,542,220	103,876,749
13,125,446	1,421,798	-	-	-	21,578,911
<u>47,584,790</u>	<u>3,233,654</u>	<u>5,114,859</u>	<u>10,995,326</u>	<u>10,542,221</u>	<u>127,190,850</u>
122,417	10,000	-	-	-	132,417
122,417	10,000	-	-	-	132,417
47,462,373	3,223,654	5,114,859	10,995,326	10,542,221	127,058,433
<u>47,584,790</u>	<u>3,233,654</u>	<u>5,114,859</u>	<u>10,995,326</u>	<u>10,542,221</u>	<u>127,190,850</u>

OHIO WATER DEVELOPMENT AUTHORITY
OTHER PROJECTS GROUP

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

Year ended December 31, 2000

	Trusteed Funds		
	Other Projects Group		
	Unallocated Reserve Fund	Endowment Grant Fund	Solid Waste Fund
Revenues:			
Loan Income	\$ -	-	532,833
Investment income	1,262,373	481,106	873,146
	1,262,373	481,106	1,405,979
Expenses:			
Operating expense and other	18,059	455,994	15,201
	18,059	455,994	15,201
Excess (deficiency) of revenues over expenses before operating transfers	1,244,314	25,112	1,390,778
Operating transfers in (out), net	-	-	-
Excess (deficiency) of revenues over expenses	1,244,314	25,112	1,390,778
Retained Earnings at beginning of year	19,423,769	7,642,445	19,993,582
Residual equity transfers in (out), net	-	-	-
Retained Earnings at end of year	\$ 20,668,083	7,667,557	21,384,360

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	Lake Erie Soil Erosion Fund	Group Total
220,320	-	-	-	-	753,153
<u>1,940,750</u>	<u>84,714</u>	<u>248,537</u>	<u>615,244</u>	<u>542,913</u>	<u>6,048,783</u>
2,161,070	84,714	248,537	615,244	542,913	6,801,936
<u>74,054</u>	<u>2,400</u>	<u>1,632</u>	<u>3,625</u>	<u>692</u>	<u>571,657</u>
<u>74,054</u>	<u>2,400</u>	<u>1,632</u>	<u>3,625</u>	<u>692</u>	<u>571,657</u>
<u>2,087,016</u>	<u>82,314</u>	<u>246,905</u>	<u>611,619</u>	<u>542,221</u>	<u>6,230,279</u>
-	-	(359,352)	-	-	(359,352)
<u>2,087,016</u>	<u>82,314</u>	<u>(112,447)</u>	<u>611,619</u>	<u>542,221</u>	<u>5,870,927</u>
40,375,357	3,141,340	4,357,306	10,383,707	-	105,317,506
<u>5,000,000</u>	-	<u>870,000</u>	-	<u>10,000,000</u>	<u>15,870,000</u>
<u>47,462,373</u>	<u>3,223,654</u>	<u>5,114,859</u>	<u>10,995,326</u>	<u>10,542,221</u>	<u>127,058,433</u>

OHIO WATER DEVELOPMENT AUTHORITY
OTHER PROJECTS GROUP

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2000

	Trusteed Funds		
	Other Projects Group		
	Unallocated Reserve Fund	Endowment Grant Fund	Solid Waste Fund
Operating activities:			
Operating expenses	\$ (18,059)	(15,290)	(15,201)
Net cash provided (used) by operating activities	(18,059)	(15,290)	(15,201)
Investing activities:			
Proceeds from maturity or sale of investments	51,966,799	2,347,934	19,239,964
Purchase of investments	(52,939,946)	(2,314,586)	(20,788,058)
Interest received on investments, net of purchased interest	991,206	460,021	739,089
Interest received on projects	-	-	543,261
Principal collected on projects	-	-	280,945
Payment for construction of projects	-	(478,079)	-
Net cash provided (used) by investing activities	18,059	15,290	15,201
Noncapital financing activities:			
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	1,244,314	25,112	1,390,778
Adjustments:			
Investment income	(1,262,373)	(481,106)	(873,146)
Operating expenses	-	440,704	-
Loan Income	-	-	(532,833)
Net cash provided (used) by operating activities	\$ (18,059)	(15,290)	(15,201)

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	Lake Erie Soil Erosion Fund	Group Total
(74,054)	(2,400)	(1,632)	(3,625)	(692)	(130,953)
(74,054)	(2,400)	(1,632)	(3,625)	(692)	(130,953)
63,638,128	231,613	12,426,915	114,476	64,608,315	214,574,144
(65,776,340)	(644,476)	(13,183,280)	(734,312)	(75,063,426)	(231,444,424)
1,566,084	81,295	123,269	623,461	455,804	5,040,229
191,248	-	-	-	-	734,509
654,264	559,128	-	-	-	1,494,337
(5,199,330)	(225,160)	-	-	-	(5,902,569)
(4,925,946)	2,400	(633,096)	3,625	(9,999,307)	(15,503,774)
5,000,000	-	510,649	-	10,000,000	15,510,649
5,000,000	-	510,649	-	10,000,000	15,510,649
-	-	(124,079)	-	1	(124,078)
-	-	124,080	-	-	124,080
-	-	1	-	1	2
2,087,016	82,314	246,905	611,619	542,221	6,230,279
(1,940,750)	(84,714)	(248,537)	(615,244)	(542,913)	(6,048,783)
-	-	-	-	-	440,704
(220,320)	-	-	-	-	(753,153)
(74,054)	(2,400)	(1,632)	(3,625)	(692)	(130,953)

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

Schedule of Combining Balance Sheets

December 31, 2000

		Trusteed Fund				
		Rural Development 1999 Fund				
<u>Assets</u>		Advance	Revenue	Debt Service	Rebate	Fund Total
Cash	\$	-	(162)	162	-	-
Investments		4,794,586	891,238	429,165	-	6,114,989
Receivables:						
Federal and local government authorities		10,637,141	-	-	-	10,637,141
Deferred bond and note issuance expense		25,711	-	-	-	25,711
Total assets	\$	15,457,438	891,076	429,327	-	16,777,841
<u>Liabilities and Retained Earnings</u>						
Accrued interest		-	-	27,275	-	27,275
Accounts payable		1,840,570	-	-	159,488	2,000,058
Water Development Revenue Notes:						
Rural Development Series 1999-A		7,260,000	-	-	-	7,260,000
Rural Development Series 2000-A		-	-	-	-	-
Total liabilities		9,100,570	-	27,275	159,488	9,287,333
Retained earnings		6,356,868	891,076	402,052	(159,488)	7,490,508
Total liabilities and retained earnings	\$	15,457,438	891,076	429,327	-	16,777,841

See accompanying notes to financial statements.

Trusteed Fund					
Rural Development 2000 Fund					
Advance	Revenue	Debt Service	Cost of Issuance	Fund Total	Group Total
-	-	-	-	-	-
6,281,546	-	474,299	55	6,755,900	12,870,889
-	-	-	-	-	10,637,141
87,093	-	-	-	87,093	112,804
<u>6,368,639</u>	<u>-</u>	<u>474,299</u>	<u>55</u>	<u>6,842,993</u>	<u>23,620,834</u>
-	-	26,673	-	26,673	53,948
-	-	-	-	-	2,000,058
-	-	-	-	-	7,260,000
<u>7,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,100,000</u>	<u>7,100,000</u>
7,100,000	-	26,673	-	7,126,673	16,414,006
(731,361)	-	447,626	55	(283,680)	7,206,828
<u>6,368,639</u>	<u>-</u>	<u>474,299</u>	<u>55</u>	<u>6,842,993</u>	<u>23,620,834</u>

OHIO WATER DEVELOPMENT AUTHORITY
RURAL UTILITY SERVICES GROUP

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

Year ended December 31, 2000

	Trusteed Fund		
	Rural Utility Services Fund		
	Advance	Revenue	Fund Total
Revenues:			
Loan Income	\$ 66,095	-	66,095
Investment income	2,475	3	2,478
	<u>68,570</u>	<u>3</u>	<u>68,573</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	68,570	3	68,573
Other	-	-	-
Operating transfers in (out), net	<u>(2,497,939)</u>	<u>(62)</u>	<u>(2,498,001)</u>
Excess (deficiency) of revenues over expenses	<u>(2,429,369)</u>	<u>(59)</u>	<u>(2,429,428)</u>
Retained earnings at beginning of year	2,429,369	59	2,429,428
Residual equity transfers in (out), net	-	-	-
Retained earnings at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>

Trusted Fund

Rural Development 1998 Fund

Advance	Revenue	Debt Service	Rebate	Cost of Issuance	Fund Total
71,990	-	-	-	-	71,990
74,181	15,782	9,068	-	439	99,470
146,171	15,782	9,068	-	439	171,460
-	-	12,265	-	-	12,265
28,395	-	-	-	-	28,395
-	-	-	-	4,855	4,855
28,395	-	12,265	-	4,855	45,515
117,776	15,782	(3,197)	-	(4,416)	125,945
-	-	-	8,627	-	8,627
(7,060,710)	(29,095)	(323,770)	(8,627)	(16,074)	(7,438,276)
(6,942,934)	(13,313)	(326,967)	-	(20,490)	(7,303,704)
6,942,934	13,313	326,967	-	20,490	7,303,704
-	-	-	-	-	-
-	-	-	-	-	-

(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, 2000

	Trusteed Fund					Fund Total
	Rural Development 1999 Fund					
	Advance	Revenue	Debt Service	Rebate	Cost of Issuance	
Revenues:						
Loan Income	\$ 157,673	-	-	-	-	157,673
Investment income	403,448	11,102	9,270	-	55	423,875
	<u>561,121</u>	<u>11,102</u>	<u>9,270</u>	<u>-</u>	<u>55</u>	<u>581,548</u>
Expenses:						
Interest on bonds and notes	-	-	391,251	-	-	391,251
Amortization of bond issuance expense	77,112	-	-	-	-	77,112
Operating expense and other	66,820	-	-	159,488	-	226,308
	<u>143,932</u>	<u>-</u>	<u>391,251</u>	<u>159,488</u>	<u>-</u>	<u>694,671</u>
Excess (deficiency) of revenues over expenses before operating transfers	417,189	11,102	(381,981)	(159,488)	55	(113,123)
Other	-	-	-	-	-	-
Operating transfers in (out), net	11,071,210	(936,774)	102,996	-	(1,155)	10,236,277
Excess (deficiency) of revenues over expenses	11,488,399	(925,672)	(278,985)	(159,488)	(1,100)	10,123,154
Retained earnings at beginning of year	(5,131,531)	1,816,748	281,037	-	1,100	(3,032,646)
Residual equity transfers in (out), net	-	-	400,000	-	-	400,000
Retained earnings at end of year	<u>\$ 6,356,868</u>	<u>891,076</u>	<u>402,052</u>	<u>(159,488)</u>	<u>-</u>	<u>7,490,508</u>

See accompanying notes to financial statements.

Trusteed Fund					
Rural Development 2000 Fund					
Advance	Revenue	Debt Service	Cost of Issuance	Fund Total	Group Total
-	-	-	-	-	295,758
75,678	-	5,755	716	82,149	607,972
<u>75,678</u>	<u>-</u>	<u>5,755</u>	<u>716</u>	<u>82,149</u>	<u>903,730</u>
-	-	58,129	-	58,129	461,645
6,700	-	-	-	6,700	112,207
-	-	-	1,000	1,000	232,163
<u>6,700</u>	<u>-</u>	<u>58,129</u>	<u>1,000</u>	<u>65,829</u>	<u>806,015</u>
68,978	-	(52,374)	(284)	16,320	97,715
-	-	-	-	-	8,627
<u>(800,339)</u>	<u>-</u>	<u>500,000</u>	<u>339</u>	<u>(300,000)</u>	<u>-</u>
<u>(731,361)</u>	<u>-</u>	<u>447,626</u>	<u>55</u>	<u>(283,680)</u>	<u>106,342</u>
-	-	-	-	-	6,700,486
-	-	-	-	-	400,000
<u>(731,361)</u>	<u>-</u>	<u>447,626</u>	<u>55</u>	<u>(283,680)</u>	<u>7,206,828</u>

OHIO WATER DEVELOPMENT AUTHORITY
RURAL UTILITY SERVICES GROUP

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2000

	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	2,084,301	62	2,084,363
Purchase of investments	(2,041,330)	(4)	(2,041,334)
Interest received on investments, net of purchased interest	2,581	4	2,585
Interest received on projects	-	-	-
Principal collected on projects	-	-	-
Payment for construction of projects	-	-	-
Net cash provided (used) by investing activities	45,552	62	45,614
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	-	-	-
Transfers to/from other funds	(45,552)	(62)	(45,614)
Net cash provided (used) by noncapital financing activities	(45,552)	(62)	(45,614)
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	68,570	3	68,573
Adjustments:			
Investment income	(2,475)	(3)	(2,478)
Operating expenses	-	-	-
Interest on bonds and notes	-	-	-
Loan Income	(66,095)	-	(66,095)
Amortization of bond issuance cost	-	-	-
Net cash provided (used) by operating activities	\$ -	-	-

Trusted Fund
Rural Development 1998 Fund

Advance	Revenue	Debt Service	Rebate	Cost of Issuance	Fund Total
-	-	-	-	(4,855)	(4,855)
-	-	-	-	(4,855)	(4,855)
4,284,600	4,550,987	1,400,139	-	22,991	10,258,717
(94,350)	(4,537,726)	(1,066,367)	-	(2,585)	(5,701,028)
93,870	15,834	10,310	-	522	120,536
-	91,135	-	-	-	91,135
-	4,437,000	-	-	-	4,437,000
(734,673)	-	-	-	-	(734,673)
3,549,447	4,557,230	344,082	-	20,928	8,471,687
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(20,311)	-	-	(20,311)
-	-	(2,300,000)	-	-	(2,300,000)
-	-	-	(81,798)	-	(81,798)
(3,549,447)	(4,557,230)	1,976,229	81,798	(16,073)	(6,064,723)
(3,549,447)	(4,557,230)	(344,082)	-	(16,073)	(8,466,832)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
117,776	15,782	(3,197)	-	(4,416)	125,945
(74,181)	(15,782)	(9,068)	-	(439)	(99,470)
-	-	-	-	-	-
-	-	12,265	-	-	12,265
(71,990)	-	-	-	-	(71,990)
28,395	-	-	-	-	28,395
-	-	-	-	(4,855)	(4,855)

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
RURAL UTILITY SERVICES GROUP

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2000

	Trusteed Fund		
	Rural Development 1999 Fund		
	Advance	Revenue	Debt Service
Operating activities:			
Operating expenses	\$ (66,820)	-	-
Net cash provided (used) by operating activities	(66,820)	-	-
Investing activities:			
Proceeds from maturity or sale of investments	12,844,646	3,701,163	7,929,427
Purchase of investments	(11,033,043)	(2,777,502)	(8,031,179)
Interest received on investments, net of purchased interest	427,738	12,951	9,095
Interest received on projects	-	202,386	-
Principal collected on projects	-	2,250,000	-
Payment for construction of projects	(5,925,178)	-	-
Net cash provided (used) by investing activities	(3,685,837)	3,388,998	(92,657)
Noncapital financing activities:			
Bond and note issuance expense	-	-	-
Proceeds of bonds and notes	-	-	-
Interest paid on bonds and notes, net of purchased interest	-	-	(410,176)
Redemption of bonds and notes	-	-	(5,945,000)
Other	-	-	-
Transfers to/from other funds	3,752,657	(3,389,160)	6,447,995
Net cash provided (used) by noncapital financing activities	3,752,657	(3,389,160)	92,819
Net increase (decrease) in cash and cash equivalents	-	(162)	162
Cash and cash equivalents at beginning of period	-	-	-
Cash and cash equivalents at end of period	\$ -	(162)	162
Reconciliation to net cash provided (used) by operating activities:			
Excess (deficiency) of revenues over expenses before operating transfers	417,189	11,102	(381,981)
Adjustments:			
Investment income	(403,448)	(11,102)	(9,270)
Operating expenses	-	-	-
Interest on bonds and notes	-	-	391,251
Loan Income	(157,673)	-	-
Amortization of bond issuance cost	77,112	-	-
Net cash provided (used) by operating activities	\$ (66,820)	-	-

Trusteed Fund		
Rural Development 1999 Fund		
Rebate	Cost of Issuance	Fund Total
-	-	(66,820)
-	-	(66,820)
-	1,155	24,476,391
-	(60)	(21,841,784)
-	60	449,844
-	-	202,386
-	-	2,250,000
-	-	(5,925,178)
-	1,155	(388,341)
-	-	-
-	-	-
-	-	(410,176)
-	-	(5,945,000)
-	-	-
-	(1,155)	6,810,337
-	(1,155)	455,161
-	-	-
-	-	-
-	-	-
(159,488)	55	(113,123)
-	(55)	(423,875)
159,488	-	159,488
-	-	391,251
-	-	(157,673)
-	-	77,112
-	-	(66,820)

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
RURAL UTILITY SERVICES GROUP

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2000

	Trusteed Fund		
	Rural Development 2000 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	19,551,219	-	531,971
Purchase of investments	(25,778,531)	-	(1,003,681)
Interest received on investments, net of purchased interest	21,443	-	3,165
Interest received on projects	-	-	-
Principal collected on projects	-	-	-
Payment for construction of projects	-	-	-
Net cash provided (used) by investing activities	(6,205,869)	-	(468,545)
Noncapital financing activities:			
Bond and note issuance expense	-	-	-
Proceeds of bonds and notes	6,511,000	-	500,000
Interest paid on bonds and notes, net of purchased interest	-	-	(31,455)
Redemption of bonds and notes	-	-	-
Other	-	-	-
Transfers to/from other funds	(305,131)	-	-
Net cash provided (used) by noncapital financing activities	6,205,869	-	468,545
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	68,978	-	(52,374)
Adjustments:			
Investment income	(75,678)	-	(5,755)
Operating expenses	-	-	-
Interest on bonds and notes	-	-	58,129
Loan Income	-	-	-
Amortization of bond issuance cost	6,700	-	-
Net cash provided (used) by operating activities	\$ -	-	-

See accompanying notes to financial statements.

<u>Trusteed Fund</u>		
<u>Rural Development 2000 Fund</u>		
<u>Cost of Issuance</u>	<u>Fund Total</u>	<u>Group Total</u>
(1,000)	(1,000)	(72,675)
<u>(1,000)</u>	<u>(1,000)</u>	<u>(72,675)</u>
256,786	20,339,976	57,159,447
(256,841)	(27,039,053)	(56,623,199)
716	25,324	598,289
-	-	293,521
-	-	6,687,000
-	-	(6,659,851)
<u>661</u>	<u>(6,673,753)</u>	<u>1,455,207</u>
(93,792)	(93,792)	(93,792)
89,000	7,100,000	7,100,000
-	(31,455)	(461,942)
-	-	(8,245,000)
-	-	(81,798)
<u>5,131</u>	<u>(300,000)</u>	<u>400,000</u>
<u>339</u>	<u>6,674,753</u>	<u>(1,382,532)</u>
-	-	-
-	-	-
-	-	-
<u>(284)</u>	<u>16,320</u>	<u>97,715</u>
(716)	(82,149)	(607,972)
-	-	159,488
-	58,129	461,645
-	-	(295,758)
-	6,700	112,207
<u>(1,000)</u>	<u>(1,000)</u>	<u>(72,675)</u>

**OHIO WATER DEVELOPMENT AUTHORITY
COMMUNITY ASSISTANCE FUND**

Schedule of Combining Balance Sheets

December 31, 2000

	Trusted Fund		
	Community Assistance Fund		
<u>Assets</u>	Construction	Revenue	Debt Service
Investments	\$ 56,919,187	1,718,232	10,269
Receivables:			
Federal and local government authorities	86,226,116	-	-
Due from other funds	1,992	-	-
Deferred bond and note issuance expense	625,396	-	-
Total assets	\$ 143,772,691	1,718,232	10,269
<u>Liabilities and Retained Earnings</u>			
Accrued interest	-	-	215,696
Accounts payable	141,834	-	-
Water Development Revenue Bonds:			
Community Assistance Series 1997, net of discount	49,822,107	-	-
Total liabilities	49,963,941	-	215,696
Retained earnings	93,808,750	1,718,232	(205,427)
Total liabilities and retained earnings	\$ 143,772,691	1,718,232	10,269

See accompanying notes to financial statements.

Trusteed Fund

Community Assistance Fund

Debt Service Reserve	Surplus	Rebate	Fund Total
4,259,849	1,942,739	135,091	64,985,367
-	-	-	86,226,116
-	-	-	1,992
-	-	-	625,396
<u>4,259,849</u>	<u>1,942,739</u>	<u>135,091</u>	<u>151,838,871</u>
-	-	-	215,696
-	-	436,239	578,073
-	-	-	49,822,107
-	-	436,239	50,615,876
4,259,849	1,942,739	(301,148)	101,222,995
<u>4,259,849</u>	<u>1,942,739</u>	<u>135,091</u>	<u>151,838,871</u>

**OHIO WATER DEVELOPMENT AUTHORITY
COMMUNITY ASSISTANCE FUND**

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

Year ended December 31, 2000

	Trusted Fund		
	Community Assistance Fund		
	Construction	Revenue	Debt Service
Revenues:			
Loan Income	\$ 1,746,366	-	-
Investment income	2,537,461	101,217	14,728
	4,283,827	101,217	14,728
Expenses:			
Interest on bonds and notes	-	-	2,610,968
Amortization of bond issuance expense	26,058	-	-
Operating expense and other	1,000	-	-
	27,058	-	2,610,968
Excess (deficiency) of revenues over expenses before operating transfers	4,256,769	101,217	(2,596,240)
Operating transfers in (out), net	(3,530,934)	28,603	2,607,420
Excess (deficiency) of revenues over expenses	725,835	129,820	11,180
Retained earnings at beginning of year	60,998,855	1,588,412	(216,607)
Residual equity transfers in (out), net	32,084,060	-	-
Retained earnings at end of year	\$ 93,808,750	1,718,232	(205,427)

See accompanying notes to financial statements.

Trusteed Fund

Community Assistance Fund

Debt Service Reserve	Surplus	Rebate	Fund Total
-	-	-	1,746,366
244,245	95,078	7,094	2,999,823
244,245	95,078	7,094	4,746,189
-	-	-	2,610,968
-	-	-	26,058
-	-	291,010	292,010
-	-	291,010	2,929,036
244,245	95,078	(283,916)	1,817,153
(244,153)	701,633	(17,232)	(454,663)
92	796,711	(301,148)	1,362,490
4,259,757	1,146,028	-	67,776,445
-	-	-	32,084,060
4,259,849	1,942,739	(301,148)	101,222,995

**OHIO WATER DEVELOPMENT AUTHORITY
COMMUNITY ASSISTANCE FUND**

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2000

	Trusted Fund	
	Community Assistance Fund	
	Construction	Revenue
Operating activities:		
Operating expenses	\$ (1,000)	-
Net cash provided (used) by operating activities	(1,000)	-
Investing activities:		
Proceeds from maturity or sale of investments	560,922,397	13,504,474
Purchase of investments	(592,159,248)	(13,943,245)
Interest received on investments, net of purchased interest	2,112,647	99,567
Interest received on projects	-	1,673,220
Principal collected on projects	-	3,475,450
Payment for construction of projects	(2,958,857)	-
Net cash provided (used) by investing activities	(32,083,061)	4,809,466
Noncapital financing activities:		
Interest paid on bonds and notes, net of purchased interest	-	-
Redemption of bonds and notes	-	-
Transfers to/from other funds	32,084,061	(5,120,067)
Net cash provided (used) by noncapital financing activities	32,084,061	(5,120,067)
Net increase (decrease) in cash and cash equivalents	-	(310,601)
Cash and cash equivalents at beginning of period	-	310,601
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	4,256,769	101,217
Adjustments:		
Investment income	(2,537,461)	(101,217)
Operating expenses	-	-
Interest on bonds and notes	-	-
Loan Income	(1,746,366)	-
Amortization of bond issuance cost	26,058	-
Net cash provided (used) by operating activities	\$ (1,000)	-

See accompanying notes to financial statements.

Trusteed Fund

Community Assistance Fund

Debt Service	Debt Service Reserve	Surplus	Rebate	Fund Total
-	-	-	-	(1,000)
-	-	-	-	(1,000)
5,984,104	244,048	3,773,944	6,374	584,435,341
(5,989,781)	(245,429)	(4,547,853)	(12,892)	(616,898,448)
14,875	245,534	89,509	6,518	2,568,650
-	-	-	-	1,673,220
-	-	-	-	3,475,450
-	-	-	-	(2,958,857)
9,198	244,153	(684,400)	-	(27,704,644)
(2,639,353)	-	-	-	(2,639,353)
(1,595,000)	-	-	-	(1,595,000)
4,225,155	(244,153)	684,400	-	31,629,396
(9,198)	(244,153)	684,400	-	27,395,043
-	-	-	-	(310,601)
-	-	-	-	310,601
-	-	-	-	-
(2,596,240)	244,245	95,078	(283,916)	1,817,153
(14,728)	(244,245)	(95,078)	(7,094)	(2,999,823)
-	-	-	291,010	291,010
2,610,968	-	-	-	2,610,968
-	-	-	-	(1,746,366)
-	-	-	-	26,058
-	-	-	-	(1,000)

**OHIO WATER DEVELOPMENT AUTHORITY
FRESH WATER GROUP**

Schedule of Combining Balance Sheets

December 31, 2000

		Trusted Fund		
		Fresh Water Fund		
		Construction	Revenue	Fund Total
	<u>Assets</u>			
Cash		\$ 1	506,310	506,311
Investments		33,403,381	5,805,223	39,208,604
Receivables:				
Federal and local government authorities		108,877,742	-	108,877,742
Due from other funds		-	-	-
Deferred bond and note issuance expense		-	-	-
Total assets		\$ 142,281,124	6,311,533	148,592,657
	<u>Liabilities and Retained Earnings</u>			
Accrued interest		-	-	-
Accounts payable		-	-	-
Retainages payable		-	-	-
Water Development Revenue Bonds:				
Fresh Water 1995 Series, net of discount		-	-	-
Fresh Water 1998 Series, net of premium		-	-	-
Total liabilities		-	-	-
Retained earnings		142,281,124	6,311,533	148,592,657
Total liabilities and retained earnings		\$ 142,281,124	6,311,533	148,592,657

Trusteed Fund							
1995 Fresh Water Fund							
Construction	Revenue	Debt Service	Debt Service Reserve	Cross Collateralization	Surplus	Rebate	Fund Total
-	165,470	1	1	1	-	1	165,474
13,954,354	5,630,226	18,497	4,807,225	9,640,485	7,553,448	533,381	42,137,616
103,445,699	-	-	-	-	-	-	103,445,699
-	-	-	-	-	-	-	-
1,001,393	-	-	-	-	-	-	1,001,393
<u>118,401,446</u>	<u>5,795,696</u>	<u>18,498</u>	<u>4,807,226</u>	<u>9,640,486</u>	<u>7,553,448</u>	<u>533,382</u>	<u>146,750,182</u>
-	-	329,449	-	-	-	-	329,449
101,245	-	-	-	-	-	67,830	169,075
94,814	-	-	-	-	-	-	94,814
70,827,698	-	-	-	-	-	-	70,827,698
-	-	-	-	-	-	-	-
<u>71,023,757</u>	<u>-</u>	<u>329,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,830</u>	<u>71,421,036</u>
<u>47,377,689</u>	<u>5,795,696</u>	<u>(310,951)</u>	<u>4,807,226</u>	<u>9,640,486</u>	<u>7,553,448</u>	<u>465,552</u>	<u>75,329,146</u>
<u>118,401,446</u>	<u>5,795,696</u>	<u>18,498</u>	<u>4,807,226</u>	<u>9,640,486</u>	<u>7,553,448</u>	<u>533,382</u>	<u>146,750,182</u>

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
FRESH WATER GROUP**

Schedule of Combining Balance Sheets, Continued

December 31, 2000

		Trusteed Fund				
		1998 Fresh Water Fund				
<u>Assets</u>		Construction	Revenue	Debt Service	Debt Service Reserve	Rebate
Cash	\$	-	1	1	-	-
Investments		85,390,430	566,541	26,022	4,683,151	-
Receivables:						
Federal and local government authorities		79,248,696	-	-	-	-
Due from other funds		400	-	-	-	-
Deferred bond and note issuance expense		1,482,499	-	-	-	-
Total assets	\$	166,122,025	566,542	26,023	4,683,151	-
<u>Liabilities and Retained Earnings</u>						
Accrued interest		-	-	584,070	-	-
Accounts payable		4,473,904	-	-	-	2,157,609
Retainages payable		663,029	-	-	-	-
Water Development Revenue Bonds:						
Fresh Water 1995 Series, net of discount		-	-	-	-	-
Fresh Water 1998 Series, net of premium		138,700,147	-	-	-	-
Total liabilities		143,837,080	-	584,070	-	2,157,609
Retained earnings		22,284,945	566,542	(558,047)	4,683,151	(2,157,609)
Total liabilities and retained earnings	\$	166,122,025	566,542	26,023	4,683,151	-

See accompanying notes to financial statements.

Trusteed Fund
1998 Fresh Water Fund

Fund Total	Group Total
2	671,787
90,666,144	172,012,364
79,248,696	291,572,137
400	400
1,482,499	2,483,892
171,397,741	466,740,580
584,070	913,519
6,631,513	6,800,588
663,029	757,843
-	70,827,698
138,700,147	138,700,147
146,578,759	217,999,795
24,818,982	248,740,785
171,397,741	466,740,580

OHIO WATER DEVELOPMENT AUTHORITY
FRESH WATER GROUP

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

Year ended December 31, 2000

	Trusteed Fund		Fund Total
	Fresh Water Fund		
	Construction	Revenue	
Revenues:			
Loan Income	\$ 7,206,918	-	7,206,918
Investment income	1,972,405	239,068	2,211,473
	<u>9,179,323</u>	<u>239,068</u>	<u>9,418,391</u>
Expenses:			
Interest on bonds and notes	-	-	-
Amortization of bond issuance expense	-	-	-
Operating expense and other	1,532	22,705	24,237
	<u>1,532</u>	<u>22,705</u>	<u>24,237</u>
Excess (deficiency) of revenues over expenses before operating transfers	9,177,791	216,363	9,394,154
Other	-	-	-
Operating transfers in (out), net	<u>(14,321,056)</u>	<u>3,694,542</u>	<u>(10,626,514)</u>
Excess (deficiency) of revenues over expenses	(5,143,265)	3,910,905	(1,232,360)
Retained earnings at beginning of year	147,424,389	2,400,628	149,825,017
Residual equity transfers in (out), net	-	-	-
Retained earnings at end of year	<u>\$ 142,281,124</u>	<u>6,311,533</u>	<u>148,592,657</u>

Trusteed Fund

1995 Fresh Water Fund

Construction	Revenue	Debt Service	Debt Service Reserve	Cross Collateral- ization	Surplus	Rebate	Fund Total
6,696,015	-	-	-	-	-	-	6,696,015
880,239	219,747	30,441	307,107	986,809	439,379	30,566	2,894,288
7,576,254	219,747	30,441	307,107	986,809	439,379	30,566	9,590,303
-	-	4,248,742	-	-	-	-	4,248,742
47,685	-	-	-	-	-	-	47,685
14,391	30,501	1,847	1,435	1,863	88	44,437	94,562
62,076	30,501	4,250,589	1,435	1,863	88	44,437	4,390,989
7,514,178	189,246	(4,220,148)	305,672	984,946	439,291	(13,871)	5,199,314
-	-	-	-	97,029	-	-	97,029
(9,888,430)	3,635,981	4,238,401	(568,941)	17,107,270	(2,060,582)	-	12,463,699
(2,374,252)	3,825,227	18,253	(263,269)	18,189,245	(1,621,291)	(13,871)	17,760,042
49,751,941	1,970,469	(329,204)	5,070,495	29,681,102	9,174,739	479,423	95,798,965
-	-	-	-	(38,229,861)	-	-	(38,229,861)
47,377,689	5,795,696	(310,951)	4,807,226	9,640,486	7,553,448	465,552	75,329,146

(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, 2000

	Trusteed Fund				
	1998 Fresh Water Fund				
	Construction	Revenue	Debt Service	Debt Service Reserve	Rebate
Revenues:					
Loan Income	\$ 2,791,951	-	-	-	-
Investment income	6,303,578	25,592	42,681	280,700	-
	<u>9,095,529</u>	<u>25,592</u>	<u>42,681</u>	<u>280,700</u>	<u>-</u>
Expenses:					
Interest on bonds and notes	-	-	6,852,816	-	-
Amortization of bond issuance expense	64,456	-	-	-	-
Operating expense and other	21,351	1,511	2,643	1,455	880,569
	<u>85,807</u>	<u>1,511</u>	<u>6,855,459</u>	<u>1,455</u>	<u>880,569</u>
Excess (deficiency) of revenues over expenses before operating transfers	9,009,722	24,081	(6,812,778)	279,245	(880,569)
Other	-	-	-	-	-
Operating transfers in (out), net	3,415,965	465,843	6,833,702	(484,484)	(1,277,040)
Excess (deficiency) of revenues over expenses	<u>12,425,687</u>	<u>489,924</u>	<u>20,924</u>	<u>(205,239)</u>	<u>(2,157,609)</u>
Retained earnings at beginning of year	9,859,258	76,618	(578,971)	4,888,390	-
Residual equity transfers in (out), net	-	-	-	-	-
Retained earnings at end of year	<u>\$ 22,284,945</u>	<u>566,542</u>	<u>(558,047)</u>	<u>4,683,151</u>	<u>(2,157,609)</u>

See accompanying notes to financial statements.

Trusteed Fund
1998 Fresh Water Fund

<u>Fund Total</u>	<u>Group Total</u>
2,791,951	16,694,884
<u>6,652,551</u>	<u>11,758,312</u>
9,444,502	28,453,196
6,852,816	11,101,558
64,456	112,141
<u>907,529</u>	<u>1,026,328</u>
<u>7,824,801</u>	<u>12,240,027</u>
1,619,701	16,213,169
-	97,029
<u>8,953,986</u>	<u>10,791,171</u>
10,573,687	27,101,369
14,245,295	259,869,277
-	<u>(38,229,861)</u>
<u>24,818,982</u>	<u>248,740,785</u>

OHIO WATER DEVELOPMENT AUTHORITY
FRESH WATER GROUP

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2000

	Trusteed Fund		Fund Total
	Fresh Water Fund		
	Construction	Revenue	
Operating activities:			
Operating expenses	\$ (1,532)	(22,705)	(24,237)
Net cash provided (used) by operating activities	(1,532)	(22,705)	(24,237)
Investing activities:			
Proceeds from maturity or sale of investments	1,821,052	12,793,250	14,614,302
Purchase of investments	(5,346,608)	(16,342,756)	(21,689,364)
Interest received on investments, net of purchased interest	1,929,554	221,125	2,150,679
Interest received on projects	-	8,231,593	8,231,593
Principal collected on projects	1,687,412	6,089,462	7,776,874
Payment for construction of projects	(89,877)	-	(89,877)
Net cash provided (used) by investing activities	1,533	10,992,674	10,994,207
Noncapital financing activities:			
Interest paid on bonds and notes, net of purchased interest	-	-	-
Redemption of bonds and notes	-	-	-
Other	-	-	-
Transfers to/from other funds	-	(10,626,513)	(10,626,513)
Net cash provided (used) by noncapital financing activities	-	(10,626,513)	(10,626,513)
Net increase (decrease) in cash and cash equivalents	1	343,456	343,457
Cash and cash equivalents at beginning of period	-	162,854	162,854
Cash and cash equivalents at end of period	\$ 1	506,310	506,311
Reconciliation to net cash provided (used) by operating activities:			
Excess (deficiency) of revenues over expenses before operating transfers	9,177,791	216,363	9,394,154
Adjustments:			
Investment income	(1,972,405)	(239,068)	(2,211,473)
Operating expenses	-	-	-
Interest on bonds and notes	-	-	-
Loan Income	(7,206,918)	-	(7,206,918)
Amortization of bond issuance cost	-	-	-
Net cash provided (used) by operating activities	\$ (1,532)	(22,705)	(24,237)

Trusteed Fund

1995 Fresh Water Fund

Construction	Revenue	Debt Service	Debt Service Reserve	Cross Collateral-ization	Surplus	Rebate	Fund Total
(249)	(30,501)	(1,847)	(1,435)	(1,863)	(88)	(1,981)	(37,964)
(249)	(30,501)	(1,847)	(1,435)	(1,863)	(88)	(1,981)	(37,964)
14,097,451	12,500,823	7,730,728	25,080,569	395,342,428	39,895,702	175,007	494,822,708
(11,936,151)	(16,240,757)	(7,749,145)	(24,797,572)	(375,385,293)	(38,307,776)	(26,001)	(474,442,695)
922,415	198,627	30,361	287,380	1,070,291	472,743	30,635	3,012,452
-	7,031,667	-	-	-	-	-	7,031,667
1,404,988	6,324,191	-	-	-	-	-	7,729,179
(4,488,454)	-	-	-	-	-	-	(4,488,454)
249	9,814,551	11,944	570,377	21,027,426	2,060,669	179,641	33,664,857
-	-	(4,305,727)	-	-	-	-	(4,305,727)
-	-	(3,425,000)	-	-	-	-	(3,425,000)
-	-	-	-	97,029	-	(177,659)	(80,630)
-	(9,719,878)	7,705,829	(568,941)	(21,122,591)	(2,060,581)	-	(25,766,162)
-	(9,719,878)	(24,898)	(568,941)	(21,025,562)	(2,060,581)	(177,659)	(33,577,519)
-	64,172	(14,801)	1	1	-	1	49,374
-	101,298	14,802	-	-	-	-	116,100
-	165,470	1	1	1	-	1	165,474
7,514,178	189,246	(4,220,148)	305,672	984,946	439,291	(13,871)	5,199,314
(880,239)	(219,747)	(30,441)	(307,107)	(986,809)	(439,379)	(30,566)	(2,894,288)
14,142	-	-	-	-	-	42,456	56,598
-	-	4,248,742	-	-	-	-	4,248,742
(6,696,015)	-	-	-	-	-	-	(6,696,015)
47,685	-	-	-	-	-	-	47,685
(249)	(30,501)	(1,847)	(1,435)	(1,863)	(88)	(1,981)	(37,964)

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
FRESH WATER GROUP

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2000

	Trusteed Fund				
	1998 Fresh Water Fund				
	Construction	Revenue	Debt Service	Debt Service Reserve	Rebate
Operating activities:					
Operating expenses	\$ (21,351)	(1,511)	(2,643)	(1,455)	-
Net cash provided (used) by operating activities	(21,351)	(1,511)	(2,643)	(1,455)	-
Investing activities:					
Proceeds from maturity or sale of investments	58,556,048	1,292,689	10,732,329	481,979	-
Purchase of investments	(9,905,877)	(1,858,489)	(10,738,770)	(277,493)	-
Interest received on investments, net of purchased interest	6,525,358	24,852	43,304	281,453	-
Interest received on projects	-	855,967	-	-	-
Principal collected on projects	118,099	908,774	-	-	-
Payment for construction of projects	(55,272,277)	-	-	-	-
Net cash provided (used) by investing activities	21,351	1,223,793	36,863	485,939	-
Noncapital financing activities:					
Interest paid on bonds and notes, net of purchased interest	-	-	(7,146,588)	-	-
Redemption of bonds and notes	-	-	(3,625,000)	-	-
Other	-	-	-	-	-
Transfers to/from other funds	-	(1,298,899)	10,737,369	(484,484)	-
Net cash provided (used) by noncapital financing activities	-	(1,298,899)	(34,219)	(484,484)	-
Net increase (decrease) in cash and cash equivalents	-	(76,617)	1	-	-
Cash and cash equivalents at beginning of period	-	76,618	-	-	-
Cash and cash equivalents at end of period	\$ -	1	1	-	-
Reconciliation to net cash provided (used) by operating activities:					
Excess (deficiency) of revenues over expenses before operating transfers	9,009,722	24,081	(6,812,778)	279,245	(880,569)
Adjustments:					
Investment income	(6,303,578)	(25,592)	(42,681)	(280,700)	-
Operating expenses	-	-	-	-	880,569
Interest on bonds and notes	-	-	6,852,816	-	-
Loan Income	(2,791,951)	-	-	-	-
Amortization of bond issuance cost	64,456	-	-	-	-
Net cash provided (used) by operating activities	\$ (21,351)	(1,511)	(2,643)	(1,455)	-

See accompanying notes to financial statements.

Trusteed Fund
1998 Fresh Water Fund

Fund Total	Group Total
(26,960)	(89,161)
(26,960)	(89,161)
71,063,045	580,500,055
(22,780,629)	(518,912,688)
6,874,967	12,038,098
855,967	16,119,227
1,026,873	16,532,926
(55,272,277)	(59,850,608)
1,767,946	46,427,010
(7,146,588)	(11,452,315)
(3,625,000)	(7,050,000)
-	(80,630)
8,953,986	(27,438,689)
(1,817,602)	(46,021,634)
(76,616)	316,215
76,618	355,572
2	671,787
1,619,701	16,213,169
(6,652,551)	(11,758,312)
880,569	937,167
6,852,816	11,101,558
(2,791,951)	(16,694,884)
64,456	112,141
(26,960)	(89,161)
(26,960)	(89,161)

**OHIO WATER DEVELOPMENT AUTHORITY
REFUNDING GROUP**

Schedule of Combining Balance Sheets

December 31, 2000

		Trusteed Fund		
		1985 Refunding Fund		
<u>Assets</u>		Construction	Revenue	Fund Total
Investments	\$	185,340	702,429	887,769
Receivables:				
Federal and local government authorities		50,416,191	-	50,416,191
Deferred bond and note issuance expense		1,143,826	-	1,143,826
Total assets	\$	51,745,357	702,429	52,447,786
<u>Liabilities and Retained Earnings</u>				
Accrued interest		-	-	-
Due to other funds		45,319	-	45,319
Water Development Revenue Refunding Bonds:				
1992 Clean Water Series, net of discount		49,466,550	-	49,466,550
Total liabilities		49,511,869	-	49,511,869
Retained earnings		2,233,488	702,429	2,935,917
Total liabilities and retained earnings	\$	51,745,357	702,429	52,447,786

See accompanying notes to financial statements.

Trusteed Fund					
1992 Clean Water Refunding Fund					
Revenue	Debt Service	Debt Service Reserve	Surplus	Fund Total	Group Total
5,367,002	47,885	2,756,526	5,754,413	13,925,826	14,813,595
-	-	-	-	-	50,416,191
-	-	-	-	-	1,143,826
<u>5,367,002</u>	<u>47,885</u>	<u>2,756,526</u>	<u>5,754,413</u>	<u>13,925,826</u>	<u>66,373,612</u>
-	226,132	-	-	226,132	226,132
-	-	-	-	-	45,319
-	-	-	-	-	49,466,550
-	226,132	-	-	226,132	49,738,001
<u>5,367,002</u>	<u>(178,247)</u>	<u>2,756,526</u>	<u>5,754,413</u>	<u>13,699,694</u>	<u>16,635,611</u>
<u>5,367,002</u>	<u>47,885</u>	<u>2,756,526</u>	<u>5,754,413</u>	<u>13,925,826</u>	<u>66,373,612</u>

OHIO WATER DEVELOPMENT AUTHORITY
REFUNDING GROUP

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

Year ended December 31, 2000

	Trusted Fund		
	1985 Refunding Fund		
	Construction	Revenue	Fund Total
Revenues:			
Loan Income	\$ 3,885,100	-	3,885,100
Investment income	9,700	45,748	55,448
	3,894,800	45,748	3,940,548
Expenses:			
Interest on bonds and notes	53,136	-	53,136
Amortization of bond issuance expense	71,489	-	71,489
Operating expenses and other	-	-	-
	124,625	-	124,625
Excess (deficiency) of revenues over expenses before operating transfers	3,770,175	45,748	3,815,923
Operating transfers in (out), net	(3,568,814)	(246,571)	(3,815,385)
Excess (deficiency) of revenues over expenses	201,361	(200,823)	538
Retained earnings at beginning of year	2,032,127	903,252	2,935,379
Retained earnings at end of year	\$ 2,233,488	702,429	2,935,917

See accompanying notes to financial statements.

Trusteed Fund					
1992 Clean Water Refunding Fund					
Revenue	Debt Service	Debt Service Reserve	Surplus	Fund Total	Group Total
-	-	-	-	-	3,885,100
526,426	70,906	216,742	363,798	1,177,872	1,233,320
<u>526,426</u>	<u>70,906</u>	<u>216,742</u>	<u>363,798</u>	<u>1,177,872</u>	<u>5,118,420</u>
-	3,236,525	-	-	3,236,525	3,289,661
-	-	-	-	-	71,489
9,298	-	-	-	9,298	9,298
<u>9,298</u>	<u>3,236,525</u>	<u>-</u>	<u>-</u>	<u>3,245,823</u>	<u>3,370,448</u>
517,128	(3,165,619)	216,742	363,798	(2,067,951)	1,747,972
(366,308)	3,239,524	(161,585)	(133,272)	2,578,359	(1,237,026)
<u>150,820</u>	<u>73,905</u>	<u>55,157</u>	<u>230,526</u>	<u>510,408</u>	<u>510,946</u>
<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><u>5,367,002</u></u>	<u><u>(178,247)</u></u>	<u><u>2,756,526</u></u>	<u><u>5,754,413</u></u>	<u><u>13,699,694</u></u>	<u><u>16,635,611</u></u>

OHIO WATER DEVELOPMENT AUTHORITY
REFUNDING GROUP

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2000

	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	-	224,992	224,992
Purchase of investments	(9,525)	(27,044)	(36,569)
Interest received on investments, net of purchased interest	9,525	48,622	58,147
Interest received on projects	-	-	-
Principal collected on projects	-	-	-
Net cash provided (used) by investing activities	-	246,570	246,570
Noncapital financing activities:			
Interest paid on bonds and notes, net of purchased interest	-	-	-
Redemption of bonds and notes	-	-	-
Transfers to/from other funds	-	(246,570)	(246,570)
Net cash provided (used) by noncapital financing activities	-	(246,570)	(246,570)
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	3,770,175	45,748	3,815,923
Adjustments:			
Investment income	(9,700)	(45,748)	(55,448)
Interest on bonds and notes	53,136	-	53,136
Loan Income	(3,885,100)	-	(3,885,100)
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			Fund Total	Group Total
	Debt Service	Service Reserve	Surplus		
(9,298)	-	-	-	(9,298)	(9,298)
(9,298)	-	-	-	(9,298)	(9,298)
66,264,007	27,689,441	161,585	13,950,693	108,065,726	108,290,718
(67,123,106)	(27,698,200)	(156,860)	(14,167,205)	(109,145,371)	(109,181,940)
521,411	70,822	156,859	349,784	1,098,876	1,157,023
4,753,609	-	-	-	4,753,609	4,753,609
15,486,428	-	-	-	15,486,428	15,486,428
19,902,349	62,063	161,584	133,272	20,259,268	20,505,838
-	(3,301,586)	-	-	(3,301,586)	(3,301,586)
-	(15,160,000)	-	-	(15,160,000)	(15,160,000)
(20,606,346)	18,399,523	(161,584)	(133,272)	(2,501,679)	(2,748,249)
(20,606,346)	(62,063)	(161,584)	(133,272)	(20,963,265)	(21,209,835)
(713,295)	-	-	-	(713,295)	(713,295)
713,295	-	-	-	713,295	713,295
-	-	-	-	-	-
517,128	(3,165,619)	216,742	363,798	(2,067,951)	1,747,972
(526,426)	(70,906)	(216,742)	(363,798)	(1,177,872)	(1,233,320)
-	3,236,525	-	-	3,236,525	3,289,661
-	-	-	-	-	(3,885,100)
-	-	-	-	-	71,489
(9,298)	-	-	-	(9,298)	(9,298)

OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING GROUP

Schedule of Combining Balance Sheets

December 31, 2000

		Trusteed Fund
		Safe Water Refunding Fund
	<u>Assets</u>	<u>Construction</u>
Investments		\$ -
Receivables:		
Federal and local government authorities		137,129,957
Due from other funds		45,319
Deferred bond and note issuance expense		1,394,607
Total assets		\$ <u><u>138,569,883</u></u>
	<u>Liabilities and Retained Earnings</u>	
Accrued interest		-
Accounts Payable		-
Water Development Revenue Refunding Bonds:		
Safe Water Refunding 1987 Series A & B, net of discount		44,360,026
1992 Safe Water Series, net of discount		34,713,283
1997 Safe Water Series, net of loss and premium		70,990,640
Total liabilities		150,063,949
Retained earnings		(11,494,066)
Total liabilities and retained earnings		\$ <u><u>138,569,883</u></u>

Trusteed Fund

Safe Water Refunding 1987 Series A & B Fund					
Revenue	Debt Service	Debt Service Reserve	Rebate	Surplus	Fund Total
2,413,942	12,194	3,340,417	52,029	1,584,984	7,403,566
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,413,942	12,194	3,340,417	52,029	1,584,984	7,403,566
-	219,005	-	-	-	219,005
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	219,005	-	-	-	219,005
2,413,942	(206,811)	3,340,417	52,029	1,584,984	7,184,561
2,413,942	12,194	3,340,417	52,029	1,584,984	7,403,566

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING GROUP

Schedule of Combining Balance Sheets, Continued

December 31, 2000

		Trusteed Fund				
		1992 Safe Water Refunding Fund				
		Debt			Surplus	Fund
<u>Assets</u>	<u>Revenue</u>	<u>Debt Service</u>	<u>Service Reserve</u>	<u>Surplus</u>	<u>Fund Total</u>	
Investments	\$ 4,184,431	43,297	4,089,167	4,665,363	12,982,258	
Receivables:						
Federal and local government authorities	-	-	-	-	-	
Due from other funds	-	-	-	-	-	
Deferred bond and note issuance expense	-	-	-	-	-	
Total assets	\$ 4,184,431	43,297	4,089,167	4,665,363	12,982,258	
<u>Liabilities and Retained Earnings</u>						
Accrued interest	-	1	-	-	1	
Accounts Payable	-	-	-	-	-	
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	-	1	-	-	1	
Retained earnings	4,184,431	43,296	4,089,167	4,665,363	12,982,257	
Total liabilities and retained earnings \$	4,184,431	43,297	4,089,167	4,665,363	12,982,258	

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
1,455,054	11,658	3,360,740	1,772,684	127,047	6,727,183	27,113,007
-	-	-	-	-	-	137,129,957
-	-	-	-	-	-	45,319
-	-	-	-	-	-	1,394,607
<u>1,455,054</u>	<u>11,658</u>	<u>3,360,740</u>	<u>1,772,684</u>	<u>127,047</u>	<u>6,727,183</u>	<u>165,682,890</u>
-	325,619	-	-	-	325,619	544,625
-	-	-	-	261,551	261,551	261,551
-	-	-	-	-	-	44,360,026
-	-	-	-	-	-	34,713,283
-	-	-	-	-	-	70,990,640
-	325,619	-	-	261,551	587,170	150,870,125
1,455,054	(313,961)	3,360,740	1,772,684	(134,504)	6,140,013	14,812,765
<u>1,455,054</u>	<u>11,658</u>	<u>3,360,740</u>	<u>1,772,684</u>	<u>127,047</u>	<u>6,727,183</u>	<u>165,682,890</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, 2000

	Trusted Fund
	Safe Water Refunding Fund
	Construction
Revenues:	
Loan Income	\$ 15,196,770
Investment income	-
	15,196,770
Expenses:	
Interest on bonds and notes	542,438
Amortization of bond issuance expense	211,292
Operating expenses and other	-
	753,730
Excess (deficiency) of revenues over expenses before operating transfers	14,443,040
Operating transfers in (out), net	(10,755,347)
Excess (deficiency) of revenues over expenses	3,687,693
Retained earnings at beginning of year	(15,181,759)
Retained earnings at end of year	\$ (11,494,066)

Trusted Fund

Safe Water Refunding 1987 Series A & B Fund

Revenue	Debt Service	Debt Service Reserve	Rebate	Surplus	Fund Total
-	-	-	-	-	-
125,020	17,548	223,907	2,732	121,978	491,185
125,020	17,548	223,907	2,732	121,978	491,185
-	2,714,290	-	-	-	2,714,290
-	-	-	-	-	-
-	-	-	-	-	-
-	2,714,290	-	-	-	2,714,290
125,020	(2,696,742)	223,907	2,732	121,978	(2,223,105)
774,224	2,710,910	(241,975)	-	(418,475)	2,824,684
899,244	14,168	(18,068)	2,732	(296,497)	601,579
1,514,698	(220,979)	3,358,485	49,297	1,881,481	6,582,982
2,413,942	(206,811)	3,340,417	52,029	1,584,984	7,184,561

(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, 2000

	Trusteed Fund				Fund Total
	1992 Safe Water Refunding Fund				
	Revenue	Debt Service	Debt Service Reserve	Surplus	
Revenues:					
Loan Income	\$ -	-	-	-	-
Investment income	437,725	64,147	273,286	326,670	1,101,828
	437,725	64,147	273,286	326,670	1,101,828
Expenses:					
Interest on bonds and notes	-	2,500,677	-	-	2,500,677
Amortization of bond issuance expense	-	-	-	-	-
Operating expenses and other	17,674	-	-	-	17,674
	17,674	2,500,677	-	-	2,518,351
Excess (deficiency) of revenues over expenses before operating transfers	420,051	(2,436,530)	273,286	326,670	(1,416,523)
Operating transfers in (out), net	(1,649,808)	2,481,952	(251,886)	(650,220)	(69,962)
Excess (deficiency) of revenues over expenses	(1,229,757)	45,422	21,400	(323,550)	(1,486,485)
Retained earnings at beginning of year	5,414,188	(2,126)	4,067,767	4,988,913	14,468,742
Retained earnings at end of year	\$ 4,184,431	43,296	4,089,167	4,665,363	12,982,257

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
-	-	-	-	-	-	15,196,770
129,224	16,946	299,806	92,512	6,672	545,160	2,138,173
129,224	16,946	299,806	92,512	6,672	545,160	17,334,943
-	3,928,530	-	-	-	3,928,530	9,685,935
-	-	-	-	-	-	211,292
8,684	-	-	-	80,631	89,315	106,989
8,684	3,928,530	-	-	80,631	4,017,845	10,004,216
120,540	(3,911,584)	299,806	92,512	(73,959)	(3,472,685)	7,330,727
(188,161)	3,917,223	(370,927)	344,653	(60,545)	3,642,243	(4,358,382)
(67,621)	5,639	(71,121)	437,165	(134,504)	169,558	2,972,345
1,522,675	(319,600)	3,431,861	1,335,519	-	5,970,455	11,840,420
1,455,054	(313,961)	3,360,740	1,772,684	(134,504)	6,140,013	14,812,765

OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING GROUP

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2000

	Trusted 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	14,443,040
Adjustments:	
Investment income	-
Operating expenses	-
Interest on bonds and notes	542,438
Loan Income	(15,196,770)
Amortization of bond issuance cost	211,292
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
-	-	-	-	-	-
-	-	-	-	-	-
16,057,110	7,101,134	241,975	-	4,918,835	28,319,054
(16,962,930)	(7,104,850)	(206,587)	(2,674)	(4,619,200)	(28,896,241)
122,994	17,816	206,587	2,674	118,839	468,910
3,321,495	-	-	-	-	3,321,495
2,617,985	-	-	-	-	2,617,985
5,156,654	14,100	241,975	-	418,474	5,831,203
-	(2,010,000)	-	-	-	(2,010,000)
-	(2,725,010)	-	-	-	(2,725,010)
(5,165,257)	4,720,910	(241,975)	-	(418,474)	(1,104,796)
(5,165,257)	(14,100)	(241,975)	-	(418,474)	(5,839,806)
(8,603)	-	-	-	-	(8,603)
8,603	-	-	-	-	8,603
-	-	-	-	-	-
125,020	(2,696,742)	223,907	2,732	121,978	(2,223,105)
(125,020)	(17,548)	(223,907)	(2,732)	(121,978)	(491,185)
-	-	-	-	-	-
-	2,714,290	-	-	-	2,714,290
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING GROUP

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2000

	Trusteed Fund		
	1992 Safe Water Refunding Fund		
	Revenue	Debt Service	Debt Service Reserve
Operating activities:			
Operating expenses	\$ (17,674)	-	-
Net cash provided (used) by operating activities	(17,674)	-	-
Investing activities:			
Proceeds from maturity or sale of investments	56,611,901	25,033,678	251,886
Purchase of investments	(55,410,716)	(25,044,103)	(251,913)
Interest received on investments, net of purchased interest	435,704	64,062	251,912
Interest received on projects	9,366,593	-	-
Principal collected on projects	7,382,698	-	-
Net cash provided (used) by investing activities	18,386,180	53,637	251,885
Noncapital financing activities:			
Redemption of bonds and notes	-	(16,480,000)	-
Interest paid on bonds and notes, net of purchased interest	-	(209,476)	-
Transfers to/from other funds	(18,399,099)	16,635,839	(251,885)
Net cash provided (used) by noncapital financing activities	(18,399,099)	(53,637)	(251,885)
Net increase (decrease) in cash and cash equivalents	(30,593)	-	-
Cash and cash equivalents at beginning of period	30,593	-	-
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	420,051	(2,436,530)	273,286
Adjustments:			
Investment income	(437,725)	(64,147)	(273,286)
Operating expenses	-	-	-
Interest on bonds and notes	-	2,500,677	-
Loan Income	-	-	-
Amortization of bond issuance cost	-	-	-
Net cash provided (used) by operating activities	\$ (17,674)	-	-

Trusteed Fund
1992 Safe Water Refunding Fund

<u>Surplus</u>	<u>Fund Total</u>
-	(17,674)
-	(17,674)
12,782,456	94,679,921
(12,448,520)	(93,155,252)
316,283	1,067,961
-	9,366,593
-	7,382,698
<u>650,219</u>	<u>19,341,921</u>
-	(16,480,000)
-	(209,476)
<u>(650,219)</u>	<u>(2,665,364)</u>
(650,219)	(19,354,840)
-	(30,593)
-	30,593
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
326,670	(1,416,523)
(326,670)	(1,101,828)
-	-
-	2,500,677
-	-
-	-
<u>-</u>	<u>(17,674)</u>
<u>-</u>	<u>-</u>

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING GROUP

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2000

	Trusteed Fund	
	1997 Safe Water Refunding Fund	
	Revenue	Debt Service
Operating activities:		
Operating expenses	\$ (8,684)	-
Net cash provided (used) by operating activities	(8,684)	-
Investing activities:		
Proceeds from maturity or sale of investments	18,637,111	6,865,619
Purchase of investments	(18,577,065)	(6,868,905)
Interest received on investments, net of purchased interest	128,196	17,219
Interest received on projects	2,785,190	-
Principal collected on projects	2,195,271	-
Net cash provided (used) by investing activities	5,168,703	13,933
Noncapital financing activities:		
Redemption of bonds and notes	-	(750,000)
Interest paid on bonds and notes, net of purchased interest	-	(3,931,155)
Transfers to/from other funds	(5,168,623)	4,667,222
Net cash provided (used) by noncapital financing activities	(5,168,623)	(13,933)
Net increase (decrease) in cash and cash equivalents	(8,604)	-
Cash and cash equivalents at beginning of period	8,604	-
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	120,540	(3,911,584)
Adjustments:		
Investment income	(129,224)	(16,946)
Operating expenses	-	-
Interest on bonds and notes	-	3,928,530
Loan Income	-	-
Amortization of bond issuance cost	-	-
Net cash provided (used) by operating activities	\$ (8,684)	-

See accompanying notes to financial statements.

Trusteed Fund				
1997 Safe Water Refunding Fund				
Debt Service Reserve	Surplus	Rebate	Fund Total	Group Total
-	-	-	(8,684)	(26,358)
-	-	-	(8,684)	(26,358)
370,927	3,418,545	-	29,292,202	152,291,177
(191,468)	(3,791,287)	(6,130)	(29,434,855)	(151,486,348)
191,467	88,634	6,130	431,646	1,968,517
-	-	-	2,785,190	15,473,278
-	-	-	2,195,271	12,195,954
370,926	(284,108)	-	5,269,454	30,442,578
-	-	-	(750,000)	(19,240,000)
-	-	-	(3,931,155)	(6,865,641)
(370,926)	284,108	-	(588,219)	(4,358,379)
(370,926)	284,108	-	(5,269,374)	(30,464,020)
-	-	-	(8,604)	(47,800)
-	-	-	8,604	47,800
-	-	-	-	-
299,806	92,512	(73,959)	(3,472,685)	7,330,727
(299,806)	(92,512)	(6,672)	(545,160)	(2,138,173)
-	-	80,631	80,631	80,631
-	-	-	3,928,530	9,685,935
-	-	-	-	(15,196,770)
-	-	-	-	211,292
-	-	-	(8,684)	(26,358)

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

Schedule of Combining Balance Sheets

December 31, 2000

		Trusted Fund		
		Pure Water Refunding Fund		
<u>Assets</u>	<u>Construction</u>	<u>Revenue</u>	<u>Debt Service</u>	
Cash	\$ 1	2,906,770	-	
Investments	2,752,190	17,617,674	119,001	
Receivables:				
Federal and local government authorities	337,472,744	-	-	
Due from other funds	4,764	-	-	
Deferred bond and note issuance expense	5,120,482	-	-	
Total assets	\$ 345,350,181	20,524,444	119,001	
<u>Liabilities and Retained Earnings</u>				
Accrued interest	-	-	1,614,331	
Accounts payable	-	-	-	
Retainages payable	-	-	-	
Due to other funds	-	-	-	
Water Development Revenue Refunding Bonds:				
Pure Water Refunding and Improvement Series, net of discount	331,863,331	-	-	
Total liabilities	331,863,331	-	1,614,331	
Retained earnings	13,486,850	20,524,444	(1,495,330)	
Total liabilities and retained earnings	\$ 345,350,181	20,524,444	119,001	

See accompanying notes to financial statements.

Trusteed Fund
Pure Water Refunding Fund

Debt Service Reserve	Surplus	Other Projects	Rebate	Fund Total
-	-	141,827	1	3,048,599
22,899,889	15,195,171	7,486,997	2,831,106	68,902,028
-	-	1,431,348	-	338,904,092
-	-	-	-	4,764
-	-	148,071	-	5,268,553
<u>22,899,889</u>	<u>15,195,171</u>	<u>9,208,243</u>	<u>2,831,107</u>	<u>416,128,036</u>
-	-	-	-	1,614,331
-	-	320,528	-	320,528
-	-	24,232	-	24,232
-	-	6,756	-	6,756
-	-	-	-	<u>331,863,331</u>
-	-	351,516	-	333,829,178
<u>22,899,889</u>	<u>15,195,171</u>	<u>8,856,727</u>	<u>2,831,107</u>	<u>82,298,858</u>
<u>22,899,889</u>	<u>15,195,171</u>	<u>9,208,243</u>	<u>2,831,107</u>	<u>416,128,036</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, 2000

	Trusteed Fund		
	Pure Water Refunding Fund		
	Construction	Revenue	Debt Service
Revenues:			
Loan Income	\$ 27,456,498	-	-
Investment income	134,451	1,705,835	241,962
	<u>27,590,949</u>	<u>1,705,835</u>	<u>241,962</u>
Expenses:			
Interest on bonds and notes	659,455	-	20,277,323
Amortization of bond issuance expense	284,471	-	-
Operating expenses and other	104,974	41,134	428
	<u>1,048,900</u>	<u>41,134</u>	<u>20,277,751</u>
Excess (deficiency) of revenues over expenses before non-operating revenues and operating transfers	26,542,049	1,664,701	(20,035,789)
Other	-	-	-
Operating transfers in (out), net	<u>(23,770,236)</u>	<u>(1,749,594)</u>	<u>20,168,482</u>
Excess (deficiency) of revenues over expenses	2,771,813	(84,893)	132,693
Retained earnings at beginning of year	10,715,037	20,609,337	(1,628,023)
Residual equity transfers in (out), net	-	-	-
Retained earnings at end of year	<u>\$ 13,486,850</u>	<u>20,524,444</u>	<u>(1,495,330)</u>

See accompanying notes to financial statements.

Trusteed Fund				
Pure Water Refunding Fund				
Debt Service Reserve	Surplus	Other Projects	Rebate	Fund Total
-	-	127,192	-	27,583,690
1,546,167	920,705	370,814	169,174	5,089,108
<u>1,546,167</u>	<u>920,705</u>	<u>498,006</u>	<u>169,174</u>	<u>32,672,798</u>
-	-	-	-	20,936,778
-	-	-	-	284,471
1,570	2,170	2,163	1	152,440
<u>1,570</u>	<u>2,170</u>	<u>2,163</u>	<u>1</u>	<u>21,373,689</u>
1,544,597	918,535	495,843	169,173	11,299,109
-	-	384,318	-	384,318
<u>(864,198)</u>	<u>509,030</u>	<u>3,298,985</u>	<u>-</u>	<u>(2,407,531)</u>
680,399	1,427,565	4,179,146	169,173	9,275,896
22,219,490	13,767,606	14,801,780	2,661,934	83,147,161
-	-	(10,124,199)	-	(10,124,199)
<u>22,899,889</u>	<u>15,195,171</u>	<u>8,856,727</u>	<u>2,831,107</u>	<u>82,298,858</u>

OHIO WATER DEVELOPMENT AUTHORITY
PURE WATER REFUNDING FUND

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2000

	Trusteed Fund	
	Pure Water Refunding Fund	
	Construction	Revenue
Operating activities:		
Operating expenses	\$ (104,974)	(41,134)
Net cash provided (used) by operating activities	(104,974)	(41,134)
Investing activities:		
Proceeds from maturity or sale of investments	851,898	159,843,443
Purchase of investments	(1,621,005)	(157,105,891)
Interest received on investments, net of purchased interest	129,207	1,354,037
Interest received on projects	-	27,870,009
Principal collected on projects	744,875	20,929,404
Payment for construction of projects	-	-
Net cash provided (used) by investing activities	104,975	52,891,002
Noncapital financing activities:		
Interest paid on bonds and notes, net of purchased interest	-	-
Redemption of bonds and notes	-	-
Other	-	-
Transfers to/from other funds	-	(50,559,840)
Net cash provided (used) by noncapital financing activities	-	(50,559,840)
Net increase (decrease) in cash and cash equivalents	1	2,290,028
Cash and cash equivalents at beginning of period	-	616,742
Cash and cash equivalents at end of period	\$ 1	2,906,770
Reconciliation to net cash provided (used) by operating activities:		
Excess (deficiency) of revenues over expenses before non-operating revenues and operating transfers	26,542,049	1,664,701
Adjustments:		
Investment income	(134,451)	(1,705,835)
Interest on bonds and notes	659,455	-
Loan Income	(27,456,498)	-
Amortization of bond issuance cost	284,471	-
Net cash provided (used) by operating activities	\$ (104,974)	(41,134)

See accompanying notes to financial statements.

Trusteed Fund
Pure Water Refunding Fund

Debt Service	Debt Service Reserve	Surplus	Other Projects	Rebate	Fund Total
(428)	(1,570)	(2,170)	(2,163)	(1)	(152,440)
(428)	(1,570)	(2,170)	(2,163)	(1)	(152,440)
115,191,877	-	48,515,506	22,045,917	139,513,091	485,961,732
(115,211,510)	(686,385)	(49,841,730)	(20,269,703)	(139,680,310)	(484,416,534)
241,582	1,552,152	819,365	394,709	167,221	4,658,273
-	-	-	151,874	-	28,021,883
-	-	-	2,584,478	-	24,258,757
-	-	-	(1,322,388)	-	(1,322,388)
221,949	865,767	(506,859)	3,584,887	2	57,161,723
(20,390,003)	-	-	-	-	(20,390,003)
(25,040,000)	-	-	-	-	(25,040,000)
-	-	-	3,384,318	-	3,384,318
45,208,482	(864,197)	509,029	(6,825,215)	-	(12,531,741)
(221,521)	(864,197)	509,029	(3,440,897)	-	(54,577,426)
-	-	-	141,827	1	2,431,857
-	-	-	-	-	616,742
-	-	-	141,827	1	3,048,599
(20,035,789)	1,544,597	918,535	495,843	169,173	11,299,109
(241,962)	(1,546,167)	(920,705)	(370,814)	(169,174)	(5,089,108)
20,277,323	-	-	-	-	20,936,778
-	-	-	(127,192)	-	(27,583,690)
-	-	-	-	-	284,471
(428)	(1,570)	(2,170)	(2,163)	(1)	(152,440)

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

Schedule of Combining Balance Sheets

December 31, 2000

		Trusteed Fund		
		Water Pollution Control Loan Fund		
<u>Assets</u>		State Match	Capitalization Grant	Water Quality
Cash		\$ -	-	-
Investments		3,400,343	5,591,609	-
Receivables:				
Federal and local government authorities		163,562,608	669,861,083	315,492,002
Deferred bond and note issuance expense		-	-	-
Due from other funds		-	-	-
Total assets		<u>\$ 166,962,951</u>	<u>675,452,692</u>	<u>315,492,002</u>
<u>Liabilities and Retained Earnings</u>				
Accrued interest		-	-	-
Accounts payable		703,864	12,849,221	4,945,808
Retainages payable		317,610	4,110,554	1,326,184
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		-	-	-
State Match Series 2000, net of premium		-	-	-
Water Quality Series 1995, net of premium		-	-	-
Water Quality Series 1997, net of premium		-	-	-
Total liabilities		<u>1,021,474</u>	<u>16,959,775</u>	<u>6,271,992</u>
Retained earnings		<u>165,941,477</u>	<u>658,492,917</u>	<u>309,220,010</u>
Total liabilities and retained earnings		<u>\$ 166,962,951</u>	<u>675,452,692</u>	<u>315,492,002</u>

Trusteed Fund
Water Pollution Control Loan Fund

Principal Repayments	Interest Repayments	Other Projects	Surplus	Administration Repayments	Fund Total
5,601,725	5,059,872	3,697,674	-	231,639	14,590,910
9,314,946	42,319,234	46,679,208	59,420,108	7,461,621	174,187,069
-	-	31,600,562	-	-	1,180,516,255
-	-	-	-	-	-
-	13,126	-	-	29,887	43,013
<u>14,916,671</u>	<u>47,392,232</u>	<u>81,977,444</u>	<u>59,420,108</u>	<u>7,723,147</u>	<u>1,369,337,247</u>
-	-	-	-	-	-
-	-	2,398,817	-	-	20,897,710
-	-	31,791	-	-	5,786,139
43,013	-	1	-	-	43,014
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
43,013	-	2,430,609	-	-	26,726,863
14,873,658	47,392,232	79,546,835	59,420,108	7,723,147	1,342,610,384
<u>14,916,671</u>	<u>47,392,232</u>	<u>81,977,444</u>	<u>59,420,108</u>	<u>7,723,147</u>	<u>1,369,337,247</u>

(Continued)

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

Schedule of Combining Balance Sheets, Continued

December 31, 2000

		Trusteed Fund			
		State Match Bond Proceeds Series 1991 Fund			
<u>Assets</u>	Net Bond Proceeds	Debt Service	Debt Service Reserve	Fund Total	
Cash	\$ -	-	-	-	
Investments	3,009,633	42,035	2,323,074	5,374,742	
Receivables:					
Federal and local government authorities	-	-	-	-	
Deferred bond and note issuance expense	264,895	-	-	264,895	
Due from other funds	-	-	-	-	
Total assets	<u>\$ 3,274,528</u>	<u>42,035</u>	<u>2,323,074</u>	<u>5,639,637</u>	
<u>Liabilities and Retained Earnings</u>					
Accrued interest	-	78,012	-	78,012	
Accounts payable	-	-	-	-	
Retainages payable	-	-	-	-	
Due to other funds	-	-	-	-	
Water Pollution Control Loan Fund Revenue Bonds:					
State Match Series 1991, net of discount	15,931,157	-	-	15,931,157	
State Match Series 1993, net of discount	-	-	-	-	
State Match Series 1995, net of premium	-	-	-	-	
State Match Series 2000, net of premium	-	-	-	-	
Water Quality Series 1995, net of premium	-	-	-	-	
Water Quality Series 1997, net of premium	-	-	-	-	
Total liabilities	<u>15,931,157</u>	<u>78,012</u>	<u>-</u>	<u>16,009,169</u>	
Retained earnings	<u>(12,656,629)</u>	<u>(35,977)</u>	<u>2,323,074</u>	<u>(10,369,532)</u>	
Total liabilities and retained earnings \$	<u>3,274,528</u>	<u>42,035</u>	<u>2,323,074</u>	<u>5,639,637</u>	

Trusteed Fund

State Match Bond Proceeds Series 1993 Fund			
Net Bond Proceeds	Debt Service	Debt Service Reserve	Fund Total
-	-	-	-
3,899,850	66,552	3,008,654	6,975,056
-	-	-	-
603,659	-	-	603,659
-	-	-	-
4,503,509	66,552	3,008,654	7,578,715
-	123,916	-	123,916
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
31,874,308	-	-	31,874,308
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
31,874,308	123,916	-	31,998,224
(27,370,799)	(57,364)	3,008,654	(24,419,509)
4,503,509	66,552	3,008,654	7,578,715

(Continued)

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

Schedule of Combining Balance Sheets, Continued

December 31, 2000

	<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	1,686,566	126,578	5,199,499	37,677	7,050,320	
Receivables:						
Federal and local government authorities	-	-	-	-	-	
Deferred bond and note issuance expense	868,289	-	-	-	868,289	
Due from other funds	-	-	-	-	-	
Total assets	<u>\$ 2,554,855</u>	<u>126,578</u>	<u>5,199,499</u>	<u>37,677</u>	<u>7,918,609</u>	
	<u>Liabilities and Retained Earnings</u>					
Accrued interest	-	296,909	-	-	296,909	
Accounts payable	-	-	-	61,944	61,944	
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	63,677,440	-	-	-	63,677,440	
State Match Series 2000, net of premium	-	-	-	-	-	
Water Quality Series 1995, net of premium	-	-	-	-	-	
Water Quality Series 1997, net of premium	-	-	-	-	-	
Total liabilities	<u>63,677,440</u>	<u>296,909</u>	<u>-</u>	<u>61,944</u>	<u>64,036,293</u>	
Retained earnings	<u>(61,122,585)</u>	<u>(170,331)</u>	<u>5,199,499</u>	<u>(24,267)</u>	<u>(56,117,684)</u>	
Total liabilities and retained earnings \$	<u><u>2,554,855</u></u>	<u><u>126,578</u></u>	<u><u>5,199,499</u></u>	<u><u>37,677</u></u>	<u><u>7,918,609</u></u>	

Trusteed Fund

State Match Bond Proceeds Series 2000 Fund				
Net Bond Proceeds	Debt Service	Debt Service Reserve	Cost of Issuance	Fund Total
-	-	-	-	-
76,051,133	62,176	4,121,703	41,937	80,276,949
-	-	-	-	-
654,426	-	-	-	654,426
-	-	-	-	-
<u>76,705,559</u>	<u>62,176</u>	<u>4,121,703</u>	<u>41,937</u>	<u>80,931,375</u>
-	352,039	-	-	352,039
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
79,186,639	-	-	-	79,186,639
-	-	-	-	-
-	-	-	-	-
<u>79,186,639</u>	<u>352,039</u>	<u>-</u>	<u>-</u>	<u>79,538,678</u>
<u>(2,481,080)</u>	<u>(289,863)</u>	<u>4,121,703</u>	<u>41,937</u>	<u>1,392,697</u>
<u>76,705,559</u>	<u>62,176</u>	<u>4,121,703</u>	<u>41,937</u>	<u>80,931,375</u>

(Continued)

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

Schedule of Combining Balance Sheets, Continued

December 31, 2000

		Trusted Fund		
		Water Quality Bond Proceeds Series 1995 Fund		
<u>Assets</u>		Net Bond Proceeds	Debt Service	Debt Service Reserve
Cash	\$	1	-	1
Investments		12,631,102	182,784	12,211,226
Receivables:				
Federal and local government authorities		-	-	-
Deferred bond and note issuance expense		1,924,440	-	-
Due from other funds		-	-	-
Total assets	\$	14,555,543	182,784	12,211,227
<u>Liabilities and Retained Earnings</u>				
Accrued interest		-	901,617	-
Accounts payable		-	-	-
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		-	-	-
State Match Series 2000, net of premium		-	-	-
Water Quality Series 1995, net of premium		199,747,061	-	-
Water Quality Series 1997, net of premium		-	-	-
Total liabilities		199,747,061	901,617	-
Retained earnings		(185,191,518)	(718,833)	12,211,227
Total liabilities and retained earnings	\$	14,555,543	182,784	12,211,227

Trusteed Fund		
Water Quality Bond Proceeds Series 1995 Fund		
Rebate	Cost of Issuance	Fund Total
-	-	2
64,652	5,784	25,095,548
-	-	-
-	-	1,924,440
-	-	-
<u>64,652</u>	<u>5,784</u>	<u>27,019,990</u>
-	-	901,617
233,084	-	233,084
-	-	-
-	-	-
-	-	-
-	-	-
-	-	199,747,061
-	-	-
<u>233,084</u>	<u>-</u>	<u>200,881,762</u>
(168,432)	5,784	(173,861,772)
<u>64,652</u>	<u>5,784</u>	<u>27,019,990</u>

(Continued)

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

Schedule of Combining Balance Sheets, Continued

December 31, 2000

<u>Assets</u>		Trusteed Fund		
		Water Quality Bond Proceeds Series 1997 Fund		
		Net Bond Proceeds	Debt Service	Debt Service Reserve
Cash	\$ 1	1	-	
Investments	110,333,059	162,056	10,249,312	
Receivables:				
Federal and local government authorities	-	-	-	
Deferred bond and note issuance expense	1,976,316	-	-	
Due from other funds	-	-	-	
Total assets	\$ 112,309,376	162,057	10,249,312	
<u>Liabilities and Retained Earnings</u>				
Accrued interest	-	866,042	-	
Accounts payable	-	-	-	
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	-	-	-	
State Match Series 2000, net of premium	-	-	-	
Water Quality Series 1995, net of premium	-	-	-	
Water Quality Series 1997, net of premium	202,621,229	-	-	
Total liabilities	202,621,229	866,042	-	
Retained earnings	(90,311,853)	(703,985)	10,249,312	
Total liabilities and retained earnings	\$ 112,309,376	162,057	10,249,312	

See accompanying notes to financial statements.

Trusteed Fund			
Water Quality Bond Proceeds Series 1997 Fund			
Cost of Issuance	Rebate	Fund Total	Group Total
1	1	4	14,590,916
115,455	1,249,646	122,109,528	421,069,212
-	-	-	1,180,516,255
-	-	1,976,316	6,292,025
-	-	-	43,013
<u>115,456</u>	<u>1,249,647</u>	<u>124,085,848</u>	<u>1,622,511,421</u>
-	-	866,042	2,618,535
-	3,380,041	3,380,041	24,572,779
-	-	-	5,786,139
-	-	-	43,014
-	-	-	15,931,157
-	-	-	31,874,308
-	-	-	63,677,440
-	-	-	79,186,639
-	-	-	199,747,061
-	-	202,621,229	202,621,229
-	3,380,041	206,867,312	626,058,301
115,456	(2,130,394)	(82,781,464)	996,453,120
<u>115,456</u>	<u>1,249,647</u>	<u>124,085,848</u>	<u>1,622,511,421</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, 2000

	Trusteed Fund		
	Water Pollution Control Loan Fund		
	State Match	Capitalization Grant	Water Quality
Revenues:			
Loan Income	\$ 6,959,502	24,711,285	10,619,142
Investment income	193,586	255,169	-
	<u>7,153,088</u>	<u>24,966,454</u>	<u>10,619,142</u>
Expenses:			
Interest on bonds and notes	-	-	-
Amortization of bond issuance expense	-	-	-
Operating expenses and other	207,244	155,333	-
	<u>207,244</u>	<u>155,333</u>	<u>-</u>
Excess (deficiency) of revenues over expenses before non-operating revenues and operating transfers	6,945,844	24,811,121	10,619,142
Contribution from U.S. EPA	-	95,256,051	-
Other	-	-	-
Operating transfers in (out), net	<u>(12,588,534)</u>	<u>(51,037,713)</u>	<u>60,962,717</u>
Excess (deficiency) of revenues over expenses	(5,642,690)	69,029,459	71,581,859
Retained earnings at beginning of year	<u>171,584,167</u>	<u>589,463,458</u>	<u>237,638,151</u>
Retained earnings at end of year	<u>\$ 165,941,477</u>	<u>658,492,917</u>	<u>309,220,010</u>

Trusteed Fund
Water Pollution Control Loan Fund

Principal Repayments	Interest Repayments	Other Projects	Surplus	Administration Repayments	Fund Total
-	-	985,306	-	-	43,275,235
163,392	2,178,646	2,909,062	3,175,742	403,993	9,279,590
<u>163,392</u>	<u>2,178,646</u>	<u>3,894,368</u>	<u>3,175,742</u>	<u>403,993</u>	<u>52,554,825</u>
-	-	-	-	-	-
-	-	-	-	-	-
6,870	6,277	1,429	2	3,209,566	3,586,721
<u>6,870</u>	<u>6,277</u>	<u>1,429</u>	<u>2</u>	<u>3,209,566</u>	<u>3,586,721</u>
156,522	2,172,369	3,892,939	3,175,740	(2,805,573)	48,968,104
-	-	-	-	2,750,000	98,006,051
-	-	-	-	-	-
<u>2,369,950</u>	<u>9,364,305</u>	<u>(764,839)</u>	<u>22,297,232</u>	<u>1,662,956</u>	<u>32,266,074</u>
2,526,472	11,536,674	3,128,100	25,472,972	1,607,383	179,240,229
12,347,186	35,855,558	76,418,735	33,947,136	6,115,764	1,163,370,155
<u>14,873,658</u>	<u>47,392,232</u>	<u>79,546,835</u>	<u>59,420,108</u>	<u>7,723,147</u>	<u>1,342,610,384</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, 2000

	Trusteed Fund			
	State Match Bond Proceeds Series 1991 Fund			
	Net Bond Proceeds	Debt Service	Debt Service Reserve	Fund Total
Revenues:				
Loan Income	\$ -	-	-	-
Investment income	179,166	79,790	156,302	415,258
	<u>179,166</u>	<u>79,790</u>	<u>156,302</u>	<u>415,258</u>
Expenses:				
Interest on bonds and notes	37,443	1,065,217	-	1,102,660
Amortization of bond issuance expense	24,082	-	-	24,082
Operating expenses and other	-	-	-	-
	<u>61,525</u>	<u>1,065,217</u>	<u>-</u>	<u>1,126,742</u>
Excess (deficiency) of revenues over expenses before non-operating revenues and operating transfers	117,641	(985,427)	156,302	(711,484)
Contribution from U.S. EPA	-	-	-	-
Other	-	-	-	-
Operating transfers in (out), net	<u>2,368,086</u>	<u>1,001,519</u>	<u>(135,429)</u>	<u>3,234,176</u>
Excess (deficiency) of revenues over expenses	2,485,727	16,092	20,873	2,522,692
Retained earnings at beginning of year	<u>(15,142,356)</u>	<u>(52,069)</u>	<u>2,302,201</u>	<u>(12,892,224)</u>
Retained earnings at end of year	<u>\$ (12,656,629)</u>	<u>(35,977)</u>	<u>2,323,074</u>	<u>(10,369,532)</u>

Trusteed Fund

State Match Bond Proceeds Series 1993 Fund			
Net Bond Proceeds	Debt Service	Debt Service Reserve	Fund Total
-	-	-	-
234,860	125,767	156,326	516,953
234,860	125,767	156,326	516,953
24,487	1,675,258	-	1,699,745
43,119	-	-	43,119
-	-	-	-
67,606	1,675,258	-	1,742,864
167,254	(1,549,491)	156,326	(1,225,911)
-	-	-	-
-	-	-	-
3,695,000	1,576,367	(156,348)	5,115,019
3,862,254	26,876	(22)	3,889,108
(31,233,053)	(84,240)	3,008,676	(28,308,617)
(27,370,799)	(57,364)	3,008,654	(24,419,509)

(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, 2000

	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	113,410	239,096	318,618	3,990	675,114
	<u>113,410</u>	<u>239,096</u>	<u>318,618</u>	<u>3,990</u>	<u>675,114</u>
Expenses:					
Interest on bonds and notes	-	3,611,939	-	-	3,611,939
Amortization of bond issuance expense	51,076	-	-	-	51,076
Operating expenses and other	-	-	-	-	-
	<u>51,076</u>	<u>3,611,939</u>	<u>-</u>	<u>-</u>	<u>3,663,015</u>
Excess (deficiency) of revenues over expenses before non-operating revenues and operating transfers	62,334	(3,372,843)	318,618	3,990	(2,987,901)
Contribution from U.S. EPA	-	-	-	-	-
Other	-	-	-	52,820	52,820
Operating transfers in (out), net	<u>6,046,058</u>	<u>3,424,458</u>	<u>(319,432)</u>	<u>(81,077)</u>	<u>9,070,007</u>
Excess (deficiency) of revenues over expenses	6,108,392	51,615	(814)	(24,267)	6,134,926
Retained earnings at beginning of year	<u>(67,230,977)</u>	<u>(221,946)</u>	<u>5,200,313</u>	<u>-</u>	<u>(62,252,610)</u>
Retained earnings at end of year	<u>\$ (61,122,585)</u>	<u>(170,331)</u>	<u>5,199,499</u>	<u>(24,267)</u>	<u>(56,117,684)</u>

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Trusteed Fund				
State Match Bond Proceeds Series 2000 Fund				
Net Bond Proceeds	Debt Service	Debt Service Reserve	Cost of Issuance	Fund Total
-	-	-	-	-
2,953,342	62,176	234,707	3,022	3,253,247
2,953,342	62,176	234,707	3,022	3,253,247
-	2,000,561	-	-	2,000,561
15,582	-	-	-	15,582
-	-	-	-	-
15,582	2,000,561	-	-	2,016,143
2,937,760	(1,938,385)	234,707	3,022	1,237,104
-	-	-	-	-
-	-	-	-	-
(5,418,840)	1,648,522	3,886,996	38,915	155,593
(2,481,080)	(289,863)	4,121,703	41,937	1,392,697
-	-	-	-	-
(2,481,080)	(289,863)	4,121,703	41,937	1,392,697

(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, 2000

	Trusteed Fund		
	Water Quality Bond Proceeds Series 1995 Fund		
	Net Bond Proceeds	Debt Service	Debt Service Reserve
Revenues:			
Loan Income	\$ -	-	-
Investment income	1,148,930	344,062	691,622
	<u>1,148,930</u>	<u>344,062</u>	<u>691,622</u>
Expenses:			
Interest on bonds and notes	-	10,639,356	-
Amortization of bond issuance expense	128,296	-	-
Operating expenses and other	17	78	1,568
	<u>128,313</u>	<u>10,639,434</u>	<u>1,568</u>
Excess (deficiency) of revenues over expenses before non-operating revenues and operating transfers	1,020,617	(10,295,372)	690,054
Contribution from U.S. EPA	-	-	-
Other	-	-	-
Operating transfers in (out), net	<u>(6,777,453)</u>	<u>10,351,877</u>	<u>(681,512)</u>
Excess (deficiency) of revenues over expenses	(5,756,836)	56,505	8,542
Retained earnings at beginning of year	<u>(179,434,682)</u>	<u>(775,338)</u>	<u>12,202,685</u>
Retained earnings at end of year	<u>\$ (185,191,518)</u>	<u>(718,833)</u>	<u>12,211,227</u>

Trusteed Fund		
<u>Water Quality Bond Proceeds Series 1995 Fund</u>		
<u>Rebate</u>	<u>Cost of Issuance</u>	<u>Fund Total</u>
-	-	-
4,219	325	2,189,158
<u>4,219</u>	<u>325</u>	<u>2,189,158</u>
-	-	10,639,356
-	-	128,296
203,957	20	205,640
<u>203,957</u>	<u>20</u>	<u>10,973,292</u>
(199,738)	305	(8,784,134)
-	-	-
-	-	-
<u>31,306</u>	<u>-</u>	<u>2,924,218</u>
(168,432)	305	(5,859,916)
-	5,479	(168,001,856)
<u>(168,432)</u>	<u>5,784</u>	<u>(173,861,772)</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, 2000

	Trusteed Fund		
	Water Quality Bond Proceeds Series 1997 Fund		
	Net Bond Proceeds	Debt Service	Debt Service Reserve
Revenues:			
Loan Income	\$ -	-	-
Investment income	7,998,501	287,818	587,215
	<u>7,998,501</u>	<u>287,818</u>	<u>587,215</u>
Expenses:			
Interest on bonds and notes	-	10,282,405	-
Amortization of bond issuance expense	106,828	-	-
Operating expenses and other	723	72	894
	<u>107,551</u>	<u>10,282,477</u>	<u>894</u>
Excess (deficiency) of revenues over expenses before non-operating revenues and operating transfers	7,890,950	(9,994,659)	586,321
Contribution from U.S. EPA	-	-	-
Other	-	-	-
Operating transfers in (out), net	(61,840,870)	10,046,567	(586,483)
Excess (deficiency) of revenues over expenses	(53,949,920)	51,908	(162)
Retained earnings at beginning of year	(36,361,933)	(755,893)	10,249,474
Retained earnings at end of year	<u>\$ (90,311,853)</u>	<u>(703,985)</u>	<u>10,249,312</u>

See accompanying notes to financial statements.

Trusted Fund			
Water Quality Bond Proceeds Series 1997 Fund			
Cost of Issuance	Rebate	Fund Total	Group Total
-	-	-	43,275,235
6,496	69,596	8,949,626	25,278,946
<u>6,496</u>	<u>69,596</u>	<u>8,949,626</u>	<u>68,554,181</u>
-	-	10,282,405	29,336,666
-	-	106,828	368,983
702	1,352,697	1,355,088	5,147,449
<u>702</u>	<u>1,352,697</u>	<u>11,744,321</u>	<u>34,853,098</u>
5,794	(1,283,101)	(2,794,695)	33,701,083
-	-	-	98,006,051
-	-	-	52,820
<u>-</u>	<u>(847,293)</u>	<u>(53,228,079)</u>	<u>(462,992)</u>
5,794	(2,130,394)	(56,022,774)	131,296,962
109,662	-	(26,758,690)	865,156,158
<u>115,456</u>	<u>(2,130,394)</u>	<u>(82,781,464)</u>	<u>996,453,120</u>

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

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2000

	Trusteed Fund		
	Water Pollution Control Loan Fund		
	State Match	Capitalization Grant	Water Quality
Operating activities:			
Operating expenses	\$ (6,373)	(10,994)	-
Net cash provided (used) by operating activities	(6,373)	(10,994)	-
Investing activities:			
Proceeds from maturity or sale of investments	87,686,735	167,073,787	-
Purchase of investments	(87,864,744)	(167,316,888)	-
Interest received on investments, net of purchased interest	184,382	254,069	-
Interest received on projects	-	-	-
Principal collected on projects	-	-	-
Payment for construction of projects	(2,491,287)	(95,256,025)	(77,408,184)
Net cash provided (used) by investing activities	(2,484,914)	(95,245,057)	(77,408,184)
Noncapital financing activities:			
Interest paid on bonds and notes, net of purchased interest	-	-	-
Proceeds of bonds	-	-	-
Bond issuance expense	-	-	-
Redemption of bonds and notes	-	-	-
Contribution from U.S. EPA	-	95,256,051	-
Other	-	-	-
Transfers to/from other funds	2,491,287	-	77,408,184
Net cash provided (used) by noncapital financing activities	2,491,287	95,256,051	77,408,184
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	6,945,844	24,811,121	10,619,142
Adjustments:			
Investment income	(193,586)	(255,169)	-
Operating expenses	200,871	144,339	-
Interest on bonds and notes	-	-	-
Loan Income	(6,959,502)	(24,711,285)	(10,619,142)
Amortization of bond issuance cost	-	-	-
Net cash provided (used) by operating activities	\$ (6,373)	(10,994)	-

Trusteed Fund
Water Pollution Control Loan Fund

Principal Repayments	Interest Repayments	Other Projects	Surplus	Administration Repayments	Fund Total
(6,869)	(6,277)	(1,428)	(2)	(3,209,566)	(3,241,509)
(6,869)	(6,277)	(1,428)	(2)	(3,209,566)	(3,241,509)
95,155,249	1,748,082,315	2,153,740,800	2,614,472,560	69,564,749	6,935,776,195
(92,490,699)	(1,754,834,833)	(2,149,869,154)	(2,639,846,820)	(70,900,938)	(6,963,124,076)
153,024	2,130,712	2,847,715	3,077,030	381,630	9,028,562
-	35,222,152	508,580	-	1,626,545	37,357,277
45,720,714	-	1,868,087	-	-	47,588,801
-	-	(4,828,786)	-	-	(179,984,282)
48,538,288	30,600,346	4,267,242	(22,297,230)	671,986	(113,357,523)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,750,000	98,006,051
-	-	(3,387,653)	-	-	(3,387,653)
(43,305,164)	(25,870,840)	(808,200)	22,297,232	3,803	32,216,302
(43,305,164)	(25,870,840)	(4,195,853)	22,297,232	2,753,803	126,834,700
5,226,255	4,723,229	69,961	-	216,223	10,235,668
375,470	336,643	-	-	15,416	727,529
5,601,725	5,059,872	69,961	-	231,639	10,963,197
156,522	2,172,369	3,892,939	3,175,740	(2,805,573)	48,968,104
(163,392)	(2,178,646)	(2,909,062)	(3,175,742)	(403,993)	(9,279,590)
1	-	1	-	-	345,212
-	-	-	-	-	-
-	-	(985,306)	-	-	(43,275,235)
-	-	-	-	-	-
(6,869)	(6,277)	(1,428)	(2)	(3,209,566)	(3,241,509)

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN GROUP

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2000

	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	148,753,895	10,086,185	10	158,840,090
Purchase of investments	(148,922,340)	(10,093,980)	-	(159,016,320)
Interest received on investments, net of purchased interest	180,358	79,717	135,418	395,493
Interest received on projects	-	-	-	-
Principal collected on projects	-	-	-	-
Payment for construction of projects	-	-	-	-
Net cash provided (used) by investing activities	11,913	71,922	135,428	219,263
Noncapital financing activities:				
Interest paid on bonds and notes, net of purchased interest	-	(1,073,440)	-	(1,073,440)
Proceeds of bonds	-	-	-	-
Bond issuance expense	-	-	-	-
Redemption of bonds and notes	-	(2,380,000)	-	(2,380,000)
Contribution from U.S. EPA	-	-	-	-
Other	-	-	-	-
Transfers to/from other funds	(11,913)	3,381,518	(135,428)	3,234,177
Net cash provided (used) by noncapital financing activities	(11,913)	(71,922)	(135,428)	(219,263)
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	117,641	(985,427)	156,302	(711,484)
Adjustments:				
Investment income	(179,166)	(79,790)	(156,302)	(415,258)
Operating expenses	-	-	-	-
Interest on bonds and notes	37,443	1,065,217	-	1,102,660
Loan Income	-	-	-	-
Amortization of bond issuance cost	24,082	-	-	24,082
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
-	-	-	-
-	-	-	-
-	15,837,165	156,348	15,993,513
(230,710)	(15,850,524)	(157,189)	(16,238,423)
230,710	125,645	157,188	513,543
-	-	-	-
-	-	-	-
-	-	-	-
-	112,286	156,347	268,633
-	(1,688,653)	-	(1,688,653)
-	-	-	-
-	-	-	-
-	(3,695,000)	-	(3,695,000)
-	-	-	-
-	-	-	-
-	5,271,367	(156,347)	5,115,020
-	(112,286)	(156,347)	(268,633)
-	-	-	-
-	-	-	-
-	-	-	-
167,254	(1,549,491)	156,326	(1,225,911)
(234,860)	(125,767)	(156,326)	(516,953)
-	-	-	-
24,487	1,675,258	-	1,699,745
-	-	-	-
43,119	-	-	43,119
-	-	-	-

(Continued)

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

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2000

	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	95,177,697	30,134,366	319,432	1,018,597	126,650,092
Purchase of investments	(94,715,868)	(30,160,407)	(320,382)	(352,523)	(125,549,180)
Interest received on investments, net of purchased interest	115,335	238,863	320,382	6,592	681,172
Interest received on projects	-	-	-	-	-
Principal collected on projects	-	-	-	-	-
Payment for construction of projects	-	-	-	-	-
Net cash provided (used) by investing activities	577,164	212,822	319,432	672,666	1,782,084
Noncapital financing activities:					
Interest paid on bonds and notes, net of purchased interest	-	(3,790,503)	-	-	(3,790,503)
Proceeds of bonds	-	-	-	-	-
Bond issuance expense	-	-	-	-	-
Redemption of bonds and notes	-	(6,470,000)	-	-	(6,470,000)
Contribution from U.S. EPA	-	-	-	-	-
Other	-	-	-	(672,666)	(672,666)
Transfers to/from other funds	(577,164)	10,047,681	(319,432)	-	9,151,085
Net cash provided (used) by noncapital financing activities	(577,164)	(212,822)	(319,432)	(672,666)	(1,782,084)
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	62,334	(3,372,843)	318,618	3,990	(2,987,901)
Adjustments:					
Investment income	(113,410)	(239,096)	(318,618)	(3,990)	(675,114)
Operating expenses	-	-	-	-	-
Interest on bonds and notes	-	3,611,939	-	-	3,611,939
Loan Income	-	-	-	-	-
Amortization of bond issuance cost	51,076	-	-	-	51,076
Net cash provided (used) by operating activities \$	-	-	-	-	-

Trusteed Fund				
State Match Bond Proceeds Series 2000 Fund				
Net Bond Proceeds	Debt Service	Debt Service Reserve	Cost of Issuance	Fund Total
-	-	-	-	-
-	-	-	-	-
1,519,033,044	7,192,314	35,231,102	223,627	1,561,680,087
(1,593,565,754)	(7,254,173)	(39,208,922)	(265,339)	(1,640,294,188)
1,434,918	61,859	90,824	2,797	1,590,398
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(73,097,792)	-	(3,886,996)	(38,915)	(77,023,703)
-	(1,777,802)	-	-	(1,777,802)
75,000,000	-	3,886,996	708,922	79,595,918
-	-	-	(670,007)	(670,007)
-	(280,000)	-	-	(280,000)
-	-	-	-	-
-	-	-	-	-
(1,902,208)	2,057,802	-	-	155,594
73,097,792	-	3,886,996	38,915	77,023,703
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,937,760	(1,938,385)	234,707	3,022	1,237,104
(2,953,342)	(62,176)	(234,707)	(3,022)	(3,253,247)
-	-	-	-	-
-	2,000,561	-	-	2,000,561
-	-	-	-	-
15,582	-	-	-	15,582
-	-	-	-	-

(Continued)

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

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2000

	Trusteed Fund		
	Water Quality Bond Proceeds Series 1995 Fund		
	Net Bond Proceeds	Debt Service	Debt Service Reserve
Operating activities:			
Operating expenses	\$ (17)	(78)	(1,568)
Net cash provided (used) by operating activities	(17)	(78)	(1,568)
Investing activities:			
Proceeds from maturity or sale of investments	12,116,905	52,362,441	500,906
Purchase of investments	(1,426,070)	(52,371,015)	(512,765)
Interest received on investments, net of purchased interest	1,189,339	319,782	694,939
Interest received on projects	-	-	-
Principal collected on projects	-	-	-
Payment for construction of projects	-	-	-
Net cash provided (used) by investing activities	11,880,174	311,208	683,080
Noncapital financing activities:			
Interest paid on bonds and notes, net of purchased interest	-	(11,035,710)	-
Proceeds of bonds	-	-	-
Bond issuance expense	-	-	-
Redemption of bonds and notes	-	(4,730,000)	-
Contribution from U.S. EPA	-	-	-
Other	-	-	-
Transfers to/from other funds	(11,880,156)	15,454,580	(681,511)
Net cash provided (used) by noncapital financing activities	(11,880,156)	(311,130)	(681,511)
Net increase (decrease) in cash and cash equivalents	1	-	1
Cash and cash equivalents at beginning of period	-	-	-
Cash and cash equivalents at end of period	\$ 1	-	1
Reconciliation to net cash provided (used) by operating activities:			
Excess (deficiency) of revenues over expenses before operating transfers	1,020,617	(10,295,372)	690,054
Adjustments:			
Investment income	(1,148,930)	(344,062)	(691,622)
Operating expenses	-	-	-
Interest on bonds and notes	-	10,639,356	-
Loan Income	-	-	-
Amortization of bond issuance cost	128,296	-	-
Net cash provided (used) by operating activities	\$ (17)	(78)	(1,568)

Trusteed Fund		
Water Quality Bond Proceeds Series 1995 Fund		
Rebate	Cost of Issuance	Fund Total
(311)	(20)	(1,994)
(311)	(20)	(1,994)
214,814	-	65,195,066
(81,810)	(298)	(54,391,958)
4,676	318	2,209,054
-	-	-
-	-	-
-	-	-
137,680	20	13,012,162
-	-	(11,035,710)
-	-	-
-	-	-
-	-	(4,730,000)
-	-	-
(137,369)	-	(137,369)
-	-	2,892,913
(137,369)	-	(13,010,166)
-	-	2
-	-	-
-	-	2
(199,738)	305	(8,784,134)
(4,219)	(325)	(2,189,158)
203,646	-	203,646
-	-	10,639,356
-	-	-
-	-	128,296
(311)	(20)	(1,994)

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN GROUP

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2000

	Trusteed Fund		
	Water Quality Bond Proceeds Series 1997 Fund		
	Net Bond Proceeds	Debt Service	Debt Service Reserve
Operating activities:			
Operating expenses	\$ (723)	(72)	(894)
Net cash provided (used) by operating activities	(723)	(72)	(894)
Investing activities:			
Proceeds from maturity or sale of investments	419,142,638	44,116,197	297,568
Purchase of investments	(360,641,350)	(44,135,763)	(300,295)
Interest received on investments, net of purchased interest	8,211,542	266,458	590,103
Interest received on projects	-	-	-
Principal collected on projects	-	-	-
Payment for construction of projects	-	-	-
Net cash provided (used) by investing activities	66,712,830	246,892	587,376
Noncapital financing activities:			
Interest paid on bonds and notes, net of purchased interest	-	(10,498,250)	-
Proceeds of bonds	-	-	-
Bond issuance expense	-	-	-
Redemption of bonds and notes	-	(2,635,000)	-
Contribution from U.S. EPA	-	-	-
Other	(1,184,079)	-	-
Transfers to/from other funds	(65,528,027)	12,886,431	(586,482)
Net cash provided (used) by noncapital financing activities	(66,712,106)	(246,819)	(586,482)
Net increase (decrease) in cash and cash equivalents	1	1	-
Cash and cash equivalents at beginning of period	-	-	-
Cash and cash equivalents at end of period	\$ 1	1	-
Reconciliation to net cash provided (used) by operating activities:			
Excess (deficiency) of revenues over expenses before operating transfers	7,890,950	(9,994,659)	586,321
Adjustments:			
Investment income	(7,998,501)	(287,818)	(587,215)
Operating expenses	-	-	-
Interest on bonds and notes	-	10,282,405	-
Loan Income	-	-	-
Amortization of bond issuance cost	106,828	-	-
Net cash provided (used) by operating activities	\$ (723)	(72)	(894)

See accompanying notes to financial statements.

Trusteed Fund			
Water Quality Bond Proceeds Series 1997 Fund			
Cost of Issuance	Rebate	Fund Total	Group Total
(702)	(4,028)	(6,419)	(3,249,922)
(702)	(4,028)	(6,419)	(3,249,922)
-	-	463,556,403	9,327,691,446
(5,669)	(1,243,592)	(406,326,669)	(9,364,940,814)
6,372	63,542	9,138,017	23,556,239
-	-	-	37,357,277
-	-	-	47,588,801
-	-	-	(179,984,282)
703	(1,180,050)	66,367,751	(108,731,333)
-	-	(10,498,250)	(29,864,358)
-	-	-	79,595,918
-	-	-	(670,007)
-	-	(2,635,000)	(20,190,000)
-	-	-	98,006,051
-	-	(1,184,079)	(5,381,767)
-	-	(53,228,078)	(462,987)
-	-	(67,545,407)	121,032,850
1	(1,184,078)	(1,184,075)	9,051,595
-	1,184,079	1,184,079	1,911,608
1	1	4	10,963,203
5,794	(1,283,101)	(2,794,695)	33,701,083
(6,496)	(69,596)	(8,949,626)	(25,278,946)
-	1,348,669	1,348,669	1,897,527
-	-	10,282,405	29,336,666
-	-	-	(43,275,235)
-	-	106,828	368,983
(702)	(4,028)	(6,419)	(3,249,922)

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

Schedule of Combining Balance Sheets

December 31, 2000

		Trusteed Fund		
		Drinking Water Assistance Fund		
		Revolving Loan	State Match	Repayments
<u>Assets</u>				
Cash		-	-	41,679
Investments		\$ 27,632	6,486,021	1,186,169
Receivables:				
Federal and local government authorities		40,716,094	8,049,331	-
Due from other funds		-	88,165	-
Total assets		\$ 40,743,726	14,623,517	1,227,848
<u>Liabilities and Retained Earnings</u>				
Accounts payable		2,890,918	257,488	-
Retainages payable		30,311	32,796	-
Due to other funds		88,165	-	960
Total liabilities		3,009,394	290,284	960
Retained earnings		37,734,332	14,333,233	1,226,888
Total liabilities and retained earnings		\$ 40,743,726	14,623,517	1,227,848

See accompanying notes to financial statements.

Trusteed Fund

Drinking Water Assistance Fund			
Source Water Protection	Small Systems Technical Assistance	Administrative Fee	Fund Total
-	-	-	41,679
165,908	439	772,812	8,638,981
-	-	126,092	48,891,517
-	-	1,297	89,462
<u>165,908</u>	<u>439</u>	<u>900,201</u>	<u>57,661,639</u>
-	-	-	3,148,406
-	-	-	63,107
-	-	-	89,125
-	-	-	3,300,638
<u>165,908</u>	<u>439</u>	<u>900,201</u>	<u>54,361,001</u>
<u>165,908</u>	<u>439</u>	<u>900,201</u>	<u>57,661,639</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, 2000

	Trusted Fund		
	Drinking Water Assistance Fund		
	Revolving Loan	State Match	Repayments
Revenues:			
Loan Income	\$ 1,313,651	237,207	-
Investment income	1,446	452,027	32,119
Administrative fees from projects	-	-	-
	<u>1,315,097</u>	<u>689,234</u>	<u>32,119</u>
Expenses:			
Operating expense and other	21	4,734	7,953
	<u>21</u>	<u>4,734</u>	<u>7,953</u>
Excess (deficiency) of revenues over expenses before non-operating revenues and operating transfers	1,315,076	684,500	24,166
Contribution from U.S. EPA	16,003,910	-	-
Operating transfers in (out), net	(877,996)	(253,524)	1,131,520
Excess (deficiency) of revenues over expenses	16,440,990	430,976	1,155,686
Retained earnings at beginning of year	21,293,342	13,902,257	71,202
Retained earnings at end of year	<u>\$ 37,734,332</u>	<u>14,333,233</u>	<u>1,226,888</u>

See accompanying notes to financial statements.

Trusteed Fund

Drinking Water Assistance Fund			
Source Water Protection	Small Systems Technical Assistance	Administrative Fee	Fund Total
-	-	-	1,550,858
9,935	24	44,634	540,185
-	-	279,551	279,551
9,935	24	324,185	2,370,594
1,402,160	469,407	586,147	2,470,422
1,402,160	469,407	586,147	2,470,422
(1,392,225)	(469,383)	(261,962)	(99,828)
1,268,597	469,406	550,000	18,291,913
-	-	-	-
(123,628)	23	288,038	18,192,085
289,536	416	612,163	36,168,916
165,908	439	900,201	54,361,001

OHIO WATER DEVELOPMENT AUTHORITY
DRINKING WATER ASSISTANCE FUND

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2000

	Trusteed Fund	
	Drinking Water Assistance Fund	
	Revolving Loan	State Match
Operating activities:		
Administrative fees from projects	\$ -	-
Operating expenses	(21)	(4,734)
Net cash provided (used) by operating activities	(21)	(4,734)
Investing activities:		
Proceeds from maturity or sale of investments	377,772	30,645,981
Purchase of investments	(378,812)	(25,175,134)
Interest received on investments, net of purchased interest	1,448	465,317
Interest received on projects	-	-
Principal collected on projects	-	-
Payment for construction of projects	(16,092,462)	(5,843,265)
Net cash provided (used) by investing activities	(16,092,054)	92,899
Noncapital financing activities:		
Contribution from U.S. EPA	16,003,910	-
Other	88,165	(88,165)
Net cash provided (used) by noncapital financing activities	16,092,075	(88,165)
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	1,315,076	684,500
Adjustments:		
Investment income	(1,446)	(452,027)
Loan Income	(1,313,651)	(237,207)
Net change in other assets and other liabilities	-	-
Net cash provided (used) by operating activities	\$ (21)	(4,734)

See accompanying notes to financial statements.

Trusteed Fund				
Drinking Water Assistance Fund				
Repayments	Source Water Protection	Small Systems Technical Assistance	Administrative Fee	Fund Total
-	-	-	194,549	194,549
(7,953)	(1,402,160)	(469,407)	(586,147)	(2,470,422)
(7,953)	(1,402,160)	(469,407)	(391,598)	(2,275,873)
37,705	1,460,727	1,290	687,500	33,210,975
(1,158,248)	(1,337,151)	(1,313)	(853,042)	(28,903,700)
26,874	9,987	24	42,648	546,298
551,475	-	-	-	551,475
591,826	-	-	-	591,826
-	-	-	-	(21,935,727)
49,632	133,563	1	(122,894)	(15,938,853)
-	1,268,597	469,406	550,000	18,291,913
-	-	-	(35,508)	(35,508)
-	1,268,597	469,406	514,492	18,256,405
41,679	-	-	-	41,679
-	-	-	-	-
41,679	-	-	-	41,679
24,166	(1,392,225)	(469,383)	(261,962)	(99,828)
(32,119)	(9,935)	(24)	(44,634)	(540,185)
-	-	-	-	(1,550,858)
-	-	-	(85,002)	(85,002)
(7,953)	(1,402,160)	(469,407)	(391,598)	(2,275,873)

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**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, Ohio 43215-3516

We have audited the financial statements of the Ohio Water Development Authority as of and for the year ended December 31, 2000, and have issued our report thereon dated March 27, 2001. 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 27, 2001.

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 27, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

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OHIO WATER DEVELOPMENT AUTHORITY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 14, 2001**