

The seal of the Texas Water Development Board is located in the top left corner. It features a five-pointed star in the center, surrounded by a circular border with the words "TEXAS WATER DEVELOPMENT BOARD" and a decorative wreath.

Annual Financial Report

*for the fiscal year ended
August 31, 2006*



Texas Water Development Board

TEXAS WATER DEVELOPMENT BOARD

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED AUGUST 31, 2006

TEXAS WATER DEVELOPMENT BOARD

E. G. ROD PITTMAN, CHAIRMAN

JACK HUNT, VICE CHAIRMAN

**WILLIAM W. MEADOWS, MEMBER
THOMAS WEIR LABATT, III, MEMBER
DARIO VIDAL GUERRA, JR., MEMBER
JAMES E. HERRING, MEMBER**

J. KEVIN WARD, EXECUTIVE ADMINISTRATOR

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**PUBLISHED AND DISTRIBUTED BY:
THE TEXAS WATER DEVELOPMENT BOARD
P. O. BOX 13231
AUSTIN, TEXAS 78711-3231**

Special thanks to the following whose significant contributions really made a difference:

Carl Speed

Viktoriya Jensen

Letty Molina

Randy Cunningham

Jo Dawn Bomar

Karen Pryor

Isaac Galvan

Laurice Lewis

Shaun Evans

Mike Parcher



TEXAS WATER DEVELOPMENT BOARD



E. G. Rod Pittman, *Chairman*
William W. Meadows, *Member*
Dario Vidal Guerra, Jr., *Member*

J. Kevin Ward
Executive Administrator

Jack Hunt, *Vice Chairman*
Thomas Weir Labatt III, *Member*
James E. Herring, *Member*

November 20, 2006

Honorable Rick Perry, Governor
Honorable Carole Keeton Strayhorn, Texas Comptroller
John O'Brien, Deputy Director, Legislative Budget Board
John Keel, CPA, State Auditor

Lady and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas Water Development Board for the year ended August 31, 2006, in compliance with TEX. GOV'T CODE ANN §2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

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

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

Sincerely,

J. Kevin Ward
Executive Administrator

Our Mission

To provide leadership, planning, financial assistance, information, and education for the conservation and responsible development of water for Texas.

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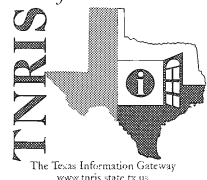


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Texas Water Development Board (580)

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General Purpose Financial Statements

Texas Water Development Board (580)
Exhibit I - Combined Balance Sheet / Statement of Net Assets – Governmental Funds

August 31, 2006

	Governmental Fund Types		
	General Funds (Exhibit A-1)	Special Revenue Funds (Exhibit B-1)	Debt Service Funds (Exhibit C-1)
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Cash on Hand	\$ 100.00	\$ -	\$ -
Cash in Bank (Note 3)	13,400.00	-	-
Cash in State Treasury	-	79,051,707.08	26,147.37
Short Term Investments (Note 3)	-	27,582,894.82	-
Legislative Appropriations	5,313,512.05	-	-
Receivables From:			
Federal	234,910.28	-	-
Interest and Dividends	-	692,898.08	-
Accounts Receivable	145,774.78	372,754.12	49.93
Due From Other Funds (Note 8)	854,472.07	12,155,769.04	-
Loans and Contracts	-	1,857,428.09	-
Total Current Assets	6,562,169.18	121,713,451.23	26,197.30
Non-Current Assets:			
Loans & Contracts	-	175,275,504.18	-
Capital Assets (Note 2):			
Depreciable			
Furniture and Equipment	-	-	-
Accumulated Depreciation	-	-	-
Vehicle, Boats, and Aircraft	-	-	-
Accumulated Depreciation	-	-	-
Other Capital Assets	-	-	-
Accumulated Depreciation	-	-	-
Total Non-Current Assets	-	175,275,504.18	-
Total Assets	\$ 6,562,169.18	\$ 296,988,955.41	\$ 26,197.30
LIABILITIES AND FUND BALANCES			
Liabilities:			
Current Liabilities:			
Payables From:			
Accounts Payable	\$ 1,138,567.00	\$ 1,944,746.72	\$ -
Payroll Payable	1,506,255.71	-	-
Other	-	-	-
Due To Other Funds (Note 8)	7,616.17	12,177,775.36	-
Due To Other Agencies (Note 8)	-	371,095.89	-
Deferred Revenues	13,725.00	-	-
General Obligation Bonds Payable (Note 5)	-	-	-
Employees Compensable Leave (Note 5)	-	-	-
Total Current Liabilities	2,666,163.88	14,493,617.97	-
Non-Current Liabilities:			
General Obligation Bonds Payable (Note 5)	-	-	-
Employees Compensable Leave (Note 5)	-	-	-
Total Non-Current Liabilities	-	-	-
Total Liabilities	2,666,163.88	14,493,617.97	-
FUND FINANCIAL STATEMENT-FUND BALANCES			
Fund Balances (Deficits):			
Reserved for:			
Encumbrances	3,385,359.03	20,171,749.00	-
Imprest	13,500.00	-	-
Debt Service	-	-	26,197.30
Loans and Contracts	-	177,132,932.27	-
Unreserved Designated for:			
Other	-	85,190,656.17	-
Undesignated	497,146.27	-	-
Total Fund Balances	3,896,005.30	282,495,337.44	26,197.30
Total Liabilities and Fund Balances	\$ 6,562,169.18	\$ 296,988,955.41	\$ 26,197.30
GOVERNMENT-WIDE STATEMENT OF NET ASSETS			
Net Assets:			
Invested in Capital Assets, net of Related Debt			
Restricted for:			
Debt Retirement			
Unrestricted			
Total Net Assets			

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

UNAUDITED

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Assets
\$ 100.00	\$ -	\$ -	\$ 100.00
13,400.00			13,400.00
79,077,854.45			79,077,854.45
27,582,894.82			27,582,894.82
5,313,512.05			5,313,512.05
234,910.28			234,910.28
692,898.08			692,898.08
518,578.83			518,578.83
13,010,241.11			13,010,241.11
1,857,428.09			1,857,428.09
128,301,817.71	-	-	128,301,817.71
175,275,504.18			175,275,504.18
	2,234,189.34		2,234,189.34
	(1,269,925.44)		(1,269,925.44)
	1,215,369.24		1,215,369.24
	(739,094.62)		(739,094.62)
	13,539,727.20		13,539,727.20
	(5,427,354.39)		(5,427,354.39)
175,275,504.18	9,552,911.33	-	184,828,415.51
\$ 303,577,321.89	\$ 9,552,911.33	\$ -	\$ 313,130,233.22
\$ 3,083,313.72	\$ -	\$ -	\$ 3,083,313.72
1,506,255.71			1,506,255.71
-		1,074,951.15	1,074,951.15
12,185,391.53			12,185,391.53
371,095.89			371,095.89
13,725.00			13,725.00
-		9,720,000.00	9,720,000.00
-		1,121,308.90	1,121,308.90
17,159,781.85	-	11,916,260.05	29,076,041.90
-		304,860,000.00	304,860,000.00
-		709,827.77	709,827.77
-		305,569,827.77	305,569,827.77
17,159,781.85	-	317,486,087.82	334,645,869.67
23,557,108.03			23,557,108.03
13,500.00			13,500.00
26,197.30			26,197.30
177,132,932.27			177,132,932.27
85,190,656.17			85,190,656.17
497,146.27			497,146.27
286,417,540.04	-	-	286,417,540.04
\$ 303,577,321.89			
	9,552,911.33		9,552,911.33
		26,197.30	26,197.30
		(317,512,285.12)	(317,512,285.12)
	\$ 9,552,911.33	\$ (317,486,087.82)	\$ (21,515,636.45)

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

Texas Water Development Board (580)
Exhibit II - Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances / Statement of Activities – Governmental Funds
For the Fiscal Year Ended August 31, 2006

	Governmental Fund Types		
	General Funds (Exhibit A-2)	Special Revenue Funds (Exhibit B-2)	Debt Service Funds (Exhibit C-2)
REVENUES			
Legislative Appropriations:			
Original Appropriations	\$ 17,805,038.37	\$ -	\$ -
Additional Appropriations	3,516,332.44	-	-
Federal Revenue	2,133,743.71	11,493,873.36	-
Federal Grant Pass-Through Revenue	7,140.62	39,938.01	-
License, Fees and Permits	187,713.06	66,337.00	-
Interest and Other Investment Income	-	11,001,936.35	34,245.27
Net Increase (Decrease) in Fair Value	-	102,937.42	-
Sales of Goods and Services	896,702.16	223,186.96	-
Other	866,985.65	3,771,147.18	-
Total Revenues	25,413,656.01	26,699,356.28	34,245.27
EXPENDITURES			
Salaries and Wages	7,944,812.65	491,366.42	-
Payroll Related Costs	2,985,225.28	78,352.80	-
Professional Fees and Services	525,092.50	643,344.65	5,190.00
Travel	193,526.38	23,744.24	-
Materials and Supplies	572,561.80	38,103.35	-
Communication and Utilities	97,218.24	3,873.29	-
Repairs and Maintenance	174,771.69	12,865.74	-
Rentals and Leases	404,350.39	32,112.69	-
Printing and Reproduction	56,433.25	1,535.25	-
Claims and Judgments	8,019.72	-	-
State Grant Pass-Through Expenditures	8,726.68	1,251,469.22	-
Intergovernmental Payments	2,757,024.86	26,361,912.75	-
Public Assistance Payments	-	2,899,338.79	-
Other Expenditures	740,431.46	43,886.15	-
Debt service:			
Principal	-	-	9,625,000.00
Interest (FFS)	-	-	16,782,818.21
Interest (GWFS)	-	-	-
Capital Outlay	1,716,542.71	15,750.00	-
Depreciation Expense	-	-	-
Total Expenditures/Expenses	18,184,737.61	31,897,655.34	26,413,008.21
Excess (Deficiency) of Revenues Over Expenditures	7,228,918.40	(5,198,299.06)	(26,378,762.94)
OTHER FINANCING SOURCES (USES)			
Bond and Note Proceeds	-	183,400.00	-
Sale of Capital Assets	15,039.00	-	-
Insurance Recoveries	100.00	-	-
Transfers In	77,948.95	51,794,941.99	26,385,662.23
Transfers Out	(3,641,097.82)	(53,756,635.25)	-
Legislative Transfers In	14,722.00	-	-
Gain (Loss) on Sale of Capital Assets	-	-	-
Total Other Financing Sources (Uses)	(3,533,287.87)	(1,778,293.26)	26,385,662.23
Net Change in Fund Balances/Net Assets	3,695,630.53	(6,976,592.32)	6,899.29
FUND FINANCIAL STATEMENT - FUND BALANCES			
Fund Balances - September 1, 2005	3,668,657.52	289,471,929.76	19,298.01
Appropriations Lapsed	(3,468,282.75)	-	-
Fund Balances, August 31, 2006	\$ 3,896,005.30	\$ 282,495,337.44	\$ 26,197.30
GOVERNMENT-WIDE STATEMENT OF NET ASSETS			
Net Assets / Change in Net Assets			
Net Assets, September 1, 2005			
Net Assets, August 31, 2006			

UNAUDITED

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
\$ 17,805,038.37	\$ -	\$ -	\$ 17,805,038.37
3,516,332.44			3,516,332.44
13,627,617.07	3,884.58		13,631,501.65
47,078.63			47,078.63
254,050.06			254,050.06
11,036,181.62		2,257,628.80	13,293,810.42
102,937.42			102,937.42
1,119,889.12			1,119,889.12
4,638,132.83			4,638,132.83
52,147,257.56	3,884.58	2,257,628.80	54,408,770.94
8,436,179.07		143,097.95	8,579,277.02
3,063,578.08			3,063,578.08
1,173,627.15		315,405.35	1,489,032.50
217,270.62			217,270.62
610,665.15			610,665.15
101,091.53			101,091.53
187,637.43			187,637.43
436,463.08			436,463.08
57,968.50			57,968.50
8,019.72			8,019.72
1,260,195.90			1,260,195.90
29,118,937.61			29,118,937.61
2,899,338.79			2,899,338.79
784,317.61			784,317.61
9,625,000.00		(9,625,000.00)	-
16,782,818.21		(16,782,818.21)	-
-		18,145,575.52	18,145,575.52
1,732,292.71	(1,732,292.71)		-
-	1,667,556.51		1,667,556.51
76,495,401.16	(64,736.20)	(7,803,739.39)	68,626,925.57
(24,348,143.60)	68,620.78	10,061,368.19	(14,218,154.63)
183,400.00		(183,400.00)	-
15,039.00	(15,039.00)		-
100.00			100.00
78,258,553.17			78,258,553.17
(57,397,733.07)			(57,397,733.07)
14,722.00			14,722.00
-	(28,695.55)		(28,695.55)
21,074,081.10	(43,734.55)	(183,400.00)	20,846,946.55
(3,274,062.50)			6,628,791.92
293,159,885.29			293,159,885.29
(3,468,282.75)			(3,468,282.75)
\$ 286,417,540.04			\$ 296,320,394.46
	24,886.23	9,877,968.19	
	9,528,025.10	(327,364,056.01)	(317,836,030.91)
	\$ 9,552,911.33	\$ (317,486,087.82)	\$ (21,515,636.45)

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

Texas Water Development Board (580)

Exhibit III - Combined Statement of Net Assets - Proprietary Funds

August 31, 2006

	Total Enterprise Funds (Exhibit F-1)	Total Proprietary Component Unit (Exhibit L-1)
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Note 3)		
Cash in State Treasury	\$ 231,709,270.80	\$ -
Short Term Investments (Note 3)	598,790,248.92	20,300,324.90
Receivables from:		
Federal	1,458,345.66	-
Interest and Dividends	33,763,923.12	851,996.41
Accounts Receivable	992,369.00	-
Interfund Receivables (Note 8)	13,725,425.01	-
Due from Other Funds	44,678,170.08	-
Loans and Contracts	113,415,991.14	4,421,485.45
Total Current Assets	1,038,533,743.73	25,573,806.76
Non-Current Assets:		
Loans and Contracts	3,014,749,875.41	31,851,527.55
Investments (Note 3)	-	18,941,400.00
Interfund Receivables (Note 8)	233,854,152.67	-
Other Non-Current Assets	625,748.65	-
Total Non-Current Assets	3,249,229,776.73	50,792,927.55
Total Assets	4,287,763,520.46	76,366,734.31
LIABILITIES		
Current Liabilities:		
Payables from:		
Accounts Payable	43,265.63	-
Interest Payable	11,605,131.66	61,998.36
Interfund Payables (Note 8)	13,725,425.01	-
Due to Other Funds	45,476,956.31	26,063.35
Due to Other Agencies	1,101,208.73	-
Deferred Revenue	36,788,539.19	-
Revenue Bonds Payable (Note 5)	38,925,000.00	5,485,000.00
General Obligation Bonds Payable (Note 5)	39,435,000.00	-
Total Current Liabilities	187,100,526.53	5,573,061.71
Non-Current Liabilities:		
Interfund Payable (Note 8)	233,854,152.67	-
Revenue Bonds Payable (Note 5)	1,195,375,000.00	15,830,000.00
General Obligation Bonds Payable (Note 5)	847,905,000.00	-
Total Non-Current Liabilities	2,277,134,152.67	15,830,000.00
Total Liabilities	2,464,234,679.20	21,403,061.71
NET ASSETS		
Unrestricted	1,823,528,841.26	54,963,672.60
Total Net Assets	\$ 1,823,528,841.26	\$ 54,963,672.60

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

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

For the Fiscal Year Ended August 31, 2006

	Total Enterprise Funds (Exhibit F-2)	Total Proprietary Component Unit (Exhibit L-2)
OPERATING REVENUES:		
Interest and Investment Income	\$ 180,027,731.67	\$ 4,813,743.70
Other Operating Revenue	3,144,485.92	-
Total Operating Revenues	183,172,217.59	4,813,743.70
OPERATING EXPENSES:		
Salaries and Wages	6,923,558.87	208,606.66
Payroll Related Costs	1,041,426.67	31,378.16
Professional Fees and Services	725,692.83	1,933.54
Travel	54,852.51	2.18
Materials and Supplies	244,903.26	968.12
Communication and Utilities	52,563.35	-
Repairs and Maintenance	77,703.93	260.00
Rentals and Leases	47,269.56	491.68
Printing and Reproduction	3,780.34	-
Interest	124,629,971.06	1,753,227.54
Other Operating Expenses	335,743.82	20,528.12
Total Operating Expenses	134,137,466.20	2,017,396.00
Operating Income (Loss)	49,034,751.39	2,796,347.70
NONOPERATING REVENUES (EXPENSES):		
Federal Revenue	72,574,798.79	-
Federal Grant Pass-Through Revenue (Expense)	(7,746,817.98)	-
Other Benefit Payments	(94,744.02)	(4,595,846.00)
Other Nonoperating Revenue (Expenses)	(4,788,986.39)	-
Total Nonoperating Revenue (Expenses)	59,944,250.40	(4,595,846.00)
Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	108,979,001.79	(1,799,498.30)
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:		
Extraordinary Items	1,130,706.35	-
Transfers In	331,893,426.39	-
Transfers Out	(330,319,775.68)	-
Total Other Revenue, Expenses, Gain/Losses and Transfers	2,704,357.06	-
Change in Net Assets	111,683,358.85	(1,799,498.30)
Total Net Assets - Beginning	1,711,845,482.41	56,763,170.90
Total Net Assets, August 31, 2006	\$ 1,823,528,841.26	\$ 54,963,672.60

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

Texas Water Development Board (580)

Exhibit V - Combined Statement of Cash Flows – Proprietary Funds

For the Fiscal Year Ended August 31, 2006

	Total Enterprise Funds (Exhibit F-3)	Total Proprietary Component Unit (Exhibit L-3)
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to Suppliers for Goods and Services	\$ (1,442,692.80)	\$ (24,065.94)
Payments to Employees for Salaries	(6,621,710.86)	(198,595.53)
Payments to Employees for Benefits	(1,000,842.31)	(30,047.01)
Payments to Employees for Other	(52,304.21)	(8.15)
Net Cash Provided by Operating Activities	(9,117,550.18)	(252,716.63)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from Debt Issuance	123,600.63	-
Proceeds from Federal Grants	75,232,357.61	-
Proceeds from State Appropriations	3,636,971.00	-
Proceeds of Transfers from Other Funds	257,194,709.22	-
Proceeds from Advances from Other Funds	32,215,000.00	-
Payments of Principal on Debt Issuance	(106,683,078.08)	(5,840,000.00)
Payments of Interest	(124,150,657.14)	(1,769,891.00)
Payments for Transfers to Other Funds	(259,257,421.91)	-
Payments for Grant Disbursements	(4,883,730.41)	(4,595,846.00)
Payment for Federal Grant Pass-Through	(10,624,895.73)	-
Payments for Advances to Other Funds	(32,215,000.00)	-
Repayments of Advances from Other Funds	(21,377,172.47)	-
Net Cash Provided by Noncapital Financing Activities	(190,789,317.28)	(12,205,737.00)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	38,558,403.90	3,144,300.00
Proceeds from Interest Income	43,856,957.20	845,581.76
Proceeds from Investment Income	138,805,884.20	4,044,453.86
Proceeds from Principal Payments on Non-program Loans	283,120,732.18	7,278,500.00
Payments for Non-program Loans Provided	(269,688,726.00)	-
Payments to Acquire Investments	(42,194,121.04)	(3,059,394.49)
Net Cash Provided by Investing Activities	192,459,130.44	12,253,441.13
Net (Decrease) in Cash and Cash Equivalents	(7,447,737.02)	(205,012.50)
Cash and Cash Equivalents--September 1, 2005	239,157,007.82	205,012.50
Cash and Cash Equivalents--August 31, 2006	\$ 231,709,270.80	\$ -

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

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

For the Fiscal Year Ended August 31, 2006

	Total Enterprise Funds (Exhibit F-3)	Total Proprietary Component Unit (Exhibit L-3)
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ 49,034,751.39	\$ 2,796,347.70
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Operating Income and Cash Flow Categories:		
Classification Differences	(58,455,243.43)	(3,060,516.16)
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	321,449.61	-
Increase (Decrease) in Payables	(166,088.36)	-
Increase (Decrease) in Due to Other Funds	147,580.61	11,451.83
Total Adjustments	(58,152,301.57)	(3,049,064.33)
Net Cash Provided by Operating Activities	\$ (9,117,550.18)	\$ (252,716.63)
Non Cash Transactions		
Net Increase (Decrease) in Fair Value of Investments	-	-

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

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Exhibit VI - Combined Statement of Net Assets - Fiduciary Funds

August 31, 2006

	Agency Funds (Exhibit J-1)	Totals
ASSETS		
Current Assets:		
Cash and Cash Equivalents:		
Cash in State Treasury	\$ 912.50	\$ 912.50
Total Current Assets	912.50	912.50
Total Assets	912.50	912.50
LIABILITIES		
Current Liabilities:		
Funds Held for Others	912.50	912.50
Total Current Liabilities	912.50	912.50
Total Liabilities	912.50	912.50
NET ASSETS		
Held in trust for:		
Individuals, Organizations, and Other Governments:		
Non-Expendable	-	-
Total Net Assets	\$ -	\$ -

Notes to the Financial Statements

Texas Water Development Board (580)

Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

Entity

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

The Board was created as an agency of the state in 1957, when the voters of the state approved an amendment adding Section 49-c to Article 3 of the Texas Constitution. The Board is primarily responsible for administering state and federally funded financing programs for water-related projects, water resource planning, data collection, and studies relative to the surface and ground water resources of Texas.

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

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

Discretely Presented Component Unit

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

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

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Fund Structure

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

Governmental Fund Types & Government-wide Adjustment Fund Types

General Fund

The General Revenue Fund is used to account for all financial resources of the state except those required to be accounted for in other funds.

Special Revenue Funds

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

Debt Service Funds

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

Capital Asset Adjustment Fund Type

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

Long-Term Liabilities Adjustment Fund Type

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

Proprietary Fund Types

Enterprise Funds

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

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

Fiduciary Fund Types

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Agency Funds

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

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Component Units

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

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

Basis of Accounting

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

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

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual method of accounting. This includes capital assets, accumulated depreciation, unpaid employee compensable leave, the unmatured debt service (principal and interest) on general long-term liabilities, and full accrual revenue and expenses. The activity will be recognized in these fund types.

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

Restricted Net Assets

When both restricted and unrestricted net assets are available for use, restricted resources are used first, then unrestricted resources are used as they are needed.

Budget and Budgetary Accounting

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

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

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Assets, Liabilities, and Fund Balances / Net Assets

ASSETS

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents, with the exception of repurchase agreements which are classified as Short-Term Investments.

Investments

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

Interest and Dividends Receivable

Accrued interest receivable on loans and contracts as of the balance sheet date is included in the proprietary funds. For the governmental funds, interest due as of the balance sheet date is only accrued if it is expected to be received within the next sixty days.

Notes / Loans and Contracts Receivable

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

Capital Assets

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

LIABILITIES

Accounts Payable

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

Payroll Payable

Government Code §659.083 requires state agencies to pay state employees on the first working day of the month following the pay period. Consequently, the reporting of payroll at August 31 is presented as Payroll Payable.

Current Payables - Other

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

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Employees' Compensable Leave Balances

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

Bonds Payable – General Obligation Bonds

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

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

Bonds Payable – Revenue Bonds

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

FUND BALANCE / NET ASSETS

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

Reservations of Fund Balance

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

Reserved for Encumbrances

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

Reserved for Debt Service

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

Reserve for Loans and Contracts

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

Unreserved/Designated

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

Unreserved/Undesignated

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

Invested In Capital Assets, Net of Related Debt

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

Restricted Net Assets

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

Unrestricted Net Assets

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

INTERFUND ACTIVITIES AND BALANCES

The agency has the following types of transactions among funds:

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

Statement of Cash Flows

Cash Flows from Investing Activities

Non-program Loans

The loans that the Board makes to entities such as cities, counties, and other political subdivisions do not meet the criteria established by GASB for inclusion as Cash Flows from Operating Activities on the Statement of Cash Flows. Only certain types of loans to individuals are includable as Cash Flows from Operating Activities. Since GASB refers to these loans generically as "program" loans, the loans made by the Board are referred to on the Statement of Cash Flows as "non-program" loans to distinguish them from loans made to individuals, and their cash flows are included as Cash Flows from Investing Activities.

Classification Differences

Although the primary operation of the Board's enterprise funds is the borrowing and lending of money for water related projects, the major components of the Operating Income or Loss on the Statement of Revenues, Expenses, and Changes in Fund Net Assets are classified on the Statement of Cash Flows as either Cash Flows from Investing

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Activities (Interest and Investment Income) or Cash Flows from Noncapital Financing Activities (Interest Expense).

NOTE 2: Capital Assets

Revenue received during Fiscal Year 2006 from the sale of surplus property originally purchased from general revenue has been reappropriated for expenditures in accordance with 79th Legislature, Regular Session, Senate Bill #1, Article IX, Sec. 8.04.

A summary of changes in Capital Assets for the year ended August 31, 2006, is presented below:

	PRIMARY GOVERNMENT				Balance 08/31/06
	Balance 09/01/05	Transfers In	Additions	Deletions	
Governmental Activities:					
Depreciable Assets:					
Furniture and Equipment	\$ 2,300,561.56	\$ 6,935.00	\$ 164,672.28	\$(237,979.50)	\$ 2,234,189.34
Vehicles, Boats & Aircraft	1,169,269.11	10,088.00	129,212.13	(93,200.00)	1,215,369.24
Other Capital Assets	12,097,434.32	-	1,442,292.88	-	13,539,727.20
Total Depreciable Assets at Historical Costs	15,567,264.99	17,023.00	1,736,177.29	(331,179.50)	16,989,285.78
Less Accumulated Depreciation for:					
Furniture and Equipment	1,198,434.31	6,935.00	258,801.08	(194,244.95)	1,269,925.44
Vehicles, Boats & Aircraft	719,346.99	10,088.00	102,859.63	(93,200.00)	739,094.62
Other Capital Assets	4,121,458.59	-	1,305,895.80	-	5,427,354.39
Total Accumulated Depreciation	6,039,239.89	17,023.00	1,667,556.51	(287,444.95)	7,436,374.45
Depreciable assets, net	9,528,025.10	-	68,620.78	(43,734.55)	9,552,911.33
Governmental Activities Capital Assets, net	\$ 9,528,025.10	\$ -	\$ 68,620.78	\$ (43,734.55)	\$ 9,552,911.33

The column Transfers In includes property received from other state agencies: a projector from the Office of the Governor and a boat from Texas Parks and Wildlife Department. These fully depreciated capital assets were transferred at their historical cost from their respective agencies.

The column Additions includes a forklift obtained through the Donation of Federal Surplus Personal Property program (CFDA 39.003 on the Schedule of Expenditures of Federal Awards). The asset is capitalized at its estimated fair value of \$10,384.58, which is 23.3% of the federal acquisition cost of \$44,569.00. The agency paid \$6,500.00 from governmental funds, and the \$3,884.58 difference between the amount paid and the capitalized value is recorded in the Capital Assets Adjustment column on Exhibit II as federal revenue.

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NOTE 3: Deposits, Investments & Repurchase Agreements
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The agency is authorized by statute to make investments, and does so in accordance with Chapter 365 of the Texas Water Development Board rules. There were no violations of legal provisions during the period.

Deposits of Cash in Bank

As of August 31, 2006, the carrying amount of deposits was \$13,400.00 as presented below.

Governmental and Business-Type Activities	
Cash in Bank - Carrying Value	\$ 13,400.00
Cash in Bank per AFR	\$ 13,400.00
<hr/>	
Governmental Funds Current Assets Cash in Bank	\$ 13,400.00
Cash in Bank per AFR	\$ 13,400.00

This amount consists of cash in local banks. This amount is included on the Combined Statement of Net Assets as part of the "Cash and Cash Equivalents" account.

As of August 31, 2006, the total bank balance was as follows:

Governmental and Business Type Activities	\$13,400.00	Fiduciary Funds	-	Discrete Component Units	-
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Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The agency has a policy requiring collateralization limited to obligations of the U.S. or U.S. government agencies held in the name of the agency. As of August 31, 2006, bank balances were not exposed to custodial credit risk.

Investments

As of August 31, 2006, the fair value of investments is as presented below.

Governmental and Business-Type Activities	Fair Value
U.S. Government Agency Obligations	\$ 27,582,894.82
Repurchase Agreement (Texas Treasury Safekeeping Trust Co)	598,790,248.92
Total	\$ 626,373,143.74
<hr/>	
Discrete Component Units	Fair Value
U.S. Treasury Securities (SLGS)	\$ 18,941,400.00
Repurchase Agreement (Texas Treasury Safekeeping Trust Co)	\$ 20,300,324.90
Total	\$ 39,241,724.90

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the agency will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The agency will only make payment for and accept delivery of securities on a delivery versus payment basis, and securities are held in the name of the agency. As of August 31, 2006, investments were not exposed to custodial credit risk.

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Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As required by the agency's investment policy, investments purchased must be rated as to investment quality by a nationally recognized investment rating firm with a minimum of an 'A' rating. Furthermore, our investment policy requires that our repurchase agreements be collateralized by obligations of the U.S. Government or U.S. Government Agencies. As of August 31, 2006, the agency's credit quality distribution of securities and repurchase agreements with credit risk exposure was as follows.

Standard & Poor's

Fund Type	GAAP Fund	Investment Type	AAA
02	0480	U.S. Government Agency Obligations	\$ 27,582,894.82
05	3050	Repurchase Agreement (Texas Treasury Safekeeping Trust Co)	\$598,790,248.92
15	3153	Repurchase Agreement (Texas Treasury Safekeeping Trust Co)	\$ 20,300,324.90

NOTE 4: Short-Term Debt

Not Applicable

NOTE 5: Summary of Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2006, the following changes occurred in liabilities:

Governmental Activities	Balance 9-1-2005	Additions	Deductions	Balance 08-31-06	Amts Due within 1 year
GO Bonds Payable	\$324,275,000.00	49,270,000.00	58,965,000.00	314,580,000.00	9,720,000.00
Compensable Leave	1,688,038.72	1,893,564.95	1,750,467.00	1,831,136.67	1,121,308.90
Total Governmental Activities	\$325,963,038.72	\$51,163,564.95	\$ 60,715,467.00	\$ 316,411,136.67	\$10,841,308.90
Business-Type Activities	Balance 9-1-2005	Additions	Deductions	Balance 08-31-06	Amts Due within 1 year
Notes and Loans Payable (Interfund)	\$238,890,975.15	\$32,215,000.00	\$23,526,397.47	\$247,579,577.68	\$13,725,425.01
GO Bonds Payable	959,000,000.00	13,175,000.00	84,835,000.00	887,340,000.00	39,435,000.00
Revenue Bonds Payable	1,268,275,000.00	-	33,975,000.00	1,234,300,000.00	38,925,000.00
Total Business-Type Activities	\$2,466,165,975.15	\$45,390,000.00	\$142,336,397.47	\$2,369,219,577.68	\$92,085,425.01
Component Unit	Balance 9-1-2005	Additions	Deductions	Balance 08-31-06	Amts Due within 1 year
Revenue Bonds Payable	\$27,155,000.00	-	\$5,840,000.00	\$21,315,000.00	\$5,485,000.00
Total Component Unit Activities	\$27,155,000.00	-	\$5,840,000.00	\$21,315,000.00	\$5,485,000.00

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Notes and Loans Payable (Interfund Payable)

Notes and Loans Payable represent advances to the Clean Water and Drinking Water State Revolving Funds for the State Match portion of these programs, as well as advances to the Rural Water Assistance Fund for loans to political subdivisions. The Debt Service requirements are as follows:

Notes Payable (Interfund Payable) Debt Service Requirements	Business-Type Activities	
	Principal	Interest
2007	\$13,725,425.01	\$12,746,226.60
2008	14,256,260.56	12,737,633.94
2009	15,295,191.75	12,009,846.52
2010	16,504,579.53	11,211,129.71
2011	17,601,017.22	10,337,448.36
2012-2016	64,318,292.59	41,071,437.55
2017-2021	53,153,190.18	26,985,031.24
2022-2026	38,937,011.76	14,258,080.42
2027-2031	7,833,459.60	7,109,068.11
2032-2036	4,338,081.85	4,995,330.13
2037-2041	1,255,660.97	3,345,810.40
2042-2045	361,406.66	1,675,694.07
Total Requirements	\$247,579,577.68	\$158,482,737.05

Claims and Judgments

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

Employees' Compensable Leave

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

NOTE 6: Capital Leases

Not Applicable

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NOTE 7: Operating Lease Obligations

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

Year Ended August 31	Total
2007	331,324.32
2008	331,171.68
2009	134,312.81
2010	90,120.00
2011	51,191.34
Total Future Minimum Lease Payments	938,120.15

NOTE 8: Interfund Balances / Activities

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

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

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of current interfund balances will occur within one year from the date of the financial statement. Individual balances and activity at August 31, 2006, follows:

Interfund Receivables and Payables – Current			
Current Portion	Interfund Receivable	Interfund Payable	Purpose
ENTERPRISE (05)			
Appd Fund 0371, D23 Fund 0371			
Appd Fund 0301, D23 Fund 3010	215,750.01		Interfund Loans
Appd Fund 9999, D23 Fund 0651	11,504,675.00		Match Bonds
Appd Fund 9999, D23 Fund 0951	2,005,000.00		Match Bonds
Appd Fund 0301, D23 Fund 3010			
Appd Fund 0371, D23 Fund 0371		215,750.01	Interfund Loans
Appd Fund 9999, D23 Fund 0651			
Appd Fund 0371, D23 Fund 0371		11,504,675.00	Match Bonds
Appd Fund 9999, D23 Fund 0951			
Appd Fund 0371, D23 Fund 0371		2,005,000.00	Match Bonds
Total Interfund Receivable/Payable	\$13,725,425.01	\$13,725,425.01	

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Interfund Receivables and Payables – Non-current			
Non-current Portion	Interfund Receivable	Interfund Payable	Purpose
ENTERPRISE (05)			
Appd Fund 0371, D23 Fund 0371			
Appd Fund 0301, D23 Fund 3010	24,523,922.67		Interfund Loans
Appd Fund 9999, D23 Fund 0651	146,765,230.00		Match Bonds
Appd Fund 9999, D23 Fund 0951	62,565,000.00		Match Bonds
Appd Fund 0301, D23 Fund 3010			
Appd Fund 0371, D23 Fund 0371		24,523,922.67	Interfund Loans
Appd Fund 9999, D23 Fund 0651			
Appd Fund 0371, D23 Fund 0371		146,765,230.00	Match Bonds
Appd Fund 9999, D23 Fund 0951			
Appd Fund 0371, D23 Fund 0371		62,565,000.00	Match Bonds
Total Interfund Receivable/Payable	\$233,854,152.67	\$233,854,152.67	

Legislative Transfers		
	Legislative TRANSFERS IN	Legislative TRANSFERS OUT
GENERAL REVENUE (01)		
Appd Fund 0001, D23 Fund 0001		
Agency 902, D23 Fund 0001	\$14,722.00	
Total Legislative Transfers	\$14,722.00	

NOTE 9: Contingent Liabilities

Rebatable Arbitrage

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

Arbitrage funds have been established within various Texas Water Development Board programs. Deposits into these funds are made according to the verification agent's final report received around January following the close of each fiscal year. The final determination of rebate requirements as established for FY 2005 was that there was no liability. For Fiscal Year 2006, a preliminary determination of rebatable arbitrage indicating no liability was provided to the Board on November 13, 2006. Any necessary increase in deposit will be made after the final determination is received.

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Outstanding Loan and Grant Commitments

At August 31, 2006, the Board had made commitments to provide political subdivisions and not-for-profit entities financing from the proceeds remaining from current bond issues, and from the proceeds of future bond issues, from the federal draw downs, or from appropriations as follows:

	For Loans	For Grants	Total
Rural Water Assistance Fund	\$17,071,000.00	-	\$17,071,000.00
Water Development Fund II	21,953,500.00	-	21,953,500.00
State Participation Fund	8,750,000.00	-	8,750,000.00
Water Development Fund (EDAP)	859,000.00	13,277,319.33	14,136,319.33
Colonia Plumbing Loan Program (CPLP)	756,267.49	145,864.30	902,131.79
Colonia Wastewater Treatment Program	-	74,295,635.70	74,295,635.70
Water Loan Assistance Fund	-	4,069,999.82	4,069,999.82
Colonia Self-Help Program	-	43,584.65	43,584.65
Water Pollution Control Revolving Fund (CWSRF)	312,125,000.00	-	312,125,000.00
Drinking Water State Revolving Fund (DWSRF)	269,643,000.00	7,853,597.73	277,496,597.73
Total Commitments	\$631,157,767.49	\$99,686,001.53	\$730,843,769.02

Pending Litigation

As of August 31, 2006, the agency was a defendant in only one case, and a final judgment has been issued in favor of the agency; however, a motion for new trial has been filed and is still pending. The maximum exposure for the agency in this case is \$280,000. An adverse ruling is reasonably possible if the plaintiff were to prevail on the motion or on a subsequent appeal.

Federal Costs

As a prime contractor with a federal granting agency, the Board is contingently liable to refund any disallowed costs to the granting agency. The amount of disallowed cost, if any, was undeterminable at August 31, 2006.

NOTE 10: Continuance Subject to Review

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

NOTE 11: Risk Financing and Related Insurance

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

The Board operates a fleet of motor vehicles and watercraft. The Board is self-insured as to its own property losses, and the liability of loss to others. The Attorney General would defend the agency and personnel against any lawsuit brought as a result of the operation of the motor

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vehicles or watercraft. The Texas Tort Claims Act's limitation of liability is relied upon to offer sufficient protection to the agency and its employees. The Board performs an annual review of the driving records of employees who drive agency vehicles. Also, Board policy prohibits employees from using Board vehicles for private purposes.

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

NOTE 12: Segment Information

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

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

NOTE 13: Bonded Indebtedness

Bonds Payable

Description of Issues

General Obligation Bonds - Description of Issues

The Board issues bonds to provide financial assistance to political subdivisions for water development, water quality enhancement, and flood control projects. The Board has 36 general obligation bond series outstanding at year end. These general obligation bonds are backed by the full faith and credit of the state of Texas. They are issued under the authority of the Texas Constitution Article 3, Sections 46-c, 49-d, 49-d-1, 49-d-2, 49-d-6, 49-d-7, 49-d-8, 49-d-9, 50-d, and the laws of the state of Texas. Bonds issued for the Economically Distressed Areas Program (EDAP) (eight tax-exempt series); for the State Participation Program (five tax-exempt series); and for the Agricultural Water Conservation Program (one taxable series), are not anticipated to be self-supporting.

Revenue Bonds - Description of Issues

In 1987, the Board received legislative authorization to issue an unlimited amount of revenue bonds to fund certain eligible projects. Currently, the Board has 9 revenue bond series

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

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

Description of Issue	Issued	Purpose of Issue	Issue Date
General Obligation Bonds – DFund I			
W Dev Bds Ser '96-A	20,000,000	Provide financial assistance for water supply purposes	4/1/1996
W Dev Bds Ser '96-B	15,000,000	Provide financial assistance for water quality enhancement purposes	4/1/1996
General Obligation Bonds – DFund II			
W Dev Bds Ser '97-A	50,000,000	Provide financial assistance for water supply, water quality enhancement, and flood control purposes, after being moved to DFund II under 49-d-8 of the Constitution	1/1/1997
W Dev Bds Ser '97-B	20,000,000	Provide financial assistance for water supply, water quality enhancement, and flood control purposes, after being moved to DFund II under 49-d-8 of the Constitution	1/1/1997
W Dev Bds Ser '97-D	75,000,000	Provide financial assistance for water supply, water quality enhancement, and flood control purposes, after being moved to DFund II under 49-d-8 of the Constitution	8/1/1997
W Fin Asst Bds Ser '98-A	42,180,000	Provide financial assistance for water assistance projects	5/28/1998

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Description of Issue	Issued	Purpose of Issue	Issue Date
W Fin Asst Bds Ser '99-A	74,735,000	Provide financial assistance for water projects and for transfers to any State Revolving Fund administered by the Board	8/1/1999
W Fin Asst & Ref Bds Ser '00	60,000,000	Refund, in advance of their maturities, certain outstanding TWDB bonds and provide financial assistance for water projects and for transfers to any State Revolving Fund administered by the Board	5/1/2000
W Fin Asst Bds Ser '00-A	75,000,000	Provide financial assistance for water assistance projects	12/1/2000
W Dev Ref Bds Ser '01-A	30,940,000	Prepay Board's obligation related to the Palmetto Bend Project	6/1/2001
W Fin Asst Bds Ser '01-B	43,725,000	Provide financial assistance for water projects and for transfers to any State Revolving Fund administered by the Board	6/1/2001
W Fin Asst Bds Ser '02-A	25,000,000	Provide financial assistance to rural political subdivisions for water and water-related projects	3/1/2002
W Fin Asst & Ref Bds Ser '02-B	98,500,000	Refund, in advance of their maturities, certain outstanding TWDB bonds and provide financial assistance for water assistance projects	4/1/2002
W Fin Asst Bds Ser '02-E	18,035,000	Provide financial assistance for any water assistance projects	8/1/2002
W Fin Asst Bds Ser '03-A	25,000,000	Provide financial assistance to rural political subdivisions for water and water-related projects	6/15/2003
W Fin Asst & Ref Bds Tax Ser '03-B	50,915,000	Refund, in advance of their maturities, certain outstanding TWDB bonds and provide financial assistance for water assistance projects	6/15/2003
W Fin Asst & Ref Bds Ser '03-C	70,330,000	Refund, in advance of their maturities, certain outstanding TWDB bonds and provide financial assistance for water assistance projects	6/15/2003
W Fin Asst Bds Ser '04-A	25,000,000	Provide financial assistance to rural political subdivisions for water and water-related projects	3/30/2004
W Fin Asst & Ref Bds Ser '04-B	71,530,000	Refund, in advance of their maturities, certain outstanding TWDB bonds and provide financial assistance for water assistance projects	5/27/2004
W Fin Asst Bds Ser '04-D	60,085,000	Provide financial assistance for water projects and for transfers to any State Revolving Fund administered by the Board	7/28/2004
W Fin Asst & Ref Bds Tax Ser '04-E	38,820,000	Refund, in advance of their maturities, certain outstanding TWDB bonds and provide financial assistance for water assistance projects	7/28/2004
W Fin Asst & Ref Bds Ser '05-A	55,675,000	Refund, in advance of their maturities, certain outstanding TWDB bonds and provide financial assistance for water assistance projects	7/14/2005

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Description of Issue	Issued	Purpose of Issue	Issue Date
W Fin Asst Bds Tax Ser '05-B	15,000,000	Provide financial assistance for water projects and for transfers to any State Revolving Fund administered by the Board	7/14/2005
W Dev Ref Bds Ser '06-A	13,175,000	Refund, in advance of their maturities, certain outstanding TWDB bonds	06/27/2006
General Obligation Bonds – AG			
Ag Water Cons Bds Tax Ser '02	16,160,000	Provide funds to the Texas State Soil and Water Conservation Board for brush control cost share projects, and the Texas Department of Agriculture for salt cedar control	8/1/2002
General Obligation Bonds – EDAP			
W Dev Bds Ser '97-E	15,000,000	Provide financial assistance to the EDAP for water supply	8/1/1997
W Dev Bds Ser '97-F	10,000,000	Provide financial assistance to the EDAP for water supply	8/1/1997
W Fin Asst & Ref Bds Ser '98-C	82,400,000	Refund, in advance of their maturities, certain outstanding TWDB Bonds (dedicated bonds for EDAP), and to fund loans and/or grants to political subdivisions in economically distressed areas of the state of Texas for water quality enhancement and water supply purposes	5/1/1998
W Fin Asst Bds Ser '99-B	24,995,000	Provide financial assistance for EDAP projects	8/1/1999
W Fin Asst Bds Ser '01-A	25,000,000	Provide financial assistance for EDAP projects	6/1/2001
W Fin Asst Bds Ser '02-C	23,980,000	Provide financial assistance for EDAP projects	8/1/2002
W Fin Asst Bds Ser '04-C	24,415,000	Provide financial assistance for EDAP projects	7/28/2004
W Dev Ref Bds Ser '05-C	49,270,000	Refund, in advance of their maturities, certain outstanding TWDB Bonds (dedicated bonds for EDAP)	1/18/2006
General Obligation Bonds – State Participation			
W Dev Bds Ser '97-C	20,000,000	Provide financial assistance for state participation projects	1/1/1997
W Fin Asst Bds Ser '99-C	50,000,000	Provide funding for state participation projects	8/1/1999
W Fin Asst Bds Ser '01-C	49,840,000	Provide funding for state participation projects	6/1/2001
W Fin Asst Bds Ser '02-D	20,000,000	Provide funding for state participation projects	8/1/2002
W Fin Asst & Ref Bds Ser '03-D	1,870,000	Refund, in advance of their maturities, certain outstanding TWDB bonds	6/15/2003
TWDB Revenue Bonds			
W Dev SRF Rev Bds Ser '96-A	200,000,000	Provide financial assistance for water quality enhancement purposes	4/1/1996
W Dev SRF Rev Bds Ser '96-B	185,000,000	Provide financial assistance for water quality enhancement purposes	12/1/1996

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Description of Issue	Issued	Purpose of Issue	Issue Date
W Dev SRF Rev Bds Ser '97-A	50,000,000	Provide financial assistance for water quality enhancement purposes	3/1/1997
W Dev SRF Rev Bds Ser '97-B	300,000,000	Provide financial assistance for water quality enhancement purposes	10/1/1997
W Dev SRF Rev Bds Ser '98-A	150,000,000	Provide financial assistance for water quality enhancement purposes	8/1/1998
W Dev SRF Rev Bds Ser '99-A	100,000,000	Provide financial assistance for water quality enhancement purposes	9/1/1999
W Dev SRF Rev Bds Ser '99-B	150,000,000	Provide financial assistance for water quality enhancement purposes	11/15/1999
W Dev SRF Rev Bds Ser '00-A	100,000,000	Provide financial assistance for water quality enhancement purposes	8/15/2000
W Dev SRF Rev Bds Ser '05	136,055,000	Refund, in advance of their maturities, certain outstanding TWDB revenue bonds	4/26/2005
TWRFA Revenue Bonds			
TWRFA Rev Ref Bds Tax Ser '99	83,015,000	Provide current refunding of TWRFA Series 1989 Revenue Bonds	5/1/1999

Authorized but Unissued

In 1985, the voters authorized \$200,000,000 for the Agricultural Water Conservation Program pursuant to Article 3, Section 50-d of the Texas Constitution. To date, \$35,160,000 in General Obligation Bonds have been issued leaving a remaining authorization available of \$164,840,000.

In 1998, the Board created the Texas Water Development Fund II pursuant to Article 3, Section 49-d-8 of the Texas Constitution by transferring all outstanding authorizations remaining in Development Fund I. The Constitutional Amendment provided for removing the restrictive use requirements and allowing authorizations to be combined as to purpose. Thus, the \$1,012,810,000 in unused remaining authority in Development Fund I in May 1998 was transferred to Development Fund II. This total authorization of \$1,012,810,000 contains \$161,565,000 dedicated to EDAP projects, \$716,253,820 dedicated to Development Fund II projects, and \$134,991,180 dedicated to State Participation projects. Additionally, \$26,523,431 of bond authorization, which had previously been used for a contingent liability for a federal contract relating to the Lavaca-Navidad River Authority, Lake Texana Project, was released and returned to the Board's authorization after the federal contract, was retired on June 26, 2001. During this fiscal year no additional new money bonds were sold and the balance of the 49-d-8 authorizations at August 31, 2006, is \$179,971,472.26.

Certain bonds issued in 1998, 2001, 2002, 2003, 2004, and 2005 were issued at a premium. The outstanding authorization is reduced by the amount of the premium.

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

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The combined remaining balance of all general obligation bond authorization as of August 31, 2006, totals \$2,179,971,472.26.

Debt Service

Proceeds of the Board's bond issuance are loaned to political subdivisions for the purposes as stated in each authorization. Political subdivision's loan portfolios owned by the Board support the Board's debt service on both general obligation and revenue bonds. The repayment terms of the political subdivision loans provide cash flows necessary to meet the debt service requirements of the Board's general obligation bonds. Texas Water Code §§ 15.606 and 17.176 establish authority for the Board to set lending rates. The procedure and methodology the Board follows when determining lending rates are outlined in 31 TAC §363.33.

In establishing lending rate scales, the Board considers the true interest cost of the money to the state including issuance costs, and the risks associated with the operation of the financial assistance program. In the event that amounts available in Development Fund II are insufficient to meet debt service requirements, funds are transferred from the state's General Revenue Fund. The calculation of the annual transfer from the General Revenue Fund is based on a comparison between the debt service requirement for the fiscal year and the assets available in the Development Fund II Interest and Sinking Fund 15 days prior to debt service payment dates.

In prior years General Revenue would also have been used to meet debt service requirements in Development Fund I, if necessary. However, in 2006 the last remaining Development Fund I bond series were refunded with excess cash remaining in Development Fund I and proceeds related to the issuance of Development Fund II refunding bonds (Series 2006-A). As of August 31, 2006, there was no debt outstanding related to Development Fund I bonds.

The Economically Distressed Areas Program and the State Participation Program are General Obligation Bond Programs and are not expected to be fully self-supporting; however the State Participation Program is anticipated to generate sufficient repayments to fully pay debt service by 2010.

In August 2002, per authorization granted by the 77th Legislature, the Board issued \$16,160,000 Agricultural Water Conservation Bonds. These bonds are entirely non-self supporting and will be retired in 2009.

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

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Total General Revenue Draws for Debt Service:

Year	DFund I	State Participation	EDAP	AG	Total
1967-1980	62,755,444.42				62,755,444.42
1992			536,964.30		536,964.30
2000		1,559,449.59	4,982,467.75		6,541,917.34
2001		2,356,397.72	7,710,332.04		10,066,729.76
2002		4,364,318.38	8,943,712.18		13,308,030.56
2003		5,442,061.86	10,951,853.09	2,643,406.04	19,037,320.99
2004		4,963,793.34	11,418,213.46	2,694,269.72	19,076,276.52
2005		4,547,335.98	12,303,995.48	2,695,729.85	19,547,061.31
2006		2,829,776.78	11,805,869.25	2,690,229.60	17,325,875.63
Total	\$62,755,444.42	\$26,063,133.65	\$68,653,407.55	\$10,723,635.21	\$168,195,620.83

Refunding Bonds

General Obligation Bonds – Refunding Bonds

In fiscal year 2006, the Board issued \$13,175,000 General Obligation Water Financial Assistance Refunding Bonds, Series 2006A. The net proceeds from the sale were used to refund the remaining Water Development Bonds, Series 1996A and Series 1996B.

The refunding debt became an obligation of Development Fund II. Since the refunding of the Series 1996A and Series 1996B bonds occurred within 90 days of the call date, the sale qualifies as a current refunding. In consideration of the new debt being assumed by Development Fund II, all remaining outstanding assets and loan balances originally funded by the Series 1996A and Series 1996B bonds were transferred to Development Fund II. The assets (loans and cash) transferred to Development Fund II totaled \$43,972,095.41. Interest of \$99,861.07 earned in Development Fund I was transferred in subsequent months.

The difference between the cash flows required to service the new debt of \$30,755,040.25 and the old debt of \$38,390,795.00, for Series 2006A resulted in a \$7,635,754.75 decrease in debt service. The present value of this decrease, or the economic gain, is \$1,593,528.45, which represents a saving of 5.764% on the amount of refunded principal.

Defeased Bonds Outstanding

General Obligation Bonds – Defeased Bonds Outstanding

During 2006 a small portion (\$350,000) of the Water Financial Assistance Refunding and Water Financial Assistance Bonds, Series 1998C were defeased with proceeds from an unexpected prepayment in the Economically Distressed Areas Program account. The transaction defeased \$175,000 of principal in 2008 and \$175,000 of principal in 2009.

In 2006, \$49,340,000 of bonds in the Economically Distressed Areas Program related to a portion of four separate series of bonds (\$9,100,000 Series 1997E, \$5,500,000 Series 1997F, \$15,165,000

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Series 1999B and \$19,575 Series 2001A) were defeased in advance of their maturity dates with proceeds related to the issuance of \$49,270,000 Water Financial Assistance Refunding Bonds, Series 2005C (Economically Distressed Areas Program). The refunded bonds will be paid on schedule with the final maturity date of August 1, 2011.

Also in 2006, the non-callable maturities (2007-2014) from the Taxable Series 2004-E within the Development Fund II program were defeased with proceeds from the sale of Canyon Lake Water Supply Corporation bonds to SJWTX Water Inc. for \$21,020,410.25. TWDB contributed \$1,548,727 from the bond payment account of Development Fund II to fund the escrow to defease the bonds. These bonds will be paid on schedule with the final maturity date of August 1, 2014.

The total amount of defeased bonds outstanding at August 31, 2006, is \$122,555,000. These bonds are listed on Schedule 2E.

NOTE 14: Subsequent Events

The Lower Valley Water District (the District) had a \$1,080,207.78 loan in the Colonia Plumbing Loan Program with a 1% interest rate. This loan provided funding for pass-through, low-interest loans to recipients in colonia areas receiving new water and wastewater improvements. Loan principal and interest received from the individual borrowers of the District were to be held in a reserve fund to be used to pay the Board loan in October, 2017. Recognizing that some of the individual loans would probably default, a provision was included in the loan agreement allowing for an annual renegotiation of the uncollectible amount and adjustment to the outstanding principal balance throughout the term of the loan. The District offered to pay off the entire balance of the loan principal and accrued interest as of September 13, 2006, rather than continue renegotiating the uncollectible amount on an annual basis. The Board determined that it would be advantageous to accept the proposed prepayment offer in the amount of \$1,064,841.15, writing off uncollectible principal of \$15,366.63 in September, 2006.

The Board agreed to mediate a case filed in September, 2006, with a possible cost to the agency of \$75,000. A final ruling on the outcome of this case, which requires approval of the Attorney General, was still pending at publication date.

NOTE 15: Related Parties

Not Applicable

NOTE 16: Stewardship, Compliance and Accountability

Not Applicable

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NOTE 17: *The Financial Reporting Entity*

Blended Component Units

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

Discrete Component Units

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

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

NOTE 18: *Restatement of Fund Balances / Net Assets*

For Fiscal Year 2006, no adjustments were necessary.

NOTE 19: *Employees Retirement Plans*

Not Applicable

NOTE 20: *Deferred Compensation*

Not Applicable

NOTE 21: *Donor Restricted Endowments*

Not Applicable

Texas Water Development Board (580)**NOTE 22: Management Discussion and Analysis**

The following events occurred in fiscal year 2006 which affected financial reporting:

- The Board issued a total of \$62,445,000 in general obligation bonds.
 - Series 2005C (\$49,270,000) was issued for the purpose of refunding, in advance of their maturities, certain outstanding Economically Distressed Areas Program (EDAP) bonds. Through this transaction, \$49,340,000 in Series 1997E, 1997F, 1999B, and 2001A were partially defeased and resulted in a net present value savings of 3.679%, or \$1,815,377.
 - Series 2006A (\$13,175,000) was issued from the Water Development Fund II (DFund II) for the purpose of refunding the remaining debt of the Water Development Fund (WDF). As the new refunding debt is an obligation of DFund II, all the remaining assets of the WDF--cash and loans receivable--were transferred to DFund II. The Series 2006A refunding bonds achieved a net present value savings of 5.764%, or \$1,593,528.
- Series 1998C in the EDAP was partially defeased with proceeds from an unanticipated prepayment. Since there were limited opportunities to recycle the prepayment in to a new loan, principal in the amount of \$350,000 in the 1998C Series was defeased.
- Between 1998 and 2006, forty-one series of outstanding bonds originally issued for WDF programs were refunded under the revised covenants of DFund II. In June, 2006, the last two remaining series of WDF bonds (Series 1996A and 1996B) were refunded using excess cash in the WDF bond payment account and proceeds from the issuance of Series 2006A. On August 1, 2006, the remaining WDF bonds were called and extinguished with escrowed monies from the refunding, and all remaining assets of cash and loans totaling \$43,972,095.41 were transferred from WDF to DFund II. As of August 31, 2006, there is no outstanding debt in WDF.
- For the federal Clean Water program, the state is required to contribute at least a 20 percent match to the federal funds. The Board satisfies the state match requirement with interfund loans to the Clean Water State Revolving Fund (CWSRF) using general obligation bond proceeds from the Water Development Fund(s). The interfund borrowing rate is calculated to ensure that CWSRF pays its proportionate share of the bond debt service.

CWSRF had two interfund loans funded by the Series 1996B bond issue that was refunded by Series 2006A. Since the yield on these interfund loans should not exceed the true interest cost of the underlying bonds, the savings on the 2006A refunding issue required a reduction of the amounts owed by CWSRF to DFund II. This adjustment would ordinarily be accomplished with a reduction of the interfund interest rate, lowering the scheduled amount of interest on the remaining payments. However, because of the significant gross savings realized by the refunding, it was necessary to not only adjust the rate on these two interfund loans to zero, but to also reduce the amount of principal required for the repayment of these loans by \$2,149,225 to achieve the required yield adjustment.

NOTE 23: Post Employment Health Care and Life Insurance Benefits

Not Applicable

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NOTE 24: Special or Extraordinary Items

In May, 2006, the Texas Water Development Board (the Board) entered into a transaction with SJWTX Water, Inc. (SJWTX), a private retail water provider, involving the sale of Canyon Lake Water Supply Corporation (the Corporation) debt held by the Board. The proposed transaction included the sale to SJWTX of four series of the Corporation's bonds, which were part of the Board's Water Development Fund II loan portfolio, and the transfer of the Board's lien on the Corporation's assets and property to SJWTX in connection with the purchase of the Corporation's assets by SJWTX.

This sale of the Corporation's Bonds to SJWTX was approved for \$21,020,410.45 which represents principal of \$19,190,000.00, interest accrued to the date of the transaction of \$699,704.10, and an additional, negotiated amount of \$1,130,706.35 to cover the lost cash flow from the transaction date to the first call date. Because this transaction was both unusual in nature and infrequent in occurrence, the \$1,130,706.35 is presented here as an extraordinary item. Based on the current taxable loan commitments and existing cash on hand in the taxable proceeds account it was determined that the proceeds should be used to defease debt.

The price for the Corporation's bonds was set using the present value rate of 4.717% through the year 2015, the call date of the bonds. By using the sales proceeds and an additional cash contribution of \$1,548,727 from the Water Development Fund II Bond Payment Account to defease the non-callable maturities with the highest yielding coupons, the Board was able to achieve a financial benefit of \$1,683,095. Overall, the transaction strengthened cash flows and increased debt service coverage for FY2007 – 2010.

NOTE 25: Disaggregation of Receivable and Payable Balances

Not Applicable

NOTE 26: Termination Benefits

Not Applicable

Individual Funds Financial Statements

UNAUDITED

Texas Water Development Board (580)

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

August 31, 2006

	General Revenue (0001)	Total (Exhibit I)
ASSETS		
Current Assets:		
Cash and Cash Equivalents:		
Cash on Hand	\$ 100.00	\$ 100.00
Cash in Bank	13,400.00	13,400.00
Legislative Appropriations	5,313,512.05	5,313,512.05
Receivables From:		
Federal	234,910.28	234,910.28
Accounts Receivable	145,774.78	145,774.78
Due From Other Funds	854,472.07	854,472.07
Total Current Assets	6,562,169.18	6,562,169.18
Total Assets	\$ 6,562,169.18	\$ 6,562,169.18
LIABILITIES AND FUND BALANCES		
Liabilities:		
Current Liabilities:		
Payables From:		
Accounts Payable	\$ 1,138,567.00	\$ 1,138,567.00
Payroll Payable	1,506,255.71	1,506,255.71
Due To Other Funds	7,616.17	7,616.17
Deferred Revenues	13,725.00	13,725.00
Total Current Liabilities	2,666,163.88	2,666,163.88
Total Liabilities	2,666,163.88	2,666,163.88
FUND FINANCIAL STATEMENT-FUND BALANCES		
Fund Balances (Deficits):		
Reserved for:		
Encumbrances	3,385,359.03	3,385,359.03
Imprest	13,500.00	13,500.00
Undesignated	497,146.27	497,146.27
Total Fund Balances	3,896,005.30	3,896,005.30
Total Liabilities and Fund Balances	\$ 6,562,169.18	\$ 6,562,169.18

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

UNAUDITED

Texas Water Development Board (580)
Exhibit A-2 - Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2006

	General Revenue (0001)	Total (Exhibit II)
REVENUES		
Legislative Appropriations:		
Original Appropriations	\$ 17,805,038.37	\$ 17,805,038.37
Additional Appropriations	3,516,332.44	3,516,332.44
Federal Revenue	2,133,743.71	2,133,743.71
Federal Grant Pass-Through Revenue	7,140.62	7,140.62
Licenses, Fees and Permits	187,713.06	187,713.06
Sales of Goods and Services	896,702.16	896,702.16
Other	866,985.65	866,985.65
Total Revenues	25,413,656.01	25,413,656.01
EXPENDITURES		
Salaries and Wages	7,944,812.65	7,944,812.65
Payroll Related Costs	2,985,225.28	2,985,225.28
Professional Fees and Services	525,092.50	525,092.50
Travel	193,526.38	193,526.38
Materials and Supplies	572,561.80	572,561.80
Communication and Utilities	97,218.24	97,218.24
Repairs and Maintenance	174,771.69	174,771.69
Rentals and Leases	404,350.39	404,350.39
Printing and Reproduction	56,433.25	56,433.25
Claims and Judgments	8,019.72	8,019.72
State Grant Pass-Through Expenditures	8,726.68	8,726.68
Intergovernmental Payments	2,757,024.86	2,757,024.86
Other Expenditures	740,431.46	740,431.46
Capital Outlay	1,716,542.71	1,716,542.71
Total Expenditures	18,184,737.61	18,184,737.61
Excess (Deficiency) of Revenues Over Expenditures	7,228,918.40	7,228,918.40
OTHER FINANCING SOURCES (USES)		
Sale of Capital Assets	15,039.00	15,039.00
Insurance Recoveries	100.00	100.00
Transfers In	77,948.95	77,948.95
Transfers Out	(3,641,097.82)	(3,641,097.82)
Legislative Transfers In	14,722.00	14,722.00
Total Other Financing Sources (Uses)	(3,533,287.87)	(3,533,287.87)
Net Change in Fund Balances	3,695,630.53	3,695,630.53
FUND FINANCIAL STATEMENT - FUND BALANCES		
Fund Balances - Beginning	3,668,657.52	3,668,657.52
Appropriations Lapsed	(3,468,282.75)	(3,468,282.75)
Fund Balances, August 31, 2006	\$ 3,896,005.30	\$ 3,896,005.30

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

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

August 31, 2006

	Economically Distressed Areas Clearance Fund (0356)	Agricultural Water Conservation Fund (0358) U/F (1358)	Groundwater District Loan Assistance Fund (0363) U/F (0363)	Texas Water Development Fund II Clearance Fund (0370) U/F (0340)
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	\$ 243,055.02	\$ 17,068,234.33	\$ 185,784.88	\$ 4,338,870.19
Short Term Investments				
Receivables From:				
Interest and Dividends		13,915.47		
Accounts Receivable	536.15	71,869.83		15,419.22
Due From Other Funds				
Loans and Contracts		465,924.35		
Total Current Assets	243,591.17	17,619,943.98	185,784.88	4,354,289.41
Non-Current Assets:				
Loans and Contracts				
		508,116.68		
Total Noncurrent Assets	-	508,116.68	-	-
Total Assets	\$ 243,591.17	\$ 18,128,060.66	\$ 185,784.88	\$ 4,354,289.41
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable	\$ -	\$ 24,636.68	\$ -	\$ -
Due To Other Funds		14,183.29		
Due To Other Agencies		302,635.59		
Total Current Liabilities	-	341,455.56	-	-
Total Liabilities	-	341,455.56	-	-
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances (Deficits):				
Reserved for:				
Encumbrances				
		9,731,372.96		
Loans and Contracts				
		974,041.03	-	
Unreserved Designated for:				
Other	243,591.17	7,081,191.11	185,784.88	4,354,289.41
Total Fund Balances	243,591.17	17,786,605.10	185,784.88	4,354,289.41
Total Liabilities and Fund Balances	\$ 243,591.17	\$ 18,128,060.66	\$ 185,784.88	\$ 4,354,289.41

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

- GAAP Fund 0356 - USAS D23 Funds 0356, 8356
- GAAP Fund 0371 - USAS D23 Funds 0341, 0375, 1341, 3417, 3757
- GAAP Fund 0480 - USAS D23 Funds 1480, 4076, 4800, 4801, 4802, 4806
- GAAP Fund 0481 - USAS D23 Funds 0481, 4816
- GAAP Fund 0483 - USAS D23 Funds 4830, 4831, 4832, 4833, 4839

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Texas Water Development Fund II (0371)	Water Assistance Fund (0480)	Water Loan Assistance Fund (0481)	Storage Acquisition Fund (0482)	Research and Planning Fund (0483)	Totals (Exhibit I)
\$ 56,530,504.32	\$ 553,123.00 27,582,894.82	\$ 17,400.00	\$ -	\$ 114,735.34	\$ 79,051,707.08 27,582,894.82
678,982.61					692,898.08
249,742.54	24,236.50			10,949.88	372,754.12
		2,672,497.28		9,483,271.76	12,155,769.04
896,503.74		495,000.00	-		1,857,428.09
58,355,733.21	28,160,254.32	3,184,897.28	-	9,608,956.98	121,713,451.23
161,222,387.50		13,095,000.00	450,000.00		175,275,504.18
161,222,387.50	-	13,095,000.00	450,000.00	-	175,275,504.18
\$219,578,120.71	\$ 28,160,254.32	\$ 16,279,897.28	\$ 450,000.00	\$ 9,608,956.98	\$296,988,955.41
\$ -	\$ 3,465.60 12,163,592.07	\$ 149,513.32	\$ -	\$ 1,767,131.12	\$ 1,944,746.72 12,177,775.36
				68,460.30	371,095.89
-	12,167,057.67	149,513.32	-	1,835,591.42	14,493,617.97
-	12,167,057.67	149,513.32	-	1,835,591.42	14,493,617.97
162,118,891.24	126,626.52	2,540,383.96 13,590,000.00	450,000.00	7,773,365.56 -	20,171,749.00 177,132,932.27
57,459,229.47	15,866,570.13	-	-	-	85,190,656.17
219,578,120.71	15,993,196.65	16,130,383.96	450,000.00	7,773,365.56	282,495,337.44
\$219,578,120.71	\$ 28,160,254.32	\$ 16,279,897.28	\$ 450,000.00	\$ 9,608,956.98	\$296,988,955.41

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

Texas Water Development Board (580)
Exhibit B-2 - Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances – Special Revenue Funds
 For the Fiscal Year Ended August 31, 2006

	Texas Water Development Fund (0351) U/F (3550)	Economically Distressed Areas Clearance Fund (0356)	Agricultural Water Conservation Fund (0358) U/F (1358)	Groundwater District Loan Assistance Fund (0363) U/F (0363)	Texas Water Development Fund II Clearance Fund (0370) U/F (0340)
REVENUES					
Federal Revenue	\$ 4,941,986.41	\$ -	\$ -	\$ -	\$ -
Federal Grant Pass-Through Revenue					
License, Fees and Permits					
Interest and Other Investment Income	133,541.61	46,829.83	807,142.59	114.00	82,311.49
Net Increase (Decrease) in Fair Value					
Sales of Goods and Services					
Other (GR)					
Total Revenues	5,075,528.02	46,829.83	807,142.59	114.00	82,311.49
EXPENDITURES					
Salaries and Wages			361,561.47		
Payroll Related Costs			57,083.46		
Professional Fees and Services			1,050.00		
Travel			6,507.79		
Materials and Supplies			27,595.50		
Communication and Utilities			2,269.64		
Repairs and Maintenance					
Rentals and Leases			555.13		
Printing and Reproduction					
State Grant Pass-Through Expenditures			910,697.04		
Intergovernmental Payments	12,396,761.85		654,676.49		
Public Assistance Payments	1,506,787.76				
Other Expenditures			24,104.73		
Capital Outlay					
Total Expenditures	13,903,549.61	-	2,046,101.25	-	-
Excess (Deficiency) of Revenues Over Expenditures	(8,828,021.59)	46,829.83	(1,238,958.66)	114.00	82,311.49
OTHER FINANCING SOURCES (USES)					
Bond and Note Proceeds					
Transfers In	8,817,638.97	3,899,994.24	9,425,829.96		9,177,071.07
Transfers Out		(3,933,036.87)	(9,425,828.46)	(6,114.00)	(8,059,166.07)
Total Other Financing Sources (Uses)	8,817,638.97	(33,042.63)	1.50	(6,114.00)	1,117,905.00
Net Change in Fund Balances	(10,382.62)	13,787.20	(1,238,957.16)	(6,000.00)	1,200,216.49
FUND FINANCIAL STATEMENT - FUND BALANCES					
Fund Balances - Beginning	10,382.62	229,803.97	19,025,562.26	191,784.88	3,154,072.92
Fund Balances, August 31, 2006	\$ 0.00	\$ 243,591.17	\$ 17,786,605.10	\$ 185,784.88	\$ 4,354,289.41

Note: GAAP fund is shown as (XXXX). USAS D23 Fund is shown as U/F (XXXX) except as noted below:
 GAAP Fund 0356 - USAS D23 Funds 0356, 8356
 GAAP Fund 0371 - USAS D23 Funds 0341, 0375, 1341, 3417, 3757
 GAAP Fund 0480 - USAS D23 Funds 1480, 4076, 4800, 4801, 4802, 4806
 GAAP Fund 0481 - USAS D23 Funds 0481, 4816
 GAAP Fund 0483 - USAS D23 Funds 4830, 4831, 4832, 4833, 4839

UNAUDITED

Texas Water Development Fund II (0371)	Water Assistance Fund (0480)	Water Loan Assistance Fund (0481)	Storage Acquisition Fund (0482) U/F (0482)	Research and Planning Fund (0483)	Agricultural Trust Fund (0562) U/F (5624)	Totals (Exhibit II)
\$ 6,514,463.68	\$ -	\$ -	\$ -	\$ 37,423.27	\$ -	\$ 11,493,873.36
66,287.00	50.00			39,938.01		39,938.01
8,932,139.73	999,857.10					66,337.00
	102,937.42					11,001,936.35
	212,237.08			10,949.88		102,937.42
	3,771,145.68				1.50	223,186.96
15,512,890.41	5,086,227.28	-	-	88,311.16	1.50	3,771,147.18
	129,804.95					491,366.42
	21,269.34					78,352.80
119,066.73				523,227.92		643,344.65
2,766.20	14,470.25					23,744.24
	10,507.85					38,103.35
	1,603.65					3,873.29
	12,865.74					12,865.74
	31,557.56					32,112.69
1,535.25						1,535.25
				340,772.18		1,251,469.22
7,652,599.47		770,264.71		4,887,610.23		26,361,912.75
1,308,582.05	62,602.00			21,366.98		2,899,338.79
16,749.02	3,032.40					43,886.15
	15,750.00					15,750.00
9,101,298.72	303,463.74	770,264.71	-	5,772,977.31	-	31,897,655.34
6,411,591.69	4,782,763.54	(770,264.71)	-	(5,684,666.15)	1.50	(5,198,299.06)
183,400.00						183,400.00
	12,863,976.29	789,509.15		6,820,922.31		51,794,941.99
(19,040,236.89)	(12,949,751.46)	(342,500.00)			(1.50)	(53,756,635.25)
(18,856,836.89)	(85,775.17)	447,009.15	-	6,820,922.31	(1.50)	(1,778,293.26)
(12,445,245.20)	4,696,988.37	(323,255.56)	-	1,136,256.16	-	(6,976,592.32)
232,023,365.91	11,296,208.28	16,453,639.52	450,000.00	6,637,109.40	-	289,471,929.76
\$ 219,578,120.71	\$ 15,993,196.65	\$ 16,130,383.96	\$ 450,000.00	\$ 7,773,365.56	\$ -	\$ 282,495,337.44

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

UNAUDITED

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

August 31, 2006

	Economically Distressed Area Clearance Interest and Sinking Fund (0357) U/F (0357)	Agricultural Water Conservation Interest and Sinking Fund (0359) U/F (1359)	Texas Water Development Fund II Interest and Sinking Fund (0372) U/F (0343)	Totals (Exhibit I)
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	\$ 16,771.31	\$ 3,616.74	\$ 5,759.32	\$ 26,147.37
Receivables From:				
Accounts Receivable	32.25	6.82	10.86	49.93
Total Current Assets	16,803.56	3,623.56	5,770.18	26,197.30
Total Assets	\$ 16,803.56	\$ 3,623.56	\$ 5,770.18	\$ 26,197.30
LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities:				
Payables From:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Total Current Liabilities	-	-	-	-
Total Liabilities	-	-	-	-
FUND FINANCIAL STATEMENT-FUND BALANCES				
Fund Balances (Deficits):				
Reserved for:				
Debt Service	16,803.56	3,623.56	5,770.18	26,197.30
Total Fund Balances	16,803.56	3,623.56	5,770.18	26,197.30
Total Liabilities and Fund Balances	\$ 16,803.56	\$ 3,623.56	\$ 5,770.18	\$ 26,197.30

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

UNAUDITED

Texas Water Development Board (580)
Exhibit C-2 - Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – Debt Service Funds

For the Fiscal Year Ended August 31, 2006

	Economically Distressed Area Clearance Interest and Sinking Fund (0357) U/F (0357)	Agricultural Water Conservation Interest and Sinking Fund (0359) U/F (1359)	Texas Water Development Fund II Interest and Sinking Fund (0372) U/F (0343)	Totals (Exhibit II)
REVENUES				
Interest and Other Investment Income (PR)	\$ 21,242.43	\$ 3,955.86	\$ 9,046.98	\$ 34,245.27
Total Revenues	21,242.43	3,955.86	9,046.98	34,245.27
EXPENDITURES				
Professional Fees and Services	5,190.00			5,190.00
Debt service:				
Principal	7,210,000.00	2,280,000.00	135,000.00	9,625,000.00
Interest	8,730,325.69	413,340.00	7,639,152.52	16,782,818.21
Total Expenditures	15,945,515.69	2,693,340.00	7,774,152.52	26,413,008.21
Excess (Deficiency) of Revenues Over Expenditures	(15,924,273.26)	(2,689,384.14)	(7,765,105.54)	(26,378,762.94)
OTHER FINANCING SOURCES (USES)				
Transfers In	15,928,924.04	2,690,229.60	7,766,508.59	26,385,662.23
Transfers Out				
Total Other Financing Sources (Uses)	15,928,924.04	2,690,229.60	7,766,508.59	26,385,662.23
Net Change in Fund Balances/Net Assets	4,650.78	845.46	1,403.05	6,899.29
FUND FINANCIAL STATEMENT - FUND BALANCES				
Fund Balances - Beginning	12,152.78	2,778.10	4,367.13	19,298.01
Fund Balances, August 31, 2006	\$ 16,803.56	\$ 3,623.56	\$ 5,770.18	\$ 26,197.30

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

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

August 31, 2006

	Rural Water Assistance Fund (0301) U/F (3010)	Water Development Clearance Fund (0350)	Texas Water Development Fund (0351)	Water Development Bonds Interest and Sinking Fund (0352) U/F (3521)	Agricultural Water Conservation Fund (0358)	Agricultural Water Conservation Clearance Fund (0366) U/F (3660)
ASSETS						
Current Assets:						
Cash and Cash Equivalents:						
Cash in State Treasury	\$ 44,545.11	\$ -	\$ -	\$ -	\$ 1,780,429.16	\$ 4,517,632.47
Short Term Investments						
Receivables from:						
Federal						
Interest and Dividends	268,310.63				39,047.00	
Accounts Receivable	2,651.81	107.68	0.16	0.40	7,453.75	18,852.78
Interfund Receivables						
Due From Other Funds						
Loans and Contracts	215,187.68				620,899.36	
Total Current Assets	530,695.23	107.68	0.16	0.40	2,447,829.27	4,536,485.25
Non-Current Assets:						
Loans and Contracts						
Interfund Receivables	24,525,555.99				2,283,107.08	
Other Non-Current Assets						
Total Non-Current Assets	24,525,555.99	-	-	-	2,283,107.08	-
Total Assets	25,056,251.22	107.68	0.16	0.40	4,730,936.35	4,536,485.25
LIABILITIES						
Current Liabilities:						
Payables from:						
Accounts Payable						
Interest Payable	419.16					
Interfund Payables						
Due to Other Funds	215,750.01					
Due to Other Agencies	263,567.09	107.68	0.16	0.40		
Deferred Revenue						
Revenue Bonds Payable						
General Obligation Bonds Payable						
Total Current Liabilities	479,736.26	107.68	0.16	0.40	-	-
Non-Current Liabilities:						
Interfund Payables						
Revenue Bonds Payable	24,523,922.67					
General Obligation Bonds Payable						
Total Non-Current Liabilities	24,523,922.67	-	-	-	-	-
Total Liabilities	25,003,658.93	107.68	0.16	0.40	-	-
NET ASSETS						
Unrestricted						
	52,592.29	-	-	-	4,730,936.35	4,536,485.25
Total Net Assets	\$ 52,592.29	\$ -	\$ -	\$ -	\$ 4,730,936.35	\$ 4,536,485.25

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

UNAUDITED

Texas Water Development Fund II Clearance Fund (0370)	Texas Water Development Fund II (0371)	Texas Water Development Fund II Interest and Sinking Fund (0372) U/F (0372)	Clean Water State Revolving Fund (3050) U/F (0651)	CPLP State Revolving Fund (3050) U/F (0851)	Drinking Water State Revolving Fund (3050) U/F (0951)	Totals (Exhibit III)
\$47,008,404.96	\$ 178,160,487.37	\$ 197,771.73	\$ -	\$ -	\$ -	\$ 231,709,270.80
			494,986,823.91	3,390.60	103,800,034.41	598,790,248.92
	7,690,023.38		24,036,462.21	12,857.39	1,458,345.66	1,458,345.66
187,432.59	775,156.16	713.67			1,717,222.51	33,763,923.12
	13,725,425.01					992,369.00
107.68	1,658,247.07	43,019,815.33				13,725,425.01
	18,229,904.10		81,606,000.00	-	12,744,000.00	44,678,170.08
47,195,945.23	220,239,243.09	43,218,300.73	600,629,286.12	16,247.99	119,719,602.58	1,038,533,743.73
	534,298,106.65		2,248,773,765.65	1,689,340.04	203,180,000.00	3,014,749,875.41
	233,854,152.67					233,854,152.67
	625,748.65					625,748.65
-	768,778,007.97	-	2,248,773,765.65	1,689,340.04	203,180,000.00	3,249,229,776.73
47,195,945.23	989,017,251.06	43,218,300.73	2,849,403,051.77	1,705,588.03	322,899,602.58	4,287,763,520.46
8,889.13	4,523.72				29,433.62	43,265.63
		3,783,300.73	7,821,830.93			11,605,131.66
			11,504,675.00		2,005,000.00	13,725,425.01
	43,019,814.93		1,472,593.17		720,872.88	45,476,956.31
					1,101,208.73	1,101,208.73
			30,007,716.81		6,780,822.38	36,788,539.19
			38,925,000.00			38,925,000.00
		39,435,000.00				39,435,000.00
8,889.13	43,024,338.65	43,218,300.73	89,731,815.91	-	10,637,337.61	187,100,526.53
			146,765,230.00		62,565,000.00	233,854,152.67
			1,195,375,000.00			1,195,375,000.00
	847,905,000.00					847,905,000.00
-	847,905,000.00	-	1,342,140,230.00	-	62,565,000.00	2,277,134,152.67
8,889.13	890,929,338.65	43,218,300.73	1,431,872,045.91	-	73,202,337.61	2,464,234,679.20
47,187,056.10	98,087,912.41	-	1,417,531,005.86	1,705,588.03	249,697,264.97	1,823,528,841.26
\$47,187,056.10	\$ 98,087,912.41	\$ -	\$ 1,417,531,005.86	\$ 1,705,588.03	\$ 249,697,264.97	\$ 1,823,528,841.26

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

Texas Water Development Board (580)

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

For the Fiscal Year Ended August 31, 2006

	Rural Water Assistance Fund (0301) U/F (3010)	Water Development Clearance Fund (0350)	Texas Water Development Fund (0351)	Water Development Bonds Interest and Sinking Fund (0352) U/F (3521)	Agricultural Water Conservation Fund (0358)	Agricultural Water Clearance Fund (0366) U/F (3660)
OPERATING REVENUES:						
Interest and Investment Income	\$ 878,937.19	\$ 821,843.80	\$ 1,562,926.43	\$ 535,642.41	\$ 144,792.30	\$ 179,384.93
Other Operating Revenue						
Total Operating Revenues	878,937.19	821,843.80	1,562,926.43	535,642.41	144,792.30	179,384.93
OPERATING EXPENSES:						
Salaries and Wages						
Payroll Related Costs						
Professional Fees and Services	1,696.66					
Travel						
Materials and Supplies						
Communication and Utilities						
Repairs and Maintenance						
Rentals and Leases						
Printing and Reproduction						
Interest	856,396.44			1,343,743.96		
Other Operating Expenses						
Total Operating Expenses	858,093.10	-	-	1,343,743.96	-	-
Operating Income (Loss)	20,844.09	821,843.80	1,562,926.43	(808,101.55)	144,792.30	179,384.93
NONOPERATING REVENUE (EXPENSES):						
Federal Revenue						
Federal Grant Pass-Through Revenue (Expense)						
Other Benefit Payments						
Other Nonoperating Revenue (Expenses)						
Total Nonoperating Revenue (Expenses)	-	-	-	-	-	-
Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	20,844.09	821,843.80	1,562,926.43	(808,101.55)	144,792.30	179,384.93
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS:						
Extraordinary Items						
Transfers In	1,503.02	31,927,463.97	26,526,505.68	13,113,027.98		4,271,873.78
Transfers Out	(1,503.02)	(55,403,097.94)	(36,259,079.79)	(26,503,037.44)	(726,272.95)	(3,545,600.83)
Total Other Revenue, Expenses, Gain/Losses and Transfers	-	(23,475,633.97)	(9,732,574.11)	(13,390,009.46)	(726,272.95)	726,272.95
Change in Net Assets	20,844.09	(22,653,790.17)	(8,169,647.68)	(14,198,111.01)	(581,480.65)	905,657.88
Total Net Assets - Beginning	31,748.20	22,653,790.17	8,169,647.68	14,198,111.01	5,312,417.00	3,630,827.37
Total Net Assets, August 31, 2006	\$ 52,592.29	\$ -	\$ -	\$ -	\$ 4,730,936.35	\$ 4,536,485.25

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

GAAP Fund 0350 - USAS D23 Funds 3501, 8350

GAAP Fund 0351 - USAS D23 Funds 3511, 3517

GAAP Fund 0358 - USAS D23 Funds 0358, 8358

GAAP Fund 0370 - USAS D23 Funds 0370, 8370

GAAP Fund 0371 - USAS D23 Funds 0371, 3717

UNAUDITED

Texas Water Development Fund II Clearance Fund (0370)	Texas Water Development Fund II (0371)	Texas Water Development Fund II Interest and Sinking Fund (0372) U/F (0372)	Clean Water State Revolving Fund (3050) U/F (0651)	CPLP State Revolving Fund (3050) U/F (0851)	Drinking Water State Revolving Fund (3050) U/F (0951)	Totals (Exhibit IV)
\$ 1,533,816.03	\$ 52,894,918.32	\$ 160,775.85	\$ 112,072,633.31	\$ 17,482.40	\$ 9,224,578.70	\$ 180,027,731.67
			2,704,982.21		439,503.71	3,144,485.92
1,533,816.03	52,894,918.32	160,775.85	114,777,615.52	17,482.40	9,664,082.41	183,172,217.59
			4,353,188.07		2,570,370.80	6,923,558.87
			654,797.08		386,629.59	1,041,426.67
96,201.43	86,695.25		401,731.95		139,367.54	725,692.83
	1,040.59		24,192.48		29,619.44	54,852.51
			115,911.38		128,991.88	244,903.26
			32,913.50		19,649.85	52,563.35
			18,212.18		59,491.75	77,703.93
			28,763.85		18,505.71	47,269.56
			1,529.39		2,250.95	3,780.34
	37,005.35	46,669,694.79	72,646,960.45		3,076,170.07	124,629,971.06
	94,894.10		178,182.46		62,667.26	335,743.82
96,201.43	219,635.29	46,669,694.79	78,456,382.79	-	6,493,714.84	134,137,466.20
1,437,614.60	52,675,283.03	(46,508,918.94)	36,321,232.73	17,482.40	3,170,367.57	49,034,751.39
			15,495,249.29	58,752.22	57,020,797.28	72,574,798.79
					(7,746,817.98)	(7,746,817.98)
					(94,744.02)	(94,744.02)
				(2,736.36)	(4,786,250.03)	(4,788,986.39)
-	-	-	15,495,249.29	56,015.86	44,392,985.25	59,944,250.40
1,437,614.60	52,675,283.03	(46,508,918.94)	51,816,482.02	73,498.26	47,563,352.82	108,979,001.79
	1,130,706.35					1,130,706.35
137,595,133.75	44,522,803.27	68,148,918.94	2,149,225.00		3,636,971.00	331,893,426.39
(103,982,218.00)	(82,258,965.71)	(21,640,000.00)				(330,319,775.68)
33,612,915.75	(36,605,456.09)	46,508,918.94	2,149,225.00	-	3,636,971.00	2,704,357.06
35,050,530.35	16,069,826.94	-	53,965,707.02	73,498.26	51,200,323.82	111,683,358.85
12,136,525.75	82,018,085.47	-	1,363,565,298.84	1,632,089.77	198,496,941.15	1,711,845,482.41
\$ 47,187,056.10	\$ 98,087,912.41	\$ -	\$ 1,417,531,005.86	\$ 1,705,588.03	\$ 249,697,264.97	\$ 1,823,528,841.26

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

Texas Water Development Board (580)

Exhibit F-3 - Combining Statement of Cash Flows - Enterprise Funds

For the Fiscal Year Ended August 31, 2006

	Rural Water Assistance Fund (0301) U/F (3010)	Water Development Clearance Fund (0350)	Texas Water Development Fund (0351)	Water Development Bonds Interest and Sinking Fund (0352) U/F (3521)	Agricultural Water Conservation Fund (0358)
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to Suppliers for Goods and Services	\$ (1,893.75)	\$ -	\$ -	\$ -	\$ -
Payments to Employees for Salaries					
Payments to Employees for Benefits					
Payments to Employees for Other					
Net Cash Provided by Operating Activities	(1,893.75)	-	-	-	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Proceeds from Debt Issuance					
Proceeds from Federal Grants					
Proceeds from State Appropriations					
Proceeds of Transfers from Other Funds		11,178,776.04		56,968.41	
Proceeds from Advances from Other Funds	9,415,000.00				
Payments of Principal on Debt Issuance				(14,588,940.43)	
Payments of Interest	(811,418.51)			(1,465,902.50)	
Payments for Transfers to Other Funds		(34,654,302.33)	(16,781,573.95)	(113,037.04)	(726,272.95)
Payments for Grant Disbursements					
Payment for Federal Grant Pass-Through					
Payments for Advances to Other Funds					
Repayments of Advances from Other Funds	(199,672.47)				
Net Cash Provided by Noncapital Financing Activities	8,403,909.02	(23,475,526.29)	(16,781,573.95)	(16,110,911.56)	(726,272.95)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from Sales of Investments					
Proceeds from Interest Income	1,968.82	887,863.08	145,718.80	579,546.40	85,630.29
Proceeds from Investment Income	828,344.92		1,735,956.40		57,657.08
Proceeds from Principal Payments on Non-Program Loans	199,129.83		12,796,500.00		634,511.28
Payments for Non-program Loans Provided	(9,415,000.00)		(250,000.00)		(500,000.00)
Payments to Acquire Investments					
Net Cash Provided by Investing Activities	(8,385,556.43)	887,863.08	14,428,175.20	579,546.40	277,798.65
Net (Decrease) in Cash and Cash Equivalents	16,458.84	(22,587,663.21)	(2,353,398.75)	(15,531,365.16)	(448,474.30)
Cash and Cash Equivalents--September 1, 2005	28,086.27	22,587,663.21	2,353,398.75	15,531,365.16	2,228,903.46
Cash and Cash Equivalents--August 31, 2006	\$ 44,545.11	\$ -	\$ -	\$ -	\$ 1,780,429.16

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

GAAP Fund 0350 - USAS D23 Funds 3501, 8350

GAAP Fund 0351 - USAS D23 Funds 3511, 3517

GAAP Fund 0358 - USAS D23 Funds 0358, 8358

GAAP Fund 0370 - USAS D23 Funds 0370, 8370

GAAP Fund 0371 - USAS D23 Funds 0371, 3717

UNAUDITED

Agricultural Water Conservation Clearance Fund (0366) U/F (3660)	Texas Water Development Fund II Clearance Fund (0370)	Texas Water Development Fund II (0371)	Texas Water Development Fund II Interest and Sinking Fund (0372) U/F (0372)	Clean Water State Revolving Fund (3050) U/F (0651)	CPLP State Revolving Fund (3050) U/F (0851)	Drinking Water State Revolving Fund (3050) U/F (0951)	Totals (Exhibit V)
\$ -	\$ (101,174.80)	\$ (173,619.81)	\$ -	\$ (799,885.54) (4,301,418.71) (651,829.01) (26,280.14)	\$ -	\$ (366,118.90) (2,320,292.15) (349,013.30) (24,983.48)	\$ (1,442,692.80) (6,621,710.86) (1,000,842.31) (52,304.21)
-	(101,174.80)	(174,660.40)	-	(5,779,413.40)	-	(3,060,407.83)	(9,117,550.18)
		120,541.00	3,059.63	15,495,249.29	58,752.22	59,678,356.10 3,636,971.00	123,600.63 75,232,357.61 3,636,971.00
726,272.95	137,595,026.07	3,542,410.71	104,095,255.04	10,000,000.00 (58,119,137.65) (45,991,668.22)		12,800,000.00 (3,014,962.02)	257,194,709.22 32,215,000.00 (106,683,078.08) (124,150,657.14) (259,257,421.91) (4,883,730.41) (10,624,895.73) (32,215,000.00) (21,377,172.47)
726,272.95	33,612,808.07	(131,552,065.93)	(12,491.20)	(100,623,956.60)	56,015.86	55,694,475.30	(190,789,317.28)
170,743.26	1,373,986.38	8,690,891.75 45,780,709.48 94,716,591.07 (19,935,000.00)	160,094.93	38,544,285.33 27,175,851.93 85,944,491.71 166,305,000.00 (189,837,996.00) (21,728,262.97)	14,118.57 131.38 15,678.19 (85,944.00)	4,584,530.18 4,443,046.42 8,469,000.00 (49,664,786.00) (20,465,858.07)	38,558,403.90 43,856,957.20 138,805,884.20 283,120,732.18 (269,688,726.00) (42,194,121.04)
170,743.26	1,373,986.38	129,253,192.30	160,094.93	106,403,370.00	(56,015.86)	(52,634,067.47)	192,459,130.44
897,016.21	34,885,619.65	(2,473,534.03)	147,603.73	-	-	-	(7,447,737.02)
3,620,616.26	12,122,785.31	180,634,021.40	50,168.00	-	-	-	239,157,007.82
\$ 4,517,632.47	\$ 47,008,404.96	\$ 178,160,487.37	\$ 197,771.73	\$ -	\$ -	\$ -	\$ 231,709,270.80

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

Texas Water Development Board (580)

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

For the Fiscal Year Ended August 31, 2006

	Rural Water Assistance Fund (0301) U/F (3010)	Water Development Clearance Fund (0350)	Texas Water Development Fund (0351)	Water Development Bonds Interest and Sinking Fund (0352) U/F (3521)	Agricultural Water Conservation Fund (0358)
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ 20,844.09	\$ 821,843.80	\$ 1,562,926.43	\$ (808,101.55)	\$ 144,792.30
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Operating Income and Cash Flow Categories:					
Classification Differences	(22,540.75)	(821,843.80)	(1,562,926.43)	808,101.55	(144,792.30)
Changes in Assets and Liabilities:					
(Increase) Decrease in Receivables					
Increase (Decrease) in Payables	(197.09)				
Increase (Decrease) in Due to Other Funds					
Total Adjustments	(22,737.84)	(821,843.80)	(1,562,926.43)	808,101.55	(144,792.30)
Net Cash Provided by Operating Activities	\$ (1,893.75)	\$ -	\$ -	\$ -	\$ -
Non-Cash Transactions					
Net Increase (Decrease) in Fair Value of Investments					

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

GAAP Fund 0350 - USAS D23 Funds 3501, 8350

GAAP Fund 0351 - USAS D23 Funds 3511, 3517

GAAP Fund 0358 - USAS D23 Funds 0358, 8358

GAAP Fund 0370 - USAS D23 Funds 0370, 8370

GAAP Fund 0371 - USAS D23 Funds 0371, 3717

UNAUDITED

Agricultural Water Conservation Clearance Fund (0366) U/F (3660)	Texas Water Development Fund II Clearance Fund (0370)	Texas Water Development Fund II (0371)	Texas Water Development Fund II Interest and Sinking Fund (0372) U/F (0372)	Clean Water State Revolving Fund (3050) U/F (0651)	CPLP State Revolving Fund (3050) U/F (0851)	Drinking Water State Revolving Fund (3050) U/F (0951)	Totals (Exhibit V)
\$ 179,384.93	\$ 1,437,614.60	\$ 52,675,283.03	\$ (46,508,918.94)	\$ 36,321,232.73	\$ 17,482.40	\$ 3,170,367.57	\$ 49,034,751.39
(179,384.93)	(1,533,816.03)	(52,770,909.87)	46,508,918.94	(42,130,655.07)	(17,482.40)	(6,587,912.34)	(58,455,243.43)
	(4,973.37)	(79,033.56)		(45,285.84)		321,449.61	321,449.61
				75,294.78		(36,598.50)	(166,088.36)
						72,285.83	147,580.61
<u>(179,384.93)</u>	<u>(1,538,789.40)</u>	<u>(52,849,943.43)</u>	<u>46,508,918.94</u>	<u>(42,100,646.13)</u>	<u>(17,482.40)</u>	<u>(6,230,775.40)</u>	<u>(58,152,301.57)</u>
<u>\$ -</u>	<u>\$ (101,174.80)</u>	<u>\$ (174,660.40)</u>	<u>\$ -</u>	<u>\$ (5,779,413.40)</u>	<u>\$ -</u>	<u>\$ (3,060,407.83)</u>	<u>\$ (9,117,550.18)</u>
							\$ -

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

UNAUDITED

Texas Water Development Board (580)

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

August 31, 2006

	Beginning Balance <u>September 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>August 31, 2006</u>
UNAPPROPRIATED RECEIPTS				
<u>U.S. Savings Bond Account (0901) U/F (0901)</u>				
ASSETS				
Current				
Cash in State Treasury	\$ 962.50	\$ 3,612.50	\$ 3,662.50	\$ 912.50
Total Assets	<u>\$ 962.50</u>	<u>\$ 3,612.50</u>	<u>\$ 3,662.50</u>	<u>\$ 912.50</u>
LIABILITIES				
Current				
Accounts Payable	\$ -	\$ 2,450.00	\$ 2,450.00	\$ -
Funds Held for Others	962.50	3,612.50	3,662.50	912.50
Total Liabilities	<u>\$ 962.50</u>	<u>\$ 6,062.50</u>	<u>\$ 6,112.50</u>	<u>\$ 912.50</u>
 Totals - All Agency Funds				
ASSETS				
Current				
Cash in State Treasury	\$ 962.50	\$ 3,612.50	\$ 3,662.50	\$ 912.50
Total Assets	<u>\$ 962.50</u>	<u>\$ 3,612.50</u>	<u>\$ 3,662.50</u>	<u>\$ 912.50</u>
LIABILITIES				
Current				
Accounts Payable	\$ -	\$ 2,450.00	\$ 2,450.00	\$ -
Funds Held for Others	962.50	3,612.50	3,662.50	912.50
Total Liabilities	<u>\$ 962.50</u>	<u>\$ 6,062.50</u>	<u>\$ 6,112.50</u>	<u>\$ 912.50</u>

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

UNAUDITED

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

August 31, 2006

	Texas Water Resources Finance Authority (TWRFA) (3153) U/F (0751)	Totals (Exhibit III)
ASSETS		
Current Assets:		
Short Term Investments	\$ 20,300,324.90	\$ 20,300,324.90
Receivables from:		
Interest and Dividends	851,996.41	851,996.41
Loans and Contracts	4,421,485.45	4,421,485.45
Total Current Assets	25,573,806.76	25,573,806.76
Non-Current Assets:		
Loans and Contracts	31,851,527.55	31,851,527.55
Investments	18,941,400.00	18,941,400.00
Total Non-Current Assets	50,792,927.55	50,792,927.55
Total Assets	76,366,734.31	76,366,734.31
LIABILITIES		
Current Liabilities:		
Payables from:		
Interest Payable	61,998.36	61,998.36
Due to Other Funds	26,063.35	26,063.35
Revenue Bonds Payable	5,485,000.00	5,485,000.00
Total Current Liabilities	5,573,061.71	5,573,061.71
Non-Current Liabilities:		
Revenue Bonds Payable	15,830,000.00	15,830,000.00
Total Non-Current Liabilities	15,830,000.00	15,830,000.00
Total Liabilities	21,403,061.71	21,403,061.71
NET ASSETS		
Unrestricted	54,963,672.60	54,963,672.60
Total Net Assets	\$ 54,963,672.60	\$ 54,963,672.60

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

Texas Water Development Board (580)
Exhibit L-2 - Combining Statement of Revenues, Expenses, and
Changes in Fund Net Assets - Discretely Presented Proprietary Component Units

For the Fiscal Year Ended August 31, 2006

	Texas Water Resources Finance Authority (TWRFA) (3153) U/F (0751)	Totals (Exhibit IV)
OPERATING REVENUES:		
Interest and Investment Income	\$ 4,813,743.70	\$ 4,813,743.70
Total Operating Revenues	4,813,743.70	4,813,743.70
OPERATING EXPENSES:		
Salaries and Wages	208,606.66	208,606.66
Payroll Related Costs	31,378.16	31,378.16
Professional Fees and Services	1,933.54	1,933.54
Travel	2.18	2.18
Materials and Supplies	968.12	968.12
Repairs and Maintenance	260.00	260.00
Rentals and Leases	491.68	491.68
Interest	1,753,227.54	1,753,227.54
Other Operating Expenses	20,528.12	20,528.12
Total Operating Expenses	2,017,396.00	2,017,396.00
Operating Income (Loss)	2,796,347.70	2,796,347.70
NONOPERATING REVENUE (EXPENSES):		
Other Benefit Payments	(4,595,846.00)	(4,595,846.00)
Total Nonoperating Revenue (Expenses)	(4,595,846.00)	(4,595,846.00)
Income/(Loss) Before Other Revenues, Expenses, Gains/Losses and Transfers	(1,799,498.30)	(1,799,498.30)
Change in Net Assets	(1,799,498.30)	(1,799,498.30)
Total Net Assets - Beginning	56,763,170.90	56,763,170.90
Total Net Assets, August 31, 2006	\$ 54,963,672.60	\$ 54,963,672.60

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

Texas Water Development Board (580)
Exhibit L-3 - Combining Statement of Cash Flows -
Discretely Presented Component Units

For the Fiscal Year Ended August 31, 2006

	Texas Water Resources Finance Authority (TWRFA) (3153) U/F (0751)	Totals (Exhibit V)
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to Suppliers for Goods and Services	\$ (24,065.94)	\$ (24,065.94)
Payments to Employees for Salaries	(198,595.53)	(198,595.53)
Payments to Employees for Benefits	(30,047.01)	(30,047.01)
Payments to Employees for Other (Travel)	(8.15)	(8.15)
Net Cash Provided by Operating Activities	(252,716.63)	(252,716.63)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Payments of Principal on Debt Issuance	(5,840,000.00)	(5,840,000.00)
Payments of Interest	(1,769,891.00)	(1,769,891.00)
Payments for Grant Disbursements	(4,595,846.00)	(4,595,846.00)
Net Cash Provided by Noncapital Financing Activities	(12,205,737.00)	(12,205,737.00)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	3,144,300.00	3,144,300.00
Proceeds from Interest Income	845,581.76	845,581.76
Proceeds from Investment Income	4,044,453.86	4,044,453.86
Proceeds from Principal Payments on Non-program Loans	7,278,500.00	7,278,500.00
Payments to Acquire Investments	(3,059,394.49)	(3,059,394.49)
Net Cash Provided by Investing Activities	12,253,441.13	12,253,441.13
Net (Decrease) in Cash and Cash Equivalents	(205,012.50)	(205,012.50)
Cash and Cash Equivalents--September 1, 2005	205,012.50	205,012.50
Cash and Cash Equivalents--August 31, 2006	\$ -	\$ -

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

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Texas Water Development Board (580)
Exhibit L-3 - Combining Statement of Cash Flows -
Discretely Presented Component Units (cont.)

For the Fiscal Year Ended August 31, 2006

	Texas Water Resources Finance Authority (TWRFA) (3153) U/F (0751)	Totals (Exhibit V)
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ 2,796,347.70	\$ 2,796,347.70
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Operating Income and Cash Flow Categories:		
Classification Differences	(3,060,516.16)	(3,060,516.16)
Changes in Assets and Liabilities:		
Increase (Decrease) in Due to Other Funds	11,451.83	11,451.83
Total Adjustments	(3,049,064.33)	(3,049,064.33)
Net Cash Provided by Operating Activities	\$ (252,716.63)	\$ (252,716.63)

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

Required Supplemental Information (Schedules)

UNAUDITED

Texas Water Development Board (580)
Schedule 1A - Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2006

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA Number	Identifying Number	Pass-Through From		
			Agy./ Univ. No.	Agencies or Univ. Amount	Non-State Entities Amount
Department of Commerce					
National Oceanic and Atmospheric Administration					
Pass-Through From Programs:					
General Land Office					
Coastal Zone Management Administration	11.419		305	44,513.63	
Awards			317	2,565.00	
Total CFDA 11.419				47,078.63	0.00
Total Department of Commerce				47,078.63	0.00
Department of the Interior					
Bureau of Reclamation					
Direct Programs:					
Water 2025	15.507				
Geological Survey					
Direct Programs:					
National Spatial Data Infrastructure Cooperative Agreements Program	15.809				
Total Department of the Interior				0.00	0.00
General Services Administration					
Pass-Through From Programs:					
Texas Building and Procurement Commission Donation of Federal Surplus Personal Property (Non-Monetary)	39.003		303	10,384.58	
Total General Services Administration				10,384.58	0.00
Environmental Protection Agency					
Direct Programs:					
Congressionally Mandated Projects	66.202				
Capitalization Grants for Clean Water State Revolving Funds	66.458				
Capitalization Grants for Drinking Water State Revolving Funds	66.468				
Gulf of Mexico Program	66.475				
Colonia Wastewater Treatment Assistance Funds	66.000	C480001-05,06,07			
Colonia Plumbing Loan Program	66.000	CS-48000101			
Total Environmental Protection Agency				0.00	0.00
Department of Homeland Security					
Direct Programs:					
Flood Mitigation Assistance	97.029				
Map Modernization Management Support	97.070				
Total Department of Homeland Security				0.00	0.00
Total Expenditures of Federal Awards				\$ 57,463.21	\$ -

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Direct Program Amount	Total PT From & Direct Program Amount	Pass-Through To			Expenditures Amount	Total PT To & Expenditures Amount
		Agy./ Univ. No.	Agencies or Univ. Amount	Non-State Entities Amount		
	44,513.63				44,513.63	44,513.63
	2,565.00				2,565.00	2,565.00
<u>0.00</u>	<u>47,078.63</u>		<u>0.00</u>	<u>0.00</u>	<u>47,078.63</u>	<u>47,078.63</u>
<u>0.00</u>	<u>47,078.63</u>		<u>0.00</u>	<u>0.00</u>	<u>47,078.63</u>	<u>47,078.63</u>
24,201.00	24,201.00				24,201.00	24,201.00
60,602.72	60,602.72				60,602.72	60,602.72
<u>84,803.72</u>	<u>84,803.72</u>		<u>0.00</u>	<u>0.00</u>	<u>84,803.72</u>	<u>84,803.72</u>
	10,384.58				10,384.58	10,384.58
<u>0.00</u>	<u>10,384.58</u>		<u>0.00</u>	<u>0.00</u>	<u>10,384.58</u>	<u>10,384.58</u>
53,566.46	53,566.46				53,566.46	53,566.46
15,495,249.29	15,495,249.29			5,839,861.33	9,655,387.96	15,495,249.29
56,954,765.16	56,954,765.16	582	7,746,817.98	45,876,297.84	3,331,649.34	56,954,765.16
52,842.56	52,842.56				52,842.56	52,842.56
11,682,824.88	11,682,824.88			11,456,450.09	226,374.79	11,682,824.88
58,752.22	58,752.22			58,752.22		58,752.22
<u>84,298,000.57</u>	<u>84,298,000.57</u>		<u>7,746,817.98</u>	<u>63,231,361.48</u>	<u>13,319,821.11</u>	<u>84,298,000.57</u>
1,602,520.32	1,602,520.32			1,519,663.19	82,857.13	1,602,520.32
217,091.25	217,091.25			217,091.25		217,091.25
<u>1,819,611.57</u>	<u>1,819,611.57</u>		<u>0.00</u>	<u>1,736,754.44</u>	<u>82,857.13</u>	<u>1,819,611.57</u>
<u>\$ 86,202,415.86</u>	<u>\$ 86,259,879.07</u>		<u>\$ 7,746,817.98</u>	<u>\$ 64,968,115.92</u>	<u>\$ 13,544,945.17</u>	<u>\$ 86,259,879.07</u>

UNAUDITED

Texas Water Development Board (580)
Schedule 1A - Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2006

Note 1 - NonMonetary Assistance

The Donation of Federal Surplus Personal Property is presented at 23.3% of the federal acquisition cost of \$ 44,569.00. The surplus property is passed through from the Building and Procurement Commission (TBPC). The federal grantor agency is the General Services Administration (GSA) and the federal CFDA number is 39.003. The estimated fair value for fiscal year 2006 is \$10,384.58. (Note: The difference of the values of the surplus property recorded on the federal schedule and Exhibit II (Federal Revenues) will be a reconciling item for Note 2.)

Note 2 - Reconciliation

Federal Revenue (Exhibit II)	\$ 13,627,617.07
Federal Grant Pass-Through Revenue (Exhibit II)	47,078.63
Federal Revenue-Non-Operating (Exhibit IV)	72,574,798.79
Subtotal	\$ 86,249,494.49
Reconciling Items:	
Non-monetary	
Federal Surplus Property	\$ 10,384.58
Total Pass-Through and Expenditures per Federal Schedule	\$ 86,259,879.07

Note 3b - Federally Funded Loans Processed and Administrative Costs Recovered

Federal Grantor/CFDA Number/ Program Name	New Loans Processed	Admin Costs Recovered	Total Loans Processed & Admin Costs Recovered	Ending Balances of Previous Years' Loans
U.S. Environmental Protection Agency				
66.458 Capitalization Grants for Clean Water State Revolving Funds	15,495,249.29	-	15,495,249.29	2,303,334,765.65
66.468 Capitalization Grants for Drinking Water State Revolving Funds	45,876,297.84	3,331,649.34	49,207,947.18	172,104,000.00
Total U.S. Environmental Protection Agency	61,371,547.13	3,331,649.34	64,703,196.47	2,475,438,765.65

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

For the Fiscal Year Ended August 31, 2006

Pass-Through To:

Texas Cooperative Extension (Agency 555)		
Water Systems Efficiency - Research and Planning	\$	42,639.08
Texas Agricultural Experiment Station (Agency 556)		
Water Systems Efficiency - Research and Planning		227,401.58
Texas Commission on Environmental Quality (Agency 582)		
Water Systems Efficiency - Research and Planning		100,000.00
Texas State Soil & Water Conservation Board (Agency 592)		
Water Systems Efficiency - Research and Planning		104,382.46
Texas Engineering Experiment Station (Agency 712)		
Water Systems Efficiency - Research and Planning		(25,489.52)
University of Texas at Austin (Agency 721)		
Water Systems Efficiency - Research and Planning		139,576.49
Texas Tech University (Agency 733)		
Water Systems Efficiency - Research and Planning		587,520.63
University of Texas at Pan Am (Agency 736)		
Water Systems Efficiency - Research and Planning		12,862.82
Texas State University (Agency 754)		
Water Systems Efficiency - Research and Planning		19,965.49
Texas A&M University - Corpus Christi (Agency 760)		
Water Systems Efficiency - Research and Planning		<u>51,336.87</u>
Total Pass-Through To Other Agencies (Exhibit II)	\$	<u><u>1,260,195.90</u></u>

UNAUDITED

Texas Water Development Board (580)
Schedule 2A - Miscellaneous Bond Information
 For the Fiscal Year Ended August 31, 2006

Description of Issue	Bonds Issued To Date	Range of Interest Rates		Scheduled Maturities		First Call Date
				First Year	Last Year	
Governmental Activities						
General Obligation Bonds - Non-Self Supporting						
ECONOMICALLY DISTRESSED AREAS PROGRAM (EDAP)						
W Dev Bds Ser '97-E *	\$ 15,000,000.00	3.850%	5.500%	1999	2020	08/01/2007
W Dev Bds Ser '97-F *	10,000,000.00	3.850%	5.500%	1999	2020	08/01/2007
W Dev & Ref Bds Ser '98-C	82,400,000.00	4.200%	5.375%	1999	2018	08/01/2008
W Dev Bds Ser '99-B *	24,995,000.00	4.000%	5.500%	2001	2021	08/01/2009
W Dev Bds Ser '01-A *	25,000,000.00	5.000%	5.750%	2019	2026	08/01/2011
W Dev Bds Ser '02-C	23,980,000.00	3.000%	5.375%	2003	2024	08/01/2012
W Dev Bds Ser '04-C	24,415,000.00	2.500%	5.000%	2005	2029	08/01/2014
W Dev Ref Bds Ser '05-C	49,270,000.00	3.250%	5.000%	2007	2025	08/01/2015
Subtotal EDAP	255,060,000.00					
STATE PARTICIPATION PROGRAM						
W Dev Bds Ser '97-C	20,000,000.00	5.200%	5.500%	2011	2028	08/01/2007
W Dev Bds Ser '99-C	50,000,000.00	5.250%	5.500%	2020	2035	08/01/2009
W Dev Bds Ser '01-C	49,840,000.00	5.125%	5.750%	2021	2035	08/01/2011
W Dev Bds Ser '02-D	20,000,000.00	4.900%	5.125%	2022	2036	08/01/2012
W Dev Ref Bds Ser '03-D	1,870,000.00	5.000%	5.000%	2005	2015	08/01/2013
Subtotal State Participation Program	141,710,000.00					
AGRICULTURAL WATER CONSERVATION						
Agri Water Cons Bds Tax Ser '02	16,160,000.00	2.000%	4.700%	2003	2009	N/A
Subtotal Agricultural Water Conservation	16,160,000.00					
SUBTOTAL GOVERNMENTAL ACTIVITIES:	412,930,000.00					
Business-Type Activities						
General Obligation Bonds - Self-Supporting						
DFUND I						
W Dev Bds Ser '96-A **	20,000,000.00	4.000%	5.500%	1999	2021	08/01/2006
W Dev Bds Ser '96-B **	15,000,000.00	4.000%	5.500%	1999	2019	08/01/2006
Subtotal Development Fund I	35,000,000.00					
DFUND II						
W Dev Bds Ser '97-A	50,000,000.00	4.800%	5.500%	2000	2028	08/01/2007
W Dev Bds Ser '97-B	20,000,000.00	4.800%	5.500%	2000	2028	08/01/2007
W Dev Bds Ser '97-D	75,000,000.00	3.850%	5.500%	1999	2019	08/01/2009
W Dev & Ref Bds Ser '98-A ***	80,000,000.00	4.200%	5.375%	1999	2018	08/01/2003
W Dev Bds Ser '99-A	74,735,000.00	4.000%	5.500%	2001	2024	08/01/2009
W Dev & Ref Bds Ser '00	60,000,000.00	5.000%	6.000%	2001	2022	08/01/2010
W Dev Bds Ser '00-A	75,000,000.00	4.300%	5.750%	2001	2022	08/01/2010
W Dev Ref Bds Ser '01-A	30,940,000.00	3.000%	5.750%	2002	2035	08/01/2011
W Dev Bds Ser '01-B	43,725,000.00	3.000%	5.750%	2002	2035	08/01/2011
W Dev Bds Ser '02-A (AMT)	25,000,000.00	2.550%	5.500%	2004	2041	08/01/2012
W Dev & Ref Bds Ser '02-B	98,500,000.00	2.250%	5.500%	2003	2024	08/01/2012
W Dev Bds Ser '02-E	18,035,000.00	3.000%	5.375%	2003	2024	08/01/2012
W Dev Bds Ser '03-A (AMT)	25,000,000.00	3.000%	5.375%	2005	2042	08/01/2013
W Dev & Ref Bds Tax Ser '03-B	50,915,000.00	1.370%	4.650%	2004	2021	08/01/2013
W Dev & Ref Bds Ser '03-C	70,330,000.00	2.000%	5.000%	2004	2023	08/01/2013
W Dev Bds Ser '04-A (AMT)	25,000,000.00	2.000%	5.125%	2006	2043	08/01/2014
W Dev & Ref Bds Ser '04-B	71,530,000.00	2.500%	5.250%	2006	2025	08/01/2014
W Dev Bds Ser '04-D	60,085,000.00	2.500%	5.000%	2006	2029	08/01/2014
W Dev & Ref Bds Tax Ser '04-E	38,820,000.00	2.560%	6.020%	2005	2024	08/01/2014
W Dev & Ref Bds Ser '05-A	55,675,000.00	4.000%	5.000%	2007	2027	08/01/2015
W Dev Bds Tax Ser '05-B	15,000,000.00	3.960%	4.968%	2007	2027	08/01/2015
W Dev Ref Bds Ser '06-A	13,175,000.00	3.875%	4.500%	2007	2019	08/01/2011
Subtotal Development Fund II	1,076,465,000.00					

UNAUDITED

Texas Water Development Board (580)
Schedule 2A - Miscellaneous Bond Information
 For the Fiscal Year Ended August 31, 2006

Description of Issue	Bonds Issued To Date	Range of Interest Rates		Scheduled Maturities		First Call Date
				First Year	Last Year	
Revenue Bonds - Self Supporting						
W Dev State Revolving Fund Rev Bds Ser '96-A	200,000,000.00	4.200%	6.000%	1997	2017	07/15/2006
W Dev State Revolving Fund Rev Bds Ser '96-B	185,000,000.00	4.250%	5.500%	2000	2018	01/15/2007
W Dev State Revolving Fund Rev Bds Ser '97-A	50,000,000.00	4.100%	5.250%	1999	2019	07/15/2007
W Dev State Revolving Fund Rev Bds Ser '97-B	300,000,000.00	4.200%	5.500%	2000	2019	07/15/2007
W Dev State Revolving Fund Rev Bds Ser '98-A	150,000,000.00	4.000%	5.250%	2001	2020	07/15/2008
W Dev State Revolving Fund Rev Bds Ser '99-A	100,000,000.00	4.100%	5.750%	2001	2021	07/15/2009
W Dev State Revolving Fund Rev Bds Ser '99-B	150,000,000.00	4.125%	5.750%	2001	2021	01/15/2010
W Dev State Revolving Fund Rev Bds Ser '00-A	100,000,000.00	4.300%	5.625%	2001	2021	07/15/2010
W Dev State Revolving Fund Sub Lien Rev & Ref Bds Ser '05 ****	136,055,000.00	VAR	VAR	2006	2026	05/11/2005
Subtotal SRF Revenue Bonds	1,371,055,000.00					
SUBTOTAL BUSINESS TYPE ACTIVITIES:	2,482,520,000.00					
Component Units						
Revenue Bonds - Self-Supporting						
TWRFA Rev Ref Bds Tax Ser '99	83,015,000.00	4.990%	6.620%	1999	2010	N/A
Subtotal TWRFA Revenue Bonds	83,015,000.00					
SUBTOTAL COMPONENT UNITS	83,015,000.00					
TOTAL TEXAS WATER DEVELOPMENT BOARD	\$ 2,978,465,000.00					

* Refunded by EDAP W Dev. Ref Bds Ser 2005C

** Refunded by Development Fund II on a call date

*** Partially refunded in AY 03, total issuance was \$80,000,000.00

**** \$250,000.00 was extinguished prior to maturity in AY 2005, total issuance was \$136,055,000.00

UNAUDITED

Texas Water Development Board (580)
 Schedule 2B - Changes in Bonded Indebtedness
 For the Fiscal Year Ended August 31, 2006

Description of Issue	Bonds Outstanding 9/1/2005	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2006	Amounts Due Within One Year
Governmental Activities						
General Obligation Bonds - Non Self-Supporting						
ECONOMICALLY DISTRESSED AREAS PROGRAM (EDAP)						
W Dev Bds Ser '97-E	\$ 12,040,000.00		\$ 525,000.00	\$ 9,100,000.00	\$ 2,415,000.00	\$ 555,000.00
W Dev Bds Ser '97-F	7,745,000.00		475,000.00	5,500,000.00	1,770,000.00	445,000.00
W Dev & Ref Bds Ser '98-C	61,345,000.00		3,645,000.00	350,000.00	57,350,000.00	3,765,000.00
W Dev Bds Ser '99-B	21,125,000.00		880,000.00	15,165,000.00	5,080,000.00	920,000.00
W Dev Bds Ser '01-A	25,000,000.00		-	19,575,000.00	5,425,000.00	-
W Dev Bds Ser '02-C	21,905,000.00		740,000.00		21,165,000.00	760,000.00
W Dev Bds Ser '04-C	23,845,000.00		595,000.00		23,250,000.00	610,000.00
W Dev Ref Bds Ser '05-C		49,270,000.00			49,270,000.00	150,000.00
Subtotal EDAP	173,005,000.00	49,270,000.00	6,860,000.00	49,690,000.00	165,725,000.00	7,205,000.00
STATE PARTICIPATION PROGRAM						
W Dev Bds Ser '97-C	20,000,000.00				20,000,000.00	-
W Dev Bds Ser '99-C	50,000,000.00				50,000,000.00	-
W Dev Bds Ser '01-C	49,840,000.00				49,840,000.00	-
W Dev Bds Ser '02-D	20,000,000.00				20,000,000.00	-
W Dev Bds Ref Ser '03-D	1,740,000.00		135,000.00		1,605,000.00	145,000.00
Subtotal State Participation Program	141,580,000.00	-	135,000.00	-	141,445,000.00	145,000.00
AGRICULTURAL WATER CONSERVATION						
Agri Water Cons Bds Tax Ser '02	9,690,000.00		2,280,000.00		7,410,000.00	2,370,000.00
Subtotal Agricultural Water Conservation	9,690,000.00	-	2,280,000.00	-	7,410,000.00	2,370,000.00
SUBTOTAL GOVERNMENTAL ACTIVITIES:	\$ 324,275,000.00	\$ 49,270,000.00	\$ 9,275,000.00	\$ 49,690,000.00	\$ 314,580,000.00	\$ 9,720,000.00
Business-Type Activities						
General Obligation Bonds - Self Supporting						
DFUND I						
W Dev Bds Ser '96-A (*)	\$ 16,055,000.00		\$ 670,000.00	\$ 15,385,000.00	-	-
W Dev Bds Ser '96-B (*)	11,590,000.00		585,000.00	11,005,000.00	-	-
Subtotal Development Fund I	27,645,000.00	-	1,255,000.00	26,390,000.00	-	-
DFUND II						
W Dev Bds Ser '97-A	46,400,000.00		1,160,000.00		45,240,000.00	1,010,000.00
W Dev Bds Ser '97-B	15,960,000.00		800,000.00		15,160,000.00	840,000.00
W Dev Bds Ser '97-D	67,000,000.00		1,960,000.00		65,040,000.00	2,080,000.00
W Dev & Ref Bds Ser '98-A	32,005,000.00		1,795,000.00		30,210,000.00	1,885,000.00
W Dev Bds Ser '99-A	67,565,000.00		1,560,000.00		66,005,000.00	2,970,000.00
W Dev & Ref Bds Ser '00	47,135,000.00		3,195,000.00		43,940,000.00	3,355,000.00
W Dev Bds Ser '00-A	64,025,000.00		2,410,000.00		61,615,000.00	2,525,000.00
W Dev Ref Bds Ser '01-A	29,515,000.00		405,000.00		29,110,000.00	420,000.00
W Dev Bds Ser '01-B	42,855,000.00		230,000.00		42,625,000.00	1,040,000.00
W Dev Bds Ser '02-A (AMT)	24,495,000.00		265,000.00		24,230,000.00	270,000.00
W Dev & Ref Bds Ser '02-B	88,885,000.00		3,460,000.00		85,425,000.00	2,600,000.00
W Dev Bds Ser '02-E	16,475,000.00		555,000.00		15,920,000.00	570,000.00
W Dev Bds Ser '03-A (AMT)	24,735,000.00		275,000.00		24,460,000.00	285,000.00
W Dev & Ref Bds Ser '03-B	41,850,000.00		5,060,000.00		36,790,000.00	5,150,000.00
W Dev & Ref Bds Ser '03-C	57,905,000.00		7,140,000.00		50,765,000.00	7,550,000.00
W Dev Bds Ser '04-A (AMT)	25,000,000.00		275,000.00		24,725,000.00	280,000.00
W Dev & Ref Bds Ser '04-B	71,530,000.00		2,510,000.00		69,020,000.00	2,755,000.00
W Dev Bds Ser '04-D	60,085,000.00		440,000.00		59,645,000.00	450,000.00
W Dev & Ref Bds Tax Ser '04-E	37,260,000.00		2,055,000.00	21,640,000.00	13,565,000.00	-
W Dev & Ref Bds Ser '05-A	55,675,000.00		-		55,675,000.00	2,240,000.00
W Dev Bds Tax Ser '05-B	15,000,000.00		-		15,000,000.00	445,000.00
W Dev Ref Bds Ser '06-A	-	13,175,000.00	-		13,175,000.00	715,000.00
Subtotal Development Fund II	931,355,000.00	13,175,000.00	35,550,000.00	21,640,000.00	887,340,000.00	39,435,000.00

UNAUDITED

Texas Water Development Board (580)
 Schedule 2B - Changes in Bonded Indebtedness
 For the Fiscal Year Ended August 31, 2006

Description of Issue	Bonds Outstanding 9/1/2004	Bonds Issued	Bonds Matured or Retired	Bonds Refunded or Extinguished	Bonds Outstanding 8/31/2005	Amounts Due Within One Year
Business-Type Activities (continued)						
Revenue Bonds - Self-Supporting						
W Dev State Revolving Fund Rev Bds Ser '96-A	\$ 173,950,000.00		\$ 6,105,000.00		\$ 167,845,000.00	\$ 9,030,000.00
W Dev State Revolving Fund Rev Bds Ser '96-B	180,500,000.00		1,100,000.00		179,400,000.00	1,200,000.00
W Dev State Revolving Fund Rev Bds Ser '97-A	38,530,000.00		1,955,000.00		36,575,000.00	2,050,000.00
W Dev State Revolving Fund Rev Bds Ser '97-B	278,690,000.00		4,275,000.00		274,415,000.00	5,485,000.00
W Dev State Revolving Fund Rev Bds Ser '98-A	135,250,000.00		6,000,000.00		129,250,000.00	6,500,000.00
W Dev State Revolving Fund Rev Bds Ser '99-A	92,220,000.00		3,715,000.00		88,505,000.00	3,955,000.00
W Dev State Revolving Fund Rev Bds Ser '99-B	144,775,000.00		2,035,000.00		142,740,000.00	3,760,000.00
W Dev State Revolving Fund Rev Bds Ser '00-A	88,555,000.00		3,585,000.00		84,970,000.00	3,940,000.00
W Dev State Revolving Fund Sub Lien Rev & Ref Bds Ser '05	135,805,000.00		2,940,000.00	2,265,000.00	130,600,000.00	3,005,000.00
Subtotal Revenue Bonds	1,268,275,000.00	-	31,710,000.00	2,265,000.00	1,234,300,000.00	38,925,000.00
SUBTOTAL BUSINESS-TYPE ACTIVITIES	\$ 2,227,275,000.00	\$ 13,175,000.00	\$ 68,515,000.00	\$ 50,295,000.00	\$ 2,121,640,000.00	\$ 78,360,000.00
Component Units						
Revenue Bonds - Self-Supporting						
TWRFA Rev Ref Bds Tax Ser '99	27,155,000.00		5,840,000.00		21,315,000.00	5,485,000.00
Subtotal TWRFA Revenue Bonds	27,155,000.00	-	5,840,000.00	-	21,315,000.00	5,485,000.00
SUBTOTAL COMPONENT UNITS	\$ 27,155,000.00	\$ -	\$ 5,840,000.00	\$ -	\$ 21,315,000.00	\$ 5,485,000.00
TOTAL TEXAS WATER DEVELOPMENT BOARD	\$ 2,578,705,000.00	\$ 62,445,000.00	\$ 83,630,000.00	\$ 99,985,000.00	\$ 2,457,535,000.00	\$ 93,565,000.00

Reconciliation:

Current General Obligation Bonds Payable - Exhibit I	\$ 9,720,000.00
Non-Current General Obligation Bonds Payable - Exhibit I	304,860,000.00
Total General Obligation Bonds Payable - Exhibit I	<u>314,580,000.00</u>
Current General Obligation Bonds Payable - Exhibit III	39,435,000.00
Non-Current General Obligation Bonds Payable - Exhibit III	847,905,000.00
Total General Obligation Bonds Payable - Exhibit III	<u>887,340,000.00</u>
Current Revenue Bonds Payable - Exhibit III	44,410,000.00
Non-Current Revenue Bonds Payable - Exhibit III	1,211,205,000.00
Total Revenue Bonds Payable - Exhibit III	<u>1,255,615,000.00</u>
Total Bonds Payable	<u>\$ 2,457,535,000.00</u>

UNAUDITED

Texas Water Development Board (580)
Schedule 2C - Debt Service Requirements
 For the Fiscal Year Ended August 31, 2006

Description of Issue	2007	2008	2009	2010	2011
Governmental Activities					
General Obligation bonds - Non Self-Supporting					
ECONOMICALLY DISTRESSED AREAS PROGRAM (EDAP)					
W Dev Bds Ser '97-E					
Principal	555,000.00	585,000.00	620,000.00	655,000.00	
Interest	120,650.00	90,125.00	63,215.00	31,440.00	
W Dev Bds Ser '97-F					
Principal	445,000.00	430,000.00	440,000.00	455,000.00	
Interest	88,645.00	64,170.00	44,390.00	21,840.00	
W Dev & Ref Bds Ser '98-C					
Principal	3,765,000.00	3,780,000.00	4,000,000.00	4,380,000.00	4,585,000.00
Interest	2,921,025.00	2,732,775.00	2,543,775.00	2,343,775.00	2,113,825.00
W Dev Bds Ser '99-B					
Principal	920,000.00	965,000.00	1,010,000.00	1,065,000.00	1,120,000.00
Interest	262,193.76	216,193.76	167,943.76	117,443.76	60,200.00
W Dev Bds Ser '01-A					
Principal					
Interest	271,250.00	271,250.00	271,250.00	271,250.00	271,250.00
W Dev Bds Ser '02-C					
Principal	760,000.00	790,000.00	820,000.00	860,000.00	900,000.00
Interest	1,068,695.00	1,038,295.00	1,010,645.00	969,645.00	926,645.00
W Dev Bds Ser '04-C					
Principal	610,000.00	630,000.00	650,000.00	670,000.00	695,000.00
Interest	1,097,725.00	1,079,425.00	1,058,950.00	1,036,200.00	1,012,750.00
W Dev Ref Bds Ser '05-C					
Principal	150,000.00	-	-	-	1,165,000.00
Interest	2,384,987.50	2,380,112.50	2,380,112.50	2,380,112.50	2,380,112.50
Subtotal EDAP	15,420,171.26	15,052,346.26	15,080,281.26	15,256,706.26	15,229,782.50
Less EDAP Interest	(8,215,171.26)	(7,872,346.26)	(7,540,281.26)	(7,171,706.26)	(6,764,782.50)
Subtotal EDAP Principal	7,205,000.00	7,180,000.00	7,540,000.00	8,085,000.00	8,465,000.00
STATE PARTICIPATION PROGRAM					
W Dev Bds Ser '97-C					
Principal					550,000.00
Interest	1,057,852.50	1,057,852.50	1,057,852.50	1,057,852.50	1,057,852.50
W Dev Bds Ser '99-C					
Principal					
Interest	2,739,775.00	2,739,775.00	2,739,775.00	2,739,775.00	2,739,775.00
W Dev Bds Ser '01-C					
Principal					
Interest	2,750,556.26	2,750,556.26	2,750,556.26	2,750,556.26	2,750,556.26
W Dev Bds Ser '02-D					
Principal					
Interest	1,003,968.76	1,003,968.76	1,003,968.76	1,003,968.76	1,003,968.76
W Dev Ref Bds Ser '03-D					
Principal	145,000.00	150,000.00	155,000.00	165,000.00	180,000.00
Interest	80,250.00	73,000.00	65,500.00	57,750.00	49,500.00
Subtotal State Participation	7,777,402.52	7,775,152.52	7,772,652.52	7,774,902.52	8,331,652.52
Less State Participation Interest	(7,632,402.52)	(7,625,152.52)	(7,617,652.52)	(7,609,902.52)	(7,601,652.52)
Subtotal State Participation Principal	145,000.00	150,000.00	155,000.00	165,000.00	730,000.00
AGRICULTURAL WATER CONSERVATION					
Agri Water Cons Bds Tax Ser '02					
Principal	2,370,000.00	2,465,000.00	2,575,000.00		
Interest	327,840.00	229,485.00	121,025.00		
Subtotal Agric Water Conservation	2,697,840.00	2,694,485.00	2,696,025.00	-	-
Less Agric Water Conservation Inter	(327,840.00)	(229,485.00)	(121,025.00)	-	-
Subtotal Agric Water Conservation Principa	2,370,000.00	2,465,000.00	2,575,000.00	-	-
Total General Obligation Bonds - Non Self Supporting Principal	9,720,000.00	9,795,000.00	10,270,000.00	8,250,000.00	9,195,000.00

UNAUDITED

2012-2016	2017-2021	2022-2026	2027-2031	2032-2036	2037-2041	2042-2046	Total Requirements
							2,415,000.00
							305,430.00
							1,770,000.00
							219,045.00
25,595,000.00	11,245,000.00						57,350,000.00
6,757,662.50	849,500.00						20,262,337.50
							5,080,000.00
							823,975.04
	5,425,000.00						5,425,000.00
1,356,250.00	813,750.00						3,526,250.00
5,255,000.00	6,800,000.00	4,980,000.00					21,165,000.00
3,889,551.28	2,336,018.78	504,420.00					11,743,915.06
3,950,000.00	5,005,000.00	6,390,000.00	4,650,000.00				23,250,000.00
4,598,650.00	3,535,250.00	2,152,250.00	472,500.00				16,043,700.00
							-
12,745,000.00	21,060,000.00	14,150,000.00					49,270,000.00
10,685,837.50	7,041,750.00	1,528,250.00					31,161,275.00
74,832,951.28	64,111,268.78	29,704,920.00	5,122,500.00	-	-	-	249,810,927.60
(27,287,951.28)	(14,576,268.78)	(4,184,920.00)	(472,500.00)	-	-	-	(84,085,927.60)
47,545,000.00	49,535,000.00	25,520,000.00	4,650,000.00	-	-	-	165,725,000.00
3,350,000.00	7,355,000.00	7,015,000.00	1,730,000.00				20,000,000.00
4,806,217.50	3,501,082.50	1,431,150.00	137,550.00				15,165,262.50
	4,090,000.00	12,470,000.00	16,500,000.00	16,940,000.00			50,000,000.00
13,698,875.00	13,594,400.00	11,329,725.00	7,482,750.00	2,393,600.00			62,198,225.00
	735,000.00	13,830,000.00	18,235,000.00	17,040,000.00			49,840,000.00
13,752,781.30	13,752,781.30	12,148,412.50	7,735,550.00	2,176,125.00			63,318,431.40
	-	5,110,000.00	6,535,000.00	8,355,000.00			20,000,000.00
5,019,843.80	5,019,843.80	4,537,543.80	3,116,343.78	1,294,250.00			24,007,668.98
810,000.00							1,605,000.00
104,000.00							430,000.00
41,541,717.60	48,048,107.60	67,871,831.30	61,472,193.78	48,198,975.00	-		306,564,587.88
(37,381,717.60)	(35,868,107.60)	(29,446,831.30)	(18,472,193.78)	(5,863,975.00)	-		(165,119,587.88)
4,160,000.00	12,180,000.00	38,425,000.00	43,000,000.00	42,335,000.00	-		141,445,000.00
							7,410,000.00
							678,350.00
-	-	-	-	-	-	-	8,088,350.00
-	-	-	-	-	-	-	(678,350.00)
-	-	-	-	-	-	-	7,410,000.00
51,705,000.00	61,715,000.00	63,945,000.00	47,650,000.00	42,335,000.00	-	-	314,580,000.00

UNAUDITED

Texas Water Development Board (580)
 Schedule 2C - Debt Service Requirements
 For the Fiscal Year Ended August 31, 2006

Description of Issue	2007	2008	2009	2010	2011
Business-Type Activities					
General Obligation Bonds - Self-Supporting					
WATER DEVELOPMENT FUND II					
W Dev Bds Ser '97-A					
Principal	1,010,000.00	1,060,000.00	1,110,000.00	1,865,000.00	2,030,000.00
Interest	2,394,772.50	2,339,222.50	2,286,222.50	2,230,167.50	2,135,052.50
W Dev Bds Ser '97-B					
Principal	840,000.00	890,000.00	935,000.00	980,000.00	1,035,000.00
Interest	805,120.00	758,920.00	714,420.00	667,202.60	617,222.60
W Dev Bds Ser '97-D					
Principal	2,080,000.00	3,610,000.00	3,820,000.00	4,420,000.00	4,630,000.00
Interest	3,239,265.00	3,124,865.00	2,958,805.00	2,763,030.00	2,550,870.00
W Dev & Ref Bds Ser '98-A					
Principal	1,885,000.00	1,980,000.00	2,080,000.00	2,185,000.00	2,300,000.00
Interest	1,537,306.26	1,443,056.26	1,344,056.26	1,240,056.26	1,125,343.76
W Dev Bds Ser '99-A					
Principal	2,970,000.00	2,205,000.00	1,860,000.00	6,875,000.00	7,325,000.00
Interest	3,545,216.26	3,396,716.26	3,286,466.26	3,193,466.26	2,823,935.00
W Dev & Ref Bds Ser '00					
Principal	3,355,000.00	3,535,000.00	3,750,000.00	3,985,000.00	4,195,000.00
Interest	2,503,761.26	2,336,011.26	2,123,911.26	1,898,911.26	1,691,691.26
W Dev Bds Ser '00-A					
Principal	2,525,000.00	2,650,000.00	2,785,000.00	2,925,000.00	3,065,000.00
Interest	3,340,460.00	3,216,310.00	3,084,510.00	2,945,560.00	2,800,622.50
W Dev Ref Bds Ser '01-A					
Principal	420,000.00	435,000.00	455,000.00	475,000.00	495,000.00
Interest	1,549,480.00	1,532,470.00	1,514,200.00	1,494,407.50	1,473,270.00
W Dev Bds Ser '01-B					
Principal	1,040,000.00	1,105,000.00	1,185,000.00	1,265,000.00	215,000.00
Interest	2,241,233.76	2,199,113.76	2,152,703.76	2,101,156.26	2,044,863.76
W Dev Bds Ser '02-A (AMT)					
Principal	270,000.00	280,000.00	295,000.00	305,000.00	320,000.00
Interest	1,280,657.50	1,270,667.50	1,259,607.50	1,247,365.00	1,234,250.00
W Dev & Ref Bds '02-B					
Principal	2,600,000.00	2,725,000.00	2,865,000.00	4,510,000.00	4,745,000.00
Interest	4,471,078.76	4,352,078.76	4,225,628.76	4,087,160.00	3,863,220.00
W Dev Bds Ser '02-E					
Principal	570,000.00	595,000.00	615,000.00	645,000.00	680,000.00
Interest	803,861.26	781,061.26	760,236.26	729,486.26	697,236.26
W Dev Bds Ser '03-A (AMT)					
Principal	285,000.00	290,000.00	300,000.00	310,000.00	320,000.00
Interest	1,210,518.76	1,201,968.76	1,193,268.76	1,183,518.76	1,172,668.76
W Dev & Ref Bds Tax Ser '03-B					
Principal	5,150,000.00	5,265,000.00	5,405,000.00	5,345,000.00	5,195,000.00
Interest	1,195,358.00	1,086,178.00	954,553.00	797,267.50	624,624.00
W Dev & Ref Bds Ser '03-C					
Principal	7,550,000.00	7,840,000.00	8,295,000.00	2,340,000.00	2,475,000.00
Interest	2,263,926.26	2,007,926.26	1,670,176.26	1,282,021.26	1,171,552.50
W Dev Bds Ser '04-A (AMT)					
Principal	280,000.00	285,000.00	290,000.00	300,000.00	310,000.00
Interest	1,136,801.26	1,131,201.26	1,124,218.76	1,116,243.76	1,107,243.76
W Dev Bds Ser '04-B					
Principal	2,755,000.00	2,915,000.00	5,320,000.00	5,515,000.00	5,655,000.00
Interest	3,198,031.26	3,122,268.76	3,034,818.76	2,791,918.76	2,598,893.76
W Dev Bds Ser '04-D					
Principal	450,000.00	990,000.00	1,020,000.00	1,055,000.00	1,095,000.00
Interest	2,890,700.00	2,877,200.00	2,845,025.00	2,809,325.00	2,772,400.00

UNAUDITED

2012-2016	2017-2021	2022-2026	2027-2031	2032-2036	2037-2041	2042-2046	Total Requirements
							-
11,850,000.00	14,840,000.00	9,395,000.00	2,080,000.00				45,240,000.00
8,927,552.50	5,409,457.50	2,004,975.05	109,200.00				27,836,622.55
							-
6,045,000.00	4,435,000.00						15,160,000.00
2,197,702.80	475,395.00						6,235,983.00
							-
27,320,000.00	19,160,000.00						65,040,000.00
9,037,500.00	1,855,500.00						25,529,835.00
							-
13,415,000.00	6,365,000.00						30,210,000.00
3,695,637.52	481,250.00						10,866,706.32
							-
21,395,000.00	13,995,000.00	9,380,000.00					66,005,000.00
9,434,906.30	5,292,366.28	745,525.00					31,718,597.62
							-
11,385,000.00	11,115,000.00	2,620,000.00					43,940,000.00
5,594,351.30	2,748,870.00	150,650.00					19,048,157.60
							-
18,185,000.00	23,905,000.00	5,575,000.00					61,615,000.00
11,158,062.50	5,430,927.50	292,687.50					32,269,140.00
							-
2,855,000.00	3,650,000.00	4,735,000.00	6,255,000.00	9,335,000.00			29,110,000.00
6,992,927.50	6,199,100.00	5,112,550.00	3,600,562.50	1,486,800.00			30,955,767.50
							-
9,200,000.00	12,265,000.00	7,425,000.00	3,160,000.00	5,765,000.00			42,625,000.00
9,235,731.30	6,398,931.30	3,254,837.50	2,079,975.00	958,387.50			32,666,933.90
							-
1,830,000.00	2,330,000.00	3,005,000.00	3,895,000.00	5,070,000.00	6,630,000.00		24,230,000.00
5,939,145.00	5,438,522.50	4,759,150.00	3,866,350.00	2,688,315.00	1,132,450.00		30,116,480.00
							-
24,170,000.00	25,240,000.00	18,570,000.00					85,425,000.00
15,436,920.00	9,023,487.50	1,983,187.50					47,442,761.28
							-
3,950,000.00	5,120,000.00	3,745,000.00					15,920,000.00
2,925,988.80	1,757,700.04	379,310.00					8,834,880.14
							-
1,805,000.00	2,255,000.00	2,880,000.00	3,690,000.00	4,775,000.00	6,130,000.00	1,420,000.00	24,460,000.00
5,664,381.26	5,215,187.50	4,592,937.50	3,787,768.76	2,700,375.04	1,337,625.02	72,775.00	29,332,993.88
							-
4,950,000.00	5,480,000.00						36,790,000.00
1,820,511.00	775,147.00						7,253,638.50
							-
14,460,000.00	5,290,000.00	2,515,000.00					50,765,000.00
3,783,200.00	1,422,647.50	186,550.00					13,788,000.04
							-
1,710,000.00	2,315,000.00	3,425,000.00	4,300,000.00	5,290,000.00	4,375,000.00	1,845,000.00	24,725,000.00
5,364,348.80	4,983,218.80	4,350,941.30	3,440,756.30	2,310,556.30	1,040,800.00	132,525.00	27,238,855.30
							-
27,745,000.00	10,705,000.00	8,410,000.00					69,020,000.00
8,703,212.52	3,637,625.00	1,075,262.50					28,162,031.32
							-
9,340,000.00	14,255,000.00	18,190,000.00	13,250,000.00				59,645,000.00
12,979,800.00	10,067,500.00	6,129,250.00	1,346,755.00				44,717,955.00

UNAUDITED

Texas Water Development Board (580)
Schedule 2C - Debt Service Requirements
 For the Fiscal Year Ended August 31, 2006

Description of Issue	2007	2008	2009	2010	2011
W Dev Bds Ser '04-E					
Principal					
Interest	778,921.50	778,921.50	778,921.50	778,921.50	778,921.50
W Dev Bds Tax Ser '05-A					
Principal	2,240,000.00	2,345,000.00	2,455,000.00	2,575,000.00	2,695,000.00
Interest	2,660,650.00	2,571,050.00	2,477,250.00	2,379,050.00	2,276,050.00
W Dev Bds Tax Ser '05-B					
Principal	445,000.00	460,000.00	480,000.00	500,000.00	520,000.00
Interest	722,105.50	704,483.50	685,853.50	665,789.50	644,589.50
W Dev Bds Tax Ser '06-A					
Principal	715,000.00	830,000.00	865,000.00	900,000.00	940,000.00
Interest	634,038.13	514,861.26	481,661.26	447,061.26	411,061.26
Subtotal Development Fund II	83,838,263.23	85,036,551.86	87,141,514.36	88,124,086.20	86,855,582.68
Less Development Fund II Interest	(44,403,263.23)	(42,746,551.86)	(40,956,514.36)	(38,849,086.20)	(36,615,582.68)
Subtotal Development Fund II Principal	39,435,000.00	42,290,000.00	46,185,000.00	49,275,000.00	50,240,000.00
Total General Obligation Bonds - Self Supporting Principal	39,435,000.00	42,290,000.00	46,185,000.00	49,275,000.00	50,240,000.00

UNAUDITED

2012-2016	2017-2021	2022-2026	2027-2031	2032-2036	2037-2041	2042-2046	Total Requirements
6,025,000.00	4,170,000.00	3,370,000.00					13,565,000.00
3,703,040.00	1,773,652.50	413,574.00					9,784,874.00
							-
15,710,000.00	17,480,000.00	8,265,000.00	1,910,000.00				55,675,000.00
9,355,000.00	4,963,000.00	1,757,750.00	95,500.00				28,535,300.00
							-
2,965,000.00	3,735,000.00	4,785,000.00	1,110,000.00				15,000,000.00
2,860,132.50	2,087,692.50	1,045,750.50	56,943.00				9,473,340.00
							-
5,245,000.00	3,680,000.00						13,175,000.00
1,469,436.26	330,290.00						4,288,409.43
387,834,487.86	297,552,468.42	154,524,888.35	58,033,810.56	40,379,433.84	20,645,875.02	3,470,300.00	1,393,437,262.38
(146,279,487.86)	(85,767,468.42)	(38,234,888.35)	(18,383,810.56)	(10,144,433.84)	(3,510,875.02)	(205,300.00)	(506,097,262.38)
241,555,000.00	211,785,000.00	116,290,000.00	39,650,000.00	30,235,000.00	17,135,000.00	3,265,000.00	887,340,000.00
241,555,000.00	211,785,000.00	116,290,000.00	39,650,000.00	30,235,000.00	17,135,000.00	3,265,000.00	887,340,000.00

UNAUDITED

Texas Water Development Board (580)
Schedule 2C - Debt Service Requirements
 For the Fiscal Year Ended August 31, 2006

Description of Issue	2007	2008	2009	2010	2011
Revenue Bonds - Self-Supporting					
W Dev State Revolving Fund Rev Bds Ser '96-A					
Principal	9,030,000.00	11,440,000.00	12,500,000.00	11,720,000.00	15,670,000.00
Interest	9,190,787.50	8,721,227.50	8,134,927.50	7,494,302.50	6,849,702.50
W Dev State Revolving Fund Rev Bds Ser '96-B					
Principal	1,200,000.00	1,300,000.00	1,575,000.00	2,200,000.00	6,000,000.00
Interest	9,348,350.00	9,290,750.00	9,227,050.00	9,148,300.00	9,036,100.00
W Dev State Revolving Fund Rev Bds Ser '97-A					
Principal	2,050,000.00	2,150,000.00	2,260,000.00	2,375,000.00	2,500,000.00
Interest	1,905,675.00	1,803,175.00	1,695,675.00	1,579,850.00	1,456,350.00
W Dev State Revolving Fund Rev Bds Ser '97-B					
Principal	5,485,000.00	6,800,000.00	8,180,000.00	10,980,000.00	12,295,000.00
Interest	13,743,215.00	13,441,540.00	13,084,540.00	12,675,540.00	12,148,500.00
W Dev State Revolving Fund Rev Bds Ser '98-A					
Principal	6,500,000.00	6,750,000.00	7,250,000.00	7,500,000.00	8,000,000.00
Interest	6,601,250.00	6,276,250.00	5,938,750.00	5,558,125.00	5,164,375.00
W Dev State Revolving Fund Rev Bds Ser '99-A					
Principal	3,955,000.00	4,190,000.00	4,960,000.00	4,970,000.00	4,980,000.00
Interest	4,937,781.26	4,749,918.76	4,519,468.76	4,246,668.76	3,973,318.76
W Dev State Revolving Fund Rev Bds Ser '99-B					
Principal	3,760,000.00	4,240,000.00	5,510,000.00	7,245,000.00	8,505,000.00
Interest	7,884,101.26	7,703,621.26	7,470,421.26	7,194,921.26	6,796,446.26
W Dev State Revolving Fund Rev Bds Ser '00-A					
Principal	3,940,000.00	3,945,000.00	4,090,000.00	4,315,000.00	4,530,000.00
Interest	4,589,552.50	4,412,252.50	4,208,910.00	3,997,110.00	3,779,872.50
W Dev State Revolving Fund Sub Lien Rev & Ref Bds Ser '05*					
Principal	3,005,000.00	3,140,000.00	3,235,000.00	3,320,000.00	3,415,000.00
Interest	4,505,700.00	4,402,027.50	4,293,697.50	4,182,090.00	4,067,550.00
Subtotal SRF Revenue Bonds	101,631,412.52	104,755,762.52	108,133,440.02	110,701,907.52	119,167,215.02
Less SRF Revenue Bonds Interest	(62,706,412.52)	(60,800,762.52)	(58,573,440.02)	(56,076,907.52)	(53,272,215.02)
Subtotal SRF Revenue Bonds Principal	38,925,000.00	43,955,000.00	49,560,000.00	54,625,000.00	65,895,000.00
Component Units					
Revenue Bonds - Self-Supporting					
TWRFA Rev Ref Bds Tax Ser '99					
Principal	5,485,000.00	5,090,000.00	5,545,000.00	5,195,000.00	
Interest	1,394,963.00	1,040,083.50	708,215.50	343,909.00	
Subtotal Component Units	6,879,963.00	6,130,083.50	6,253,215.50	5,538,909.00	-
Less Component Units Interest	(1,394,963.00)	(1,040,083.50)	(708,215.50)	(343,909.00)	-
Subtotal Component Units Principal	5,485,000.00	5,090,000.00	5,545,000.00	5,195,000.00	-
Total Revenue Bonds - Principal	44,410,000.00	49,045,000.00	55,105,000.00	59,820,000.00	65,895,000.00
Total Bonds - Principal	93,565,000.00	101,130,000.00	111,560,000.00	117,345,000.00	125,330,000.00

Note: Cash basis was used for reporting future debt payments.

* The W Dev State Revolving Fund Sub Lien Rev & Ref Bds Ser '05 are variable rate bonds, which are calculated at 3.45%, which was the interest rate in effect as of 8/31/06.

UNAUDITED

2012-2016	2017-2021	2022-2026	2027-2031	2032-2036	2037-2041	2042-2046	Total Requirements
73,060,000.00	34,425,000.00						167,845,000.00
21,869,905.00	1,807,312.50						64,068,165.00
63,525,000.00	103,600,000.00						179,400,000.00
38,021,300.00	9,829,000.00						93,900,850.00
12,575,000.00	12,665,000.00						36,575,000.00
5,271,262.50	1,467,375.00						15,179,362.50
78,405,000.00	152,270,000.00						274,415,000.00
49,625,500.00	20,726,000.00						135,444,835.00
62,750,000.00	30,500,000.00						129,250,000.00
18,222,500.00	4,091,500.00						51,852,750.00
31,825,000.00	33,625,000.00						88,505,000.00
15,496,143.76	6,818,600.00						44,741,900.06
65,955,000.00	47,525,000.00						142,740,000.00
24,764,568.80	7,776,705.04						69,590,785.14
27,165,000.00	36,985,000.00						84,970,000.00
14,802,018.78	6,362,960.00						42,152,676.28
19,400,000.00	23,555,000.00	71,530,000.00					130,600,000.00
18,377,196.46	14,825,167.50	10,509,562.50					65,162,991.46
641,110,395.30	548,854,620.04	82,039,562.50	-	-	-		1,816,394,315.44
(206,450,395.30)	(73,704,620.04)	(10,509,562.50)	-	-	-		(582,094,315.44)
434,660,000.00	475,150,000.00	71,530,000.00	-	-	-		1,234,300,000.00
							21,315,000.00
							3,487,171.00
-	-	-	-	-	-		24,802,171.00
-	-	-	-	-	-		(3,487,171.00)
-	-	-	-	-	-		21,315,000.00
434,660,000.00	475,150,000.00	71,530,000.00	-	-	-		1,255,615,000.00
727,920,000.00	748,650,000.00	251,765,000.00	87,300,000.00	72,570,000.00	17,135,000.00		2,457,535,000.00

UNAUDITED

Texas Water Development Board (580)
Schedule 2D - Analysis of Funds Available for Debt Service
 For the Year Ended August 31, 2006

Governmental Activities
General Obligation Bonds

	Application of Funds	
	Principal	Interest
W Dev Bds Ser (Note 1)	\$ 6,995,000.00	\$ 15,373,252.95
Agri Water Cons Bds Tax Ser '02	2,280,000.00	413,340.00
Total	\$ 9,275,000.00	\$ 15,786,592.95

Business-Type Activities
General Obligation Bonds

	Application of Funds	
	Principal	Interest
W Dev Bds Ser (Note 2)	\$ 36,805,000.00	\$ 47,496,831.72
Total	\$ 36,805,000.00	\$ 47,496,831.72

NOTE 1: W Dev Bds Ser '97-C, '97-E, '97-F, '99-B, '99-C, '01-A, '01-C, '02-C, '02-D, '04-C, W Dev & Ref Bds Ser '98-C, W Dev Bds Ref Ser '03-D, W Dev Ref Bds Ser '05-C

NOTE 2: W Dev Bds Ser '96-A, '96-B, '97-A, '97-B, '97-D, '99-A, '00-A, '01-B, '02-A, '02-E, '03-A, '04-A, '04-D, W Dev & Ref Bds Ser '98-A, '00, '02-B, '03-B, '03-C, '04-B, '05-A, '06-A, W Dev Ref Fds Ser '01-A, '06-A, W Dev & Ref Bds Tax Ser '04-E, W Dev Bds Tax Ser '05-B

UNAUDITED

Texas Water Development Board (580)
Schedule 2D - Analysis of Funds Available for Debt Service
 For the Year Ended August 31, 2006

Business-Type Activities
Revenue Bonds

Pledged and Other Sources and Related Expenditures for FY 2006:

Description of Issue	Total Pledged and Other Sources	Operating Expenses & Expenditures	Capital Outlay	Debt Service	
				Principal	Interest
W Dev State Revolving Fund Rev Bds Ser (Note 3)	\$ 181,783,199.86	\$ 5,809,422.34		\$ 31,710,000.00	\$ 63,681,290.53
TOTAL	\$ 181,783,199.86	\$ 5,809,422.34	\$ -	\$ 31,710,000.00	\$ 63,681,290.53

TOTAL

NOTE 3: W Dev. State Revolving Fund Rev Bds Ser '96-A, '96-B, '97-A, '97-B, '98-A, '99-A, '99-B, '00-A, W Dev State Revolving Fund Sub Lien Rev & Ref Bds '05

Note: The minimum reserve required as of 8/31/06 was \$108,986,639.14
 The actual reserve as of 08/31/2006 was \$122,376,806.47

Component Units
Revenue Bonds

Pledged and Other Sources and Related Expenditures for FY 2006:

Description of Issue	Total Pledged and Other Sources	Operating Expenses & Expenditures	Capital Outlay	Debt Service	
				Principal	Interest
TWRFA Rev Ref Bonds Ser '99	\$ 10,257,243.70	\$ 264,168.46		\$ 5,840,000.00	\$ 1,769,891.00
TOTAL	\$ 10,257,243.70	\$ 264,168.46	\$ -	\$ 5,840,000.00	\$ 1,769,891.00

UNAUDITED

Texas Water Development Board (580)
Schedule 2E - Defeased Bonds Outstanding
 For the Fiscal Year Ended August 31, 2006

Description of Issue	Year Refunded	Par Value Outstanding
Governmental Activities		
<i>General Obligation Bonds</i>		
Water Development Bonds, Series 1996-C	1998	-
Water Development Bonds, Series 1996-D	1998	-
Water Development Bonds, Series 1997-E	2005	9,100,000.00
Water Development Bonds, Series 1997-F	2005	5,500,000.00
Water Development Bonds, Series 1998-C	2005	350,000.00
Water Development Bonds, Series 1999-B	2005	15,165,000.00
Water Development Bonds, Series 2001-A	2005	19,575,000.00
Total, General Obligation Bonds, Governmental Activities		\$ 49,690,000.00
Business-Type Activities		
<i>General Obligation Bonds</i>		
Water Development Bonds, Series 1987-A	1989	13,200,000.00
Water Development Bonds, Series 1987-B	1989	10,000,000.00
Water Development Bonds, Series 1987-C	1989	10,600,000.00
Water Development Refunding Bonds Taxable, Series 2004-E	2006	21,640,000.00
Subtotal, Water Development Bonds		55,440,000.00
Agricultural Water Conservation Bonds, Series 1997	2002	-
Subtotal, Agricultural Water Conservation Bonds		-
Total, General Obligation Bonds, Business-Type Activities		\$ 55,440,000.00
<i>Revenue Bonds</i>		
W Dev State Revolving Fund Rev Bds Ser '92	2005	17,425,000.00
Total, Revenue Bonds, Business-Type Activities		\$ 17,425,000.00

UNAUDITED

Texas Water Development Board (580)

Schedule 2F - Early Extinguishment and Refunding

For the Fiscal Year Ended August 31, 2006

Description of Issue	Category	Amount Extinguished or Refunded	For Refunding Only		
			Refunding Issue Par Value	Cash Flow Increase (Decrease)	Economic Gain/ (Loss)
Governmental Activities					
General Obligation Bonds - Non-Self-Supporting					
EDAP					
W Dev & Ref Bds Ser '98-C	Early Extinguishment	\$ 350,000.00	\$ -	\$ -	\$ -
W Dev Bds Ser '97-E*	Advance Refunding	9,100,000.00	8,855,000.00	389,853.19	367,085.02
W Dev Bds Ser '97-F*	Advance Refunding	5,500,000.00	5,370,000.00	325,423.39	232,899.88
W Dev Bds Ser '99-B*	Advance Refunding	15,165,000.00	15,140,000.00	986,547.79	723,856.37
W Dev Bds Ser '01-A*	Advance Refunding	19,575,000.00	19,905,000.00	674,474.22	491,536.57
Total, Governmental Activities		49,690,000.00	49,270,000.00	2,376,298.59	1,815,377.84
Business-Type Activities					
General Obligation Bonds - Self-Supporting					
Water Development Fund					
W Dev Bds Ser '96-A**	Current Refunding	15,385,000.00	\$ 7,710,000.00	\$ 4,873,324.74	\$ 976,597.66
W Dev Bds Ser '96-B**	Current Refunding	11,005,000.00	\$ 5,465,000.00	\$ 2,762,430.01	\$ 616,930.79
Water Development Fund II					
W Dev & Ref Bds Tax Ser '04-E	Early Extinguishment	21,640,000.00			
Subtotal, General Obligation Bonds		48,030,000.00	13,175,000.00	7,635,754.75	1,593,528.45
Revenue Bonds - Self-Supporting					
W Dev State Revolving Fund Sub Lien Rev & Ref Bds Ser '05	Early Extinguishment	2,265,000.00			
Total, Business Type Activities		50,295,000.00	13,175,000.00	7,635,754.75	1,593,528.45
		\$ 99,985,000.00	\$ 62,445,000.00	\$ 10,012,053.34	\$ 3,408,906.29

* These four issues were refunded by one new issue, the W Dev Bds Ser '05-C totaling \$49,690,000.00

** These two issues were refunded by one new issue, the W Dev Ref Bds Ser '06-A totaling \$13,175,000.00

Additional Supplemental Information (Schedules)

UNAUDITED

Texas Water Development Board (580)
Schedule 6 - Loans and Contracts
 For the Fiscal Year Ended August 31, 2006

Recipient	Original Amount	Outstanding Balance	Due From	Due To
Agricultural Water Conservation Fund:				
EDWARDS AQUIFER AUTHORITY	2,250,000.00	219,500.00	11/1/1999	11/1/2006
EDWARDS AQUIFER AUTHORITY	750,000.00	74,500.00	11/1/1999	11/1/2006
EDWARDS AQUIFER AUTHORITY	500,000.00	151,917.99	9/1/2003	9/1/2008
MEDINA CO GCD	200,000.00	89,000.00	2/15/2003	2/15/2009
PANHANDLE GWCD #3	300,000.00	90,000.00	1/15/2001	1/15/2008
PANHANDLE GWCD #3	500,000.00	260,000.00	1/15/2003	1/15/2010
PANHANDLE GWCD #3	300,000.00	228,000.00	1/15/2005	1/15/2012
PANHANDLE GWCD #3	500,000.00	442,000.00	1/15/2006	1/15/2013
PANHANDLE GWCD #3	500,000.00	500,000.00	1/15/2007	1/15/2014
SANDY LAND UWCD	500,000.00	53,091.20	3/15/2001	3/15/2007
SANDY LAND UWCD	500,000.00	110,268.00	3/15/2002	3/15/2008
SANDY LAND UWCD	500,000.00	143,355.04	3/15/2003	3/15/2009
SANDY LAND UWCD	500,000.00	91,280.00	3/15/2004	3/15/2010
SANDY LAND UWCD	2,000,000.00	1,405,114.30	3/15/2005	3/15/2011
UPPER PECOS S&WCD #213	449,068.18	20,020.94	2/15/1997	4/15/2010
Total, Agricultural Water Conservation Fund	\$ 10,249,068.18	\$ 3,878,047.47		
Colonia Plumbing Loan Program:				
COMBES, TOWN OF	134,615.00	134,615.00	2/1/2025	2/1/2025
EDINBURG, CITY OF	335,925.75	335,925.75	8/1/2016	8/1/2016
EL PASO CO	108,187.51	108,187.51	10/1/2017	10/1/2017
LOWER VALLEY WD	1,080,207.78	1,080,207.78	10/1/2017	10/1/2017
PRIMERA, CITY OF	30,404.00	30,404.00	10/1/2025	10/1/2025
Total, Colonia Plumbing Loan Program:	\$ 1,689,340.04	\$ 1,689,340.04		
Clean Water State Revolving Fund:				
ALTO, CITY OF	425,000.00	280,000.00	7/15/1998	7/15/2017
ALVARADO, CITY OF	1,000,000.00	620,000.00	7/10/2001	7/10/2013
ALVIN, CITY OF	6,650,000.00	6,640,000.00	11/1/2004	11/1/2023
ALVORD, CITY OF	420,000.00	405,000.00	10/1/2005	10/1/2024
ALVORD, CITY OF	390,000.00	260,000.00	10/1/1997	10/1/2016
ANAHUAC, CITY OF	1,465,000.00	1,195,000.00	8/1/2001	8/1/2020
ANGELINA NECHES RA	3,100,000.00	2,815,000.00	4/1/2003	4/1/2021
ANGELINA NECHES RA	330,000.00	285,000.00	9/1/1997	9/1/2016
ANGELINA NECHES RA	620,000.00	460,000.00	2/1/2000	2/1/2018
ANGLETON, CITY OF	540,000.00	345,000.00	8/15/1998	8/15/2017
ANGLETON, CITY OF	640,000.00	470,000.00	2/15/2000	2/15/2019
ANGLETON, CITY OF	655,000.00	525,000.00	8/15/2001	8/15/2020
ANGLETON, CITY OF	645,000.00	560,000.00	8/15/2003	8/15/2022
ARANSAS PASS CITY OF	1,115,000.00	1,080,000.00	2/1/2006	2/1/2025
AUBREY, CITY OF	1,740,000.00	1,550,000.00	8/15/2004	8/15/2023
AUSTIN, CITY OF	10,000,000.00	7,440,000.00	11/15/2000	11/15/2017
BACLIFF MUD	4,890,000.00	4,480,000.00	9/1/2004	9/1/2023
BACLIFF MUD	4,890,000.00	4,890,000.00	9/1/2006	9/1/2025
BARDWELL, CITY OF	200,000.00	179,000.00	8/1/1998	8/1/2017
BAYTOWN, CITY OF	6,820,000.00	4,745,000.00	2/1/1999	2/1/2018
BAYTOWN, CITY OF	13,370,000.00	12,995,000.00	2/1/2006	2/1/2025
BAYTOWN, CITY OF	19,700,000.00	19,700,000.00	2/1/2007	2/1/2026
BAYTOWN, CITY OF	4,680,000.00	3,220,000.00	2/1/1998	2/1/2017
BAYVIEW MUD	490,000.00	345,000.00	9/1/1998	9/1/2016
BELL CO WCID #1	34,310,000.00	33,710,000.00	7/10/2005	7/10/2024
BELL CO WCID #1	5,215,000.00	4,875,000.00	7/10/2005	7/10/2024
BELLS, CITY OF	130,000.00	95,000.00	2/15/2000	2/15/2018
BENBROOK WSA	1,200,000.00	1,025,000.00	12/1/1999	12/1/2018

UNAUDITED

Texas Water Development Board (580)

Schedule 6 - Loans and Contracts

For the Fiscal Year Ended August 31, 2006

Recipient	Original Amount	Outstanding Balance	Due From	Due To
BLOSSOM, CITY OF	275,000.00	205,000.00	1/1/2000	1/1/2019
BOERNE, CITY OF	2,250,000.00	1,630,000.00	3/1/1998	3/1/2016
BONHAM, CITY OF	1,675,000.00	1,675,000.00	2/15/2007	2/15/2026
BRAZOS RA	1,615,000.00	1,080,000.00	1/1/1998	1/1/2017
BRIDGEPORT, CITY OF	1,200,000.00	960,000.00	8/15/2002	8/15/2021
BRIDGEPORT, CITY OF	2,365,000.00	2,055,000.00	8/15/2004	8/15/2023
BRIDGEPORT, CITY OF	2,200,000.00	1,050,000.00	7/1/1994	7/1/2013
BROWNSBORO, CITY OF	700,000.00	640,000.00	8/15/2005	8/15/2024
BROWNSVILLE, CITY OF	9,920,000.00	9,360,000.00	9/1/2005	9/1/2018
BROWNSVILLE, CITY OF	8,835,000.00	8,405,000.00	9/1/2005	9/1/2019
BRYAN, CITY OF	1,500,000.00	1,035,000.00	7/1/1999	7/1/2018
BULLARD, CITY OF	175,000.00	15,000.00	9/1/1993	9/1/2006
CAMERON, CITY OF	710,000.00	660,000.00	2/1/2005	2/1/2024
CAMERON, CITY OF	1,800,000.00	1,730,000.00	2/1/2006	2/1/2024
CAMPBELL, CITY OF	240,000.00	175,000.00	8/15/2000	8/15/2019
CARTHAGE, CITY OF	3,910,000.00	2,550,000.00	4/10/1996	4/10/2015
CIBOLO CREEK MA	2,250,000.00	1,755,000.00	2/1/1999	2/1/2019
CIBOLO CREEK MA	1,500,000.00	1,230,000.00	7/10/2003	7/10/2022
CIBOLO CREEK MA	6,415,000.00	5,905,000.00	7/10/2005	7/10/2024
CLEAR LAKE CITY WA	6,900,000.00	5,045,000.00	3/1/2000	3/1/2019
CLEAR LAKE CITY WA	4,485,000.00	3,655,000.00	3/1/2002	3/1/2021
CLEVELAND, CITY OF	2,250,000.00	1,525,000.00	2/1/1998	2/1/2017
CLEVELAND, CITY OF	1,960,000.00	1,785,000.00	8/1/2001	8/1/2020
COLDSRING, CITY OF	300,000.00	145,000.00	8/1/1994	8/1/2013
COMMODORE COVE ID	490,000.00	315,000.00	2/15/1998	2/15/2016
CORINTHIAN POINT MUD #2	1,310,000.00	1,220,000.00	2/1/1998	2/1/2017
CORPUS CHRISTI, CITY OF	15,750,000.00	11,525,000.00	7/15/2000	7/15/2019
CORRIGAN, CITY OF	400,000.00	45,000.00	8/15/1994	8/15/2007
CORSICANA, CITY OF	10,075,000.00	6,595,000.00	8/15/1998	8/15/2017
CRANE, CITY OF	2,630,000.00	1,320,000.00	2/1/1999	2/1/2013
CRANFILLS GAP, CITY OF	605,000.00	525,000.00	9/1/2002	9/1/2021
CROCKETT, CITY OF	4,275,000.00	3,555,000.00	9/15/1997	9/15/2016
CROSBY MUD	935,000.00	725,000.00	1/1/1996	1/1/2014
DALHART, CITY OF	5,870,000.00	4,960,000.00	2/15/2003	2/15/2022
DALLAS CO WCID #6	3,865,000.00	2,820,000.00	9/1/1999	9/1/2018
DAVENPORT RANCH MUD #1	3,665,000.00	2,650,000.00	9/1/1998	9/1/2017
DAYTON, CITY OF	8,500,000.00	8,500,000.00	2/1/2009	2/1/2028
DEER PARK, CITY OF	3,000,000.00	2,100,000.00	3/1/2001	3/1/2020
DEER PARK, CITY OF	5,000,000.00	4,250,000.00	3/1/2004	3/1/2023
DEER PARK, CITY OF	3,000,000.00	1,650,000.00	3/1/1998	3/1/2017
DEKALB, CITY OF	565,000.00	555,000.00	12/1/2004	12/1/2019
DEL RIO, CITY OF	2,190,000.00	2,020,000.00	7/1/2005	7/1/2024
DETROIT, CITY OF	925,000.00	785,000.00	7/1/2002	7/1/2020
DIBOLL, CITY OF	4,635,000.00	4,175,000.00	2/1/2000	2/1/2019
DONNA, CITY OF	2,775,000.00	2,155,000.00	2/1/2001	2/1/2018
DRIPPING SPRINGS, CITY OF	9,430,000.00	9,430,000.00	6/1/2007	6/1/2026
EAGLE PASS, CITY OF	10,110,000.00	9,680,000.00	12/1/2005	12/1/2024
EAGLE PASS, CITY OF	700,000.00	90,000.00	12/1/2004	12/1/2023
EAGLE PASS, CITY OF	2,795,000.00	1,440,000.00	12/1/1993	12/1/2012
EAST CEDAR CREEK FWSD	2,075,000.00	1,570,000.00	1/1/2000	1/1/2019
EAST CEDAR CREEK FWSD	1,500,000.00	1,450,000.00	1/1/2006	1/1/2025
EAST CEDAR CREEK FWSD	415,000.00	200,000.00	1/1/1995	1/1/2014
EDINBURG, CITY OF	3,700,000.00	225,000.00	3/1/1996	3/1/2015
EL PASO, CITY OF	10,000,000.00	6,505,000.00	3/1/1998	3/1/2017
EL PASO, CITY OF	16,265,000.00	13,915,000.00	3/1/2003	3/1/2022

UNAUDITED

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For the Fiscal Year Ended August 31, 2006

Recipient	Original Amount	Outstanding Balance	Due From	Due To
EL PASO, CITY OF	7,520,000.00	6,285,000.00	3/1/2003	3/1/2022
EL PASO, CITY OF	10,000,000.00	9,995,000.00	3/1/2006	3/1/2024
EL PASO, CITY OF	10,000,000.00	10,000,000.00	3/1/2007	3/1/2026
EL PASO, CITY OF	22,000,000.00	15,000,000.00	3/1/1998	3/1/2017
EVADALE WCID #1	1,550,000.00	1,330,000.00	7/1/2003	7/1/2022
FAIRFIELD, CITY OF	4,415,000.00	3,855,000.00	9/1/2003	9/1/2022
FIRST COLONY MUD #9	4,000,000.00	3,550,000.00	10/1/1999	10/1/2018
FLATONIA, CITY OF	665,000.00	455,000.00	2/15/1999	2/15/2018
FOREST COVE MUD	4,870,000.00	3,315,000.00	3/15/1998	3/15/2017
FORT BEND CO WCID #2	4,740,000.00	3,230,000.00	9/1/1998	9/1/2017
FORT WORTH, CITY OF	60,980,000.00	42,145,000.00	3/1/1999	3/1/2018
FORT WORTH, CITY OF	38,000,000.00	28,010,000.00	3/1/2000	3/1/2019
FORT WORTH, CITY OF	61,750,000.00	48,290,000.00	3/1/2001	3/1/2020
FORT WORTH, CITY OF	8,080,000.00	6,540,000.00	3/1/2002	3/1/2021
FORT WORTH, CITY OF	34,310,000.00	29,085,000.00	3/1/2003	3/1/2022
FORT WORTH, CITY OF	7,890,000.00	7,540,000.00	3/1/2006	3/1/2025
FORT WORTH, CITY OF	11,500,000.00	11,500,000.00	3/1/2007	3/1/2025
FORT WORTH, CITY OF	17,120,000.00	1,745,000.00	3/1/1997	3/1/2016
GALVESTON CO MUD #12	1,820,000.00	1,465,000.00	9/1/1997	9/1/2015
GALVESTON CO WCID #1	6,395,000.00	5,615,000.00	3/1/2004	3/1/2022
GALVESTON CO WCID #12	515,000.00	375,000.00	9/1/1999	9/1/2018
GALVESTON CO WCID #12	1,920,000.00	1,335,000.00	9/1/1999	9/1/2016
GARLAND, CITY OF	38,485,000.00	38,485,000.00	3/1/2007	3/1/2024
GIDDINGS, CITY OF	4,000,000.00	3,385,000.00	9/1/1997	9/1/2016
GREATER TEXOMA UA	250,000.00	175,000.00	11/1/1998	11/1/2017
GREATER TEXOMA UA	300,000.00	200,000.00	4/1/1998	4/1/2017
GREATER TEXOMA UA	1,500,000.00	1,370,000.00	10/1/1999	10/1/2012
GREATER TEXOMA UA	155,000.00	115,000.00	4/1/1999	4/1/2018
GREATER TEXOMA UA	440,000.00	240,000.00	6/1/1999	6/1/2013
GREATER TEXOMA UA	500,000.00	470,000.00	7/1/2001	7/1/2020
GREATER TEXOMA UA	900,000.00	715,000.00	6/1/2001	6/1/2020
GREATER TEXOMA UA	150,000.00	125,000.00	4/1/2002	4/1/2021
GREATER TEXOMA UA	150,000.00	115,000.00	6/1/2000	6/1/2019
GREATER TEXOMA UA	150,000.00	125,000.00	10/1/2001	10/1/2020
GREATER TEXOMA UA	955,000.00	850,000.00	6/1/2003	6/1/2022
GREATER TEXOMA UA	3,440,000.00	3,125,000.00	10/1/2003	10/1/2021
GREATER TEXOMA UA	865,000.00	760,000.00	10/1/2003	10/1/2021
GREATER TEXOMA UA	1,035,000.00	1,010,000.00	10/1/2003	10/1/2022
GREATER TEXOMA UA	995,000.00	405,000.00	4/1/1992	4/1/2011
GREATER TEXOMA UA	155,000.00	55,000.00	10/1/1993	10/1/2010
GREATER TEXOMA UA	95,000.00	10,000.00	1/1/1995	1/1/2007
GREATER TEXOMA UA	765,000.00	290,000.00	10/1/1993	10/1/2010
GREATER TEXOMA UA	290,000.00	230,000.00	1/1/2007	1/1/2014
GREATER TEXOMA UA	350,000.00	170,000.00	4/1/1994	4/1/2013
GREATER TEXOMA UA	1,090,000.00	705,000.00	10/1/1996	10/1/2015
GREATER TEXOMA UA	380,000.00	225,000.00	6/1/1996	6/1/2015
GREATER TEXOMA UA	400,000.00	400,000.00	6/1/2007	6/1/2026
GREENWOOD UD	2,465,000.00	1,960,000.00	8/1/1999	8/1/2017
GROVES, CITY OF	715,000.00	715,000.00	9/1/2007	9/1/2026
GROVES, CITY OF	5,000,000.00	5,000,000.00	9/1/2008	9/1/2027
GROVES, CITY OF	14,000,000.00	10,990,000.00	9/1/1999	9/1/2018
GUADALUPE BLANCO RA	5,480,000.00	5,435,000.00	2/1/1998	2/1/2017
GUADALUPE BLANCO RA	3,750,000.00	1,585,000.00	10/1/1997	10/1/2010
HALLSVILLE, CITY OF	2,250,000.00	1,730,000.00	5/1/2000	5/1/2019
HALTOM CITY, CITY OF	8,600,000.00	6,410,000.00	2/1/2000	2/1/2019

UNAUDITED

Texas Water Development Board (580)

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For the Fiscal Year Ended August 31, 2006

Recipient	Original Amount	Outstanding Balance	Due From	Due To
HALTOM CITY, CITY OF	3,120,000.00	2,150,000.00	2/1/2003	2/1/2022
HARDIN CO WCID #1	2,100,000.00	1,575,000.00	8/15/1998	8/15/2017
HARLINGEN, CITY OF	1,845,000.00	1,525,000.00	11/1/2001	11/1/2020
HARRIS CO FWSD #6	2,300,000.00	1,700,000.00	7/10/1998	7/10/2017
HARRIS CO UD #5	6,130,000.00	4,240,000.00	10/1/1998	10/1/2017
HARRIS CO WCID #136	565,000.00	375,000.00	4/1/1998	4/1/2017
HARRIS CO WCID #36	5,000,000.00	4,400,000.00	9/15/2002	9/15/2021
HARRIS CO WCID #84	2,075,000.00	995,000.00	8/1/1993	8/1/2012
HIGH ISLAND ISD	195,000.00	80,000.00	8/15/2000	8/15/2010
HILLCREST VILLAGE, CITY OF	300,000.00	225,000.00	3/15/2001	3/15/2019
HITCHCOCK, CITY OF	700,000.00	155,000.00	5/1/1990	5/1/2009
HONDO, CITY OF	1,310,000.00	435,000.00	2/1/1994	2/1/2011
HONDO, CITY OF	285,000.00	115,000.00	2/1/1994	2/1/2011
HONEY GROVE, CITY OF	1,000,000.00	780,000.00	9/1/2000	9/1/2019
HOOKS, CITY OF	915,000.00	315,000.00	8/15/1992	8/15/2011
HOOKS, CITY OF	190,000.00	70,000.00	8/15/1992	8/15/2011
HOUSTON, CITY OF	175,000,000.00	174,965,000.00	12/1/1999	12/1/2018
HOUSTON, CITY OF	47,500,000.00	43,100,000.00	12/1/2000	12/1/2019
HOUSTON, CITY OF	6,130,000.00	5,495,000.00	12/1/2000	12/1/2019
HOUSTON, CITY OF	67,660,000.00	66,445,000.00	12/1/2000	12/1/2019
HOUSTON, CITY OF	96,705,000.00	96,480,000.00	12/1/2005	12/1/2024
HOUSTON, CITY OF	84,385,000.00	84,135,000.00	12/1/2005	12/1/2024
HOUSTON, CITY OF	69,595,000.00	69,595,000.00	5/15/2007	5/15/2026
HOUSTON, CITY OF	61,545,000.00	61,545,000.00	5/15/2007	5/15/2026
HOUSTON, CITY OF	160,000,000.00	159,960,000.00	12/1/1998	12/1/2017
HUBBARD, CITY OF	670,000.00	485,000.00	2/15/2000	2/15/2018
HULL FWSD	450,000.00	240,000.00	3/1/1996	3/1/2013
HUMBLE, CITY OF	4,800,000.00	3,540,000.00	3/1/2000	3/1/2019
HUNTERS GLEN MUD	1,885,000.00	1,565,000.00	4/1/2000	4/1/2015
HUNTSVILLE, CITY OF	14,395,000.00	8,740,000.00	8/15/1997	8/15/2016
HURST CREEK MUD	2,600,000.00	130,000.00	4/1/1997	4/1/2016
IDALOU, CITY OF	160,000.00	90,000.00	2/15/1993	2/15/2012
INGLESIDE, CITY OF	2,915,000.00	2,285,000.00	2/1/2003	2/1/2022
ISAACSON MUD	275,000.00	100,000.00	3/1/1994	3/1/2013
JACINTO CITY, CITY OF	7,255,000.00	7,235,000.00	5/1/2005	5/1/2024
JACKSBORO, CITY OF	2,550,000.00	1,830,000.00	7/10/1999	7/10/2017
JACKSBORO, CITY OF	1,040,000.00	60,000.00	7/10/1996	7/10/2015
JACKSONVILLE, CITY OF	8,000,000.00	7,035,000.00	8/15/2001	8/15/2020
JARRELL, CITY OF	7,895,000.00	7,895,000.00	7/1/2007	7/1/2026
JASPER, CITY OF	2,495,000.00	1,735,000.00	2/15/1999	2/15/2018
JEFFERSON CO WCID #10	2,890,000.00	1,375,000.00	8/15/1996	8/15/2012
JOHNSON CO FWSD NO.1	1,640,000.00	1,080,000.00	5/15/1997	5/15/2016
KAUFMAN, CITY OF	2,455,000.00	2,090,000.00	2/15/2003	2/15/2022
KAUFMAN, CITY OF	1,325,000.00	1,290,000.00	8/15/2006	8/15/2025
KENDALL CO WCID #1	2,500,000.00	1,985,000.00	1/1/2001	1/1/2020
KINGSVILLE, CITY OF	2,000,000.00	990,000.00	4/15/1995	4/15/2012
LA COSTE, CITY OF	665,000.00	325,000.00	2/1/1994	2/1/2013
LA FERIA, CITY OF	385,000.00	385,000.00	9/15/2006	9/15/2025
LA GRANGE, CITY OF	2,155,000.00	1,010,000.00	8/15/1998	8/15/2012
LA MARQUE, CITY OF	4,600,000.00	4,060,000.00	9/1/2000	9/1/2018
LA MARQUE, CITY OF	4,440,000.00	3,480,000.00	9/1/1998	9/1/2016
LAKE JACKSON, CITY OF	16,000,000.00	12,000,000.00	4/15/2002	4/15/2021
LAKE JACKSON, CITY OF	1,410,000.00	500,000.00	4/15/1994	4/15/2013
LAKE WORTH, CITY OF	1,500,000.00	990,000.00	3/1/1998	3/1/2017
LAKEWAY MUD	3,040,000.00	2,125,000.00	9/1/1998	9/1/2017

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Recipient	Original Amount	Outstanding Balance	Due From	Due To
LAMPASAS, CITY OF	1,040,000.00	740,000.00	8/15/1999	8/15/2018
LAREDO, CITY OF	1,415,000.00	505,000.00	3/1/1992	3/1/2011
LAREDO, CITY OF	285,000.00	105,000.00	3/1/1992	3/1/2011
LEWISVILLE, CITY OF	9,950,000.00	7,230,000.00	8/15/2000	8/15/2019
LITTLEFIELD, CITY OF	2,565,000.00	1,685,000.00	2/15/1998	2/15/2017
LOCKHART, CITY OF	1,325,000.00	900,000.00	8/1/1998	8/1/2016
LONGVIEW, CITY OF	15,335,000.00	11,695,000.00	3/1/1999	3/1/2017
LORAIN, CITY OF	665,000.00	635,000.00	9/1/2004	9/1/2023
LORENZO, CITY OF	705,000.00	520,000.00	8/15/2000	8/15/2019
LOVELADY, CITY OF	330,000.00	190,000.00	5/1/1996	5/1/2015
LOWER COLORADO RA	25,280,000.00	15,445,000.00	7/1/2000	7/1/2011
LOWER COLORADO RA	9,070,209.65	9,070,209.65	7/1/2012	7/1/2016
LOWER COLORADO RA	3,810,000.00	3,430,000.00	1/1/2002	1/1/2020
LOWER COLORADO RA	9,300,000.00	4,255,000.00	1/1/2000	1/1/2010
LOWER COLORADO RA	6,556.00	6,556.00	1/1/2011	1/1/2011
LOWER VALLEY WD	910,000.00	745,000.00	9/15/2001	9/15/2020
LOWER VALLEY WD	285,000.00	222,000.00	9/15/2000	9/15/2019
LOWER VALLEY WD	765,000.00	572,000.00	9/15/2001	9/15/2021
LOWER VALLEY WD	775,000.00	650,000.00	9/15/2001	9/15/2021
LOWER VALLEY WD	1,347,000.00	1,011,000.00	9/15/1999	9/15/2018
LOWER VALLEY WD	300,000.00	230,000.00	9/15/1999	9/15/2018
LULING, CITY OF	1,590,000.00	1,110,000.00	8/15/1999	8/15/2017
LUMBERTON MUD	5,200,000.00	3,580,000.00	8/15/1999	8/15/2018
LUMBERTON MUD	8,765,000.00	8,765,000.00	8/15/2008	8/15/2027
MACEDONIA-EYLAU MUD #1	225,000.00	150,000.00	7/1/1999	7/1/2018
MANVEL, CITY OF	845,000.00	845,000.00	8/15/2007	8/15/2026
MARBLE FALLS, CITY OF	2,950,000.00	2,865,000.00	2/1/2006	2/1/2025
MARLIN, CITY OF	2,255,000.00	2,255,000.00	7/1/2007	7/1/2026
MARSHALL, CITY OF	7,020,000.00	4,940,000.00	6/15/1998	6/15/2017
MART, CITY OF	810,000.00	775,000.00	9/1/1999	9/1/2018
MAURICEVILLE SUD	925,000.00	795,000.00	11/15/1999	11/15/2018
MAURICEVILLE SUD	9,340,000.00	9,000,000.00	11/15/1999	11/15/2018
MEADOWHILL REGIONAL MUD	1,460,000.00	1,340,000.00	10/1/1997	10/1/2015
MERCEDES, CITY OF	1,265,000.00	1,265,000.00	2/15/2008	2/15/2027
MEXIA, CITY OF	2,000,000.00	1,375,000.00	8/15/1999	8/15/2018
MEXIA, CITY OF	5,420,000.00	4,615,000.00	8/15/2003	8/15/2022
MIDLAND, CITY OF	8,730,000.00	5,245,000.00	5/1/1997	5/1/2016
MINEOLA, CITY OF	770,000.00	690,000.00	9/1/1999	9/1/2017
MINEOLA, CITY OF	3,335,000.00	2,425,000.00	9/1/1999	9/1/2018
MISSION, CITY OF	2,032,000.00	1,152,000.00	4/1/1996	4/1/2015
MISSOURI CITY, CITY OF	1,215,000.00	1,130,000.00	6/15/2005	6/15/2024
MONT BELVIEU, CITY OF	2,990,000.00	350,000.00	9/1/1997	9/1/2006
MONTGOMERY CO MUD #15	675,000.00	555,000.00	3/1/1999	3/1/2017
MONTGOMERY CO MUD #15	815,000.00	725,000.00	3/1/1998	3/1/2017
MONTGOMERY CO UD #3	1,290,000.00	1,150,000.00	4/1/1999	4/1/2015
MOUNT CALM, CITY OF	100,000.00	70,000.00	9/1/2000	9/1/2019
MOUNT VERNON, CITY OF	1,520,000.00	1,135,000.00	9/1/1999	9/1/2018
NACOGDOCHES, CITY OF	5,900,000.00	4,050,000.00	3/1/1999	3/1/2018
NACOGDOCHES, CITY OF	10,365,000.00	9,965,000.00	3/1/2006	3/1/2025
NEDERLAND, CITY OF	5,000,000.00	3,860,000.00	9/1/1998	9/1/2017
NEDERLAND, CITY OF	4,850,000.00	4,790,000.00	9/1/2000	9/1/2019
NEDERLAND, CITY OF	2,900,000.00	2,845,000.00	9/1/2001	9/1/2019
NEEDVILLE, CITY OF	1,150,000.00	450,000.00	3/1/1996	3/1/2010
NEW CANEY MUD	380,000.00	360,000.00	4/1/2005	4/1/2024
NEW CANEY MUD	3,095,000.00	3,095,000.00	4/1/2007	4/1/2026

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Recipient	Original Amount	Outstanding Balance	Due From	Due To
NEW CANEY MUD	1,720,000.00	1,345,000.00	4/1/1997	4/1/2015
NEWTON, CITY OF	1,855,000.00	1,335,000.00	3/15/2000	3/15/2019
ODEM, CITY OF	1,940,000.00	1,790,000.00	8/1/2004	8/1/2023
OLNEY, CITY OF	265,000.00	235,000.00	9/1/2003	9/1/2022
ORANGE CO WCID #1	2,415,000.00	2,375,000.00	2/15/1999	2/15/2018
ORANGE CO WCID #2	3,890,000.00	2,790,000.00	3/1/1997	3/1/2015
ORANGE GROVE, CITY OF	400,000.00	250,000.00	8/15/1997	8/15/2016
PALESTINE, CITY OF	3,745,000.00	3,735,000.00	7/15/2005	7/15/2022
PALESTINE, CITY OF	6,545,000.00	3,505,000.00	7/15/1996	7/15/2015
PANHANDLE, CITY OF	1,875,000.00	1,610,000.00	2/15/2003	2/15/2022
PARKWAY UD	3,965,000.00	3,020,000.00	3/1/1999	3/1/2017
PASADENA, CITY OF	31,370,000.00	24,525,000.00	4/1/2000	4/1/2019
PEARLAND, CITY OF	17,100,000.00	15,000,000.00	3/1/2000	3/1/2018
PEARLAND, CITY OF	8,870,000.00	1,485,000.00	9/1/1997	9/1/2016
PHARR, CITY OF	4,230,000.00	3,735,000.00	9/1/1998	9/1/2017
PINE VILLAGE PUD	845,000.00	815,000.00	3/1/2001	3/1/2020
PINE VILLAGE PUD	810,000.00	495,000.00	9/1/1996	9/1/2014
POINT CITY OF	1,370,000.00	1,355,000.00	7/1/2006	7/1/2025
POLK CO FWSD #2	3,140,000.00	2,520,000.00	7/10/2000	7/10/2018
POLK CO FWSD #2	1,955,000.00	1,935,000.00	7/10/2003	7/10/2022
PORT ARTHUR, CITY OF	15,000,000.00	12,710,000.00	2/15/2003	2/15/2022
PORT LAVACA, CITY OF	4,950,000.00	3,425,000.00	2/15/1999	2/15/2018
PORTER MUD	2,145,000.00	2,105,000.00	3/1/1999	3/1/2018
PORTLAND, CITY OF	1,775,000.00	1,550,000.00	9/1/2002	9/1/2021
PRINCETON, CITY OF	990,000.00	650,000.00	2/15/1998	2/15/2017
PROSPER, TOWN OF	800,000.00	590,000.00	7/10/1999	7/10/2018
QUINLAN, CITY OF	845,000.00	635,000.00	9/1/1998	9/1/2017
REDWATER, CITY OF	470,000.00	470,000.00	6/1/2007	6/1/2026
RENO CITY OF	1,950,000.00	1,650,000.00	1/1/1999	1/1/2018
RICHLAND HILLS, CITY OF	4,000,000.00	2,850,000.00	8/15/1999	8/15/2018
RICHMOND, CITY OF	4,400,000.00	3,425,000.00	3/1/2001	3/1/2020
RIO GRANDE CITY, CITY OF	210,000.00	85,000.00	7/10/1993	7/10/2012
RIO GRANDE CITY, CITY OF	1,750,000.00	780,000.00	7/10/1993	7/10/2012
RIO GRANDE CITY, CITY OF	350,000.00	125,000.00	7/10/1993	7/10/2012
RIVIERA WCID	280,000.00	195,000.00	11/1/1997	11/1/2016
ROBSTOWN, CITY OF	775,000.00	390,000.00	12/1/1993	12/1/2012
ROCKDALE, CITY OF	6,300,000.00	6,265,000.00	8/15/2006	8/15/2025
ROCKPORT, CITY OF	2,500,000.00	1,600,000.00	2/15/1997	2/15/2016
ROMA, CITY OF	3,035,000.00	2,385,000.00	5/1/2001	5/1/2020
ROMA, CITY OF	1,150,000.00	1,062,000.00	5/1/2005	5/1/2024
RUSK, CITY OF	2,950,000.00	2,155,000.00	2/15/1999	2/15/2018
SAN ANGELO, CITY OF	2,855,000.00	1,870,000.00	4/1/1999	4/1/2017
SAN ANTONIO WATER SYSTEM	47,500,000.00	33,760,000.00	5/15/2000	5/15/2019
SAN ANTONIO WATER SYSTEM	71,410,000.00	51,465,000.00	5/15/2000	5/15/2019
SAN ANTONIO WATER SYSTEM	9,715,000.00	9,690,000.00	5/15/2002	5/15/2021
SAN ANTONIO WATER SYSTEM	15,435,000.00	15,410,000.00	5/15/2002	5/15/2021
SAN ANTONIO WATER SYSTEM	15,650,000.00	15,630,000.00	5/15/2003	5/15/2022
SAN ANTONIO WATER SYSTEM	12,090,000.00	12,070,000.00	5/15/2003	5/15/2022
SAN ANTONIO WATER SYSTEM	34,000,000.00	33,985,000.00	5/15/2004	5/15/2023
SAN ANTONIO WATER SYSTEM	26,365,000.00	26,355,000.00	5/15/2005	5/15/2024
SAN ANTONIO WATER SYSTEM	10,635,000.00	10,625,000.00	5/15/2005	5/15/2024
SAN DIEGO, CITY OF	490,000.00	175,000.00	6/1/1995	6/1/2011
SAN JACINTO RA	9,960,000.00	320,000.00	10/1/1997	10/1/2015
SAN JUAN, CITY OF	2,180,000.00	2,180,000.00	3/1/2007	3/1/2026
SAN LEON MUD	1,150,000.00	715,000.00	7/10/1997	7/10/2016

UNAUDITED

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 For the Fiscal Year Ended August 31, 2006

<u>Recipient</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Due From</u>	<u>Due To</u>
SAN MARCOS, CITY OF	7,500,000.00	6,740,000.00	2/15/1999	2/15/2017
SAN PATRICIO MWD	3,050,000.00	2,355,000.00	2/1/2000	2/1/2018
SANGER, CITY OF	1,060,000.00	670,000.00	5/15/1997	5/15/2016
SEGUIN, CITY OF	1,300,000.00	1,070,000.00	2/1/1999	2/1/2017
SHASLA PUD	380,000.00	345,000.00	3/1/2000	3/1/2009
SHINER, CITY OF	1,630,000.00	1,120,000.00	9/1/1997	9/1/2016
SINTON, CITY OF	600,000.00	315,000.00	8/1/1997	8/1/2011
STAMFORD, CITY OF	265,000.00	250,000.00	2/15/2006	2/15/2025
STANLEY LAKE MUD	85,000.00	14,000.00	7/1/1993	7/1/2008
SUGAR LAND, CITY OF	3,485,000.00	2,630,000.00	8/15/1999	8/15/2018
SUGAR LAND, CITY OF	3,365,000.00	2,965,000.00	8/15/1999	8/15/2018
SUGAR LAND, CITY OF	3,215,000.00	2,680,000.00	8/15/2003	8/15/2022
SUNBELT FWSD	5,310,000.00	4,440,000.00	12/1/2001	12/1/2020
SUNBELT FWSD	495,000.00	410,000.00	12/1/2001	12/1/2020
SUNBELT FWSD	945,000.00	885,000.00	12/1/2003	12/1/2022
SUNBELT FWSD	9,945,000.00	6,595,000.00	12/1/1997	12/1/2016
SWEETWATER, CITY OF	3,995,000.00	2,845,000.00	8/15/1999	8/15/2018
SWEETWATER, CITY OF	3,990,000.00	2,840,000.00	8/15/1999	8/15/2018
TAHOKA, CITY OF	1,780,000.00	1,275,000.00	2/15/2000	2/15/2018
TATTOR ROAD MD	560,000.00	455,000.00	3/1/1998	3/1/2016
TAYLOR, CITY OF	2,950,000.00	2,750,000.00	8/15/1999	8/15/2017
TAYLOR, CITY OF	3,100,000.00	2,110,000.00	8/15/1998	8/15/2015
TEXARKANA, CITY OF	2,755,000.00	1,655,000.00	8/1/1997	8/1/2016
TEXAS CITY, CITY OF	5,620,000.00	3,310,000.00	2/15/1996	2/15/2015
TEXAS CITY, CITY OF	16,880,000.00	10,045,000.00	2/15/1998	2/15/2015
THE COLONY, CITY OF	1,000,000.00	575,000.00	8/15/1996	8/15/2015
THE COLONY, CITY OF	810,000.00	510,000.00	8/15/1997	8/15/2016
THE COLONY, CITY OF	925,000.00	210,000.00	8/15/1992	8/15/2009
THE COLONY, CITY OF	225,000.00	85,000.00	8/15/1992	8/15/2011
TIOGA, CITY OF	300,000.00	215,000.00	4/1/1999	4/1/2018
TOMBALL, CITY OF	7,550,000.00	5,510,000.00	2/15/2000	2/15/2019
TRAVIS CO WCID (POINT VENTURE)	1,460,000.00	1,025,000.00	8/15/1999	8/15/2018
TRINITY BAY CONSERVATION DISTRICT	1,300,000.00	1,155,000.00	8/15/1998	8/15/2017
TRINITY RIVER AUTHORITY	50,845,000.00	33,935,000.00	8/1/1999	8/1/2017
TRINITY RIVER AUTHORITY	6,075,000.00	6,050,000.00	8/1/2002	8/1/2020
TRINITY RIVER AUTHORITY	8,480,000.00	8,115,000.00	2/1/2003	2/1/2021
TRINITY RIVER AUTHORITY	88,225,000.00	87,710,000.00	8/1/2003	8/1/2020
TRINITY RIVER AUTHORITY	106,475,000.00	106,475,000.00	8/1/2007	8/1/2026
TRINITY RIVER AUTHORITY	3,180,000.00	1,870,000.00	8/1/1997	8/1/2016
TULIA, CITY OF	2,620,000.00	1,750,000.00	8/15/1998	8/15/2017
UPPER TRINITY REGIONAL	6,685,000.00	5,955,000.00	8/1/2004	8/1/2023
UPPER TRINITY REGIONAL	9,765,000.00	6,390,000.00	8/1/1997	8/1/2016
UPPER TRINITY REGIONAL	3,085,000.00	2,035,000.00	8/1/1997	8/1/2016
VERNON, CITY OF	2,855,000.00	2,570,000.00	3/15/2004	3/15/2023
VICTORIA CO WCID #1	1,280,000.00	895,000.00	3/1/1999	3/1/2018
VICTORIA, CITY OF	25,580,000.00	22,745,000.00	12/1/2001	12/1/2020
WATAUGA, CITY OF	4,580,000.00	2,875,000.00	3/1/1997	3/1/2016
WAXAHACHIE, CITY OF	3,935,000.00	2,575,000.00	8/1/1998	8/1/2017
WELLMAN, CITY OF	600,000.00	325,000.00	3/1/1995	3/1/2014
WELLS BRANCH MUD	1,400,000.00	1,045,000.00	8/1/2000	8/1/2019
WELLS, CITY OF	220,000.00	110,000.00	9/1/1993	9/1/2011
WESLACO, CITY OF	5,930,000.00	4,385,000.00	12/1/1998	12/1/2017
WEST TAWAKONI, CITY OF	250,000.00	150,000.00	1/1/1996	1/1/2015
WEST UNIVERSITY PLACE, CITY OF	3,015,000.00	2,745,000.00	2/1/2003	2/1/2021
WHITE OAK BEND MUD	470,000.00	460,000.00	10/1/2004	10/1/2022

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Recipient	Original Amount	Outstanding Balance	Due From	Due To
WHITE OAK BEND MUD	1,531,000.00	1,481,000.00	10/1/1996	10/1/2010
WHITE OAK, CITY OF	1,845,000.00	1,290,000.00	3/1/2002	3/1/2015
WHITEHOUSE, CITY OF	760,000.00	330,000.00	8/15/1996	8/15/2010
WHITESBORO, CITY OF	2,725,000.00	2,350,000.00	8/15/2003	8/15/2022
WICHITA FALLS, CITY OF	8,060,000.00	7,860,000.00	8/1/1999	8/1/2018
WILLIS, CITY OF	1,000,000.00	865,000.00	8/1/2003	8/1/2022
WILLIS, CITY OF	1,170,000.00	855,000.00	8/1/1997	8/1/2016
WILMER, CITY OF	250,000.00	160,000.00	4/15/1995	4/15/2014
WINNSBORO, CITY OF	1,050,000.00	1,050,000.00	2/15/2007	2/15/2026
Total, Clean Water State Revolving Fund	\$ 2,708,326,765.65	\$ 2,330,379,765.65		
Drinking Water State Revolving Fund:				
ALPINE, CITY OF	414,000.00	414,000.00	3/1/2007	3/1/2036
ALVORD, CITY OF	270,000.00	240,000.00	10/1/2004	10/1/2023
ALVORD, CITY OF	45,000.00	45,000.00	10/1/2006	10/1/2025
ANAHUAC, CITY OF	210,000.00	170,000.00	8/1/2006	8/1/2025
BALLINGER, CITY OF	5,250,000.00	4,665,000.00	6/1/2004	6/1/2023
BAYTOWN AREA WATER AUTHORITY	360,000.00	360,000.00	5/1/2007	5/1/2026
BIG FOOT WSC	69,000.00	58,000.00	10/1/2001	10/1/2030
BOLIVAR PENINSULA SUD	210,000.00	210,000.00	2/15/2007	2/15/2036
BOLIVAR PENINSULA SUD	90,000.00	90,000.00	2/15/2008	2/15/2027
BONHAM, CITY OF	315,000.00	315,000.00	2/15/2007	2/15/2036
BRADY, CITY OF	5,960,000.00	5,085,000.00	5/1/2002	5/1/2031
BROOKELAND FWSD	1,880,000.00	1,695,000.00	9/1/2001	9/1/2020
BROWNWOOD, CITY OF	6,385,000.00	5,760,000.00	3/15/2002	3/15/2021
BROWNWOOD, CITY OF	1,010,000.00	765,000.00	3/15/2006	3/15/2025
BURLESON CO MUD #1	1,440,000.00	1,430,000.00	6/1/2005	6/1/2034
BURLESON CO MUD #1	70,000.00	67,000.00	6/1/2006	6/1/2035
CORSICANA, CITY OF	10,865,000.00	8,420,000.00	8/15/2001	8/15/2020
DEL RIO, CITY OF	5,845,000.00	4,105,000.00	6/1/2001	6/1/2020
DEL RIO, CITY OF	5,400,000.00	4,050,000.00	6/1/2002	6/1/2021
DEL RIO, CITY OF	6,220,000.00	5,410,000.00	6/1/2004	6/1/2022
DEPORT, CITY OF	350,000.00	280,000.00	9/1/2001	9/1/2020
DIBOLL, CITY OF	260,000.00	250,000.00	2/15/2006	2/15/2025
EAGLE PASS, CITY OF	11,545,000.00	11,160,000.00	12/1/2005	12/1/2034
EAGLE PASS, CITY OF	7,455,000.00	4,425,000.00	12/1/2003	12/1/2032
EAGLE PASS, CITY OF	2,335,000.00	2,185,000.00	12/1/2004	12/1/2033
EAST MEDINA CO SUD	3,200,000.00	2,575,000.00	7/1/2002	7/1/2021
EL JARDIN WSC	420,000.00	270,000.00	9/1/2004	9/1/2033
EL PASO, CITY OF	15,190,000.00	12,315,000.00	3/1/2002	3/1/2021
FLATONIA, CITY OF	55,000.00	55,000.00	9/1/2007	9/1/2026
FORT WORTH, CITY OF	26,230,000.00	26,230,000.00	3/1/2007	3/1/2025
GOLDEN WSC	850,000.00	825,000.00	7/1/2002	7/1/2022
GREATER TEXOMA UA	325,000.00	255,000.00	10/1/2000	10/1/2019
HAMLIN, CITY OF	5,500,000.00	4,750,000.00	3/1/2002	3/1/2031
HOUSTON, CITY OF	2,145,000.00	2,125,000.00	12/1/2004	12/1/2023
HUDSON OAKS, CITY OF	1,320,000.00	990,000.00	8/1/2001	8/1/2019
JUNCTION, CITY OF	240,000.00	20,000.00	3/1/2004	3/1/2033
KOUNTZE, CITY OF	930,000.00	895,000.00	3/15/2000	3/15/2024
LOWER COLORADO RA	247,000.00	90,000.00	5/15/2006	5/15/2034
LOWER NECHES VALLEY AUTHORITY	18,994,000.00	18,319,000.00	8/1/2006	8/1/2035
LUFKIN, CITY OF	9,230,000.00	6,840,000.00	11/1/2002	11/1/2021
MARLIN, CITY OF	704,000.00	704,000.00	7/1/2007	7/1/2036
MEXIA, CITY OF	560,000.00	480,000.00	8/15/2003	8/15/2022
MEXIA, CITY OF	595,000.00	550,000.00	8/15/2005	8/15/2024

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Recipient	Original Amount	Outstanding Balance	Due From	Due To
MILLERSVIEW-DOOLE WSC	1,678,000.00	1,602,000.00	12/1/2005	12/1/2034
MOUNT CALM, CITY OF	331,000.00	313,000.00	3/1/2005	3/1/2024
NACOGDOCHES, CITY OF	18,835,000.00	18,715,000.00	3/1/2003	3/1/2030
NACOGDOCHES, CITY OF	7,655,000.00	7,640,000.00	3/1/2004	3/1/2034
NACOGDOCHES, CITY OF	375,000.00	375,000.00	3/1/2008	3/1/2027
NORTHEAST TEXAS MWD	6,800,000.00	5,540,000.00	9/1/2001	9/1/2020
NORTHEAST TEXAS MWD	2,480,000.00	2,480,000.00	9/1/2007	9/1/2026
NORTHEAST TEXAS MWD	1,305,000.00	1,290,000.00	9/1/2005	9/1/2024
OLNEY, CITY OF	1,250,000.00	1,100,000.00	9/1/2003	9/1/2022
ORANGE CO WCID #1	2,565,000.00	2,120,000.00	2/15/2003	2/15/2021
PALMER, CITY OF	1,405,000.00	1,185,000.00	7/1/2003	7/1/2022
PECOS CITY, TOWN OF	8,315,000.00	6,825,000.00	6/15/2001	6/15/2020
POSSUM KINGDOM WSC	4,700,000.00	4,360,000.00	12/15/2004	12/15/2023
RAYMONDVILLE, CITY OF	3,030,000.00	2,895,000.00	4/1/2003	4/1/2022
RENO CITY OF	330,000.00	275,000.00	1/1/2005	1/1/2024
RENO CITY OF	95,000.00	75,000.00	1/1/2006	1/1/2024
ROMA, CITY OF	2,327,000.00	1,847,000.00	11/1/2000	11/1/2029
SANTA ROSA, CITY OF	410,000.00	410,000.00	2/1/2007	2/1/2026
SUNBELT FWSD	2,475,000.00	2,210,000.00	12/1/2002	12/1/2026
SURFSIDE BEACH, VILLAGE OF	70,000.00	70,000.00	2/15/2009	2/15/2028
SWEETWATER, CITY OF	7,315,000.00	5,855,000.00	8/15/2000	8/15/2020
TIOGA, CITY OF	580,000.00	555,000.00	4/1/2002	4/1/2031
VERNON, CITY OF	4,985,000.00	4,005,000.00	3/15/2002	3/15/2021
WEST JEFFERSON CO MWD	4,195,000.00	3,730,000.00	4/1/2003	4/1/2022
WILLIS, CITY OF	765,000.00	510,000.00	8/1/2004	8/1/2023
Total, Drinking Water State Revolving Fund	\$ 245,259,000.00	\$ 215,924,000.00		

Economically Distressed Areas Program:

ALTON, CITY OF	300,000.00	240,000.00	9/15/2000	9/15/2019
ASHERTON, CITY OF	155,000.00	154,000.00	7/1/2006	7/1/2025
BATESVILLE WSC	213,000.00	201,937.01	12/1/2004	12/1/2023
CARRIZO HILL WSC	152,000.00	52,000.00	6/1/1999	6/1/2016
DEL RIO, CITY OF	278,000.00	178,000.00	6/1/1996	6/1/2015
DEL RIO, CITY OF	224,000.00	144,000.00	6/1/1996	6/1/2015
DEL RIO, CITY OF	533,000.00	432,000.00	6/1/2001	6/1/2020
EAGLE PASS, CITY OF	389,000.00	301,000.00	12/1/1999	12/1/2018
EDINBURG, CITY OF	220,000.00	40,000.00	3/1/1993	3/1/2011
EDINBURG, CITY OF	345,000.00	75,000.00	3/1/1993	3/1/2011
EDINBURG, CITY OF	569,000.00	312,000.00	3/1/1995	3/1/2014
EDINBURG, CITY OF	155,000.00	155,000.00	3/1/2007	3/1/2009
EL PASO CO	195,000.00	163,000.00	8/15/2002	8/15/2021
EL PASO WCID (WESTWAY)	602,000.00	435,000.00	3/1/1998	3/1/2017
EL PASO, CITY OF	106,000.00	84,000.00	3/1/2001	3/1/2019
EL PASO, CITY OF	211,000.00	166,000.00	3/1/2001	3/1/2019
GATESVILLE, CITY OF	381,000.00	70,000.00	9/1/1999	9/1/2008
HARLINGEN, CITY OF	150,000.00	70,000.00	11/1/2000	11/1/2009
HUDSPETH CO WCID #1	150,000.00	115,000.00	2/1/2000	2/1/2019
INGLESIDE, CITY OF	285,000.00	220,000.00	2/1/2003	2/1/2015
LAREDO, CITY OF	741,000.00	694,000.00	4/1/2005	4/1/2024
LAREDO, CITY OF	710,000.00	688,000.00	9/1/2005	9/1/2024
LOWER VALLEY WD	2,413,000.00	2,221,000.00	9/15/2003	9/15/2023
LOWER VALLEY WD	2,022,000.00	1,722,000.00	9/15/2001	9/15/2021
LOWER VALLEY WD	1,073,000.00	835,000.00	9/15/1999	9/15/2018
LOWER VALLEY WD	104,000.00	95,000.00	9/15/2003	9/15/2023
MERCEDES, CITY OF	531,000.00	511,000.00	2/15/2005	2/15/2024

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Recipient	Original Amount	Outstanding Balance	Due From	Due To
MILITARY HIGHWAY WSC	107,000.00	89,019.00	2/1/2001	1/1/2021
MISSION, CITY OF	579,000.00	350,000.00	4/1/1996	4/1/2015
MISSION, CITY OF	603,000.00	603,000.00	4/1/2007	4/1/2026
NORTH ALAMO WSC	197,000.00	161,000.00	9/1/1999	9/1/2018
NORTH ALAMO WSC	365,000.00	290,000.00	9/1/1999	9/1/2018
PHARR, CITY OF	978,000.00	703,000.00	9/1/1997	9/1/2017
PHARR, CITY OF	630,000.00	465,000.00	9/1/1998	9/1/2017
PHARR, CITY OF	1,651,000.00	1,256,000.00	9/1/1999	9/1/2018
PRIMERA, CITY OF	488,000.00	452,000.00	2/15/2002	2/15/2020
RIO GRANDE CITY, CITY OF	173,000.00	113,000.00	7/10/1997	7/10/2016
ROMA, CITY OF	530,000.00	510,000.00	9/1/2005	9/1/2024
ROMA, CITY OF	1,151,000.00	1,151,000.00	9/1/2007	9/1/2026
ROMA, CITY OF	343,000.00	343,000.00	9/1/2007	9/1/2026
SAN JUAN, CITY OF	649,000.00	567,000.00	3/1/2003	3/1/2022
SAN JUAN, CITY OF	249,000.00	227,000.00	3/1/2004	3/1/2023
SEBASTIAN MUD	60,000.00	37,000.00	7/15/1996	7/15/2015
SKIDMORE WSC	420,000.00	408,000.00	6/15/2006	6/15/2025
SOUTH NEWTON WSC	87,000.00	85,000.00	3/15/2005	3/15/2029
TERRELL CO WCID #1	380,000.00	329,000.00	2/15/2003	2/15/2021
TYNAN WSC	31,000.00	29,770.09	7/1/2005	7/1/2024
WEBB CO	588,000.00	568,000.00	2/1/2005	2/1/2024
WINDMILL WSC	107,000.00	88,000.00	3/1/2001	3/1/2020
ZAVALA CO WCID #1	178,000.00	159,000.00	1/1/2003	1/1/2022
Total, Economically Distressed Areas Program	\$ 23,751,000.00	\$ 19,357,726.10		
Rural Water Assistance Fund:				
ANGELINA WSC	1,700,000.00	1,695,000.00	8/1/2006	8/1/2034
AQUILLA WSD	1,875,000.00	1,875,000.00	9/1/2007	9/1/2030
BEN WHEELER WSC	458,000.00	452,570.93	1/15/2005	12/15/2044
BENTON CITY WSC	3,300,000.00	3,215,000.00	3/1/2004	3/1/2042
BENTON CITY WSC	1,270,000.00	1,250,000.00	3/1/2006	3/1/2033
CADE LAKES WSC	185,000.00	182,000.00	10/1/2003	10/1/2042
CANYON REGIONAL WA	2,000,000.00	1,900,000.00	8/1/2004	8/1/2028
JARRELL-SCHWERTNER WSC	500,000.00	497,190.24	5/1/2006	2/1/2036
LA JOYA WSC	8,915,000.00	8,915,000.00	4/1/2008	9/1/2036
MOUNTAIN PEAK WSC	3,200,000.00	2,985,000.00	12/1/2003	12/1/2027
SOUTH NEWTON WSC	795,000.00	785,000.00	3/15/2005	3/15/2042
THE OAKS WSC	142,000.00	129,386.57	9/15/2003	8/15/2023
WYLIE NORTHEAST SUD	882,000.00	859,595.93	11/15/2004	7/15/2034
Total, Rural Water Assistance Fund	\$ 25,222,000.00	\$ 24,740,743.67		
State Participation Program:				
ANGELINA NECHES RA	800,000.00	800,000.00	8/1/2024	8/1/2038
BRAZOS RA	20,000,000.00	14,955,000.00	9/1/2020	9/1/2034
BRAZOS RA	6,000,000.00	6,000,000.00	8/15/2022	8/15/2036
GILMER, CITY OF	4,800,000.00	4,800,000.00	7/15/2012	7/15/2035
GREATER TEXOMA UA	6,445,000.00	6,445,000.00	2/1/2026	2/1/2040
HOUSTON, CITY OF	14,000,000.00	14,000,000.00	8/15/2022	8/15/2036
LOWER COLORADO RA	10,500,000.00	10,500,000.00	5/15/2020	5/15/2034
LOWER COLORADO RA	6,585,000.00	6,585,000.00	5/15/2024	5/15/2038
LOWER COLORADO RA	7,455,000.00	7,455,000.00	5/15/2022	5/15/2036
SABINE RA (TOLEDO BEND)	700,000.00	700,000.00	1/1/2005	1/1/2005
UPPER TRINITY REGIONAL	1,410,000.00	1,410,000.00	8/1/2017	8/1/2028
UPPER TRINITY REGIONAL	8,700,000.00	8,700,000.00	8/1/2016	8/1/2028
UPPER TRINITY REGIONAL	26,450,000.00	25,921,165.14	8/1/2013	8/1/2025

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For the Fiscal Year Ended August 31, 2006

Recipient	Original Amount	Outstanding Balance	Due From	Due To
UPPER TRINITY REGIONAL	17,165,000.00	17,165,000.00	8/1/2020	8/1/2034
UPPER TRINITY REGIONAL	2,325,000.00	2,325,000.00	2/1/2022	2/1/2036
WACO, CITY OF	15,000,000.00	15,000,000.00	2/1/2022	2/1/2036
Total, State Participation Program	\$ 148,335,000.00	\$ 142,761,165.14		
Texas Water Resource Finance Authority:				
BELLS, CITY OF	180,000.00	115,000.00	6/1/2005	6/1/2009
BOWIE WSD	3,985,000.00	290,000.00	10/1/1982	10/1/2006
CLYDE, CITY OF	430,000.00	175,000.00	1/10/1975	1/10/2012
COTTONWOOD SHORES, CITY OF	100,000.00	40,000.00	3/1/1992	3/1/2010
COVINGTON, CITY OF	275,000.00	130,000.00	1/10/1991	1/10/2013
COVINGTON, CITY OF	50,000.00	50,000.00	1/10/2013	1/10/2014
COVINGTON, CITY OF	190,000.00	81,000.00	7/10/1986	7/10/2012
FULTON, TOWN OF	500,000.00	50,000.00	2/15/1990	2/15/2007
GOLIAD, CITY OF	485,000.00	50,000.00	5/1/1993	5/1/2007
GREATER TEXOMA UA	480,000.00	215,000.00	7/1/1993	7/1/2012
GREATER TEXOMA UA	225,000.00	110,000.00	1/1/1990	1/1/2013
GREENBELT M&I WA	10,150,000.00	7,137,000.00	7/10/1976	7/10/2025
GULF COAST WA	2,460,000.00	545,000.00	9/1/1993	9/1/2009
HACKBERRY, TOWN OF	320,000.00	125,000.00	7/10/1992	7/10/2011
HAMILTON, CITY OF	670,000.00	380,000.00	8/15/2001	8/15/2012
HARRIS CO MUD #50	705,000.00	80,000.00	3/1/1998	3/1/2007
HUNGERFORD MUD #1	220,000.00	58,000.00	3/1/1990	3/1/2009
HUNGERFORD MUD #1	130,000.00	36,000.00	3/1/1991	3/1/2009
JACKSBORO, CITY OF	1,014,013.00	1,014,013.00	7/10/2007	7/10/2013
JIM WELLS CO FWSD #1	90,000.00	45,000.00	1/10/1998	1/10/2010
LA VERNIA, CITY OF	165,000.00	135,000.00	1/10/2005	1/10/2015
LAMAR CO WSD	50,000.00	10,000.00	7/10/1973	7/10/2009
LAMAR CO WSD	575,000.00	90,000.00	7/10/1980	7/10/2009
LAMAR CO WSD	725,000.00	69,000.00	7/10/1972	7/10/2008
LAMAR CO WSD	155,000.00	48,000.00	7/10/1997	7/10/2009
LUCAS, CITY OF	395,000.00	185,000.00	12/1/1990	12/1/2014
MACKENZIE MWA	365,000.00	29,000.00	7/10/1985	7/10/2008
MACKENZIE MWA	1,560,000.00	225,000.00	7/10/1985	7/10/2009
MACKENZIE MWA	1,705,000.00	240,000.00	7/10/1983	7/10/2012
MACKENZIE MWA	2,375,000.00	300,000.00	7/10/1985	7/10/2011
MACKENZIE MWA	300,000.00	40,000.00	7/10/1975	7/10/2010
MACKENZIE MWA	3,060,000.00	845,000.00	7/10/1973	7/10/2012
MALAKOFF, CITY OF	225,000.00	225,000.00	7/10/2013	7/10/2015
MALAKOFF, CITY OF	550,000.00	360,000.00	7/10/2003	7/10/2012
MART, CITY OF	675,000.00	115,000.00	1/10/1989	1/10/2008
MART, CITY OF	125,000.00	105,000.00	1/10/2006	1/10/2011
MEDINA CO WCID #3	275,000.00	50,000.00	7/10/1983	7/10/2008
MUENSTER WD	580,000.00	100,000.00	7/1/1984	7/1/2008
NORTH CENTRAL TEXAS MWA	265,000.00	265,000.00	7/10/2010	7/10/2010
NORTH CENTRAL TEXAS MWA	2,400,000.00	1,020,000.00	7/10/1994	7/10/2010
NORTH CHANNEL WA	7,080,000.00	90,000.00	7/10/1995	7/10/2018
NORTH TEXAS MWD	570,000.00	130,000.00	7/10/1980	7/10/2009
NORTH TEXAS MWD	835,000.00	195,000.00	7/10/1980	7/10/2009
NORTH TEXAS MWD	2,000,000.00	185,000.00	6/1/1989	6/1/2007
OLNEY, CITY OF	565,000.00	105,000.00	1/1/1989	1/1/2008
POLK CO FWSD #2	1,925,000.00	1,410,000.00	7/10/2000	7/10/2018
PORT MANSFIELD PUD	200,000.00	96,000.00	7/10/1978	7/10/2011
PRAIRIE VIEW, CITY OF	150,000.00	69,000.00	7/10/1982	7/10/2015
PRAIRIE VIEW, CITY OF	75,000.00	25,000.00	7/10/1980	7/10/2012

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For the Fiscal Year Ended August 31, 2006

<u>Recipient</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Due From</u>	<u>Due To</u>
PRAIRIE VIEW, CITY OF	175,000.00	66,000.00	7/10/1980	7/10/2013
RED RIVER AUTHORITY OF TEXAS	600,000.00	155,000.00	4/1/1992	4/1/2016
RENO, CITY OF	225,000.00	75,000.00	1/1/1991	1/1/2010
RIO GRANDE CITY, CITY OF	600,000.00	315,000.00	7/10/1992	7/10/2012
ROMA, CITY OF	500,000.00	180,000.00	8/1/2001	8/1/2009
SABINE RA (TOLEDO BEND)	1,000,000.00	400,000.00	7/10/2001	7/10/2010
SABINE RA (TOLEDO BEND)	815,000.00	545,000.00	7/10/2005	7/10/2010
SMITH CO WCID #1	230,000.00	45,000.00	2/1/2002	2/1/2007
SOMERSET, CITY OF	350,000.00	170,000.00	6/1/1980	6/1/2016
SOUTH TEXAS WA	560,000.00	50,000.00	7/1/1987	7/1/2007
SOUTH TEXAS WA	335,000.00	65,000.00	7/1/1992	7/1/2009
TERRELL, CITY OF	1,000,000.00	650,000.00	1/10/2000	1/10/2013
TERRELL, CITY OF	730,000.00	35,000.00	1/10/1971	1/10/2007
TIDWELL TIMBERS MUD	200,000.00	80,000.00	3/1/1989	3/1/2012
TIDWELL TIMBERS MUD	1,000,000.00	295,000.00	3/1/1989	3/1/2012
TITUS CO FWSD #1	16,240,000.00	11,875,000.00	7/10/1991	7/10/2017
TITUS CO FWSD #1	4,620,000.00	3,560,000.00	7/10/2004	7/10/2014
TRINITY RIVER AUTHORITY	95,000.00	10,000.00	2/1/1993	2/1/2007
VICTORIA CO WCID #1	375,000.00	125,000.00	3/1/1994	3/1/2011
WILLIS, CITY OF	110,000.00	60,000.00	8/1/1997	8/1/2016
WORTHAM, CITY OF	160,000.00	30,000.00	1/1/1979	1/1/2009
Total, Texas Water Resource Finance Authority	\$ 82,504,013.00	\$ 36,273,013.00		
Water Loan Assistance & Storage Acquisition Funds:				
ANGELINA NECHES RA	450,000.00	450,000.00	8/1/2024	8/1/2038
BEXAR METROPOLITAN WD	2,500,000.00	1,250,000.00	5/1/1997	5/1/2016
BRAZOS RA	210,000.00	210,000.00	1/1/2026	1/1/2026
EL PASO, CITY OF	8,000,000.00	8,000,000.00	3/1/2013	3/1/2017
EL PASO, CITY OF	1,000,000.00	900,000.00	3/1/2005	3/1/2024
HARLINGEN, CITY OF	1,785,000.00	870,000.00	11/1/1993	11/1/2009
PHARR, CITY OF	130,000.00	130,000.00	9/1/2006	9/1/2007
PHARR, CITY OF	1,587,500.00	1,490,000.00	9/1/2005	9/1/2013
SABINE RA (TOLEDO BEND)	740,000.00	740,000.00	1/19/2025	1/19/2025
Total, Water Loan Assistance & Storage Acquisition	\$ 16,402,500.00	\$ 14,040,000.00		
Water Development Fund II:				
ABBOTT, CITY OF	120,000.00	85,000.00	9/1/1999	9/1/2008
ACTON MUD	335,000.00	290,000.00	2/1/2004	2/1/2023
ANGELINA CO WCID #3	571,155.00	570,155.00	7/1/2006	7/1/2035
ANGELINA NECHES RA	105,000.00	20,000.00	9/1/1997	9/1/2007
AQUILLA WSD	3,190,000.00	3,190,000.00	9/1/2007	9/1/2030
ARCHER CO MUD #1	950,000.00	755,000.00	11/15/2000	11/15/2019
BASTROP CO WCID #2	745,000.00	605,000.00	8/15/2001	8/15/2020
BAYVIEW MUD	210,000.00	150,000.00	9/1/1998	9/1/2016
BEASLEY, CITY OF	365,000.00	360,000.00	7/1/2006	7/1/2029
BEASLEY, CITY OF	70,000.00	62,000.00	7/1/2005	7/1/2018
BELL CO WCID #1	33,000,000.00	28,195,000.00	7/10/1999	7/10/2018
BELL CO WCID #1	2,910,000.00	2,795,000.00	7/10/2005	7/10/2029
BELL CO WCID #1	9,815,000.00	9,395,000.00	7/10/2005	7/10/2029
BELL CO WCID #1	6,050,000.00	6,050,000.00	7/10/2007	7/10/2029
BELLS, CITY OF	330,000.00	225,000.00	2/15/1998	2/15/2017
BENTON CITY WSC	1,500,000.00	1,095,000.00	3/1/1998	3/1/2017
BENTON CITY WSC	2,200,000.00	1,950,000.00	3/1/2002	3/1/2021
BEXAR MEDINA ATASCOSA CO WCID #1	3,765,000.00	1,775,000.00	2/1/2001	2/1/2010
BLUM, CITY OF	140,000.00	25,000.00	8/1/1993	8/1/2008

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Recipient	Original Amount	Outstanding Balance	Due From	Due To
BOLIVAR PENINSULA SUD	900,000.00	870,000.00	2/15/2005	2/15/2034
BOVINA, CITY OF	1,750,000.00	1,695,000.00	2/15/2006	2/15/2025
BRADY, CITY OF	2,200,000.00	2,135,000.00	5/1/2006	5/1/2026
BRAZORIA CO FWSD #1	500,000.00	245,000.00	3/1/1994	3/1/2013
BRIARCLIFF, VILLAGE OF	1,025,000.00	1,000,000.00	5/1/2002	5/1/2025
BROOKELAND FWSD	1,945,000.00	290,000.00	9/1/2000	9/1/2020
BROOKESMITH SUD	7,900,000.00	6,145,000.00	12/1/2000	12/1/2025
BRUSHY CREEK MUD	1,500,000.00	1,300,000.00	6/1/2003	6/1/2022
CADE LAKES WSC	235,000.00	221,000.00	10/1/2003	10/1/2028
CANEY CREEK MUD	100,000.00	90,000.00	3/1/2005	3/1/2024
CANEY CREEK MUD	765,000.00	735,000.00	3/1/2005	3/1/2029
CANYON REGIONAL WA	6,230,000.00	5,250,000.00	8/1/2000	8/1/2024
CANYON REGIONAL WA	4,600,000.00	4,070,000.00	8/1/2000	8/1/2024
CANYON REGIONAL WA	3,270,000.00	2,875,000.00	8/1/2000	8/1/2024
CANYON REGIONAL WA	6,555,000.00	5,870,000.00	8/1/2002	8/1/2025
CANYON REGIONAL WA	22,290,000.00	22,240,000.00	8/1/2005	8/1/2028
CANYON REGIONAL WA	11,710,000.00	11,660,000.00	8/1/2005	8/1/2028
CANYON REGIONAL WA	1,500,000.00	1,380,000.00	8/1/2003	8/1/2024
CHARTERWOOD MUD	545,000.00	335,000.00	5/1/1997	5/1/2015
CHELFORD CITY MUD	1,500,000.00	1,485,000.00	9/1/2003	9/1/2017
CHIMNEY HILL MUD	1,520,000.00	1,480,000.00	10/1/1998	10/1/2017
CHINA, CITY OF	275,000.00	85,000.00	8/1/1992	8/1/2010
CHISHOLM TRAIL SUD	1,670,000.00	1,415,000.00	8/15/2000	8/15/2024
CHISHOLM TRAIL SUD	4,470,000.00	3,960,000.00	8/15/2001	8/15/2025
CLARKSVILLE CITY, CITY OF	1,530,000.00	1,510,000.00	3/15/2006	3/15/2035
CLEAR LAKE CITY WA	5,410,000.00	4,075,000.00	9/1/1999	9/1/2018
CLEAR LAKE CITY WA	7,885,000.00	6,535,000.00	3/1/2002	3/1/2021
COLORADO CO WCID #2	253,000.00	195,000.00	2/15/2000	2/15/2019
COMBINED CONSUMERS SUD	1,000,000.00	855,000.00	10/1/1999	10/1/2018
COMMODORE COVE ID	220,000.00	145,000.00	8/15/1998	8/15/2016
CORINTHIAN POINT MUD #2	180,000.00	130,000.00	2/1/2000	2/1/2017
COVINGTON, CITY OF	100,000.00	77,000.00	10/1/1999	10/1/2018
CRANDALL, CITY OF	3,790,000.00	3,700,000.00	2/15/2006	2/15/2027
CROCKETT CO WCID #1	3,300,000.00	3,005,000.00	9/1/2001	9/1/2025
CROSBY MUD	650,000.00	480,000.00	1/1/1996	1/1/2014
CROSBY MUD	4,000,000.00	3,285,000.00	8/15/2002	8/15/2021
DAVENPORT RANCH MUD #1	5,165,000.00	3,965,000.00	9/1/1999	9/1/2018
DEKALB, CITY OF	250,000.00	250,000.00	12/1/2006	12/1/2025
DEL RIO, CITY OF	4,970,000.00	4,525,000.00	6/1/2003	6/1/2027
DENTON CO LEVEE ID #1	1,905,000.00	1,525,000.00	8/1/2001	8/1/2020
DONNA, CITY OF	850,000.00	520,000.00	8/1/1996	8/1/2015
DONNA, CITY OF	6,795,000.00	4,970,000.00	2/1/2000	2/1/2017
DOWDELL PUD	3,500,000.00	3,500,000.00	9/1/2007	9/1/2020
DUBLIN, CITY OF	1,700,000.00	1,630,000.00	2/15/2003	2/15/2022
EAGLE PASS, CITY OF	1,880,000.00	885,000.00	12/1/2004	12/1/2022
EARLY, CITY OF	2,500,000.00	2,220,000.00	3/1/2002	3/1/2025
EAST CEDAR CREEK FWSD	270,000.00	115,000.00	1/1/1996	1/1/2015
EAST CEDAR CREEK FWSD	80,000.00	25,000.00	1/1/1996	1/1/2011
EAST CEDAR CREEK FWSD	2,120,000.00	1,815,000.00	1/1/2001	1/1/2024
EAST FORK SUD	5,100,000.00	4,595,000.00	7/10/2002	7/10/2026
EDGEWOOD, CITY OF	450,000.00	265,000.00	5/1/2002	5/1/2010
FALLS CO WCID #1	235,000.00	150,000.00	8/1/1996	8/1/2015
FALLS CO WCID #1	280,000.00	190,000.00	8/1/1997	8/1/2016
FAR HILLS UD	1,000,000.00	875,000.00	4/1/2003	4/1/2022
FLOYDADA, CITY OF	820,000.00	115,000.00	2/1/1998	2/1/2017

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Recipient	Original Amount	Outstanding Balance	Due From	Due To
FORNEY LAKE WSC	325,000.00	220,000.00	12/1/1999	12/1/2013
FORT BEND CO MUD #19	1,615,000.00	1,615,000.00	12/1/2006	12/1/2031
FORT BEND FLOOD CONTROL WSC	6,850,000.00	1,570,000.00	3/1/1996	3/1/2008
GALVESTON CO MUD #12	280,000.00	205,000.00	9/1/1997	9/1/2015
GALVESTON CO WCID #1	1,040,000.00	935,000.00	3/1/2004	3/1/2022
GALVESTON CO WCID #12	885,000.00	675,000.00	9/1/1999	9/1/2018
GALVESTON CO WCID #12	3,425,000.00	3,405,000.00	9/1/2002	9/1/2020
GATESVILLE, CITY OF	205,000.00	80,000.00	9/1/2000	9/1/2008
GOLDEN WSC	133,000.00	43,287.36	3/15/2002	6/15/2008
GRANDVIEW, CITY OF	1,320,000.00	1,065,000.00	8/15/2001	8/15/2020
GREATER TEXOMA UA	150,000.00	105,000.00	10/1/1997	10/1/2015
GREATER TEXOMA UA	290,000.00	190,000.00	10/1/1997	10/1/2015
GREATER TEXOMA UA	440,000.00	270,000.00	6/1/1996	6/1/2015
GREATER TEXOMA UA	170,000.00	125,000.00	4/1/1998	4/1/2018
GREATER TEXOMA UA	180,000.00	130,000.00	10/1/1997	10/1/2016
GREATER TEXOMA UA	500,000.00	430,000.00	10/1/1999	10/1/2012
GREATER TEXOMA UA	105,000.00	80,000.00	4/1/2002	4/1/2020
GREATER TEXOMA UA	150,000.00	95,000.00	10/1/2001	10/1/2020
GREATER TEXOMA UA	155,000.00	125,000.00	1/1/2001	1/1/2020
GREATER TEXOMA UA	315,000.00	265,000.00	6/1/2001	6/1/2020
GREATER TEXOMA UA	600,000.00	570,000.00	5/1/2001	5/1/2020
GREATER TEXOMA UA	1,600,000.00	1,320,000.00	6/1/2001	6/1/2020
GREATER TEXOMA UA	50,000.00	43,000.00	4/1/2000	4/1/2019
GREATER TEXOMA UA	150,000.00	125,000.00	10/1/2001	10/1/2020
GREATER TEXOMA UA	150,000.00	125,000.00	10/1/2001	10/1/2020
GREATER TEXOMA UA	1,325,000.00	1,145,000.00	10/1/2001	10/1/2020
GREATER TEXOMA UA	1,475,000.00	1,350,000.00	6/1/2003	6/1/2022
GREATER TEXOMA UA	785,000.00	745,000.00	1/1/2002	1/1/2020
GREATER TEXOMA UA	1,000,000.00	915,000.00	6/1/2002	6/1/2021
GREATER TEXOMA UA	175,000.00	150,000.00	6/1/2002	6/1/2021
GREATER TEXOMA UA	560,000.00	505,000.00	10/1/2003	10/1/2021
GREATER TEXOMA UA	1,030,000.00	940,000.00	10/1/2003	10/1/2022
GREATER TEXOMA UA	600,000.00	560,000.00	1/1/2005	1/1/2023
GREATER TEXOMA UA	2,800,000.00	2,745,000.00	10/1/2005	10/1/2028
GREATER TEXOMA UA	400,000.00	395,000.00	4/1/2006	4/1/2025
GREATER TEXOMA UA	110,000.00	105,000.00	4/1/2006	4/1/2025
GREENBELT M&I WA	5,300,000.00	4,765,000.00	7/10/2002	7/10/2026
H-M-W SUD	4,600,000.00	3,655,000.00	9/1/1998	9/1/2019
H-M-W SUD	3,065,000.00	3,065,000.00	9/1/2006	9/1/2025
HACIENDAS DEL NORTE WID	1,725,000.00	1,485,000.00	2/15/1999	2/15/2023
HACKBERRY, TOWN OF	170,000.00	70,000.00	7/10/1992	7/10/2011
HAMLIN, CITY OF	1,500,000.00	1,475,000.00	3/1/2006	3/1/2035
HARDIN CO WCID #1	500,000.00	230,000.00	8/15/1998	8/15/2017
HARRIS CO FWSD #27	1,575,000.00	1,545,000.00	8/1/2006	8/1/2030
HARRIS CO FWSD #61	4,735,000.00	4,270,000.00	9/1/2001	9/1/2025
HARRIS CO FWSD 1-A	800,000.00	630,000.00	6/1/2000	6/1/2020
HARRIS CO MUD #119	3,060,000.00	2,300,000.00	5/1/2001	5/1/2012
HARRIS CO MUD #217	270,000.00	250,000.00	4/1/2003	4/1/2019
HARRIS CO MUD #217	1,865,000.00	1,835,000.00	4/1/2004	4/1/2023
HARRIS CO MUD #44	3,400,000.00	3,060,000.00	9/1/2000	9/1/2024
HARRIS CO MUD #50	725,000.00	700,000.00	3/1/2002	3/1/2020
HARRIS CO WCID #36	690,000.00	610,000.00	9/15/2002	9/15/2021
HARRIS CO WCID (FONDREN ROAD)	1,670,000.00	1,600,000.00	3/1/2001	3/1/2020
HARRIS CO WCID (FONDREN ROAD)	2,625,000.00	2,625,000.00	3/1/2007	3/1/2020
HEMPHILL, CITY OF	495,000.00	315,000.00	4/1/1996	4/1/2015

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Recipient	Original Amount	Outstanding Balance	Due From	Due To
HENDERSON CO LEVEE ID #3	140,000.00	120,000.00	4/1/2003	4/1/2020
HICO, CITY OF	3,160,000.00	3,090,000.00	8/15/2006	8/15/2030
HOLIDAY BEACH WSC	630,000.00	515,000.00	3/1/2000	3/1/2019
HOLIDAY BEACH WSC	470,000.00	445,000.00	3/1/2002	3/1/2026
HOLIDAY LAKES, TOWN OF	370,000.00	205,000.00	3/1/1996	3/1/2013
HOMESTEAD MUD	1,700,000.00	975,000.00	2/1/1996	2/1/2014
HORIZON REGIONAL MUD	770,000.00	525,000.00	2/1/1999	2/1/2015
HORIZON REGIONAL MUD	1,330,000.00	1,185,000.00	2/1/2000	2/1/2015
HORIZON REGIONAL MUD	1,290,000.00	1,095,000.00	3/1/2002	3/1/2021
HORIZON REGIONAL MUD	7,780,000.00	6,965,000.00	3/1/2002	3/1/2026
HUNTERS GLEN MUD	655,000.00	625,000.00	4/1/2001	4/1/2019
HURST CREEK MUD	480,000.00	25,000.00	4/1/1998	4/1/2016
HURST CREEK MUD	350,000.00	295,000.00	4/1/2002	4/1/2020
HURST CREEK MUD	425,000.00	365,000.00	4/1/2004	4/1/2020
HUXLEY, CITY OF	890,000.00	825,000.00	1/1/2000	1/1/2024
INGLESIDE ON THE BAY, CITY OF	495,000.00	295,000.00	9/1/1995	9/1/2014
INVERNESS FOREST IMPROVEMENT DISTRICT	3,330,000.00	3,330,000.00	3/1/2007	3/1/2030
JACKSBORO, CITY OF	1,535,000.00	230,000.00	7/10/1996	7/10/2020
JASPER CO WCID #1	825,000.00	600,000.00	3/15/1999	3/15/2018
JASPER, CITY OF	1,740,000.00	1,405,000.00	2/15/2001	2/15/2020
JEFFERSON CO WCID #10	90,000.00	40,000.00	2/15/1997	2/15/2012
JEFFERSON CO WCID #10	1,900,000.00	1,380,000.00	2/15/1998	2/15/2017
JOHNSON CO FWSD NO.1	1,500,000.00	1,320,000.00	5/15/2003	5/15/2022
JONAH WATER SUD	1,930,000.00	1,640,000.00	7/1/2002	7/1/2021
JOSEPHINE, CITY OF	185,000.00	60,000.00	6/1/1996	6/1/2008
JUNCTION, CITY OF	480,000.00	450,000.00	3/1/2004	3/1/2028
KENDALL CO WCID #1	220,000.00	180,000.00	1/1/2001	1/1/2020
KIRK MONT MUD	575,000.00	430,000.00	2/1/1999	2/1/2014
KLEINWOOD MUD	3,215,000.00	3,180,000.00	8/1/2003	8/1/2022
KYLE, CITY OF	185,000.00	75,000.00	8/1/1991	8/1/2009
LAKE CITIES MUA	755,000.00	385,000.00	11/1/1997	11/1/2011
LAKE WORTH, CITY OF	2,500,000.00	1,705,000.00	3/1/1998	3/1/2017
LAKEPORT, CITY OF	965,000.00	950,000.00	3/1/2006	3/1/2035
LAVACA NAVIDAD RA	16,500,000.00	15,500,000.00	8/1/2002	8/1/2035
LAVACA NAVIDAD RA	30,900,000.00	29,200,000.00	8/1/2002	8/1/2035
LAVACA NAVIDAD RA	7,600,000.00	6,900,000.00	8/1/2002	8/1/2035
LAZY RIVER ID	1,400,000.00	1,170,000.00	3/1/2001	3/1/2022
LILLY GROVE SUD	1,000,000.00	845,000.00	10/15/2001	10/15/2020
LORENA, CITY OF	3,335,000.00	3,195,000.00	7/1/1999	7/1/2022
LOS FRESNOS, CITY OF	360,000.00	320,000.00	2/1/2003	2/1/2022
LOUETTA ROAD UD	700,000.00	430,000.00	3/1/2000	3/1/2010
LOWER VALLEY WD	800,000.00	625,000.00	9/15/1999	9/15/2018
LOWER VALLEY WD	1,870,000.00	1,570,000.00	9/15/2001	9/15/2020
LOWER VALLEY WD	1,089,000.00	869,000.00	9/15/2000	9/15/2019
LOWER VALLEY WD	371,000.00	317,000.00	9/15/2001	9/15/2021
LOWER VALLEY WD	1,080,000.00	411,000.00	9/15/2003	9/15/2023
MACBEE SUD	640,000.00	585,000.00	8/15/2004	8/15/2025
MANVEL, CITY OF	2,000,000.00	2,000,000.00	8/15/2007	8/15/2026
MART, CITY OF	490,000.00	455,000.00	9/1/1999	9/1/2018
MAURICEVILLE SUD	750,000.00	710,000.00	11/15/1998	11/15/2019
MAURICEVILLE SUD	5,520,000.00	5,520,000.00	11/15/2019	11/15/2023
MAURICEVILLE SUD	200,000.00	200,000.00	11/15/2021	11/15/2021
MAURICEVILLE SUD	4,920,000.00	4,920,000.00	11/15/2010	11/15/2023
MCCOY WSC	950,000.00	795,000.00	6/1/2000	6/1/2019
MEADOWHILL REGIONAL MUD	875,000.00	795,000.00	10/1/2003	10/1/2022

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MEEKER MUNICIPAL WATER DISTRICT	840,000.00	780,000.00	9/1/2003	9/1/2026
MEEKER MUNICIPAL WATER DISTRICT	1,660,000.00	1,635,000.00	9/1/2005	9/1/2029
MERCEDES, CITY OF	440,000.00	420,000.00	2/15/2005	2/15/2024
MISSION, CITY OF	14,645,000.00	14,645,000.00	4/1/2007	4/1/2026
MONTGOMERY CO MUD # 56	840,000.00	825,000.00	4/1/2004	4/1/2027
MONTGOMERY CO WCID #1	1,890,000.00	1,480,000.00	3/1/2000	3/1/2015
MONTGOMERY, CITY OF	1,060,000.00	1,060,000.00	3/1/2007	3/1/2030
MOUNT HOUSTON ROAD MUD	3,390,000.00	3,335,000.00	3/1/2005	3/1/2028
MUENSTER WD	500,000.00	425,000.00	7/1/1996	7/1/2015
NEW CANEY MUD	2,265,000.00	1,975,000.00	4/1/2002	4/1/2020
NORTH ALAMO WSC	380,000.00	305,000.00	9/1/1999	9/1/2018
NORTH ALAMO WSC	205,000.00	170,000.00	9/1/1999	9/1/2018
NORTH CHANNEL WA	3,510,000.00	3,390,000.00	1/15/2006	1/15/2024
NORTHWEST HARRIS CO MUD #21	1,185,000.00	930,000.00	10/1/2003	10/1/2013
NUECES CO WCID #3	9,250,000.00	8,640,000.00	2/1/2004	2/1/2026
OAK HILL FWSD #1	365,000.00	320,000.00	8/1/2002	8/1/2025
ORANGE CO WCID #1	2,040,000.00	1,245,000.00	2/15/1999	2/15/2014
PARKWAY UD	710,000.00	690,000.00	3/1/2003	3/1/2022
PECAN ACRES WSC	64,450.00	48,550.00	1/1/2001	10/1/2015
PECOS CITY, TOWN OF	460,000.00	380,000.00	6/15/2001	6/15/2020
PELICAN BAY, CITY OF	1,150,000.00	850,000.00	2/15/2000	2/15/2018
PHARR, CITY OF	2,160,000.00	2,065,000.00	9/1/1999	9/1/2023
PINE VILLAGE PUD	205,000.00	175,000.00	3/1/2001	3/1/2022
PINEHURST, CITY OF	440,000.00	355,000.00	3/1/2001	3/1/2020
POINT AQUARIUS MUD	2,200,000.00	2,175,000.00	3/1/2002	3/1/2022
PORT OCONNOR MUD	2,325,000.00	2,235,000.00	9/1/2005	9/1/2024
PORTER SUD	1,275,000.00	1,195,000.00	6/1/2005	6/1/2024
PORTER SUD	1,460,000.00	1,370,000.00	6/1/2005	6/1/2024
PORTER SUD	500,000.00	450,000.00	6/1/2005	6/1/2024
PORTER SUD	1,260,000.00	1,260,000.00	6/1/2008	6/1/2027
POST WOOD MUD	815,000.00	790,000.00	9/1/2001	9/1/2009
PROSPER, TOWN OF	805,000.00	540,000.00	1/10/1997	1/10/2016
RED RIVER REDEVELOPMENT AUTHORITY	8,000,000.00	7,695,000.00	8/1/2006	8/1/2022
RICHWOOD, CITY OF	500,000.00	485,000.00	2/15/2006	2/15/2025
ROCK HILL WSC	495,000.00	449,400.00	11/15/2000	11/15/2025
ROCKETT SUD	6,625,000.00	6,405,000.00	7/10/1998	7/10/2022
ROMA, CITY OF	1,975,000.00	1,375,000.00	5/1/2001	5/1/2015
ROMAN FOREST CONSOLIDATED MUD	2,705,000.00	2,250,000.00	4/1/2001	4/1/2020
ROSE CITY, CITY OF	500,000.00	295,000.00	2/15/1996	2/15/2015
RUSK, CITY OF	550,000.00	440,000.00	2/15/1998	2/15/2022
SABINE RA (TOLEDO BEND)	7,000,000.00	7,000,000.00	7/1/2010	7/1/2034
SAN AUGUSTINE, CITY OF	675,000.00	540,000.00	2/15/2001	2/15/2020
SAN DIEGO, CITY OF	1,115,000.00	585,000.00	6/1/1995	6/1/2013
SAN JACINTO RA	19,905,000.00	18,485,000.00	10/1/2001	10/1/2030
SAN JACINTO RA	14,730,000.00	13,685,000.00	10/1/2001	10/1/2030
SAN LEANNA, VILLAGE OF	640,000.00	585,000.00	8/15/2004	8/15/2028
SHASLA PUD	1,300,000.00	1,280,000.00	3/1/2003	3/1/2022
SKIDMORE WSC	175,000.00	170,000.00	6/15/2006	6/15/2025
SOUTH NEWTON WSC	6,250,000.00	6,200,000.00	3/15/2006	3/15/2043
STANLEY LAKE MUD	125,000.00	30,000.00	7/1/1997	7/1/2008
SUNBELT FWSD	4,555,000.00	3,655,000.00	12/1/1997	12/1/2021
SURFSIDE BEACH, VILLAGE OF	555,000.00	380,000.00	8/15/1998	8/15/2017
TARKINGTON SUD	1,000,000.00	860,000.00	4/1/2002	4/1/2021
TERRANOVA WEST MUD	450,000.00	175,000.00	4/1/2000	4/1/2008
TEXAS NATIONAL MUD	295,000.00	270,000.00	9/1/2001	9/1/2026

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Recipient	Original Amount	Outstanding Balance	Due From	Due To
TRAVIS CO WCID #17	1,090,000.00	435,000.00	3/1/1997	3/1/2015
TRAVIS CO WCID #17	2,100,000.00	1,805,000.00	10/1/1998	10/1/2026
TRAVIS CO WCID #17	1,100,000.00	1,085,000.00	11/1/2005	11/1/2029
TRAVIS CO WCID #17	3,110,000.00	3,005,000.00	11/1/2005	11/1/2023
TRAVIS CO WCID #17	1,180,000.00	1,140,000.00	11/1/2005	11/1/2023
TRAVIS CO WCID #17	1,165,000.00	1,145,000.00	11/1/2005	11/1/2033
TRAVIS CO WCID #17	6,735,000.00	6,735,000.00	11/1/2006	11/1/2029
TRAVIS CO WCID #17	5,890,000.00	5,890,000.00	11/1/2007	11/1/2031
TRAVIS CO WCID #18	4,500,000.00	3,590,000.00	8/1/2001	8/1/2014
TRAVIS CO WCID (POINT VENTURE)	1,540,000.00	1,130,000.00	8/15/1999	8/15/2018
TRINITY BAY CONSERVATION DISTRICT	1,200,000.00	1,070,000.00	8/15/1998	8/15/2017
TRINITY BAY CONSERVATION DISTRICT	12,150,000.00	10,515,000.00	8/15/2002	8/15/2021
TRINITY RIVER AUTHORITY	82,000.00	36,000.00	2/1/1993	2/1/2012
TRINITY RIVER AUTHORITY	685,000.00	435,000.00	8/1/1997	8/1/2016
TYNAN WSC	185,000.00	176,618.39	7/1/2005	7/1/2024
UPPER TRINITY REGIONAL	20,010,000.00	665,000.00	8/1/1999	8/1/2021
VENUS, CITY OF	850,000.00	795,000.00	7/10/2004	7/10/2023
VICTORIA CO WCID #1	500,000.00	495,000.00	7/15/2006	7/15/2025
VICTORIA CO WCID #2	625,000.00	475,000.00	2/15/1992	2/15/2020
WALNUT CREEK SUD	9,600,000.00	9,180,000.00	1/10/2000	1/10/2024
WALNUT CREEK SUD	500,000.00	455,000.00	1/10/2002	1/10/2026
WALNUT GROVE WSC	1,200,000.00	1,090,000.00	9/1/2002	9/1/2022
WEBB CO	1,958,000.00	1,860,000.00	2/1/2003	2/1/2020
WEBB CO	1,102,000.00	1,092,000.00	2/1/2006	2/1/2023
WELLBORN SUD	3,300,000.00	3,040,000.00	7/15/2001	7/15/2024
WEST, CITY OF	1,350,000.00	925,000.00	4/1/1998	4/1/2017
WHITE OAK BEND MUD	89,000.00	89,000.00	10/1/2011	10/1/2011
WHITE OAK BEND MUD	910,000.00	900,000.00	10/1/2004	10/1/2027
WHITEROCK WSC	2,600,000.00	2,330,000.00	9/1/2002	9/1/2021
WORTHAM, CITY OF	820,000.00	755,000.00	5/15/1999	5/15/2023
ZAVALLA, CITY OF	96,000.00	93,000.00	4/1/2006	4/1/2025
Total, Water Development Fund II	\$ 644,478,605.00	\$ 552,528,010.75		