

# **STATE OF INDIANA**

## **Clean Water State Revolving Fund Loan Program**



**Annual Report  
State Fiscal Year 2012  
July 1, 2012**

**STATE OF INDIANA**  
**CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM**  
**STATE FISCAL YEAR 2012 ANNUAL REPORT**

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STATE OF INDIANA  
CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM  
STATE FISCAL YEAR 2012 ANNUAL REPORT

I. INTRODUCTION

Pursuant to 40 CFR 35.3165, the State of Indiana (State), acting through its Indiana Finance Authority (Authority) submits its Annual Report for the Clean Water State Revolving Fund (CWSRF) Loan Program to the Regional Administrator of the U.S. Environmental Protection Agency (EPA), Region V.

This Annual Report is for State Fiscal Year (SFY) 2012 (July 1, 2011 - June 30, 2012). It is prepared in accordance with Section 606(d) of the Clean Water Act (CWA), as amended by the Water Quality Act of 1987, and 40 CFR 35.3165(a) and (b).

II. SRF LOAN PROGRAM MANAGEMENT [40 CFR 35.3110]

Indiana Code 13-18-13 and 4-4-11 govern the establishment and administration of the CWSRF Loan Program by the Authority.

III. GOALS AND OBJECTIVES OF THE SFY 2012 INTENDED USE PLAN [40 CFR 35.3150 (b) (2)]

The purpose of the CWSRF Loan Program is to provide low-cost financial assistance to Indiana utilities to enable the construction of necessary and environmentally sound clean water infrastructure; facilitate statewide compliance with state and federal water quality standards; maintain a fiscally self-sufficient program as a continuing source of funding for improvement and protection of water quality and public health; and, conduct any other activity permitted by the CWA.

To accomplish these intentions, the Authority set short-term and long-term goals and objectives as part of the SFY 2012 Intended Use Plan (IUP). A description of how the CWSRF Loan Program has achieved these goals or is working toward them is in Exhibit A.

EPA's 2012 Capitalization Grant required the Authority to allocate 10%, or \$3,406,100, of its funds to green projects. The Authority accomplished this requirement via its Green Project Reserve (GPR) Sustainability Incentive Program, which is offered by the SRF Loan Programs to participants that incorporate green project components into their projects. Exhibit B, 10% GPR Projects by Capitalization Grant Year, lists the 2012 Capitalization Grant GPR projects.

Another goal of the Authority was to disburse at least 5.55% or \$1,892,987 or up to 8.33% or \$2,839,480 of its 2012 Capitalization Grant in the form of additional subsidization. Additional subsidization could be in the form of principal forgiveness, negative interest rate loans, or grants. Although Exhibit C is not yet satisfied for SFY 2012, the Authority has until FFY 2016 for FFY 2012. Exhibit C will be updated in

subsequent Annual Reports until the requirement has been met. Priority for additional subsidization was given to communities that could not otherwise afford such projects. Exhibit C, Additional Subsidization Projects by Capitalization Grant Year, list participants that received principal forgiveness. Priority for additional subsidization was given to Participants that could not otherwise afford such projects.

#### IV. ENVIRONMENTAL REVIEW AND BENEFITS [40 CFR 35.3165 (b) (1)]

All CWSRF Loan Program-funded projects and activities were in compliance with federal Cross-Cutting Authorities and State Environmental Review Procedures (SERP). A description of each project funded in SFY 2012 is attached in Exhibit D.

The participants receiving funds from the CWSRF Loan Program during SFY 2012 will realize the following significant environmental and public health benefits:

- Abatement of combined sewer overflow (CSO) discharges along approximately 59 miles of stream segments, ultimately reducing pollution to the Ohio River and the Great Lakes;
- Elimination of 346 septic systems in two communities, eliminating failing systems that discharge to waters of the state;
- \$137.6 million in SRF funds targeted to abate pathogen or nutrient loadings to impaired water bodies (303(d) listed streams).
- Increased compliance with NPDES permits.

#### V. STATE MATCH [40 CFR 35.3165 (b) (2)]

The Authority has fully met its State Match requirements through the end of SFY 2012 by means of depositing the net proceeds from revenue bonds issued by the Authority into the Clean Water State Revolving Loan Fund (CWSRF). The State deposited \$2,131,611 of State Match in the CWSRF Loan Program in SFY 2012. To date, the CWSRF Loan Program State Match has aggregated in excess of 20% of the awarded \$765,903,853 Capitalization Grants the Authority was required to match through June 30, 2012. See Exhibit E for a history of the Capitalization Grants awarded to the CWSRF Loan Program. Exhibit F details State Match deposited in the CWSRF through the end of SFY 2012; the sources of such State Match; and how repayment of revenue bonds providing any such State Match has been (and will continue to be) managed in a manner consistent with federal and state law.

#### VI. BINDING COMMITMENTS EXCEED 120% OF GRANT [40 CFR 35.3165 (b) (4)]

During SFY 2012, the CWSRF Loan Program closed 18 loans totaling \$139,956,000. Since the CWSRF Loan Program's inception in 1992, over 400 loans aggregating approximately \$2.59 billion have been closed, more than three times the amount of federal Capitalization Grants that have been awarded to the CWSRF Loan Program (\$860,351,353). For a summary of all loans closed by the CWSRF Loan Program during SFY 2012, please see Exhibit G.

## VII. EXPEDITIOUS AND TIMELY USE OF FUNDS [40 CFR 35.3165 (b) (5)]

The CWSRF Loan Program is a leveraged program and has established itself as a highly rated borrower in the national bond market. The Authority has utilized its Capitalization Grants to leverage multiple series of bonds, aggregating over \$1.40 billion in outstanding principal as of June 30, 2012, a portion of which has funded CWSRF Loan Program loans. A summary of the accounts and associated balances are set forth in Exhibit H: Intended Uses of Funds, attached hereto. Future bond issuances are expected to be used to fund new commitments related to new loans in future years. The balance of the bond proceeds not available for loans are used for reserve funds, administrative expenses, and costs of issuance.

### A. Interest Rates

The CWSRF Loan Program recognizes the continued need to balance the level of subsidy with the inherent limited capacity of the CWSRF Loan Program to meet demand for loans and participant affordability constraints. This balancing is reflected in the Authority's present interest rate policy.

Interest rates applied to new loans are reset on the first business day of each January, April, July and October using a Base CWSRF Program Interest Rate (Base Rate). The Base Rate is calculated by using 90% of the average 20-year, AAA-rated general obligation bond Municipal Market Data (MMD) composite index for the most recent calendar month. The Base Rate is then discounted further based upon a Participant's Median Household Income (MHI) from the 2000 Census data and projected user rates. User rate information is reviewed by the CWSRF Loan Program staff to finalize a CWSRF Loan Program interest rate.

The CWSRF Loan Program offered interest rates ranging from a low of 2.00% to a high of 3.47% during SFY 2012. A summary of the actual interest rates for each quarter of SFY 2012 is set forth in Exhibit I.

The subsidized CWSRF Loan Program interest rate has provided an estimated aggregate savings of \$48,499,096 to participants closing a CWSRF Loan Program loan during SFY 2012. See "SRF Savings" column in Exhibit G for savings provided to each participant.

### B. Terms

Consistent with applicable law, all CWSRF Loan Program loans closed in SFY 2012 were structured with annual principal repayments commencing one year after expected completion of the Proposed Project, and a final principal payment no later than 20 years after expected completion of the Proposed Project.

### C. Other Assistance Provided

As of June 30, 2012, the CWSRF Loan Program has provided \$24,369,896 of Additional Subsidy in the form of principal forgiveness to 8 loan recipients. Exhibit C,

Additional Subsidization by Capitalization Grant Year, lists participants that received principal forgiveness.

Priority for additional subsidization was given to communities that could not otherwise afford such projects.

The majority of the funds required to be given as Additional Subsidization were provided to those communities that have a lower median household income and/or high post project user rates. This allowed the CWSRF Loan Program to assist as much as possible, communities that could not otherwise afford an SRF loan to receive the Additional Subsidization. The CWSRF Loan Program has not set a cap on the amount of principal forgiveness that a community may receive.

During SFY 2012, the CWSRF Loan Program provided four communities \$25,620,000 in CWSRF Pooled Loans, a program that offers eligible participants the “AAA” interest rate that is available to the CWSRF Loan Program at the time of their loan closing.

During SFY 2012, the CWSRF Loan Program did not provide any refinancing assistance.

During SFY 2012, the CWSRF Loan Program provided \$0 of additional subsidization through the FFY 2011 Capitalization Grant.

D. Administrative Expenses and Fees

During SFY 2012, the CWSRF Loan Program used a portion (\$1,687,007) of the maximum allowable percentage of each federal Capitalization Grant to offset CWSRF Loan Program costs, including administrative, legal and financial fees and expenses, to the extent permitted by Section 603(d)(7) of the Clean Water Act to operate the CWSRF Loan Program in perpetuity. The portion not used is being carried forward for application in future years on an as needed basis. Exhibit H identifies the balance of the CWSRF Program’s 4% administrative expense limit remaining to meet its continuing needs.

During SFY 2012, subject to certain waivers, the CWSRF Loan Program assessed each Participant that closed a loan, a loan closing fee at the time the Participant closed its CWSRF Program loan. During SFY 2012, the CWSRF Loan program collected \$18,000 in loan closing fees.

The non-use fee policy of the CWSRF Loan Program permits the assessment of a non-use fee for CWSRF Loan Program loan funds that are not used within two years following a Participant’s loan closing. Pursuant to the policy, each Participant that does not complete its project and fully expend the funds borrowed within two years after the loan closing, will be assessed a one percent fee on the balance of the funds that remain un-drawn. An additional one percent fee will be assessed each six months following the two year anniversary of the Participant’s loan closing until the loan is fully drawn or closed out. No non-use fees were collected by the CWSRF Loan Program during SFY 2012.

E. Transfers – 40 CFR 35.3110 (f)

The State permits transfers between the DWSRF Loan Program and the CWSRF Loan Program of Capitalization Grants and other funds held in or allocable to such funds to the extent permitted by the Clean Water Act (CWA) and the Safe Drinking Water Act (SDWA). There were no transfers in SFY 2012. For a historic summary of transfers, see Exhibit J.

F. Cross-collateralization - 40 CFR 35.3110 (f)

To the extent permitted by the CWA and the SDWA the State has cross-collateralized the CWSRF Loan Program and the DWSRF Loan Program to optimize capitalization requirements and better manage the specific funding needs of projects.

Cross-collateralization maximizes the security for bonds issued by the State to capitalize the SRF Loan Programs. The State expects that any such transfers would occur at any time necessary to prevent a default on any such bonds and would be made between accounts established for like purposes and subject to like restrictions. Historically, the SRF Loan Programs have never utilized the cross-collateralization instrument.

The State expects to retain the flexibility to reimburse, on a cumulative net basis, any cross-collateralization transfers. Because cross-collateralization is a contingent security concept and transfers are not expected or planned to occur, the State does not expect cross-collateralization to affect negatively the funding capacity of the SRF Loan Programs. However, if such transfers occur and are not reimbursed, it may affect the Authority's ability to make additional loans it otherwise might have been able to make.

G. CWSRF Loan Program Financial Statements

The CWSRF Loan Program is audited annually by an independent certified public accounting firm. For the SFY 2012, which ended June 30, 2012, the CWSRF Loan Program received an unqualified opinion from our independent auditors, as described in Exhibit K.

The CWSRF Loan Program is audited annually for compliance with the requirements set forth in the U.S. Office of Management and Budget (OMB) Circular A-133. For the SFY 2012 ended June 30, 2012, the CWSRF Loan Program was determined to be "in compliance," as noted in the Schedule of Expenditures of Federal Awards and OMB Circular A-133 Auditor's Reports, which is attached as Exhibit L.

H. Federal Requirements

The Authority has fulfilled all applicable federal requirements required by the CWA including:

- assurances and certifications provided in the IUP have been met;
- closed loans equal more than the required 120 % of each quarterly Capitalization Grant payment and were made within one year of receipt of all payments;
- all funds have been used in a timely and expeditious manner; and
- environmental reviews have been done in accordance with federal and State law.

All loans made during the SFY 2012 had related projects listed on the Authority's Project Priority Lists (PPL).

I. Compliance with 40 CFR Part 31 [40 CFR 35.3165 (d) (1-3)]  
The CWSRF Loan Program complied with all requirements of 40 CFR Part 31.

J. Recycled CWSRF Loan Program Funds  
A portion of CWSRF may be considered “non-federal” funds. These funds include interest earned on SRF investments and certain borrower repayments. The CWSRF Loan Program utilizes a portion of these monies to fund CWSRF Loan Program eligible project expenses that can also be attributed to a state or local match for federal grant funding. See Exhibit M for a summary of how a portion of the non-federal CWSRF funds have been allocated.

K. Title II Compliance [40 CFR 35.3165 (b) (3)]  
All CWSRF Loan Program loans this year were for Wastewater Treatment Works projects and, as such, comply with the Title II equivalency requirements. The State has made binding commitments that exceed 120 % of the Capitalization Grants awarded and continues to bank the excess balance toward the binding commitments that may be required in future years.

VIII. PROJECTS FUNDED – 40 CFR 35.3150 (b)(1)

The scoring and ranking system of the CWSRF Loan Program focuses on those projects with the greatest need. A map showing the location of projects funded in SFY 2012 is attached as Exhibit N. A map showing the location of all projects funded since the inception of the CWSRF Loan Program is attached as Exhibit O.

CSO Correction projects accounted for over 45 % of the total CWSRF assistance provided in SFY 2012.

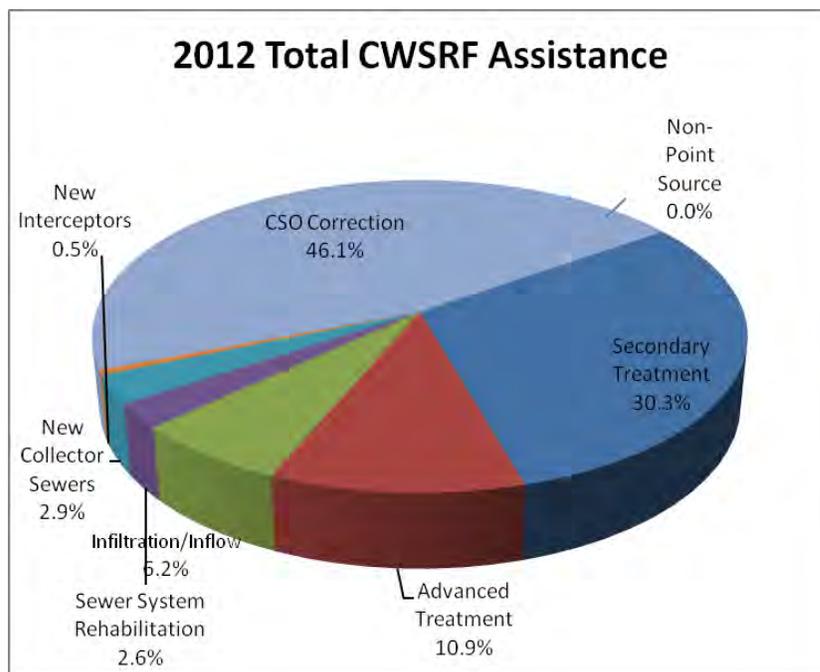


Exhibit A  
CWSRF Loan Program Report on Goals and Objectives of SFY 2012

The CWSRF Loan Program sets short- and long-term goals as required by 40 CFR 35.3150(b)(2). Short-term goals and objectives are those the State expects to achieve during SFY 2012, while long-term goals and objectives are those the State expects to achieve over a longer period.

**A. Short-Term Goals and Objectives**

During SFY 2012, the CWSRF Loan Program expects to achieve the following short-term goals and objectives:

(ST 1) Seek the immediate award of the Federal Fiscal Year (FFY) 2012 Capitalization Grant. Continue to disburse loan proceeds such that the 2012 Capitalization Grant can promptly be deposited and, as expenditures are incurred or paid, be converted to cash.

**Result: The Authority applied for its FFY 2012 Capitalization Grant on April 11, 2012 and was awarded on July 19, 2012.**

**The CWSRF Loan Program continues to disburse its loan proceeds expeditiously. The CWSRF Loan Program has fully drawn down the 2012 Capitalization Grant except for the Additional Subsidization amount of \$2.8 Million.**

(ST 1a) Ensure that a range between 5.55% and 8.33% of the 2012 Capitalization Grant is used to provide Additional Subsidization in the form of principal forgiveness, negative interest loans or grants.

**Result: The CWSRF Loan Program received the FY 2012 Capitalization Grant after the June 30, 2012 date to close on SRF Loans for the SFY 2012. Several communities have met the criteria for receiving Additional Subsidization in the SFY 2013. The Indiana SRF Loan Program has until FY 2016 to spend down the Additional Subsidization funds. Indiana SRF Loan Program intends to fully draw these funds down in SFY 2013.**

(ST 1b) Ensure that not less than 10% of the 2012 Capitalization Grant is allocated to fund Green Project Reserve Projects. Work diligently to identify and fund Projects that address or have components of Green Project Reserve infrastructure, water or energy efficiency improvements or include other environmentally innovative activities. Exhibit C shows the percentage of SRF funds that may be used toward Green Project Reserve activities.

**Result: The 2012 Capitalization Grant required the Authority to ensure that no less than 10 percent of the funds of the grant were appropriated for green project components. Exhibit B demonstrates that at least 10% of the Cap Grant Funds or \$3,406,100 was allocated to those projects that included green components. The Authority exceeded this goal with 64.33% of the Capitalization Grant funds or \$21,910,005 of green components.**

(ST 1c) Ensure that Davis Bacon wage rules apply to all assistance agreements made with funds appropriated under the 2012 Capitalization Grant.

**Result: The CWSRF Loan Program included language in all Financial Assistance Agreements that required Participants to follow Davis Bacon wage rules. In addition, in order to meet the requirements of the Davis Bacon wage rules, each Participant was**

**assigned a Labor Standard Administrator (LSA), whose responsibility was to assist the Participant with the reporting requirements associated with Davis Bacon wage rules. The Authority contracted with the LSA's to provide this valuable service to its Participants to ensure that Davis Bacon wage rules were being followed. Further, each Participant provided the Authority with a certification certifying its compliance with Davis Bacon.**

(ST 2) Document the environmental benefits derived from the CWSRF financed Projects using the one-page forms sanctioned by EPA. Goals identified are:

- Abatement of combined sewer overflow (CSO) discharges along stream segments, ultimately reducing pollution to the Ohio River;
- Elimination of septic systems in communities, eliminating failing systems that discharge to waters of the state;
- SRF funds targeted to abate pathogen or nutrient loadings to impaired water bodies (303(d) listed streams); and
- Increased compliance with NPDES permits.

**Result:**

- **Abatement of combined sewer overflow (CSO) discharges along approximately 59 miles of stream segments, ultimately reducing pollution to the Ohio River and the Great Lakes;**
- **Elimination of 346 septic systems in two communities, eliminating failing systems that discharge to waters of the state;**
- **\$137.6 million in SRF funds targeted to abate pathogen or nutrient loadings to impaired water bodies (303(d) listed streams).**
- **Increased compliance with NPDES permits.**

(ST 3) Conduct at least 30 technical inspections during the construction phase and the post-construction phase to document the construction progress, as well as the appropriate use of SRF funds.

**Result: SRF Loan Program staff completed 121 inspections in SFY 2012.**

(ST 4) Work diligently with Participants and effectively manage Projects to assist Participants in closing loans and constructing their Projects in a timely, efficient manner.

**Result: In SFY 2012, SRF Loan Program staff held project planning meetings, timely reviewed Preliminary Engineering Reports using the SRF Work Plan and corresponded with Participants through the process to successfully close on 18 loans. Requiring communities to bid prior to loan closing and providing a timeline allows communities to meet the 2-year construction goal implemented by the Authority.**

## **B. Long-Term Goals and Objectives**

During SFY 2012, the State will continue to work to achieve the following long-term goals:

(LT 1) Provide financial assistance to current and future Participants, by providing low-cost financing commensurate with prudent fiscal and credit standards.

**Result: 18 loans were closed with interest rates ranging from 0.00% – 3.47%. See Exhibit G, Summary of Closed Loans for SFY 2012.**

(LT 2) Maintain the long-term financial integrity of the CWSRF by judiciously managing its assets in order to realize a rate of return that will sustain the CWSRF in perpetuity.

**Result: The SRF Loan Program continues to manage the investment and programmatic use of its funds to maintain its financial integrity. Please refer to Exhibit H, Intended Uses of Funds.**

(LT 3) Monitor all outstanding loans and the financial capability of Participants through the use of an in-house monitoring system and, in conjunction with the Bank of New York, ensure the CWSRF Loan Program continues to avoid loan defaults. In particular, review the financial statements for Participants receiving a State Board of Accounts audit in the current calendar year. Require new Participants to utilize paying agent agreements and offer all prior Participants the opportunity to enter into a paying agent agreement. Conduct financial on-site visits as warranted.

**Result: The SRF Loan Program monitors all Participants. For those Participants with a Paying Agent Agreement, the SRF Loan Program monitors both the debt service reserve account and the bond and interest account on a quarterly basis. For Participants without a Paying Agent Agreement, the SRF Loan Program annually monitors the reserve balances through its Debt Service Reserve project by requesting the reserve balance and a copy of each Participant's bank statement. If any deficiencies are found, the Authority works with the Participant to correct the deficiencies.**

(LT 4) Leverage EPA Capitalization Grants to generate loans that exceed two-times the awarded grant amounts.

**Result: The SRF Loan Program continues to access the public debt market to leverage EPA Capitalization Grants. This leveraging structure allows the SRF Loan Program to close loans in an aggregate amount of over two-times the awarded grant amounts.**

(LT 5) Monitor Participant's draw of funds to assure loans are being drawn within two years. Assure that un-drawn funds are returned to the loan pool and made available to other Participants.

**Result: The SRF Loan Program continues to monitor all Participants' use of funds. As loans are closed out and reamortized, any unused loan funds are made available to other Participants on the Project Priority List. Communities with funds remaining following substantial completion are contacted to see if they are interested in using remaining funds to finance a new project or if they wish to close out their loan.**

(LT 6) Submit required reports to EPA in a well-prepared and timely manner.

**Result: Intended Use Plans, Annual Reports, and National Infrastructure Management System data are well-prepared and submitted to EPA in a timely manner. The Authority submits application for the Capitalization Grant either at the beginning of the Federal Fiscal Year or at a time when the amount of funds available for states to apply is known.**

(LT 7) Ensure that EPA funds are accessed within one week of being made available to the State.

**Result: The Authority accessed funds within one week of funds being made available to the State.**

(LT 8) Periodically publish an SRF Loan Program newsletter.

**Result: In SFY 2012, newsletters were published in August 2011 and April 2012.**

(LT 9) Develop a comprehensive database for staff to reference all information related to each SRF Project.

**Result: The Authority is developing a more detailed comprehensive project tracking system. This system should be online in the fall of 2012.**

(LT 10) Coordinate the co-funding of an Indiana Brownfield's Program and CWSRF Loan Program Project.

**Result: The Authority continues to partner with Brownfields Program communities to provide CWSRF Loan Program funds.**

(LT 11) Work diligently with Participants who received ARRA funds to effectively manage their Projects so as to meet all the requirements of the ARRA, including the following:

(LT 11a) Ensure that none of the funds appropriated are used for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the Project is produced in the United States unless a waiver is given by EPA. This requirement shall be applied in a manner consistent with the U.S. obligations under international agreements.

**Result: In SFY 2012, projects were reviewed for compliance with all ARRA requirements. Site visits were conducted and recommendations were made to communities who did not have all documentation available. The Authority received certifications from Participants certifying they met ARRA requirements.**

(LT 11b) The CWSRF shall report no less than weekly on the use of the funds provided under the ARRA. The CWSRF Benefits Reporting database will be used to gather information regarding key Project characteristics and milestones. Project data shall be entered into the reporting system as soon as loan agreements are signed with recipients. The CWSRF shall meet all reporting requirements established under the ARRA.

**Result: In SFY 2012, project data was submitted on a weekly basis or as required to satisfy reporting requirements to EPA and other authorities.**

(LT 11c) Ensure that Davis-Bacon Act wage rules apply to applicable assistance agreements made in whole or in part with the funds appropriated.

**Result: The CWSRF Loan Program included language in all Financial Assistance Agreements that required Participants to follow Davis Bacon wage rules. In addition, in order to meet the requirements of the Davis Bacon wage rules, each Participant was assigned a Labor Standard Administrator (LSA), whose responsibility was to assist the Participant with the reporting requirements associated with Davis Bacon wage rules. The Authority contracted with the LSA's to provide this valuable service to its Participants to ensure that Davis Bacon wage rules were being followed. Further, each Participant provided the Authority with a certification certifying its compliance with Davis Bacon.**

(LT 12) Report all uses of CWSRF funds in the Clean Water Project Benefits Reporting database as required by the EPA and the Federal Funding Accountability and Transparency Act.

**Result: The Authority documented the environmental benefits of the 18 loans that were closed in SFY 2012 by completing 18 of the one-page forms required by EPA.**

(LT 13) Ensure that the CWSRF Loan Program and its participants comply as required with Disadvantaged Business Enterprise, Federal environmental cross cutters and the Single Audit Act.

**Result: Through various reports, audits, and comment periods, the Authority ensures that the CWSRF Loan Program and its participants comply as required with Disadvantaged Business Enterprise, Federal environmental cross cutters and the Single Audit Act.**

(LT 14) Provide interest rate breaks to communities which adopt Nonpoint Source Projects. The CWSRF Loan Program will meet quarterly with the Indiana Department of Environmental Management (IDEM) Nonpoint Source Section to identify Projects on the CWSRF Loan Program PPL which may benefit from SRF funding.

**Result: The Authority closed on five nonpoint source projects as well as several septic tank elimination projects in SFY 2012. These communities received on average an interest rate break of .50 basis points. The Authority's staff and IDEM staff identify projects on a quarterly basis where the applicant can benefit from a NPS interest rate break.**

(LT 15) Work with the IDEM Total Maximum Daily Load (TMDL) section to develop a system to assist communities in the implementation of TMDLs and offer interest rate breaks to communities which implement TMDL Projects which are CWSRF Loan Program eligible.

**Result: The Authority works with the IDEM TMDL section to develop better ways to assist communities. The Authority also incorporates TMDL points in the scoring of each project.**

(LT 16) Utilize the Clean Watershed Need Survey information database when a new application is received and use this information to confirm the need of the Project as well as providing input to the scoring of the Project.

**Result: The Authority is working with EPA to utilize the CWNS information. The 2012 Clean Watersheds Needs Survey is currently being conducted and points are applied on the Project Priority List for communities who have submitted a survey or documentation towards the survey.**

Indiana CWSRF Loan Program  
Exhibit B - Green Project Reserve Required for FFY 2012 Capitalization Grant

CWSRF Loan Program FFY 2012 Capitalization Grant = \$34,061,000  
10% Green Project Reserve Required = \$3,406,100  
64.33% Green Project Reserve Provided = \$21,910,005

Community	Project Description	Total Project Cost	Total SRF Loan and Principal Forgiveness Amount	Green Project Description	Business Case (BC) or Categorical Exemption (CE)	Category 1: Green Infrastructure	Category 2: Water Efficiency	Category 3: Energy Efficiency	Category 4: Environmentally Innovative	Total Eligible GPR Cost (sum of Categories 1-4)	Business Case posted to the IFA website
Fort Wayne	CSO Pump Station and Screenings Building	\$ 33,576,000	\$ 33,576,000	VFD's, sewer rehab	BC			\$ 6,732,266		\$ 6,732,266	Yes
Jeffersonville	New WWTP	\$ 20,550,000	\$ 20,550,000	VFD's, recycled steel. HVAC system	BC			\$ 1,799,280		\$ 1,799,280	Yes
South Whitley	CSO reduction	\$ 3,340,000	\$ 3,340,000	VFD.s	BC			\$ 18,500		\$ 18,500	Yes
Huntington	WWTP improvements	\$ 16,000,000	\$ 16,000,000	Grit improvements, sludge improvements	BC			\$ 4,342,992		\$ 4,342,992	Yes
Montgomery Co	New WWTP	\$ 10,964,000	\$ 10,964,000	Tertiary filters and treated effluent lift	CE		\$ 4,980,864			\$ 4,980,864	Yes
Ligonier	Sewer Separation	\$ 2,291,000	\$ 2,291,000	Reduced Infiltration and Inflow	BC			\$ 1,933,835		\$ 1,933,835	Yes
Battle Ground	WWTP Rehabilitation	\$ 2,825,000	\$ 2,825,000	UV Disinfection	BC				\$ 151,550	\$ 151,550	Yes
Portland	WWTP improvements and sewer separation	\$ 3,495,000	\$ 3,495,000	replace aerobic digester, Sewer Separation	BC/CE			\$ 1,950,718		\$ 1,950,718	Yes
<b>TOTALS:</b>		<b>\$ 93,041,000</b>	<b>\$ 93,041,000</b>							<b>\$ 21,910,005</b>	

Indiana CWSRF Loan Program  
Exhibit C- Additional Subsidization Projects Required for FFY 2010, 2011 and 2012 Capitalization Grant

CWSRF Loan Program FFY 2012 Capitalization Grant = \$ 49,104,000  
 Additional Subsidization Requirement = (At least \$7,354,221 and up to \$24,514,070)  
 Additional Subsidization Provided = \$ 13,377,896

Participant	Closing Date	SRF Loan Amount	Principal Forgiveness Amount	Total Loan and Principal Forgiveness	Estimated Open Market Interest Rate	Estimated Open Market P & I*	SRF Interest Rate	SRF P & I *
Milton	31-Mar-10	\$ 616,385	\$ 3,735,000	\$ 4,351,385	5.50%	\$ 7,282,420	2.31%	\$ 776,664
Prince's Lakes	10-May-10	\$ -	\$ 2,812,896	\$ 2,812,896	5.50%	\$ 4,707,625	0.00%	\$ -
Allen County RSD	30-Jun-10	\$ -	\$ 5,200,000	\$ 5,200,000	5.00%	\$ 8,345,229	0.00%	\$ -
Woodburn	30-Jun-10	\$ 2,500,000	\$ 480,000	\$ 2,980,000	5.00%	\$ 4,782,458	2.67%	\$ 3,259,087
SWLMCD	27-Jun-11	\$ 1,250,000	\$ 1,150,000	\$ 2,400,000	5.00%	\$ 3,851,644	3.12%	\$ 1,699,091

**TOTAL: \$ 13,377,896**

CWSRF Loan Program FFY 2011 Capitalization Grant = \$ 35,588,000  
 Additional Subsidization Requirement = (At least \$3,297,794 and up to \$10,992,647)  
 Additional Subsidization Provided = \$ 10,992,000

Participant	Closing Date	SRF Loan Amount	Principal Forgiveness Amount	Total Loan and Principal Forgiveness	Estimated Open Market Interest Rate	Estimated Open Market P & I*	SRF Interest Rate	SRF P & I *
Luce Township RSD	13-Dec-10	\$ 2,000,000	\$ 3,702,000	\$ 5,702,000	5.00%	\$ 9,150,865	2.00%	\$ 2,446,269
Chesterfield	15-Jun-11	\$ 3,759,000	\$ 3,800,000	\$ 7,559,000	5.00%	\$ 12,131,074	2.87%	\$ 4,992,736
Plainfield	30-Jun-11	\$ 3,476,000	\$ 3,490,000	\$ 6,966,000	5.00%	\$ 11,179,397	0.00%	\$ 3,476,000

**\$ 10,992,000**

CWSRF Loan Program FFY 2012 Capitalization Grant = \$ 34,061,000  
 Additional Subsidization Requirement = (At least \$1,892,987 and up to \$2,839,480)  
 Additional Subsidization Provided = \$ -

Participant	Closing Date	SRF Loan Amount	Principal Forgiveness Amount	Total Loan and Principal Forgiveness	Estimated Open Market Interest Rate	Estimated Open Market P & I*	SRF Interest Rate	SRF P & I *

**\$ -**

**Total SFY 2010, 2011 and 2012 = \$ 24,369,896**

\* P & I = Principal and Interest

Indiana CWSRF Loan Program  
Exhibit D - Project Descriptions in SFY 2012

<b>CWSRF Participant: Anderson</b>			
SRF Project #:	WW110948 03	CWSRF Loan Amount:	\$20,970,000
NPDES #:	IN0032476	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$20,970,000
CWSRF Loan Closed:	10/26/11	Estimated SRF Savings:	\$3,483,643
Interest Rate:	3.746%	Affected Population:	59,734
NIMS Categories: V – CSO Correction:	\$20,970,000		
<b>Environmental Benefits:</b> This project will complete portions of the City of Anderson Long Term Control Plan (LTCP) and eliminate combined sewer overflows to the White River, reducing pathogen loadings to this impaired stream and address and existing TMDL.			
<b>Project Description:</b> The City of Anderson, as part of their Long Term Control Plan (LTCP), entered into a Federal Consent Decree to address problems at the wastewater treatment plant (WWTP) and collection system which included the Combined Sewer Overflow (CSO) LTCP. The proposed improvements will improve the operations of the wastewater treatment plant during wet weather and will bring the facility into compliance with the requirements of its Combined Sewer Overflow Long Term Control Plan and Consent Decree. Improvements include: 1 ) a new preliminary treatment facility at the Gene Gustin Way site; (2) two new final clarifiers at Gene Gustin Way site, with associated return activated sludge/ waste activated sludge (RAS/WAS) pump systems; ( 3) Old Plant Influent Lift Station improvements at the Gene Gustin Way site; (4) new wet weather pump station at the Dewey Street site; and (5) a new vehicle storage and maintenance facility at the Dewey Street site.			

<b>CWSRF Participant: Crown Point</b>			
SRF Project #:	WW0911445 02	CWSRF Loan Amount:	\$1,850,000
NPDES #:	IN0025763	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$1,850,000
CWSRF Loan Closed:	10/26/11	Estimated SRF Savings:	\$307,331
Interest Rate:	3.746%	Affected Population:	19,806
NIMS Categories:			
III-B Sewer System Rehabilitation:	\$888,000		
V CSO Correction:	\$962,000		
<b>Environmental Benefits:</b>			
This project will complete portions of the City of Crown Point Long Term Control Plan (LTCP) and eliminate combined sewer overflows to the Beaver Dam Ditch, reducing pathogen loadings to this impaired stream.			
<b>Project Description:</b>			
The wastewater treatment plant (WWTP) was unable to isolate flows from the Anderson Pond Lift Station to the existing WWTP flow equalization pond. This did not allow the WWTP to optimize its flow equalization capabilities and also results in sanitary sewer backups. Therefore, a new hydraulic structure was needed to allow for full optimization. Additionally certain areas of the existing collection system were identified by the City for smoke testing, flow metering and manhole inspections to quantify Infiltration/Inflow (I/I) in the collection system. This was necessary to comply with the City's Agreed Order with IDEM to identify and quantify those defects and to develop a corrective action work plan. The collection system will also monitor flow as part of their Agreed Order with the Indiana Department of Environmental Management (IDEM) and make improvements to five lift stations.			

<b>CWSRF Participant: Evansville</b>			
SRF Project #:	WW091282 08	CWSRF Loan Amount:	\$1,215,000
NPDES #:	IN0032956	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$1,215,000
CWSRF Loan Closed:	10/26/11	Estimated SRF Savings:	\$279,179
Interest Rate:	3.246%	Affected Population:	185
NIMS Categories: IV-A New Collection Sewers:	\$1,215,000		
<b>Environmental Benefits:</b> This project will eliminate failing and aging septic systems by extending sewers in the City of Evansville. The elimination of these systems will reduce the pathogen loading to the Ohio River which is listed on the Indiana 303(d) list as an impaired stream.			
<b>Project Description:</b> The project will provide new sewers and eliminate septic tanks in the Mt. Auburn area. The project area is currently served by aging septic systems. The Vanderburgh County Health Department (VCHD) has documented several sanitation nuisance complaints through the years in the Mt. Auburn neighborhood. The project proposes the installation of a low pressure sewer system to 74 homes.			

<b>CWSRF Participant: Rensselaer</b>			
SRF Project #:	WW100437 02	CWSRF Loan Amount:	\$1,585,000
NPDES #:	IN0024414	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$1,585,000
CWSRF Loan Closed:	10/26/11	Estimated SRF Savings:	\$364,197
Interest Rate:	3.246%	Affected Population:	5,294
NIMS Categories: IV-A New Collector Sewers:	\$1,585,000		
<b>Environmental Benefits:</b> This project will eliminate failing and aging septic systems by extending sewers in the City of Rensselaer. The elimination of these systems will reduce the pathogen loading to the Iroquois River which is listed on the Indiana 303(d) list as an impaired stream.			
<b>Project Description:</b> The project area is currently served by aging septic systems. The purpose of the project is to eliminate current failing and future septic tanks systems in the service area that will utilize the West Side Sanitary Sewer. The project proposes the installation of a low pressure sewer system to 42 homes.			

<b>CWSRF Participant: Fort Wayne</b>			
SRF Project #:	WW111701 05	CWSRF Loan Amount:	\$33,576,000
NPDES #:	IN0032191	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$33,576,000
CWSRF Loan Closed:	11/15/11	Estimated SRF Savings:	\$11,658,277
Interest Rate:	2.29%	Affected Population:	205,727
NIMS Categories: V CSO Correction:	\$33,576,000		
<b>Environmental Benefits:</b> This project will complete portions of the City of Fort Wayne Long Term Control Plan (LTCP) and eliminate combined sewer overflows to the Maumee River, reducing pathogen loadings to this impaired stream and address and existing TMDL.			
<b>Project Description:</b> During high flow events, the wastewater treatment plant (WWTP) sometimes cannot accommodate all the incoming wastewater and stormwater flow. This project will expand the combined sewer pump station.  In conjunction with combined sewer overflow Control Measure No. 5 in Table 4.2.4.1 of the LTCP, the city is proposing the installation of a first flush/ bleedback line piping and controls project.  The headworks structure at the WWTP has odor, corrosion and safety issues that need to be addressed, due to hydrogen sulfide gas (H <sub>2</sub> S). Corrosion needs to be mitigated to protect the infrastructure; odors need to be mitigated to address complaints from neighboring residents; and safety needs to be addressed to protect the plant personnel from the highly toxic gas. This project proposes the addition of a treatment process to withdraw and treat hydrogen sulfide gas emanating from the grit chambers.  The city has a Sewer Repair and Replacement Program to develop, implement and monitor sewer repair/replacement strategies to identify problem areas in the collection system. The sewer and manhole repairs are prioritized based on citizens' complaints, requests from the sewer maintenance department, and collection system televising reports. The city's program complies with one of the "Nine Minimum Controls" established by EPA.			

**CWSRF Participant: Jeffersonville**

SRF Project #:	WW061210 06	CWSRF Loan Amount:	\$20,550,000
NPDES #:	IN0023302	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$20,550,000
CWSRF Loan Closed:	11/23/11	Estimated SRF Savings:	\$8,946,205
Interest Rate:	1.54%	Affected Population:	27,362
NIMS Categories: I Secondary Treatment:	\$20,550,000		

**Environmental Benefits:**

This project to improve the Jeffersonville wastewater system by adding an additional WWTP which will allow the current plant to meet the ammonia and disinfection limits of its NPDES permit and provide additional treatment. The current WWTP is land locked and unable to expand. Removing these stressors will improve the water quality of the Mill Creek River which is impaired at the project site due to high nutrient levels.

**Project Description:**

Jeffersonville is implementing the LTCP to address combined sewer overflows (CSOs). Included in this plan are provisions to undertake capital improvements, operational modifications and other improvements between 2010 and 2020 to reduce or eliminate CSOs into Cane Run and the Ohio River.

An analysis of treatment options was conducted to determine the best method for handling Jeffersonville's current and future wastewater needs, as well as reduce or eliminate CSOs. The city determined that expanding the Downtown WWTP in conjunction with constructing a North WWTP would adequately address all of its wastewater needs, including creating additional capacity for treating wet weather flow at the Downtown WWTP.

<b>CWSRF Participant: St. Joseph RWSD</b>			
SRF Project #:	WW096271 02	CWSRF Loan Amount:	\$2,904,000
NPDES #:	IN0025674	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$2,904,000
CWSRF Loan Closed:	12/13/11	Estimated SRF Savings:	\$1,094,781
Interest Rate:	2.04%	Affected Population:	350
NIMS Categories: IV-A New Collection Sewers:	\$2,904,000		
<b>Environmental Benefits:</b> This project will eliminate failing and aging septic systems by extending sewers in Saint Joseph County. The elimination of these systems will reduce the pathogen loading to the Saint Joseph River which is listed on the Indiana 303(d) list as an impaired stream and TMDL community.			
<b>Project Description:</b> The Granger Business Association service area has a very dense residential, commercial, industrial, and manufacturing community that disposes of wastewater using on-site septic tanks, which are failing due to poor soils; their use has negatively affected the ground water in the area.  The proposed low-pressure sanitary sewer system will consist of individual grinder pumps that can serve between one to three property owners. Wastewater from the GBA service area will be treated by the Elkhart, Indiana, wastewater treatment plant (WWTP). 132 connections will be installed as part of this project.			

<b>CWSRF Participant: South Whitley</b>			
SRF Project #:	WW111692 01	CWSRF Loan Amount:	\$3,340,000
NPDES #:	IN0020567	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$3,340,000
CWSRF Loan Closed:	12/14/11	Estimated SRF Savings:	\$1,274,936
Interest Rate:	2.00%	Affected Population:	1,782
NIMS Categories:			
I Secondary Treatment:	\$3,340,000		
III-A Infiltration/Inflow:	\$2,070,800		
IV-B New Interceptors:	\$701,400		
Environmental Benefits:			
This project will make improvements to WWTP and collection system. Improvements will reduce the pathogen loading to the Eel River which is listed on the Indiana 303(d) list as an impaired stream.			
Project Description:			
The town proposed this project as a condition of its National Pollutant Discharge Elimination System permit, which required the town to prepare a CSO Long Term Control Plan (LTCP). The CSO LTCP was broken into two phases: Phase I included the partial sewer separation of the B and C basins, which was completed in 2010. Phase II includes wastewater systems improvements. Improvements include: new plant influent pump station, new headworks building, new splitter structure for flow, conversion of the unused aeration tank into a CSO basin, new CSO outfall structure, blower and diffuser replacement, expansion of the chlorine contact tank and construction of a new disinfection building.			

<b>CWSRF Participant: Lowell</b>			
SRF Project #:	WW098345 01	CWSRF Loan Amount:	\$7,350,000
NPDES #:	IN0023621	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$7,350,000
CWSRF Loan Closed:	12/15/11	Estimated SRF Savings:	\$2,330,366
Interest Rate:	2.54%	Affected Population:	7,505
NIMS Categories: III-A Infiltration/Inflow:	\$7,350,000		
<b>Environmental Benefits:</b> This project will reduce infiltration/ inflow in the Lowell system and reduce the risk of surcharging and sanitary sewer overflows to Cedar Creek. Cedar Creek is listed as impaired due to high levels of E coli.			
<b>Project Description:</b> Rain induced infiltration and inflow (I/I) have resulted in both operational difficulties and diminished treatment capacity at the existing wastewater treatment plant (WWTP). At peak flow times, the flows experienced at the WWTP have exceeded the existing head works pumping capacity, therefore, resulting in both sewer system backups and flooding of the head works structure. To eliminate this from occurring and restoring WWTP capacity, it is necessary to increase the head works facility pumping capacity.  The project includes upgrading the existing pumping capacity of the head works and providing a means of peak flow treatment by installing a high rate clarification (HRC) treatment system.			

<b>CWSRF Participant: Huntington</b>			
SRF Project #:	WW100135 03	CWSRF Loan Amount:	\$16,000,000
NPDES #:	IN0023132	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$16,000,000
CWSRF Loan Closed:	12/19/11	Estimated SRF Savings:	\$6,501,832
Interest Rate:	1.79%	Affected Population:	17,450
NIMS Categories:			
II Advanced Treatment:	\$15,200,000		
V CSO Correction:	\$800,000		
<b>Environmental Benefits:</b> This project will implement the Town of Huntington's long term control plan and will reduce combined sewer overflow events to Little River. Little River is listed as impaired due to high levels of E coli, sulfates and total dissolved solids. This project will also address and existing TMDL.			
<b>Project Description:</b> The City of Huntington owns and operates a wastewater treatment facility. The City entered into an Agreed Order with the Indiana Department of Environmental Management on August 14, 2008 that required the City to address a number of items that were reported in a Notice of Violation from November 26, 2007. This PER was written in accordance with the Compliance Schedule from the Agreed Order and identifies the needed improvements at the wastewater treatment plant to bring the City into compliance with its NPDES Permit. The proposed project includes construction of new septage receiving facilities, replacement of two existing bar screens with two perforated plate screens with a screw conveyor and washer/compactor, installation of two mechanical vortex grit systems, conversion of the activated sludge treatment system to an IFAS system, replacement of the cover on anaerobic digester no. 1 with a gas storage cover, replacement of the existing dissolved air floatation thickener with a rotary drum thickener, construction of a sludge storage building, and the purchase of a vactor truck.			

CWSRF Participant: Columbia City			
SRF Project #:	WW129212 04	CWSRF Loan Amount:	\$700,000
NPDES #:	IN0022624	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$700,000
CWSRF Loan Closed:	2/16/12	Estimated SRF Savings:	\$263,894
Interest Rate:	2.04%	Affected Population:	7,077
NIMS Categories: V CSO Correction:	\$700,000		
<p><b>Environmental Benefits:</b>  This project will allow the City to construct a 3.0 mg equalization basin and install a sanitary sewer interceptor and 400 feet of storm sewer. The project will allow Columbia City to achieve compliance with its LTCP and NPDES permit and remove a source of pollution from the Blue River which is currently included on the Indiana 303(d) list for <i>E coli</i> contamination.</p>			
<p><b>Project Description:</b>  The proposed equalization basin will provide for an increased storage and treatment capacity at the existing WWTP and minimize CSO events. The proposed sanitary sewer interceptor will provide for increased sewer capacity in the area, remove storm water from the sanitary system and minimize CSO events. This loan completed the financing of this project.</p> <p>During the installation of both the EQ Basin and the Chauncey Street Interceptor projects, that were approved on November 10, 2009 under SRF Loan # WW 091169203, the contractor encountered unknown unsuitable, possibly contaminated soils that had to be tested and remediated. This caused delays to the contractor as well as additional costs to remediate the soils in these areas. These additional costs went beyond the available funding in SRF Loan # WW 091169203. Therefore, the city has requested an additional SRF loan to fund these incurred costs.</p>			

<b>CWSRF Participant: Fortville</b>			
SRF Project #:	WW110230 05	CWSRF Loan Amount:	\$2,380,000
NPDES #:	IN0020958	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$2,380,000
CWSRF Loan Closed:	2/24/12	Estimated SRF Savings:	\$826,385
Interest Rate:	2.29%	Affected Population:	3,444
NIMS Categories: I Secondary Treatment:	\$2,380,000		
<b>Environmental Benefits:</b> This project to improve the Fortville wastewater system by separating sewers. Removing these stressors will improve the water quality of the Flatfork Creek which is impaired at the project site due to high nutrient levels. It will also address an existing TMDL.			
<b>Project Description:</b> The purpose of the collection system improvements is to disconnect storm lines that were connected to the sanitary sewer; this will allow the town to meet the IDEM Agreed Order. The improvements at the wastewater treatment plant are necessary to replace equipment that has reached the end of its useful life and to increase dry weather treatment capability. WWTP improvements include: Install new fine screen, replace head work pumps with new variable frequency drive (VFD) pumps, rehabilitate the RAS/WAS pumps, improvements to the sludge digester, and expand the lab/office building.			

CWSRF Participant: <b>Montgomery County</b>			
SRF Project #:	WW097554 01	CWSRF Loan Amount:	\$10,964,000
NPDES #:	TBD	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$10,964,000
CWSRF Loan Closed:	2/24/12	Estimated SRF Savings:	\$4,773,051
Interest Rate:	1.54%	Affected Population:	340
NIMS Categories: I Secondary Treatment:	\$10,964,000		
<b>Environmental Benefits:</b> This project to improve Montgomery County wastewater system by building a new WWTP. This in conjunction with new sewers will reduce the pathogen loading and will improve the water quality of the Walnut Creek above Sugar Creek which is impaired at the project site due to high nutrient levels.			
<b>Project Description:</b> The Montgomery County Health Department, in correspondence dated May 19, 2010, stated that the on-site wastewater disposal systems in the Chigger Hollow subdivision <i>are aged and will possibly fail within the next 5 to 10 years...lot sizes are not conducive to allow another full-sized, on-site sewer system in these yards. A sewer system in this area would greatly serve this population....</i> The purpose of the proposed project is to extend sewer service to unsewered properties and eliminate the illicit discharge of wastewater to the environment.  The proposed wastewater treatment plant (WWTP) includes a new sequencing batch reactor (SBR) activated sludge system with tertiary filtration and ultraviolet disinfection. The proposed collection system includes approximately 18,350 feet of 8-inch diameter sanitary sewer, 13,200 feet of 10-inch diameter sanitary sewer, and approximately 95 manholes.			

<b>CWSRF Participant: Tipton</b>			
SRF Project #:	WW128006 02	CWSRF Loan Amount:	\$1,986,000
NPDES #:	IN0021474	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$1,986,000
CWSRF Loan Closed:	4/25/12	Estimated SRF Savings:	\$758,091
Interest Rate:	2.00%	Affected Population:	5,251
NIMS Categories: V CSO Correction:	\$2,791,000		
<b>Environmental Benefits:</b> This project will complete portions of the City of Tipton Long Term Control Plan (LTCP) and eliminate combined sewer overflows to the Cicero Creek, reducing pathogen loadings to this impaired stream.			
<b>Project Description:</b> Tipton entered into an Agreed Order with the Indiana Department of Environmental Management to implement the recommendations identified in the city's Long Term Control Plan (LTCP) to control CSOs. These include removing cross connections upstream of CSO 007 and 009 to eliminate CSO discharges to Buck Creek. The city will also implement another project not identified in the LTCP: removing a hydraulic restriction in the combined sewer that causes increased overflows from CSO 008.  The proposed CSO 007 and CSO 009 project involves the installation of storm sewers in the northwest area of the city to eliminate cross connection 14 that affects flows to CSO 007 and cross connections 11 and 12 that impacts flows to CSO 009. New storm sewers will be installed along Dearborn Street, Kentucky Avenue, Columbia Avenue, Green Street, West Street, North Street, Walnut Street, Green Street, and Washington Street. CSO discharges 007 and 009 will become storm water discharges and the city will add new storm water outfalls into Buck Creek at Dearborn Street and Walnut Street.  The proposed CSO 008 project involves the replacement of two manholes and an 8-inch sewer with one larger manhole. The elimination of the 8-inch sewer will increase the hydraulic capacity of the sewer by 1.12 million gallons and allow this flow to be treated at the WWTP instead of being diverted to CSO 008.			

<b>CWSRF Participant: Evansville</b>			
SRF Project #:	WW081382 09	CWSRF Loan Amount:	\$5,975,000
NPDES #:	IN0032956	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$5,975,000
CWSRF Loan Closed:	4/26/12	Estimated SRF Savings:	\$1,966,786
Interest Rate:	2.44%	Affected Population:	121,582
NIMS Categories:			
III-B Sewer System Rehabilitation:	\$2,688,750		
V CSO Correction:	\$3,286,250		
<b>Environmental Benefits:</b>			
<p>This project will complete portions of the City of Evansville Long Term Control Plan (LTCP) and eliminate combined sewer overflows to the Ohio River, reducing pathogen loadings to this impaired stream and address.</p>			
<b>Project Description:</b>			
<p>The Weinbach lift station has been very high maintenance and is in very poor condition. The mechanical bar screen was removed due to deterioration. Currently, only one out of three pumps is operational, so the city has been using rental pumps as backup. Another concern is that the 24-inch force main from the lift station discharges into a 36-inch gravity sewer that has an estimated capacity of 6,500 gpm. The current lift station pumps are slightly oversized, which causes the 36-inch sewer to surcharge and cause overflows. Therefore, the pumps selected for this renovation project will be designed to not exceed the capacity of the 36-inch sewer.</p> <p>The Cass Avenue Sewer Separation project is part of the city's revised CSO Long Term Control Plan (LTCP), which is currently under review by the Indiana Department of Environmental Management (IDEM).</p> <p>During heavy rainfall, the capacity of the 96-inch combined sewer along Covert Avenue is exceeded; this causes stormwater and untreated sewage to surcharge into the upstream sewers and to back up into basements; untreated sewage also discharges into the Ohio River and other CSO receiving streams. The recommended alternative consists of installing a new storm sewer system. This is Phase III of the implementation process.</p>			

<b>CWSRF Participant: Ligonier</b>			
SRF Project #:	WW100457 01	CWSRF Loan Amount:	\$2,291,000
NPDES #:	IN0023582	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$2,291,000
CWSRF Loan Closed:	5/10/12	Estimated SRF Savings:	\$1,007,896
Interest Rate:	1.50%	Affected Population:	4,357
NIMS Categories: V CSO Correction:	\$2,791,000		
<b>Environmental Benefits:</b> This project will complete portions of the City of Ligonier Long Term Control Plan (LTCP) and eliminate combined sewer overflows to the Elkhart River, reducing pathogen loadings to this impaired stream and address.			
<b>Project Description:</b> The project will allow for sewer separation in a portion of the City of Ligonier that is presently served by combined sewers. The project addresses part of the City's Long Term Control Plan and will reduce combined sewer overflows and wet weather flow being transported to the wastewater treatment plant. The proposed project will eliminate infiltration/inflow from the sewer system and therefore save energy from pumping and treatment of the flow.			

<b>CWSRF Participant: Battle Ground</b>			
SRF Project #:	WW100879 01	CWSRF Loan Amount:	\$2,825,000
NPDES #:	IN0020036	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$2,825,000
CWSRF Loan Closed:	6/21/12	Estimated SRF Savings:	\$1,124,666
Interest Rate:	1.77%	Affected Population:	1,323
NIMS Categories: I Secondary Treatment:	\$2,825,000		
<b>Environmental Benefits:</b> The Battle Ground plant has experienced flows that exceed their design capacity. The sludge handling facilities are inadequate and have caused the plant to report total suspended solids and <i>E coli</i> violations during heavy rains. This project will allow the Battle Ground WWTP to meet the limits set in the NPDES permit and contribute to water quality improvements in the Burnett Creek, which is listed on the Indiana 303(d) list as an impaired stream.			
<b>Project Description:</b> Battle Ground's WWTP is deteriorated and the town has had discharge permit violations. The town and the Indiana Department of Environmental Management (IDEM) entered into an Agreed Order in May 2010. In December 2010, the IDEM approved a compliance plan listing milestone dates for WWTP construction. The town needs to expand and rehabilitate the WWTP to address extensive cracking in the aeration tanks, the lack of screening to remove floatables and plastics, undersized final clarifiers, a substandard laboratory, equipment that has exceeded its useful service life and National Pollutant Discharge Elimination System permit violations.  The WWTP rehabilitation and expansion project includes installing a primary screening structure, replacing the vertical tank walls in the aeration basins, installing a new aeration splitter box, new aeration blowers and coarse bubble diffusers, two new final clarifiers, two recycled activated sludge (RAS) pumping stations, waste activated sludge (WAS) pumping station, UV disinfection system, effluent metering, post-aeration structure, a new effluent line, replacing the outfall to Burnett Creek, closing and filling the polishing pond, installing an emergency generator, and building a new laboratory building with associated pumping station.			

<b>CWSRF Participant: Portland</b>			
SRF Project #:	WW112038 01	CWSRF Loan Amount:	\$3,495,000
NPDES #:	IN0020095	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$3,495,000
CWSRF Loan Closed:	6/27/12	Estimated SRF Savings:	\$1,537,580
Interest Rate:	1.50%	Affected Population:	6,852
NIMS Categories: I Secondary Treatment:	\$3,495,000		
<b>Environmental Benefits:</b> The Portland plant has experienced flows that exceed their design capacity. The sludge handling facilities are inadequate and have caused the plant to report total suspended solids and <i>E coli</i> violations during heavy rains. This project will allow the Portland WWTP to meet the limits set in the NPDES permit and contribute to water quality improvements in the Salamonie River, which is listed on the Indiana 303(d) list as an impaired stream.			
<b>Project Description:</b> In October 2008, Portland entered into an Agreed Order with IDEM. The Agreed Order addresses required Combined Sewer Overflow (CSO) Long Term Control Plan (LTCP) improvements, compliance and implementation. The North Side Sewer Separation Project is one of the sewer separation projects approved in the LTCP and enforced in the Agreed Order.  Although the WWTP is not under enforcement action, upgrades are required based on age and the condition of the facility. The plant has not received a significant upgrade or modernization in nearly 30 years. Existing equipment is deteriorated; specifically sludge digester and tertiary filter building equipment. The sludge digesters require cleaning every other year, which is more frequent than should occur. The digester cover, heater, mixer, and other equipment have exceeded their useful service lives. The tertiary filter hydraulic capacity has diminished and total suspended solids levels in the effluent have been increasing over time. If deterioration is allowed to continue, the City may face a permit violation.  The purpose of the North Side Sewer Separation Project is to achieve compliance with the Agreed Order, and to significantly reduce CSO discharges on the northwest side of the City. The purpose of the WWTP improvements is to prevent further deterioration which could lead to violation of State and Federal regulations.			

# CWSRF Benefits Reporting

<b>Loan:</b> 174 of 191	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW11094803	Other #:
Borrower: Anderson	Loan Execution Date: 10/26/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 3.75%	Original Tracking #:	
Loan Amount \$: \$20,970,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 20,970,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0

**Project Description:** - New preliminary treatment facility  
 - New final clarifiers  
**Facility Name:** - Old Plant Influent Lift Station improvements  
**Population Served** (Currently wet weather pump station)

by the Project: 59,734  
 by the Facility: 59,734

**Wastewater Volume** (Design Flow) :  
 by the Project: 21.2500mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 21.2500mgd

**Needs Categories:**  
 V CSO Correction \$20,970,000 100%

**Discharge Information:**

- Ocean Outfall     Estuary/Coastal Bay     Wetland     Surface Water     Groundwater     Land Application  
 Other/Reuse     Eliminates Discharge     No Change / No Discharge     NEP Study     Seasonal Discharge  
 NPDES Permit Number: IN0032476     No NPDES Permit  
 Other Permit Type:    Other Permit Number:

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	White River	05120201000089		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

- a. Contributes to water quality Improvement.  
 b. Allows the system to Achieve Compliance.  
 c. Affected waterbody is Impaired.  
 d. Allows the system to address.....  Existing TMDL     Projected TMDL     Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
 Aquatic life -- warm water aquatic community

**Protection:**  
**Restoration:**  
 Primary  
 Secondary

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement  
 Other Public Health/Pathogen Reduction

**Protection:**  
 Secondary  
**Restoration:**  
 Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 175 of 191	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW091144502	Other #:
Borrower: Crown Point	Loan Execution Date: 10/26/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 3.75%	Original Tracking #:	
Loan Amount \$: \$1,850,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 1,850,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0  
**Project Description:** WWTP and sewer improvements

**Facility Name:**

**Population Served (Current) :**  
 by the Project: 19,806  
 by the Facility: 19,806

**Wastewater Volume (Design Flow) :**  
 by the Project: 5.2000mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 5.2000mgd

**Needs Categories:**

III-B Sewer System Rehabilitation	\$888,000	48%
V CSO Correction	\$962,000	52%

**Discharge Information:**

Ocean Outfall     Estuary/Coastal Bay     Wetland     Surface Water     Groundwater     Land Application  
 Other/Reuse     Eliminates Discharge     No Change / No Discharge     NEP Study     Seasonal Discharge  
 NPDES Permit Number: IN0025763     No NPDES Permit  
 Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted : Beaver Dam Ditch	04040001000053		<input type="checkbox"/>
Other Impacted :			<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

a. Contributes to water quality Maintenance.  
 b. Allows the system to Maintain Compliance.  
 c. Affected waterbody is Impaired.  
 d. Allows the system to address.....  Existing TMDL     Projected TMDL     Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
 Aquatic life -- warm water aquatic community

**Protection:**  
 Primary  
 Secondary

**Restoration:**

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement  
 Other Public Health/Pathogen Reduction

**Protection:**  
 Secondary

**Restoration:**  
 Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 176 of 191	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW11228207	Other #:
Borrower: Evansville	Loan Execution Date: 10/26/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 3.25%	Original Tracking #:	
Loan Amount \$: \$1,215,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 1,215,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0  
**Project Description:** new sewers in a septic area (74 septics)

**Facility Name:**

**Population Served (Current) :**  
 by the Project: 185  
 by the Facility: 121,582

**Wastewater Volume (Design Flow) :**  
 by the Project: 0.0230mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 30.6000mgd

**Needs Categories:**

IV-A New Collector Sewers \$1,215,000 100%

**Discharge Information:**

- Ocean Outfall
  - Estuary/Coastal Bay
  - Wetland
  - Surface Water
  - Groundwater
  - Land Application
  - Other/Reuse
  - Eliminates Discharge
  - No Change / No Discharge
  - NEP Study
  - Seasonal Discharge
- NPDES Permit Number: IN0032956  No NPDES Permit  
 Other Permit Type: Other Permit Number:

**Affected Waterbodies:**

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Ohio River	05140202000048		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

- a. Contributes to water quality Improvement.
- b. Allows the system to Achieve Compliance.
- c. Affected waterbody is Impaired.
- d. Allows the system to address.....  Existing TMDL  Projected TMDL  Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
 Aquatic life -- warm water aquatic community

**Protection:**

Secondary

**Restoration:**

Primary

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement  
 Regionalization/Consolidation  
 Other Public Health/Pathogen Reduction

**Protection:**

**Restoration:**

Secondary  
 Secondary  
 Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 177 of 191	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW10043702	Other #:
Borrower: Rensselaer	Loan Execution Date: 10/26/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 3.25%	Original Tracking #:	
Loan Amount \$: \$1,585,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 75%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 1,585,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0

**Project Description:** Sewer extension

**Facility Name:**

**Population Served (Current) :**

by the Project: 5,294  
by the Facility: 5,294

**Wastewater Volume (Design Flow) :**

by the Project: 0.7400mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 0.7400mgd

**Needs Categories:**

I Secondary Treatment \$1,585,000 100%

**Discharge Information:**

- Ocean Outfall   
 Estuary/Coastal Bay   
 Wetland   
 Surface Water   
 Groundwater   
 Land Application  
 Other/Reuse   
 Eliminates Discharge   
 No Change / No Discharge   
 NEP Study   
 Seasonal Discharge  
 NPDES Permit Number: IN0024414     No NPDES Permit  
 Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Iroquois River	07120002000181	07120002000181	<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

- a. Contributes to water quality Improvement.  
 b. Allows the system to Achieve Compliance.  
 c. Affected waterbody is Impaired.  
 d. Allows the system to address.....  Existing TMDL     Projected TMDL     Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
Aquatic life -- warm water aquatic community

**Protection:**

**Restoration:**

Primary  
Secondary

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

**Protection:**

**Restoration:**

Secondary  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 178 of 191	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW11170105	Other #:
Borrower: Fort Wayne	Loan Execution Date: 11/15/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.29%	Original Tracking #:	
Loan Amount \$: \$33,576,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 33,576,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0

**Project Description:** CSO Improvements at WWTP

**Facility Name:**

**Population Served (Current) :**

by the Project: 205,727  
by the Facility: 205,727

**Wastewater Volume (Design Flow) :**

by the Project: 60.0000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 60.0000mgd

**Needs Categories:**

V CSO Correction \$33,576,000 100%

**Discharge Information:**

- Ocean Outfall   
 Estuary/Coastal Bay   
 Wetland   
 Surface Water   
 Groundwater   
 Land Application  
 Other/Reuse   
 Eliminates Discharge   
 No Change / No Discharge   
 NEP Study   
 Seasonal Discharge  
 NPDES Permit Number: IN0032191     No NPDES Permit  
 Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Maumee River	04100005000048		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

- a. Contributes to water quality Improvement.  
 b. Allows the system to Achieve Compliance.  
 c. Affected waterbody is Impaired.  
 d. Allows the system to address.....  Existing TMDL   
 Projected TMDL   
 Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
Aquatic life -- warm water aquatic community

**Protection:**

Secondary

**Restoration:**

Primary

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

**Protection:**

**Restoration:**

Secondary

Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 179 of 191	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW06121006	Other #:
Borrower: Jeffersonville	Loan Execution Date: 11/23/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 1.54%	Original Tracking #:	
Loan Amount \$: \$20,550,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 20,550,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0

**Project Description:** New North WWTP

**Facility Name:**

**Population Served (Current) :**

by the Project: 27,362  
by the Facility: 27,362

**Wastewater Volume (Design Flow) :**

by the Project: 9.0000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 9.0000mgd

**Needs Categories:**

I Secondary Treatment \$20,550,000 100%

**Discharge Information:**

- Ocean Outfall   
  Estuary/Coastal Bay   
  Wetland   
  Surface Water   
  Groundwater   
  Land Application  
 Other/Reuse   
  Eliminates Discharge   
  No Change / No Discharge   
  NEP Study   
  Seasonal Discharge  
 NPDES Permit Number: IN0023302   
 No NPDES Permit  
 Other Permit Type:   
 Other Permit Number:

**Affected Waterbodies:**

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Mill Creek	05140101000269		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

- a. Contributes to water quality Maintenance.  
 b. Allows the system to Maintain Compliance.  
 c. Affected waterbody is Impaired.  
 d. Allows the system to address.....  Existing TMDL   
 Projected TMDL   
 Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
Aquatic life -- warm water aquatic community

**Protection:**  
Primary  
Secondary

**Restoration:**

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

**Protection:**

**Restoration:**  
Primary  
Secondary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 180 of 191	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW096271 01	Other #:
Borrower: St Joseph County	Loan Execution Date: 12/13/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.04%	Original Tracking #:	
Loan Amount \$: \$2,904,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 2,904,000	Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0	

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0

**Project Description:** Sewer extension project (132)

**Facility Name:**

**Population Served (Current) :**

by the Project: 350  
by the Facility: 10,614

**Wastewater Volume (Design Flow) :**

by the Project: 1.3300mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 20.0000mgd

**Needs Categories:**

IV-A New Collector Sewers \$2,904,000 100%

**Discharge Information:**

- Ocean Outfall   
 Estuary/Coastal Bay   
 Wetland   
 Surface Water   
 Groundwater   
 Land Application  
 Other/Reuse   
 Eliminates Discharge   
 No Change / No Discharge   
 NEP Study   
 Seasonal Discharge  
 NPDES Permit Number: IN0025674     No NPDES Permit  
 Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Saint Joseph River	04050001000042		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

- a. Contributes to water quality Improvement.  
 b. Allows the system to Achieve Compliance.  
 c. Affected waterbody is Impaired.  
 d. Allows the system to address.....  Existing TMDL   
 Projected TMDL   
 Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
Aquatic life -- warm water aquatic community

**Protection:**

**Restoration:**

Primary  
Secondary

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement  
Regionalization/Consolidation  
Other Public Health/Pathogen Reduction  
Other

**Protection:**

Secondary  
Secondary

**Restoration:**

Secondary  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 181 of 191	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW111692 01	Other #:
Borrower: South Whitley	Loan Execution Date: 12/14/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.00%	Original Tracking #:	
Loan Amount \$: \$3,340,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 85%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 3,340,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0  
**Project Description:** WWTP and Sewer improvements

**Facility Name:**

**Population Served (Current) :**  
 by the Project: 1,782  
 by the Facility: 1,782

**Wastewater Volume (Design Flow) :**  
 by the Project: 0.4500mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 0.4500mgd

**Needs Categories:**

I Secondary Treatment	\$567,800	17%
III-A Infiltration/Inflow	\$2,070,800	62%
IV-B New Interceptors	\$701,400	21%

**Discharge Information:**

- Ocean Outfall   
  Estuary/Coastal Bay   
  Wetland   
  Surface Water   
  Groundwater   
  Land Application  
 Other/Reuse   
  Eliminates Discharge   
  No Change / No Discharge   
  NEP Study   
  Seasonal Discharge  
 NPDES Permit Number: IN0020567   
 No NPDES Permit  
 Other Permit Type:   
 Other Permit Number:

**Affected Waterbodies:**

Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted : Eel River	05120104000065		<input checked="" type="checkbox"/>
Other Impacted :			<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

- a. Contributes to water quality Improvement.  
 b. Allows the system to Achieve Compliance.  
 c. Affected waterbody is Impaired.  
 d. Allows the system to address.....  Existing TMDL   
 Projected TMDL   
 Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
 Aquatic life -- warm water aquatic community

**Protection:**

**Restoration:**

Primary  
 Secondary

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement  
 Other Public Health/Pathogen Reduction

**Protection:**

**Restoration:**

Secondary  
 Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 183 of 191 Borrower: Lowell Assistance Type: Loan Loan Amount \$: \$7,350,000 <input type="checkbox"/> Final Amount	<input checked="" type="checkbox"/> Entry Complete Loan Execution Date: 12/15/2011 Loan Interest Rate: 2.54% Repayment Period: 20 % Funded by CWSRF: 100%	Tracking #: WW098345 01 Other #: Incremental Funding: N Phase #: 0 Original Tracking #: Same Environmental Results: <input type="checkbox"/> ARRA Funding: <input type="checkbox"/>
Total from all Projects \$: 7,350,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/> Total NPS Projects: 0

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0

**Project Description:** WWTP Improvements

**Facility Name:**

**Population Served (Current) :**

by the Project: 7,505  
 by the Facility: 7,505

**Wastewater Volume (Design Flow) :**

by the Project: 4.0000mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 4.0000mgd

**Needs Categories:**

III-A Infiltration/Inflow \$7,350,000 100%

**Discharge Information:**

- Ocean Outfall   
  Estuary/Coastal Bay   
  Wetland   
  Surface Water   
  Groundwater   
  Land Application  
 Other/Reuse   
  Eliminates Discharge   
  No Change / No Discharge   
  NEP Study   
  Seasonal Discharge  
 NPDES Permit Number: IN0023621   
 No NPDES Permit  
 Other Permit Type:   
 Other Permit Number:

**Affected Waterbodies:**

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Cedar Creek	07120001130070		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

- a. Contributes to water quality Improvement.  
 b. Allows the system to Achieve Compliance.  
 c. Affected waterbody is Impaired.  
 d. Allows the system to address.....  Existing TMDL   
 Projected TMDL   
 Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
 Aquatic life -- warm water aquatic community

**Protection:**

**Restoration:**

Primary  
 Secondary

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement

**Protection:**

**Restoration:**

Primary

**Comments:** Impaired for IBC

# CWSRF Benefits Reporting

<b>Loan:</b> 182 of 191	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW100135 03	Other #:
Borrower: Huntington	Loan Execution Date: 12/19/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 1.79%	Original Tracking #:	
Loan Amount \$: \$16,000,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 16,000,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0

**Project Description:** WWTP, Salamonie separation & digester project

**Facility Name:**

**Population Served (Current) :**

by the Project: 17,450  
by the Facility: 17,450

**Wastewater Volume (Design Flow) :**

by the Project: 7.5000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 7.5000mgd

**Needs Categories:**

II Advanced Treatment \$15,200,000 95%  
V CSO Correction \$800,000 5%

**Discharge Information:**

Ocean Outfall  Estuary/Coastal Bay  Wetland  Surface Water  Groundwater  Land Application  
 Other/Reuse  Eliminates Discharge  No Change / No Discharge  NEP Study  Seasonal Discharge  
 NPDES Permit Number: IN0023132  No NPDES Permit  
 Other Permit Type: Other Permit Number:

**Affected Waterbodies:**

Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted : Little River	05120101000761	INB01C5_00	<input checked="" type="checkbox"/>
Other Impacted : Wabash River	05120101000731	INB01E1_M1010	<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

a. Contributes to water quality Improvement.  
 b. Allows the system to Achieve Compliance.  
 c. Affected waterbody is Impaired.  
 d. Allows the system to address.....  Existing TMDL  Projected TMDL  Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
Aquatic life -- warm water aquatic community

**Protection:**

Secondary

**Restoration:**

Primary

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

**Protection:**

**Restoration:**

Secondary

Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 184 of 191	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW129212 04	Other #:
Borrower: Columbia City	Loan Execution Date: 02/16/2012	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.04%	Original Tracking #:	
Loan Amount \$: \$700,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 700,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0

**Project Description:** Installation of approx 4,000 ft of sanitary sewer interceptor and 400 ft of storm sewer.

**Facility Name:** Columbia City Water Pollution Control Facility

**Population Served (Current) :**

by the Project: 7,077  
by the Facility: 7,077

**Wastewater Volume (Design Flow) :**

by the Project: 1.9000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 1.9000mgd

**Needs Categories:**

V CSO Correction \$700,000 100%

**Discharge Information:**

- Ocean Outfall   
 Estuary/Coastal Bay   
 Wetland   
 Surface Water   
 Groundwater   
 Land Application  
 Other/Reuse   
 Eliminates Discharge   
 No Change / No Discharge   
 NEP Study   
 Seasonal Discharge  
NPDES Permit Number: IN0022624     No NPDES Permit  
Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Blue River	05120104000280		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

- a. Contributes to water quality Improvement.  
b. Allows the system to Achieve Compliance.  
c. Affected waterbody is Impaired.  
d. Allows the system to address.....  Existing TMDL     Projected TMDL     Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
Aquatic life -- warm water aquatic community

**Protection:**

**Restoration:**

Primary  
Secondary

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

**Protection:**

**Restoration:**

Secondary  
Primary

**Comments:** addl funds req.

# CWSRF Benefits Reporting

<b>Loan:</b> 185 of 191	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW110230 05	Other #:
Borrower: Fortville	Loan Execution Date: 02/24/2012	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.29%	Original Tracking #:	
Loan Amount \$: \$2,380,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 2,380,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0

**Project Description:** WWTP improvements, increase capacity from .7 to .95

**Facility Name:**

**Population Served (Current) :**

by the Project: 3,444  
by the Facility: 3,444

**Wastewater Volume (Design Flow) :**

by the Project: 0.2500mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 0.9500mgd

**Needs Categories:**

I Secondary Treatment \$2,380,000 100%

**Discharge Information:**

- Ocean Outfall   
 Estuary/Coastal Bay   
 Wetland   
 Surface Water   
 Groundwater   
 Land Application  
 Other/Reuse   
 Eliminates Discharge   
 No Change / No Discharge   
 NEP Study   
 Seasonal Discharge  
 NPDES Permit Number: IN0020958     No NPDES Permit  
 Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Flatfork Creek	05120201000262		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

- a. Contributes to water quality Improvement.  
 b. Allows the system to Achieve Compliance.  
 c. Affected waterbody is Meeting Standards.  
 d. Allows the system to address.....  Existing TMDL   
 Projected TMDL   
 Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
Aquatic life -- warm water aquatic community

**Protection:**  
Primary  
Secondary

**Restoration:**

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

**Protection:**  
Secondary

**Restoration:**  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 186 of 191	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW097554 01	Other #:
Borrower: Montgomery County RSD	Loan Execution Date: 02/24/2012	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 1.54%	Original Tracking #:	
Loan Amount \$: \$10,964,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 10,964,000	Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0	

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0

**Project Description:** new WWTP to eliminate failing septics (136)

**Facility Name:**

**Population Served (Current) :**

by the Project: 340  
by the Facility: 340

**Wastewater Volume (Design Flow) :**

by the Project: 0.1000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 0.1000mgd

**Needs Categories:**

I Secondary Treatment \$10,964,000 100%

**Discharge Information:**

- Ocean Outfall   
 Estuary/Coastal Bay   
 Wetland   
 Surface Water   
 Groundwater   
 Land Application  
 Other/Reuse   
 Eliminates Discharge   
 No Change / No Discharge   
 NEP Study   
 Seasonal Discharge

NPDES Permit Number:  No NPDES Permit  
Other Permit Type: Other Permit Number:

**Affected Waterbodies:**

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Walnut Creek above Sugar	05120110000255		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

- a. Contributes to water quality Improvement.  
b. Allows the system to Achieve Compliance.  
c. Affected waterbody is Impaired.  
d. Allows the system to address.....  Existing TMDL   
 Projected TMDL   
 Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
Aquatic life -- warm water aquatic community

**Protection:**

**Restoration:**

Primary  
Secondary

**Other Uses and Outcomes (Selected):**

Regionalization/Consolidation  
Other Public Health/Pathogen Reduction

**Protection:**

**Restoration:**

Secondary  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 187 of 191 Borrower: Tipton Assistance Type: Loan Loan Amount \$: \$1,986,000 <input type="checkbox"/> Final Amount	<input checked="" type="checkbox"/> Entry Complete Loan Execution Date: 04/25/2012 Loan Interest Rate: 2.00% Repayment Period: 20 % Funded by CWSRF: 100%	Tracking #: WW12800602 Other #: Incremental Funding: N Phase #: 0 Original Tracking #: Same Environmental Results: <input type="checkbox"/> ARRA Funding: <input type="checkbox"/>
Total from all Projects \$: 1,986,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/> Total NPS Projects: 0

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0  
**Project Description:** Sewer Rehabilitation

**Facility Name:**

**Population Served (Current) :**  
 by the Project: 5,251  
 by the Facility: 5,251

**Wastewater Volume (Design Flow) :**  
 by the Project: 1.4000mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 1.4000mgd

**Needs Categories:**  
 V CSO Correction \$1,986,000 100%

**Discharge Information:**

- Ocean Outfall
  - Estuary/Coastal Bay
  - Wetland
  - Surface Water
  - Groundwater
  - Land Application
  - Other/Reuse
  - Eliminates Discharge
  - No Change / No Discharge
  - NEP Study
  - Seasonal Discharge
- NPDES Permit Number: IN0021474  No NPDES Permit  
 Other Permit Type: Other Permit Number:

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Cicero Creek	05120201001544		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

- a. Contributes to water quality Improvement.
- b. Allows the system to Achieve Compliance.
- c. Affected waterbody is Impaired.
- d. Allows the system to address.....  Existing TMDL  Projected TMDL  Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
 Aquatic life -- warm water aquatic community

**Protection:**  
**Restoration:**  
 Primary  
 Secondary

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement  
 Other Public Health/Pathogen Reduction

**Protection:**  
 Secondary  
**Restoration:**  
 Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 188 of 191	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW08138209	Other #:
Borrower: Evansville	Loan Execution Date: 04/26/2012	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.44%	Original Tracking #:	
Loan Amount \$: \$5,975,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 5,975,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0

**Project Description:** Sewer and Lift Station Rehabilitation

**Facility Name:**

**Population Served (Current) :**

by the Project: 121,582  
by the Facility: 121,582

**Wastewater Volume (Design Flow) :**

by the Project: 30.6000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 30.6000mgd

**Needs Categories:**

III-B Sewer System Rehabilitation	\$2,688,750	45%
V CSO Correction	\$3,286,250	55%

**Discharge Information:**

Ocean Outfall   
 Estuary/Coastal Bay   
 Wetland   
 Surface Water   
 Groundwater   
 Land Application  
 Other/Reuse   
 Eliminates Discharge   
 No Change / No Discharge   
 NEP Study   
 Seasonal Discharge  
 NPDES Permit Number: IN0032956     No NPDES Permit  
 Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted : Ohio River	05140202000048		<input checked="" type="checkbox"/>
Other Impacted :			<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

a. Contributes to water quality Improvement.  
 b. Allows the system to Achieve Compliance.  
 c. Affected waterbody is Impaired.  
 d. Allows the system to address.....  Existing TMDL     Projected TMDL     Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
Aquatic life -- warm water aquatic community

**Protection:**

**Restoration:**

Primary  
Secondary

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

**Protection:**

**Restoration:**

Secondary  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 189 of 191	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW10045701	Other #:
Borrower: Ligonier	Loan Execution Date: 05/10/2012	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 1.50%	Original Tracking #:	
Loan Amount \$: \$2,291,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 2,291,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0  
**Project Description:** WWTP Improvements and sewer separation

**Facility Name:**

**Population Served (Current) :**  
 by the Project: 4,357  
 by the Facility: 4,357

**Wastewater Volume (Design Flow) :**  
 by the Project: 1.5000mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 1.5000mgd

**Needs Categories:**  
 V CSO Correction \$2,291,000 100%

**Discharge Information:**

- Ocean Outfall
  - Estuary/Coastal Bay
  - Wetland
  - Surface Water
  - Groundwater
  - Land Application
  - Other/Reuse
  - Eliminates Discharge
  - No Change / No Discharge
  - NEP Study
  - Seasonal Discharge
- NPDES Permit Number: IN0023582  No NPDES Permit  
 Other Permit Type: Other Permit Number:

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Elkhart River	04050001002367		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

- a. Contributes to water quality Improvement.
- b. Allows the system to Achieve Compliance.
- c. Affected waterbody is Impaired.
- d. Allows the system to address.....  Existing TMDL  Projected TMDL  Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
 Aquatic life -- warm water aquatic community

**Protection:**  
 Secondary

**Restoration:**  
 Primary

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement  
 Other Public Health/Pathogen Reduction

**Protection:**  
 Secondary

**Restoration:**  
 Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 190 of 191	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW10087901	Other #:
Borrower: Battle Ground	Loan Execution Date: 06/21/2012	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 1.77%	Original Tracking #:	
Loan Amount \$: \$2,825,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 2,825,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0  
**Project Description:** WWTP improvements

**Facility Name:**

**Population Served (Current) :**  
 by the Project: 1,323  
 by the Facility: 1,323

**Wastewater Volume (Design Flow) :**  
 by the Project: 0.2600mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 0.2600mgd

**Needs Categories:**  
 I Secondary Treatment \$2,825,000 100%

**Discharge Information:**

- Ocean Outfall
  - Estuary/Coastal Bay
  - Wetland
  - Surface Water
  - Groundwater
  - Land Application
  - Other/Reuse
  - Eliminates Discharge
  - No Change / No Discharge
  - NEP Study
  - Seasonal Discharge
- NPDES Permit Number: IN0020036  No NPDES Permit  
 Other Permit Type: Other Permit Number:

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Burnett Creek	05120108000986		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

- a. Contributes to water quality Improvement.
- b. Allows the system to Achieve Compliance.
- c. Affected waterbody is Impaired.
- d. Allows the system to address.....  Existing TMDL  Projected TMDL  Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
 Aquatic life -- warm water aquatic community

**Protection:**  
**Restoration:**  
 Primary  
 Secondary

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement  
 Other Public Health/Pathogen Reduction

**Protection:**  
**Restoration:**  
 Primary  
 Secondary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 191 of 191 Borrower: Portland Assistance Type: Loan Loan Amount \$: \$3,495,000 <input type="checkbox"/> Final Amount	<input checked="" type="checkbox"/> Entry Complete Loan Execution Date: 06/27/2012 Loan Interest Rate: 1.50% Repayment Period: 20 % Funded by CWSRF: 100%	Tracking #: WW10045701 Other #: Incremental Funding: N Phase #: 0 Original Tracking #: Same Environmental Results: <input type="checkbox"/> ARRA Funding: <input type="checkbox"/>
Total from all Projects \$: 3,495,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/> Total NPS Projects: 0

**Project:** 1 of CW Needs Survey Number : # of NPS Projects: 0  
**Project Description:** WWTP improvements

**Facility Name:**

**Population Served (Current) :**  
 by the Project: 6,852  
 by the Facility: 6,852

**Wastewater Volume (Design Flow) :**  
 by the Project: 2.3500mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 2.3500mgd

**Needs Categories:**  
 I Secondary Treatment \$3,495,000 100%

**Discharge Information:**

- Ocean Outfall
  - Estuary/Coastal Bay
  - Wetland
  - Surface Water
  - Groundwater
  - Land Application
  - Other/Reuse
  - Eliminates Discharge
  - No Change / No Discharge
  - NEP Study
  - Seasonal Discharge
- NPDES Permit Number: IN0020095  No NPDES Permit  
 Other Permit Type: Other Permit Number:

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Salamonie River	05120102000018		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

**Project Improvement/Maintenance of Water Quality:**

- a. Contributes to water quality Improvement.
- b. Allows the system to Achieve Compliance.
- c. Affected waterbody is Impaired.
- d. Allows the system to address.....  Existing TMDL  Projected TMDL  Watershed Management Plan

**Designated Surface Water Uses (Selected):**

Recreation (full-body contact)  
 Aquatic life -- warm water aquatic community

**Protection:**  
**Restoration:**  
 Primary  
 Secondary

**Other Uses and Outcomes (Selected):**

Infrastructure Improvement  
 Other Public Health/Pathogen Reduction

**Protection:**  
 Secondary  
**Restoration:**  
 Primary

**Comments:**

Exhibit E  
 CUMULATIVE HISTORY OF FEDERAL CAPITALIZATION GRANTS

\$ 22,731,411	FFY 1989 Federal Capitalization Grant
23,512,995	FFY 1990 Federal Capitalization Grant
49,459,806	FFY 1991 Federal Capitalization Grant
46,826,208	FFY 1992 Federal Capitalization Grant
46,321,506	FFY 1993 Federal Capitalization Grant
28,741,977	FFY 1994 Federal Capitalization Grant
29,684,260	FFY 1995 Federal Capitalization Grant
48,623,553	FFY 1996 Federal Capitalization Grant
15,020,160	FFY 1997 Federal Capitalization Grant
32,452,972	FFY 1998 Federal Capitalization Grant
32,454,299	FFY 1999 Federal Capitalization Grant
35,916,531	FFY 2000 Federal Capitalization Grant
33,645,988	FFY 2001 Federal Capitalization Grant
32,128,866	FFY 2002 Federal Capitalization Grant
31,919,976	FFY 2003 Federal Capitalization Grant
31,939,281	FFY 2004 Federal Capitalization Grant
25,969,581	FFY 2005 Federal Capitalization Grant
21,135,427	FFY 2006 Federal Capitalization Grant
25,793,856	FFY 2007 Federal Capitalization Grant
16,472,652	FFY 2008 Federal Capitalization Grant
16,399,548	FFY 2009 Federal Capitalization Grant
94,447,500	American Recovery and Reinvestment Act of 2009 Grant
49,104,000	FFY 2010 Federal Capitalization Grant
35,588,000	FFY 2011 Federal Capitalization Grant
34,061,000	FFY 2012 Federal Capitalization Grant
\$ 860,351,353	TOTAL GRANTS
\$ 765,903,853	TOTAL GRANTS REQUIRED TO MATCH

Exhibit F  
CUMULATIVE HISTORY OF STATE MATCH

The State deposited \$2.1 million of additional State Match in the CWSRF Loan Program in SFY 2012. To date, the CWSRF State Match has aggregated in excess of 20 percent of the awarded \$765,903,853 Capitalization Grants the Authority was required to match through June 30, 2012, which results from the following cumulative history of State matches to the CWSRF Program:

\$ 145,492	State match appropriated for administrative costs in SFY 1992 (June, 1992)
145,492	State match appropriated for administrative costs in SFY 1993 (July 15, 1992, October 1, 1992, January 1, 1993 and April 1, 1993)
582,501	State match disbursed in connection with a direct loan to the Town of Wanatah made in 1991.
13,704,753	Series 1993A State Match Revenue Bond net proceeds (January 1993)*
13,790,322	Series 1994A State Match Revenue Bond net proceeds (March 1994)**
137,540	State match appropriated for administrative costs in SFY 1994
9,264,301	Series 1995A State Match Revenue Bond net proceeds (February 1995)**
139,973	State match appropriated for administrative costs in SFY 1995
70,904	State match related to other administrative costs
15,159,296	Series 1997A State Match Revenue Bond net proceeds (September 1997)
1,134,501	Series 1998A State Revolving Fund Program Bond net proceeds representing a State Match allocation (September 1998)
27,101,378	Series 2000A State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2000)
7,701,881	Series 2000B State Revolving Fund Program Bond net proceeds representing a State Match allocation (January 2001 & July 2001)
13,200,000	Series 2001A State Revolving Fund Program Bond net proceeds representing a State Match allocation (November 2001 & July 2002)
6,387,856	Series 2004B State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2004)
6,800,000	Series 2004B State Revolving Fund Program Bond net proceeds representing a State Match allocation (February 2005)
2,250,000	Series 2006A State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2006)
4,220,770	Series 2006B State Revolving Fund Program Bond net proceeds representing a State Match allocation (December 2006)
1,100,000	Series 2007A State Revolving Fund Program Bond net proceeds representing a State Match allocation (May 2007)
5,200,000	Series 2007B State Revolving Fund Program Bond net proceeds representing a State Match allocation (December 2007)
13,200,000	Series 2009A State Revolving Fund Program Bond net proceeds representing a State Match allocation (November 2009)
9,800,000	Series 2010B State Revolving Fund Program Bond net proceeds representing a State Match allocation (October 2010)
2,131,611	Series 2011A State Revolving Fund Program Bond net proceeds representing a State Match allocation (October 2011)
\$153,368,571	TOTAL

\* Source restructured in SFY 2003 vis-à-vis Series 2002A State Revolving Fund Program Bond net proceeds representing a State Match allocation (December 2002)

\*\* Source restructured in SFY 2004 vis-à-vis Series 2004A State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2004)

As a result of the foregoing, the State has deposited State Match in excess of that required based on grants awarded as of the end of SFY 2012 by \$187,800 (also known as over-match), which are banked toward future capitalization grants that are expected to be awarded in SFY 2013. This over-match is intended to permit, and will allow, the State to immediately convert its next capitalization grant (expected to be awarded in FFY 2013) to cash (and deposit it in the CWSRF) based upon incurred costs paid by the close of SFY 2012 and banked as a result of their not having yet been used to convert any capitalization grant to cash.

State Match has been provided from three sources, namely (1) State appropriated funds; (2) State Match Revenue Bonds (with respect to the State's bond financing that occurred before September 1998), the entire net proceeds of which were allocated solely to State Match purposes, and (3) State Revolving Fund Program Bonds (with respect to the State's bond financings during and after September 1998), the net proceeds of which program bonds are allocated between 4 distinct purposes – (A) CWSRF's State Match; (B) CWSRF's leveraged loans; (C) DWSRF's State Match; and (D) DWSRF's leveraged loans.

The State Match Revenue Bonds are repaid semi-annually and since all of their proceeds were used for State Match, the State tracks, allocates and records their entire payment as a State Match repayment such that it is paid solely from CWSRF earnings applied on each payment date toward that bond payment. The State Revolving Fund Program Bonds are also repaid semi-annually and at the time of each payment the State tracks, allocates and records their payment *first* between CWSRF and DWSRF purposes (with the percentage paid from CWSRF being equal to the proportion of the net bond proceeds originally deposited in CWSRF from those bonds as compared to their total net bond proceeds) and *second* between State Match and leveraged loans purposes (with the payment allocated as a State Match repayment computed and tracked to be no more than the amount of the total CWSRF earnings applied on each payment date toward that bond payment). Set forth in the attached Exhibit F-1 is the principal amount of the State Revolving Fund Program Bonds allocated to State Match purposes for the CWSRF and the principal amount repaid as of the end SFY 2012.

The State annually designates whether principal maturities of the State Revolving Fund Program Bonds retired in a State Fiscal Year relate to State Match or leveraged bonds. Generally, it anticipates retiring State Match related bonds first leaving primarily program bonds allocated to the leveraged loans purposes outstanding. Once all State Revolving Fund Program Bonds allocated to the CWSRF State Match purposes are retired (and/or the number of series with outstanding State Match bonds are reduced), this policy will simplify the tracking of funds, reporting, bond disclosure, and allocation of semi-annual debt service.

**Exhibit F-1**

<b>CLEAN WATER</b>								
Revenue Bonds	Original Par Amount of Bonds Designated as State Match	Par Amount retired during SFY Ending June 30						Remaining Par Amount of Bonds Designated as State Match
		2012	2011	2010	2009	2008	All Prior SFYs	
1993*	\$3,930,000	-	-	-	-	-	3,930,000	\$-
1994♦	3,650,000	-	-	-	-	-	3,650,000	-
1995♦	2,270,000	-	-	-	-	-	2,270,000	-
1997^	6,090,000	-	-	810,000	770,000	735,000	3,775,000	-
1998A	1,146,360	-	-	-	-	-	1,146,360	-
2000A	27,257,690	-	-	-	-	8,906,999	18,350,691	-
2000B ^	-	-	-	-	-	-	-	-
2001A	12,652,000	-	-	-	-	2,404,671	10,247,329	-
2002A*	10,874,000	-	-	-	-	-	10,874,000	-
2002B	-	-	-	-	-	-	-	-
2004A♦	19,071,553	-	-	-	-	-	19,071,553	-
2004B	12,105,996	-	-	-	310,878	3,039,879	8,755,239	-
2004C	-	-	-	-	-	-	-	-
2005A ^	17,437,953	907,953	7,965,000	3,815,000	2,730,000	1,230,000	790,000	-
2006A	2,146,636	-	-	-	-	-	2,146,636	-
2006B	4,027,035	-	-	1,287,035	2,555,000	185,000	-	-
2007A	1,073,358	-	-	-	-	-	-	1,073,358
2007B	4,925,514	1,565,000	1,385,000	980,000	-	-	-	995,514
2009A	12,399,675	-	-	-	-	-	-	12,399,675
2010B	8,956,447	1,910,000	6,000,000	-	-	-	-	1,046,447
2011A	2,042,434	2,042,434	-	-	-	-	-	-
<b>Total</b>	<b>\$152,056,651</b>	<b>6,425,387</b>	<b>15,350,000</b>	<b>6,892,035</b>	<b>6,365,878</b>	<b>16,501,549</b>	<b>85,006,808</b>	<b>\$15,514,994</b>

**Notes:**

- \* 2002A refinanced the outstanding portion of the 1993 Bonds; only the part retired before issuance of 2002A (together with the unrefunded February 1, 2003 maturity of the 1993 Bonds) are shown under 1993 heading.
- ♦ 2004A refinanced the outstanding portion of the 1994 & 1995 Bonds; only the part retired before issuance of 2004A (together with the unrefunded February 1, 2005 maturity of the 1995 Bonds) are shown under 1994 & 1995 heading.
- ^ 2005A refinanced a portion of the outstanding 1997 & 2000B Bonds; only the part retired before issuance of 2005A together with the unrefunded February 1, 2006 TO 2010 maturities of the 1997 Bonds, are shown under 1997 & 2000B heading.

Indiana CW SRF Loan Program  
Exhibit G - Summary of Loans Closed in SFY 2012

Applicant Name	Closing Date	Loan Amount	Principal Forgiveness Amount	Total Loan and Principal Forgiveness	Estimated Open Market Interest Rate	Estimated Open Market P & I	SRF Interest Rate	SRF P & I *	SRF Savings
Anderson (Pooled)	26-Oct-11	\$ 20,970,000	\$ -	\$ 20,970,000	5.00%	\$ 33,653,741	3.746%	\$ 30,170,098	\$ 3,483,643
Crown Point (Pooled)	26-Oct-11	\$ 1,850,000	\$ -	\$ 1,850,000	5.00%	\$ 2,968,976	3.746%	\$ 2,661,644	\$ 307,331
Evansville, Mt.A (Pooled)	26-Oct-11	\$ 1,215,000	\$ -	\$ 1,215,000	5.00%	\$ 1,949,895	3.246%	\$ 1,670,715	\$ 279,179
Rensselaer (Pooled)	26-Oct-11	\$ 1,585,000	\$ -	\$ 1,585,000	5.00%	\$ 2,543,690	3.246%	\$ 2,179,493	\$ 364,197
Ft. Wayne	15-Nov-11	\$ 33,576,000	\$ -	\$ 33,576,000	5.00%	\$ 53,884,502	2.290%	\$ 42,226,225	\$ 11,658,277
Jeffersonville	23-Nov-11	\$ 20,550,000	\$ -	\$ 20,550,000	5.00%	\$ 32,979,703	1.540%	\$ 24,033,498	\$ 8,946,205
St. Joseph RWSD	13-Dec-11	\$ 2,904,000	\$ -	\$ 2,904,000	5.00%	\$ 4,660,489	2.040%	\$ 3,565,708	\$ 1,094,781
South Whitley	14-Dec-11	\$ 3,340,000	\$ -	\$ 3,340,000	5.00%	\$ 5,360,205	2.000%	\$ 4,085,269	\$ 1,274,936
Lowell	15-Dec-11	\$ 7,350,000	\$ -	\$ 7,350,000	5.00%	\$ 11,795,660	2.540%	\$ 9,465,294	\$ 2,330,366
Huntington	19-Dec-11	\$ 16,000,000	\$ -	\$ 16,000,000	5.00%	\$ 25,677,628	1.790%	\$ 19,175,796	\$ 6,501,832
Columbia City	16-Feb-12	\$ 700,000	\$ -	\$ 700,000	5.00%	\$ 1,123,396	2.040%	\$ 859,503	\$ 263,894
Fortville	24-Feb-12	\$ 2,380,000	\$ -	\$ 2,380,000	5.00%	\$ 3,819,547	2.290%	\$ 2,993,162	\$ 826,385
Montgomery County RSD	24-Feb-12	\$ 10,964,000	\$ -	\$ 10,964,000	5.00%	\$ 17,595,595	1.540%	\$ 12,822,544	\$ 4,773,051
Tipton	25-Apr-12	\$ 1,986,000	\$ -	\$ 1,986,000	5.00%	\$ 3,187,236	2.000%	\$ 2,429,145	\$ 758,091
Evansville	26-Apr-12	\$ 5,975,000	\$ -	\$ 5,975,000	5.00%	\$ 9,588,989	2.440%	\$ 7,622,203	\$ 1,966,786
Ligonier	10-May-12	\$ 2,291,000	\$ -	\$ 2,291,000	5.00%	\$ 3,676,715	1.500%	\$ 2,668,820	\$ 1,007,896
Battle Ground	21-Jun-12	\$ 2,825,000	\$ -	\$ 2,825,000	5.00%	\$ 4,533,706	1.770%	\$ 3,409,041	\$ 1,124,666
Portland	27-Jun-12	\$ 3,495,000	\$ -	\$ 3,495,000	5.00%	\$ 5,608,957	1.500%	\$ 4,071,377	\$ 1,537,580
<b>TOTAL</b>		<b>\$139,956,000</b>	<b>\$0</b>	<b>\$139,956,000</b>					<b>\$48,499,096</b>

\* P & I = Principal and Interest

## Exhibit H

### **INTENDED USES OF FUNDS IN THE INDIANA FINANCE AUTHORITY'S SRF ACCOUNTS**

This Exhibit identifies the intended uses of the funds held in various accounts of the CWSRF, and how those uses support the goals of the CWSRF. This Exhibit also demonstrates how the Authority meets the requirements of 40 CFR 35.3135(d) by using all of the funds in the CWSRF in an expeditious and timely manner.

#### **Sources, Uses and Available Balances in SRF Accounts**

The following accounts have been created and exist under the Authority's Wastewater Trust Indenture and comprise its CWSRF. Set forth on the attached Schedule H-1 (the "Use Schedule") is detail on what funds are held in the CWSRF and how they were expeditiously and timely used in SFY 2012 and will continue to be in perpetuity.

#### **Wastewater Purchase Account.**

*Sources of Funds:* Funds held in this account<sup>1</sup> come from proceeds of Program Bonds<sup>2</sup> issued by the Authority. The Authority expects to cause additional Program Bonds to be issued at times and in amounts sufficient to meet the funding requirements for loans presently closed as of the end of the SFY 2012 as well as loans anticipated to be closed in SFY 2013 and after.

*Uses of Funds:* These funds are used to make loans for qualified Proposed Projects as permitted by 40 CFR 35.3120(a). This use directly furthers the primary purpose of the CWSRF Program by financing qualified Proposed Projects and through their construction improves water quality in the State of Indiana.

*Available Balance:* As of July 1, 2012, the aggregate amount of closed and committed loans exceeded the balance in this account ("Excess Commitments"). As additional loans are closed in SFY 2013, such committed amounts will contribute to additional Excess Commitments. The aggregate amount held in this account as of July 1, 2012 is shown in the Use Schedule. Accordingly, none of the funds presently on deposit in this account are available for other SRF purposes except to finance closed and committed loans related to qualified Proposed Projects.

#### **Wastewater Participant Loan Principal Account.**

*Sources of Funds:* Funds held in this account come from principal payments on loans made from the Purchase Account and the former State Match Loan Account.

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<sup>1</sup> Pursuant to SRF Indenture modification, the former State Match Loan Account was consolidated into this Account effective May 30, 2007.

<sup>2</sup> To date, the Authority (or its predecessor issuer) has issued multiple series of bonds including several refunding series (the "Program Bonds"), a portion of which are issued for the CWSRF. An allocated portion of the Program Bonds were deposited in the Purchase Account (with such bonds being referred to as the "Guarantee Revenue Bonds" in this Report) to make loans from the CWSRF and a further allocated portion of the Program Bonds were deposited in the Purchase Account (or the former State Match Loan Account) as state match (with such bonds being referred to as the "State Match Revenue Bonds" in this Report) to make loans or for other permitted purposes. The Guarantee Revenue Bonds are revenue bonds within the meaning of 40 CFR 35.3120(d), the net proceeds of which were deposited in the CWSRF. The State Match Revenue Bonds are revenue bonds within the meaning of 40 CFR 35.3135(b)(2), the net proceeds of which were deposited in the CWSRF; their proceeds (together with other match sources) have matched all capitalization grants awarded to date as well as a portion of the not-yet-available FFY 2013 (FFY refers to the Federal Fiscal Year ending September 30 of the year listed) grant by reason of over-match.

*Uses of Funds:* These funds are used to make payments on the outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3120(d) and the Authority's Operating Agreement with EPA. This use indirectly furthers the primary purpose of the SRF by making loan proceeds available to finance qualified Proposed Projects and through their construction improves water quality in the State of Indiana.

*Available Balance:* Approximately annually, this account is fully depleted to make payments on Program Bonds. Accordingly, none of the funds presently on deposit in this account are available for other SRF purposes.

**Wastewater Participant Loan Interest Account.**

*Sources of Funds:* Funds held in this account come from interest payments on loans made from the Purchase Account and the former State Match Loan Account.

*Uses of Funds:* These funds are used to make payments on the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 35.3120(d) and 40 CFR 35.3135(b)(2), respectively. This use indirectly furthers the primary purpose of the SRF by making loan proceeds available to finance qualified Proposed Projects and through their construction improves water quality in the State of Indiana.

*Available Balance:* Approximately annually, this account is fully depleted to make payments on Program Bonds. Accordingly, none of the funds presently on deposit in this account are available for other SRF purposes.

**WASTEWATER RESERVE**<sup>3</sup> contains the following accounts:

**Wastewater Reserve Earnings Account.**

*Sources of Funds:* Funds held in this account come from interest payments on loans made from the Purchase Account and the State Match Loan Account together with other earnings on invested Reserve accounts.

*Uses of Funds:* These funds are *first* used to make payments on the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 3120(d) & (f) and 40 CFR 35.3135(b)(2), respectively, and *secondly* transferred to the Reserve Deficiency Account, as described below.

*Available Balance:* Approximately annually, this account is fully depleted to make payments on Program Bonds, with any excess available balances to be transferred to the Reserve Deficiency Account. Accordingly, none of the funds presently on deposit<sup>4</sup> in this account are available for other SRF purposes.

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<sup>3</sup> Pursuant to SRF Indenture modification, effective May 30, 2007, the following Reserve accounts are pledged to particular series of Program Bonds by means of subaccounts therein. Such pledged accounts serve as the Reserve for only one Series of Program Bonds (a "Series Reserve") and are held at a fixed amount (a "Series Reserve Requirement") subject to annual reductions as principal on such Series of Program Bonds are repaid as required by the SRF indenture. While not labeled under this Reserve group of accounts, amounts held in Equity serve as security for the payment of Program Bonds, and thus, are part of the "reserve" for the purposes of this Report and the federal Water Quality Act of 1987, as amended.

<sup>4</sup> And before any further transfers to the DWSRF as discussed elsewhere in this Exhibit.

### **Wastewater Reserve Grant Account.**

- Sources of Funds:* Funds held in this account<sup>5</sup> come from federal capitalization grants drawn when funds are loaned or administrative expenses are incurred, up to the amount therein (and in the Support Account and Equity Grant Account) that equals the perpetuity amount, and any amounts in excess thereof come from State Match.<sup>6</sup>
- Uses of Funds:* These funds are used (i) as security<sup>7</sup> for outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3120(d) & (e) and (ii) as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 35. 3120(d) & (f) and 40 CFR 35.3135(b)(2), respectively. This use both directly and indirectly furthers the primary purpose of the CWSRF Program by making financing for qualified Proposed Projects available and through their construction improves water quality in the State of Indiana.
- Available Balance:* The aggregate amount held in this account (as of July 1, 2012 and as anticipated in SFY 2013) is shown in the Use Schedule.<sup>8</sup> In furtherance of these purposes, the funds in this account are invested with certain short-term investments, State and Local Government Series (SLGS) securities, and treasury obligations.

### **Wastewater Reserve Support Account.**

- Sources of Funds:* Funds held in this account come from federal capitalization grants drawn when funds are loaned or administrative expenses are incurred, up to the amount therein (and in the Reserve Grant Account and Equity Grant Account) that equals the perpetuity amount.
- Uses of Funds:* These funds are used (i) as security for outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3120(d) & (e) and (ii) as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 35. 3120(d) & (f) and 40 CFR 35.3135(b)(2), respectively. This use both directly and indirectly furthers the primary purpose of the CWSRF Program by making financing for qualified Proposed Projects available and through their construction improves water quality in the State of Indiana.
- Available Balance:* The aggregate amount held in this account (as of July 1, 2012 and as anticipated in SFY 2013) is shown in the Use Schedule. In furtherance of these

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<sup>5</sup> Pursuant to SRF Indenture modification, the former State Match Account was consolidated into this Account effective May 30, 2007.

<sup>6</sup> State Match in this account came from State Match Revenue Bonds, and is either from (a) original proceeds that were held as reserve balances from State Match Revenue Bonds issued in 1993, 1994, 1995 and 1997 or (b) principal on loan repayments funded from such proceeds. As of July 1, 2012, such amounts related to State Match on deposit in this account have not been applied to Guarantee Revenue Bonds but may be so applied to make any regularly scheduled payments on the outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3120(d) and the Authority's Operating Agreement with EPA.

<sup>7</sup> Pursuant to the financing indentures related to the cross-collateralized outstanding Program Bonds, the Authority is presently required to maintain reserves of at least \$517.2 million, which is to be held in the Reserve accounts and is not anticipated to be used to make loans to Participants. A portion of the reserves have been allocated to the CWSRF for purpose of this Annual Report (as shown in the amount set out in the Use Schedule). This is a minimum invested funds requirement. However, the Authority views invested amounts in excess of the foregoing minimum requirement as security and as a source of payment for the outstanding Program Bonds. Further, the Authority expects that the foregoing minimum requirement will increase as additional Program Bonds are issued in SFY 2013 and beyond. Such excess purposes are served by the Equity accounts to the extent that they are not anticipated to be used to make loans to Participants.

<sup>8</sup> And before any further transfers to the DWSRF as discussed elsewhere in this Exhibit.

purposes, the funds in this account are invested with Investment Agreements. The Investment Agreements as allocable to the Support Account (a) pay interest semi-annually serving as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds, (b) mature and may be terminated at the Authority's option as set forth in the attached Schedule H-2, and (c) are available in full (as security) at any time if needed to pay the outstanding Guarantee Revenue Bonds. Further, Support Account balances are anticipated to applied to as a scheduled source of payment for the outstanding Guarantee Revenue Bonds and when so applied will be replaced by retaining earnings in the Equity Grant Account in an amounts necessary to preserve perpetuity as authorized and required by the Authority's Operating Agreement with EPA.

#### **Wastewater Reserve Deficiency Account.**

*Sources of Funds:* Funds held in this account, if any, will come from other Reserve accounts discussed above when the amounts held in the group of accounts serving as the Reserve any Series of Program Bonds (a "Series Reserve") exceeds its Series Reserve Requirement.

*Uses of Funds:* These funds are used to fund each Series Reserve by immediately transferring them as necessary (the *first* possible use) to each Series Reserve that is below its Series Reserve Requirement on each February 1 and August 1 and *secondly* (if not required for such *first* use) shall be transferred to an Equity account (the *secondary* use; which is expected to occur). Any such transfer is either made to a Grant Account or Earnings Account depending on the source of the funds transferred to the Reserve Deficiency Account.

*Available Balance:* No amounts were held in this account as of July 1, 2012 nor are any so anticipated in SFY 2013.

**WASTEWATER EQUITY**<sup>9</sup> contains the following accounts:

#### **Wastewater Administration Account.**

*Sources of Funds:* Funds held in this account come from the outstanding State Match Revenue Bonds or other available funds in the SRF.

*Uses of Funds:* These funds are applied to reasonable costs of administering the CWSRF Program as permitted by 40 CFR 35.3120(g). The Authority so applied these funds during the SFY 2012 (and expects to apply them and other funds in the CWSRF<sup>10</sup> to this purpose in the SFY 2013). Any funds not expended in SFY 2013 are banked for management of the CWSRF in perpetuity by the Authority.

*Available Balance:* As of July 1, 2012, the aggregate amount held in this account is shown in the Use Schedule. All of these funds are expected to be used solely to pay reasonable costs of administering the CWSRF Program. Accordingly, none of

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<sup>9</sup> While funds held in these Equity accounts are not pledged to the payment of Program Bonds, the SRF Program Representative may, but is not required to, direct that they be used to pay Program Bonds. Further, the Authority would expect such to occur if it was necessary to pay such bonds and, thus, while not labeled under as Reserve in this Report, the CWSRF treats it as part of the "reserve" for the purposes of this Report and the federal Water Quality Act of 1987, as amended.

<sup>10</sup> Amounts set aside in this account only represent a portion of the funds the Authority is permitted by 40 CFR 35.3120(g) to apply to costs of administering the CWSRF Program. Additionally the Authority continues to bank for this purpose the remaining amount up to the full 4% limit as measured against total grants (including the not-yet-available FFY 2013 grant expected to be awarded in SFY 2013).

the funds presently on deposit in this account are available for other SRF purposes.

### **Wastewater Equity Grant Account.**

*Sources of Funds:* Funds held in this account come from federal capitalization grants drawn when funds are loaned or administrative expenses are incurred, up to the amount therein (and in the Reserve Grant Account and Support Account) that equals the perpetuity amount, and any amounts in excess thereof come from State Match.

*Uses of Funds:* These funds are used (i) as security<sup>11</sup> and as a source of payment for the outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3120(d) & (e), (ii) to fund any transfers to the Authority's DWSRF as permitted by law including Section 302 of the Safe Drinking Water Act, (iii) to provide funds to meet costs of administering the CWSRF in perpetuity, and (iv) to fund that portion of any loans closed but not presently on deposit in the Purchase Account<sup>12</sup> in the event additional leveraged Guarantee Revenue Bonds could not be issued for any reason to meet such commitments. This use both directly and indirectly furthers the primary purpose of the CWSRF Program by making financing for qualified Proposed Projects available and through their construction improves water quality in the State of Indiana.

*Available Balance:* The aggregate amount held in this account (as of July 1, 2012 and as anticipated in SFY 2013) is shown in the Use Schedule.<sup>13</sup> In furtherance of these purposes, the funds in this account are invested with certain short-term investments, State and Local Government Series (SLGS) securities, treasury obligations, and long-term high-quality investment contracts (the "Investment Agreements"). The Investment Agreements (a) pay interest semi-annually serving as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds, (b) mature and may be terminated at the Authority's option as set forth in the attached Schedule H-2, and (c) are available in full (as security) at any time if needed to pay the outstanding Guarantee Revenue Bonds.

### **Wastewater Equity Earnings Account.**

*Sources of Funds:* Funds held in this account come from (a) transfers from the Reserve Earnings Account and the Participant Loan Interest Account undertaken approximately annually or at the time of an issuance of additional Program Bonds and (b) earnings on amounts invested in the Equity accounts.

*Uses of Funds:* These funds are used (i) as security and as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 35.3120(d) & (f) and 40 CFR 35.3135(b)(2), respectively, like the Equity Grant Account and (ii) to fund that portion of any loans closed but not on deposit in the Purchase Account in the event additional leveraged Guarantee Revenue Bonds could not be issued for any reason to meet

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<sup>11</sup> Pursuant to the financing indentures, the Authority may use these funds if the Reserve Grant Account were insufficient to pay outstanding Program Bonds. Further, the Authority expects that the foregoing minimum requirement of Reserve accounts will increase as additional Program Bonds are issued in SFY 2013 and will result in a transfer of any uncommitted amounts in the Equity Grant Account to the Reserve Grant Account inclusive of any Capitalization Grants drawn into the SRF after July 1, 2012.

<sup>12</sup> In addition to meeting any Excess Commitments as of July 1, 2012, additional Excess Commitments will occur before additional Guarantee Revenue Bonds are issued. This will result from closing new loans for qualified Proposed Projects with (a) approved preliminary engineering reports (PERs) as of July 1, 2012, (b) PERs submitted and under review by the CWSRF as of July 1, 2012 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2013), each as detailed in the Use Schedule.

<sup>13</sup> And before any further transfers to the DWSRF as discussed elsewhere in this Exhibit.

such commitments. This use both directly and indirectly furthers the primary purpose of the SRF by making financing for qualified Proposed Projects available and through their construction improves water quality in the State of Indiana.

*Available Balance:* The aggregate amount held in this account as of July 1, 2012 is shown in the Use Schedule.<sup>14</sup>

### **Additional Information Concerning Expected Uses of SRF Funds**

**Use of Available Balances to Meet Closed Loan Commitments.** Under its existing practices, the Authority closes CWSRF Program loans with Participants without the necessity of having available balances in its Purchase Account to fully fund those loan commitments on the date a CWSRF Program loan is closed. As of July 1, 2012, there were Excess Commitments. By closing new loans for qualified Proposed Projects with (a) approved PERs as of July 1, 2012, (b) PERs submitted and under review by the CWSRF as of July 1, 2012 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2013), the aggregate amount of Excess Commitments would become as shown in the Use Schedule.

The Authority expects to cause additional Program Bonds to be issued at times and in amounts sufficient to meet the funding requirements for loans presently closed and those anticipated to be closed in SFY 2013. Additionally, certain amounts held in the Equity Grant Account and Equity Earnings Account are available and would be used to meet a portion of the projected funding requirements for loans presently closed (and those anticipated to be closed in SFY 2013) in the event additional Guarantee Revenue Bonds could not to be issued.

**Use of Available Balances as a Reserve and Source of Payment for Guarantee Revenue Bonds.** Amounts held in the Support Account, Reserve Deficiency Account, Equity Grant Account, Reserve Grant Account Reserve Earnings Account and Equity Earnings Account secure, and are a source of payment, for Guarantee Revenue Bonds as permitted by 40 CFR 35.3120(d) & (f). In addition to this use, a portion of these funds are also held to meet (a) Excess Commitments in SFY 2013 in the event additional Guarantee Revenue Bonds could not to be issued, (b) costs of administering the CWSRF Program in perpetuity, and (c) any transfers to the DWSRF as permitted by law.

**Use of Available Balances as a Source of Payment for State Match Revenue Bonds.** All SRF earnings including amounts held in the Reserve Earnings Account and Equity Earnings Account secure, and are a source of payment, for State Match Revenue Bonds as permitted by 40 CFR 35.3135(b)(2). In addition to this use, a portion of these funds are held to meet (a) Excess Commitments in SFY 2013 in the event additional Guarantee Revenue Bonds could not to be issued, (b) costs of administering the CWSRF Program in perpetuity, and (c) any transfers to the DWSRF as permitted by law.

**Use of Available Balances as a Source of Payment for Administrative Expenses.** All SRF amounts<sup>15</sup> are held to meet costs of administering the CWSRF Program in perpetuity if and as permitted by law.

**Use of Available Balances to Possibly Transfer Funds to the Drinking Water SRF.** As of July 1, 2012, about \$23.6 million has been transferred to DWSRF. As of July 1, 2012, the cumulative transfer amount available for additional transfers from CWSRF to the DWSRF could result in up to approximately \$66.1 million of allowable transfers which includes 33 percent of the FFY 2012 grant. The full amount of any such potential transfers is banked.

Further, transfers can be made from DWSRF to the CWSRF up to the cumulative amount made from CWSRF to the DWSRF to date, together with an amount equal to 33 percent of aggregate Drinking Water Capitalization Grants awarded. The full amount of any such potential transfers is banked.

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<sup>14</sup> And before any further transfers to the DWSRF as discussed elsewhere in this Exhibit.

<sup>15</sup> Additionally the Authority continues to bank for this purpose the remaining amount up to the full 4 percent limit as measured against total grants (including the not-yet-available FFY 2013 grant expected to be awarded in SFY 2013).

Since the inception of the DWSRF, the Authority (or its predecessor) has banked transfers up to maximum permitted limit and continues to do so; funds held in the Equity Grant Account might be used for this purpose. Such transfer may be effectuated by a transfer of an invested balance from (a) one or more of the Authority's Investment Agreements or (b) other investments. These invested funds would then be used to support the issuance of Guarantee Revenue Bonds, the proceeds of which would be used to make Program loans. Any such determination would be based on whether the CWSRF or DWSRF program is more in need of funds (when considering their respective priorities) than the other. While a transfer from DWSRF to the CWSRF is not expected, it is also banked to reserve the Authority's discretion.

## Exhibit H - Schedule 1

	Account Balances* as of:	Future Deposits in SFY
	30-Jun-2012 (Actual)	
<b><u>A. Funds Committed to Projects by CWSRF</u></b>		
Purchase Account	\$ -	\$ -
	\$ -	\$ -
<b><u>B. Other Funds Held in CWSRF</u></b>		
Reserve Grant Account	\$ 304,100,000	\$ -
Reserve Earnings Account	19,700,000	-
Reserve Support Account	4,400,000	-
Reserve Deficiency Account	-	-
Equity Grant Account	287,900,000	62,500,000
Equity Earnings Account	113,900,000	
Equity Administrative Account	200,000	
	\$ 730,200,000	\$ 62,500,000
<b>Total Available Funds (A. and B. above)</b>	<b>\$ 730,200,000</b>	<b>\$ 62,500,000</b>

### **Proof of Timely & Expedious Use of Above Funds Held in CWSRF\***

Closed Loan (Undrawn loan amounts covered by on-hand Purchase A/C Funds)	\$ -
Closed Loan Excess Commitments (after Application of above Purchase A/C **)	209,700,000
Closed Loan to be funded directly from Equity (undrawn portion of loan)	-
PERs In-house (approved & under-review) Awaiting Loan Closing	533,200,000
Other Projects on new SFY's PPL, Requesting Loan Funding	210,600,000
1. Use: to cover Loan Demand***	953,500,000
Funds held in existing Administrative Account	200,000
Remainder of 4% banked funds available for Administrative purposes	9,200,000
2. Use: to cover Administrative Costs in Perpetuity	9,400,000
3. Use: to cover Series Reserve Requirement	403,500,000
<b>Possible Uses of Funds (1, 2 &amp; 3 above without considering other secondary purposes for holding them in the CWSRF) # are as follows:</b>	<b>\$ 1,366,400,000</b>
<b>Uses of Funds (1, 2 &amp; 3 above):</b>	<b>\$ 1,366,400,000</b>
<b>Less: Total Available Funds (A. and B. above)</b>	<b>792,700,000</b>
<b>Amount by which "Possible Uses of Funds" EXCEED "Total Available Funds"</b>	<b>\$ 573,700,000</b>

**Notes:**

\* Amounts are approximate & rounded to nearest \$100,000

\*\* This amount is a net unfunded amount of closed loans after application of the June 30th on-hand balance.

\*\*\* While use will likely be met with future Program Bonds, possible that on-hand funds could be used. When covered by issuance of Program Bonds used to make subsidized loan, a reserve of 40% to 50% is funded from Equity and additional Program Bonds are used to make pooled loan at a market rate. Such Program Bonds would not be sufficient to meet all needs.

**Schedule H-2**  
**SRF INVESTMENT AGREEMENTS**

Funds held in the Equity Grant Account and certain other accounts are invested in the following Investment Agreements which mature, and may be terminated at the Authority's option only, as follows:

Investment Agreement with:	Final Maturity Date <sup>16</sup>	Optional Termination Date <sup>17</sup>	Scheduled Repayments of Invested Amounts <sup>18</sup>
Citigroup Global Company Inc., Dated, February 13, 2006	8/1/16	Any time	\$368,106 to \$4.8 million
FSA Capital Management Services LLC, Dated June 19, 2007	2/1/28	N/A	\$-0- to \$15 million

The Authority has structured these Investment Agreements in a manner to assure as great as flexibility as practical to serve the variety of needs required by the SRF Loan Program. The long-term nature of these investments assures long-term access to quality investment sources and, thereby, balances revenue certainty against known debt obligations associated with Program Bonds. This fosters the ability to issue additional Program Bonds to fund a prudent, maximum level of leveraged loans. Further, repayment features are consistent with the reserve purposes associated with most of these invested funds. These optional termination dates and scheduled repayment features associated with the Investment Agreements, in total, assure access to invested balances at reasonable intervals and are expected to facilitate future leveraged bond issues. However, it also to be understood that this restricts the SRF Loan Program's ability to make use of these invested sums for other purpose (including certain of those uses recited elsewhere in this Exhibit) without negotiating different termination provisions which could result in a charged losses upon any such alternate termination depending upon market conditions and other factors.

<sup>16</sup> If not repaid sooner, all invested sums are required to be repaid to the Authority by this date.

<sup>17</sup> On or after this date, the Authority may terminate the investment at its option and all invested sums would then be required to be repaid to the Authority without any premium (or other market to market payment).

<sup>18</sup> Each February 1, commencing in 2008, a portion of the invested sums is required to be repaid annually to the Authority. These annual amounts are set out in a schedule to each agreement and range within the amounts shown in this column.

Exhibit I  
SFY 2012 CWSRF Loan Program Quarterly Interest Rates

State Fiscal Year (SFY) By Quarter (Qtr)	User Rates (Over \$50)	User Rates (\$30 to \$50)	User Rates (Under \$30)
Tier III (MHI: under \$33,669)			
1 <sup>st</sup> Qtr SFY 2012	2.22%	2.47%	2.97%
2 <sup>nd</sup> Qtr SFY 2012	2.00%	2.04%	2.54%
3 <sup>rd</sup> Qtr SFY 2012	2.00%	2.04%	3.54%
4 <sup>th</sup> Qtr SFY 2012	2.00%	2.00%	2.03%
Tier II (MHI: \$33,670 to \$41,566)			
1 <sup>st</sup> Qtr SFY 2012	2.47%	2.72%	3.22%
2 <sup>nd</sup> Qtr SFY 2012	2.04%	2.29%	2.79%
3 <sup>rd</sup> Qtr SFY 2012	2.04%	2.29%	2.79%
4 <sup>th</sup> Qtr SFY 2012	2.00%	2.00%	2.28%
Tier I (MHI: over \$41,567)			
1 <sup>st</sup> Qtr SFY 2012	2.72%	2.97%	3.47%
2 <sup>nd</sup> Qtr SFY 2012	2.29%	2.54%	3.04%
3 <sup>rd</sup> Qtr SFY 2012	2.29%	2.54%	3.04%
4 <sup>th</sup> Qtr SFY 2012	2.00%	2.03%	2.53%

Up to an additional .50 percent reduction is possible if a non-point source project is financed along with a point source projector if a project includes a green component as part of the Green Project Reserve Sustainability Incentive Program.

Exhibit J

TRANSFERS

Consistent with its Intended Use Plans and EPA Policy Statement (FRL-6884-7, 65 FR 199, 10/13/00, pg. 60940), the State is reporting on transfers between the CWSRF and the DWSRF. In its Intended Use Plans, the State retained the flexibility to make transfers of grants (and other funds) held in or allocable to such funds to the extent permitted by the Clean Water Act and the Safe Drinking Water Act. As of June 30, 2012, an amount of up to 33 percent of the Safe Drinking Water Act grants for FFYs 1997 through 2012 could be so transferred on a net cumulative basis. Based on the State's award of Safe Drinking Water Act related funds for FFY 1997 through 2012, to date, approximately \$23.6 million has been transferred to the DWSRF from the CWSRF. The following transfers were made from the 1998 Restricted Subaccount of the Wastewater Equity Account held under the Wastewater Indenture, which represents federal grants previously converted to cash and deposited in that account, to the Drinking Water Trustee for deposit in the 1998 Restricted Subaccount of the Drinking Water Equity Account held under the Drinking Water Indenture:

<u>Transfer Dates</u>	<u>Transfer Amounts</u>
August 25, 2000	\$17,479,407
February 15, 2001	2,985,491
May 1, 2002	<u>3,120,183</u>
Total	\$23,585,081

Such transfers did not negatively affect the capacity of the CWSRF to finance proposed projects during SFY 2012.



**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**

**COMBINED FINANCIAL STATEMENTS**

**June 30, 2012 and 2011**

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
Indianapolis, Indiana**

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*Independent Auditors' Report*

Members of the Indiana Finance Authority  
State Revolving Fund Loan Programs

We have audited the accompanying combined financial statements of the State Revolving Fund Loan Programs (the Programs), an enterprise fund of the Indiana Finance Authority, as of and for the years ended June 30, 2012 and 2011, as listed in the table of contents. These combined financial statements are the responsibility of the Programs' management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

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

As discussed in Note 1, the combined financial statements present only the State Revolving Fund Loan Programs, and do not purport to, and do not, present fairly the financial position of the Indiana Finance Authority, as of June 30, 2012 and 2011, and the changes in its financial position or its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the State Revolving Fund Loan Programs at June 30, 2012 and 2011, and the changes in their financial position and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2012, on our consideration of the State Revolving Fund Loan Programs' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Katz, Sogow & Miller, LLP*

Indianapolis, Indiana  
September 28, 2012

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (Unaudited)**  
**June 30, 2012**

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As management of the State Revolving Fund Loan Programs (SRF Programs), we offer readers of the SRF Programs' combined financial statements this narrative overview of Management's Discussion and Analysis (MD&A) of the financial activities of the SRF Programs for the fiscal year ended June 30, 2012. All amounts, unless otherwise indicated, are expressed in thousands of dollars and are approximate.

**Financial Highlights:** The SRF Programs' total net assets increased by \$83.2 million during the current fiscal year from \$1,082.7 million to \$1,165.9 million. Of this amount, \$64.7 million consists of capital contributions (grants) from the U.S. Environmental Protection Agency (EPA). Included in that total is \$3.1 million in grants made available by the American Recovery and Reinvestment Act of 2009. All of these net assets are restricted for water pollution and drinking water projects and related SRF Program purposes.

During the current fiscal year, the SRF Programs' debt increased by \$200 thousand. The net increase in debt is the result of the partial cash defeasance of the Series 2001A and 2002B bonds, the partial defeasance of Series 2001A, 2004B and 2004C for a total defeasance of \$177.6 million and scheduled principal payments totaling \$151.5 million offset by the issuance of \$329.3 million of new Series 2011A and 2012A bonds. Refinancing the Series 2001A, 2004B and 2004C with the Series 2012A bonds resulted in present value savings of \$17.4 million or 11.9% of the refunded bonds.

The SRF Programs disbursed \$212.4 million to participants during the current year to fund wastewater and drinking water infrastructure project expenses. Loan commitments can be found in Note 3 to the combined financial statements on page 17 of this report.

### **BASIC COMBINED FINANCIAL STATEMENTS**

This MD&A is intended to serve as an introduction to the SRF Programs' basic combined financial statements (Report). The accompanying Report only provides information on the financial activities associated with the SRF Programs which are an enterprise fund of the Indiana Finance Authority, where financial transactions are reported as business-type activities. The Report does not represent a comprehensive annual financial report of the Indiana Finance Authority.

Enterprise funds are used to report any activities for which income fees are charged to external users for goods and services. In addition, enterprise funds must be used in situations where debt is backed solely by fees and charges. An enterprise fund is accounted for in a manner similar to a commercial enterprise on the accrual basis of accounting.

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (Unaudited)**  
**June 30, 2012**

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The SRF Programs' basic combined financial statements include statements of net assets, statements of revenues, expenses and changes in net assets, statements of cash flows, and the notes to the combined financial statements. These combined financial statements can be found on pages 8-10 of this report and are summarized below:

- The *combined statements of net assets* present information on all of the SRF Programs' assets and liabilities, with the difference between the two reported as net assets.
- The *combined statements of revenues, expenses and changes in net assets* present information showing how the SRF Programs' net assets changed during each year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- In contrast, the *combined statements of cash flows* are concerned solely with flows of cash and cash equivalents. Transactions are recorded when cash is received or exchanged, without concern of when the underlying event causing the transactions occurred.

The Report also contains other supplementary information in addition to the basic combined financial statements themselves.

The notes to the combined financial statements provide additional information that is essential to a full understanding of the data provided in the combined financial statements. The notes to the combined financial statements can be found on pages 11-32 of this report.

In addition to the basic combined financial statements and accompanying notes, this report also presents combining schedules on pages 34-36. These combining schedules are not a required part of the basic combined financial statements, but they provide detailed financial statement information for each individual program. The combining schedules are included to provide other useful information for the readers of the basic combined financial statements.

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (Unaudited)  
June 30, 2012**

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**FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of the government enterprise's financial position. In the case of the SRF Programs, assets exceeded liabilities by \$1,165.9 million at the close of the most recent fiscal year.

**State Revolving Fund Loan Programs' Net Assets  
(In Thousands of Dollars)**

	<b>2012</b>	<b>June 30, 2011</b>	<b>2010</b>
Current assets	\$ 822,691	\$ 672,886	\$ 717,323
Noncurrent assets	<u>2,150,912</u>	<u>2,218,204</u>	<u>2,148,365</u>
Total Assets	<u>2,973,603</u>	<u>2,891,090</u>	<u>2,865,688</u>
Current liabilities	150,978	124,696	124,904
Long-term liabilities	<u>1,656,714</u>	<u>1,683,654</u>	<u>1,698,365</u>
Total Liabilities	<u>1,807,692</u>	<u>1,808,350</u>	<u>1,823,269</u>
Net Assets			
Restricted	<u>1,165,911</u>	<u>1,082,740</u>	<u>1,042,419</u>
Total Net Assets	<u>\$ 1,165,911</u>	<u>\$ 1,082,740</u>	<u>\$ 1,042,419</u>

Total assets have increased over the years as the SRF Programs continue to mature, manage new and existing projects, and receive new grants. Typically as new and existing projects are undertaken and completed, additional bonds on behalf of the SRF Programs are issued in order to fund the projects. Therefore, long-term liabilities have usually also increased to meet the needs of participants.

In fiscal year 2012, participant needs were met with EPA grants including additional funding made available by the American Recovery and Reinvestment Act of 2009 (ARRA), new bond issuances, and funds on hand. However, long-term liabilities decreased because the early defeasance of debt and scheduled principal payments exceeded the amount of new bond issuances.

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (Unaudited)**  
**June 30, 2012**

**State Revolving Fund Loan Programs' Changes in Net Assets**  
(In Thousands of Dollars)

	Years Ended June 30,		
	2012	2011	2010
Operating Revenues			
Interest-investments	\$ 56,123	\$ 18,862	\$ 32,395
Interest-participants	62,991	61,693	58,179
Other	<u>457</u>	<u>445</u>	<u>686</u>
Total operating revenues	<u>119,571</u>	<u>81,000</u>	<u>91,260</u>
Operating Expenses			
Interest	77,595	76,492	79,867
Amortization of deferred charges	1,230	1,238	958
Trustee fees	34	80	90
Other program and administrative	<u>2,629</u>	<u>4,397</u>	<u>3,040</u>
Total operating expenses	<u>81,488</u>	<u>82,207</u>	<u>83,955</u>
Operating Income (Loss)	38,083	(1,207)	7,305
Nonoperating Revenues and (Expenses)			
Capital contributions (EPA Grants)	64,720	85,400	129,790
Loan forgiveness	<u>(19,632)</u>	<u>(43,872)</u>	<u>(70,756)</u>
Total nonoperating revenues	<u>45,088</u>	<u>41,528</u>	<u>59,034</u>
Increase in Net Assets	83,171	40,321	66,339
Net Assets:			
Beginning of Year	<u>1,082,740</u>	<u>1,042,419</u>	<u>976,080</u>
End of Year	<u>\$ 1,165,911</u>	<u>\$ 1,082,740</u>	<u>\$ 1,042,419</u>

The SRF Programs' net assets increased by \$83.2 million during the current fiscal year. Key elements of this increase are as follows:

- The SRF Programs received \$64.7 million in capital contributions (grants) from the EPA for qualified wastewater and drinking water projects and related program purposes. Although lower than last year, EPA grant levels were higher than normal due to the additional funding made available by the ARRA. ARRA grants received in fiscal year 2012 totaled \$3.1 million.
- Interest income on investments and loans exceeded operating expenses by \$38 million.
- The majority of the ARRA grants were loaned to communities and are forgivable under the terms of the Act and offset the increases mentioned above.

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (Unaudited)**  
**June 30, 2012**

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**DEBT ADMINISTRATION**

Long-term Debt: At the end of the current fiscal year, the SRF Programs' debt, net of premium/discount and unamortized loss on refunding, was \$1.77 billion. The amount due represents bonds issued solely for the State Revolving Fund Loan Programs.

**State Revolving Fund Loan Programs' Outstanding Debt**  
(In Thousands of Dollars)

	<b>2012</b>	<b>June 30, 2011</b>	<b>2010</b>
Net Bond Indebtedness	\$ 1,771,564	\$ 1,771,362	\$ 1,782,689

During the current fiscal year, the SRF Programs' debt increased by \$200 thousand. The net increase in debt is the result of the partial cash defeasance of the Series 2001A and 2002B bonds, the partial defeasance of Series 2001A, 2004B and 2004C for a total defeasance of \$177.6 million and scheduled principal payments totaling \$151.5 million offset by the issuance of \$329.3 million of new Series 2011A and 2012A bonds.

Additional information on the SRF Programs' long-term debt can be found in Notes 7 and 8 to the combined financial statements on pages 21-31 of this report.

**REQUESTS OF INFORMATION**

This financial report is designed to provide a general overview of the SRF Programs' finances for all those with an interest in the SRF Programs' finances. Questions concerning any of the information should be addressed to the Director of Environmental Programs, c/o State Revolving Fund Wastewater and Drinking Water Loan Programs, 100 N. Senate Avenue, Room 1275, IGCN - 12th Floor, Indianapolis, IN 46204.

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
COMBINED STATEMENTS OF NET ASSETS  
June 30, 2012 and 2011**

	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>		
Current Assets:		
Cash and equivalents	\$ 639,104,724	\$ 520,772,125
Interest receivable	17,791,258	19,991,460
Due from EPA	43,261,669	38,284,978
Accounts receivable	-	422,086
Loans receivable, net	<u>122,533,621</u>	<u>93,414,969</u>
Total Current Assets	<u>822,691,272</u>	<u>672,885,618</u>
Noncurrent Assets:		
Investments	324,365,512	391,335,676
Loans receivable, net	1,817,985,847	1,818,610,241
Equipment, net	264,214	44,590
Deferred charges, net	<u>8,296,227</u>	<u>8,213,519</u>
Total Noncurrent Assets	<u>2,150,911,800</u>	<u>2,218,204,026</u>
Total Assets	<u>2,973,603,072</u>	<u>2,891,089,644</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Interest payable	34,003,260	34,765,934
Accounts payable	295,096	381,773
Amount due to federal government	-	1,302,905
Bonds payable-current, net	<u>116,680,000</u>	<u>88,245,000</u>
Total Current Liabilities	<u>150,978,356</u>	<u>124,695,612</u>
Long-term Liabilities:		
Amount due to federal government	1,829,518	536,634
Bonds payable, net	<u>1,654,884,206</u>	<u>1,683,116,962</u>
Total Long-term Liabilities	<u>1,656,713,724</u>	<u>1,683,653,596</u>
Total Liabilities	<u>1,807,692,080</u>	<u>1,808,349,208</u>
<b>NET ASSETS</b>		
Restricted for water pollution and drinking water projects and other related program purposes	<u>\$ 1,165,910,992</u>	<u>\$ 1,082,740,436</u>

*See accompanying notes.*

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**Years Ended June 30, 2012 and 2011**

	<b>2012</b>	<b>2011</b>
<b>OPERATING REVENUE</b>		
Interest income-investments	\$ 56,122,555	\$ 18,862,184
Interest income-loan participants	62,990,925	61,692,618
Other	<u>457,404</u>	<u>444,808</u>
Total Operating Revenue	<u>119,570,884</u>	<u>80,999,610</u>
<b>OPERATING EXPENSES</b>		
Interest	77,595,325	76,492,305
Amortization of deferred charges	1,229,766	1,238,219
Trustee fees	34,253	79,538
Other program and administrative	<u>2,629,278</u>	<u>4,396,721</u>
Total Operating Expenses	<u>81,488,622</u>	<u>82,206,783</u>
<b>OPERATING INCOME (LOSS)</b>	38,082,262	(1,207,173)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Capital contributions	64,720,181	85,400,959
Loan forgiveness	<u>(19,631,887)</u>	<u>(43,872,079)</u>
Total Nonoperating Revenues (Expenses)	<u>45,088,294</u>	<u>41,528,880</u>
<b>INCREASE IN NET ASSETS</b>	83,170,556	40,321,707
<b>NET ASSETS</b>		
Beginning of Year	<u>1,082,740,436</u>	<u>1,042,418,729</u>
End of Year	<u>\$ 1,165,910,992</u>	<u>\$ 1,082,740,436</u>

*See accompanying notes.*

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**COMBINED STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2012 and 2011**

	<b>2012</b>	<b>2011</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash payments for salaries, administrative and other expenses	\$ (1,897,718)	\$ (1,128,443)
Administration fee	<u>27,000</u>	<u>26,061</u>
Net Cash Used by Operating Activities	<u>(1,870,718)</u>	<u>(1,102,382)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Maturities of loans to participants	183,962,882	118,195,473
Issuance of loans to participants	(212,457,140)	(221,882,135)
Change in investments	66,970,164	35,218,208
Interest received on loans and investments	121,313,682	86,693,982
Purchase of capital assets	<u>(219,624)</u>	<u>(22,011)</u>
Net Cash Provided by Investing Activities	<u>159,569,964</u>	<u>18,203,517</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Proceeds from debt issuance	329,330,000	164,925,000
Principal payments to reduce indebtedness including refunding	(329,127,756)	(176,252,462)
Payment of debt issuance costs, net of refunding	(1,312,474)	(1,114,249)
Change in amount due to federal government	(10,021)	(3,407,861)
Interest paid on debt	<u>(78,357,999)</u>	<u>(76,794,211)</u>
Net Cash Used by Non-Capital Financing Activities	<u>(79,478,250)</u>	<u>(92,643,783)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Capital contributions (EPA grants)	59,743,490	98,597,862
Issuance of forgivable loans to participants	<u>(19,631,887)</u>	<u>(43,872,079)</u>
Net Cash Provided by Capital Financing Activities	<u>40,111,603</u>	<u>54,725,783</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	118,332,599	(20,816,865)
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>520,772,125</u>	<u>541,588,990</u>
End of Year	<u>\$ 639,104,724</u>	<u>\$ 520,772,125</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 38,082,262	\$ (1,207,173)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Interest income	(119,113,480)	(80,554,802)
Interest expense	77,595,325	76,492,305
Amortization of deferred charges	1,229,766	1,238,219
Changes in assets and liabilities:		
Accounts receivable	422,086	2,811,263
Accounts payable	<u>(86,677)</u>	<u>117,806</u>
Net Cash Used by Operating Activities	<u>\$ (1,870,718)</u>	<u>\$ (1,102,382)</u>

*See accompanying notes.*

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2012 and 2011**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Wastewater State Revolving Fund Loan Program (WSRF) and the Drinking Water State Revolving Fund Loan Program (DWSRF), collectively known as the State Revolving Fund Loan Programs (SRF Programs), conform to generally accepted accounting principles as applicable to governmental units in the United States. The following is a summary of significant policies:

Reporting Entity: The accompanying combined financial statements report only on the financial activities associated with the SRF Programs, which are an enterprise fund of the Indiana Finance Authority (Authority). The combined financial statements do not represent a comprehensive annual financial report of the Authority.

Principles of Combination: The combined financial statements of the SRF Programs include the accounts of the WSRF and the DWSRF. All significant intra-entity accounts and transactions between the individual programs have been eliminated.

Basis of Presentation and Accounting: The SRF Programs are accounted for as Enterprise Funds. An Enterprise Fund is used to account for an operation where periodic determination of revenues earned, expenses incurred, and net income on an accrual basis is appropriate (accrual method). Accordingly, the SRF Programs are reported as business-type activities.

The SRF Programs follow the accounting rules promulgated by the Governmental Accounting Standards Board (GASB). Additionally, the SRF Programs follow all standards of the Financial Accounting Standards Board (FASB) Codification originally issued on or before November 30, 1989, unless pronouncements conflict with or contradict GASB Statements.

The Wastewater State Revolving Fund Loan Program and Drinking Water State Revolving Fund Loan Program: The federal Water Quality Act of 1987 as amended in 1996 authorized the United States Environmental Protection Agency (EPA) to award capitalization grants to states for public drinking water system programs and water pollution control revolving fund programs. Pursuant to Indiana Code 13-18-13 (WSRF Act), the State of Indiana (State) originally established a water pollution control revolving fund program to provide financial assistance, essentially, to make loans, to political subdivisions for eligible projects. A variety of political subdivisions and other eligible borrowers may receive loans from the WSRF Program, including municipal sewage works, sanitary districts, regional sewer districts and conservancy districts. Pursuant to Indiana Code 13-18-21 (DWSRF Act), the State also has established a public drinking water system program to provide financial assistance for eligible projects. Prior to the SRF Programs receiving funding as a result of the American Recovery and Reinvestment Act of 2009 (ARRA), "financial assistance" included making loans to public water systems for eligible projects, as well as providing for administrative expenses, source water assessment and technical assistance for small systems. Beginning in Federal fiscal year 2010, the ARRA and EPA grants awarded to the SRF Program required the Program to provide both loans and forgivable loans to public water systems for eligible projects.

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**Years Ended June 30, 2012 and 2011**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

By operation of law, effective May 15, 2005, all assets and liabilities of the SRF Programs (including the outstanding bonds of the Indiana Bond Bank related to the SRF Programs) became the assets and liabilities of the Authority instead of the State or the Indiana Bond Bank. For years ending on, or before, June 30, 2005, these assets and liabilities of the SRF Programs were previously reported as part of the respective financial statements of the State and/or the Indiana Bond Bank.

The Authority has capitalized its WSRF and DWSRF Programs with payments made under capitalization grants and with required state matching funds. Payments under, and the use of capitalization grants, are subject to federal law and regulated by the federal government, acting through the EPA.

Under the WSRF and DWSRF Acts, the Authority has responsibility for the administration and management of the WSRF and DWSRF Programs. The Authority has entered into Trust Indentures with The Bank of New York Trust Company, N.A., successor to J.P. Morgan Trust Company, N.A., to establish a series of separate funds and accounts for operation of the SRF Programs. The indentures create state revolving funds (the Funds) and govern the use of certain bond proceeds and capitalization grants under the WSRF Act and the DWSRF Act. The SRF Programs are being operated initially as leveraged programs, whereby the earnings on certain moneys deposited in the Funds, including payments on loans made from the Funds, are applied to pay debt service on bonds issued to finance the SRF Programs.

If necessary, the capitalization grants are deposited into the SRF Programs accounts and are available to pay scheduled debt service on the Revenue Bonds. SRF Programs participant loan repayments and interest earned on the SRF Programs investments are used to meet the debt service obligations for the Revenue Bonds. States are required to provide an additional 20 percent of the federal capitalization grant as matching funds in order to receive a grant. SRF Programs matching funds have been provided through the issuance of revenue bonds payable and from the earnings on the funds. Federal contributions are funded and recognized as capital contributions when amounts are received. The Authority may use amounts of up to 4 percent of the federal capitalization grant to pay salaries and administrative costs incurred.

The Indiana Bond Bank, on behalf of the SRF Programs, issued Series 1997A, 1998A, 2000A, 2000B, 2001A, 2002A, 2002B, 2004A, 2004B and 2004C Bonds, which by operation of law effective May 15, 2005, such liabilities of the SRF Programs became the liabilities of the Authority instead of the Indiana Bond Bank. Additionally, the Authority issued Series 2005A, 2006A, 2006B, 2007A, 2007B, 2009A, 2010A, 2010B, 2010C, 2011A, and 2012A Bonds in respect of the SRF Programs. Such liabilities are summarized in Note 7 and are secured by a common trust estate supported in part by participant loan repayments.

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**Years Ended June 30, 2012 and 2011**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Estimates: Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could vary from the estimates used.

Restricted Net Assets: Restricted net assets are available for providing financial assistance related to water pollution control and drinking water projects and other SRF Programs purposes.

Cash and Equivalents: Cash and equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments: Investments are recorded at fair value, based on quoted market prices of the investment or similar investments. For investments at June 30, 2012 and 2011, market approximates cost. Changes in the fair value of investments are included in the combined statement of revenues, expenses and changes in net assets.

Allowance for Doubtful Accounts: Management's estimate of the allowance for doubtful accounts is determined through a review of individual loan balances' collectability, as well as the forgivable loans disbursed pursuant to the American Recovery and Reinvestment Act. The allowance for doubtful accounts was \$128,474,833 and \$113,815,044 at June 30, 2012 and 2011, respectively.

Equipment: Equipment is recorded at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Bond Discounts, Premiums, and Deferred Charges: Bond discount, premium and deferred charges are bond issuance costs, which are amortized using the interest method over the varying terms of the bonds issued.

Operating Revenues and Expenses: Operating revenues and expenses generally result from providing services. Operating expenses include the cost of providing services and interest on debt. For enterprise funds, revenue and expense transactions normally classified as other than operating cash flows are classified as operating revenues and expenses if those transactions constitute principal ongoing operations. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses, and include capital contributions.

Subsequent Events: Management has evaluated the combined financial statements for subsequent events occurring through September 28, 2012, the date the combined financial statements were available to be issued. See Note 11.

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**Years Ended June 30, 2012 and 2011**

**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

All cash, cash equivalents, and investments are held by, or in the name of, The Bank of New York Trust Company, N.A., as trustee under certain indentures of trusts (Trust Indentures) pertaining to the SRF Programs and the bonds issued in connection with the SRF Programs. Pursuant to enabling statues, the investments permitted by the Trust Indentures represent investment policy choices that make the generally applicable provisions of Indiana Code 5-13 inapplicable to the SRF Programs' investments.

A summary of cash, cash equivalents, and investments as of June 30, 2012 and 2011 follows:

	<u>2012</u>		
	<u>Wastewater</u>	<u>Drinking Water</u>	<u>Total</u>
Cash	\$ 43,200	\$ 1	\$ 43,201
Money market funds	524,153,466	111,710,737	635,864,203
Guaranteed investment contracts	105,928,578	4,469,706	110,398,284
Government obligations	<u>150,863,740</u>	<u>66,300,808</u>	<u>217,164,548</u>
	<u>\$ 780,988,984</u>	<u>\$ 182,481,252</u>	<u>\$ 963,470,236</u>
	<u>2011</u>		
	<u>Wastewater</u>	<u>Drinking Water</u>	<u>Total</u>
Cash	\$ 126,736	\$ -	\$ 126,736
Money market funds	399,281,966	80,730,663	480,012,629
Guaranteed investment contracts	172,546,680	32,725,367	205,272,047
Government obligations	<u>163,219,771</u>	<u>63,476,618</u>	<u>226,696,389</u>
	<u>\$ 735,175,153</u>	<u>\$ 176,932,648</u>	<u>\$ 912,107,801</u>

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**Years Ended June 30, 2012 and 2011**

**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Investment Type and Interest Rate Risk Disclosure: As of June 30, 2012, the SRF Programs had the following investments and maturities (amounts are in thousands):

	Wastewater				
	Investment Maturities (in years)				
	Fair Value	< 1	1 - < 5	5 - < 10	> 10
Money market funds	\$ 524,153	\$ 524,153	\$ -	\$ -	\$ -
Guaranteed investment contracts	105,928	-	16,940	-	88,988
Government obligations	<u>150,864</u>	<u>2,370</u>	<u>25,750</u>	<u>93,707</u>	<u>29,037</u>
	<u>\$ 780,945</u>	<u>\$ 526,523</u>	<u>\$ 42,690</u>	<u>\$ 93,707</u>	<u>\$ 118,025</u>

	Drinking Water				
	Investment Maturities (in years)				
	Fair Value	< 1	1 - < 5	5 - < 10	> 10
Money market funds	\$ 111,711	\$ 111,711	\$ -	\$ -	\$ -
Guaranteed investment contracts	4,470	-	946	-	3,524
Government obligations	<u>66,301</u>	<u>828</u>	<u>25,063</u>	<u>27,680</u>	<u>12,730</u>
	<u>\$ 182,482</u>	<u>\$ 112,539</u>	<u>\$ 26,009</u>	<u>\$ 27,680</u>	<u>\$ 16,254</u>

Credit Risk Disclosure: The following table (in thousands of dollars) provides information on the credit ratings associated with the SRF Programs' investments in debt securities at June 30, 2012:

	S&P	Fitch	Moody's	Fair Value
Money market funds	AAAm	AAAmmf	Aaa-mf	\$ 166,243
	AAAm	unrated	Aaa-mf	274,394
	AAAm	AAAmmf	Aaa-mf	195,227
Guaranteed investment contracts	A-	unrated	A3	92,511
	unrated	unrated	unrated	17,887
Government obligations	AA+	AAA	AAA	165,129
	AA+	AAA	AAA	51,712
	AA+	unrated	AAA	<u>324</u>
Total Rated Investments				<u>\$ 963,427</u>

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**Years Ended June 30, 2012 and 2011**

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**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Custodial Credit Risk: The SRF Programs have no custodial credit risk. The investments are secured by government securities held pursuant to securities or repurchase contracts or otherwise secured by perfected security interest in the same. Such government securities are either issued or guaranteed by the U.S. Government, including United States Treasury obligations and any other obligations, the timely payment of principal and interest of which, are guaranteed by the U.S. Government and bonds, notes, debentures, obligations or other evidence of indebtedness issued and/or guaranteed by Fannie Mae, Federal Home Loan Mortgage Corporation, Government National Mortgage Association or any other agency or instrumentality of the United States, including, but not limited to, mortgage participation certificates, mortgage pass-through certificates, collateralized mortgage obligations and other mortgage-backed securities.

Concentration of Credit Risk: The Program places no limit on the amount the SRF Programs may invest in any one issuer. The following table shows investments in issuers that represent 5% or more of the total investments at June 30, 2012:

Goldman Financial Square MM (FSMXX)	21%
JPMorgan Prime Mmkt Instit Fd 829	20%
Dreyfus Cash Management CI A Fd 288	17%
U.S. Treasury	17%
FSA Capital Management GIC	10%
Goldman Prime Financial Square MM (FPOXX)	8%
Federal Government Agency Debt	5%

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**Years Ended June 30, 2012 and 2011**

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**NOTE 3 - LOANS RECEIVABLE**

The net proceeds from the issuance of the Revenue Bonds were deposited in the SRF Programs Account and are used primarily to fund loans to participants for eligible projects. The State's current intended use plans include a list of publicly-owned wastewater treatment works, a list of drinking water systems, and other projects proposed by eligible participants, which the State anticipates will be eligible for financial assistance.

The loans receivable balance at June 30, 2012 and 2011 includes actual advances for construction and related costs on eligible projects net of principal payments from participants as follows:

	Loans Receivable as of June 30, 2012	Loans Receivable as of June 30, 2011	Actual Loan Available Less Principal Repayments as of June 30, 2012
Wastewater Fund	\$ 1,584,876,781	\$ 1,598,289,303	\$ 1,835,533,849
Drinking Water Fund	<u>355,642,687</u>	<u>313,735,907</u>	<u>399,086,869</u>
Total All Loans	<u>\$ 1,940,519,468</u>	<u>\$ 1,912,025,210</u>	<u>\$ 2,234,620,718</u>

These amounts represent projects that have been submitted and approved by the SRF Programs, and the loans have been closed. Loans receivable includes current portions of \$122,533,621 at June 30, 2012 and \$93,414,969 at June 30, 2011.

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**Years Ended June 30, 2012 and 2011**

**NOTE 3 - LOANS RECEIVABLE (Continued)**

As of June 30, 2012, the outstanding balances of closed loans exceeding 50 percent of the total loans receivable and representing the Programs' largest borrowers are summarized below:

Name of Participant	Loans Receivable as of June 30, 2012	Loans Receivable as of June 30, 2011	Actual Loan Available Less Principal Repayments as of June 30, 2012
<b>Wastewater Fund</b>			
City of Indianapolis	\$ 335,702,000	\$ 409,151,478	\$ 335,702,000
City of Evansville	88,023,060	76,727,421	100,874,510
City of Fort Wayne	87,835,320	82,964,602	113,572,651
City of Columbus	77,911,000	81,477,000	77,911,000
City of Lafayette	45,061,080	48,273,974	45,061,080
City of Mishawaka	38,395,155	38,135,468	38,617,000
City of New Albany	38,114,888	34,401,900	39,292,000
City of Hammond	34,455,000	37,430,000	34,455,000
City of West Lafayette	33,940,000	33,903,763	33,940,000
City of Jeffersonville	33,740,843	13,887,920	57,952,773
<b>Drinking Water Fund</b>			
City of Fort Wayne	\$ 53,290,000	\$ 25,160,000	\$ 53,290,000
City of East Chicago	40,045,000	41,910,000	40,045,000
City of Bloomington	22,281,000	17,648,000	22,281,000
City of Greensburg	14,345,900	14,587,450	14,345,900
City of Mishawaka	13,980,000	15,165,000	13,980,000
Town of Bargersville	12,655,184	52,844	19,575,000
City of Huntington	10,205,000	10,383,000	10,205,000
City of Martinsville	8,506,424	8,891,424	8,685,000
City of Michigan City	5,984,916	6,024,916	5,984,916

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**Years Ended June 30, 2012 and 2011**

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**NOTE 4 - INTEREST RECEIVABLE**

Interest receivable consists of accrued interest on investments and loans to participants as follows:

Interest receivable at June 30, 2012:

	Investments	Loans	Total
Wastewater	\$ 3,064,012	\$ 12,782,487	\$ 15,846,499
Drinking Water	<u>328,034</u>	<u>1,616,725</u>	<u>1,944,759</u>
	<u>\$ 3,392,046</u>	<u>\$ 14,399,212</u>	<u>\$ 17,791,258</u>

Interest receivable at June 30, 2011:

	Investments	Loans	Total
Wastewater	\$ 4,075,687	\$ 13,635,372	\$ 17,711,059
Drinking Water	<u>905,081</u>	<u>1,375,320</u>	<u>2,280,401</u>
	<u>\$ 4,980,768</u>	<u>\$ 15,010,692</u>	<u>\$ 19,991,460</u>

**NOTE 5 - DEFERRED CHARGES, NET**

Deferred charges represent bond issuance costs which are being amortized using the interest method over the life of the related bond issue. Accumulated amortization was \$14,906,982 and \$12,916,418 at June 30, 2012 and 2011, respectively. The net unamortized deferred charges were \$8,296,227 and \$8,213,519 at June 30, 2012 and 2011, respectively. At June 30, 2012, the estimated future amortization of deferred charges is as follows:

June 30, 2013	\$ 1,197,044
June 30, 2014	1,042,982
June 30, 2015	934,794
June 30, 2016	852,412
June 30, 2017	765,459
Thereafter	<u>3,503,536</u>
	<u>\$ 8,296,227</u>

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**Years Ended June 30, 2012 and 2011**

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**NOTE 6 - ARBITRAGE REBATE AND YIELD REDUCTION PAYMENTS TO U.S. TREASURY**

Several series of bonds issued by the Indiana Bond Bank, succeeded by the Authority, in connection with the SRF Programs were the subject of legal opinions as of the date of their issuance to the effect that interest on such bonds was excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"). Under the Code, such exclusion is conditioned on continuing compliance with certain tax covenants including payment of certain earnings in excess of the bond yield to the U.S. Treasury as rebate or yield reduction payments. The estimated liabilities, which were calculated as of January 31, 2012, are recorded in the current portion and the long-term portion. With respect to such bonds, as of June 30, 2012, the SRF Programs had the following liabilities:

	<b>Yield Reduction</b>	<b>Due Date</b>
<b>2004B</b>		
Wastewater Fund	\$ 994,367	January 31, 2014
Drinking Water Fund	195,673	January 31, 2014
<b>2006B</b>		
Wastewater Fund	524,400	January 31, 2016
Drinking Water Fund	<u>115,078</u>	January 31, 2016
	<u>\$ 1,829,518</u>	

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
Years Ended June 30, 2012 and 2011**

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**NOTE 7 - BONDS PAYABLE**

Bonds payable at June 30, 2012 and 2011 for bonds issued on behalf of the SRF Programs are summarized as follows:

	2012	2011
<u>Wastewater Fund:</u>		
Series 2012A Refunding Bonds issued February 8, 2012 for the aggregate amount of \$137,945,000 to refund the callable portion of Series 2001A, 2004B and 2004C Bonds, maturing from August 1, 2013 to February 1, 2022 at interest rates ranging from 4.75% to 5.375%. Of this, \$126,070,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.	\$ 126,070,000	\$ -
Series 2011A Bonds issued October 26, 2011 for the Aggregate amount of \$191,385,000, maturing from February 1, 2012 to February 1, 2030 at interest rates ranging from 1.00% to 5.00%. Of this, \$140,515,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	78,245,000	-
Series 2010C Refunding Bonds issued October 20, 2010 for the aggregate amount of \$64,925,000 to refund the callable portion of Series 2001A, 2002B and 2004B Bonds, maturing from February 1, 2020 to February 1, 2023 at an interest rate of 5.00%. Of this, \$57,370,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.	57,370,000	57,370,000
Series 2010B Bonds issued October 20, 2010 for the aggregate amount of \$100,000,000, maturing from February 1, 2011 to February 1, 2030 at interest rates ranging from 1.50% to 5.00%. Of this, \$80,000,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	72,090,000	74,000,000

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**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
Years Ended June 30, 2012 and 2011**

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**NOTE 7 - BONDS PAYABLE (Continued)**

	2012	2011
Series 2010A Refunding Bonds issued February 2, 2010 for the aggregate amount of \$288,970,000 to refund the callable portion of Series 2000B, 2001A, 2002B, 2004B and 2004C Bonds, maturing from February 1, 2011 to February 1, 2024 at interest rates ranging from 2.00% to 5.00%. Of this, \$246,735,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	\$ 245,630,000	\$ 246,170,000
Series 2009A Bonds issued November 24, 2009 for the aggregate amount of \$138,990,000, maturing from February 1, 2011 to February 1, 2028 at interest rates ranging from 2.00% to 5.00%. Of this, \$121,235,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	121,235,000	121,235,000
Series 2007B Bonds issued December 13, 2007 for the aggregate amount of \$94,530,000, maturing from February 1, 2010 to February 1, 2028 at interest rates ranging from 4.00% to 5.50%. Of this, \$66,305,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	62,375,000	63,940,000
Series 2007A Bonds issued May 30, 2007 for the aggregate amount of \$71,230,000, maturing from February 1, 2008 to February 1, 2027 at interest rates ranging from 4.00% to 5.00%. Of this, \$61,255,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	61,255,000	61,255,000
Series 2006B Bonds issued December 13, 2006 for the aggregate amount of \$142,930,000, maturing from February 1, 2008 to February 1, 2028 at interest rates ranging from 3.50% to 5.50%. Of this, \$112,745,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	101,710,000	105,265,000

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
Years Ended June 30, 2012 and 2011**

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**NOTE 7 - BONDS PAYABLE (Continued)**

	2012	2011
Series 2006A Bonds issued April 25, 2006 for the aggregate amounts of \$221,355,000, maturing from February 1, 2007 to February 1, 2027 at interest rates ranging from 3.60% to 5.25%. Of this, \$203,760,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	\$ 155,775,000	\$ 164,160,000
Series 2005A Refunding Bonds issued December 7, 2005 for the aggregate amount of \$277,930,000 to refund the callable portion of Series 1997A, 1998A, 2000A, 2000B, 2001A, and 2002B Bonds, maturing from February 1, 2006 to February 1, 2029 at interest rates ranging from 3.30% to 5.25%. Of this, \$197,950,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	173,015,000	181,420,000
Series 2004C Bonds issued June 23, 2004 for the aggregate amount of \$200,000,000, maturing serially through February 1, 2027 at interest rates ranging from 5.00% to 5.25%. In February 2010, \$31,640,000 was refunded. In February 2012, \$82,335,000 was refunded. The remaining \$44,105,000 matures from February 1, 2013 to February 1, 2027.	44,105,000	133,340,000
Series 2004B Bonds issued April 7, 2004 for the aggregate amounts of \$200,000,000, maturing from February 1, 2005 to February 1, 2025 at interest rates ranging from 2.00% to 5.00%. Of this amount, \$167,480,000 was the final allocation to the WSRF program based upon the percentage of original bond proceeds allocated to each program. In February 2010, \$13,549,109 was refunded. In October 2010, \$6,528,667 was refunded. In February 2012, \$38,610,798 was refunded. The remaining \$79,638,618 matures from February 1, 2013 to February 1, 2025.	79,638,618	125,556,013

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
Years Ended June 30, 2012 and 2011**

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**NOTE 7 - BONDS PAYABLE (Continued)**

	2012	2011
Series 2004A Refunding Bonds issued April 7, 2004 for the aggregate amount of \$113,115,000 to refund the callable portion of the Series 1994A and 1995A Bonds, maturing from February 1, 2005 to February 1, 2012 at interest rates ranging from 1.74% to 3.98%.	\$ -	\$ 12,235,000
Series 2002B Bonds issued December 23, 2002 for the aggregate amount of \$66,695,000, maturing from February 1, 2013 to February 1, 2024 at interest rates ranging from 4.00% to 5.375%. Of this amount, \$52,422,270 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program. In December 2005, \$3,775,000 was refunded. In February 2010, \$32,063,115 was refunded. In October 2010, \$6,705,000 was refunded. The remaining \$16,583,888 matures from February 1, 2013 to February 1, 2024.	6,949,943	9,878,888
Series 2002A Refunding Bonds issued December 23, 2002 for the aggregate amount of \$75,070,000 to refund the callable portion of the Series 1993A Bonds, maturing from February 1, 2004 to February 1, 2013 at interest rates ranging from 1.86% to 4.84%.	1,400,000	11,185,000
Series 2001A Bonds issued October 24, 2001 for the aggregate amount of \$400,000,000, maturing from August 1, 2003 to February 1, 2023 at interest rates ranging from 3.5% to 5.5%. Of this amount, \$320,104,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program. In December 2005, \$2,885,000 was refunded. In February 2010, \$157,619,688 was refunded. In October 2010, \$45,540,603 was refunded. In February 2012, \$13,641,047 was refunded. The remaining \$19,316,977 matures from February 1, 2013 to February 1, 2023.	<u>15,316,977</u>	<u>67,635,627</u>
Subtotal-Wastewater	<u>\$ 1,402,180,538</u>	<u>\$ 1,434,645,528</u>

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**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
Years Ended June 30, 2012 and 2011**

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**NOTE 7 - BONDS PAYABLE (Continued)**

	2012	2011
<u>Drinking Water Fund:</u>		
Series 2012A Refunding Bonds issued February 8, 2012 for the aggregate amount of \$137,945,000 to refund the callable portion of Series 2001A, 2004B and 2004C Bonds, maturing from August 1, 2013 to February 1, 2022 at interest rates ranging from 4.75% to 5.375%. Of this, \$11,875,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.	\$ 11,875,000	\$ -
Series 2011A Bonds issued October 26, 2011 for the aggregate amount of \$191,385,000, maturing from February 1, 2012 to February 1, 2030 at interest rates ranging from 1.00% to 5.00%. Of this, \$50,870,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	49,870,000	-
Series 2010C Refunding Bonds issued October 20, 2010 for The aggregate amount of \$64,925,000 to refund the callable Portion of Series 2001A, 2002B and 2004B Bonds, maturing from February 1, 2020 to February 1, 2023 at interest rate of 5.00%. Of this, \$7,555,000 was allocated to the DWSRF Program based upon the percentage of the original bond Proceeds allocated to each program.	7,555,000	7,555,000
Series 2010B Bonds issued October 20, 2010 for the aggregate amount of \$100,000,000, maturing from February 1, 2011 to February 1, 2030 at interest rates ranging from 1.50% to 5.00%. Of this, \$20,000,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	17,200,000	18,535,000

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**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
Years Ended June 30, 2012 and 2011**

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**NOTE 7 - BONDS PAYABLE (Continued)**

	2012	2011
Series 2010A Refunding Bonds issued February 2, 2010 for the aggregate amount of \$288,970,000 to refund the callable portion of Series 2000B, 2001A, 2002B, 2004B and 2004C Bonds, maturing from February 1, 2011 to February 1, 2024 at interest rates ranging from 2.00% to 5.00%. Of this, \$42,235,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	\$ 42,090,000	\$ 42,165,000
Series 2009A Bonds issued November 24, 2009 for the aggregate amount of \$138,990,000, maturing from February 1, 2011 to February 1, 2028 at interest rates ranging from 2.00% to 5.00%. Of this, \$17,755,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	17,085,000	17,585,000
Series 2007B Bonds issued December 13, 2007 for the aggregate amount of \$94,530,000, maturing from February 1, 2010 to February 1, 2028 at interest rates ranging from 4.00% to 5.50%. Of this, \$28,225,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	25,170,000	26,315,000
Series 2007A Bonds issued May 30, 2007 for the aggregate amount of \$71,230,000, maturing from February 1, 2008 to February 1, 2027 at interest rates ranging from 4.00% to 5.00%. Of this, \$9,975,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	8,810,000	9,035,000
Series 2006B Bonds issued December 13, 2006 for the aggregate amount of \$142,930,000, maturing from February 1, 2008 to February 1, 2028 at interest rates ranging from 3.50% to 5.50%. Of this, \$30,185,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	22,320,000	24,055,000

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**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
Years Ended June 30, 2012 and 2011**

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**NOTE 7 - BONDS PAYABLE (Continued)**

	2012	2011
Series 2006A Bonds issued April 25, 2006 for the aggregate amounts of \$221,355,000, maturing from February 1, 2007 to February 1, 2027 at interest rates ranging from 3.60% to 5.25%. Of this, \$17,595,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	\$ 13,135,000	\$ 13,980,000
Series 2005A Refunding Bonds issued December 7, 2005 for the aggregate amount of \$277,930,000 to refund the callable portion of Series 1997A, 1998A, 2000A, 2000B, 2001A, and 2002B Bonds, maturing from February 1, 2006 to February 1, 2029 at interest rates ranging from 3.30% to 5.25%. Of this, \$77,535,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	53,595,000	57,035,000
Series 2004B Bonds issued April 7, 2004 for the aggregate amount of \$200,000,000, maturing from February 1, 2005 to February 1, 2025 at interest rates ranging from 2.00% to 5.00%. Of this amount, \$32,520,000 was the final allocation to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program. In February 2010, \$2,310,891 was refunded. In October 2010, \$1,201,333 was refunded. In February 2012, \$7,669,202 was refunded. The remaining \$15,671,382 matures from February 1, 2013 to February 1, 2025.	15,671,382	24,758,987
Series 2002B Bonds issued December 23, 2002 for the aggregate amount of \$66,695,000, maturing from February 1, 2013 to February 1, 2024 at interest rates ranging from 4.00% to 5.375%. Of this amount, \$14,272,730 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program. In December 2005, \$2,165,000 was refunded. In February 2010, \$5,246,885 was refunded. The remaining \$6,861,112 matures from February 1, 2013 to February 1, 2024.	1,905,057	6,861,112

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**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)  
Years Ended June 30, 2012 and 2011**

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**NOTE 7 - BONDS PAYABLE (Continued)**

	2012	2011
Series 2001A Bonds issued October 24, 2001 for the aggregate amount of \$400,000,000, maturing from August 1, 2004 to February 1, 2023 at interest rates ranging from 3.5% to 5.5%. Of this amount, \$79,896,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program. In December 2005, \$16,600,000 was refunded. In February 2010, \$22,685,312 was refunded. In October 2010, \$6,559,397 was refunded. In February 2012, \$4,073,593 was refunded. The remaining \$3,823,023 matures from February 1, 2013 to February 1, 2023.	<u>\$ 3,823,023</u>	<u>\$ 21,739,373</u>
Subtotal-Drinking Water	<u>290,104,462</u>	<u>269,619,472</u>
Total Principal	1,692,285,000	1,704,265,000
Loss on refunding	(34,007,882)	(27,743,968)
Net premium on bonds payable	<u>113,287,088</u>	<u>94,840,930</u>
Total Bonds Payable	1,771,564,206	1,771,361,962
Less: Current portion	<u>116,680,000</u>	<u>88,245,000</u>
Long-term Portion	<u>\$ 1,654,884,206</u>	<u>\$ 1,683,116,962</u>

In December 2005, the Authority issued Series 2005A Refunding Bonds for the aggregate amount of \$277,930,000, which included \$258,815,000 of refunding debt. The refunding debt was used to refund in advance of their stated maturity dates portions of the Series 1997A, 1998A, 2000A, 2000B, 2001A, and 2002B Bonds.

In March 2008, the Authority cash defeased the remaining maturities of the Series 2000A Bonds. A cash deposit of \$30,585,073 was made to an escrow fund, which will pay principal and interest for the defeased debt totaling \$28,725,000.

In February 2010, the Authority issued Series 2010A Refunding Bonds for the aggregate amount of \$288,970,000. The bonds were sold at a premium and refunded \$292,770,000 of prior debt. The refunding debt was used to refund in advance of their stated maturity dates portions of the Series 2000B, 2001A, 2002B, 2004B and 2004C Bonds. The cash flow difference between the debt service on the refunded bonds and the new debt was \$14,768,576 and the economic gain was \$13,417,876.

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**Years Ended June 30, 2012 and 2011**

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**NOTE 7 - BONDS PAYABLE (Continued)**

The Authority cash defeased the remaining maturities of the Series 1998A Bonds in September 2010. All bonds were redeemed and are no longer outstanding.

In October 2010, the Authority issued Series 2010C Refunding Bonds for the aggregate amount of \$64,925,000. The bonds were sold at a premium and refunded \$66,535,000 of prior debt. The refunding debt was used to refund in advance of their stated maturity dates portions of the Series 2001A, 2002B and 2004B Bonds. Debt service payments on the new bonds are \$3,541,767 less than on the refunded bonds and the economic gain was \$2,902,053.

In February 2012, the Authority issued Series 2012A Refunding Bonds for the aggregate amount of \$137,945,000. The bonds were sold at a premium and refunded \$146,330,000 of prior debt. The refunding debt was used to refund in advance of their stated maturity dates portions of the Series 2001A, 2004B and 2004C Bonds. Debt service payments on the new bonds are \$23,921,410 less than on the refunded bonds and the economic gain was \$17,365,514.

The bonds referred to above are considered to have been defeased and have been removed from the financial statements and in total have remaining outstanding balances of \$500,520,000 and \$369,625,000 as of June 30, 2012 and 2011, respectively.

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**Years Ended June 30, 2012 and 2011**

**NOTE 7 - BONDS PAYABLE (Continued)**

The aggregate debt service requirements for all bonds allocable to the SRF Programs as of June 30, 2012, are as follows:

	Principal			Interest			Debt Service Total
	Wastewater Fund	Drinking Water Fund	Total	Wastewater Fund	Drinking Water Fund	Total	
2013	\$ 101,255,753	\$ 15,424,247	\$ 116,680,000	\$ 67,521,574	\$ 13,901,454	\$ 81,423,028	\$ 198,103,028
2014	86,097,192	14,837,808	100,935,000	63,047,558	13,257,817	76,305,375	177,240,375
2015	102,992,319	17,797,681	120,790,000	59,065,448	12,594,427	71,659,875	192,449,875
2016	92,640,000	19,695,000	112,335,000	54,298,032	11,793,593	66,091,625	178,426,625
2017	94,116,233	20,683,767	114,800,000	50,051,495	10,874,693	60,926,188	175,726,188
2018-2022	495,934,041	105,245,959	601,180,000	177,427,049	38,551,426	215,978,475	817,158,475
2023-2027	336,130,000	68,145,000	404,275,000	67,402,113	16,548,556	83,950,669	488,225,669
2028-2030	<u>93,015,000</u>	<u>28,275,000</u>	<u>121,290,000</u>	<u>8,319,713</u>	<u>2,650,200</u>	<u>10,969,913</u>	<u>132,259,913</u>
	1,402,180,538	290,104,462	1,692,285,000	547,132,982	120,172,166	667,305,148	2,359,590,148
Loss on Refunding	(29,839,142)	(4,168,740)	(34,007,882)	-	-	-	(34,007,882)
Premium	<u>94,532,267</u>	<u>18,754,821</u>	<u>113,287,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,287,088</u>
Total	<u>\$1,466,873,663</u>	<u>\$304,690,543</u>	<u>\$1,771,564,206</u>	<u>\$ 547,132,982</u>	<u>\$ 120,172,166</u>	<u>\$ 667,305,148</u>	<u>\$ 2,438,869,354</u>

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**Years Ended June 30, 2012 and 2011**

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**NOTE 7 - BONDS PAYABLE (Continued)**

The following is a summary of total debt service:

	Interest Rates Ranges	Maturity Range	Annual Payment Range	Principal
Wastewater Fund	2.00%-5.50%	2013-2030	\$ 23,670,000 - \$107,265,320	\$ 1,402,180,538
Drinking Water Fund	2.00%-5.50%	2013-2030	7,585,000 - 24,025,000	<u>290,104,462</u>
Combined Programs	2.00%-5.50%	2013-2030	31,255,000 - 126,270,000	1,692,285,000
Less: Current Portion				<u>116,680,000</u>
Total Long-term Portion				<u>\$ 1,575,605,000</u>

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**Years Ended June 30, 2012 and 2011**

**NOTE 8 - LONG-TERM LIABILITIES**

Long-term liability activity for the years ended June 30, 2012 and 2011 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Amounts Due Within One Year	Amounts Due Thereafter
June 30, 2012:						
Amount due to federal government	\$ 1,839,539	\$ 1,292,884	\$ 1,302,905	\$ 1,829,518	\$ -	\$ 1,829,518
Bonds payable	1,704,265,000	329,330,000	341,310,000	1,692,285,000	116,680,000	1,575,605,000
Loss on refunding	(27,743,968)	11,317,502	5,053,588	(34,007,882)	-	(34,007,882)
Net premium on bonds payable	94,840,930	36,225,159	17,779,001	113,287,088	-	113,287,088
	<u>\$ 1,773,201,501</u>	<u>\$ 355,530,541</u>	<u>\$ 355,338,318</u>	<u>\$1,773,393,724</u>	<u>\$ 116,680,000</u>	<u>\$ 1,656,713,724</u>
June 30, 2011:						
Amount due to federal government	\$ 5,247,400	\$ 925,176	\$ 4,333,037	\$ 1,839,539	\$ 1,302,905	\$ 536,634
Bonds payable	1,719,615,000	164,925,000	180,275,000	1,704,265,000	88,245,000	1,616,020,000
Loss on refunding	(26,605,175)	5,539,847	6,678,640	(27,743,968)	-	(27,743,968)
Net premium on bonds payable	89,679,599	19,648,109	14,486,778	94,840,930	-	94,840,930
	<u>\$ 1,787,936,824</u>	<u>\$ 191,038,132</u>	<u>\$ 205,773,455</u>	<u>\$1,773,201,501</u>	<u>\$ 89,547,905</u>	<u>\$ 1,683,653,596</u>

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)**  
**Years Ended June 30, 2012 and 2011**

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**NOTE 9 - FUND TRANSFERS**

Consistent with its Intended Use Plans and EPA's related Policy Statement, the Authority is required to report on transfers between the DWSRF and the WSRF in its Financial Statements. In its Intended Use Plans, the SRF Programs retained the flexibility to make transfers of grants (and other funds) held in or allocable to such funds to the extent permitted by the Clean Water Act and the Safe Drinking Water Act. As of June 30, 2012, an amount up to 33% of the Safe Drinking Water Act grants for Federal Fiscal Years (FFY) 1997 through 2012 could be so transferred on a net cumulative basis between the two SRF Programs funds.

Based on the State's award of Safe Drinking Water Act related funds for FFY 1997 through 2012, to date, the following transfers were made:

2001	\$ 20,464,898
2002	3,270,417

**NOTE 10 - PROGRAM REVENUE**

For the years ended June 30, 2012 and 2011, program revenues consisted of the following:

	2012	2011
Interest and other income	\$ 119,570,884	\$ 80,999,610
Capital grants and contributions	<u>64,720,181</u>	<u>85,400,959</u>
	<u>\$ 184,291,065</u>	<u>\$ 166,400,569</u>

**NOTE 11 - SUBSEQUENT EVENTS**

On August 30, 2012, the Authority issued 2012B SRF Programs Bonds for the aggregate amount of \$139,255,000, maturing from February 1, 2013 to February 1, 2031 at interest rates ranging from 1.50% to 5.00%. Of this, \$122,110,000 was allocated to the WSRF Program, and \$17,145,000 was allocated to the DWSRF Program, based upon the percentage of original bond proceeds allocated to each program.

## **SUPPLEMENTARY INFORMATION**

*Independent Auditors' Report  
on Supplementary Information*

Members of the Indiana Finance Authority  
State Revolving Fund Loan Programs

We have audited the combined financial statements of the State Revolving Fund Loan Programs, an enterprise fund of the Indiana Finance Authority, as of and for the years ended June 30, 2012 and 2011, and our report thereon dated September 28, 2012, which expressed an unqualified opinion on the combined financial statements appears on pages 1-2. Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combining schedules are presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, change in financial position and cash flows of the individual programs, and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
September 28, 2012

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**COMBINING SCHEDULES - STATEMENTS OF NET ASSETS INFORMATION**  
**June 30, 2012 and 2011**

	Wastewater Program		Drinking Water Program		Combined	
	2012	2011	2012	2011	2012	2011
<b>ASSETS</b>						
Current Assets:						
Cash and equivalents	\$ 526,566,124	\$ 434,999,778	\$ 112,538,600	\$ 85,772,347	\$ 639,104,724	\$ 520,772,125
Interest receivable-investments	3,064,012	4,075,687	328,034	905,081	3,392,046	4,980,768
Interest receivable-loans	12,782,487	13,635,372	1,616,725	1,375,320	14,399,212	15,010,692
Due from EPA	31,261,000	27,548,683	12,000,669	10,736,295	43,261,669	38,284,978
Accounts receivable	-	422,086	-	-	-	422,086
Loans receivable, net	106,972,953	79,136,513	15,560,668	14,278,456	122,533,621	93,414,969
Total Current Assets	<u>680,646,576</u>	<u>559,818,119</u>	<u>142,044,696</u>	<u>113,067,499</u>	<u>822,691,272</u>	<u>672,885,618</u>
Noncurrent Assets:						
Investments	254,422,860	300,175,375	69,942,652	91,160,301	324,365,512	391,335,676
Loans receivable, net	1,477,903,828	1,519,152,790	340,082,019	299,457,451	1,817,985,847	1,818,610,241
Equipment, net	202,047	30,423	62,167	14,167	264,214	44,590
Deferred charges, net	6,834,973	6,924,261	1,461,254	1,289,258	8,296,227	8,213,519
Total Noncurrent Assets	<u>1,739,363,708</u>	<u>1,826,282,849</u>	<u>411,548,092</u>	<u>391,921,177</u>	<u>2,150,911,800</u>	<u>2,218,204,026</u>
Total Assets	<u>2,420,010,284</u>	<u>2,386,100,968</u>	<u>553,592,788</u>	<u>504,988,676</u>	<u>2,973,603,072</u>	<u>2,891,089,644</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Interest payable	28,188,900	29,286,022	5,814,360	5,479,912	34,003,260	34,765,934
Accounts payable	264,430	358,386	30,666	23,387	295,096	381,773
Amount due to federal government	-	1,135,431	-	167,474	-	1,302,905
Bonds payable-current, net	101,255,753	74,143,001	15,424,247	14,101,999	116,680,000	88,245,000
Total Current Liabilities	<u>129,709,083</u>	<u>104,922,840</u>	<u>21,269,273</u>	<u>19,772,772</u>	<u>150,978,356</u>	<u>124,695,612</u>
Long-term Liabilities:						
Amount due to federal government	1,518,767	448,243	310,751	88,391	1,829,518	536,634
Bonds payable, net	1,365,617,910	1,416,842,065	289,266,296	266,274,897	1,654,884,206	1,683,116,962
Total Long-term Liabilities	<u>1,367,136,677</u>	<u>1,417,290,308</u>	<u>289,577,047</u>	<u>266,363,288</u>	<u>1,656,713,724</u>	<u>1,683,653,596</u>
Total Liabilities	<u>1,496,845,760</u>	<u>1,522,213,148</u>	<u>310,846,320</u>	<u>286,136,060</u>	<u>1,807,692,080</u>	<u>1,808,349,208</u>
<b>NET ASSETS</b>						
Restricted for water pollution and drinking water projects and other related program purposes	<u>\$ 923,164,524</u>	<u>\$ 863,887,820</u>	<u>\$ 242,746,468</u>	<u>\$ 218,852,616</u>	<u>\$ 1,165,910,992</u>	<u>\$ 1,082,740,436</u>

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**COMBINING SCHEDULES - STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS INFORMATION**  
**Years Ended June 30, 2012 and 2011**

	Wastewater Program		Drinking Water Program		Combined	
	2012	2011	2012	2011	2012	2011
<b>OPERATING REVENUE</b>						
Interest income-investments	\$ 42,055,531	\$ 14,647,112	\$ 14,067,024	\$ 4,215,072	\$ 56,122,555	\$ 18,862,184
Interest income-loan participants	52,116,174	52,341,579	10,874,751	9,351,039	62,990,925	61,692,618
Other	18,000	19,000	439,404	425,808	457,404	444,808
<b>Total Operating Revenue</b>	<u>94,189,705</u>	<u>67,007,691</u>	<u>25,381,179</u>	<u>13,991,919</u>	<u>119,570,884</u>	<u>80,999,610</u>
<b>OPERATING EXPENSES</b>						
Interest	64,602,379	64,564,773	12,992,946	11,927,532	77,595,325	76,492,305
Amortization of deferred charges	1,015,824	1,042,116	213,942	196,103	1,229,766	1,238,219
Trustee fees	34,253	79,538			34,253	79,538
Other program and administrative	2,132,858	3,681,921	496,420	714,800	2,629,278	4,396,721
<b>Total Operating Expenses</b>	<u>67,785,314</u>	<u>69,368,348</u>	<u>13,703,308</u>	<u>12,838,435</u>	<u>81,488,622</u>	<u>82,206,783</u>
<b>OPERATING INCOME (LOSS)</b>	26,404,391	(2,360,657)	11,677,871	1,153,484	38,082,262	(1,207,173)
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Capital Contributions	45,939,888	65,767,047	18,780,293	19,633,912	64,720,181	85,400,959
Loan Forgiveness	(13,067,575)	(34,765,882)	(6,564,312)	(9,106,197)	(19,631,887)	(43,872,079)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>32,872,313</u>	<u>31,001,165</u>	<u>12,215,981</u>	<u>10,527,715</u>	<u>45,088,294</u>	<u>41,528,880</u>
<b>INCREASE IN NET ASSETS</b>	59,276,704	28,640,508	23,893,852	11,681,199	83,170,556	40,321,707
<b>NET ASSETS</b>						
Beginning of Year	863,887,820	835,247,312	218,852,616	207,171,417	1,082,740,436	1,042,418,729
End of Year	<u>\$ 923,164,524</u>	<u>\$ 863,887,820</u>	<u>\$ 242,746,468</u>	<u>\$ 218,852,616</u>	<u>\$ 1,165,910,992</u>	<u>\$ 1,082,740,436</u>

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**COMBINING SCHEDULES - STATEMENTS OF CASH FLOWS INFORMATION**  
**Years Ended June 30, 2012 and 2011**

	Wastewater Program		Drinking Water Program		Combined	
	2012	2011	2012	2011	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash payments for salaries, administrative and other expenses	\$ (1,838,981)	\$ (1,859,777)	\$ (58,737)	\$ 731,334	\$ (1,897,718)	\$ (1,128,443)
Administration fee	18,000	19,000	9,000	7,061	27,000	26,061
Net Cash Provided (Used) by Operating Activities	<u>(1,820,981)</u>	<u>(1,840,777)</u>	<u>(49,737)</u>	<u>738,395</u>	<u>(1,870,718)</u>	<u>(1,102,382)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Maturities of loans to participants	158,031,390	101,433,749	25,931,492	16,761,724	183,962,882	118,195,473
Issuance of loans to participants	(144,618,868)	(167,253,098)	(67,838,272)	(54,629,037)	(212,457,140)	(221,882,135)
Change in investments	45,752,515	31,865,768	21,217,649	3,352,440	66,970,164	35,218,208
Interest received on loans and investments	96,036,265	72,239,427	25,277,417	14,454,555	121,313,682	86,693,982
Purchase of capital assets	(171,624)	(14,011)	(48,000)	(8,000)	(219,624)	(22,011)
Net Cash Provided (Used) by Investing Activities	<u>155,029,678</u>	<u>38,271,835</u>	<u>4,540,286</u>	<u>(20,068,318)</u>	<u>159,569,964</u>	<u>18,203,517</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Proceeds from debt issuance	266,585,000	137,370,000	62,745,000	27,555,000	329,330,000	164,925,000
Principal payments to reduce indebtedness including refunding	(290,696,403)	(151,445,578)	(38,431,353)	(24,806,884)	(329,127,756)	(176,252,462)
Payment of debt issuance costs, net of refunding	(926,536)	(929,340)	(385,938)	(184,909)	(1,312,474)	(1,114,249)
Change in amount due to federal government	(64,907)	(2,917,070)	54,886	(490,791)	(10,021)	(3,407,861)
Interest paid on debt	(65,699,501)	(64,887,257)	(12,658,498)	(11,906,954)	(78,357,999)	(76,794,211)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(90,802,347)</u>	<u>(82,809,245)</u>	<u>11,324,097</u>	<u>(9,834,538)</u>	<u>(79,478,250)</u>	<u>(92,643,783)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>						
Capital contributions (EPA Grants)	42,227,571	74,515,005	17,515,919	24,082,857	59,743,490	98,597,862
Issuance of forgivable loans to participants	(13,067,575)	(34,765,882)	(6,564,312)	(9,106,197)	(19,631,887)	(43,872,079)
Net Cash Provided by Capital Financing Activities	<u>29,159,996</u>	<u>39,749,123</u>	<u>10,951,607</u>	<u>14,976,660</u>	<u>40,111,603</u>	<u>54,725,783</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	<b>91,566,346</b>	<b>(6,629,064)</b>	<b>26,766,253</b>	<b>(14,187,801)</b>	<b>118,332,599</b>	<b>(20,816,865)</b>
<b>CASH AND EQUIVALENTS</b>						
Beginning of Year	<u>434,999,778</u>	<u>441,628,842</u>	<u>85,772,347</u>	<u>99,960,148</u>	<u>520,772,125</u>	<u>541,588,990</u>
End of Year	<u>\$ 526,566,124</u>	<u>\$ 434,999,778</u>	<u>\$ 112,538,600</u>	<u>\$ 85,772,347</u>	<u>\$ 639,104,724</u>	<u>\$ 520,772,125</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES</b>						
Operating income	\$ 26,404,391	\$ (2,360,657)	\$ 11,677,871	\$ 1,153,484	\$ 38,082,262	\$ (1,207,173)
Adjustments to reconcile operating income to net cash used by operating activities:						
Interest income	(94,171,705)	(66,988,691)	(24,941,775)	(13,566,111)	(119,113,480)	(80,554,802)
Interest expense	64,602,379	64,564,773	12,992,946	11,927,532	77,595,325	76,492,305
Amortization of deferred charges	1,015,824	1,042,116	213,942	196,103	1,229,766	1,238,219
Changes in assets and liabilities:						
Accounts receivable	422,086	1,807,263	-	1,004,000	422,086	2,811,263
Accounts payable	(93,956)	94,419	7,279	23,387	(86,677)	117,805
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,820,981)</u>	<u>\$ (1,840,777)</u>	<u>\$ (49,737)</u>	<u>\$ 738,395</u>	<u>\$ (1,870,718)</u>	<u>\$ (1,102,382)</u>



**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND  
OMB CIRCULAR A-133 AUDITORS' REPORTS

June 30, 2012

# STATE REVOLVING FUND LOAN PROGRAMS (ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)

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*Independent Auditors' Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance with Government Auditing Standards*

*Year Ended June 30, 2012*

Members of the Indiana Finance Authority  
State Revolving Fund Loan Programs

We have audited the combined financial statements of the State Revolving Fund Loan Programs, an enterprise fund of the Indiana Finance Authority, as of and for the year ended June 30, 2012, and have issued our report thereon dated September 28, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the State Revolving Fund Loan Programs is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the State Revolving Fund Loan Programs' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State Revolving Fund Loan Programs' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the State Revolving Fund Loan Programs' internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

## **Compliance and Other Matters**

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

This report is intended solely for the information and use of management, Members of the Indiana Finance Authority, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Katz, Agnew & Miller, LLP*

Indianapolis, Indiana  
September 28, 2012

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2012**

	Federal CFDA Number	Grant Number	Program or Award Amount	Federal Expenditures
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY:</b>				
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS 18000110-0	\$ 49,104,000	\$ 4,037,757
	66.458	CS 18000111-0	35,588,000	7,984,622
	66.458	CS 18000112-0	34,061,000	<u>31,261,000</u>
				43,283,379
ARRA-Capitalization Grants for Clean Water State Revolving Funds	66.458	2W-00E73001	94,447,500	<u>2,656,509</u> *
				<u>45,939,888</u>
Capitalization Grants for Drinking Water State Revolving Funds	66.468	FS98548608-0	100,000	100,000
	66.468	FS98548610-0	22,185,240	4,123,155
	66.468	FS98548610-0	452,760	330,404
	66.468	FS98548611-0	15,394,820	2,281,913
	66.468	FS98548612-0	14,970,000	<u>11,970,000</u>
				18,805,472
ARRA-Capitalization Grants for Drinking Water State Revolving Funds	66.468	2F-00E72901	27,212,000	<u>405,225</u> *
				<u>19,210,697</u>
				<u><u>\$ 65,150,585</u></u>

\* Grant relates to the American Recovery and Reinvestment Act of 2009 (ARRA).

See accompanying notes to schedule of expenditures of federal awards.

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2012**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the State Revolving Fund Loan Programs, an enterprise fund of the Indiana Finance Authority, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic combined financial statements.

**NOTE 2 - SUBRECIPIENTS**

The State Revolving Fund Loan Programs provided federal awards to subrecipients as follows:

<b>Program Title</b>	<b>CFDA Number</b>	<b>Amount Provided</b>
Capitalization Grants for Clean Water State Revolving Funds	66.458	\$43,283,379
ARRA-Capitalization Grants for Clean Water State Revolving Funds	66.458	2,656,509
Capitalization Grants for Drinking Water State Revolving Funds	66.468	18,375,068
ARRA-Capitalization Grants for Drinking Water State Revolving Funds	66.468	405,225

Loans forgiven during fiscal year 2012 and included on the schedule of federal expenditures totaled \$19,631,887.

*Independent Auditors' Report on Compliance With  
Requirements That Could Have a Direct and  
Material Effect on Each Major Program and on  
Internal Control Over Compliance in  
Accordance with OMB Circular A-133*

*Year Ended June 30, 2012*

Members of the Indiana Finance Authority  
State Revolving Fund Loan Programs

**Compliance**

We have audited the State Revolving Fund Loan Programs' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the State Revolving Fund Loan Programs' major federal programs for the year ended June 30, 2012. The State Revolving Fund Loan Programs' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the State Revolving Fund Loan Programs' management. Our responsibility is to express an opinion on the State Revolving Fund Loan Programs' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State Revolving Fund Loan Programs' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the State Revolving Fund Loan Programs' compliance with those requirements.

In our opinion, the State Revolving Fund Loan Programs complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

## **Internal Control Over Compliance**

Management of the State Revolving Fund Loan Programs is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the State Revolving Fund Loan Programs' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State Revolving Fund Loan Programs' internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

## **Schedule of Expenditures of Federal Awards**

We have audited the combined financial statements of the State Revolving Fund Loan Programs, an enterprise fund of the Indiana Finance Authority, as of and for the year ended June 30, 2012, and have issued our report thereon dated September 28, 2012, which contained an unqualified opinion on those combined financial statements. Our audit was conducted for the purpose of forming our opinion on the combined financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the combined financial statements as a whole.

This report is intended solely for the information and use of management, Members of the Indiana Finance Authority, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Katz, Sappaw & Miller, LLP*

Indianapolis, Indiana  
September 28, 2012



**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2012**

**SECTION I – Summary of Auditors’ Results (Continued)**

Dollar threshold used to distinguish between  
type A and type B programs:

\$1,954,518

Auditee qualified as low-risk auditee?

yes  no

**SECTION II – Financial Statement Findings**

None

**SECTION III – Federal Award Findings and Questioned Costs**

None

Exhibit M

**USE OF "NON-FEDERAL" FUNDS FOR OTHER PURPOSES**

Pursuant to the State Revolving Fund Loan Program Final Q & A's issued July 1990 (see II.A.3) and in a Memorandum dated 12/22/98 from EPA's Office of General Counsel, the CWSRF Loan Program is permitted to use funds from the Clean Water SRF, that qualify as non-Federal sources, toward meeting the State's section 319 match requirement, when spent on section 319 activities. Non-federal sources include: interest earnings on CWSRF fund accounts, loan repayments, State funds in excess of its 20 percent SRF match, and bond proceeds in excess of the grant amount. In addition, pursuant to Section IV, D, 3 of the Nonpoint Source Program and Grants Guidelines for States and Territories that were developed to implement nonpoint source management programs under Section 319 of the Clean Water Act, the use of recycled funds under Title VI of the CWA can be used to provide a match for Section 319 grants. These are funds that have been loaned by the State and subsequently repaid by the borrower to the State. The repaid funds are then recycled by the State Revolving Fund program to provide loans that fund other water quality projects. These recycled funds are regarded as State monies and therefore are eligible to be used as match for Section 319 funds, provided that they, are used to implement the State's approved Section 319 management program.

Under the authority of 40 CFR §31.6(d), EPA approved a class deviation from 40 CFR 35.3125(b) (1). Pursuant to the class deviation, CWSRF Loan Programs are allowed to use non-Federal, non-State match CWSRF funds to provide loans that can be used to satisfy the local matching requirements for most EPA grant funded treatment works projects, including Special Appropriations Act projects. The Special Appropriations program requires grant recipients to provide at least forty-five percent of the cost of a project as its match.

Pursuant to the above stated authorities, the Indiana SRF Loan Program has an accumulation of non-Federal funds available to be used as state or local match for federal grant funding programs, including Section 319 grants and Special Appropriations grants. This Exhibit summarizes the balance of the non-Federal funds, the allocation of a portion of the non-Federal funds for federal match for Section 319 grants, lists the projects receiving a non-Federal match for their Federal grant and provides the amount of the non-Federal match applied.

Beginning Balance <sup>1</sup> @ 7/1/11	111,722,069
Increase/(Decrease) in fund balance	\$ 2,158,657
Balance as of 6/30/12	<u>113,880,726</u>

**ALLOCATION OF "NON-FEDERAL" FUNDS FOR FEDERAL MATCH**

Allocated for a Portion of the State Required 319 Match<sup>2</sup>

FFY	Grant Number	
FFY 2002	C997548202	991,812
FFY 2003	C997548203	615,210
FFY 2004	C997548204	714,679
FFY 2005	C997548205	735,920
FFY 2006	C997548206	1,675,585
FFY 2007	C997548207	862,825
FFY 2008	C997548208	909,185
FFY 2009	C997548209	1,030,143
FFY 2010	C997548210	1,250,000
FFY 2011	C997548211	1,250,000
FFY 2012	C997548212	1,250,000

Hammond Non Federal Match for US Army Corp of Engineers Grant	925,000
Centerville Non Federal Match for Special Appropriation Grant	300,068
Martinsville Non Federal Match for Special Appropriation Grant	1,932,200
Upland Non Federal Match for Special Appropriation Grant	740,000
Madison Township Non Federal Match for Special Appropriation Grant	1,125,800
Tell City Non Federal Match for Special Appropriation Grant	1,000,450
Indianapolis Non Federal Match for Special Appropriation Grant	1,359,531
Richmond Non Federal Match for Special Appropriation Grant	157,827

Available for Future Allocation	<u>\$ 95,054,491</u>
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<sup>1</sup>The Wastewater Equity Earnings Account is made up of recycled "non-federal" funds.

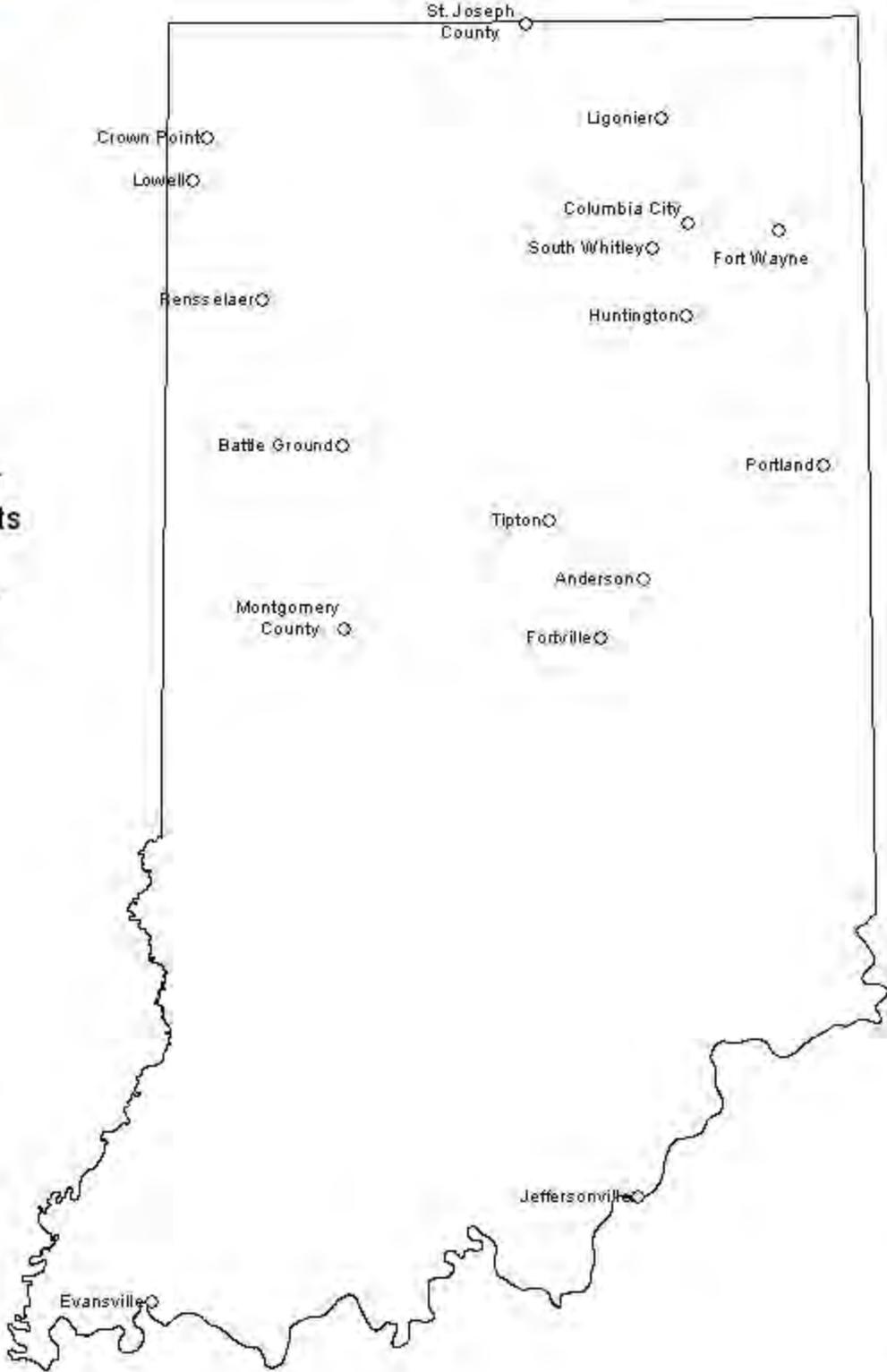
<sup>2</sup>As of June 30, 2012, the SRF Loan Program has made Non-Point source loans in the amount of \$198.8million, which have been attributed to the state required 319 match.

Closing Date	Participant	Loan Amount	NPS Portion	Disbursed	NPS Disbursed
06/30/04	City of Evansville	\$ 7,130,000	\$ 1,081,937	\$ 7,130,000	\$ 1,081,937
08/24/04	City of Indianapolis	25,000,000	3,466,230	25,000,000	3,466,230
08/31/04	Jennings NW RUD	6,200,000	2,174,437	6,200,000	2,174,437
10/01/04	Fulda RSD	419,342	270,408	419,342	270,408
11/10/04	Delaware County RWD	1,085,145	1,085,145	1,085,145	1,085,145
12/13/04	Taylor RSD	3,905,600	2,450,842	3,905,600	2,450,842
12/29/04	Town of Fortville	2,034,210	564,573	2,034,210	564,573
12/29/04	City of Indianapolis	70,000,000	25,679,058	70,000,000	25,679,058
02/28/05	City of New Haven	4,100,000	3,872,904	4,100,000	3,872,904
07/29/05	Campbell Township RSD	845,000	845,000	845,000	845,000
09/29/05	City of Columbia City	16,672,000	49,032	16,672,000	49,032
09/30/05	Town of Fortville	1,259,758	1,259,758	1,259,758	1,259,758
10/14/05	City of Fort Wayne	40,000,000	2,884,702	40,000,000	2,884,702
12/29/05	City of Indianapolis	90,000,000	20,104,248	90,000,000	20,104,248
12/30/05	Muncie SD	17,960,000	1,118,436	17,960,000	1,118,436
06/30/06	City of Indianapolis	35,250,000	8,836,444	35,250,000	8,836,444
06/30/06	Spencer MSW	350,000	38,500	350,000	38,500
08/17/06	City of Tell City	1,425,000	1,171,182	1,425,000	1,171,182
12/15/06	Town of Centerville	3,400,000	635,139	3,394,911	634,188
12/15/06	City of Indianapolis	34,750,000	30,932,406	34,750,000	30,932,406
08/28/07	Spencer MSW	4,783,788	338,380	4,783,788	338,380
08/30/07	Town of Centerville	800,000	136,000	708,962	120,524
12/18/07	City of Indianapolis	80,557,000	30,046,754	80,557,000	30,046,754
12/27/07	Allen County RWSD	1,609,858	1,609,858	1,609,858	1,609,858
03/28/08	City of Jeffersonville	9,800,000	3,724,000	9,800,000	3,724,000
05/05/08	Morgan County RSD	476,000	476,000	476,000	476,000
12/30/08	Allen County RWSD	2,971,000	2,971,000	2,971,000	2,971,000
07/06/09	City of Indianapolis	32,050,000	9,443,985	32,050,000	9,443,985
09/15/09	City of Angola	5,110,000	3,577,000	5,000,000	3,500,000
12/11/09	City of South Bend	4,495,000	539,400	4,394,434	527,332
12/23/09	City of Fort Wayne	29,091,005	4,072,741	29,091,005	4,072,741
12/29/09	City of Connersville	3,700,000	3,700,000	1,801,766	1,801,766
12/30/09	Town of Plainfield	7,269,000	2,000,000	6,319,244	1,738,683
01/20/10	City of Charlestown	1,300,000	1,300,000	1,300,000	1,300,000
01/28/10	Henryville	2,686,000	1,880,200	2,648,891	1,854,224
01/28/10	Town of Zionsville	2,045,330	1,985,000	2,045,330	1,985,000
03/01/10	City of Goshen	1,000,000	1,000,000	753,971	753,971
03/31/10	Town of Milton	4,351,385	2,872,000	4,126,643	2,723,666
06/30/10	Allen County RSD	5,200,000	5,200,000	4,943,794	4,943,794
10/08/10	Scott County	965,000	965,000	872,386	872,386
12/13/10	Luce Twp. RSD	5,702,000	5,702,000	4,162,910	4,162,910
03/31/11	Jeffersonville	22,350,000	47,211	16,541,464	34,941
06/23/11	Columbus	600,000	600,000	-	-
06/27/11	South West Lake Max CD	2,000,000	2,000,000	1,200,000	1,200,000
12/13/11	St. Joseph Co. RSD	2,904,000	2,904,000	836,064	836,064
04/26/12	Evansville	5,975,000	1,215,000	216,142	43,952
		<u>\$ 198,825,910</u>		<u>\$ 189,601,361</u>	
	Allocated for a Portion of the State Required 319 Match				11,285,359
	"Banked" toward Future Allocation of Match				<u>\$ 178,316,002</u>

Clean Water Projects Closed in State Fiscal Year 2012  
(July 1, 2011 - June 30, 2012)



**Legend**  
○ Clean Water  
2012 Projects  
  
\$140 million  
18 loans





All Clean Water Projects Closed in since 1992

Legend

○ Clean Water Projects

\$ 2.6 billion  
402 loans

