



**OHIO WATER DEVELOPMENT AUTHORITY
FRANKLIN COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**OHIO WATER
DEVELOPMENT AUTHORITY**

TABLE OF CONTENTS

Report of Independent Accountants.....	1
Management’s Discussion & Analysis	3
Combining Financial Statements:	
Balance Sheet	8
Statement of Revenues, Expenses, and Changes in Net Assets.....	10
Statement of Cash Flows.....	12
Notes to Financial Statements.....	14
 Individual Combining Statements:	
Operating Fund	
Balance Sheet	8
Statement of Revenues, Expenses and Changes in Net Assets.....	10
Statement of Cash Flows.....	12
 Working Capital Fund	
Balance Sheet	8
Statement of Revenues, Expenses and Changes in Net Assets.....	10
Statement of Cash Flows.....	12
 Individual Schedules of Combining Statements:	
Other Projects Fund:	
Unallocated Reserve, Endowment Grant, Solid Waste, Local Economic Development, Village Capital Improvements, Emergency Relief, Dam Safety, Lake Erie Soil Erosion and Security Assistance	
Schedule of Combining Balance Sheets	60
Schedule of Combining Statements of Revenues, Expenses and Changes in Net Assets	62
Schedule of Combining Statements of Cash Flows	64
 Rural Utility Services Fund:	
Rural Development 1999 Account, Rural Development 2000 Account, and Rural Development 2001 Account	
Schedule of Combining Balance Sheets	66
Schedule of Combining Statements of Revenues, Expenses and Changes in Net Assets	70
Schedule of Combining Statements of Cash Flows	74
 Community Assistance Fund	
Schedule of Combining Balance Sheets	78
Schedule of Combining Statements of Revenues, Expenses and Changes in Net Assets	80
Schedule of Combining Statements of Cash Flows	82

**OHIO WATER
DEVELOPMENT AUTHORITY**

TABLE OF CONTENTS, Continued

Fresh Water Fund:

Fresh Water Account, 1995 Fresh Water Account, 1998 Fresh Water Account, and 2001 Fresh Water Account	
Schedule of Combining Balance Sheets	84
Schedule of Combining Statements of Revenues, Expenses and Changes in Net Assets	88
Schedule of Combining Statements of Cash Flows	92

Refunding Fund:

1985 Refunding Account and 1992 Clean Water Refunding Account	
Schedule of Combining Balance Sheets	96
Schedule of Combining Statements of Revenues, Expenses and Changes in Net Assets	98
Schedule of Combining Statements of Cash Flows	100

Safe Water Refunding Fund:

Safe Water Refunding Account, Safe Water Refunding 1987 Series A & B Account, 1992 Safe Water Refunding Account and 1997 Safe Water Refunding Account	
Schedule of Combining Balance Sheets	102
Schedule of Combining Statements of Revenues, Expenses and Changes in Net Assets	106
Schedule of Combining Statements of Cash Flows	110

Pure Water Refunding Fund

Schedule of Combining Balance Sheets	116
Schedule of Combining Statements of Revenues, Expenses and Changes in Net Assets	118
Schedule of Combining Statements of Cash Flows	120

Water Pollution Control Loan Fund:

Water Pollution Control Loan Account, State Match Bond Proceeds Series 1991 Account, State Match Bond Proceeds Series 1993 Account, State Match Bond Proceeds Series 1995 Account, State Match Bond Proceeds Series 2000 Account, State Match Refunding Series 2001 Account, Water Quality Bond Proceeds Series 1995 Account, Water Quality Bond Proceeds Series 1997 Account and Water Quality Note Proceeds Series 2001 Account	
Schedule of Combining Balance Sheets	122
Schedule of Combining Statements of Revenues, Expenses and Changes in Net Assets	136
Schedule of Combining Statements of Cash Flows	150

Drinking Water Assistance Fund

Drinking Water Assistance Account and State Match Note Proceeds 2001 Account	
Schedule of Combining Balance Sheets	164
Schedule of Combining Statements of Revenues, Expenses and Changes in Net Assets	166
Schedule of Combining Statements of Cash Flows	168



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215

Telephone 614-466-3402
800-443-9275

Facsimile 614-728-7199
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying combining financial statements of the Ohio Water Development Authority (the Authority), a component unit of the State of Ohio, as of and for the year ended December 31, 2001, as listed in the table of contents. 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 auditing standards generally accepted in the United States of America 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 combining financial statements present only the Ohio Water Development Authority's enterprise fund and is 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 Authority, as of December 31, 2001, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 4, during the year ended December 31, 2001, the Authority adopted Governmental Accounting Standards Board Statements 34, 37 and 38.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2002 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.

Management's Discussion and Analysis is not a required part of the combining financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion thereon.

We performed our audit to form an opinion on the combining financial statements of the Authority, taken as a whole. The individual fund schedules of combining statements listed in the table of contents are presented for additional analysis and are not a required part of the combining financial statements. We subjected this information to the auditing procedures applied in the audit of the combining financial statements and, in our opinion, is fairly presented in all material respects, in relation to the combining financial statements taken as a whole.

We did not audit the data included in the introductory section of this report and therefore express no opinion thereon.

JIM PETRO
Auditor of State

March 29, 2002

OHIO WATER DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

December 31, 2001

As management of the Ohio Water Development Authority (the Authority), a component unit of the State of Ohio, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2001. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page 8 of this report.

Financial Highlights

- The Authority's net assets increased during the fiscal year 2001 by \$189,242,205 or 11.4%
- During 2001, the Authority's loan receivable balance increased by \$187,402,532 or 8.6%
- The cash and investments increased during 2001 by \$35,916,293 or 3.9%
- During 2001, the Authority was able to get a rating upgrade from Standard & Poor's on its Fresh Water Bond Series from a "A+" to a "AA+"

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: 1) combining financial statements, 2) notes to financial statements, and 3) individual schedules of combining statements.

Combining financial statements. The Authority follows proprietary fund accounting, which means these statements are presented in a manner similar to a private-sector business. The *combining financial statements* are designed to provide readers with a broad overview of the Authority's finances by fund and in total. These statements offer short and long-term financial information about its activities.

The *combining balance sheet* presents information on all of the Authority's assets and liabilities, including information about the nature and amounts of investments in resources (assets), the obligations (liabilities) of the Authority and the Authority's net assets as of December 31, 2001. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *combining statement of revenues, expenses and changes in fund net assets* presents information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation and earned but unused vacation leave).

The *combining statement of cash flows* provides information about the Authority's cash receipts and cash payments during the reporting period. This statement summarizes the net changes in cash resulting from operating, investing and noncapital financing activities.

Each of the combining financial statements highlight programs of the Authority that are principally supported by loan and investment income, programs that are intended to recover all or a significant portion of their costs through program fees or investment earnings on contributed capital (*business-type activities*).

The combining financial statements can be found on pages 8-13 of this report.

OHIO WATER DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the combining financial statements and individual schedules of combining statements. The notes to financial statements can be found on pages 14-58 of this report.

Individual schedules of combining statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The individual schedules of combining statements can be found on pages 60-169 of this report.

Financial Analysis of the Authority's Financial Position and Results of Operations

The tables below provide a summary of the Authority's financial position and operations for 2001 and 2000, respectively. Although the Authority first implemented GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, in 2001, comparative numbers have been included for analysis purposes.

The following table summarizes changes in net assets of the Authority between December 31, 2001 and December 31, 2000:

Combining Balance Sheet

(all amounts expressed in thousands of dollars)

	2001	2000	Dollar Change	Total Percent Change
Current assets	\$101,895			
Noncurrent restricted assets	3,171,915			
Noncurrent unrestricted assets	58,478			
Capital assets	539			
Total assets	3,332,827	3,110,496	222,331	7.1%
Current liabilities	61,371			
Revenue bonds and notes payable	1,420,921			
Total liabilities	1,482,292	1,449,203	33,089	2.3%
Net assets:				
Invested in capital assets	539			
Restricted	1,706,422			
Unrestricted	143,574			
Total net assets	1,850,535	1,661,293	189,242	11.4%
Total liabilities and net assets	\$3,332,827	3,110,496	222,331	7.1%

As noted earlier, net assets may serve as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$1,850,535,064 as of December 31, 2001, \$1,706,421,692 of which is restricted for debt and grant covenants.

OHIO WATER DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

By far, the largest portion of the Authority's net assets is reflected in its loan receivables, less any related debt still outstanding used to fund these loans to local government agencies.

During the fiscal year 2001, the Authority's net assets increased by \$189,242,205 or 11.4%. The majority of this increase was due to a \$187,402,532 increase in loan receivables primarily funded by U.S. EPA capitalization grant contributions and disbursements of bond and note proceeds.

The following table summarizes the changes in Revenues and Expenses for the Authority between 2001 and 2000:

**Combining Statement of Revenues,
Expenses and Changes in Fund Net Assets**
(all amounts expressed in thousands of dollars)

	2001	2000	Dollar Change	Total Percent Change
Operating revenues:				
Loan income	\$117,586	111,415	6,171	5.5%
Investment income	41,606	56,072	(14,466)	(25.8%)
Administrative fees from projects	2,298	1,855	443	23.9%
Total operating revenues	161,490	169,342	(7,852)	(4.6%)
Operating expenses:				
Interest on bonds and notes	75,468	77,423	(1,955)	(2.5%)
Amortization of bond and note issuance expense	1,353	1,187	166	14.0%
Other	11,136	12,069	(933)	(7.7%)
Total operating expenses	87,957	90,679	(2,722)	(3.0%)
Operating Income	73,533	78,663	(5,130)	(6.5%)
Nonoperating other revenues	581	543	38	7.0%
Contribution from U.S. EPA	115,128	116,298	(1,170)	(1.0%)
Change in net assets	\$189,242	195,504	(6,262)	(3.2%)

The two primary sources of operating revenue for the Authority are loan income and investment income, while the significant operating expense is interest expense on bonds and notes. For the year ending December 31, 2001, the Authority had a decrease in operating income compared to 2000 of \$5,129,156 (6.5%). This decrease was attributed to the following:

- A \$14,465,232 decrease in investment income caused by a reduction on the yields the Authority was able to obtain on securities traded in 2001
- A \$6,171,008 increase in loan income related to the \$187,402,532 increase in loan receivables
- A \$1,955,122 decrease in interest on bonds and notes attributed to current year bond and note maturities and the reduction of bond yields through the partial refunding of four bond series

OHIO WATER DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

Debt Administration

As of December 31, 2001, the Authority had bond and note principal outstanding of \$1,420,920,590. The Authority's debt represents bonds and notes secured solely by loan repayments of pledged loans. The table below summarizes the amount of debt outstanding at 2001 and 2000.

Outstanding Debt at December 31, 2001, and December 31, 2000 (net of premiums, discounts and deferred losses)

(all amounts expressed in thousands of dollars)

	2001	2000
Revenue Bonds	\$1,316,435	1,383,782
Revenue Notes	5,855	14,360
Bond Anticipation Notes	98,631	—
Total	<u>\$1,420,921</u>	<u>1,398,142</u>

During 2001, the Authority issued the following bonds and notes for the purpose of providing loan funding to local governments under its various loan programs:

- Water Development Revenue Notes—Rural Development Series 2001-A
- Water Development Revenue Bonds—Fresh Water Improvement Series 2001A
- Water Pollution Control Loan Fund Bond Anticipation Notes—Water Quality Series 2001
- Drinking Water Assistance Fund Revenue Bond Anticipation Notes—State Match Series 2001

During 2001, the Authority also refinanced some of its existing debt to take advantage of favorable interest rates, as follows:

- The Authority issued the Water Development Revenue Bonds—Fresh Water Refunding Series 2001B to partially refund previously outstanding Fresh Water 1995 Series revenue bonds. This transaction enabled the Authority to save \$3,028,794 in future debt service payments.
- The Authority issued the Water Pollution Control Loan Fund Refunding Revenue Bonds—State Match Series 2001 to partially refund previously outstanding State Match Series 1991, 1993 and 1995 revenue bonds. This transaction enabled the Authority to save \$2,680,383 in future debt service payments.

The Authority continues to maintain strong bond ratings from both Moody's and Standard & Poor's. The Fresh Water Series 2001 bonds had a Moody's and Standard & Poor's rating of "Aa3" and "AA+", respectively, while the Water Pollution Control Loan Fund State Match Series 2001 bonds had a Moody's and Standard & Poor's rating of "Aaa" and "AA+", respectively.

Additional information on the Authority's long-term debt can be found in the Notes to Financial Statements, pages 27-54 of this report.

OHIO WATER DEVELOPMENT AUTHORITY

Management's Discussion and Analysis

Subsequent Event

Since December 31, 2001, the Authority has issued additional debt. The Authority issued \$200,115,000 in Water Pollution Control Loan Fund Revenue Bonds—Water Quality Series 2002 on February 1, 2002. The Authority was upgraded to a AAA rating from Standard & Poor's on this issue.

As these bonds were not issued until February 2002, they are not included in long-term debt of the Authority as of December 31, 2001.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Operating Officer, Ohio Water Development Authority, 88 E Broad St, Suite 1300, Columbus, Ohio 43215, or call (614) 466-5822, or visit the Authority's website at www.owda.org.

OHIO WATER DEVELOPMENT AUTHORITY

Combining Balance Sheet

December 31, 2001

<u>Assets</u>	Trusteed Funds				
	Operating Fund	Working Capital Fund	Other Projects Fund	Rural Utility Services Fund (Note 5)	Community Assistance Fund (Note 6)
Current assets:					
Cash and cash equivalents -- Note 2	\$ 12,514	-	27,887	-	-
Investments -- Note 2	3,479,443	-	92,425,482	-	-
Receivables:					
Loan receivables	396,060	-	5,539,267	-	-
Other	14,523	-	-	-	-
Total current assets	3,902,540	-	97,992,636	-	-
Noncurrent assets:					
Restricted grant, bond, and note covenant assets:					
Cash and cash equivalents -- Note 2	-	-	-	-	331,077
Investments -- Note 2	-	-	-	5,321,381	70,618,884
Loan receivables	-	5,179,401	-	8,270,294	91,957,161
Total restricted assets	-	5,179,401	-	13,591,675	162,907,122
Investments -- Note 2	2,439,987	-	22,688,202	-	-
Loan receivables	-	-	16,812,500	-	-
Deferred bond and note issuance expense	-	-	-	63,004	599,338
Due from other funds -- Note 3	-	-	-	-	1,992
Capital assets, at depreciated cost	538,675	-	-	-	-
Total noncurrent assets	2,978,662	-	39,500,702	63,004	601,330
Total assets	\$ 6,881,202	5,179,401	137,493,338	13,654,679	163,508,452
<u>Liabilities and Net Assets</u>					
Current liabilities:					
Accounts payable	245,230	-	11,639	-	-
Due to other funds -- Note 3	4,299	-	-	-	-
Total current liabilities	249,529	-	11,639	-	-
Current liabilities payable from restricted assets:					
Due to other funds -- Note 3	-	-	-	-	-
Accounts payable	-	-	-	394,470	2,380,868
Accrued interest	-	-	-	6,867	209,799
Revenue bonds and notes payable	-	-	-	-	1,735,000
Total current liabilities payable from restricted assets	-	-	-	401,337	4,325,667
Noncurrent liabilities:					
Revenue bonds and notes payable (net of premiums, discounts, and deferred losses)	-	-	-	5,855,000	46,399,348
Total liabilities	249,529	-	11,639	6,256,337	50,725,015
Net assets:					
Invested in capital assets	538,675	-	-	-	-
Restricted for debt and grant covenants	-	5,179,401	-	7,398,342	112,783,437
Unrestricted	6,092,998	-	137,481,699	-	-
Total net assets	6,631,673	5,179,401	137,481,699	7,398,342	112,783,437
Total liabilities and net assets	\$ 6,881,202	5,179,401	137,493,338	13,654,679	163,508,452

See accompanying notes to financial statements.

Trusteed Funds

Fresh Water Fund (Notes 7,8 & 9)	Refunding Fund (Note 10)	Safe Water Refunding Fund (Notes 11, 12 and 13)	Pure Water Refunding Fund (Note 14)	Water Pollution Control Loan Fund (Notes 15,16, 17,18,19,20,21 & 22)	Drinking Water Assistance Fund (Note 23)	Total Combining 2001
-	-	-	-	-	-	40,401
-	-	-	-	-	-	95,904,925
-	-	-	-	-	-	5,935,327
-	-	-	-	-	-	14,523
-	-	-	-	-	-	101,895,176
995,839	423,046	5,552,536	3,754,992	7,966,167	431,593	19,455,250
165,880,188	13,185,519	21,988,816	69,579,044	449,463,656	19,645,891	815,683,379
330,342,534	37,809,371	121,763,905	318,907,488	1,337,200,984	85,344,909	2,336,776,047
497,218,561	51,417,936	149,305,257	392,241,524	1,794,630,807	105,422,393	3,171,914,676
-	-	-	-	-	-	25,128,189
-	-	-	-	-	-	16,812,500
2,657,817	1,072,337	1,183,315	4,984,082	5,664,999	27,061	16,251,953
853	-	45,319	4,764	183,315	49,302	285,545
-	-	-	-	-	-	538,675
2,658,670	1,072,337	1,228,634	4,988,846	5,848,314	76,363	59,016,862
499,877,231	52,490,273	150,533,891	397,230,370	1,800,479,121	105,498,756	3,332,826,714
-	-	-	-	-	-	256,869
-	-	-	-	-	-	4,299
-	-	-	-	-	-	261,168
-	45,319	-	6,756	201,315	27,856	281,246
11,229,799	-	317,431	1,233,672	36,567,348	2,566,505	54,690,093
978,065	166,479	514,078	1,494,683	2,722,332	46,250	6,138,553
8,465,000	11,235,000	18,523,879	27,255,000	114,066,584	-	181,280,463
20,672,864	11,446,798	19,355,388	29,990,111	153,557,579	2,640,611	242,390,355
218,508,232	24,637,451	114,232,705	279,200,827	535,806,564	15,000,000	1,239,640,127
239,181,096	36,084,249	133,588,093	309,190,938	689,364,143	17,640,611	1,482,291,650
-	-	-	-	-	-	538,675
260,696,135	16,406,024	16,945,798	88,039,432	1,111,114,978	87,858,145	1,706,421,692
-	-	-	-	-	-	143,574,697
260,696,135	16,406,024	16,945,798	88,039,432	1,111,114,978	87,858,145	1,850,535,064
499,877,231	52,490,273	150,533,891	397,230,370	1,800,479,121	105,498,756	3,332,826,714

OHIO WATER DEVELOPMENT AUTHORITY
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Year ended December 31, 2001

	Trusteed Funds				
	Operating Fund	Working Capital Fund	Other Projects Fund	Rural Utility Services Fund (Note 5)	Community Assistance Fund (Note 6)
Operating revenues:					
Loan income	\$ -	372,774	828,526	443,952	1,758,100
Investment income	392,715	-	5,371,176	363,551	2,774,050
Administrative fees from projects	1,736,703	-	-	-	-
Total operating revenues	<u>2,129,418</u>	<u>372,774</u>	<u>6,199,702</u>	<u>807,503</u>	<u>4,532,150</u>
Operating expenses:					
Interest on bonds and notes	-	-	-	353,877	2,542,165
Amortization of bond and note issuance expense	-	-	-	144,300	26,058
Other	1,919,563	-	646,097	39,629	8,939
Total operating expenses	<u>1,919,563</u>	<u>-</u>	<u>646,097</u>	<u>537,806</u>	<u>2,577,162</u>
Operating Income (Loss)	<u>209,855</u>	<u>372,774</u>	<u>5,553,605</u>	<u>269,697</u>	<u>1,954,988</u>
Nonoperating other revenues (expenses)	-	-	-	(78,183)	302,279
Income (Loss) before contributions and transfers	<u>209,855</u>	<u>372,774</u>	<u>5,553,605</u>	<u>191,514</u>	<u>2,257,267</u>
Contribution from U.S. EPA	-	-	-	-	-
Transfers in (out), net	150	(1,274,168)	4,869,661	-	9,303,175
Change in net assets	210,005	(901,394)	10,423,266	191,514	11,560,442
Net assets at beginning of year	6,421,668	6,080,795	127,058,433	7,206,828	101,222,995
Net assets at end of year	<u>\$ 6,631,673</u>	<u>5,179,401</u>	<u>137,481,699</u>	<u>7,398,342</u>	<u>112,783,437</u>

See accompanying notes to financial statements.

Trusteed Funds

Fresh Water Fund (Notes 7,8 & 9)	Refunding Fund (Note 10)	Safe Water Refunding Fund (Notes 11, 12 and 13)	Pure Water Refunding Fund (Note 14)	Water Pollution Control Loan Fund (Notes 15,16, 17,18,19,20,21 & 22)	Drinking Water Assistance Fund (Note 23)	Total Combining 2001
19,125,562	2,920,683	13,849,364	25,954,354	49,647,404	2,685,142	117,585,861
6,979,905	850,545	1,540,333	3,817,798	18,703,008	813,692	41,606,773
-	-	-	-	-	561,116	2,297,819
<u>26,105,467</u>	<u>3,771,228</u>	<u>15,389,697</u>	<u>29,772,152</u>	<u>68,350,412</u>	<u>4,059,950</u>	<u>161,490,453</u>
11,083,793	2,518,170	8,726,141	19,595,203	30,139,990	508,750	75,468,089
148,524	71,489	211,292	284,471	452,870	13,530	1,352,534
126,499	12,491	32,610	74,981	4,718,691	3,556,736	11,136,236
<u>11,358,816</u>	<u>2,602,150</u>	<u>8,970,043</u>	<u>19,954,655</u>	<u>35,311,551</u>	<u>4,079,016</u>	<u>87,956,859</u>
<u>14,746,651</u>	<u>1,169,078</u>	<u>6,419,654</u>	<u>9,817,497</u>	<u>33,038,861</u>	<u>(19,066)</u>	<u>73,533,594</u>
210,611	-	(55,880)	911,799	(709,798)	-	580,828
<u>14,957,262</u>	<u>1,169,078</u>	<u>6,363,774</u>	<u>10,729,296</u>	<u>32,329,063</u>	<u>(19,066)</u>	<u>74,114,422</u>
-	-	-	-	81,611,423	33,516,360	115,127,783
<u>(3,001,912)</u>	<u>(1,398,665)</u>	<u>(4,230,741)</u>	<u>(4,988,722)</u>	<u>721,372</u>	<u>(150)</u>	<u>-</u>
11,955,350	(229,587)	2,133,033	5,740,574	114,661,858	33,497,144	189,242,205
248,740,785	16,635,611	14,812,765	82,298,858	996,453,120	54,361,001	1,661,292,859
<u>260,696,135</u>	<u>16,406,024</u>	<u>16,945,798</u>	<u>88,039,432</u>	<u>1,111,114,978</u>	<u>87,858,145</u>	<u>1,850,535,064</u>

OHIO WATER DEVELOPMENT AUTHORITY

Combining Statement of Cash Flows
Year ended December 31, 2001

	Trusteed Funds				
	Operating Fund	Working Capital Fund	Other Projects Fund	Rural Utility Services Fund (Note 5)	Community Assistance Fund (Note 6)
Operating activities:					
Administrative fees from projects	\$ 1,521,149	-	-	-	-
Operating expenses	(827,658)	-	(95,822)	(19,002)	(8,939)
Salaries and fringes expense	(1,067,627)	-	-	-	-
Net cash provided (used) by operating activities	<u>(374,136)</u>	<u>-</u>	<u>(95,822)</u>	<u>(19,002)</u>	<u>(8,939)</u>
Investing activities:					
Proceeds from maturity or sale of investments	6,981,895	-	269,172,872	34,237,096	657,184,318
Purchase of investments	(6,940,486)	-	(278,849,764)	(26,759,916)	(663,216,236)
Interest received on investments, net of purchased interest	343,702	-	5,546,322	435,064	3,172,451
Interest received on projects	-	-	785,785	810	1,685,661
Principal collected on projects	-	-	1,588,409	7,739,980	3,634,548
Payment for construction of projects	-	-	(2,989,579)	(6,453,463)	(7,188,081)
Net cash provided (used) by investing activities	<u>385,111</u>	<u>-</u>	<u>(4,745,955)</u>	<u>9,199,571</u>	<u>(4,727,339)</u>
Noncapital financing activities:					
Interest paid on bonds and notes, net of purchased interest	-	-	-	(400,956)	(2,570,821)
Proceeds of bonds and notes	-	-	-	6,500,000	-
Bond and note issuance expense	-	-	-	(94,499)	-
Redemption of bonds and notes	-	-	-	(15,005,000)	(1,665,000)
Contribution from U.S. EPA	-	-	-	-	-
Other	-	-	-	(180,114)	-
Transfers to/from other funds	150	-	4,869,662	-	9,303,176
Net cash provided (used) by noncapital financing activities	<u>150</u>	<u>-</u>	<u>4,869,662</u>	<u>(9,180,569)</u>	<u>5,067,355</u>
Net increase (decrease) in cash and cash equivalents	11,125	-	27,885	-	331,077
Cash and cash equivalents at beginning of year	<u>1,389</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year -- Note 2	<u>\$ 12,514</u>	<u>-</u>	<u>27,887</u>	<u>-</u>	<u>331,077</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income (Loss)	209,855	372,774	5,553,605	269,697	1,954,988
Adjustments:					
Investment income	(392,715)	-	(5,371,176)	(363,551)	(2,774,050)
Operating expenses	-	-	550,275	20,627	-
Interest on bonds and notes	-	-	-	353,877	2,542,165
Loan income	-	(372,774)	(828,526)	(443,952)	(1,758,100)
Amortization of bond and note issuance cost	-	-	-	144,300	26,058
Net change in other assets and other liabilities	<u>(191,276)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (374,136)</u>	<u>-</u>	<u>(95,822)</u>	<u>(19,002)</u>	<u>(8,939)</u>

See accompanying notes to financial statements.

Trusteed Funds

Fresh Water Fund (Notes 7,8 & 9)	Refunding Fund (Note 10)	Safe Water Refunding Fund (Notes 11, 12 and 13)	Pure Water Refunding Fund (Note 14)	Water Pollution Control Loan Fund (Notes 15,16, 17,18,19,20,21 & 22)	Drinking Water Assistance Fund (Note 23)	Total Combining 2001
-	-	-	-	-	686,488	2,207,637
(112,530)	(12,491)	(32,610)	(74,981)	(3,997,316)	(3,556,736)	(8,738,085)
-	-	-	-	-	-	(1,067,627)
(112,530)	(12,491)	(32,610)	(74,981)	(3,997,316)	(2,870,248)	(7,598,075)
924,740,037 (919,174,113)	117,320,445 (115,676,617)	192,580,679 (187,488,899)	398,594,416 (399,603,087)	9,019,155,133 (9,044,883,243)	168,204,232 (179,222,737)	11,788,171,123 (11,821,815,098)
7,546,159	834,792	1,572,745	4,149,455	19,664,385	825,283	44,090,358
15,555,613	3,551,813	14,305,893	25,812,074	37,820,231	2,037,139	101,555,019
15,839,339	13,286,395	14,335,415	22,734,658	50,438,371	1,939,619	131,536,734
(47,172,235)	-	-	(1,169,282)	(190,858,639)	(38,515,386)	(294,346,665)
(2,665,200)	19,316,828	35,305,833	50,518,234	(108,663,762)	(44,731,850)	(50,808,529)
(11,303,948)	(2,536,922)	(6,444,053)	(19,017,355)	(31,038,569)	(462,500)	(73,775,124)
83,896,084	-	-	-	140,349,108	15,000,000	245,745,192
(928,527)	-	-	-	(532,176)	(58,590)	(1,613,792)
(61,760,000)	(13,635,000)	(19,620,000)	(26,105,000)	(78,795,000)	-	(216,585,000)
-	-	-	-	81,611,423	33,516,360	115,127,783
(3,799,917)	-	-	911,798	(2,652,122)	(3,108)	(5,723,463)
(3,001,910)	(2,709,369)	(3,656,634)	(5,526,303)	721,378	(150)	-
3,101,782	(18,881,291)	(29,720,687)	(49,736,860)	109,664,042	47,992,012	63,175,596
324,052	423,046	5,552,536	706,393	(2,997,036)	389,914	4,768,992
671,787	-	-	3,048,599	10,963,203	41,679	14,726,659
995,839	423,046	5,552,536	3,754,992	7,966,167	431,593	19,495,651
14,746,651	1,169,078	6,419,654	9,817,497	33,038,861	(19,066)	73,533,594
(6,979,905)	(850,545)	(1,540,333)	(3,817,798)	(18,703,008)	(813,692)	(41,606,773)
13,969	-	-	-	721,375	-	1,306,246
11,083,793	2,518,170	8,726,141	19,595,203	30,139,990	508,750	75,468,089
(19,125,562)	(2,920,683)	(13,849,364)	(25,954,354)	(49,647,404)	(2,685,142)	(117,585,861)
148,524	71,489	211,292	284,471	452,870	13,530	1,352,534
-	-	-	-	-	125,372	(65,904)
(112,530)	(12,491)	(32,610)	(74,981)	(3,997,316)	(2,870,248)	(7,598,075)

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

December 31, 2001

(1) **AUTHORIZING LEGISLATION, REPORTING ENTITY, 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 Act, 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

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 waste by constructing appropriate facilities. These programs are accounted for in various funds, which are described in Note 24. 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, net assets, 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 following is a description of the funds 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 aforementioned \$100,000,000 appropriation from the State of Ohio.

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 28.5 to 40 years with interest at 5.25% to 7.00%.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

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

(c) *Other Projects Fund – Unallocated Reserve*

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

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

(d) *Other Projects Fund – Endowment Grant*

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

The purpose of the account is to provide grants to local governments to develop innovative projects in the areas 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 Fund – Solid Waste*

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

The purpose of the account 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 Refunding Fund.

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%.

(f) *Other Projects Fund – Local Economic Development*

The Local Economic Development Account was established during 1995 by a resolution of the Authority and is administered by a Trustee. Funding for the Local Economic Development Account 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 Account.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

The purpose of the account is to provide financing to local governments in Ohio to construct projects which will provide economic development benefits. The interest rate for each loan is negotiated by the local government and the Ohio Department of Development.

The account also provides financing for the 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 Fund – Village Capital Improvements*

The Village Capital Improvements Account was established during 1995 by the Budget Reconciliation Bill which gave the Authority the responsibility to principally administer this program after pre-approval by the Ohio EPA. Initial 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. Additional funding has been provided by monetary transfers from the Pure Water Refunding Fund.

The purpose of the account 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 Fund – Emergency Relief*

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

The purpose of the account 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 account can provide a community with up to two semi-annual loan payments to the Authority in an amount equivalent to the damage sustained by the water or wastewater systems during the disaster.

As of December 31, 2001, the Authority has approved \$2,834,372 in assistance to fourteen communities for damage caused by flooding in Ohio.

(i) *Other Projects Fund – Dam Safety*

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

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

The purpose of the account 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, 2001 was \$1,686,446.

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

The Lake Erie Soil Erosion Account was established during 2000 by a resolution of the Authority and is administered by a Trustee. Initial funding was provided by a \$10,000,000 transfer from the 1995 Fresh Water Account.

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

The loans to the counties are to be repaid under terms of installment contracts. As of December 31, 2001, one loan has been awarded from this account in the amount of \$265,575 over 15 years with interest at 5.65%.

(k) *Other Project Fund – Security Assistance*

The Security Assistance Account was established during 2001 by a resolution of the Authority and is administered by a Trustee. Initial funding was provided by a \$5,000,000 transfer from the Fresh Water Fund.

The purpose of the program is to provide financing to the local governments to protect the communities' water and wastewater systems. Eligible items under the program will be lighting, fencing, cameras, motion detectors, gating and security systems and terrorism preparedness plans.

The loans to the local governments are to be repaid under terms of installment contracts with interest at 2%. As of December 31, 2001, no loans had been awarded from this account.

(l) *Rural Utility Services Fund*

The Rural Utility Services Fund was established during 1996 by a resolution of the Authority and is administered by a Trustee. Initial funding for the fund 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, RD Loan Advance Series 2001-A and monetary transfers from the 1995 Fresh Water Account.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

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 3.28% to 5.33%.

(m) 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.

Construction costs may be reimbursed by federal grants in amounts up to 75% of the total eligible costs. The balance of the construction costs is paid by the LGA under the terms of installment contracts over periods of 10 to 30 years with interest rates at not less than 1.0%. 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 Refunding Fund. Additional funding has been provided through monetary transfers from the Fresh Water Fund, Refunding Fund, Safe Water Refunding Fund, Pure Water Refunding Fund and the issuance of the Water Development Revenue Bonds—Community Assistance Series 1997. All loan repayments for this fund are pledged on a parity basis against all debt outstanding within this fund.

(n) Fresh Water Fund

The Fresh Water Fund, which consists of various 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, Fresh Water Series 1998 and Fresh Water Refunding and Improvement Series 2001 were later issued to provide additional funds necessary for making loans to LGAs as part of the Authority's Fresh Water Program. All loan repayments for this fund are pledged on a parity basis against all debt outstanding within this fund.

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 30 years with interest rates of 4.55% to 7.38%.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

(o) *Refunding Fund*

The Refunding Fund consists of various accounts, which are administered by a Trustee. Initial funding for the fund 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 Fund. 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. All loan repayments for this fund are pledged on a parity basis against all debt outstanding within this fund.

The Refunding Fund 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 16.5 to 40 years with interest rates of 5.25% to 12.00%. LGA payments of project costs are restricted for the purposes of providing additional moneys for projects or for debt service.

(p) *Safe Water Refunding Fund*

The Safe Water Refunding Fund consists of various 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 from 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. All loan repayments for this fund are pledged on a parity basis against all debt outstanding within this fund.

Similar to the Refunding Fund 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.

(q) *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. All loan repayments for this fund are pledged on a parity basis against all debt outstanding within this fund.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

Similar to the Refunding Fund, the Safe Water Refunding Fund and the Working Capital Fund, certain financed project costs 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 4.65% to 9.48%. LGA repayments of project costs are restricted for the purposes of providing additional moneys for projects or for debt service.

(r) *Water Pollution Control Loan Fund*

The Water Pollution Control Loan Fund consists of various 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 fund is to provide financial assistance for the construction of publicly owned wastewater treatment works.

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 Fund (WPCLF) was initially funded in 1989 by a U.S. Environmental Protection Agency capitalization grant, which required a 20% matching contribution from the Ohio EPA. 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 Fund 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, State Match Series 2001, Water Quality Series 1995, Water Quality Series 1997 and Water Quality Series 2001 (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 remain within the fund. All loan repayments for this fund are pledged on a parity basis against all debt outstanding within this fund.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

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, 2001 was \$5,813,823.

(s) ***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
1999	\$22,806,200	4,561,240
2000	48,745,300	9,749,060
2001	24,944,900	4,988,980

The Fund received additional funding from the proceeds of the Drinking Water Assistance Fund Revenue Bond Anticipation Notes—State Match Series 2001. The Notes were established by resolutions providing for the issuance of these notes and are administered by Trustees. All loan repayments for this fund are pledged on a parity basis against all debt outstanding within this fund.

Summary of Significant 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.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

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

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

(b) *Cash and Cash Equivalents*

Cash and cash equivalents include amounts on deposit with Trustees and petty cash, as defined in GASB Statement No. 9 for the purpose of the Statement of Cash Flows.

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, except for StarOhio. Additionally, the Authority does not consider its loans to be program loans, and as a result reports its loan cash flows within the investing activities section of the statement of cash flows.

(c) *Investments*

With the exception of money market investments, participating interest-earning investment contracts, nonnegotiable certificates of deposit, 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, nonnegotiable certificates of deposit, and holdings in STAROhio at amortized cost plus accrued interest receivable.

The Authority enters into interest rate swap agreements to modify interest rates on outstanding debt. Other than the net interest expenditures resulting from this agreement, no amounts are recorded in the financial statements. For further detail and risk management of the interest rate swap agreement within the Pure Water Refunding Fund, see note 14.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

(d) Due to and Due from Other Funds

Interfund receivables and payables, otherwise referred to as due to and due from other funds, arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. All interfund balances at December 31, 2001 resulted from the time lag between the dates that transactions are recorded in the accounting system and the dates that payments between funds are made. The Authority expects that all interfund balances will be repaid within one year.

(e) Loan Income as Defined by the Contracts

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

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

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

(g) Interfund Transfers/Net Assets

The Authority reports interfund transactions when incurred, as follows:

- Transfers in (out), net: Transfers to a receiving fund from a disbursing fund required to meet routine operating requirements, such as debt service repayments and loan disbursements, in addition to transfers between funds for initial and/or additional funding needs.

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

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

(h) Capital Assets and Facilities

Capital assets of the Authority include office furniture, equipment and an automobile. Capital assets are defined by the Authority as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Depreciation is computed using the straight line method with no salvage value.

Capital asset activity for the year ended December 31, 2001 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets	1,044,349	226,366	(62,465)	1,208,250
Less accumulated depreciation	(480,113)	(251,927)	62,465	(669,575)
Total capital assets, net	564,236	(25,561)	-	538,675

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

The Authority leases office space under an operating lease that expires in 2003. Lease expense is approximately \$110,000 per year and is accounted for in the Operating Fund.

(i) Balance Sheet Classifications

As discussed in note 4, for fiscal year 2001, the Authority was required to classify its balance sheet, detailing current and noncurrent assets and liabilities and restricted and unrestricted net assets, as follows:

- Current: Due within one year from December 31, 2001
- Noncurrent: Due after December 31, 2002
- Restricted: Restricted for usage by bond and note covenants and grant restrictions
- Unrestricted: Not restricted for usage

(j) Revenue Classifications

The Authority's policy for revenue classification is as follows:

- Operating revenue consists of loan income, investment income and administrative fees from projects
- Nonoperating revenue consists of contributions from U.S. EPA

(k) 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 commercial property insurance on property and equipment in the aggregate sum of approximately \$255,000. The Authority carries commercial liability insurance coverage in the amount of approximately \$3,000,000. The Authority also carries premium-based medical and dental coverage for all employees.

(2) CASH AND INVESTMENTS

The Authority's carrying amount and bank balance of deposits, as of December 31, 2001 was \$19,495,651. Of this amount, \$325,885 was covered by federal depository insurance, and \$19,169,766 was collateralized with securities held by the bank's agent but not in the Authority's name. The Authority's carrying amount of long-term nonnegotiable certificate of deposits as of December 31, 2001 was \$7,500,269. These deposits were 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.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

The Authority's investments are categorized to give an indication of the level of custodial risk assumed by the entity as of December 31, 2001. 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	\$ -	173,254,227	173,254,227	173,254,227
U.S. government and agency securities	-	222,286,838	222,286,838	220,572,775
Ohio political subdivision bonds	15,046,250	-	15,046,250	15,046,250
U.S. Treasury certificate of indebtedness state and local government securities	-	8,525,325	8,525,325	8,525,325
	\$ 15,046,250	404,066,390	419,112,640	417,398,577
Investment in State Treasurer's Investment Pool (STAROhio)			332,362,964	332,362,964
Money market funds			116,739,762	116,739,762
Guaranteed investment contracts			61,000,858	61,000,858
Total investments			\$929,216,224	927,502,161
Nonnegotiable certificates of deposit			7,500,269	7,500,269
Total for reconciliation purposes			\$936,716,493	935,002,430

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

(3) INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2001 consisted of the following:

	Due from	Due from					Total	
		Community Assistance	Fresh Water	Safe Water Refunding	Pure Water Refunding	Water Pollution Control Loan		Drinking Water Assistance
Operating	\$	-	853	-	-	-	3,446	\$ 4,299
Refunding		-	-	45,319	-	-	-	45,319
Pure Water Refunding		1,992	-	-	4,764	-	-	6,756
Water Pollution Control Loan		-	-	-	-	183,315	18,000	201,315
Drinking Water Assistance		-	-	-	-	-	27,856	27,856
Total	\$	1,992	853	45,319	4,764	183,315	49,302	\$ 285,545

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

(4) CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year 2001, the Authority implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, which became effective for all component units of the State of Ohio, including the Authority, with fiscal years beginning after June 30, 2000. GASB Statement No. 34 requires the Authority to classify its assets and liabilities as current versus noncurrent on the Combining Balance Sheets, and its net assets as restricted versus unrestricted. The statement also requires the inclusion of a Management's Discussion and Analysis as noted on page 3. The implementation of GASB Statement No. 34 did not require the Authority to restate any prior year balances.

During 2001, the Authority also implemented the provisions of GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, which requires simultaneous implementation with Statement No. 34. GASB Statement No. 37 amends Statement No. 34 to either (1) clarify certain provisions that, in retrospect, may not have been sufficiently clear for consistent application or (2) modify other provisions that the GASB Board believed may have unintended consequences in some circumstances. As such, the Authority presents segment information in the combining financial statements. Services provided by each segment are identified in the footnote of the respective fund. The implementation of GASB Statement No. 37 did not require the Authority to restate any prior year balances.

Additionally, during 2001, the Authority implemented the provisions of GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, which also requires simultaneous implementation with Statement No. 34. GASB Statement No. 38 requires the Authority to report its debt service requirements to maturity, separately identifying principal and interest for each of the subsequent five years and in five-year increments thereafter. The implementation of GASB Statement No. 38 did not require the Authority to restate any prior year balances.

(5) WATER DEVELOPMENT REVENUE NOTES—RURAL DEVELOPMENT SERIES 2001-A

As of December 31, 2001, there was \$5,855,000 of Water Development Revenue Notes—Rural Development Series 2001-A outstanding, which will mature on May 1, 2003. These notes have an adjustable interest rate that is reset weekly at a rate determined by the remarketing agent, not to exceed 10%. The rate for these notes at December 31, 2001 was 1.71%.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

The debt service requirements to maturity are as follows:

Year Ending December 31	Interest	Principal
2002	\$ 100,120	—
2003	33,373	5,855,000
Total	\$ 133,493	5,855,000

The notes are collateralized 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. As the Authority receives this Federal Assistance, it is required to redeem a like amount of notes. Debt service deficiencies, if any, will be provided from an irrevocable letter of credit issued by 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, 2001, there is no accrued rebate liability for these notes.

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

As of December 31, 2001, there was \$48,375,000 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>Current</u>	<u>Long-Term</u>	<u>Total</u>
Serial	4.40% to 6.00%	2002–2012	\$ 1,735,000	22,685,000	24,420,000
Term	5.250% to 5.375%	2013–2024	—	23,955,000	23,955,000
			1,735,000	46,640,000	48,375,000
	Less unamortized discount		—	(240,652)	(240,652)
			\$ 1,735,000	46,399,348	48,134,348

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

The debt service requirements to maturity are as follows:

Year Ending December 31	Interest	Principal
2002	\$ 2,498,670	1,735,000
2003	2,421,112	1,810,000
2004	2,338,762	1,890,000
2005	2,252,325	1,975,000
2006	2,153,300	2,070,000
2007–2011	8,850,455	12,255,000
2012–2016	5,541,856	12,560,000
2017–2021	2,529,221	9,790,000
2022–2024	388,209	4,290,000
Total	\$ 28,973,910	48,375,000

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

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

The bond resolution provides for six separate accounts designated as the Community Assistance Fund Construction account, Revenue account, Debt Service account, Debt Service Reserve account, Surplus account and Rebate account. As of December 1, 2001, a rebate payable of \$133,960 has been accrued for these bonds.

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

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

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

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

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

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

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

As of December 31, 2001, there was \$14,965,000 of Water Development Revenue Bonds—1995 Fresh Water Series outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Serial	5.40% to 6.25%	2002–2005	\$ 3,775,000	11,190,000	14,965,000
	Add unamortized premium		–	85,243	85,243
			\$ 3,775,000	11,275,243	15,050,243

Not included in the above amounts is \$84,190,000 of bonds remaining outstanding, which the Authority defeased in 1998 and 2001. For accounting purposes, the assets and liabilities for the defeased bonds are not reflected in the Authority’s financial statements.

The debt service requirements to maturity are as follows:

<u>Year Ending</u>	<u>Interest</u>	<u>Principal</u>
<u>December 31</u>		
2002	\$ 1,546,922	3,775,000
2003	1,307,391	4,000,000
2004	1,063,085	4,210,000
2005	832,640	2,980,000
Total	\$ 4,750,038	14,965,000

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 Construction account, Revenue account, Debt Service account, Debt Service Reserve account, Surplus account, Cross-Collateralization account and Rebate account. As of December 1, 2001, there is no accrued rebate liability for these bonds.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

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

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

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

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

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

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

As of December 31, 2001, there was \$133,460,000 of Water Development Revenue Bonds—Fresh Water Series 1998 outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Serial	4.50% to 5.25%	2002–2016	\$ 4,095,000	104,405,000	108,500,000
Term	5.125%	2017–2023	–	24,960,000	24,960,000
			4,095,000	129,365,000	133,460,000
	Add unamortized premium		–	1,086,165	1,086,165
			<u>\$ 4,095,000</u>	<u>130,451,165</u>	<u>134,546,165</u>

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

The debt service requirements to maturity are as follows:

Year Ending December 31	Interest	Principal
2002	\$ 6,763,587	4,095,000
2003	6,556,337	4,300,000
2004	6,338,337	4,530,000
2005	6,114,962	6,055,000
2006	5,777,368	9,115,000
2007–2011	21,333,275	52,190,000
2012–2016	10,289,962	28,215,000
2017–2021	3,764,440	21,185,000
2022–2023	202,053	3,775,000
Total	\$ 67,140,321	133,460,000

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 Construction account, Revenue account, Debt Service account, Debt Service Reserve account, Surplus account and Rebate account. As of December 1, 2001, a rebate payable of \$2,014,828 has been accrued for these bonds.

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

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

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

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 BONDS—FRESH WATER REFUNDING AND IMPROVEMENT SERIES 2001 A & B

As of December 31, 2001, there was \$76,895,000 of Water Development Revenue Bonds—Fresh Water Refunding and Improvement Series 2001 A & B outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Serial	4.00 to 5.50%	2002–2021	\$ 595,000	58,695,000	59,290,000
Term	5.000% to 5.375%	2012–2025	–	17,605,000	17,605,000
			595,000	76,300,000	76,895,000
	Add unamortized premium		–	5,472,321	5,472,321
	Less deferred loss		–	(4,990,497)	(4,990,497)
			\$ 595,000	76,781,824	77,376,824

The Fresh Water Refunding Series 2001 Bonds were issued to currently refund \$52,820,000 of the 1995 Fresh Water Series Bonds. Although the refunding resulted in a deferred accounting loss for the year ended December 31, 2001 in the amount of \$5,094,467, the Authority in effect reduced its aggregate debt service payments for a total economic gain of \$3,028,794.

The debt service requirements to maturity are as follows:

<u>Year Ending</u>	<u>Interest</u>	<u>Principal</u>
<u>December 31</u>		
2002 \$	4,042,600	595,000
2003	4,018,600	615,000
2004	3,993,800	640,000
2005	3,967,900	665,000
2006	3,941,000	695,000
2007–2011	19,261,900	3,905,000
2012–2016	14,336,537	35,590,000
2017–2021	5,314,137	27,855,000
2022–2025	732,750	6,335,000
Total \$	59,609,224	76,895,000

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

The term bonds are subject to mandatory redemption beginning June 1, 2012. The term bonds are also callable for redemption prior to maturity at the option of the Authority, in whole or in part, on or after December 1, 2011, or on any interest payment thereafter at par plus accrued interest.

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 2001 Fresh Water Construction account, Revenue account, Debt Service account, Debt Service Reserve account, Surplus account and Rebate account. As of December 1, 2001, there is no accrued rebate liability for these bonds.

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

- a) To the trustee for the payment of its fees on the first day of each May and November.
- b) To the Debt Service account on the first day of each May and November, commencing on November 1, 2001, (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

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

As of December 31, 2001, there was \$35,990,000 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>Current</u>	<u>Long-Term</u>	<u>Total</u>
Serial	5.35% to 5.65%	2002–2007	\$ 11,235,000	19,700,000	30,935,000
Term	6.00%	2008–2016	–	5,055,000	5,055,000
			11,235,000	24,755,000	35,990,000
	Less unamortized discount		–	(117,549)	(117,549)
			\$ 11,235,000	24,637,451	35,872,451

Not included in the above amounts is \$19,850,000 of bonds remaining outstanding which the Authority defeased in 1985. For accounting purposes, the assets and liabilities for the defeased bonds are not reflected in the Authority's financial statements.

The debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Interest</u>	<u>Principal</u>
2002	\$ 1,849,418	11,235,000
2003	1,299,120	7,255,000
2004	930,515	5,165,000
2005	664,476	3,595,000
2006	480,427	2,235,000
2007–2011	1,163,176	5,235,000
2012–2016	103,350	1,270,000
Total	\$ 6,490,482	35,990,000

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 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, 2001, there is no accrued rebate liability for these bonds.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

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 May 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.

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

As of December 31, 2001, there was \$44,140,000 of Water Development Revenue Refunding Bonds—Safe Water Refunding 1987 Series A & B outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Serial	6.00%	2002	\$ 8,825,000	–	8,825,000
Term	5.00%	2008–2012	–	35,315,000	35,315,000
			8,825,000	35,315,000	44,140,000
	Less unamortized discount		–	(4,623,032)	(4,623,032)
			<u>\$ 8,825,000</u>	<u>30,691,968</u>	<u>39,516,968</u>

Not included in the above amounts is \$83,390,000 of bonds remaining outstanding which the Authority defeased in 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

The debt service requirements to maturity are as follows:

Year Ending December 31	Interest	Principal
2002	\$ 2,167,600	8,825,000
2003	1,765,750	-
2004	1,765,750	-
2005	1,765,750	-
2006	1,765,750	-
2007-2011	4,837,000	34,445,000
2012	32,750	870,000
Total	\$ 14,100,350	44,140,000

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 diminished 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, 2001, there is no accrued rebate liability for these bonds.

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

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

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

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—1992 SAFE WATER SERIES

As of December 31, 2001, there was \$22,769,582 of Water Development Revenue Refunding Bonds—1992 Safe Water Series outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Capital Appreciation	5.75% to 6.00%	2002–2005	\$ 8,878,879	13,890,703	22,769,582

The debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>
2002	\$ 9,215,000
2003	6,530,000
2004	5,005,000
2005	4,550,000
Total	<u>\$ 25,300,000</u>

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, 2001, there is no accrued rebate liability for these bonds.

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.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

- 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.

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

As of December 31, 2001, there was \$72,325,000 of Water Development Revenue Refunding Bonds—1997 Safe Water Series outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Serial	4.40% to 6.00%	2002–2007	\$ 820,000	71,505,000	72,325,000
	Add unamortized premium		–	1,630,243	1,630,243
	Less deferred loss		–	(3,485,209)	(3,485,209)
			<u>\$ 820,000</u>	<u>69,650,034</u>	<u>70,470,034</u>

The debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Interest</u>	<u>Principal</u>
2002	\$ 3,864,760	820,000
2003	3,688,215	12,245,000
2004	3,052,920	13,900,000
2005	2,376,050	13,430,000
2006	1,626,056	17,335,000
2007	659,250	14,595,000
Total	<u>\$ 15,267,251</u>	<u>72,325,000</u>

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

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

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

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, 2001, a rebate payable of \$317,431 has been accrued for these bonds.

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.

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

As of December 31, 2001, there was \$317,070,000 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>Current</u>	<u>Long-Term</u>	<u>Total</u>
Serial	5.60% to 5.75%	2002–2006	\$ 27,255,000	118,605,000	145,860,000
Term	5.50% to 6.00%	2007–2018	–	171,210,000	171,210,000
			27,255,000	289,815,000	317,070,000
	Less unamortized discount		–	(10,614,173)	(10,614,173)
			\$ 27,255,000	279,200,827	306,455,827

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

Not included in the above amounts is \$95,620,000 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 debt service requirements to maturity are as follows:

Year Ending December 31	Interest	Principal
2002	\$ 17,559,312	27,255,000
2003	16,005,256	28,485,000
2004	14,354,862	29,410,000
2005	12,657,318	29,875,000
2006	10,924,700	30,835,000
2007–2011	34,527,962	104,070,000
2012–2016	8,377,600	63,035,000
2017–2018	217,250	4,105,000
Total	\$ 114,624,260	317,070,000

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, 2001, there is no accrued rebate liability for these bonds.

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

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

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

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, Morgan Stanley Capital Services Inc., 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, 2001, the Authority has received net interest payments of \$1,114,412 from the counterparty.

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

As of December 31, 2001, there was \$2,200,000 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>Current</u>
Term	5.90%	2002	\$ 2,200,000
	Less unamortized discount		<u>(4,282)</u>
			<u>\$ 2,195,718</u>

The debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Interest</u>	<u>Principal</u>
2002	\$ 96,907	2,200,000

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

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 Rebate account. As of December 5, 2001, there is no accrued rebate liability for these bonds.

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 and 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.

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

As of December 31, 2001, there was \$10,005,000 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>Current</u>	<u>Long-Term</u>	<u>Total</u>
Serial	4.55% to 4.75%	2002–2004	\$ 3,470,000	6,535,000	10,005,000
	Less unamortized discount		–	(16,355)	(16,355)
			\$ 3,470,000	6,518,645	9,988,645

Not included in the above amounts is \$18,440,000 of bonds remaining outstanding which the Authority defeased in 2001. 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

The debt service requirements to maturity are as follows:

Year Ending December 31		Interest	Principal
2002	\$	425,145	3,470,000
2003		267,780	3,340,000
2004		113,406	3,195,000
Total	\$	<u>806,331</u>	<u>10,005,000</u>

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 five separate accounts designated as Net Bond Proceeds account, Debt Service account, Debt Service Reserve account, Cost of Issuance account and Rebate account. As of December 1, 2001, there is no accrued rebate liability for these bonds.

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 and November, 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

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

As of December 31, 2001, there was \$33,455,000 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>Current</u>	<u>Long-Term</u>	<u>Total</u>
Serial	4.90% to 6.50%	2002–2007	\$ 6,090,000	27,365,000	33,455,000
	Add unamortized premium		–	527,481	527,481
			<u>\$ 6,090,000</u>	<u>27,892,481</u>	<u>33,982,481</u>

Not included in the above amounts is \$23,405,000 of bonds remaining outstanding which the Authority defeased in 2001. For accounting purposes, the assets and liabilities for the defeased bonds are not reflected in the Authority’s financial statements.

The debt service requirements to maturity are as follows:

<u>Year Ending</u>		<u>Interest</u>	<u>Principal</u>
<u>December 31</u>			
2002	\$	1,873,820	6,090,000
2003		1,554,425	5,885,000
2004		1,174,337	5,720,000
2005		805,625	5,525,000
2006		467,495	5,280,000
2007		195,835	4,955,000
Total	\$	<u>6,071,537</u>	<u>33,455,000</u>

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

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

The bond resolution provides for five separate accounts designated as Net Bond Proceeds account, Debt Service account, Debt Service Reserve account, Cost of Issuance account and Rebate account. As of December 1, 2001, a rebate payable of \$216,414 has been accrued for these bonds.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

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 and November, 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.

(18) WATER POLLUTION CONTROL LOAN FUND REVENUE BONDS—STATE MATCH SERIES 2000

As of December 31, 2001, there was \$74,305,000 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>Current</u>	<u>Long-Term</u>	<u>Total</u>
Serial	5.00% to 5.50%	2002–2021	\$ 7,580,000	66,725,000	74,305,000
	Add unamortized premium		–	896,366	896,366
			\$ 7,580,000	67,621,366	75,201,366

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

The debt service requirements to maturity are as follows:

Year Ending December 31	Interest	Principal
2002	\$ 3,920,593	7,580,000
2003	3,502,318	7,680,000
2004	3,081,293	7,335,000
2005	2,684,056	6,860,000
2006	2,314,318	6,275,000
2007–2011	7,132,906	22,105,000
2012–2016	2,892,343	11,620,000
2017–2021	583,850	4,850,000
Total	\$ <u>26,111,677</u>	<u>74,305,000</u>

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 Rebate account. As of December 1, 2001, a rebate payable of \$1,124,801 has been accrued for these bonds.

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 and November, 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

- 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.

(19) WATER POLLUTION CONTROL LOAN FUND REFUNDING REVENUE BONDS—STATE MATCH SERIES 2001

As of December 31, 2001, there was \$53,590,000 of Water Pollution Control Loan Fund Refunding Revenue Bonds—State Match Series 2001 outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Long-Term</u>
Serial	3.50% to 5.25%	2002–2016	\$ 53,590,000
	Add unamortized premium		3,096,401
	Less deferred loss		<u>(4,309,361)</u>
			<u>\$ 52,377,040</u>

The State Match Series 2001 Refunding Bonds were issued to currently refund \$53,595,000 of the State Match Series 1991, 1993 and 1995 Bonds. Although the refunding resulted in a deferred accounting loss for the year ended December 31, 2001 in the amount of \$4,309,361, the Authority in effect reduced its aggregate debt service payments for a total economic gain of \$2,680,383.

The debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Interest</u>	<u>Principal</u>
2002	\$ 2,662,888	–
2003	2,476,332	2,305,000
2004	2,397,232	2,120,000
2005	2,276,613	4,955,000
2006	2,068,095	4,545,000
2007–2011	6,070,137	30,765,000
2012–2016	657,135	8,900,000
Total	<u>\$ 18,608,432</u>	<u>53,590,000</u>

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

The bonds maturing on or before December 1, 2012 are not subject to prior redemption. The bonds maturing on or after June 1, 2013 are callable for redemption prior to maturity at the option of the Authority, in whole or in part, on or after December 1, 2012, 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 Rebate account. As of December 1, 2001, there is no accrued rebate liability for these bonds.

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

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

As of December 31, 2001, there was \$193,815,000 of Water Pollution Control Loan Fund Revenue Bonds—Water Quality Series 1995 outstanding, as follows:

Series and Type	Interest Rate	Maturity	Current	Long-Term	Total
Serial	5.00% to 6.00%	2002–2015	\$ 6,625,000	187,190,000	193,815,000
	Less unamortized discount		—	(38,014)	(38,014)
			<u>\$ 6,625,000</u>	<u>187,151,986</u>	<u>193,776,986</u>

The debt service requirements to maturity are as follows:

Year Ending December 31	Interest	Principal
2002	\$ 10,476,000	6,625,000
2003	10,061,700	7,770,000
2004	9,577,200	9,015,000
2005	9,016,350	10,330,000
2006	8,386,959	11,640,000
2007–2011	30,889,151	80,965,000
2012–2015	7,871,362	67,470,000
Total	<u>\$ 86,278,722</u>	<u>193,815,000</u>

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 Rebate account. As of December 1, 2001, a rebate payable of \$199,965 has been accrued for these bonds.

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 and November, the amount contained in a direction from the Authority to be used to purchase WPCLF Bonds received

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

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.

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

As of December 31, 2001, there was \$198,755,000 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>Current</u>	<u>Long-Term</u>	<u>Total</u>
Serial	4.20% to 5.50%	2002-2016	\$ 4,475,000	150,780,000	155,255,000
Term	5.125%	2016-2019	—	43,500,000	43,500,000
			4,475,000	194,280,000	198,755,000
	Less unamortized discount		—	(34,954)	(34,954)
			\$ 4,475,000	194,245,046	198,720,046

The debt service requirements to maturity are as follows:

Year Ending December 31	Interest	Principal
2002	\$ 10,153,250	4,475,000
2003	9,938,305	5,195,000
2004	9,688,800	5,970,000
2005	9,393,368	6,885,000
2006	9,045,875	7,850,000
2007–2011	37,657,125	57,065,000
2012–2016	19,721,962	83,190,000
2017–2019	1,701,628	28,125,000
Total	\$ 107,300,313	198,755,000

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

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 Rebate account. As of December 1, 2001, a rebate payable of \$2,843,687 has been accrued for these bonds.

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 and November, 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.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

(22) WATER POLLUTION CONTROL LOAN FUND BOND ANTICIPATION NOTES—WATER QUALITY SERIES 2001

As of December 31, 2001, there was \$83,400,000 of Water Pollution Control Loan Fund Bond Anticipation Notes—Water Quality Series 2001 outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Current</u>
Notes	2.50%	2002	\$ 83,400,000
	Add unamortized premium		<u>230,866</u>
			<u>\$ 83,630,866</u>

The bond anticipation notes are scheduled to mature in full on March 28, 2002. The interest and principal due at that time will be \$573,357 and \$83,400,000, respectively.

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 notes.

The note resolution provides for five separate accounts designated as Net Bond Proceeds account, Debt Service account, Debt Service Reserve account, Cost of Issuance account and Rebate account. As of December 1, 2001, there is no accrued rebate liability for these bonds.

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 Water Quality Bonds due on the next interest payment date, and (2) the principal of all outstanding Water Quality Bonds due on the next interest payment date, and (3) the mandatory sinking fund requirement for all outstanding Water Quality Bonds due on the next interest payment date and (b) on the last day of May and November, the amount contained in a direction from the Authority to be used to purchase Water Quality Bonds received by the trustee pursuant to any invitation to the holders to tender such Water Quality 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.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

(23) DRINKING WATER ASSISTANCE FUND REVENUE BOND ANTICIPATION NOTES—STATE MATCH SERIES 2001

As of December 31, 2001, there was \$15,000,000 of Drinking Water Assistance Fund Revenue Bond Anticipation Notes—State Match Series 2001 outstanding, as follows:

<u>Series and Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Long-Term</u>
Notes	3.70%	2004	\$ 15,000,000

The debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Interest</u>	<u>Principal</u>
2002	\$ 555,000	—
2003	555,000	—
2004	46,250	15,000,000
Total	\$ <u>1,156,250</u>	<u>15,000,000</u>

LGA reimbursements of Drinking Water Assistance Fund project costs of interest only, not the principal, pursuant to the Drinking Water Assistance Fund (DWAF) loan agreements, are pledged as security for the bonds.

Amounts received as interest from the LGAs as reimbursement of project or construction costs are deposited in the Interest account, and are then utilized to pay semi-annual interest on the DWAF notes.

(24) 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, 2001, outstanding bonds and notes under this program are \$1,993,765,000.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

(25) 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, 2001, 2000 and 1999 were approximately \$793,000, \$736,000 and \$733,000, 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 2001, the employee and employer contribution rates were 8.50% and 13.31%, respectively, for all Authority employees. Total required employer contributions were approximately \$105,000, \$78,000 and \$98,000 for the years ending December 31, 2001, 2000 and 1999, respectively, and are equal to 100% of the dollar amount billed to, and paid by, 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 Benefits (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 employer contribution to PERS is set aside for the funding of postretirement healthcare. For the year ended December 31, 2001, that portion was 4.3% for all Authority employees.

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

OPEB are advance funded using entry-age, normal cost method, through employer contributions and investment earnings thereon. Significant actuarial assumptions, based on the latest actuarial review performed as of December 31, 1999, included a rate of return on investments of 7.75 percent, an annual increase in total payroll for active employees of 4.75 percent compounded annually, and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Healthcare premiums were assumed to increase 4.75 percent annually.

Net assets available for payment of benefits at December 31, 1999 (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$12.5 million and \$1.7 billion, respectively. All investments are carried at market value. For the actuarial valuation of net assets available for future healthcare benefits, PERS applies the smoothed market approach. Under this approach, assets are adjusted annually to reflect 25 percent of unrealized market appreciation on depreciation on investments. The Authorities actuarially required and made contributions for the PERS healthcare plan was \$34,000 for the year ending December 31, 2001 covering 19 participants.

(26) COMMITMENTS

As of December 31, 2001, the Authority has loan commitments to finance LGA construction projects in the following amounts:

	<u>Amount</u>
Other Projects Fund	\$ 967,076
Rural Utility Services Fund	2,818,175
Community Assistance Fund	16,445,515
Fresh Water Fund	48,983,200
Refunding Fund	147,192
Pure Water Refunding Fund	1,415,649
Water Pollution Control Loan Fund	346,658,094
Drinking Water Assistance Fund	<u>37,666,403</u>
	<u>\$ 455,101,304</u>

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

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

(27) TRANSFERS

Interfund transfers for the year ended December 31, 2001 consisted of the following:

Transfers to Operating from:	
Drinking Water Assistance	\$ 150
Transfers from Working Capital to:	
Refunding	\$ (1,274,168)
Transfers to (from) Other Projects from (to):	
Fresh Water	5,591,033
Water Pollution Control Loan	(721,372)
	\$ 4,869,661
Transfers to Community Assistance from:	
Fresh Water	\$ 9,303,175
Transfers to (from) Fresh Water from (to):	
Other Projects	(5,591,033)
Community Assistance	(9,303,175)
Refunding	2,709,372
Safe Water Refunding	3,656,637
Pure Water Refunding	5,526,287
	\$ (3,001,912)
Transfers to (from) Refunding from (to):	
Working Capital	1,274,168
Fresh Water	(2,709,372)
Pure Water Refunding	36,539
	\$ (1,398,665)
Transfers from Safe Water Refunding to:	
Fresh Water	(3,656,637)
Pure Water Refunding	(574,104)
	\$ (4,230,741)
Transfers to (from) Pure Water Refunding from (to):	
Fresh Water	(5,526,287)
Refunding	(36,539)
Safe Water Refunding	574,104
	\$ (4,988,722)
Transfers to Water Pollution Control Loan from:	
Other Projects	\$ 721,372
Transfers from Drinking Water Assistance to:	
Operating	\$ (150)
Total Transfers, net	\$ -

OHIO WATER DEVELOPMENT AUTHORITY

Notes to Financial Statements

Transfers are used to meet the requirements of certain debt covenants or to fund additional program activities as authorized by the Authority's Board. In the year ended December 31, 2001, the Authority made a one-time transfer of \$10,000,000 from the Fresh Water Fund to the Community Assistance Fund to provide additional funding for this program and made a one-time transfer of \$5,000,000 from the Fresh Water Fund to the Other Projects fund to provide initial funding for the Security Assistance loan program.

(28) SUBSEQUENT EVENT

Since December 31, 2001, the Authority has issued additional debt. The Authority issued \$200,115,000 in Water Pollution Control Loan Fund Revenue Bonds—Water Quality Series 2002. As these bonds were not issued until February 2002, they are not included in long-term debt as of December 31, 2001.

This page left blank intentionally.

**OHIO WATER DEVELOPMENT AUTHORITY
OTHER PROJECTS FUND**

Schedule of Combining Balance Sheets

December 31, 2001

	Trusteed Fund		
	Other Projects Fund		
<u>Assets</u>	Unallocated Reserve	Endowment Grant	Solid Waste
Current assets:			
Cash and cash equivalents	\$ -	-	-
Investments	4,359,167	4,364,263	15,883,202
Loan receivables	-	-	169,017
Total current assets	4,359,167	4,364,263	16,052,219
Noncurrent assets:			
Investments	17,731,638	3,103,243	8,473
Loan receivables	-	-	6,548,812
Total noncurrent assets	17,731,638	3,103,243	6,557,285
Total assets	\$ 22,090,805	7,467,506	22,609,504
<u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable	-	-	-
Total liabilities	-	-	-
Net assets:			
Restricted for debt and grant covenants	-	-	-
Unrestricted	22,090,805	7,467,506	22,609,504
Total net assets	22,090,805	7,467,506	22,609,504
Total liabilities and net assets	\$ 22,090,805	7,467,506	22,609,504

Trusteed Fund
Other Projects Fund

Local Economic Development	Village Capital Improvements	Emergency Relief	Dam Safety	Lake Erie Soil Erosion	Security Assistance	Fund Total
25,885	2,000	1	-	1	-	27,887
35,299,509	1,958,591	5,096,637	9,748,825	10,712,513	5,002,775	92,425,482
5,200,398	163,982	-	-	5,870	-	5,539,267
<u>40,525,792</u>	<u>2,124,573</u>	<u>5,096,638</u>	<u>9,748,825</u>	<u>10,718,384</u>	<u>5,002,775</u>	<u>97,992,636</u>
158,401	-	1	1,686,447	(1)	-	22,688,202
8,823,880	1,174,182	-	-	265,626	-	16,812,500
<u>8,982,281</u>	<u>1,174,182</u>	<u>1</u>	<u>1,686,447</u>	<u>265,625</u>	<u>-</u>	<u>39,500,702</u>
<u>49,508,073</u>	<u>3,298,755</u>	<u>5,096,639</u>	<u>11,435,272</u>	<u>10,984,009</u>	<u>5,002,775</u>	<u>137,493,338</u>
1,639	10,000	-	-	-	-	11,639
<u>1,639</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,639</u>
-	-	-	-	-	-	-
49,506,434	3,288,755	5,096,639	11,435,272	10,984,009	5,002,775	137,481,699
<u>49,506,434</u>	<u>3,288,755</u>	<u>5,096,639</u>	<u>11,435,272</u>	<u>10,984,009</u>	<u>5,002,775</u>	<u>137,481,699</u>
<u>49,508,073</u>	<u>3,298,755</u>	<u>5,096,639</u>	<u>11,435,272</u>	<u>10,984,009</u>	<u>5,002,775</u>	<u>137,493,338</u>

OHIO WATER DEVELOPMENT AUTHORITY
OTHER PROJECTS FUND

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets

Year ended December 31, 2001

	Trusted Fund		
	Other Projects Fund		
	Unallocated Reserve	Endowment Grant	Solid Waste
Operating revenues:			
Loan income	\$ -	-	510,368
Investment income	1,344,356	365,527	732,315
Total operating revenues	1,344,356	365,527	1,242,683
Operating expenses:			
Other	26,634	565,578	17,539
Total operating expenses	26,634	565,578	17,539
Operating Income (Loss)	1,317,722	(200,051)	1,225,144
Transfers in (out), net	105,000	-	-
Change in net assets	1,422,722	(200,051)	1,225,144
Net assets at beginning of year	20,668,083	7,667,557	21,384,360
Net assets at end of year	\$ 22,090,805	7,467,506	22,609,504

Trusteed Fund
Other Projects Fund

Local Economic Development	Village Capital Improvements	Emergency Relief	Dam Safety	Lake Erie Soil Erosion	Security Assistance	Fund Total
312,237	-	-	-	5,921	-	828,526
<u>1,755,568</u>	<u>67,441</u>	<u>220,828</u>	<u>444,031</u>	<u>438,335</u>	<u>2,775</u>	<u>5,371,176</u>
2,067,805	67,441	220,828	444,031	444,256	2,775	6,199,702
23,744	2,340	3,709	4,085	2,468	-	646,097
<u>23,744</u>	<u>2,340</u>	<u>3,709</u>	<u>4,085</u>	<u>2,468</u>	<u>-</u>	<u>646,097</u>
2,044,061	65,101	217,119	439,946	441,788	2,775	5,553,605
-	-	(235,339)	-	-	5,000,000	4,869,661
<u>2,044,061</u>	<u>65,101</u>	<u>(18,220)</u>	<u>439,946</u>	<u>441,788</u>	<u>5,002,775</u>	<u>10,423,266</u>
47,462,373	3,223,654	5,114,859	10,995,326	10,542,221	-	127,058,433
<u>49,506,434</u>	<u>3,288,755</u>	<u>5,096,639</u>	<u>11,435,272</u>	<u>10,984,009</u>	<u>5,002,775</u>	<u>137,481,699</u>

OHIO WATER DEVELOPMENT AUTHORITY
OTHER PROJECTS FUND

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2001

	Trusteed Fund		
	Other Projects Fund		
	Unallocated Reserve	Endowment Grant	Solid Waste
Operating activities:			
Operating expenses	\$ (26,634)	(15,303)	(17,539)
Net cash provided (used) by operating activities	(26,634)	(15,303)	(17,539)
Investing activities:			
Proceeds from maturity or sale of investments	78,024,442	5,168,173	26,563,409
Purchase of investments	(79,150,872)	(4,928,399)	(28,256,491)
Interest received on investments, net of purchased interest	1,048,064	325,804	886,415
Interest received on projects	-	-	521,600
Principal collected on projects	-	-	302,606
Payment for construction of projects	-	(550,275)	-
Net cash provided (used) by investing activities	(78,366)	15,303	17,539
Noncapital financing activities:			
Transfers to/from other funds	105,000	-	-
Net cash provided (used) by noncapital financing activities	105,000	-	-
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents at beginning of year	-	-	-
Cash and cash equivalents at end of year	\$ -	-	-
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income (Loss)	1,317,722	(200,051)	1,225,144
Adjustments:			
Investment income	(1,344,356)	(365,527)	(732,315)
Operating expenses	-	550,275	-
Loan income	-	-	(510,368)
Net cash provided (used) by operating activities	\$ (26,634)	(15,303)	(17,539)

Trusteed Fund
Other Projects Fund

Local Economic Development	Village Capital Improvements	Emergency Relief	Dam Safety	Lake Erie Soil Erosion	Security Assistance	Fund Total
(23,744)	(2,340)	(3,709)	(4,085)	(2,468)	-	(95,822)
(23,744)	(2,340)	(3,709)	(4,085)	(2,468)	-	(95,822)
82,329,221	2,174,124	4,985,581	110,210	69,817,712	-	269,172,872
(83,538,713)	(2,326,609)	(5,018,465)	(582,598)	(70,047,617)	(5,000,000)	(278,849,764)
1,966,496	73,191	271,931	476,473	497,948	-	5,546,322
264,185	-	-	-	-	-	785,785
894,068	391,735	-	-	-	-	1,588,409
(1,865,628)	(308,101)	-	-	(265,575)	-	(2,989,579)
49,629	4,340	239,047	4,085	2,468	(5,000,000)	(4,745,955)
-	-	(235,338)	-	-	5,000,000	4,869,662
-	-	(235,338)	-	-	5,000,000	4,869,662
25,885	2,000	-	-	-	-	27,885
-	-	1	-	1	-	2
25,885	2,000	1	-	1	-	27,887
2,044,061	65,101	217,119	439,946	441,788	2,775	5,550,830
(1,755,568)	(67,441)	(220,828)	(444,031)	(438,335)	(2,775)	(5,368,401)
-	-	-	-	-	-	550,275
(312,237)	-	-	-	(5,921)	-	(828,526)
(23,744)	(2,340)	(3,709)	(4,085)	(2,468)	-	(95,822)

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

Schedule of Combining Balance Sheets

December 31, 2001

<u>Assets</u>	Trusteed Fund		
	Rural Development 1999 Account		
	Advance	Debt Service	Account Total
Noncurrent assets:			
Restricted note covenant assets:			
Investments	\$ 177,988	1	177,989
Loan receivables	6,158,831	-	6,158,831
Total restricted assets	6,336,819	1	6,336,820
Deferred note issuance expense	-	-	-
Total noncurrent assets	\$ 6,336,819	1	6,336,820
<u>Liabilities and Net Assets</u>			
Current liabilities payable from restricted assets:			
Accrued interest	-	-	-
Accounts payable	-	-	-
Total current liabilities payable from restricted assets	-	-	-
Noncurrent liabilities:			
Water Development Revenue Notes:			
Rural Development Series 2001-A	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	-	-	-
Net assets:			
Restricted for debt and grant covenants	6,336,819	1	6,336,820
Unrestricted	-	-	-
Total net assets	6,336,819	1	6,336,820
Total liabilities and net assets	\$ 6,336,819	1	6,336,820

Trusteed Fund
Rural Development 2000 Account

Advance	Revenue	Debt Service	Account Total
4,751,587	1,601	290,490	5,043,678
2,111,463	-	-	2,111,463
<u>6,863,050</u>	<u>1,601</u>	<u>290,490</u>	<u>7,155,141</u>
-	-	-	-
<u>6,863,050</u>	<u>1,601</u>	<u>290,490</u>	<u>7,155,141</u>
-	-	-	-
394,470	-	-	394,470
394,470	-	-	394,470
-	-	-	-
-	-	-	-
394,470	-	-	394,470
6,468,580	1,601	290,490	6,760,671
-	-	-	-
<u>6,468,580</u>	<u>1,601</u>	<u>290,490</u>	<u>6,760,671</u>
<u>6,863,050</u>	<u>1,601</u>	<u>290,490</u>	<u>7,155,141</u>

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
RURAL UTILITY SERVICES FUND

Schedule of Combining Balance Sheets, Continued

December 31, 2001

		Trusteed Fund		
		Rural Development 2001 Account		
<u>Assets</u>		Advance	Revenue	Debt Service
Noncurrent assets:				
Restricted note covenant assets:				
Investments	\$	-	1,966	94,817
Loan receivables		-	-	-
Total restricted assets		-	1,966	94,817
Deferred note issuance expense		63,004	-	-
Total noncurrent assets	\$	63,004	1,966	94,817
 <u>Liabilities and Net Assets</u>				
Current liabilities payable from restricted assets:				
Accrued interest		-	-	6,867
Accounts payable		-	-	-
Total current liabilities payable from restricted assets		-	-	6,867
Noncurrent liabilities:				
Water Development Revenue Notes:				
Rural Development Series 2001-A		5,855,000	-	-
Total noncurrent liabilities		5,855,000	-	-
Total liabilities		5,855,000	-	6,867
Net assets:				
Restricted for debt and grant covenants		(5,791,996)	1,966	87,950
Unrestricted		-	-	-
Total net assets		(5,791,996)	1,966	87,950
Total liabilities and net assets	\$	63,004	1,966	94,817

<u>Trusted Fund</u>		
<u>Rural Development 2001 Account</u>		
<u>Cost of Issuance</u>	<u>Account Total</u>	<u>Fund Total</u>
2,931	99,714	5,321,381
-	-	8,270,294
<u>2,931</u>	<u>99,714</u>	<u>13,591,675</u>
-	63,004	63,004
<u>2,931</u>	<u>162,718</u>	<u>13,654,679</u>
-	6,867	6,867
-	-	394,470
-	6,867	401,337
-	5,855,000	5,855,000
-	5,855,000	5,855,000
-	5,861,867	6,256,337
2,931	(5,699,149)	7,398,342
-	-	-
<u>2,931</u>	<u>(5,699,149)</u>	<u>7,398,342</u>
<u>2,931</u>	<u>162,718</u>	<u>13,654,679</u>

OHIO WATER DEVELOPMENT AUTHORITY
RURAL UTILITY SERVICES FUND

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets

Year ended December 31, 2001

	Trusteed Fund				
	Rural Development 1999 Account				
	Advance	Revenue	Debt Service	Rebate	Account Total
Operating revenues:					
Loan income	\$ 422,694	-	-	-	422,694
Investment income	72,875	1,492	8,547	-	82,914
Total operating revenues	495,569	1,492	8,547	-	505,608
Operating expenses:					
Interest on notes	-	-	75,040	-	75,040
Amortization of note issuance expense	25,711	-	-	-	25,711
Other	9,929	-	-	20,627	30,556
Total operating expenses	35,640	-	75,040	20,627	131,307
Operating Income (Loss)	459,929	1,492	(66,493)	(20,627)	374,301
Nonoperating other revenues (expenses)	-	-	-	-	-
Income (Loss) before transfers	459,929	1,492	(66,493)	(20,627)	374,301
Transfers in (out), net	(479,978)	(892,568)	(335,558)	180,115	(1,527,989)
Change in net assets	(20,049)	(891,076)	(402,051)	159,488	(1,153,688)
Net assets at beginning of year	6,356,868	891,076	402,052	(159,488)	7,490,508
Net assets at end of year	\$ 6,336,819	-	1	-	6,336,820

Trusteed Fund				
Rural Development 2000 Account				
Advance	Revenue	Debt Service	Cost of Issuance	Account Total
21,258	-	-	-	21,258
252,976	8,586	15,474	1	277,037
274,234	8,586	15,474	1	298,295
-	-	173,325	-	173,325
87,093	-	-	-	87,093
9,073	-	-	-	9,073
96,166	-	173,325	-	269,491
178,068	8,586	(157,851)	1	28,804
(78,183)	-	-	-	(78,183)
99,885	8,586	(157,851)	1	(49,379)
7,100,056	(6,985)	715	(56)	7,093,730
7,199,941	1,601	(157,136)	(55)	7,044,351
(731,361)	-	447,626	55	(283,680)
6,468,580	1,601	290,490	-	6,760,671

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
RURAL UTILITY SERVICES FUND

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets, Continued

Year ended December 31, 2001

	Trusteed Fund					Fund Total
	Rural Development 2001 Account					
	Advance	Revenue	Debt Service	Cost of Issuance	Account Total	
Operating revenues:						
Loan income	\$ -	-	-	-	-	443,952
Investment income	811	2	2,284	503	3,600	363,551
Total operating revenues	<u>811</u>	<u>2</u>	<u>2,284</u>	<u>503</u>	<u>3,600</u>	<u>807,503</u>
Operating expenses:						
Interest on notes	-	-	105,512	-	105,512	353,877
Amortization of note issuance expense	31,496	-	-	-	31,496	144,300
Other	-	-	-	-	-	39,629
Total operating expenses	<u>31,496</u>	<u>-</u>	<u>105,512</u>	<u>-</u>	<u>137,008</u>	<u>537,806</u>
Operating Income (Loss)	<u>(30,685)</u>	<u>2</u>	<u>(103,228)</u>	<u>503</u>	<u>(133,408)</u>	<u>269,697</u>
Nonoperating other revenues (expenses)	-	-	-	-	-	(78,183)
Income (Loss) before transfers	<u>(30,685)</u>	<u>2</u>	<u>(103,228)</u>	<u>503</u>	<u>(133,408)</u>	<u>191,514</u>
Transfers in (out), net	<u>(5,761,311)</u>	<u>1,964</u>	<u>191,178</u>	<u>2,428</u>	<u>(5,565,741)</u>	<u>-</u>
Change in net assets	<u>(5,791,996)</u>	<u>1,966</u>	<u>87,950</u>	<u>2,931</u>	<u>(5,699,149)</u>	<u>191,514</u>
Net assets at beginning of year	-	-	-	-	-	7,206,828
Net assets at end of year	<u>\$ (5,791,996)</u>	<u>1,966</u>	<u>87,950</u>	<u>2,931</u>	<u>(5,699,149)</u>	<u>7,398,342</u>

This page left blank intentionally.

OHIO WATER DEVELOPMENT AUTHORITY
RURAL UTILITY SERVICES FUND

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2001

	Trusteed Fund				Account Total
	Rural Development 1999 Account				
	Advance	Revenue	Debt Service	Rebate	
Operating activities:					
Operating expenses	\$ (9,929)	-	-	-	(9,929)
Net cash provided (used) by operating activities	(9,929)	-	-	-	(9,929)
Investing activities:					
Proceeds from maturity or sale of investments	4,741,601	932,362	767,218	-	6,441,181
Purchase of investments	(150,458)	(41,871)	(339,016)	-	(531,345)
Interest received on investments, net of purchased interest	98,332	2,238	9,508	-	110,078
Interest received on projects	-	-	-	-	-
Principal collected on projects	-	-	-	-	-
Payment for construction of projects	(4,679,546)	-	-	-	(4,679,546)
Net cash provided (used) by investing activities	9,929	892,729	437,710	-	1,340,368
Noncapital financing activities:					
Note issuance expense	-	-	-	-	-
Proceeds of notes	-	-	-	-	-
Interest paid on notes, net of purchased interest	-	-	(102,314)	-	(102,314)
Redemption of notes	-	-	(7,260,000)	-	(7,260,000)
Other	-	-	-	(180,114)	(180,114)
Transfers to/from other funds	-	(892,567)	6,924,442	180,114	6,211,989
Net cash provided (used) by noncapital financing activities	-	(892,567)	(437,872)	-	(1,330,439)
Net increase (decrease) in cash and cash equivalents	-	162	(162)	-	-
Cash and cash equivalents at beginning of year	-	(162)	162	-	-
Cash and cash equivalents at end of year	\$ -	-	-	-	-
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income (Loss)	459,929	1,492	(66,493)	(20,627)	374,301
Adjustments:					
Investment income	(72,875)	(1,492)	(8,547)	-	(82,914)
Operating expenses	-	-	-	20,627	20,627
Interest on notes	-	-	75,040	-	75,040
Loan income	(422,694)	-	-	-	(422,694)
Amortization of note issuance cost	25,711	-	-	-	25,711
Net cash provided (used) by operating activities	\$ (9,929)	-	-	-	(9,929)

Trusteed Fund
Rural Development 2000 Account

Advance	Revenue	Debt Service	Cost of Issuance	Account Total
(9,073)	-	-	-	(9,073)
(9,073)	-	-	-	(9,073)
9,883,714	7,746,965	2,653,062	56	20,283,797
(8,399,040)	(7,746,965)	(2,471,020)	(1)	(18,617,026)
298,261	6,985	17,241	-	322,487
-	-	-	-	-
-	7,739,980	-	-	7,739,980
(1,773,917)	-	-	-	(1,773,917)
9,018	7,746,965	199,283	55	7,955,321
-	-	-	-	-
-	-	-	-	-
-	-	(199,998)	-	(199,998)
-	-	(7,100,000)	-	(7,100,000)
-	-	-	-	-
55	(7,746,965)	7,100,715	(55)	(646,250)
55	(7,746,965)	(199,283)	(55)	(7,946,248)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
178,068	8,586	(157,851)	1	28,804
(252,976)	(8,586)	(15,474)	(1)	(277,037)
-	-	-	-	-
-	-	173,325	-	173,325
(21,258)	-	-	-	(21,258)
87,093	-	-	-	87,093
(9,073)	-	-	-	(9,073)

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
RURAL UTILITY SERVICES FUND

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2001

	Trusteed Fund		
	Rural Development 2001 Account		
	Advance	Revenue	Debt Service
Operating activities:			
Operating expenses	\$ -	-	-
Net cash provided (used) by operating activities	-	-	-
Investing activities:			
Proceeds from maturity or sale of investments	6,370,000	-	950,534
Purchase of investments	(6,370,000)	(1,965)	(1,045,070)
Interest received on investments, net of purchased interest	-	-	2,003
Interest received on projects	810	-	-
Principal collected on projects	-	-	-
Payment for construction of projects	-	-	-
Net cash provided (used) by investing activities	810	(1,965)	(92,533)
Noncapital financing activities:			
Note issuance expense	-	-	-
Proceeds of notes	6,370,000	-	33,000
Interest paid on notes, net of purchased interest	-	-	(98,644)
Redemption of notes	-	-	(645,000)
Other	-	-	-
Transfers to/from other funds	(6,370,810)	1,965	803,177
Net cash provided (used) by noncapital financing activities	(810)	1,965	92,533
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents at beginning of year	-	-	-
Cash and cash equivalents at end of year	\$ -	-	-
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income (Loss)	(30,685)	2	(103,228)
Adjustments:			
Investment income	(811)	(2)	(2,284)
Operating expenses	-	-	-
Interest on notes	-	-	105,512
Loan income	-	-	-
Amortization of note issuance cost	31,496	-	-
Net cash provided (used) by operating activities	\$ -	-	-

<u>Trusted Fund</u>		
<u>Rural Development 2001 Account</u>		
<u>Cost of Issuance</u>	<u>Account Total</u>	<u>Fund Total</u>
-	-	(19,002)
-	-	(19,002)
191,584	7,512,118	34,237,096
(194,510)	(7,611,545)	(26,759,916)
496	2,499	435,064
-	810	810
-	-	7,739,980
-	-	(6,453,463)
(2,430)	(96,118)	9,199,571
(94,499)	(94,499)	(94,499)
97,000	6,500,000	6,500,000
-	(98,644)	(400,956)
-	(645,000)	(15,005,000)
-	-	(180,114)
(71)	(5,565,739)	-
2,430	96,118	(9,180,569)
-	-	-
-	-	-
-	-	-
503	(133,408)	269,697
(503)	(3,600)	(363,551)
-	-	20,627
-	105,512	353,877
-	-	(443,952)
-	31,496	144,300
-	-	(19,002)

**OHIO WATER DEVELOPMENT AUTHORITY
COMMUNITY ASSISTANCE FUND**

Schedule of Combining Balance Sheets

December 31, 2001

	Trusteed Fund		
<u>Assets</u>	Community Assistance Fund		
	<u>Construction</u>	<u>Revenue</u>	<u>Debt Service</u>
Noncurrent assets:			
Restricted bond covenant assets:			
Cash and cash equivalents	\$ -	331,077	-
Investments	61,745,536	1,320,592	2,983
Loan receivables	91,957,161	-	-
Total restricted assets	153,702,697	1,651,669	2,983
Due to other funds	1,992	-	-
Deferred bond issuance expense	599,338	-	-
Total noncurrent assets	\$ 154,304,027	1,651,669	2,983
<u>Liabilities and Net Assets</u>			
Current liabilities payable from restricted assets:			
Accrued interest	-	-	209,799
Accounts payable	2,246,908	-	-
Water Development Revenue Bonds:			
Community Assistance Series 1997	1,735,000	-	-
Total current liabilities payable from restricted assets	3,981,908	-	209,799
Noncurrent liabilities:			
Water Development Revenue Bonds:			
Community Assistance Series 1997, net of discount	46,399,348	-	-
Total noncurrent liabilities	46,399,348	-	-
Total liabilities	50,381,256	-	209,799
Net assets:			
Restricted for debt and grant covenants	103,922,771	1,651,669	(206,816)
Unrestricted	-	-	-
Total net assets	103,922,771	1,651,669	(206,816)
Total liabilities and net assets	\$ 154,304,027	1,651,669	2,983

Trusteed Fund

Community Assistance Fund

Debt Service Reserve	Surplus	Rebate	Fund Total
-	-	-	331,077
4,258,380	2,843,807	447,586	70,618,884
-	-	-	91,957,161
<u>4,258,380</u>	<u>2,843,807</u>	<u>447,586</u>	<u>162,907,122</u>
-	-	-	1,992
-	-	-	599,338
<u>4,258,380</u>	<u>2,843,807</u>	<u>447,586</u>	<u>163,508,452</u>
-	-	-	209,799
-	-	133,960	2,380,868
-	-	-	1,735,000
-	-	133,960	4,325,667
-	-	-	46,399,348
-	-	-	46,399,348
-	-	133,960	50,725,015
4,258,380	2,843,807	313,626	112,783,437
-	-	-	-
<u>4,258,380</u>	<u>2,843,807</u>	<u>313,626</u>	<u>112,783,437</u>
<u>4,258,380</u>	<u>2,843,807</u>	<u>447,586</u>	<u>163,508,452</u>

**OHIO WATER DEVELOPMENT AUTHORITY
COMMUNITY ASSISTANCE FUND**

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets

Year ended December 31, 2001

	Trusteed Fund		
	Community Assistance Fund		
	Construction	Revenue	Debt Service
Operating revenues:			
Loan income	\$ 1,758,100	-	-
Investment income	2,323,883	84,502	11,177
Total operating revenues	<u>4,081,983</u>	<u>84,502</u>	<u>11,177</u>
Operating expenses:			
Interest on bonds	-	-	2,542,165
Amortization of bond issuance expense	26,058	-	-
Other	8,939	-	-
Total operating expenses	<u>34,997</u>	<u>-</u>	<u>2,542,165</u>
Operating Income (Loss)	<u>4,046,986</u>	<u>84,502</u>	<u>(2,530,988)</u>
Nonoperating other revenues (expenses)	-	-	-
Income (Loss) before transfers	<u>4,046,986</u>	<u>84,502</u>	<u>(2,530,988)</u>
Transfers in (out), net	<u>6,067,035</u>	<u>(151,065)</u>	<u>2,529,599</u>
Change in net assets	10,114,021	(66,563)	(1,389)
Net assets at beginning of year	<u>93,808,750</u>	<u>1,718,232</u>	<u>(205,427)</u>
Net assets at end of year	<u>\$ 103,922,771</u>	<u>1,651,669</u>	<u>(206,816)</u>

Trusteed Fund			
Community Assistance Fund			
Debt Service Reserve	Surplus	Rebate	Fund Total
-	-	-	1,758,100
244,073	98,434	11,981	2,774,050
244,073	98,434	11,981	4,532,150
-	-	-	2,542,165
-	-	-	26,058
-	-	-	8,939
-	-	-	2,577,162
244,073	98,434	11,981	1,954,988
-	-	302,279	302,279
244,073	98,434	314,260	2,257,267
(245,542)	802,634	300,514	9,303,175
(1,469)	901,068	614,774	11,560,442
4,259,849	1,942,739	(301,148)	101,222,995
4,258,380	2,843,807	313,626	112,783,437

**OHIO WATER DEVELOPMENT AUTHORITY
COMMUNITY ASSISTANCE FUND**

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2001

	Trusted Fund	
	Community Assistance Fund	
	Construction	Revenue
Operating activities:		
Operating expenses	\$ (8,939)	-
Net cash provided (used) by operating activities	(8,939)	-
Investing activities:		
Proceeds from maturity or sale of investments	619,800,954	17,822,117
Purchase of investments	(625,017,102)	(17,427,280)
Interest received on investments, net of purchased interest	2,713,682	87,305
Interest received on projects	-	1,685,661
Principal collected on projects	-	3,634,548
Payment for construction of projects	(7,188,081)	-
Net cash provided (used) by investing activities	(9,690,547)	5,802,351
Noncapital financing activities:		
Interest paid on bonds, net of purchased interest	-	-
Redemption of bonds	-	-
Transfers to/from other funds	9,699,486	(5,471,274)
Net cash provided (used) by noncapital financing activities	9,699,486	(5,471,274)
Net increase (decrease) in cash and cash equivalents	-	331,077
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	\$ -	331,077
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income (Loss)	4,046,986	84,502
Adjustments:		
Investment income	(2,323,883)	(84,502)
Interest on bonds	-	-
Loan income	(1,758,100)	-
Amortization of bond issuance cost	26,058	-
Net cash provided (used) by operating activities	\$ (8,939)	-

Trusteed Fund

Community Assistance Fund

Debt Service	Debt Service Reserve	Surplus	Rebate	Fund Total
-	-	-	-	(8,939)
-	-	-	-	(8,939)
8,104,720	245,542	10,758,984	452,001	657,184,318
(8,097,261)	(244,139)	(11,665,953)	(764,501)	(663,216,236)
11,004	244,139	104,335	11,986	3,172,451
-	-	-	-	1,685,661
-	-	-	-	3,634,548
-	-	-	-	(7,188,081)
18,463	245,542	(802,634)	(300,514)	(4,727,339)
(2,570,821)	-	-	-	(2,570,821)
(1,665,000)	-	-	-	(1,665,000)
4,217,358	(245,542)	802,634	300,514	9,303,176
(18,463)	(245,542)	802,634	300,514	5,067,355
-	-	-	-	331,077
-	-	-	-	-
-	-	-	-	331,077
(2,530,988)	244,073	98,434	11,981	1,954,988
(11,177)	(244,073)	(98,434)	(11,981)	(2,774,050)
2,542,165	-	-	-	2,542,165
-	-	-	-	(1,758,100)
-	-	-	-	26,058
-	-	-	-	(8,939)

Trusteed Fund							
1995 Fresh Water Account							
Construction	Revenue	Debt Service	Debt Service Reserve	Cross Collateralization	Surplus	Rebate	Account Total
-	232,084	-	1	-	-	1	232,086
17,722,406	4,483,854	240	1,337,240	10,578,736	9,914,085	551,329	44,587,890
98,416,970	-	-	-	-	-	-	98,416,970
<u>116,139,376</u>	<u>4,715,938</u>	<u>240</u>	<u>1,337,241</u>	<u>10,578,736</u>	<u>9,914,085</u>	<u>551,330</u>	<u>143,236,946</u>
453	-	-	-	-	-	-	453
330,196	-	-	-	-	-	-	330,196
<u>116,470,025</u>	<u>4,715,938</u>	<u>240</u>	<u>1,337,241</u>	<u>10,578,736</u>	<u>9,914,085</u>	<u>551,330</u>	<u>143,567,595</u>
-	-	72,850	-	-	-	-	72,850
90,287	-	-	-	-	-	-	90,287
<u>3,775,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,775,000</u>
3,865,287	-	72,850	-	-	-	-	3,938,137
11,275,243	-	-	-	-	-	-	11,275,243
<u>11,275,243</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,275,243</u>
15,140,530	-	72,850	-	-	-	-	15,213,380
101,329,495	4,715,938	(72,610)	1,337,241	10,578,736	9,914,085	551,330	128,354,215
-	-	-	-	-	-	-	-
<u>101,329,495</u>	<u>4,715,938</u>	<u>(72,610)</u>	<u>1,337,241</u>	<u>10,578,736</u>	<u>9,914,085</u>	<u>551,330</u>	<u>128,354,215</u>
<u>116,470,025</u>	<u>4,715,938</u>	<u>240</u>	<u>1,337,241</u>	<u>10,578,736</u>	<u>9,914,085</u>	<u>551,330</u>	<u>143,567,595</u>

(Continued)

**OHIO WATER DEVELOPMENT AUTHORITY
FRESH WATER FUND**

Schedule of Combining Balance Sheets, Continued

December 31, 2001

	Trusted Fund				
	1998 Fresh Water Account				
	Construction	Revenue	Debt Service	Debt Service Reserve	Rebate
<u>Assets</u>					
Noncurrent assets:					
Restricted bond covenant assets:					
Cash and cash equivalents	\$ 88,275	322,885	1	-	-
Investments	41,895,217	1,160,800	1,040	4,747,714	2,203,966
Loan receivables	122,742,792	-	-	-	-
Total restricted assets	<u>164,726,284</u>	<u>1,483,685</u>	<u>1,041</u>	<u>4,747,714</u>	<u>2,203,966</u>
Due to other funds	400	-	-	-	-
Deferred bond issuance expense	1,418,043	-	-	-	-
Total noncurrent assets	<u>\$ 166,144,727</u>	<u>1,483,685</u>	<u>1,041</u>	<u>4,747,714</u>	<u>2,203,966</u>
<u>Liabilities and Net Assets</u>					
Current liabilities payable from restricted assets:					
Accrued interest	-	-	567,840	-	-
Accounts payable	4,079,306	-	-	-	2,014,828
Water Development Revenue Bonds:					
Fresh Water 1995 - 2001 Series	4,095,000	-	-	-	-
Total current liabilities payable from restricted assets	<u>8,174,306</u>	<u>-</u>	<u>567,840</u>	<u>-</u>	<u>2,014,828</u>
Noncurrent liabilities:					
Water Development Revenue Bonds:					
Fresh Water 1995 - 2001 Series, net of premiums and deferred loss	130,451,165	-	-	-	-
Total noncurrent liabilities	<u>130,451,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>138,625,471</u>	<u>-</u>	<u>567,840</u>	<u>-</u>	<u>2,014,828</u>
Net assets:					
Restricted for debt and grant covenants	27,519,256	1,483,685	(566,799)	4,747,714	189,138
Unrestricted	-	-	-	-	-
Total net assets	<u>27,519,256</u>	<u>1,483,685</u>	<u>(566,799)</u>	<u>4,747,714</u>	<u>189,138</u>
Total liabilities and net assets	<u>\$ 166,144,727</u>	<u>1,483,685</u>	<u>1,041</u>	<u>4,747,714</u>	<u>2,203,966</u>

Trusteed Fund 1998 Fresh Water Account		Trusteed Fund Fresh Water 2001 Series A & B Account			
Account Total	Construction	Debt Service	Debt Service Reserve	Account Total	Fund Total
411,161	-	1	2	3	995,839
50,008,737	25,248,029	3,581	4,140,387	29,391,997	165,880,188
122,742,792	5,034,878	-	-	5,034,878	330,342,534
<u>173,162,690</u>	<u>30,282,907</u>	<u>3,582</u>	<u>4,140,389</u>	<u>34,426,878</u>	<u>497,218,561</u>
400	-	-	-	-	853
1,418,043	909,578	-	-	909,578	2,657,817
<u>174,581,133</u>	<u>31,192,485</u>	<u>3,582</u>	<u>4,140,389</u>	<u>35,336,456</u>	<u>499,877,231</u>
567,840	-	337,375	-	337,375	978,065
6,094,134	5,034,878	-	-	5,034,878	11,229,799
<u>4,095,000</u>	<u>595,000</u>	<u>-</u>	<u>-</u>	<u>595,000</u>	<u>8,465,000</u>
10,756,974	5,629,878	337,375	-	5,967,253	20,672,864
<u>130,451,165</u>	<u>76,781,824</u>	<u>-</u>	<u>-</u>	<u>76,781,824</u>	<u>218,508,232</u>
130,451,165	76,781,824	-	-	76,781,824	218,508,232
<u>141,208,139</u>	<u>82,411,702</u>	<u>337,375</u>	<u>-</u>	<u>82,749,077</u>	<u>239,181,096</u>
33,372,994	(51,219,217)	(333,793)	4,140,389	(47,412,621)	260,696,135
-	-	-	-	-	-
<u>33,372,994</u>	<u>(51,219,217)</u>	<u>(333,793)</u>	<u>4,140,389</u>	<u>(47,412,621)</u>	<u>260,696,135</u>
<u>174,581,133</u>	<u>31,192,485</u>	<u>3,582</u>	<u>4,140,389</u>	<u>35,336,456</u>	<u>499,877,231</u>

OHIO WATER DEVELOPMENT AUTHORITY
FRESH WATER FUND

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets

Year ended December 31, 2001

	Trusteed Fund		
	Fresh Water Account		
	Construction	Revenue	Account Total
Operating revenues:			
Loan income	\$ 6,859,895	-	6,859,895
Investment income	1,397,248	282,200	1,679,448
Total operating revenues	<u>8,257,143</u>	<u>282,200</u>	<u>8,539,343</u>
Operating expenses:			
Interest on bonds	-	-	-
Amortization of bond issuance expense	-	-	-
Other	103	22,995	23,098
Total operating expenses	<u>103</u>	<u>22,995</u>	<u>23,098</u>
Operating Income (Loss)	<u>8,257,040</u>	<u>259,205</u>	<u>8,516,245</u>
Nonoperating other revenues (expenses)	-	-	-
Income (Loss) before transfers	<u>8,257,040</u>	<u>259,205</u>	<u>8,516,245</u>
Transfers in (out), net	<u>(10,553,457)</u>	<u>(173,898)</u>	<u>(10,727,355)</u>
Change in net assets	(2,296,417)	85,307	(2,211,110)
Net assets at beginning of year	<u>142,281,124</u>	<u>6,311,533</u>	<u>148,592,657</u>
Net assets at end of year	<u>\$ 139,984,707</u>	<u>6,396,840</u>	<u>146,381,547</u>

Trusteed Fund

1995 Fresh Water Account

Construction	Revenue	Debt Service	Debt Service Reserve	Cross Collateral- ization	Surplus	Rebate	Account Total
6,309,193	-	-	-	-	-	-	6,309,193
604,649	284,760	10,337	239,533	503,783	394,516	19,925	2,057,503
6,913,842	284,760	10,337	239,533	503,783	394,516	19,925	8,366,696
-	-	3,140,802	-	-	-	-	3,140,802
65,117	-	-	-	-	-	-	65,117
14,230	32,576	1,304	297	304	852	1,977	51,540
79,347	32,576	3,142,106	297	304	852	1,977	3,257,459
6,834,495	252,184	(3,131,769)	239,236	503,479	393,664	17,948	5,109,237
-	-	-	-	-	-	67,830	67,830
6,834,495	252,184	(3,131,769)	239,236	503,479	393,664	85,778	5,177,067
47,117,311	(1,331,942)	3,370,110	(3,709,221)	434,771	1,966,973	-	47,848,002
53,951,806	(1,079,758)	238,341	(3,469,985)	938,250	2,360,637	85,778	53,025,069
47,377,689	5,795,696	(310,951)	4,807,226	9,640,486	7,553,448	465,552	75,329,146
101,329,495	4,715,938	(72,610)	1,337,241	10,578,736	9,914,085	551,330	128,354,215

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
FRESH WATER FUND

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets, Continued

Year ended December 31, 2001

	Trusteed Fund				
	1998 Fresh Water Account				
	Construction	Revenue	Debt Service	Debt Service Reserve	Rebate
Operating revenues:					
Loan income	\$ 5,956,474	-	-	-	-
Investment income	<u>2,628,455</u>	<u>59,448</u>	<u>18,430</u>	<u>266,396</u>	<u>51,719</u>
Total operating revenues	<u>8,584,929</u>	<u>59,448</u>	<u>18,430</u>	<u>266,396</u>	<u>51,719</u>
Operating expenses:					
Interest on bonds	-	-	6,685,626	-	-
Amortization of bond issuance expense	64,456	-	-	-	-
Other	<u>36,728</u>	<u>5,617</u>	<u>2,498</u>	<u>763</u>	<u>5,362</u>
Total operating expenses	<u>101,184</u>	<u>5,617</u>	<u>6,688,124</u>	<u>763</u>	<u>5,362</u>
Operating Income (Loss)	<u>8,483,745</u>	<u>53,831</u>	<u>(6,669,694)</u>	<u>265,633</u>	<u>46,357</u>
Nonoperating other revenues (expenses)	-	-	-	-	142,781
Income (Loss) before transfers	<u>8,483,745</u>	<u>53,831</u>	<u>(6,669,694)</u>	<u>265,633</u>	<u>189,138</u>
Transfers in (out), net	<u>(3,249,434)</u>	<u>863,312</u>	<u>6,660,942</u>	<u>(201,070)</u>	<u>2,157,609</u>
Change in net assets	5,234,311	917,143	(8,752)	64,563	2,346,747
Net assets at beginning 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>
Net assets at end of year	<u>\$ 27,519,256</u>	<u>1,483,685</u>	<u>(566,799)</u>	<u>4,747,714</u>	<u>189,138</u>

<u>Trusteed Fund</u> <u>1998 Fresh Water Account</u>	<u>Trusteed Fund</u> <u>Fresh Water 2001 Series A & B Account</u>			<u>Account</u> <u>Total</u>	<u>Fund</u> <u>Total</u>
<u>Account</u> <u>Total</u>	<u>Construction</u>	<u>Debt</u> <u>Service</u>	<u>Debt</u> <u>Service</u> <u>Reserve</u>	<u>Account</u> <u>Total</u>	<u>Fund</u> <u>Total</u>
5,956,474	-	-	-	-	19,125,562
3,024,448	190,608	4,772	23,126	218,506	6,979,905
<u>8,980,922</u>	<u>190,608</u>	<u>4,772</u>	<u>23,126</u>	<u>218,506</u>	<u>26,105,467</u>
6,685,626	103,968	1,153,397	-	1,257,365	11,083,793
64,456	18,951	-	-	18,951	148,524
50,968	-	810	83	893	126,499
<u>6,801,050</u>	<u>122,919</u>	<u>1,154,207</u>	<u>83</u>	<u>1,277,209</u>	<u>11,358,816</u>
<u>2,179,872</u>	<u>67,689</u>	<u>(1,149,435)</u>	<u>23,043</u>	<u>(1,058,703)</u>	<u>14,746,651</u>
142,781	-	-	-	-	210,611
<u>2,322,653</u>	<u>67,689</u>	<u>(1,149,435)</u>	<u>23,043</u>	<u>(1,058,703)</u>	<u>14,957,262</u>
6,231,359	(51,286,906)	815,642	4,117,346	(46,353,918)	(3,001,912)
8,554,012	(51,219,217)	(333,793)	4,140,389	(47,412,621)	11,955,350
24,818,982	-	-	-	-	248,740,785
<u>33,372,994</u>	<u>(51,219,217)</u>	<u>(333,793)</u>	<u>4,140,389</u>	<u>(47,412,621)</u>	<u>260,696,135</u>

OHIO WATER DEVELOPMENT AUTHORITY
FRESH WATER FUND

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2001

	Trusteed Fund		
	Fresh Water Account		
	Construction	Revenue	Account Total
Operating activities:			
Operating expenses	\$ (103)	(22,995)	(23,098)
Net cash provided (used) by operating activities	(103)	(22,995)	(23,098)
Investing activities:			
Proceeds from maturity or sale of investments	1,094,746	10,753,412	11,848,158
Purchase of investments	(3,653,585)	(10,950,602)	(14,604,187)
Interest received on investments, net of purchased interest	1,512,157	240,362	1,752,519
Interest received on projects	690	6,907,491	6,908,181
Principal collected on projects	1,072,812	3,645,965	4,718,777
Payment for construction of projects	(26,717)	-	(26,717)
Net cash provided (used) by investing activities	103	10,596,628	10,596,731
Noncapital financing activities:			
Interest paid on bonds, net of purchased interest	-	-	-
Proceeds of bonds	-	-	-
Bond issuance expense	-	-	-
Redemption of bonds	-	-	-
Other	-	-	-
Transfers to/from other funds	-	(10,727,355)	(10,727,355)
Net cash provided (used) by noncapital financing activities	-	(10,727,355)	(10,727,355)
Net increase (decrease) in cash and cash equivalents	-	(153,722)	(153,722)
Cash and cash equivalents at beginning of year	1	506,310	506,311
Cash and cash equivalents at end of year	\$ 1	352,588	352,589
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income (Loss)	8,257,040	259,205	8,516,245
Adjustments:			
Investment income	(1,397,248)	(282,200)	(1,679,448)
Operating expenses	-	-	-
Interest on bonds	-	-	-
Loan income	(6,859,895)	-	(6,859,895)
Amortization of bond issuance cost	-	-	-
Net cash provided (used) by operating activities	\$ (103)	(22,995)	(23,098)

Trusteed Fund							
1995 Fresh Water Account							
Construction	Revenue	Debt Service	Debt Service Reserve	Cross Collateralization	Surplus	Rebate	Account Total
(261)	(32,576)	(1,304)	(297)	(304)	(852)	(1,977)	(37,571)
(261)	(32,576)	(1,304)	(297)	(304)	(852)	(1,977)	(37,571)
2,731,562	9,462,009	6,151,231	7,384,064	186,883,904	37,955,751	-	250,568,521
(6,544,450)	(8,263,470)	(6,132,814)	(3,988,906)	(187,877,616)	(40,418,398)	(19,725)	(253,245,379)
649,485	232,593	10,177	314,360	559,244	496,526	21,702	2,284,087
452	5,412,234	-	-	-	-	-	5,412,686
4,098,405	2,641,829	-	-	-	-	-	6,740,234
(935,193)	-	-	-	-	-	-	(935,193)
261	9,485,195	28,594	3,709,518	(434,468)	(1,966,121)	1,977	10,824,956
-	-	(3,453,325)	-	-	-	-	(3,453,325)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(56,410,000)	-	-	-	-	(56,410,000)
-	-	-	-	-	-	-	-
-	(9,386,005)	59,836,034	(3,709,221)	434,771	1,966,973	-	49,142,552
-	(9,386,005)	(27,291)	(3,709,221)	434,771	1,966,973	-	(10,720,773)
-	66,614	(1)	-	(1)	-	-	66,612
-	165,470	1	1	1	-	1	165,474
-	232,084	-	1	-	-	1	232,086
6,834,495	252,184	(3,131,769)	239,236	503,479	393,664	17,948	5,109,237
(604,649)	(284,760)	(10,337)	(239,533)	(503,783)	(394,516)	(19,925)	(2,057,503)
13,969	-	-	-	-	-	-	13,969
-	-	3,140,802	-	-	-	-	3,140,802
(6,309,193)	-	-	-	-	-	-	(6,309,193)
65,117	-	-	-	-	-	-	65,117
(261)	(32,576)	(1,304)	(297)	(304)	(852)	(1,977)	(37,571)

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
FRESH WATER FUND

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2001

	Trusteed Fund				
	1998 Fresh Water Account				
	Construction	Revenue	Debt Service	Debt Service Reserve	Rebate
Operating activities:					
Operating expenses	\$ (36,728)	(5,617)	(2,498)	(763)	(5,362)
Net cash provided (used) by operating activities	(36,728)	(5,617)	(2,498)	(763)	(5,362)
Investing activities:					
Proceeds from maturity or sale of investments	534,937,075	4,371,694	10,847,874	200,560	-
Purchase of investments	(491,768,661)	(4,966,202)	(10,822,447)	(265,458)	(2,200,741)
Interest received on investments, net of purchased interest	2,955,255	59,697	17,985	266,731	48,494
Interest received on projects	-	3,234,746	-	-	-
Principal collected on projects	2,369,268	2,011,060	-	-	-
Payment for construction of projects	(46,210,325)	-	-	-	-
Net cash provided (used) by investing activities	2,282,612	4,710,995	43,412	201,833	(2,152,247)
Noncapital financing activities:					
Interest paid on bonds, net of purchased interest	-	-	(6,960,838)	-	-
Proceeds of bonds	-	-	-	-	-
Bond issuance expense	-	-	-	-	-
Redemption of bonds	-	-	(3,895,000)	-	-
Other	-	-	-	-	-
Transfers to/from other funds	(2,157,609)	(4,382,494)	10,814,924	(201,070)	2,157,609
Net cash provided (used) by noncapital financing activities	(2,157,609)	(4,382,494)	(40,914)	(201,070)	2,157,609
Net increase (decrease) in cash and cash equivalents	88,275	322,884	-	-	-
Cash and cash equivalents at beginning of year	-	1	1	-	-
Cash and cash equivalents at end of year	\$ 88,275	322,885	1	-	-
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income (Loss)	8,483,745	53,831	(6,669,694)	265,633	46,357
Adjustments:					
Investment income	(2,628,455)	(59,448)	(18,430)	(266,396)	(51,719)
Operating expenses	-	-	-	-	-
Interest on bonds	-	-	6,685,626	-	-
Loan income	(5,956,474)	-	-	-	-
Amortization of bond issuance cost	64,456	-	-	-	-
Net cash provided (used) by operating activities	\$ (36,728)	(5,617)	(2,498)	(763)	(5,362)

Trusteed Fund		Trusteed Fund			
1998 Fresh Water Account		Fresh Water Series 2001 A & B Account			
Account			Debt	Account	Fund
Total		Construction	Service	Service Reserve	Total
(50,968)		-	(810)	(83)	(112,530)
(50,968)		-	(810)	(83)	(112,530)
550,357,203	101,255,122	2,478,308	8,232,725	111,966,155	924,740,037
(510,023,509)	(126,455,603)	(2,481,675)	(12,363,760)	(141,301,038)	(919,174,113)
3,348,162	143,059	4,558	13,774	161,391	7,546,159
3,234,746	-	-	-	-	15,555,613
4,380,328	-	-	-	-	15,839,339
(46,210,325)	-	-	-	-	(47,172,235)
5,086,605	(25,057,422)	1,191	(4,117,261)	(29,173,492)	(2,665,200)
(6,960,838)	-	(889,785)	-	(889,785)	(11,303,948)
-	83,487,959	-	408,125	83,896,084	83,896,084
-	(928,527)	-	-	(928,527)	(928,527)
(3,895,000)	-	(1,455,000)	-	(1,455,000)	(61,760,000)
-	(3,799,917)	-	-	(3,799,917)	(3,799,917)
6,231,360	(53,702,093)	2,344,405	3,709,221	(47,648,467)	(3,001,910)
(4,624,478)	25,057,422	(380)	4,117,346	29,174,388	3,101,782
411,159	-	1	2	3	324,052
2	-	-	-	-	671,787
411,161	-	1	2	3	995,839
2,179,872	67,689	(1,149,435)	23,043	(1,058,703)	14,746,651
(3,024,448)	(190,608)	(4,772)	(23,126)	(218,506)	(6,979,905)
-	-	-	-	-	13,969
6,685,626	103,968	1,153,397	-	1,257,365	11,083,793
(5,956,474)	-	-	-	-	(19,125,562)
64,456	18,951	-	-	18,951	148,524
(50,968)	-	(810)	(83)	(893)	(112,530)

OHIO WATER DEVELOPMENT AUTHORITY
REFUNDING FUND

Schedule of Combining Balance Sheets

December 31, 2001

	Trusteed Fund		
	1985 Refunding Account		
<u>Assets</u>	<u>Construction</u>	<u>Revenue</u>	<u>Account Total</u>
Noncurrent assets:			
Restricted bond covenant assets:			
Cash and cash equivalents	\$ -	-	-
Investments	192,059	482,159	674,218
Loan receivables	37,809,371	-	37,809,371
Total restricted assets	<u>38,001,430</u>	<u>482,159</u>	<u>38,483,589</u>
Deferred bond issuance expense	1,072,337	-	1,072,337
Total noncurrent assets	<u>\$ 39,073,767</u>	<u>482,159</u>	<u>39,555,926</u>
<u>Liabilities and Net Assets</u>			
Current liabilities payable from restricted assets:			
Accrued interest	-	-	-
Due to other funds	45,319	-	45,319
Water Development Revenue Refunding Bonds:			
1992 Clean Water Series	11,235,000	-	11,235,000
Total current liabilities payable from restricted assets	<u>11,280,319</u>	<u>-</u>	<u>11,280,319</u>
Noncurrent liabilities:			
Water Development Revenue Refunding Bonds:			
1992 Clean Water Series, net of discount	24,637,451	-	24,637,451
Total noncurrent liabilities	<u>24,637,451</u>	<u>-</u>	<u>24,637,451</u>
Total liabilities	<u>35,917,770</u>	<u>-</u>	<u>35,917,770</u>
Net assets:			
Restricted for debt and grant covenants	3,155,997	482,159	3,638,156
Unrestricted	-	-	-
Total net assets	<u>3,155,997</u>	<u>482,159</u>	<u>3,638,156</u>
Total liabilities and net assets	<u>\$ 39,073,767</u>	<u>482,159</u>	<u>39,555,926</u>

Trusteed Fund					
1992 Clean Water Refunding Account					
Revenue	Debt Service	Debt Service Reserve	Surplus	Account Total	Fund Total
423,046	-	-	-	423,046	423,046
3,934,684	13,784	2,734,756	5,828,077	12,511,301	13,185,519
-	-	-	-	-	37,809,371
<u>4,357,730</u>	<u>13,784</u>	<u>2,734,756</u>	<u>5,828,077</u>	<u>12,934,347</u>	<u>51,417,936</u>
-	-	-	-	-	1,072,337
<u>4,357,730</u>	<u>13,784</u>	<u>2,734,756</u>	<u>5,828,077</u>	<u>12,934,347</u>	<u>52,490,273</u>
-	166,479	-	-	166,479	166,479
-	-	-	-	-	45,319
-	-	-	-	-	<u>11,235,000</u>
-	166,479	-	-	166,479	11,446,798
-	-	-	-	-	24,637,451
-	-	-	-	-	<u>24,637,451</u>
-	166,479	-	-	166,479	36,084,249
4,357,730	(152,695)	2,734,756	5,828,077	12,767,868	16,406,024
-	-	-	-	-	-
<u>4,357,730</u>	<u>(152,695)</u>	<u>2,734,756</u>	<u>5,828,077</u>	<u>12,767,868</u>	<u>16,406,024</u>
<u>4,357,730</u>	<u>13,784</u>	<u>2,734,756</u>	<u>5,828,077</u>	<u>12,934,347</u>	<u>52,490,273</u>

OHIO WATER DEVELOPMENT AUTHORITY
REFUNDING FUND

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets

Year ended December 31, 2001

	Trusted Fund		
	1985 Refunding Account		
	Construction	Revenue	Account Total
Operating revenues:			
Loan income	\$ 2,920,683	-	2,920,683
Investment income	6,719	26,301	33,020
Total operating revenues	2,927,402	26,301	2,953,703
Operating expenses:			
Interest on bonds	40,901	-	40,901
Amortization of bond issuance expense	71,489	-	71,489
Other	-	-	-
Total operating expenses	112,390	-	112,390
Operating Income (Loss)	2,815,012	26,301	2,841,313
Transfers in (out), net	(1,892,503)	(246,571)	(2,139,074)
Change in net assets	922,509	(220,270)	702,239
Net assets at beginning of year	2,233,488	702,429	2,935,917
Net assets at end of year	\$ 3,155,997	482,159	3,638,156

Trusteed Fund					
1992 Clean Water Refunding Account					
Revenue	Debt Service	Debt Service Reserve	Surplus	Account Total	Fund Total
-	-	-	-	-	2,920,683
313,902	44,238	209,151	250,234	817,525	850,545
<u>313,902</u>	<u>44,238</u>	<u>209,151</u>	<u>250,234</u>	<u>817,525</u>	<u>3,771,228</u>
-	2,477,269	-	-	2,477,269	2,518,170
-	-	-	-	-	71,489
1,543	10,948	-	-	12,491	12,491
<u>1,543</u>	<u>2,488,217</u>	<u>-</u>	<u>-</u>	<u>2,489,760</u>	<u>2,602,150</u>
<u>312,359</u>	<u>(2,443,979)</u>	<u>209,151</u>	<u>250,234</u>	<u>(1,672,235)</u>	<u>1,169,078</u>
<u>(1,321,631)</u>	<u>2,469,531</u>	<u>(230,921)</u>	<u>(176,570)</u>	<u>740,409</u>	<u>(1,398,665)</u>
<u>(1,009,272)</u>	<u>25,552</u>	<u>(21,770)</u>	<u>73,664</u>	<u>(931,826)</u>	<u>(229,587)</u>
<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>4,357,730</u>	<u>(152,695)</u>	<u>2,734,756</u>	<u>5,828,077</u>	<u>12,767,868</u>	<u>16,406,024</u>

OHIO WATER DEVELOPMENT AUTHORITY
REFUNDING FUND

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2001

	Trusteed Fund		
	1985 Refunding Account		
	Construction	Revenue	Account Total
Operating activities:			
Operating expenses	\$ -	-	-
Net cash provided (used) by operating activities	-	-	-
Investing activities:			
Proceeds from maturity or sale of investments	188,987	229,502	418,489
Purchase of investments	(196,329)	(13,887)	(210,216)
Interest received on investments, net of purchased interest	7,342	30,955	38,297
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, net of purchased interest	-	-	-
Redemption of bonds	-	-	-
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 year	-	-	-
Cash and cash equivalents at end of year	\$ -	-	-
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income (Loss)	2,815,012	26,301	2,841,313
Adjustments:			
Investment income	(6,719)	(26,301)	(33,020)
Interest on bonds	40,901	-	40,901
Loan income	(2,920,683)	-	(2,920,683)
Amortization of bond issuance cost	71,489	-	71,489
Net cash provided (used) by operating activities	\$ -	-	-

Trusteed Fund

1992 Clean Water Refunding Account

Revenue	Debt		Surplus	Account Total	Fund Total
	Debt Service	Service Reserve			
(1,543)	(10,948)	-	-	(12,491)	(12,491)
(1,543)	(10,948)	-	-	(12,491)	(12,491)
58,198,342	32,368,944	287,596	26,047,074	116,901,956	117,320,445
(56,775,907)	(32,334,233)	(208,975)	(26,147,286)	(115,466,401)	(115,676,617)
323,787	43,628	152,299	276,781	796,495	834,792
3,551,813	-	-	-	3,551,813	3,551,813
13,286,395	-	-	-	13,286,395	13,286,395
18,584,430	78,339	230,920	176,569	19,070,258	19,316,828
-	(2,536,922)	-	-	(2,536,922)	(2,536,922)
-	(13,635,000)	-	-	(13,635,000)	(13,635,000)
(18,159,841)	16,104,531	(230,920)	(176,569)	(2,462,799)	(2,709,369)
(18,159,841)	(67,391)	(230,920)	(176,569)	(18,634,721)	(18,881,291)
423,046	-	-	-	423,046	423,046
-	-	-	-	-	-
423,046	-	-	-	423,046	423,046
312,359	(2,443,979)	209,151	250,234	(1,672,235)	1,169,078
(313,902)	(44,238)	(209,151)	(250,234)	(817,525)	(850,545)
-	2,477,269	-	-	2,477,269	2,518,170
-	-	-	-	-	(2,920,683)
-	-	-	-	-	71,489
(1,543)	(10,948)	-	-	(12,491)	(12,491)

Trusteed Fund

Safe Water Refunding 1987 Series A & B Account

Revenue	Debt Service	Debt Service Reserve	Rebate	Surplus	Account Total
2,387,590	-	-	-	-	2,387,590
1,305,468	6,931	3,299,363	53,915	1,874,621	6,540,298
-	-	-	-	-	-
<u>3,693,058</u>	<u>6,931</u>	<u>3,299,363</u>	<u>53,915</u>	<u>1,874,621</u>	<u>8,927,888</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,693,058</u>	<u>6,931</u>	<u>3,299,363</u>	<u>53,915</u>	<u>1,874,621</u>	<u>8,927,888</u>
-	191,272	-	-	-	191,272
-	-	-	-	-	-
-	-	-	-	-	-
-	191,272	-	-	-	191,272
-	-	-	-	-	-
-	-	-	-	-	-
-	191,272	-	-	-	191,272
3,693,058	(184,341)	3,299,363	53,915	1,874,621	8,736,616
-	-	-	-	-	-
<u>3,693,058</u>	<u>(184,341)</u>	<u>3,299,363</u>	<u>53,915</u>	<u>1,874,621</u>	<u>8,736,616</u>
<u>3,693,058</u>	<u>6,931</u>	<u>3,299,363</u>	<u>53,915</u>	<u>1,874,621</u>	<u>8,927,888</u>

(Continued)

Trusteed Fund						
1997 Safe Water Refunding Account						
Revenue	Debt Service	Debt Service Reserve	Surplus	Rebate	Account Total	Fund Total
1,054,982	-	-	-	-	1,054,982	5,552,536
578,807	4,416	3,467,882	1,728,874	267,293	6,047,272	21,988,816
-	-	-	-	-	-	121,763,905
1,633,789	4,416	3,467,882	1,728,874	267,293	7,102,254	149,305,257
-	-	-	-	-	-	45,319
-	-	-	-	-	-	1,183,315
1,633,789	4,416	3,467,882	1,728,874	267,293	7,102,254	150,533,891
-	322,806	-	-	-	322,806	514,078
-	-	-	-	317,431	317,431	317,431
-	-	-	-	-	-	18,523,879
-	322,806	-	-	317,431	640,237	19,355,388
-	-	-	-	-	-	114,232,705
-	-	-	-	-	-	114,232,705
-	322,806	-	-	317,431	640,237	133,588,093
1,633,789	(318,390)	3,467,882	1,728,874	(50,138)	6,462,017	16,945,798
-	-	-	-	-	-	-
1,633,789	(318,390)	3,467,882	1,728,874	(50,138)	6,462,017	16,945,798
1,633,789	4,416	3,467,882	1,728,874	267,293	7,102,254	150,533,891

OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING FUND

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets

Year ended December 31, 2001

	Trusted Fund Safe Water Refunding Account
	Construction
Operating revenues:	
Loan income	\$ 13,849,364
Investment income	-
Total operating revenues	13,849,364
Operating expenses:	
Interest on bonds	857,810
Amortization of bond issuance expense	211,292
Other	-
Total operating expenses	1,069,102
Operating Income (Loss)	12,780,262
Nonoperating other revenues (expenses)	-
Income (Loss) before transfers	12,780,262
Transfers in (out), net	(11,050,241)
Change in net assets	1,730,021
Net assets at beginning of year	(11,494,066)
Net assets at end of year	\$ (9,764,045)

Trusteed Fund					
Safe Water Refunding 1987 Series A & B Account					
Revenue	Debt Service	Debt Service Reserve	Rebate	Surplus	Account Total
-	-	-	-	-	-
122,687	21,269	164,492	1,886	69,347	379,681
122,687	21,269	164,492	1,886	69,347	379,681
-	2,517,279	-	-	-	2,517,279
-	-	-	-	-	-
-	8,447	-	-	-	8,447
-	2,525,726	-	-	-	2,525,726
122,687	(2,504,457)	164,492	1,886	69,347	(2,146,045)
-	-	-	-	-	-
122,687	(2,504,457)	164,492	1,886	69,347	(2,146,045)
1,156,429	2,526,927	(205,546)	-	220,290	3,698,100
1,279,116	22,470	(41,054)	1,886	289,637	1,552,055
2,413,942	(206,811)	3,340,417	52,029	1,584,984	7,184,561
3,693,058	(184,341)	3,299,363	53,915	1,874,621	8,736,616

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING FUND

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets, Continued

Year ended December 31, 2001

	Trusteed Fund				
	1992 Safe Water Refunding Account				
	Revenue	Debt Service	Debt Service Reserve	Surplus	Account Total
Operating revenues:	\$				
Loan income	-	-	-	-	-
Investment income	244,697	37,517	201,356	202,198	685,768
Total operating revenues	<u>244,697</u>	<u>37,517</u>	<u>201,356</u>	<u>202,198</u>	<u>685,768</u>
Operating expenses:					
Interest on bonds	-	1,771,299	-	-	1,771,299
Amortization of bond issuance expense	-	-	-	-	-
Other	5,826	9,738	-	-	15,564
Total operating expenses	<u>5,826</u>	<u>1,781,037</u>	<u>-</u>	<u>-</u>	<u>1,786,863</u>
Operating Income (Loss)	<u>238,871</u>	<u>(1,743,520)</u>	<u>201,356</u>	<u>202,198</u>	<u>(1,101,095)</u>
Nonoperating other revenues (expenses)	-	-	-	-	-
Income (Loss) before transfers	<u>238,871</u>	<u>(1,743,520)</u>	<u>201,356</u>	<u>202,198</u>	<u>(1,101,095)</u>
Transfers in (out), net	<u>(1,153,070)</u>	<u>1,707,164</u>	<u>(251,622)</u>	<u>(672,424)</u>	<u>(369,952)</u>
Change in net assets	<u>(914,199)</u>	<u>(36,356)</u>	<u>(50,266)</u>	<u>(470,226)</u>	<u>(1,471,047)</u>
Net assets at beginning of year	<u>4,184,431</u>	<u>43,296</u>	<u>4,089,167</u>	<u>4,665,363</u>	<u>12,982,257</u>
Net assets at end of year	<u>\$ 3,270,232</u>	<u>6,940</u>	<u>4,038,901</u>	<u>4,195,137</u>	<u>11,511,210</u>

Trusteed Fund						
1997 Safe Water Refunding Account						
Revenue	Debt Service	Debt Service Reserve	Surplus	Rebate	Account Total	Fund Total
-	-	-	-	-	-	13,849,364
87,690	12,811	293,047	74,998	6,338	474,884	1,540,333
87,690	12,811	293,047	74,998	6,338	474,884	15,389,697
-	3,579,753	-	-	-	3,579,753	8,726,141
-	-	-	-	-	-	211,292
-	8,599	-	-	-	8,599	32,610
-	3,588,352	-	-	-	3,588,352	8,970,043
87,690	(3,575,541)	293,047	74,998	6,338	(3,113,468)	6,419,654
-	-	-	-	(55,880)	(55,880)	(55,880)
87,690	(3,575,541)	293,047	74,998	(49,542)	(3,169,348)	6,363,774
91,045	3,571,112	(185,905)	(118,808)	133,908	3,491,352	(4,230,741)
178,735	(4,429)	107,142	(43,810)	84,366	322,004	2,133,033
1,455,054	(313,961)	3,360,740	1,772,684	(134,504)	6,140,013	14,812,765
1,633,789	(318,390)	3,467,882	1,728,874	(50,138)	6,462,017	16,945,798

OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING FUND

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2001

	Trusteed Fund
	Safe Water Refunding Account
	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	-
Interest paid on bonds, 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 year	-
Cash and cash equivalents at end of year	\$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating Income (Loss)	12,780,262
Adjustments:	
Investment income	-
Interest on bonds	857,810
Loan income	(13,849,364)
Amortization of bond issuance cost	211,292
Net cash provided (used) by operating activities	\$ -

Trusteed Fund

Safe Water Refunding 1987 Series A & B Account

Revenue	Debt Service	Debt Service Reserve	Rebate	Surplus	Account Total
-	(8,447)	-	-	-	(8,447)
-	(8,447)	-	-	-	(8,447)
23,038,998	15,416,912	6,780,530	53,053	7,174,597	52,464,090
(21,933,200)	(15,411,315)	(6,780,922)	(55,114)	(7,471,708)	(51,652,259)
125,363	20,936	205,938	2,061	76,822	431,120
4,778,169	-	-	-	-	4,778,169
4,788,238	-	-	-	-	4,788,238
10,797,568	26,533	205,546	-	(220,289)	10,809,358
-	(5,120,000)	-	-	-	(5,120,000)
-	(2,545,013)	-	-	-	(2,545,013)
(8,409,978)	7,646,927	(205,546)	-	220,289	(748,308)
(8,409,978)	(18,086)	(205,546)	-	220,289	(8,413,321)
2,387,590	-	-	-	-	2,387,590
-	-	-	-	-	-
2,387,590	-	-	-	-	2,387,590
122,687	(2,504,457)	164,492	1,886	69,347	(2,146,045)
(122,687)	(21,269)	(164,492)	(1,886)	(69,347)	(379,681)
-	2,517,279	-	-	-	2,517,279
-	-	-	-	-	-
-	-	-	-	-	-
-	(8,447)	-	-	-	(8,447)

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING FUND

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2001

	Trusteed Fund		
	1992 Safe Water Refunding Account		
	Revenue	Debt Service	Debt Service Reserve
Operating activities:			
Operating expenses	\$ (5,826)	(9,738)	-
Net cash provided (used) by operating activities	(5,826)	(9,738)	-
Investing activities:			
Proceeds from maturity or sale of investments	47,977,472	27,374,660	8,300,806
Purchase of investments	(44,959,152)	(27,337,797)	(8,301,273)
Interest received on investments, net of purchased interest	250,541	37,011	252,089
Interest received on projects	6,909,746	-	-
Principal collected on projects	6,924,009	-	-
Net cash provided (used) by investing activities	17,102,616	73,874	251,622
Noncapital financing activities:			
Redemption of bonds	-	(13,715,000)	-
Interest paid on bonds, net of purchased interest	-	-	-
Transfers to/from other funds	(14,986,826)	13,650,864	(251,622)
Net cash provided (used) by noncapital financing activities	(14,986,826)	(64,136)	(251,622)
Net increase (decrease) in cash and cash equivalents	2,109,964	-	-
Cash and cash equivalents at beginning of year	-	-	-
Cash and cash equivalents at end of year	\$ 2,109,964	-	-
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income (Loss)	238,871	(1,743,520)	201,356
Adjustments:			
Investment income	(244,697)	(37,517)	(201,356)
Interest on bonds	-	1,771,299	-
Loan income	-	-	-
Amortization of bond issuance cost	-	-	-
Net cash provided (used) by operating activities	\$ (5,826)	(9,738)	-

Trusted Fund
1992 Safe Water Refunding Account

<u>Surplus</u>	<u>Account Total</u>
-	(15,564)
-	(15,564)
21,179,829	104,832,767
(20,733,260)	(101,331,482)
225,854	765,495
-	6,909,746
-	6,924,009
<u>672,423</u>	<u>18,100,535</u>
-	(13,715,000)
-	-
<u>(672,423)</u>	<u>(2,260,007)</u>
<u>(672,423)</u>	<u>(15,975,007)</u>
-	2,109,964
-	-
<u>-</u>	<u>2,109,964</u>

202,198	(1,101,095)
(202,198)	(685,768)
-	1,771,299
-	-
-	-
<u>-</u>	<u>(15,564)</u>

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
SAFE WATER REFUNDING FUND

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2001

	Trusteed Fund	
	1997 Safe Water Refunding Account	
	Revenue	Debt Service
Operating activities:		
Operating expenses	\$ -	(8,599)
Net cash provided (used) by operating activities	-	(8,599)
Investing activities:		
Proceeds from maturity or sale of investments	17,199,560	9,298,299
Purchase of investments	(16,325,314)	(9,290,570)
Interest received on investments, net of purchased interest	89,692	12,324
Interest received on projects	2,617,978	-
Principal collected on projects	2,623,168	-
Net cash provided (used) by investing activities	6,205,084	20,053
Noncapital financing activities:		
Redemption of bonds	-	(785,000)
Interest paid on bonds, net of purchased interest	-	(3,899,040)
Transfers to/from other funds	(5,150,102)	4,672,586
Net cash provided (used) by noncapital financing activities	(5,150,102)	(11,454)
Net increase (decrease) in cash and cash equivalents	1,054,982	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	\$ 1,054,982	-
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income (Loss)	87,690	(3,575,541)
Adjustments:		
Investment income	(87,690)	(12,811)
Interest on bonds	-	3,579,753
Loan income	-	-
Amortization of bond issuance cost	-	-
Net cash provided (used) by operating activities	\$ -	(8,599)

Trusteed Fund

1997 Safe Water Refunding Account				
Debt Service Reserve	Surplus	Rebate	Account Total	Fund Total
-	-	-	(8,599)	(32,610)
-	-	-	(8,599)	(32,610)
1,087,299	7,569,118	129,546	35,283,822	192,580,679
(1,086,956)	(7,532,297)	(270,021)	(34,505,158)	(187,488,899)
185,561	81,986	6,567	376,130	1,572,745
-	-	-	2,617,978	14,305,893
-	-	-	2,623,168	14,335,415
185,904	118,807	(133,908)	6,395,940	35,305,833
-	-	-	(785,000)	(19,620,000)
-	-	-	(3,899,040)	(6,444,053)
(185,904)	(118,807)	133,908	(648,319)	(3,656,634)
(185,904)	(118,807)	133,908	(5,332,359)	(29,720,687)
-	-	-	1,054,982	5,552,536
-	-	-	-	-
-	-	-	1,054,982	5,552,536
293,047	74,998	6,338	(3,113,468)	6,419,654
(293,047)	(74,998)	(6,338)	(474,884)	(1,540,333)
-	-	-	3,579,753	8,726,141
-	-	-	-	(13,849,364)
-	-	-	-	211,292
-	-	-	(8,599)	(32,610)

Trusteed Fund				
Pure Water Refunding Fund				
Debt Service Reserve	Surplus	Other Projects	Rebate	Fund Total
-	-	-	-	3,754,992
23,354,396	12,423,693	12,336,722	2,940,778	69,579,044
-	-	3,385,021	-	318,907,488
<u>23,354,396</u>	<u>12,423,693</u>	<u>15,721,743</u>	<u>2,940,778</u>	<u>392,241,524</u>
-	-	-	-	4,764
-	-	148,071	-	4,984,082
<u>23,354,396</u>	<u>12,423,693</u>	<u>15,869,814</u>	<u>2,940,778</u>	<u>397,230,370</u>
-	-	6,756	-	6,756
-	-	-	-	1,494,683
-	-	1,233,672	-	1,233,672
-	-	-	-	27,255,000
-	-	1,240,428	-	29,990,111
-	-	-	-	279,200,827
-	-	-	-	279,200,827
-	-	1,240,428	-	309,190,938
23,354,396	12,423,693	14,629,386	2,940,778	88,039,432
-	-	-	-	-
<u>23,354,396</u>	<u>12,423,693</u>	<u>14,629,386</u>	<u>2,940,778</u>	<u>88,039,432</u>
<u>23,354,396</u>	<u>12,423,693</u>	<u>15,869,814</u>	<u>2,940,778</u>	<u>397,230,370</u>

OHIO WATER DEVELOPMENT AUTHORITY
PURE WATER REFUNDING FUND

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets

Year ended December 31, 2001

	Trusteed Fund		
	Pure Water Refunding Fund		
	Construction	Revenue	Debt Service
Operating revenues:			
Loan income	\$ 25,784,120	-	-
Investment income	114,873	800,320	120,364
Total operating revenues	<u>25,898,993</u>	<u>800,320</u>	<u>120,364</u>
Operating expenses:			
Interest on bonds	697,496	-	18,897,707
Amortization of bond issuance expense	284,471	-	-
Other	2,054	61,658	437
Total operating expenses	<u>984,021</u>	<u>61,658</u>	<u>18,898,144</u>
Operating Income (Loss)	<u>24,914,972</u>	<u>738,662</u>	<u>(18,777,780)</u>
Nonoperating other revenues (expenses)	-	-	-
Income (Loss) before transfers	<u>24,914,972</u>	<u>738,662</u>	<u>(18,777,780)</u>
Transfers in (out), net	<u>(21,619,774)</u>	<u>(1,900,388)</u>	<u>18,819,523</u>
Change in net assets	3,295,198	(1,161,726)	41,743
Net assets at beginning of year	<u>13,486,850</u>	<u>20,524,444</u>	<u>(1,495,330)</u>
Net assets at end of year	<u>\$ 16,782,048</u>	<u>19,362,718</u>	<u>(1,453,587)</u>

Trusteed Fund
Pure Water Refunding Fund

Debt Service Reserve	Surplus	Other Projects	Rebate	Fund Total
-	-	170,234	-	25,954,354
1,559,078	810,397	303,093	109,673	3,817,798
<u>1,559,078</u>	<u>810,397</u>	<u>473,327</u>	<u>109,673</u>	<u>29,772,152</u>
-	-	-	-	19,595,203
-	-	-	-	284,471
2,619	4,853	3,358	2	74,981
<u>2,619</u>	<u>4,853</u>	<u>3,358</u>	<u>2</u>	<u>19,954,655</u>
<u>1,556,459</u>	<u>805,544</u>	<u>469,969</u>	<u>109,671</u>	<u>9,817,497</u>
-	-	911,799	-	911,799
<u>1,556,459</u>	<u>805,544</u>	<u>1,381,768</u>	<u>109,671</u>	<u>10,729,296</u>
<u>(1,101,952)</u>	<u>(3,577,022)</u>	<u>4,390,891</u>	<u>-</u>	<u>(4,988,722)</u>
454,507	(2,771,478)	5,772,659	109,671	5,740,574
<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><u>23,354,396</u></u>	<u><u>12,423,693</u></u>	<u><u>14,629,386</u></u>	<u><u>2,940,778</u></u>	<u><u>88,039,432</u></u>

OHIO WATER DEVELOPMENT AUTHORITY
PURE WATER REFUNDING FUND

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2001

	Trusteed Fund	
	Pure Water Refunding Fund	
	Construction	Revenue
Operating activities:		
Operating expenses	\$ (2,054)	(61,658)
Net cash provided (used) by operating activities	(2,054)	(61,658)
Investing activities:		
Proceeds from maturity or sale of investments	12,352	105,201,413
Purchase of investments	(143,664)	(103,406,088)
Interest received on investments, net of purchased interest	123,743	1,014,942
Interest received on projects	-	25,735,374
Principal collected on projects	9,623	21,989,416
Payment for construction of projects	-	-
Net cash provided (used) by investing activities	2,054	50,535,057
Noncapital financing activities:		
Interest paid on bonds, net of purchased interest	-	-
Redemption of bonds	-	-
Other	-	-
Transfers to/from other funds	-	(49,625,178)
Net cash provided (used) by noncapital financing activities	-	(49,625,178)
Net increase (decrease) in cash and cash equivalents	-	848,221
Cash and cash equivalents at beginning of year	1	2,906,770
Cash and cash equivalents at end of year	\$ 1	3,754,991
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income (Loss)	24,914,972	738,662
Adjustments:		
Investment income	(114,873)	(800,320)
Interest on bonds	697,496	-
Loan income	(25,784,120)	-
Amortization of bond issuance cost	284,471	-
Net cash provided (used) by operating activities	\$ (2,054)	(61,658)

Trusteed Fund
Pure Water Refunding Fund

Debt Service	Debt Service Reserve	Surplus	Other Projects	Rebate	Fund Total
(437)	(2,619)	(4,853)	(3,358)	(2)	(74,981)
(437)	(2,619)	(4,853)	(3,358)	(2)	(74,981)
92,896,007	4,675,591	45,541,693	2,743,349	147,524,011	398,594,416
(92,818,926)	(5,131,612)	(42,853,300)	(7,608,907)	(147,640,590)	(399,603,087)
121,188	1,560,591	893,482	318,929	116,580	4,149,455
-	-	-	76,700	-	25,812,074
-	-	-	735,619	-	22,734,658
-	-	-	(1,169,282)	-	(1,169,282)
198,269	1,104,570	3,581,875	(4,903,592)	1	50,518,234
(19,017,355)	-	-	-	-	(19,017,355)
(26,105,000)	-	-	-	-	(26,105,000)
-	-	-	911,798	-	911,798
44,924,523	(1,101,951)	(3,577,022)	3,853,325	-	(5,526,303)
(197,832)	(1,101,951)	(3,577,022)	4,765,123	-	(49,736,860)
-	-	-	(141,827)	(1)	706,393
-	-	-	141,827	1	3,048,599
-	-	-	-	-	3,754,992
(18,777,780)	1,556,459	805,544	469,969	109,671	9,817,497
(120,364)	(1,559,078)	(810,397)	(303,093)	(109,673)	(3,817,798)
18,897,707	-	-	-	-	19,595,203
-	-	-	(170,234)	-	(25,954,354)
-	-	-	-	-	284,471
(437)	(2,619)	(4,853)	(3,358)	(2)	(74,981)

Trusteed Fund
Water Pollution Control Loan Account

Principal Repayments	Interest Repayments	Other Projects	Surplus	Administration Repayments	Account Total
4,421,894	3,100,814	1,346	-	176,468	7,751,166
8,752,665	53,446,390	119,669,888	239,771	7,348,004	198,848,005
-	-	59,888,754	-	-	1,337,200,984
13,174,559	56,547,204	179,559,988	239,771	7,524,472	1,543,800,155
140,989	42,071	-	-	255	183,315
-	-	-	-	-	-
13,315,548	56,589,275	179,559,988	239,771	7,524,727	1,543,983,470
-	-	-	-	-	-
-	-	1	-	-	183,315
-	-	8,703,669	-	-	32,025,832
-	-	-	-	-	-
-	-	-	-	-	-
-	-	8,703,670	-	-	32,209,147
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	8,703,670	-	-	32,209,147
13,315,548	56,589,275	170,856,318	239,771	7,524,727	1,511,774,323
-	-	-	-	-	-
13,315,548	56,589,275	170,856,318	239,771	7,524,727	1,511,774,323
13,315,548	56,589,275	179,559,988	239,771	7,524,727	1,543,983,470

(Continued)

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

Schedule of Combining Balance Sheets, Continued

December 31, 2001

	Trusted Fund			
	State Match Bond Proceeds Series 1991 Account			
<u>Assets</u>	Net Bond Proceeds	Debt Service	Debt Service Reserve	Account Total
Noncurrent assets:				
Restricted bond and note covenant assets:				
Cash and cash equivalents	\$ -	-	-	-
Investments	3,121,641	20,787	2,309,126	5,451,554
Loan receivables	-	-	-	-
Total restricted assets	3,121,641	20,787	2,309,126	5,451,554
Due to other funds	-	-	-	-
Deferred bond and note issuance expense	37,083	-	-	37,083
Total noncurrent assets	\$ 3,158,724	20,787	2,309,126	5,488,637
<u>Liabilities and Net Assets</u>				
Current liabilities payable from restricted assets:				
Accrued interest	-	10,457	-	10,457
Due to other funds	-	-	-	-
Accounts payable	-	-	-	-
Water Pollution Control Loan Fund Revenue Bonds and Notes:				
State Match Series 1991 - 2001	2,195,718	-	-	2,195,718
Water Quality Series 1995 - 2001	-	-	-	-
Total current liabilities payable from restricted assets	2,195,718	10,457	-	2,206,175
Noncurrent liabilities:				
Water Pollution Control Loan Fund Revenue Bonds and Notes:				
State Match Series 1991 - 2001, net of discounts, premiums and deferred loss	-	-	-	-
Water Quality Series 1995 - 2001, net of discounts and premiums	-	-	-	-
Total noncurrent liabilities	-	-	-	-
Total liabilities	2,195,718	10,457	-	2,206,175
Net assets:				
Restricted for debt and grant covenants	963,006	10,330	2,309,126	3,282,462
Unrestricted	-	-	-	-
Total net assets	963,006	10,330	2,309,126	3,282,462
Total liabilities and net assets	\$ 3,158,724	20,787	2,309,126	5,488,637

Trusteed Fund

State Match Bond Proceeds Series 1993 Account

Net Bond Proceeds	Debt Service	Debt Service Reserve	Account Total
-	-	-	-
3,794,846	33,545	3,007,322	6,835,713
-	-	-	-
<u>3,794,846</u>	<u>33,545</u>	<u>3,007,322</u>	<u>6,835,713</u>
-	-	-	-
194,587	-	-	194,587
<u>3,989,433</u>	<u>33,545</u>	<u>3,007,322</u>	<u>7,030,300</u>
-	38,746	-	38,746
-	-	-	-
-	-	-	-
3,470,000	-	-	3,470,000
-	-	-	-
<u>3,470,000</u>	<u>38,746</u>	<u>-</u>	<u>3,508,746</u>
6,518,645	-	-	6,518,645
-	-	-	-
<u>6,518,645</u>	<u>-</u>	<u>-</u>	<u>6,518,645</u>
<u>9,988,645</u>	<u>38,746</u>	<u>-</u>	<u>10,027,391</u>
(5,999,212)	(5,201)	3,007,322	(2,997,091)
-	-	-	-
<u>(5,999,212)</u>	<u>(5,201)</u>	<u>3,007,322</u>	<u>(2,997,091)</u>
<u>3,989,433</u>	<u>33,545</u>	<u>3,007,322</u>	<u>7,030,300</u>

(Continued)

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

Schedule of Combining Balance Sheets, Continued

December 31, 2001

	Trusteed Fund				
	State Match Bond Proceeds Series 1995 Account				
	Net Bond Proceeds	Debt Service	Debt Service Reserve	Rebate	Account Total
<u>Assets</u>					
Noncurrent assets:					
Restricted bond and note covenant assets:					
Cash and cash equivalents	\$ -	-	-	-	-
Investments	1,725,893	62,604	5,198,470	63,694	7,050,661
Loan receivables	-	-	-	-	-
Total restricted assets	<u>1,725,893</u>	<u>62,604</u>	<u>5,198,470</u>	<u>63,694</u>	<u>7,050,661</u>
Due to other funds	-	-	-	-	-
Deferred bond and note issuance expense	467,344	-	-	-	467,344
Total noncurrent assets	<u>\$ 2,193,237</u>	<u>62,604</u>	<u>5,198,470</u>	<u>63,694</u>	<u>7,518,005</u>
<u>Liabilities and Net Assets</u>					
Current liabilities payable from restricted assets:					
Accrued interest	-	162,421	-	-	162,421
Due to other funds	-	-	-	-	-
Accounts payable	-	-	-	216,414	216,414
Water Pollution Control Loan Fund Revenue Bonds and Notes:					
State Match Series 1991 - 2001	6,090,000	-	-	-	6,090,000
Water Quality Series 1995 - 2001	-	-	-	-	-
Total current liabilities payable from restricted assets	<u>6,090,000</u>	<u>162,421</u>	<u>-</u>	<u>216,414</u>	<u>6,468,835</u>
Noncurrent liabilities:					
Water Pollution Control Loan Fund Revenue Bonds and Notes:					
State Match Series 1991 - 2001, net of discounts, premiums and deferred loss	27,892,481	-	-	-	27,892,481
Water Quality Series 1995 - 2001, net of discounts and premiums	-	-	-	-	-
Total noncurrent liabilities	<u>27,892,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,892,481</u>
Total liabilities	<u>33,982,481</u>	<u>162,421</u>	<u>-</u>	<u>216,414</u>	<u>34,361,316</u>
Net assets:					
Restricted for debt and grant covenants	(31,789,244)	(99,817)	5,198,470	(152,720)	(26,843,311)
Unrestricted	-	-	-	-	-
Total net assets	<u>(31,789,244)</u>	<u>(99,817)</u>	<u>5,198,470</u>	<u>(152,720)</u>	<u>(26,843,311)</u>
Total liabilities and net assets	<u>\$ 2,193,237</u>	<u>62,604</u>	<u>5,198,470</u>	<u>63,694</u>	<u>7,518,005</u>

Trusteed Fund

State Match Bond Proceeds Series 2000 Account

Net Bond Proceeds	Debt Service	Debt Service Reserve	Cost of Issuance	Rebate	Account Total
-	-	-	-	-	-
42,082,342	60,024	4,083,745	41,664	-	46,267,775
-	-	-	-	-	-
<u>42,082,342</u>	<u>60,024</u>	<u>4,083,745</u>	<u>41,664</u>	<u>-</u>	<u>46,267,775</u>
-	-	-	-	-	-
623,263	-	-	-	-	623,263
<u>42,705,605</u>	<u>60,024</u>	<u>4,083,745</u>	<u>41,664</u>	<u>-</u>	<u>46,891,038</u>
-	335,240	-	-	-	335,240
-	-	-	-	-	-
-	-	-	-	1,124,801	1,124,801
7,580,000	-	-	-	-	7,580,000
-	-	-	-	-	-
<u>7,580,000</u>	<u>335,240</u>	<u>-</u>	<u>-</u>	<u>1,124,801</u>	<u>9,040,041</u>
67,621,366	-	-	-	-	67,621,366
-	-	-	-	-	-
<u>67,621,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,621,366</u>
<u>75,201,366</u>	<u>335,240</u>	<u>-</u>	<u>-</u>	<u>1,124,801</u>	<u>76,661,407</u>
(32,495,761)	(275,216)	4,083,745	41,664	(1,124,801)	(29,770,369)
-	-	-	-	-	-
<u>(32,495,761)</u>	<u>(275,216)</u>	<u>4,083,745</u>	<u>41,664</u>	<u>(1,124,801)</u>	<u>(29,770,369)</u>
<u>42,705,605</u>	<u>60,024</u>	<u>4,083,745</u>	<u>41,664</u>	<u>-</u>	<u>46,891,038</u>

(Continued)

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

Schedule of Combining Balance Sheets, Continued

December 31, 2001

	Trusteed Fund		
	State Match Refunding Series 2001	Account	Cost
	Net Bond Proceeds	Debt Service	of Issuance
<u>Assets</u>			
Noncurrent assets:			
Restricted bond and note covenant assets:			
Cash and cash equivalents	\$ -	-	-
Investments	-	-	80,509
Loan receivables	-	-	-
Total restricted assets	-	-	80,509
Due to other funds	-	-	-
Deferred bond and note issuance expense	461,498	-	-
Total noncurrent assets	\$ 461,498	-	80,509
<u>Liabilities and Net Assets</u>			
Current liabilities payable from restricted assets:			
Accrued interest	-	374,469	-
Due to other funds	-	-	18,000
Accounts payable	-	-	60,891
Water Pollution Control Loan Fund Revenue Bonds and Notes:			
State Match Series 1991 - 2001	-	-	-
Water Quality Series 1995 - 2001	-	-	-
Total current liabilities payable from restricted assets	-	374,469	78,891
Noncurrent liabilities:			
Water Pollution Control Loan Fund Revenue Bonds and Notes:			
State Match Series 1991 - 2001, net of discounts, premiums and deferred loss	52,377,040	-	-
Water Quality Series 1995 - 2001, net of discounts and premiums	-	-	-
Total noncurrent liabilities	52,377,040	-	-
Total liabilities	52,377,040	374,469	78,891
Net assets:			
Restricted for debt and grant covenants	(51,915,542)	(374,469)	1,618
Unrestricted	-	-	-
Total net assets	(51,915,542)	(374,469)	1,618
Total liabilities and net assets	\$ 461,498	-	80,509

Trusted Fund
State Match Refunding Series 2001 Account

Account
Total

-

80,509

-

80,509

-

461,498

542,007

374,469

18,000

60,891

-

-

453,360

52,377,040

-

52,377,040

52,830,400

(52,288,393)

-

(52,288,393)

542,007

(Continued)

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

Schedule of Combining Balance Sheets, Continued

December 31, 2001

	Trusteed Fund		
	Water Quality Bond Proceeds	Series 1995 Account	Debt Service Reserve
<u>Assets</u>	Net Bond Proceeds	Debt Service	Debt Service Reserve
Noncurrent assets:			
Restricted bond and note covenant assets:			
Cash and cash equivalents	\$ -	112,000	-
Investments	8,042,472	25,646	12,193,421
Loan receivables	-	-	-
Total restricted assets	8,042,472	137,646	12,193,421
Due to other funds	-	-	-
Deferred bond and note issuance expense	1,796,144	-	-
Total noncurrent assets	\$ 9,838,616	137,646	12,193,421
<u>Liabilities and Net Assets</u>			
Current liabilities payable from restricted assets:			
Accrued interest	-	880,937	-
Due to other funds	-	-	-
Accounts payable	-	-	-
Water Pollution Control Loan Fund Revenue Bonds and Notes:			
State Match Series 1991 - 2001	-	-	-
Water Quality Series 1995 - 2001	6,625,000	-	-
Total current liabilities payable from restricted assets	6,625,000	880,937	-
Noncurrent liabilities:			
Water Pollution Control Loan Fund Revenue Bonds and Notes:			
State Match Series 1991 - 2001, net of discounts, premiums and deferred loss	-	-	-
Water Quality Series 1995 - 2001, net of discounts and premiums	187,151,986	-	-
Total noncurrent liabilities	187,151,986	-	-
Total liabilities	193,776,986	880,937	-
Net assets:			
Restricted for debt and grant covenants	(183,938,370)	(743,291)	12,193,421
Unrestricted	-	-	-
Total net assets	(183,938,370)	(743,291)	12,193,421
Total liabilities and net assets	\$ 9,838,616	137,646	12,193,421

Trusteed Fund		
Water Quality Bond Proceeds Series 1995 Account		
Rebate	Cost of Issuance	Account Total
-	-	112,000
238,433	5,979	20,505,951
-	-	-
<u>238,433</u>	<u>5,979</u>	<u>20,617,951</u>
-	-	-
-	-	1,796,144
<u>238,433</u>	<u>5,979</u>	<u>22,414,095</u>
-	-	880,937
-	-	-
199,965	-	199,965
-	-	-
-	-	6,625,000
<u>199,965</u>	<u>-</u>	<u>7,705,902</u>
-	-	-
-	-	187,151,986
-	-	187,151,986
<u>199,965</u>	<u>-</u>	<u>194,857,888</u>
38,468	5,979	(172,443,793)
-	-	-
<u>38,468</u>	<u>5,979</u>	<u>(172,443,793)</u>
<u>238,433</u>	<u>5,979</u>	<u>22,414,095</u>

(Continued)

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

Schedule of Combining Balance Sheets, Continued

December 31, 2001

	Trusteed Fund		
<u>Assets</u>	Water Quality Bond Proceeds	Series 1997 Account	Debt Service Reserve
<u>Net</u>	<u>Bond</u>	<u>Debt</u>	<u>Service</u>
<u>Proceeds</u>	<u>Service</u>	<u>Reserve</u>	<u>Reserve</u>
Noncurrent assets:			
Restricted bond and note covenant assets:			
Cash and cash equivalents	\$ 1	103,000	1
Investments	67,046,942	4,901	10,241,109
Loan receivables	-	-	-
Total restricted assets	67,046,943	107,901	10,241,110
Due to other funds	-	-	-
Deferred bond and note issuance expense	1,869,488	-	-
Total noncurrent assets	\$ 68,916,431	107,901	10,241,110
<u>Liabilities and Net Assets</u>			
Current liabilities payable from restricted assets:			
Accrued interest	-	850,562	-
Due to other funds	-	-	-
Accounts payable	-	-	-
Water Pollution Control Loan Fund Revenue Bonds and Notes:			
State Match Series 1991 - 2001	-	-	-
Water Quality Series 1995 - 2001	4,475,000	-	-
Total current liabilities payable from restricted assets	4,475,000	850,562	-
Noncurrent liabilities:			
Water Pollution Control Loan Fund Revenue Bonds and Notes:			
State Match Series 1991 - 2001, net of discounts, premiums and deferred loss	-	-	-
Water Quality Series 1995 - 2001, net of discounts and premiums	194,245,046	-	-
Total noncurrent liabilities	194,245,046	-	-
Total liabilities	198,720,046	850,562	-
Net assets:			
Restricted for debt and grant covenants	(129,803,615)	(742,661)	10,241,110
Unrestricted	-	-	-
Total net assets	(129,803,615)	(742,661)	10,241,110
Total liabilities and net assets	\$ 68,916,431	107,901	10,241,110

Trusteed Fund

<u>Water Quality Bond Proceeds Series 1997 Account</u>		
<u>Cost of Issuance</u>	<u>Rebate</u>	<u>Account Total</u>
-	-	103,002
94,472	3,460,229	80,847,653
<u>-</u>	<u>-</u>	<u>-</u>
94,472	3,460,229	80,950,655
-	-	-
<u>-</u>	<u>-</u>	<u>1,869,488</u>
<u>94,472</u>	<u>3,460,229</u>	<u>82,820,143</u>
-	-	850,562
-	-	-
-	2,843,687	2,843,687
-	-	-
<u>-</u>	<u>-</u>	<u>4,475,000</u>
-	2,843,687	8,169,249
-	-	-
<u>-</u>	<u>-</u>	<u>194,245,046</u>
-	-	194,245,046
<u>-</u>	<u>2,843,687</u>	<u>202,414,295</u>
94,472	616,542	(119,594,152)
<u>-</u>	<u>-</u>	<u>-</u>
<u>94,472</u>	<u>616,542</u>	<u>(119,594,152)</u>
<u>94,472</u>	<u>3,460,229</u>	<u>82,820,143</u>

(Continued)

Trusteed Fund
Water Quality Series 2001 Account

<u>Account</u> <u>Total</u>	<u>Fund</u> <u>Total</u>
(1)	7,966,167
83,575,835	449,463,656
-	<u>1,337,200,984</u>
<u>83,575,834</u>	<u>1,794,630,807</u>
-	183,315
215,592	5,664,999
<u>83,791,426</u>	<u>1,800,479,121</u>
69,500	2,722,332
-	201,315
95,758	36,567,348
-	19,335,718
<u>83,630,866</u>	<u>94,730,866</u>
83,796,124	153,557,579
-	154,409,532
-	381,397,032
-	<u>535,806,564</u>
<u>83,796,124</u>	<u>689,364,143</u>
(4,698)	1,111,114,978
-	-
<u>(4,698)</u>	<u>1,111,114,978</u>
<u>83,791,426</u>	<u>1,800,479,121</u>

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

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets

Year ended December 31, 2001

	Trusteed Fund		
	Water Pollution Control Loan Account		
	State Match	Capitalization Grant	Water Quality
Operating revenues:			
Loan income	\$ 7,633,753	27,837,440	12,909,014
Investment income	118,683	164,943	-
Total operating revenues	<u>7,752,436</u>	<u>28,002,383</u>	<u>12,909,014</u>
Operating expenses:			
Interest on bonds and notes	-	-	-
Amortization of bond and note issuance expense	-	-	-
Other	8,847	459,971	269,532
Total operating expenses	<u>8,847</u>	<u>459,971</u>	<u>269,532</u>
Operating Income (Loss)	<u>7,743,589</u>	<u>27,542,412</u>	<u>12,639,482</u>
Nonoperating other revenues (expenses)	-	-	-
Income (Loss) before contributions and transfers	<u>7,743,589</u>	<u>27,542,412</u>	<u>12,639,482</u>
Contribution from U.S. EPA	-	80,011,423	-
Transfers in (out), net	25,521,319	(51,771,897)	27,907,952
Change in net assets	<u>33,264,908</u>	<u>55,781,938</u>	<u>40,547,434</u>
Net assets at beginning of year	<u>165,941,477</u>	<u>658,492,917</u>	<u>309,220,010</u>
Net assets at end of year	<u>\$ 199,206,385</u>	<u>714,274,855</u>	<u>349,767,444</u>

Trusteed Fund
Water Pollution Control Loan Account

Principal Repayments	Interest Repayments	Other Projects	Surplus	Administration Repayments	Account Total
-	-	1,267,197	-	-	49,647,404
137,730	1,757,768	3,562,050	898,009	283,596	6,922,779
137,730	1,757,768	4,829,247	898,009	283,596	56,570,183
-	-	-	-	-	-
-	-	-	-	-	-
15,535	7,833	3,471	1,722	3,875,434	4,642,345
15,535	7,833	3,471	1,722	3,875,434	4,642,345
122,195	1,749,935	4,825,776	896,287	(3,591,838)	51,927,838
-	-	-	-	-	-
122,195	1,749,935	4,825,776	896,287	(3,591,838)	51,927,838
-	-	-	-	1,600,000	81,611,423
(1,680,305)	7,447,108	86,483,707	(60,076,624)	1,793,418	35,624,678
(1,558,110)	9,197,043	91,309,483	(59,180,337)	(198,420)	169,163,939
14,873,658	47,392,232	79,546,835	59,420,108	7,723,147	1,342,610,384
13,315,548	56,589,275	170,856,318	239,771	7,524,727	1,511,774,323

(Continued)

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

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets, Continued

Year ended December 31, 2001

	Trusteed Fund			
	State Match Bond Proceeds Series 1991 Account			
	Net Bond Proceeds	Debt Service	Debt Service Reserve	Account Total
Operating revenues:				
Loan income	\$ -	-	-	-
Investment income	114,208	52,227	121,478	287,913
Total operating revenues	<u>114,208</u>	<u>52,227</u>	<u>121,478</u>	<u>287,913</u>
Operating expenses:				
Interest on bonds and notes	22,755	817,831	-	840,586
Amortization of bond and note issuance expense	30,584	-	-	30,584
Other	-	-	-	-
Total operating expenses	<u>53,339</u>	<u>817,831</u>	<u>-</u>	<u>871,170</u>
Operating Income (Loss)	<u>60,869</u>	<u>(765,604)</u>	<u>121,478</u>	<u>(583,257)</u>
Nonoperating other revenues (expenses)	-	-	-	-
Income (Loss) before contributions and transfers	<u>60,869</u>	<u>(765,604)</u>	<u>121,478</u>	<u>(583,257)</u>
Contribution from U.S. EPA	-	-	-	-
Transfers in (out), net	13,558,766	811,911	(135,426)	14,235,251
Change in net assets	<u>13,619,635</u>	<u>46,307</u>	<u>(13,948)</u>	<u>13,651,994</u>
Net assets at beginning of year	<u>(12,656,629)</u>	<u>(35,977)</u>	<u>2,323,074</u>	<u>(10,369,532)</u>
Net assets at end of year	<u>\$ 963,006</u>	<u>10,330</u>	<u>2,309,126</u>	<u>3,282,462</u>

Trusteed Fund

State Match Bond Proceeds Series 1993 Account			
Net Bond Proceeds	Debt Service	Debt Service Reserve	Account Total
-	-	-	-
160,693	83,705	156,272	400,670
160,693	83,705	156,272	400,670
16,724	1,372,485	-	1,389,209
53,990	-	-	53,990
-	-	-	-
70,714	1,372,485	-	1,443,199
89,979	(1,288,780)	156,272	(1,042,529)
-	-	-	-
89,979	(1,288,780)	156,272	(1,042,529)
-	-	-	-
21,281,608	1,340,943	(157,604)	22,464,947
21,371,587	52,163	(1,332)	21,422,418
(27,370,799)	(57,364)	3,008,654	(24,419,509)
(5,999,212)	(5,201)	3,007,322	(2,997,091)

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN FUND

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets, Continued

Year ended December 31, 2001

	Trusteed Fund				
	State Match Bond Proceeds Series 1995 Account				
	Net Bond Proceeds	Debt Service	Debt Service Reserve	Rebate	Account Total
Operating revenues:					
Loan income	\$ -	-	-	-	-
Investment income	63,416	159,816	318,512	1,928	543,672
Total operating revenues	<u>63,416</u>	<u>159,816</u>	<u>318,512</u>	<u>1,928</u>	<u>543,672</u>
Operating expenses:					
Interest on bonds and notes	-	3,091,391	-	-	3,091,391
Amortization of bond and note issuance expense	72,272	-	-	-	72,272
Other	-	-	-	-	-
Total operating expenses	<u>72,272</u>	<u>3,091,391</u>	<u>-</u>	<u>-</u>	<u>3,163,663</u>
Operating Income (Loss)	<u>(8,856)</u>	<u>(2,931,575)</u>	<u>318,512</u>	<u>1,928</u>	<u>(2,619,991)</u>
Nonoperating other revenues (expenses)	-	-	-	(154,470)	(154,470)
Income (Loss) before contributions and transfers	<u>(8,856)</u>	<u>(2,931,575)</u>	<u>318,512</u>	<u>(152,542)</u>	<u>(2,774,461)</u>
Contribution from U.S. EPA	-	-	-	-	-
Transfers in (out), net	29,342,197	3,002,089	(319,541)	24,089	32,048,834
Change in net assets	<u>29,333,341</u>	<u>70,514</u>	<u>(1,029)</u>	<u>(128,453)</u>	<u>29,274,373</u>
Net assets at beginning 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>
Net assets at end of year	<u>\$ (31,789,244)</u>	<u>(99,817)</u>	<u>5,198,470</u>	<u>(152,720)</u>	<u>(26,843,311)</u>

Trusteed Fund

State Match Bond Proceeds Series 2000 Account					
Net Bond Proceeds	Debt Service	Debt Service Reserve	Cost of Issuance	Rebate	Account Total
-	-	-	-	-	-
3,858,788	123,117	353,247	1,492	-	4,336,644
<u>3,858,788</u>	<u>123,117</u>	<u>353,247</u>	<u>1,492</u>	<u>-</u>	<u>4,336,644</u>
-	3,850,822	-	-	-	3,850,822
31,163	-	-	-	-	31,163
35,842	-	-	1,765	-	37,607
<u>67,005</u>	<u>3,850,822</u>	<u>-</u>	<u>1,765</u>	<u>-</u>	<u>3,919,592</u>
<u>3,791,783</u>	<u>(3,727,705)</u>	<u>353,247</u>	<u>(273)</u>	<u>-</u>	<u>417,052</u>
-	-	-	-	(1,124,801)	(1,124,801)
<u>3,791,783</u>	<u>(3,727,705)</u>	<u>353,247</u>	<u>(273)</u>	<u>(1,124,801)</u>	<u>(707,749)</u>
-	-	-	-	-	-
<u>(33,806,464)</u>	<u>3,742,352</u>	<u>(391,205)</u>	<u>-</u>	<u>-</u>	<u>(30,455,317)</u>
<u>(30,014,681)</u>	<u>14,647</u>	<u>(37,958)</u>	<u>(273)</u>	<u>(1,124,801)</u>	<u>(31,163,066)</u>
<u>(2,481,080)</u>	<u>(289,863)</u>	<u>4,121,703</u>	<u>41,937</u>	<u>-</u>	<u>1,392,697</u>
<u><u>(32,495,761)</u></u>	<u><u>(275,216)</u></u>	<u><u>4,083,745</u></u>	<u><u>41,664</u></u>	<u><u>(1,124,801)</u></u>	<u><u>(29,770,369)</u></u>

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN FUND

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets, Continued

Year ended December 31, 2001

	Trusteed Fund		
	State Match Refunding Series 2001	Account	Account
	Net Bond Proceeds	Debt Service	Cost of Issuance
Operating revenues:			
Loan income	\$ -	-	-
Investment income	-	-	424
Total operating revenues	-	-	424
Operating expenses:			
Interest on bonds and notes	-	374,469	-
Amortization of bond and note issuance expense	-	-	-
Other	-	-	-
Total operating expenses	-	374,469	-
Operating Income (Loss)	-	(374,469)	424
Nonoperating other revenues (expenses)	-	-	-
Income (Loss) before contributions and transfers	-	(374,469)	424
Contribution from U.S. EPA	-	-	-
Transfers in (out), net	(51,915,542)	-	1,194
Change in net assets	(51,915,542)	(374,469)	1,618
Net assets at beginning of year	-	-	-
Net assets at end of year	\$ (51,915,542)	(374,469)	1,618

Trusteed Fund
State Match Refunding Series 2001 Account

Account Total
-
424
<u>424</u>
374,469
-
-
<u>374,469</u>
<u>(374,045)</u>
-
<u>(374,045)</u>
-
<u>(51,914,348)</u>
<u>(52,288,393)</u>
-
<u><u>(52,288,393)</u></u>

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN FUND

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets, Continued

Year ended December 31, 2001

	Trusteed Fund		
	Water Quality Bond Proceeds Series 1995 Account		
	Net Bond Proceeds	Debt Service	Debt Service Reserve
Operating revenues:			
Loan income	\$ -	-	-
Investment income	427,516	297,355	679,452
Total operating revenues	<u>427,516</u>	<u>297,355</u>	<u>679,452</u>
Operating expenses:			
Interest on bonds and notes	-	10,409,145	-
Amortization of bond and note issuance expense	128,296	-	-
Other	370	167	1,279
Total operating expenses	<u>128,666</u>	<u>10,409,312</u>	<u>1,279</u>
Operating Income (Loss)	<u>298,850</u>	<u>(10,111,957)</u>	<u>678,173</u>
Nonoperating other revenues (expenses)	-	-	-
Income (Loss) before contributions and transfers	<u>298,850</u>	<u>(10,111,957)</u>	<u>678,173</u>
Contribution from U.S. EPA	-	-	-
Transfers in (out), net	954,298	10,087,499	(695,979)
Change in net assets	1,253,148	(24,458)	(17,806)
Net assets at beginning of year	<u>(185,191,518)</u>	<u>(718,833)</u>	<u>12,211,227</u>
Net assets at end of year	<u>\$ (183,938,370)</u>	<u>(743,291)</u>	<u>12,193,421</u>

Trusteed Fund		
Water Quality Bond Proceeds Series 1995 Account		
Rebate	Cost of Issuance	Account Total
-	-	-
6,283	216	1,410,822
6,283	216	1,410,822
-	-	10,409,145
-	-	128,296
645	21	2,482
645	21	10,539,923
5,638	195	(9,129,101)
33,119	-	33,119
38,757	195	(9,095,982)
-	-	-
168,143	-	10,513,961
206,900	195	1,417,979
(168,432)	5,784	(173,861,772)
38,468	5,979	(172,443,793)

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN FUND

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets, Continued

Year ended December 31, 2001

	Trusteed Fund		
	Water Quality Bond Proceeds Series 1997 Account		
	Net Bond Proceeds	Debt Service	Debt Service Reserve
Operating revenues:			
Loan income	\$ -	-	-
Investment income	3,808,676	245,084	584,231
Total operating revenues	<u>3,808,676</u>	<u>245,084</u>	<u>584,231</u>
Operating expenses:			
Interest on bonds and notes	-	10,146,712	-
Amortization of bond and note issuance expense	106,828	-	-
Other	439	145	1,093
Total operating expenses	<u>107,267</u>	<u>10,146,857</u>	<u>1,093</u>
Operating Income (Loss)	<u>3,701,409</u>	<u>(9,901,773)</u>	<u>583,138</u>
Nonoperating other revenues (expenses)	-	-	-
Income (Loss) before contributions and transfers	<u>3,701,409</u>	<u>(9,901,773)</u>	<u>583,138</u>
Contribution from U.S. EPA	-	-	-
Transfers in (out), net	(43,193,171)	9,863,097	(591,340)
Change in net assets	<u>(39,491,762)</u>	<u>(38,676)</u>	<u>(8,202)</u>
Net assets at beginning of year	<u>(90,311,853)</u>	<u>(703,985)</u>	<u>10,249,312</u>
Net assets at end of year	<u>\$ (129,803,615)</u>	<u>(742,661)</u>	<u>10,241,110</u>

Trusteed Fund		
Water Quality Bond Proceeds Series 1997 Account		
Cost of Issuance	Rebate	Account Total
-	-	-
3,837	95,561	4,737,389
<u>3,837</u>	<u>95,561</u>	<u>4,737,389</u>
-	-	10,146,712
-	-	106,828
24,821	9,759	36,257
<u>24,821</u>	<u>9,759</u>	<u>10,289,797</u>
<u>(20,984)</u>	<u>85,802</u>	<u>(5,552,408)</u>
-	536,354	536,354
<u>(20,984)</u>	<u>622,156</u>	<u>(5,016,054)</u>
-	-	-
-	2,124,780	(31,796,634)
<u>(20,984)</u>	<u>2,746,936</u>	<u>(36,812,688)</u>
<u>115,456</u>	<u>(2,130,394)</u>	<u>(82,781,464)</u>
<u><u>94,472</u></u>	<u><u>616,542</u></u>	<u><u>(119,594,152)</u></u>

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN FUND

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets, Continued

Year ended December 31, 2001

	Trusteed Fund		
	Water Quality Note Proceeds	Series 2001 Account	Debt Service Reserve
	Net Note Proceeds	Debt Service	Debt Service Reserve
Operating revenues:			
Loan income	\$ -	-	-
Investment income	60,062	-	2,564
Total operating revenues	<u>60,062</u>	<u>-</u>	<u>2,564</u>
Operating expenses:			
Interest on bonds and notes	-	37,656	-
Amortization of bond and note issuance expense	29,737	-	-
Other	-	-	-
Total operating expenses	<u>29,737</u>	<u>37,656</u>	<u>-</u>
Operating Income (Loss)	<u>30,325</u>	<u>(37,656)</u>	<u>2,564</u>
Nonoperating other revenues (expenses)	-	-	-
Income (Loss) before contributions and transfers	<u>30,325</u>	<u>(37,656)</u>	<u>2,564</u>
Contribution from U.S. EPA	-	-	-
Transfers in (out), net	<u>(3,383,693)</u>	<u>(31,844)</u>	<u>3,415,537</u>
Change in net assets	<u>(3,353,368)</u>	<u>(69,500)</u>	<u>3,418,101</u>
Net assets at beginning of year	-	-	-
Net assets at end of year	<u>\$ (3,353,368)</u>	<u>(69,500)</u>	<u>3,418,101</u>

Trusteed Fund		
Water Quality Series 2001 Account		
Cost of Issuance	Account Total	Fund Total
-	-	49,647,404
69	62,695	18,703,008
69	62,695	68,350,412
-	37,656	30,139,990
-	29,737	452,870
-	-	4,718,691
-	67,393	35,311,551
69	(4,698)	33,038,861
-	-	(709,798)
69	(4,698)	32,329,063
-	-	81,611,423
-	-	721,372
69	(4,698)	114,661,858
-	-	996,453,120
69	(4,698)	1,111,114,978

OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN FUND

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2001

	Trusteed Fund		
	Water Pollution Control Loan Account		
	State Match	Capitalization Grant	Water Quality
Operating activities:			
Operating expenses	\$ (8,847)	(8,133)	-
Net cash provided (used) by operating activities	(8,847)	(8,133)	-
Investing activities:			
Proceeds from maturity or sale of investments	95,507,309	218,961,993	-
Purchase of investments	(95,631,810)	(219,260,301)	-
Interest received on investments, net of purchased interest	133,348	173,752	-
Interest received on projects	-	-	-
Principal collected on projects	-	-	-
Payment for construction of projects	(38,059,634)	(80,011,403)	(49,817,208)
Net cash provided (used) by investing activities	(38,050,787)	(80,135,959)	(49,817,208)
Noncapital financing activities:			
Interest paid on bonds and notes, net of purchased interest	-	-	-
Proceeds of bonds and notes	-	-	-
Bond and note issuance expense	-	-	-
Redemption of bonds and notes	-	-	-
Contribution from U.S. EPA	-	80,011,423	-
Other	-	132,669	50,644
Transfers to/from other funds	38,059,634	-	49,817,208
Net cash provided (used) by noncapital financing activities	38,059,634	80,144,092	49,867,852
Net increase (decrease) in cash and cash equivalents	-	-	50,644
Cash and cash equivalents at beginning of year	-	-	-
Cash and cash equivalents at end of year	\$ -	-	50,644
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income (Loss)	7,743,589	27,542,412	12,639,482
Adjustments:			
Investment income	(118,683)	(164,943)	-
Operating expenses	-	451,838	269,532
Interest on bonds and notes	-	-	-
Loan income	(7,633,753)	(27,837,440)	(12,909,014)
Amortization of bond and note issuance cost	-	-	-
Net cash provided (used) by operating activities	\$ (8,847)	(8,133)	-

Trusteed Fund					
Water Pollution Control Loan Account					
Principal Repayments	Interest Repayments	Other Projects	Surplus	Administration Repayments	Account Total
(15,535)	(7,833)	(3,466)	(1,722)	(3,875,434)	(3,920,970)
<u>(15,535)</u>	<u>(7,833)</u>	<u>(3,466)</u>	<u>(1,722)</u>	<u>(3,875,434)</u>	<u>(3,920,970)</u>
70,088,548	1,797,596,983	3,850,068,889	1,101,625,957	16,440,144	7,150,289,823
(69,548,396)	(1,808,823,438)	(3,919,437,793)	(1,042,625,941)	(16,355,344)	(7,171,683,023)
159,860	1,857,067	3,567,983	1,078,329	312,414	7,282,753
-	35,095,330	921,588	-	1,803,313	37,820,231
49,153,793	-	1,284,578	-	-	50,438,371
-	-	(22,970,394)	-	-	(190,858,639)
<u>49,853,805</u>	<u>25,725,942</u>	<u>(86,565,149)</u>	<u>60,078,345</u>	<u>2,200,527</u>	<u>(116,710,484)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,600,000	81,611,423
-	-	-	-	-	183,313
<u>(51,018,101)</u>	<u>(27,677,167)</u>	<u>86,500,000</u>	<u>(60,076,623)</u>	<u>19,736</u>	<u>35,624,687</u>
<u>(51,018,101)</u>	<u>(27,677,167)</u>	<u>86,500,000</u>	<u>(60,076,623)</u>	<u>1,619,736</u>	<u>117,419,423</u>
(1,179,831)	(1,959,058)	(68,615)	-	(55,171)	(3,212,031)
5,601,725	5,059,872	69,961	-	231,639	10,963,197
<u>4,421,894</u>	<u>3,100,814</u>	<u>1,346</u>	<u>-</u>	<u>176,468</u>	<u>7,751,166</u>
122,195	1,749,935	4,825,776	896,287	(3,591,838)	51,927,838
(137,730)	(1,757,768)	(3,562,050)	(898,009)	(283,596)	(6,922,779)
-	-	5	-	-	721,375
-	-	-	-	-	-
-	-	(1,267,197)	-	-	(49,647,404)
-	-	-	-	-	-
<u>(15,535)</u>	<u>(7,833)</u>	<u>(3,466)</u>	<u>(1,722)</u>	<u>(3,875,434)</u>	<u>(3,920,970)</u>

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN FUND

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2001

	Trusteed Fund			
	State Match Bond Proceeds Series 1991 Account			
	Net Bond Proceeds	Debt Service	Debt Service Reserve	Account Total
Operating activities:				
Operating expenses	\$ -	-	-	-
Net cash provided (used) by operating activities	-	-	-	-
Investing activities:				
Proceeds from maturity or sale of investments	159,904,397	7,420,097	4,676,908	172,001,402
Purchase of investments	(160,021,041)	(7,398,906)	(4,677,028)	(172,096,975)
Interest received on investments, net of purchased interest	118,844	52,284	135,548	306,676
Interest received on projects	-	-	-	-
Principal collected on projects	-	-	-	-
Payment for construction of projects	-	-	-	-
Net cash provided (used) by investing activities	2,200	73,475	135,428	211,103
Noncapital financing activities:				
Interest paid on bonds and notes, net of purchased interest	-	(885,385)	-	(885,385)
Proceeds of bonds and notes	-	-	-	-
Bond and note issuance expense	-	-	-	-
Redemption of bonds and notes	-	(14,050,000)	-	(14,050,000)
Contribution from U.S. EPA	-	-	-	-
Other	-	-	-	-
Transfers to/from other funds	(2,200)	14,861,910	(135,428)	14,724,282
Net cash provided (used) by noncapital financing activities	(2,200)	(73,475)	(135,428)	(211,103)
Net increase (decrease) in cash and cash equivalents	-	-	-	-
Cash and cash equivalents at beginning of year	-	-	-	-
Cash and cash equivalents at end of year	\$ -	-	-	-
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income (Loss)	60,869	(765,604)	121,478	(583,257)
Adjustments:				
Investment income	(114,208)	(52,227)	(121,478)	(287,913)
Operating expenses	-	-	-	-
Interest on bonds and notes	22,755	817,831	-	840,586
Loan income	-	-	-	-
Amortization of bond and note issuance cost	30,584	-	-	30,584
Net cash provided (used) by operating activities	\$ -	-	-	-

Trusteed Fund

State Match Bond Proceeds Series 1993 Account			
Net Bond Proceeds	Debt Service	Debt Service Reserve	Account Total
-	-	-	-
-	-	-	-
269,507	11,953,043	157,604	12,380,154
(178,592)	(11,920,116)	(156,282)	(12,254,990)
174,781	83,785	156,281	414,847
-	-	-	-
-	-	-	-
-	-	-	-
265,696	116,712	157,603	540,011
-	(1,457,654)	-	(1,457,654)
-	-	-	-
-	-	-	-
-	(22,030,000)	-	(22,030,000)
-	-	-	-
-	-	-	-
(265,696)	23,370,942	(157,603)	22,947,643
(265,696)	(116,712)	(157,603)	(540,011)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
89,979	(1,288,780)	156,272	(1,042,529)
(160,693)	(83,705)	(156,272)	(400,670)
-	-	-	-
16,724	1,372,485	-	1,389,209
-	-	-	-
53,990	-	-	53,990
-	-	-	-

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN FUND

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2001

	Trusteed Fund				
	State Match Bond Proceeds Series 1995 Account				
	Net Bond Proceeds	Debt Service	Debt Service Reserve	Rebate	Account Total
Operating activities:					
Operating expenses	\$ -	-	-	-	-
Net cash provided (used) by operating activities	-	-	-	-	-
Investing activities:					
Proceeds from maturity or sale of investments	88,655,822	23,038,224	319,541	62,692	112,076,279
Purchase of investments	(88,697,751)	(22,974,376)	(318,517)	(88,810)	(112,079,454)
Interest received on investments, net of purchased interest	66,018	159,943	318,516	2,029	546,506
Interest received on projects	-	-	-	-	-
Principal collected on projects	-	-	-	-	-
Payment for construction of projects	-	-	-	-	-
Net cash provided (used) by investing activities	24,089	223,791	319,540	(24,089)	543,331
Noncapital financing activities:					
Interest paid on bonds and notes, net of purchased interest	-	(3,399,361)	-	-	(3,399,361)
Proceeds of bonds and notes	-	-	-	-	-
Bond and note issuance expense	-	-	-	-	-
Redemption of bonds and notes	-	(29,695,000)	-	-	(29,695,000)
Contribution from U.S. EPA	-	-	-	-	-
Other	-	-	-	-	-
Transfers to/from other funds	(24,089)	32,870,570	(319,540)	24,089	32,551,030
Net cash provided (used) by noncapital financing activities	(24,089)	(223,791)	(319,540)	24,089	(543,331)
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at beginning of year	-	-	-	-	-
Cash and cash equivalents at end of year	\$ -	-	-	-	-
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income (Loss)	(8,856)	(2,931,575)	318,512	1,928	(2,619,991)
Adjustments:					
Investment income	(63,416)	(159,816)	(318,512)	(1,928)	(543,672)
Operating expenses	-	-	-	-	-
Interest on bonds and notes	-	3,091,391	-	-	3,091,391
Loan income	-	-	-	-	-
Amortization of bond and note issuance cost	72,272	-	-	-	72,272
Net cash provided (used) by operating activities	\$ -	-	-	-	-

Trusteed Fund				
State Match Bond Proceeds Series 2000 Account				
Net Bond Proceeds	Debt Service	Debt Service Reserve	Cost of Issuance	Account Total
(35,842)	-	-	(1,765)	(37,607)
(35,842)	-	-	(1,765)	(37,607)
748,047,711	19,402,990	391,205	43,694	767,885,600
(714,305,444)	(19,400,614)	(229,509)	(43,585)	(733,979,152)
4,085,312	122,893	229,509	1,656	4,439,370
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
37,827,579	125,269	391,205	1,765	38,345,818
-	(4,187,894)	-	-	(4,187,894)
-	-	-	-	-
-	-	-	-	-
-	(3,665,000)	-	-	(3,665,000)
-	-	-	-	-
-	-	-	-	-
(37,791,737)	7,727,625	(391,205)	-	(30,455,317)
(37,791,737)	(125,269)	(391,205)	-	(38,308,211)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,791,783	(3,727,705)	353,247	(273)	417,052
(3,858,788)	(123,117)	(353,247)	(1,492)	(4,336,644)
-	-	-	-	-
-	3,850,822	-	-	3,850,822
-	-	-	-	-
31,163	-	-	-	31,163
(35,842)	-	-	(1,765)	(37,607)

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN FUND

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2001

	Trusteed Fund		
	State Match Bond Proceeds Series 2001 Account		
	Net Bond Proceeds	Debt Service	Cost of Issuance
Operating activities:			
Operating expenses	\$ -	-	-
Net cash provided (used) by operating activities	-	-	-
Investing activities:			
Proceeds from maturity or sale of investments	-	-	96,109
Purchase of investments	-	-	(176,411)
Interest received on investments, net of purchased interest	-	-	218
Interest received on projects	-	-	-
Principal collected on projects	-	-	-
Payment for construction of projects	-	-	-
Net cash provided (used) by investing activities	-	-	(80,084)
Noncapital financing activities:			
Interest paid on bonds and notes, net of purchased interest	-	-	-
Proceeds of bonds and notes	56,223,709	-	462,691
Bond and note issuance expense	-	-	(382,607)
Redemption of bonds and notes	-	-	-
Contribution from U.S. EPA	-	-	-
Other	(2,835,435)	-	-
Transfers to/from other funds	(53,388,274)	-	-
Net cash provided (used) by noncapital financing activities	-	-	80,084
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents at beginning of year	-	-	-
Cash and cash equivalents at end of year	\$ -	-	-
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income (Loss)	-	(374,469)	424
Adjustments:			
Investment income	-	-	(424)
Operating expenses	-	-	-
Interest on bonds and notes	-	374,469	-
Loan income	-	-	-
Amortization of bond and note issuance cost	-	-	-
Net cash provided (used) by operating activities	\$ -	-	-

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

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2001

	Trusteed Fund		
	Water Quality Bond Proceeds Series 1995 Account		
	Net Bond Proceeds	Debt Service	Debt Service Reserve
Operating activities:			
Operating expenses	\$ (370)	(167)	(1,279)
Net cash provided (used) by operating activities	(370)	(167)	(1,279)
Investing activities:			
Proceeds from maturity or sale of investments	5,127,703	62,424,515	360,384
Purchase of investments	(577,131)	(62,252,724)	(343,763)
Interest received on investments, net of purchased interest	465,574	282,702	680,636
Interest received on projects	-	-	-
Principal collected on projects	-	-	-
Payment for construction of projects	-	-	-
Net cash provided (used) by investing activities	5,016,146	454,493	697,257
Noncapital financing activities:			
Interest paid on bonds and notes, net of purchased interest	-	(10,759,900)	-
Proceeds of bonds and notes	-	-	-
Bond and note issuance expense	-	-	-
Redemption of bonds and notes	-	(5,640,000)	-
Contribution from U.S. EPA	-	-	-
Other	-	-	-
Transfers to/from other funds	(5,015,777)	16,057,574	(695,979)
Net cash provided (used) by noncapital financing activities	(5,015,777)	(342,326)	(695,979)
Net increase (decrease) in cash and cash equivalents	(1)	112,000	(1)
Cash and cash equivalents at beginning of year	1	-	1
Cash and cash equivalents at end of year	\$ -	112,000	-
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income (Loss)	298,850	(10,111,957)	678,173
Adjustments:			
Investment income	(427,516)	(297,355)	(679,452)
Operating expenses	-	-	-
Interest on bonds and notes	-	10,409,145	-
Loan income	-	-	-
Amortization of bond and note issuance cost	128,296	-	-
Net cash provided (used) by operating activities	\$ (370)	(167)	(1,279)

Trusteed Fund		
Water Quality Bond Proceeds Series 1995 Account		
Rebate	Cost of Issuance	Account Total
(645)	(21)	(2,482)
(645)	(21)	(2,482)
-	-	67,912,602
(173,745)	(214)	(63,347,577)
6,247	235	1,435,394
-	-	-
-	-	-
-	-	-
(167,498)	21	6,000,419
-	-	(10,759,900)
-	-	-
-	-	-
-	-	(5,640,000)
-	-	-
-	-	-
168,143	-	10,513,961
168,143	-	(5,885,939)
-	-	111,998
-	-	2
-	-	112,000
5,638	195	(9,129,101)
(6,283)	(216)	(1,410,822)
-	-	-
-	-	10,409,145
-	-	-
-	-	128,296
(645)	(21)	(2,482)

(Continued)

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

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2001

	Trusteed Fund		
	Water Quality Bond Proceeds Series 1997 Account		
	Net Bond Proceeds	Debt Service	Debt Service Reserve
Operating activities:			
Operating expenses	\$ (439)	(145)	(1,093)
Net cash provided (used) by operating activities	(439)	(145)	(1,093)
Investing activities:			
Proceeds from maturity or sale of investments	599,234,630	53,536,396	301,681
Purchase of investments	(556,446,114)	(53,376,720)	(294,463)
Interest received on investments, net of purchased interest	4,306,277	242,563	585,216
Interest received on projects	-	-	-
Principal collected on projects	-	-	-
Payment for construction of projects	-	-	-
Net cash provided (used) by investing activities	47,094,793	402,239	592,434
Noncapital financing activities:			
Interest paid on bonds and notes, net of purchased interest	-	(10,348,375)	-
Proceeds of bonds and notes	-	-	-
Bond and note issuance expense	-	-	-
Redemption of bonds and notes	-	(3,715,000)	-
Contribution from U.S. EPA	-	-	-
Other	-	-	-
Transfers to/from other funds	(47,094,354)	13,764,280	(591,340)
Net cash provided (used) by noncapital financing activities	(47,094,354)	(299,095)	(591,340)
Net increase (decrease) in cash and cash equivalents	-	102,999	1
Cash and cash equivalents at beginning of year	1	1	-
Cash and cash equivalents at end of year	\$ 1	103,000	1
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income (Loss)	3,701,409	(9,901,773)	583,138
Adjustments:			
Investment income	(3,808,676)	(245,084)	(584,231)
Operating expenses	-	-	-
Interest on bonds and notes	-	10,146,712	-
Loan income	-	-	-
Amortization of bond and note issuance cost	106,828	-	-
Net cash provided (used) by operating activities	\$ (439)	(145)	(1,093)

Trusteed Fund		
Water Quality Bond Proceeds Series 1997 Account		
Cost of Issuance	Rebate	Account Total
(24,821)	(9,759)	(36,257)
(24,821)	(9,759)	(36,257)
23,077	-	653,095,784
(2,515)	(2,211,573)	(612,331,385)
4,258	96,551	5,234,865
-	-	-
-	-	-
-	-	-
24,820	(2,115,022)	45,999,264
-	-	(10,348,375)
-	-	-
-	-	-
-	-	(3,715,000)
-	-	-
-	-	-
-	2,124,780	(31,796,634)
-	2,124,780	(45,860,009)
(1)	(1)	102,998
1	1	4
-	-	103,002
(20,984)	85,802	(5,552,408)
(3,837)	(95,561)	(4,737,389)
-	-	-
-	-	10,146,712
-	-	-
-	-	106,828
(24,821)	(9,759)	(36,257)

(Continued)

OHIO WATER DEVELOPMENT AUTHORITY
WATER POLLUTION CONTROL LOAN FUND

Schedule of Combining Statements of Cash Flows, Continued

Year ended December 31, 2001

	Trusteed Fund		
	Water Quality Note Proceeds Series 2001 Account		
	Net Note Proceeds	Debt Service	Debt Service Reserve
Operating activities:			
Operating expenses	\$ -	-	-
Net cash provided (used) by operating activities	-	-	-
Investing activities:			
Proceeds from maturity or sale of investments	80,001,844	-	3,415,536
Purchase of investments	(160,007,289)	-	(6,831,227)
Interest received on investments, net of purchased interest	3,601	-	155
Interest received on projects	-	-	-
Principal collected on projects	-	-	-
Payment for construction of projects	-	-	-
Net cash provided (used) by investing activities	(80,001,844)	-	(3,415,536)
Noncapital financing activities:			
Interest paid on bonds and notes, net of purchased interest	-	-	-
Proceeds of bonds and notes	80,001,844	-	3,415,536
Bond and note issuance expense	-	-	-
Redemption of bonds and notes	-	-	-
Contribution from U.S. EPA	-	-	-
Other	-	-	-
Transfers to/from other funds	-	-	-
Net cash provided (used) by noncapital financing activities	80,001,844	-	3,415,536
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents at beginning of year	-	-	-
Cash and cash equivalents at end of year	\$ -	-	-
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income (Loss)	30,325	(37,656)	2,564
Adjustments:			
Investment income	(60,062)	-	(2,564)
Operating expenses	-	-	-
Interest on bonds and notes	-	37,656	-
Loan income	-	-	-
Amortization of bond and note issuance cost	29,737	-	-
Net cash provided (used) by operating activities	\$ -	-	-

Trusteed Fund		
Water Quality Note Proceeds Series 2001 Account		
Cost of Issuance	Account Total	Fund Total
-	-	(3,997,316)
-	-	(3,997,316)
-	83,417,380	9,019,155,133
(95,760)	(166,934,276)	(9,044,883,243)
-	3,756	19,664,385
-	-	37,820,231
-	-	50,438,371
-	-	(190,858,639)
(95,760)	(83,513,140)	(108,663,762)
-	-	(31,038,569)
245,328	83,662,708	140,349,108
(149,569)	(149,569)	(532,176)
-	-	(78,795,000)
-	-	81,611,423
-	-	(2,652,122)
-	-	721,378
95,759	83,513,139	109,664,042
(1)	(1)	(2,997,036)
-	-	10,963,203
(1)	(1)	7,966,167
69	(4,698)	33,038,861
(69)	(62,695)	(18,703,008)
-	-	721,375
-	37,656	30,139,990
-	-	(49,647,404)
-	29,737	452,870
-	-	(3,997,316)

OHIO WATER DEVELOPMENT AUTHORITY
DRINKING WATER ASSISTANCE FUND

Schedule of Combining Balance Sheets

December 31, 2001

<u>Assets</u>	Trusteed Fund			
	Drinking Water Assistance Account			
	Revolving Loan	State Match	Principal Repayments	Interest Repayments
Noncurrent assets:				
Restricted note covenant assets:				
Cash and cash equivalents	\$ -	-	187,021	244,572
Investments	28,400	2,197,548	2,443,525	1,926,026
Loan receivables	68,388,174	12,134,734	-	-
Total restricted assets	68,416,574	14,332,282	2,630,546	2,170,598
Due to other funds	100	-	23,505	4,251
Deferred note issuance expense	-	-	-	-
Total noncurrent assets	\$ 68,416,674	14,332,282	2,654,051	2,174,849
<u>Liabilities and Net Assets</u>				
Current liabilities payable from restricted assets:				
Accrued interest	-	-	-	-
Due to other funds	-	27,856	-	-
Accounts payable	2,151,566	92,208	-	-
Total current liabilities payable from restricted assets	2,151,566	120,064	-	-
Noncurrent liabilities:				
Drinking Water Assistance Revenue Notes:				
State Match Series 2001	-	-	-	-
Total noncurrent liabilities	-	-	-	-
Total liabilities	2,151,566	120,064	-	-
Net assets:				
Restricted for debt and grant covenants	66,265,108	14,212,218	2,654,051	2,174,849
Unrestricted	-	-	-	-
Total net assets	66,265,108	14,212,218	2,654,051	2,174,849
Total liabilities and net assets	\$ 68,416,674	14,332,282	2,654,051	2,174,849

Trusteed Fund				Trusteed Fund		
Drinking Water Assistance Account				State Match Note Proceeds 2001 Account		
Source Water Protection	Small Systems Technical Assistance	Administrative Fee	Account Total	Net Note Proceeds		Fund Total
-	-	-	431,593	-		431,593
612,825	454	1,511,977	8,720,755	10,925,136		19,645,891
-	-	720	80,523,628	4,821,281		85,344,909
612,825	454	1,512,697	89,675,976	15,746,417		105,422,393
-	-	3,446	31,302	18,000		49,302
-	-	-	-	27,061		27,061
612,825	454	1,516,143	89,707,278	15,791,478		105,498,756
-	-	-	-	46,250		46,250
-	-	-	27,856	-		27,856
-	-	-	2,243,774	322,731		2,566,505
-	-	-	2,271,630	368,981		2,640,611
-	-	-	-	15,000,000		15,000,000
-	-	-	-	15,000,000		15,000,000
-	-	-	2,271,630	15,368,981		17,640,611
612,825	454	1,516,143	87,435,648	422,497		87,858,145
-	-	-	-	-		-
612,825	454	1,516,143	87,435,648	422,497		87,858,145
612,825	454	1,516,143	89,707,278	15,791,478		105,498,756

OHIO WATER DEVELOPMENT AUTHORITY
DRINKING WATER ASSISTANCE FUND

Schedule of Combining Statements of Revenues,
Expenses and Changes in Fund Net Assets

Year ended December 31, 2001

	Trusteed Fund			
	Drinking Water Assistance Account			
	Revolving Loan	State Match	Principal Repayments	Interest Repayments
Operating revenues:				
Loan income	\$ 2,245,332	379,562	-	-
Investment income	789	199,691	78,836	30,449
Administrative fees from projects	-	-	-	-
Total operating revenues	<u>2,246,121</u>	<u>579,253</u>	<u>78,836</u>	<u>30,449</u>
Operating expenses:				
Interest on notes	-	-	-	-
Amortization of note issuance expense	-	-	-	-
Other	36	3,641	18,202	3,329
Total operating expenses	<u>36</u>	<u>3,641</u>	<u>18,202</u>	<u>3,329</u>
Operating Income (Loss)	<u>2,246,085</u>	<u>575,612</u>	<u>60,634</u>	<u>27,120</u>
Contribution from U.S. EPA	29,564,823	-	-	-
Transfers in (out), net	<u>(3,280,132)</u>	<u>(696,627)</u>	<u>1,366,529</u>	<u>2,147,729</u>
Change in net assets	28,530,776	(121,015)	1,427,163	2,174,849
Net assets at beginning of year	37,734,332	14,333,233	1,226,888	-
Net assets at end of year	<u>\$ 66,265,108</u>	<u>14,212,218</u>	<u>2,654,051</u>	<u>2,174,849</u>

Trusteed Fund				Trusteed Fund	
Drinking Water Assistance Account				State Match Note Proceeds 2001 Account	
Source	Small Systems	Administrative	Account	Net	Fund
Water	Technical	Fee	Total	Note	Total
Protection	Assistance			Proceeds	
-	-	-	2,624,894	60,248	2,685,142
5,836	14	49,325	364,940	448,752	813,692
-	-	561,116	561,116	-	561,116
5,836	14	610,441	3,550,950	509,000	4,059,950
-	-	-	-	508,750	508,750
-	-	-	-	13,530	13,530
2,121,019	314,436	1,069,350	3,530,013	26,723	3,556,736
2,121,019	314,436	1,069,350	3,530,013	549,003	4,079,016
(2,115,183)	(314,422)	(458,909)	20,937	(40,003)	(19,066)
2,487,100	314,437	1,150,000	33,516,360	-	33,516,360
75,000	-	(75,149)	(462,650)	462,500	(150)
446,917	15	615,942	33,074,647	422,497	33,497,144
165,908	439	900,201	54,361,001	-	54,361,001
612,825	454	1,516,143	87,435,648	422,497	87,858,145

OHIO WATER DEVELOPMENT AUTHORITY
DRINKING WATER ASSISTANCE FUND

Schedule of Combining Statements of Cash Flows

Year ended December 31, 2001

	Trusted Fund			
	Drinking Water Assistance Account			
	Revolving Loan	State Match	Principal Repayments	Interest Repayments
Operating activities:				
Administrative fees from projects	\$ -	-	-	-
Operating expenses	(36)	(3,641)	(18,202)	(3,329)
Net cash provided (used) by operating activities	(36)	(3,641)	(18,202)	(3,329)
Investing activities:				
Proceeds from maturity or sale of investments	515,630	5,422,304	5,048,021	2,561,566
Purchase of investments	(516,493)	(1,164,955)	(6,306,823)	(4,484,081)
Interest received on investments, net of purchased interest	883	230,814	80,281	26,939
Interest received on projects	-	-	649,313	1,387,826
Principal collected on projects	-	27,756	1,911,863	-
Payment for construction of projects	(29,476,542)	(4,600,543)	-	-
Net cash provided (used) by investing activities	(29,476,522)	(84,624)	1,382,655	(507,750)
Noncapital financing activities:				
Interest paid on notes	-	-	-	(462,500)
Proceeds of notes	-	-	-	-
Note issuance expense	-	-	-	-
Contribution from U.S. EPA	29,564,823	-	-	-
Other	(88,265)	88,265	3,086	(4,046)
Transfers to/from other funds	-	-	(1,222,197)	1,222,197
Net cash provided (used) by noncapital financing activities	29,476,558	88,265	(1,219,111)	755,651
Net increase (decrease) in cash and cash equivalents	-	-	145,342	244,572
Cash and cash equivalents at beginning of year	-	-	41,679	-
Cash and cash equivalents at end of year	\$ -	-	187,021	244,572
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income (Loss)	2,246,085	575,612	60,634	27,120
Adjustments:				
Investment income	(789)	(199,691)	(78,836)	(30,449)
Interest on notes	-	-	-	-
Loan income	(2,245,332)	(379,562)	-	-
Amortization of note issuance cost	-	-	-	-
Net change in other assets and other liabilities	-	-	-	-
Net cash provided (used) by operating activities	\$ (36)	(3,641)	(18,202)	(3,329)

Trusteed Fund				Trusteed Fund	
Drinking Water Assistance Account				State Match Note Proceeds 2001 Account	
Source Water Protection	Small Systems Technical Assistance	Administrative Fee	Account Total	Net Note Proceeds	Fund Total
-	-	686,488	686,488	-	686,488
(2,121,019)	(314,436)	(1,069,350)	(3,530,013)	(26,723)	(3,556,736)
(2,121,019)	(314,436)	(382,862)	(2,843,525)	(26,723)	(2,870,248)
2,424,072	1,335	2,797,454	18,770,382	149,433,850	168,204,232
(2,871,451)	(1,352)	(3,538,085)	(18,883,240)	(160,339,497)	(179,222,737)
6,298	16	50,791	396,022	429,261	825,283
-	-	-	2,037,139	-	2,037,139
-	-	-	1,939,619	-	1,939,619
-	-	-	(34,077,085)	(4,438,301)	(38,515,386)
(441,081)	(1)	(689,840)	(29,817,163)	(14,914,687)	(44,731,850)
-	-	-	(462,500)	-	(462,500)
-	-	-	-	15,000,000	15,000,000
-	-	-	-	(58,590)	(58,590)
2,487,100	314,437	1,150,000	33,516,360	-	33,516,360
-	-	(2,148)	(3,108)	-	(3,108)
75,000	-	(75,150)	(150)	-	(150)
2,562,100	314,437	1,072,702	33,050,602	14,941,410	47,992,012
-	-	-	389,914	-	389,914
-	-	-	41,679	-	41,679
-	-	-	431,593	-	431,593
(2,115,183)	(314,422)	(458,909)	20,937	(40,003)	(19,066)
(5,836)	(14)	(49,325)	(364,940)	(448,752)	(813,692)
-	-	-	-	508,750	508,750
-	-	-	(2,624,894)	(60,248)	(2,685,142)
-	-	-	-	13,530	13,530
-	-	125,372	125,372	-	125,372
(2,121,019)	(314,436)	(382,862)	(2,843,525)	(26,723)	(2,870,248)



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

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

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

We have audited the financial statements of the Ohio Water Development Authority as of and for the year ended December 31, 2001, and have issued our report thereon dated March 29, 2001, in which the Authority adopted Governmental Accounting Standards Board Statement numbers 34, 37 and 38. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Ohio Water Development Authority in a separate letter dated March 29, 2002.

Ohio Water Development Authority
Report on Compliance and on Internal Control Required by
Government Auditing Standards

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a stylized flourish at the end.

JIM PETRO
Auditor of State

March 29, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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
MAY 21, 2002**