

# **STATE OF INDIANA**

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



**Annual Report  
State Fiscal Year 2016  
July 1, 2016**

STATE OF INDIANA  
 CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM  
STATE FISCAL YEAR 2016 ANNUAL REPORT

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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) 2016 (July 1, 2015 - June 30, 2016). It is prepared in accordance with Section 606(d) of the Clean Water Act (CWA), as amended by the Water Quality Act of 1987, further amended by the Water Resources and Development Act (WRRDA) of 2014, 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 2016 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 2016 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 2016 Capitalization Grant requires the Authority to allocate 10%, or \$3,200,000 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, Green Project Reserve by Capitalization Grant Year, lists the 2016 Capitalization Grant GPR projects.

Under the terms and conditions of the 2016 Capitalization grant, the CWSRF Loan Program is required to use ten (10%) percent, or \$3,200,000 of its funds available in the grant to provide additional subsidy to eligible recipients. In addition, the CWSRF Loan Program may provide a range of 0% to 30%, or \$0 to \$9,660,000, of its 2016 Capitalization Grant in the form of Additional Subsidization. Additional Subsidization may be in the form of principal forgiveness, negative interest rate loans, or grants. The 2016 Capitalization Grant was awarded on June 8, 2016 and the CWSRF Loan Program has identified communities that are eligible to receive the Additional Subsidization from the 2016 Capitalization Grant. Exhibit C, Additional Subsidization by Capitalization Grant Year, lists participants that have received Additional Subsidization in the form of principal forgiveness in past years. As of June 30, 2016, the CWSRF

Loan Program has provided Additional Subsidization totaling \$36.0 million dollars in the form of principal forgiveness, thus meeting the Additional Subsidization goals of the Capitalization Grants for SFY 2010-2014 and a portion of the Additional Subsidization goal for the 2015 Capitalization Grant. The CWSRF Loan Program has identified communities that are eligible to receive the Additional Subsidization remaining from the 2015 Capitalization Grant. This exhibit will be updated in subsequent Annual Reports documenting the fulfillment of grant requirements. Priority for Additional Subsidization was given to communities that could not otherwise afford such projects. The Authority shall spend the Additional Subsidization as required by the terms and conditions of the Capitalization Grant (Indiana SRF has four years in which to spend the Additional Subsidization), however, every attempt will be made to spend the Additional Subsidization within two years of receiving the Capitalization Grant.

Another requirement of the Capitalization Grant is to document projects that are categorized as Equivalency Projects. The purpose of Equivalency within the SRF programs is to allow states to select groups of loans the sum of which is equal to the amount of a capitalization grant to meet specific federal requirements for the program. For the Clean Water SRF program, these requirements include, meeting crosscutter requirements, single audit requirements, Federal Funding Accountability and Transparency Act reporting requirements, Disadvantaged Business Enterprises, the Signage Requirement and architectural and engineering procurement. Exhibit D, Equivalency Projects by Capitalization Grant Year, lists the Equivalency Projects and the Equivalency requirements of the program in SFY 2016.

To meet the minimum requirements of 603 9(d)(1)(E) of the Clean Water Act, as amended the Authority worked in SFY 2015 to develop criteria for the contents of the Fiscal Sustainability Plans that are required of all CWSRF loans submitting an application on or after October 1, 2014 and where the project will repair, replace or expand a treatment works. In SFY 2016, five loan recipients submitted applications to the program after October 1, 2014. All five have committed to providing certification of development and implementation of a Fiscal Sustainability Plan prior to the completion of their loan. In SFY 2016 the Authority also worked to develop criteria for the cost and effectiveness life cycle documentation that is required for all CWSRF loans submitting an application on or after October 1, 2015. In SFY 2016, all closed loans had applied to the program prior to October 1, 2015. Thus, no loan recipient was required to document the cost and effectiveness of their proposed project.

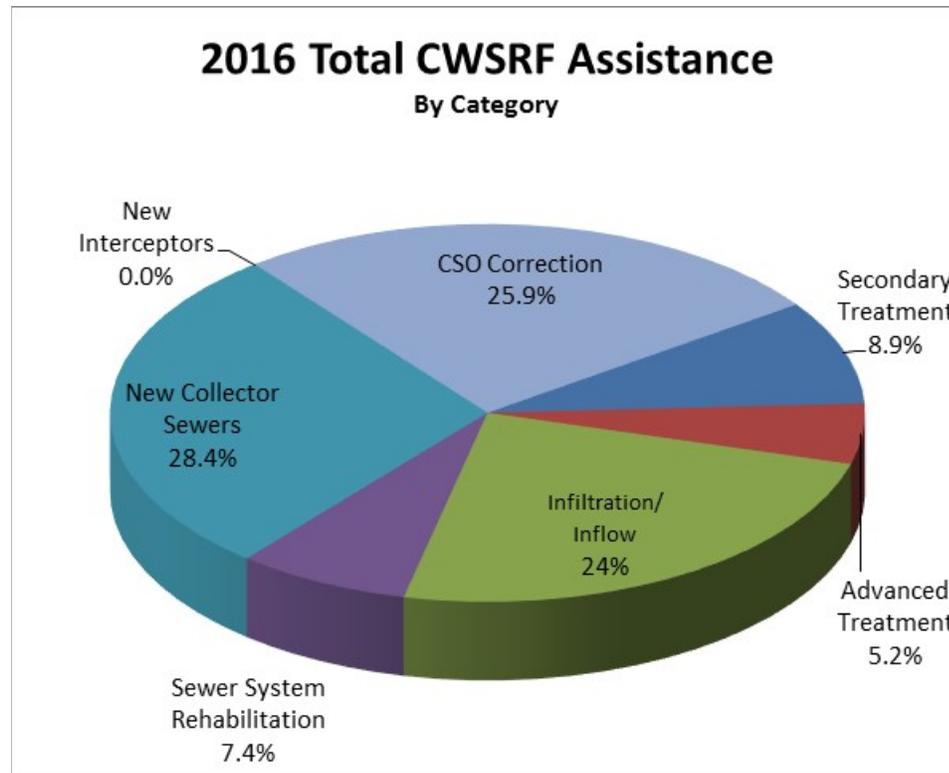
#### IV. ENVIRONMENTAL REVIEW AND BENEFITS [40 CFR 35.3165 (b) (1)]

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 2016 is attached in Exhibit E.

The participants receiving funds from the CWSRF Loan Program during SFY 2016 will realize the following significant environmental and public health benefits:

- Significant impacts in combined sewer overflow (CSO) events. 26% of the CWSRF funds in SFY 2016 went toward the correction of CSOs. See *2016 Total CWSRF Assistance*;
- Elimination of 769 failing septic systems in three communities, eliminating failing systems that discharge to waters of the state;
- \$57.4 million in CWSRF funds targeted to abate pathogen or nutrient loadings to impaired water bodies (303(d) listed streams).

- Assisting communities in meeting the requirements of two CSO Long Term Control Plans (LTCP) and five Agreed Orders with the Indiana Department of Environmental Management.
- Increased compliance with National Pollutant Discharge Elimination System (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 2016 by means of depositing the net proceeds from revenue bonds issued by the Authority into the CWSRF Loan Fund. To date, the CWSRF Loan Program State Match has aggregated in excess of 20% of the awarded \$897,686,853 Capitalization Grants the Authority was required to match through June 30, 2016. See Exhibit F for a history of the Capitalization Grants awarded to the CWSRF Loan Program. Exhibit G details State Match deposited in the CWSRF through the end of SFY 2016; 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 2016, the CWSRF Loan Program financed 22 loans totaling \$70,150,112. Since the CWSRF Loan Program's inception in 1992, 483 loans aggregating approximately \$3.26 billion have been financed, more than three times the amount of federal Capitalization Grants that have been awarded to the CWSRF Loan Program (\$992,134,353). For a summary of all financings by the CWSRF Loan Program during SFY 2016, please see Exhibit H.

## 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 \$1.126 billion in outstanding principal as of June 30, 2016, a portion of which has funded CWSRF Loan Program loans. A summary of the accounts and associated balances are set forth in Exhibit I: Intended Uses of Funds, attached hereto. Future bond issuances may 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 2009-2013 ACS 5-year estimate 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 2.74% during SFY 2016. A summary of the actual interest rates for each quarter of SFY 2016 is set forth in Exhibit J.

The subsidized CWSRF Loan Program interest rate has provided an estimated aggregate savings of \$29,680,969 to participants closing a CWSRF Loan Program loan during SFY 2016. See "SRF Savings" column in Exhibit H for savings provided to each participant.

### B. Terms

Consistent with applicable law, all CWSRF Loan Program loans closed in SFY 2016 were structured with annual or semi-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.

With the enactment of WRRDA, which became effective October 1, 2014, loan terms may extend up to 30 years, but must not exceed the useful life of the project. The CWSRF closed a loan with the City of North Vernon whose loan term exceeded 20 years.

### C. Other Assistance Provided

As of June 30, 2016, the CWSRF Loan Program has provided a total of \$35,426,879 of Additional Subsidization in the form of principal forgiveness to 17 loan recipients during SFY 2010-2016. 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. Thus, communities with low MHI and high post-project user rates along with other factors are considered in awarding Additional Subsidization.

For SFY 2016, The CWSRF Loan Program used the affordability criteria stated in the 2016 IUP to assist in identifying applicants that would have difficulty financing projects without Additional Subsidization. Items considered included a low Median Household Income (MHI), high post-project user rates, a high unemployment rate, a negative population trend and other factors/ data deemed relevant by the CWSRF (including projects that have a regional solution).

This allowed the CWSRF Loan Program to assist as much as possible, communities that could not otherwise afford a CWSRF 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 2016, the CWSRF Loan Program did not close any 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.

#### D. Administrative Expenses and Fees

Pursuant to Section 603(d)(7), the CWSRF has selected to take an amount equal to 4 percent of all grant awards less any amounts used in previous years to offset CWSRF Loan Program costs, including administrative, legal and financial fees and expenses to operate the CWSRF in perpetuity. During SFY 2016, the CWSRF Loan Program used a portion (\$2,169,779) of the maximum allowable percentage of each federal Capitalization Grant to offset CWSRF Loan Program costs to operate the CWSRF Loan Program. The portion not used is being carried forward for application in future years on an as needed basis. Exhibit I identifies the balance of the CWSRF Program’s 4% administrative expense limit remaining to meet its continuing needs.

The cost of financing loans includes fees and expenses of the SRF Trustee Bank. The Authority may require participants to offset some of these costs through a Loan Closing Fee, which is \$1,000 per participant. Fifteen (15) Participants closed loans with the CWSRF Program in SFY 2016. Seven (7) of the fifteen (15) Participants closed multiple series of loans with the CWSRF program to comply with Section 602(b)(14) of the Clean Water Act, as amended (A & E requirement). Additional loan closing fees were not assessed to a Participant who closed multiple series of loans. Thus, the CWSRF Loan Program collected \$15,000 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, may be assessed a one percent fee on the balance of the funds that remain un-drawn. An additional one percent fee may 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. The Authority contacts Participants in advance of their two year anniversary of their loan closing and works with the Participant to spend down the remaining funds to avoid any non-use fee. Thus, no non-use fees were collected by the CWSRF Loan Program during SFY 2016.

As permitted by 40 CFR Part 35 and the EPA Fee Policy dated October 20, 2005, effective

November 13, 2015, the Authority implemented an SRF Fee for both the DWSRF Loan Program and the CWSRF Loan Program. The SRF Fees collected will be deposited in the Wastewater Program Fund, a segregated account that is not designated as part of the accounts comprising the SRF Fund.

The SRF Fees accumulated may be used by the Authority on projects, needs, costs, or expenses (which may include the provision of state match for the SRF Fund) that support or further goals, purposes, or objectives of the Clean Water SRF Loan Program and for various water quality activities. Such uses of accumulated SRF Fees may also include the purposes of the Supplemental Fund authorized pursuant to IC 13-18-21-21 through 29. Fees are collected and deposited as outlined in the SFY 2016 IUP.

The total amount in the Clean Water SRF Fee Account as of June 30, 2016 was \$2,828,295, of which \$2,394,295 remains unallocated. Exhibit K outlines the expenditure of the SRF Fee Account in SFY 2016.

E. Transfers – 40 CFR 35.3110 (f)

The State permits transfers between the Drinking Water State Revolving Fund (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 CWA and the Safe Drinking Water Act (SDWA). There were no transfers in SFY 2016. For a historic summary of transfers, see Exhibit L.

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 2016, which ended June 30, 2016, the CWSRF Loan Program received an unmodified opinion from our independent auditors, as described in Exhibit M.

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. Circular A-133 was consolidated into 2 CFR 200 Subpart F, the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards ("Super Circular"). Effective for non-federal entities on December 26, 2014. For the SFY 2016 ended June 30, 2016, 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 N.

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.
- Beginning January 17, 2014 the Authority implemented the “American Iron and Steel” requirement as described in the Consolidated Appropriations Act of 2014.
- Beginning in SFY 2016 the Authority added one point to the SRF scoring system for projects that consider climate resiliency in planning and design.

All loans made during the SFY 2016 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 O 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.

L. The Water Resources Reform and Development Act of 2014, was signed into law on June 10, 2014, with provisions taking effect on October 1, 2014. See Exhibit P for a summary of SFY 2016 loans closed and the applicability to the WRRDA Requirements. Many of the WRRDA requirements were not in effect or applicable to the loans that were closed in SFY 2016.

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 and greatest environmental benefit. A map showing the location of projects funded in SFY 2016 is attached as Exhibit Q. A map showing the location of all projects funded since the inception of the CWSRF Loan Program is attached as Exhibit R.

## Exhibit A

### Goals and Objectives of the CWSRF Loan Program State Fiscal Year 2016 Intended Use Plan

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 2016, 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 2016, 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) 2016 Capitalization Grant. Continue to disburse loan proceeds such that the 2016 Capitalization Grant can promptly be deposited and, as expenditures are incurred or paid, be converted to cash.

**Result: The revised FFY 2016 Capitalization Grant was awarded to the Authority on June 8, 2016. The CWSRF Loan Program disbursed sufficient loan proceeds so that the entire 2016 Capitalization Grant can be fully drawn, other than the amount set aside for Additional Subsidization.**

(ST 1a) Ensure that Additional Subsidization is provided pursuant to the terms and conditions of the current capitalization grant and Additional Subsidization is provided as permitted by the Water Resources Reform and Development Act (WRRDA). Additional Subsidization may be provided in the form of principal forgiveness, negative interest loans or grants.

**Result: The 2016 Capitalization Grant was awarded on June 8, 2016 and the CWSRF Loan Program has identified communities that are eligible to receive Additional Subsidization from the 2016 Capitalization Grant. The Authority shall use its best efforts to spend the Additional Subsidization within two years of receiving the revised 2016 Capitalization Grant, but in no case longer than the terms and conditions permitted by the Capitalization Grant. See Exhibit C, Additional Subsidization by Capitalization Grant Year.**

(ST 1b) Ensure that not less than 10% of the 2016 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 2016 Capitalization Grant required the Authority to ensure that not less than 10 percent of the funds of the Capitalization Grant were appropriated for green project components. Exhibit B demonstrates that the Authority has exceeded this goal with 41% of the Capitalization Grant funds or \$13,273,260 being allocated to fund projects that contained green components.**

(ST 1c) Ensure that Davis Bacon wage rules apply to all assistance agreements made with funds appropriated under the 2016 Capitalization Grant.

**Result: The CWSRF Loan Program included language in all Financial Assistance Agreements that required Participants to follow Davis Bacon wage rules. Each Participant provided the Authority with documentation certifying its compliance with Davis Bacon.**

(ST 1d) Ensure that all American Iron and Steel requirements (AIS) as set forth in the current Capitalization Grant are met.

**Result: The CWSRF Loan Program reviewed the details of all closings in SFY 2016 to determine if the project needed to follow the requirements of the American Iron and Steel Act. In addition, the CWSRF Loan Program included language in all Financial Assistance Agreements that required Participants to meet the requirements of the American Iron and Steel Act and provided guidance on the waiver process and requirements of the Act.**

(ST 1e) If practical, equivalency projects will be identified in Exhibit E of the Intended Use Plan. List equivalency projects in the Annual Report. The requirements of Section 602(b)(14) A & E procurement shall be satisfied by compliance with 40 USC Chapter 11.

**Result: Equivalency projects were projected in the 2016 Intended Use Plan and the selected equivalency projects can be found in Exhibit D of this Annual Report.**

(ST 1f) Develop criteria for the contents of the Fiscal Sustainability Plans (FSP) that meet the minimum requirements set forth in Section 603 9(d)(1)(E) of the Clean Water Act. Ensure that Participants are developing and implementing a FSP.

**Result: To meet the minimum requirements of 603 9(d)(1)(E) of the Clean Water Act the Authority worked in SFY 2016 to develop criteria for the contents of the Fiscal Sustainability Plans that will be required of all loans where the application was received after October 1, 2014 and where the project will repair, replace or expand a treatment works. These criteria have been prepared and are communicated to participants at the project planning meeting and in the PER guidance. In SFY 2016, four loan recipients will be required to provide certification of a complete a Fiscal Sustainability Plan prior to their final loan disbursement.**

(ST 2) Document the environmental benefits derived from the CWSRF Loan Program projects using the Clean Water Benefits Reporting system 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: The CWSRF financed projects during SFY 2016 accomplished the goals identified above. See below a brief summary of the results.**

- **Abatement of combined sewer overflow (CSO) discharges in two communities. In SFY 2016 \$18.1 million in CWSRF funds went toward the correction of CSOs.**
- **Elimination of 769 failing septic systems in three communities, eliminating discharges to waters of the state;**
- **\$57.4 million in CWSRF funds targeted to abate pathogen or nutrient loadings to impaired water bodies (303(d) listed streams).**
- **Assisting communities in meeting the requirements of two CSO Long Term Control Plans (LTCP) and five Agreed Orders with the Indiana Department of Environmental Management.**

- **Increased compliance with National Pollutant Discharge Elimination System (NPDES) permits.**

(ST 3) Conduct at least 30 technical, on site and/ or virtual inspections between the CWSRF and DWSRF Loan Programs 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 37 inspections (25 clean water and 12 drinking water) in SFY 2016, thus exceeding its goal.**

(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 2016, SRF Loan Program staff held project planning meetings, timely reviewed Preliminary Engineering Reports using the SRF Work Plan and corresponded with Participants through the SRF Funding process to successfully close twenty-two (22) loans with fifteen (15) Participants. By requiring communities to bid their projects prior to loan closing and providing a timeline assists communities to meet the 2-year construction goal implemented by the Authority.**

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

During SFY 2016, 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: In SFY 2016, fifteen (15) Participants closed loans with the CWSRF Program. Seven (7) of the fifteen (15) Participants closed multiple series of loans with the CWSRF program to comply with Section 602(b)(14) of the Clean Water Act, as amended (A&E requirement). Additional loan closing fees were not assessed to a Participant who closed multiple series of loans. See Exhibit H, Summary of Closed Loans for SFY 2016.**

(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 I, 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 Mellon Trust Company, ensure the CWSRF Loan Program continues to avoid loan defaults. In particular, review the financial statements for Participants receiving a State Board of Accounts examination report 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 accounts and the bond and interest accounts on a monthly 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. In addition, the financial assistance agreement contains "non-use fee" language which allows the Authority to charge a fee to a community who has not drawn their loan funds in a timely manner.**

(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 (NIMS) data are well-prepared and submitted to EPA in a timely manner.**

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

**Result: The 2016 Capitalization Grant was awarded on June 8, 2016 and was fully drawn on June 23, 2016.**

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

**Result: The SRF Loan Program published a newsletter in June of 2016.**

(LT 9) Develop a software database for staff to reference financial information related to each SRF financing.

**Result: The Authority continues to develop a software database for staff. The Authority has engaged a new software vendor in SFY 2016 to provide software that will meet the needs of the SRF Program. The software is currently in development with the vendor.**

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

**Result: The Authority continues to partner with the Brownfields Program to assist communities addressing their brownfield redevelopment needs with CWSRF Loan Program funds.**

(LT 11) Report all uses of CWSRF funds in the Clean Water Project Benefits Reporting ("CBR") database and the Clean Water SRF National Information Management System ("NIMS") as required by the EPA and the Federal Funding Accountability and Transparency Act (FFATA).

**Result: The Authority documented the environmental benefits of the twenty-two (22) loans closed with fifteen (15) Participants that were closed in SFY 2016 by entering the information in the EPA Clean Water Benefits Reporting system. The Authority also completed and submitted the NIMS data in a**

**timely manner as required by the EPA and complied with the Federal Funding Accountability and Transparency Act.**

(LT 12) 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 (2 CRF 200 Subpart F “Super Circular”).**

(LT 13) 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 had three Nonpoint Source closings in SFY 2016.**

(LT 14) 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. In SFY 2016 the Authority closed 12 loans that meet the goals of TMDL Reports. The Authority also incorporates TMDL points in the scoring of each project.**

(LT 15) 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 utilizes the CWNS information to score each project submitted. A point is applied on the Project Priority List for communities who have submitted a survey or provided documentation towards the survey.**

**Indiana CWSRF Loan Program  
Exhibit B - Green Project Reserve**

CWSRF Loan Program FFY 2016 Capitalization Grant = \$ 32,200,000  
 10% Green Project Reserve Required = \$ 3,220,000  
 41% Green Project Reserve Provided = \$ 13,273,260

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
Monticello	CSO LTCP Plant	\$14,717,350	\$14,717,350	WWTP Improvements	BC			\$ 40,150	\$ 2,405,450	\$ 2,445,600	10/31/2015
Madison	Sewer Rehabilitation	\$2,692,039	\$2,198,784	Disconnection downspouts	CE	\$ 70,262				\$ 70,262	11/5/2015
North Webster	Aging system and WWTP needs improvements. WWTP and sewer rehabilitation are proposed.	\$3,445,000	\$3,445,000	WWTP Improvements & new pumps at lift stations	BC			\$ 248,759		\$ 248,759	12/17/2015
Edgewood	Excessive Infiltration and Inflow. Sewer rehabilitation.	\$1,455,000	\$1,455,000	CIPP	BC			\$ 831,088		\$ 831,088	5/26/2016
Odon	WWTP Improvements	\$2,771,400	\$2,771,400	Replacing the pumps and motors with high efficiency components and adding VFDs	BC			\$ 649,241		\$ 649,241	5/26/2016
Fall Creek	Collection system and WWTP rehabilitation	\$14,300,000	\$14,300,000	sewer rehab, lift station rehabs and WWTP improvements.	BC			\$ 9,028,310		\$ 9,028,310	7/26/2016

**2016 Capitalization Grant TOTAL**

**\$13,273,260**

Indiana CWSRF Loan Program  
Exhibit C- Additional Subsidization by Capitalization Grant

**CWSRF Loan Program FFY 2010 Capitalization Grant =** **\$ 49,104,000**  
 Additional Subsidization Requirement = \$7,354,221 to \$24,514,070  
 Additional Subsidization Goal = \$ 13,377,896  
 Additional Subsidization Provided = \$ 13,377,896

Participant	Closing Date	SRF Loan Amount	Principal Forgiveness Amount	Total Loan and Principal Forgiveness
Milton	31-Mar-10	\$ 616,385	\$ 3,735,000	\$ 4,351,385
Prince's Lakes	10-May-10	\$ -	\$ 2,812,896	\$ 2,812,896
Allen County RWSD	30-Jun-10	\$ -	\$ 5,200,000	\$ 5,200,000
Woodburn	30-Jun-10	\$ 2,500,000	\$ 480,000	\$ 2,980,000
SWLMCD	27-Jun-11	\$ 1,250,000	\$ 1,150,000	\$ 2,400,000
<b>2010 Capitalization Grant TOTAL</b>			<b>\$ 13,377,896</b>	

**CWSRF Loan Program FFY 2011 Capitalization Grant =** **\$ 35,588,000**  
 Additional Subsidization Requirement = \$3,297,794 to \$10,992,647  
 Additional Subsidization Goal = \$ 10,992,000  
 Additional Subsidization Provided = \$ 10,992,000

Participant	Closing Date	SRF Loan Amount	Principal Forgiveness Amount	Total Loan and Principal Forgiveness
Luce Township RSD	13-Dec-10	\$ 2,000,000	\$ 3,702,000	\$ 5,702,000
Chesterfield	15-Jun-11	\$ 3,759,000	\$ 3,800,000	\$ 7,559,000
Plainfield	30-Jun-11	\$ 3,476,000	\$ 3,490,000	\$ 6,966,000
<b>2011 Capitalization Grant TOTAL</b>			<b>\$ 10,992,000</b>	

**CWSRF Loan Program FFY 2012 Capitalization Grant =** **\$ 34,061,000**  
 Additional Subsidization Requirement = \$1,892,987 to \$2,839,480  
 Additional Subsidization Goal = \$ 2,800,000  
 Additional Subsidization Provided = \$ 2,800,000

Participant	Closing Date	SRF Loan Amount	Principal Forgiveness Amount	Total Loan and Principal Forgiveness
Allen County RWSD	28-Dec-12	\$ 5,355,000	\$ 1,965,000	\$ 7,320,000
Delaware County RWSD	28-Dec-12	\$ 759,000	\$ 235,000	\$ 994,000
Newport	13-Jun-13	\$ -	\$ 600,000	\$ 600,000
<b>2012 Capitalization Grant TOTAL</b>			<b>\$ 2,800,000</b>	

**CWSRF Loan Program FFY 2013 Capitalization Grant =** **\$ 32,176,000**  
 Additional Subsidization Requirement = \$1,515,627 to \$2,273,440  
 Additional Subsidization Goal = \$ 2,200,000  
 Additional Subsidization Provided = \$ 2,200,000

Participant	Closing Date	SRF Loan Amount	Principal Forgiveness Amount	Total Loan and Principal Forgiveness
Edwardsport	31-Jan-14	\$ 556,000	\$ 2,050,000	\$ 2,606,000
Tell City - Brushy Hollow	29-Oct-14	\$ -	\$ 150,000	\$ 150,000
<b>2013 Capitalization Grant TOTAL</b>			<b>\$ 2,200,000</b>	

**CWSRF Loan Program FFY 2014 Capitalization Grant =** **\$ 33,790,000**  
 Additional Subsidization Requirement = \$1,838,773 to \$2,758,139  
 Additional Subsidization Goal = \$ 2,500,000  
 Additional Subsidization Provided = \$ 2,500,010

Participant	Closing Date	SRF Loan Amount	Principal Forgiveness Amount	Total Loan and Principal Forgiveness
Tell City - Brushy Hollow	29-Oct-14	\$ -	\$ 464,910	\$ 464,910
Chesterton	27-Jul-15	\$ 1,579,000	\$ 750,000	\$ 2,329,000
Tipton (partial)	30-Oct-15	\$ 1,614,000	\$ 1,285,100	\$ 2,899,100
<b>2014 Capitalization Grant TOTAL</b>			<b>\$ 2,500,010</b>	

**CWSRF Loan Program FFY 2015 Capitalization Grant =** **\$ 33,716,000**  
 Additional Subsidization Requirement = \$0 to \$10,085,100  
 Additional Subsidization Goal = \$ 9,000,000  
 Additional Subsidization Provided = \$ 4,156,973

Participant	Closing Date	SRF Loan Amount	Principal Forgiveness Amount	Total Loan and Principal Forgiveness
Kempton	29-Sep-15	\$ 400,000	\$ 1,805,000	\$ 2,205,000
Tipton	30-Oct-15	\$ -	\$ 751,973	\$ 751,973
Edgewood	16-Dec-15	\$ 455,000	\$ 1,000,000	\$ 1,455,000
Rosedale	27-May-16	\$ 689,000	\$ 600,000	\$ 1,289,000
<b>2015 Capitalization Grant TOTAL</b>			<b>\$ 4,156,973</b>	

**CWSRF Loan Program FFY 2016 Capitalization Grant\* =** **\$ 32,200,000** (rec. 6/8/2016)  
 Additional Subsidization Requirement = \$3,220,000 to \$12,880,000  
 Additional Subsidization Goal = \$ 5,000,000  
 Additional Subsidization Provided = \$ -

Participant	Closing Date	SRF Loan Amount	Principal Forgiveness Amount	Total Loan and Principal Forgiveness
<i>to be determined</i>				
<b>2016 Capitalization Grant TOTAL</b>			<b>\$ -</b>	

**TOTAL Additional Subsidization Provided** **\$ 36,026,879**

\* Additional Subsidization Goal has not yet been satisfied and will be updated in subsequent Annual Reports until the requirement has been met. The Authority shall spend the Additional Subsidization as required by the terms and conditions of the Capitalization Grant, however, every attempt will be made to spend the Additional Subsidization within two years of receiving the Capitalization Grant. The Authority has identified communities that are eligible to receive Additional Subsidization from the 2016 grant.

**CWSRF Loan Program FFY 2016 Capitalization Grant:**

**\$32,200,000**

Community	Project Description	Total Project Cost	Equivalency Amount (Includes Construction Costs Only)	Non-Equivalency Amount	will submit DBE report	complied with federal cross-cutters	procured A/E services per 40 USC Chapter 11 and received certification	will comply with the Single Audit Act 2 CFR 200 Subpart F	complied with signage requirement	reported to FSRS to meet FFATA requirements
Monticello	WWTP	\$ 12,735,000	\$ 7,883,060	\$ 4,851,940	yes	yes	see footnote #1	yes	yes - Press Release 9/21/2015	yes - 8/3/2016
Kempton	Collection System	\$ 2,205,000	\$ 1,688,561	\$ 516,439	yes	yes	see footnote #1	yes	yes - Press Release 10/2/2015	yes - 8/3/2016
Allen County	Collection System	\$ 9,980,000	\$ 8,348,000	\$ 1,632,000	yes	yes	see footnote #1	yes	yes - Press Release 10/22/2015	yes - 8/3/2016
Madison	Sewer Rehab	\$ 2,692,039	\$ 2,198,784	\$ 493,255	yes	yes	see footnote #1	yes	yes - Press Release 10/28/2015	yes - 8/3/2016
Tipton	Force Main	\$ 3,651,073	\$ 3,268,291	\$ 382,782	yes	yes	see footnote #1	yes	yes - Press Release 10/30/2015	yes - 8/3/2016
North Vernon	WWTP and collection system Improvements	\$ 6,500,000	\$ 5,776,304	\$ 723,696	yes	yes	see footnote #1	yes	yes - Press Release 11/17/2015	yes - 8/3/2016
North Webster	WWTP Update, I/I correction	\$ 3,445,000	\$ 3,037,000	\$ 408,000	yes	yes	see footnote #1	yes	yes - Press Release 12/8/2015	yes - 8/3/2016
<b>Equivalency Project Cost Total:</b>			<b>\$ 32,200,000</b>							

<sup>1</sup> Complied with Section 602(b)(14) - A&E requirement by entering into an assistance agreement for construction costs only.

Indiana CWSRF Loan Program  
Exhibit E - Project Descriptions in SFY 2016

<b>CWSRF Participant: Chesterton</b>			
SRF Project #:	WW15016404	CWSRF Loan Amount:	\$ 1,579,000
Affected Population:	13,068	Principal Forgiveness:	\$ 750,000
CWSRF Loan Closed:	July 27, 2015	Total Loan and Principle Forgiveness:	\$ 2,329,000
NIMS Categories:		Estimated SRF Savings:	\$ 1,772,994
New Collector Sewers:	\$ 2,329,000	Equivalency Amount:	\$ 0.00
<p>Environmental Benefits: Project allows Fox Chase Farms to achieve compliance and meet the goals of the Little Calumet River Total Maximum Daily Load Report (TMDL) and the Coffee Creek Watershed Management Plan (WMP).</p> <p>Project Description:</p> <p>The existing Fox Chase Farms septic/cluster treatment and collection system and Whispering Sands extended aeration treatment facility are aged and problematic and have experienced a number of failures resulting in environmental degradation.</p> <p>The proposed Meridian Road Wastewater Collection and Transport System includes:</p> <ul style="list-style-type: none"> <li>• 400 gpm lift station;</li> <li>• Approximately 7,400 LF 8-inch diameter force main with associated air release valves;</li> <li>• Approximately 550 LF 8-inch diameter gravity sewer with associated manholes; and</li> <li>• 2 through 4-inch diameter low pressure sewers with associated valves, curb stops and cleanouts.</li> </ul> <p>The purpose of the proposed project is to abandon the Fox Chase Farms septic/cluster treatment and collection system, and decommission the failing Whispering Sands extended aeration treatment facility. The new collection and transport system will discharge to the Town of Chesterton for treatment. The Whispering Sands portion of the project will be completed utilizing local funds.</p> <p>The Fox Chase Farms subdivision and Whispering Sands subdivision will need to pay monthly rates as high as \$96/ month (after subsidy) to complete this necessary project. Without Additional Subsidization the user rates for these small rural neighborhoods would be an additional hardship and make the solution to this environmental need less feasible. The MHI and poverty rate of the area was also considered.</p>			

<b>CWSRF Participant: Monticello (Series A &amp; B)</b>			
SRF Project #:	WW14049102a WW14049102b	CWSRF Loan Amount:	\$ 12,735,000
Affected Population:	5,723	Principal Forgiveness:	\$ 0.00
CWSRF Loan Closed:	9/18/2015	Total Loan and Principle Forgiveness:	\$ 12,735,000
NIMS Categories:		Estimated SRF Savings:	\$ 2,752,130
CSO Correction:	\$ 12,735,000	Equivalency Amount:	\$ 11,865,000
<p>Environmental Benefits: Project allows the system to achieve compliance and reduce combined sewer overflow events to the Tippecanoe River and Lake Freeman. Lake Freeman is a popular summer recreation spot near Monticello.</p>			
<p>Project Description:</p> <p>Monticello entered an Agreed Order with the Indiana Department of Environmental Management to develop and implement a Long Term Control Plan (LTCP) which was approved on December 23, 2009. The LTCP identifies three projects: the Maple Creek Interceptor, Bryan Lift Station Improvements project, and the wastewater treatment plant (WWTP) expansion project, respectively. The Maple Street Interceptor and the Bryan's Lift Station Improvements project was approved by the State Revolving Fund Loan Program in 2014 and are currently under construction. The city is now proceeding with the WWTP expansion project to meet the goals of the LTCP.</p> <p>The proposed WWTP improvements includes the expansion of the WWTP from 1.1 MGD to a 1.6 MGD biological nutrient removal treatment system; construction of an influent screening structure with 30 MGD mechanical fine screen with washer compactor and one bypass bar screen in the new Headworks Building; construction of a submersible raw sewage pump station; relocating CSO #105 to the raw sewage pumping station for future connection to a Wet Weather Treatment Facility; construction of a 45-ft diameter secondary clarifier; construct a return activated sludge pumping station; construct two new in-pipe ultraviolet disinfection units; and construct an operations building. The project will also install a grit removal system, three positive displacement blowers, two waste activated sludge pumps in each pre-anoxic tank, two new cloth membrane tertiary filters, a new non-potable water system, a phosphorus removal system, a 800KW diesel powered stand-by generator and a SCADA system.</p> <p>The purpose of this project is for Monticello to be in compliance with their Long Term Control Plan and Agreed Order and reduce overflows to the environment.</p>			

<b>CWSRF Participant: Kempton (Series A &amp; B)</b>			
SRF Project #:	WW14228001a WW14228001b	CWSRF Loan Amount:	\$ 400,000
Affected Population:	335	Principal Forgiveness:	\$ 1,805,000
CWSRF Loan Closed:	9/29/2015	Total Loan and Principle Forgiveness:	\$ 2,205,000
NIMS Categories:		Estimated SRF Savings:	\$ 2,684,275
New Collector Sewers:	\$ 2,205,000	Equivalency Amount:	\$ 1,688,561
<p><b>Environmental Benefits:</b> The project will provide water quality and health benefits by reducing overflow events to the Swamp Creek watershed, currently listed as impaired for E. coli. The project will meet the goals of the South Fork Wildcat Creek TMDL and the South Fork Wildcat WMP.</p>			
<p><b>Project Description:</b></p> <p>The Town of Kempton does not have a municipal sewer collection system. They are served by individual septic tanks. Many are failing and outfall to an existing storm drainage system that outlets to a stream. IDEM has placed the Town on an Agreed Order to rectify the situation.</p> <p>The proposed project will install a collection system throughout the Town of Kempton which will consist of approximately 17,600 feet of 8-inch gravity sewers; a wetwell for the proposed lift station; approximately 60 manholes; approximately 5,500 feet of 6-inch service laterals; and approximately 200 feet of 8-inch sewer for railroad crossing.</p> <p>The project will eliminate the illicit outfalls in the community by having waste treated in the Town of Tipton.</p> <p>The Kempton project proposes a regional solution to the sewer problems of the area. The Town of Kempton has an MHI of \$44,625, which is below the Indiana average MHI, and a 2014 annual average unemployment rate of 13.5%. The approved user rate after Additional Subsidization is \$75 per month. Without Additional Subsidization the user rates for this small community would have been a hardship.</p>			

<b>CWSRF Participant: Allen County (Series A &amp; B)</b>			
SRF Project #:	WW14270205a WW14270205b	CWSRF Loan Amount:	\$ 9,980,000
Affected Population:	355,329	Principal Forgiveness:	\$ 0.00
CWSRF Loan Closed:	10/22/2015	Total Loan and Principle Forgiveness:	\$ 9,980,000
NIMS Categories:		Estimated SRF Savings:	\$ 4,383,635
New Collector Sewers:	\$ 9,980,000	Equivalency Amount:	\$ 8,348,000
<p><b>Environmental Benefits:</b> The project will provide water quality and health benefits by reducing overflow events to the Saint Joseph watershed, the Saint Mary's watershed and Upper Wabash watershed from failing septic systems, thereby improving the environment for community residents and businesses throughout Allen County and meeting the goals of the St. Mary's River and Maumee River TMDL multiple watershed management plans.</p>			
<p><b>Project Description:</b></p> <p>The project areas are currently served by failing septic systems.</p> <p>The proposed project includes the extension of sewers to the following areas:</p> <ul style="list-style-type: none"> <li>• Hessen Cassel Consolidation – Sewer extension to two areas and installation of telemetry at related lift stations and flow meters;</li> <li>• Berneway Drive area septic system relief project</li> <li>• Gerdings Woodland Addition- Kroemer – Leesburg Rd septic relief project</li> <li>• Whipporwill- Lower Huntington Rd</li> <li>• Wallen Community – Wallen Rd Area</li> <li>• Goshen-Fritz-Cook-Steele Area</li> <li>• Tonkel-Hursh-Marsh Crawford Area</li> <li>• Yoder Area</li> <li>• Arcola Wastewater</li> </ul> <p>The construction include approximately 51,000 feet of small diameter, low pressure main, approximately 10,500 feet of conventional gravity main, approximately 45,300 feet of transmission force main, 165 individual grinder pump stations; and three regional pump stations.</p> <p>This project will extend sewer service to several areas in Allen County to eliminate approximately 500 failing onsite septic systems. The new collection systems will discharge to the City of Fort Wayne for treatment.</p>			

<b>CWSRF Participant: Madison State Hospital (Series B1 &amp; B2)</b>			
SRF Project #:	WW16058705a WW16058705b	CWSRF Loan Amount:	\$ 2,692,039
Affected Population:	11,967	Principal Forgiveness:	\$ 0.00
CWSRF Loan Closed:	10/28/2015	Total Loan and Principle Forgiveness:	\$ 2,692,039
NIMS Categories:		Estimated SRF Savings:	\$ 597,637
Infiltration/Inflow:	\$2,692,039	Equivalency Amount	\$2,198,784
<p><b>Environmental Benefits:</b> The project will allow the community to achieve compliance and reduce potential overflows to the Ohio River, which is on the impaired waterbodies list for dioxin, PCBs and E Coli and the subject of an ORSANCO TMDL.</p> <p><b>Project Description:</b></p> <p>Significant inflow and infiltration has been identified in the Madison State Hospital Complex's Sanitary Sewer System. The proposed project will consist of bidding, construction engineering, and resident project representation service for correction of defective sewer and manhole structures.</p> <p>The Madison State Hospital Project includes:</p> <ul style="list-style-type: none"> <li>• Cleaning and televising of approximately 3,465 feet of 4-inch and 6-inch diameter laterals,</li> <li>• Cleaning, televising and lining approximately 2,204 feet of 8-inch through 12-inch diameter sewer lateral,</li> <li>• Cleaning, televising and lining approximately 12,233 feet of 8-inch through 18-inch diameter sewer pipe,</li> <li>• Rehabilitation of 88 manholes,</li> <li>• Rehabilitation of approximately 250 feet of 6-inch diameter sewer lateral by pipe bursting,</li> <li>• Disconnection of existing building downspouts,</li> <li>• Separation of storm drains throughout the system,</li> <li>• Installation of a new effluent mechanical grinder facility with telemetry at the connection point with the City of Madison, and</li> <li>• Installation of approximately 394 feet of 8-inch diameter sewer at Building 17 and 503 lineal feet of 10-inch diameter sewer at Building 12.</li> </ul> <p>The proposed project will separate the storm drainage system from the sanitary sewers, correct Inflow / Infiltration defects in the sanitary system and reduce the quantity of flow being treated by the City of Madison from the Madison State Hospital Complex sewer collection system. At the conclusion of this project, the City of Madison will take over ownership, operation and maintenance of the collection system within the Madison State Hospital Complex.</p>			

<b>CWSRF Participant: Tipton (Series A &amp; B)</b>			
SRF Project #:	WW16038004a WW16038004b	CWSRF Loan Amount:	\$ 1,614,000
Affected Population:	5,106	Principal Forgiveness:	\$ 2,037,073
CWSRF Loan Closed:	10/30/2015	Total Loan and Principle Forgiveness:	\$ 3,651,073
NIMS Categories:		Estimated SRF Savings:	\$ 2,538,946
New Collector Sewers:	\$ 3,651,073	Equivalency Amount	\$ 3,268,291
Environmental Benefits: Tipton will assist Kempton in achieving compliance and will maintain compliance with their own permit. The Tipton WWTP portion of the project will protect the Cicero Creek from further impairment (currently listed for E coli) and maintain the goals of the Cicero Creek TMDL and the Morse Reservoir Cicero Creek WMP.			
Project Description:			
<p>The proposed project includes the construction of a lift station in Kempton and a force main and sanitary sewer continuing from the lift station to the Tipton West wastewater treatment plant (WWTP) as well as improvements to the Tipton West wastewater treatment plant.</p> <p>The proposed conveyance system includes: installing approximately 28,830 feet of 6-inch polyvinyl chloride (PVC) force main; installing approximately 4,700 feet of 8-inch PVC force main; installing approximately 3,440 feet of 18-inch PVC gravity sewer; installing approximately 24 four-foot diameter manholes; installing approximately 16 air/vacuum release valves; making a connection to an existing manhole; constructing a 180 gallon per minute lift station with odor control; installing a standby generator; and installing a flow meter. The proposed West WWTP project improvements include: converting the second selector tank to a first stage aeration tank by throttling and opening manual ball valves in the tank; dividing the second stage aeration tank by installing a wall 8 feet wide by 20 feet deep equipped with a new 16-inch by 16-inch sluice gate; bypassing the first stage aeration tank and the south portion of the divided second stage aeration tank by using stop gates and the new sluice gate; and modifying the existing 10-inch transfer line (a bypass for the first stage aeration tank) by adding approximately 25 feet of pipe with two 10-inch plug valves that will allow the flow to be diverted to either portion of the second stage aeration tank.</p> <p>The purpose of this project is for Kempton to eliminate their failing septic systems causing a potential public health issue and to keep in compliance with their Agreed Order by regionalizing treatment.</p> <p>The Tipton project proposes a regional solution to the sewer problems in the Town of Kempton. The City of Tipton has an MHI of \$39,592, which is below the Indiana average MHI, a decreasing population, 17% of the population living below the poverty line, and recently completed phased increases of rates. Additional increases would be a hardship for the community and make the regional solution for this Agreed Order less viable.</p>			

<b>CWSRF Participant: North Vernon (Series A1, A2 &amp; B)</b>			
SRF Project #:	WW14014001a WW14014001b	CWSRF Loan Amount:	\$ 6,500,000
Affected Population:	6,728	Principal Forgiveness:	\$ 0.00
CWSRF Loan Closed:	11/17/2015	Total Loan and Principle Forgiveness:	\$ 6,500,000
NIMS Categories:		Estimated SRF Savings:	\$ 1,404,699
Sewer System Rehabilitation:	\$ 1,085,401	Equivalency Amount	\$ 5,776,304
CSO Correction:	\$ 5,414,599		
Environmental Benefits: The project allows North Vernon to achieve compliance and will reduce CSO events to the Vernon Fork. Vernon Fork is impaired for dissolved oxygen, impaired biotic communities and nutrients.			
Project Description:			
<p>The City of North Vernon is working to implement their approved LTCP. The LTCP states that improvements to the collection system and Southwest sewer basins will reduce I/I in the system and reduce the occurrences of overflows.</p> <p>The North Vernon LTCP Project includes:</p> <ul style="list-style-type: none"> <li>• Replacement of the sewers within the Hickory Manor Trailer Park subdivision, including approximately 3,135 lineal feet of 8-inch diameter gravity sewer and 3,266 lineal feet of six-inch sewer lateral all of which will be owned and maintained by the City of North Vernon;</li> <li>• Construction of In-Line Storage upstream of the Southwest Lift Station, including approximately 1,600 lineal feet of 48-inch diameter piping and six manholes;</li> <li>• Construction of a new Vortex High Rate Clarifier (HRC) at the wastewater treatment plant to provide primary treatment to excess wet weather flows, including associated piping, conversion of an existing clarifier to a surge basin, and construction of a diversion structure; and</li> <li>• Installation of disinfection facilities at the effluent of the Vortex HRC, including a new chemical feed building.</li> </ul> <p>The proposed project will reduce the number of overflows at the Southwest Lift station by providing upstream storage and at the Northwest Lift Station by removing sources of infiltration and inflow. With the implementation of the work at the wastewater treatment plant, all flows generated below the 10-year, 1-hour storm will receive primary treatment and disinfection at a minimum before being discharged to the Muscatatuck River. This will result in compliance with IDEM and the completion of the City's approved LTCP.</p>			

<b>CWSRF Participant: North Webster (Series A &amp; B)</b>			
SRF Project #:	WW14264301a WW14264301b	CWSRF Loan Amount:	\$ 3,445,000
Affected Population:	1,146	Principal Forgiveness:	\$ 0.00
CWSRF Loan Closed:	12/9/2015	Total Loan and Principle Forgiveness:	\$3,445,000
NIMS Categories:		Estimated SRF Savings:	\$ 642,150
Advanced Treatment:	\$ 1,377,855	Equivalency Amount	\$ 3,037,000
Sewer System Rehab:	\$ 2,067,145		
Environmental Benefits: The project will allow North Webster to maintain compliance with their NPDES permit, protect the Tippecanoe River from pollution and protect the goals of the Upper Tippecanoe River WMP.			
Project Description:			
<p>The North Webster WWTP is over twenty years old and many components are at the end of their useful life. In the collection system, North Webster has a 12” force main that needs to be replaced and 19 lift stations that are also reaching the end of their useful life.</p> <p>The proposed project will upgrade the WWTP by installing an additional clarifier and rehabbing the existing clarifiers; replacing the three existing blowers with VFD’s; installing a new chemical feed for phosphorus removal, a new dissolved oxygen probe, four fine bubble diffusers and a RAS/WAS pumps and metering; paving over the unused drying sludge beds No. 11 and 12; abandoning five small digesters and rehabbing the Lab/Control Buildings including new rooms for the chlorine and chemicals and a new office space. The lab/control building will be modified to house the lab only.</p> <p>The proposed project will also improve the collection system by replacing approximately 2,000 LF of 6-inch ductile iron pipe with 10-inch PVC pipe; replacing approximately 2,100 LF of 8 and 10-inch pipe with 10-inch PVC pipe; replacing the pumps and controls and installing a back-up power source at lift station #10; replacing lift stations #2, 3, 4, 8 and 9; installing quick disconnects on all 25 lift stations; rehabbing 20 lift stations including the installation of guide rails, hatch covers, electrical repairs, addition of pumps, valve vaults, alarms and controls as well as conversion from wetwell/drywell configuration to submersible configuration, depending on each lift stations individual needs and installing a dialer alarm system to monitor all lift stations.</p> <p>The purpose of the project is increase the WWTP capacity to accommodate flows from the nearby community of Knapp Lake, which intends to connect to North Webster’s WWTP in the near future. The original WWTP was installed in the 1970’s and, due to age and condition, a number of mechanical components are in need of replacement and rehabilitation. The collection system was also installed in the 1970’s and contains sewer segments that are undersized. Those segments will be replaced with larger diameter pipe to accommodate flow. The system currently includes 25 lift stations which will all either be replaced or rehabilitated.</p>			

<b>CWSRF Participant: Edgewood</b>			
SRF Project #:	WW14074801	CWSRF Loan Amount:	\$ 455,000
Affected Population:	1,913	Principal Forgiveness:	\$ 1,000,000
CWSRF Loan Closed:	12/16/2015	Total Loan and Principle Forgiveness:	\$ 1,455,000
NIMS Categories:		Estimated SRF Savings:	\$ 1,537,571
Infiltration/Inflow:	\$ 1,455,000	Equivalency Amount	\$ 0.00
<p>Environmental Benefits: The project will allow the community to Edgewood to maintain compliance by reducing the risk of wet weather overflows in Edgewood and the City of Anderson, and protect the West Fork of the White River, currently listed for E coli impairment.</p>			
<p>Project Description:</p> <p>The Town of Edgewood’s wastewater is pumped and treated in the City of Anderson. Currently the Town experiences high levels of I/I, causing higher than necessary bills from the City of Anderson and is taxing the Town’s pumping station.</p> <p>The proposed project includes:</p> <ul style="list-style-type: none"> <li>• Lining of approximately 6,932 feet of 24-inch diameter RCP sewer using cured-in-place pipe (CIPP) lining;</li> <li>• Lining of approximately 807 feet of 12-inch diameter VCP sewer using CIPP lining;</li> <li>• Lining of approximately 1,055 feet of 8-inch diameter PVC sewer using CIPP lining;</li> <li>• Rehabilitation of 33 manholes;</li> <li>• Installation of approximately 259 feet of 12-inch diameter HDPE storm pipe with inlets and appurtenances;</li> <li>• Construction of a storm water pump station and valve vault; and</li> <li>• Installation of approximately 1,627 feet of 6-inch diameter PVC force main with connection to an existing storm manhole.</li> </ul> <p>The proposed project will reduce the amount of clear water that enters into the Town’s sanitary sewer system and has to be pumped to the City of Anderson for treatment. The removal of the clear water sources will reduce the Town’s bill from Anderson for treatment and will help to extend the life of the Town’s pump station by reducing the flows through the station. The storm water pump station is needed to keep storm water from infiltrating the sanitary sewers in the Pershing Drive area and provide relief from surcharged sewers in the area.</p> <p>The Town of Edgewood is experiencing a decreasing population and a 2014 annual average unemployment rate of 6.5%. Without Additional Subsidization metered user fees would be \$73.80 per month, which would be a hardship for this population. MHI was also considered.</p>			

<b>CWSRF Participant: Brooklyn</b>			
SRF Project #:	WW14065502	CWSRF Loan Amount:	\$ 1,415,000
Affected Population:	1,598	Principal Forgiveness:	\$ 0.00
CWSRF Loan Closed:	12/18/2015	Total Loan and Principle Forgiveness:	\$ 1,415,000
NIMS Categories: Infiltration/ Inflow:	\$ 1,415 000	Estimated SRF Savings:	\$ 287,366
		Equivalency Amount	\$ 0.00
<p>Environmental Benefits: The project will reduce wet weather overflows and allow Brooklyn to achieve compliance with their NPDES permit. The project will lead to a water quality improvement in White Lick Creek, which is currently impaired due to high levels of nutrients and is the subject of a draft TMDL.</p>			
<p>Project Description:</p> <p>The collection system in Country Manor Mobile Home Park experiences major inflow and infiltration and causes overflows at manhole #76 at the Church Street lift station.</p> <p>The proposed project includes: lining or replacing 11,925 feet of 8-inch sewers; lining or replacing 600 feet of 10-inch sewers; lining or replacing 375 feet of 12-inch sewers; repairing or replacing 34 manholes; replacing 10,000 feet of 6-inch laterals; and replacing 476 cleanouts.</p> <p>The purpose for this project is to rehabilitate the sewers and manholes in Country Manor Mobile Home Park and reduce infiltration and inflow from contributing to the sewer system. Ultimately, the goal of this project is to eliminate overflows and reduce wet weather flow being transported to the wastewater treatment plant.</p>			

<b>CWSRF Participant: Odon</b>			
SRF Project #:	WW14191401	CWSRF Loan Amount:	\$ 2,822,000
Affected Population:	1,376	Principal Forgiveness:	\$ 0.00
CWSRF Loan Closed:	2/26/2016	Total Loan and Principle Forgiveness:	\$ 2,822,000
NIMS Categories:		Estimated SRF Savings:	\$ 609,856
Advanced Treatment:	\$ 2,246,563	Equivalency Amount	\$ 0.00
Sewer System Rehabilitation:	\$ 575,437		
Environmental Benefits: The project will allow Odon to achieve compliance with the limits set in their NPDES permit and protect Kane ditch from impairment.			
Project Description:			
<p>The Town of Odon is under an Agreed Order due to overflows and issues at their existing WWTP. The Town of Odon's existing plant is experiencing flows greater than the existing capacity of the plant.</p> <p>The proposed project will increase the average design flow capacity of the wastewater treatment plant from 0.240 million gallons per day (MGD) to 0.450 MGD and the peak design flow capacity from 0.600 MGD to 1.5 MGD; rehabilitate both the east and west lift stations; replace the influent pump station with a new pump station containing two pumps having a capacity of 1,050 gallons per minute (gpm) each and controlled by variable frequency drives (VFDs); install a new 15-inch interceptor in parallel to the existing 12-inch interceptor that will be abandoned; install a new mechanical fine screen that will have a capacity of 1.5 MGD; construct two new 32-foot diameter clarifiers; convert the existing rectangular clarifiers to aeration tanks; install a return activated sludge/waste activated sludge pumping station with two pumps rated at 469 gpm each and controlled by VFDs; install two positive displacement blowers rated at 400 standard cubic feet per minute and controlled by VFDs; replace the coarse bubble diffusers in the aeration tanks with fine bubble diffusers; replace the ultra-violet (UV) disinfection system with a larger unit rated at 1.5 MGD; provide post aeration by installing a 5,000 gallon tank equipped with fine bubble diffused air following the UV disinfection system; install a standby generator at the WWTP and providing a portable generator for use on the lift stations as backup power; install automatic samplers at the WWTP for testing; replace outdated laboratory equipment with new equipment; construct a sludge handling pad to provide a solid surface to facilitate sludge loading; install a chemical feed system for phosphorus removal; and install an electric gate for safety and monitoring access to the WWTP.</p> <p>The purpose for expanding the capacity of the treatment plant; making improvements due to age and condition of some components, rehabilitating the two lift stations; and installing a larger interceptor is to eliminate two sanitary sewer overflows (SSOs) as identified in the town's National Pollutant Discharge Elimination System (NPDES) permit. The WWTP is under an Agreed Order with the Indiana Department of Environmental Management to address SSOs.</p>			

<b>CWSRF Participant: Bluffton</b>			
SRF Project #:	WW15129002	CWSRF Loan Amount:	\$ 4,132,000
Affected Population:	9,897	Principal Forgiveness:	\$ 0.00
CWSRF Loan Closed:	3/31/2016	Total Loan and Principle Forgiveness:	\$ 4,132,000
NIMS Categories:		Estimated SRF Savings:	\$ 1,814,948
Inflow and Infiltration	\$ 2,369,960	Equivalency Amount	\$ 0.00
New Collector Sewers:	\$ 1,762,040		
<p>Environmental Benefits: The project will allow both Bluffton and the McKinney &amp; Paxon area to achieve compliance. The project will eliminate stressors to the Wabash River, which is currently listed on the impaired waterbodies list, and meet the goals of the Wabash River Watershed TMDL and the Upper Wabash River WMP.</p>			
<p>Project Description:</p> <p>The City of Bluffton's collection system experiences large amounts of Infiltration and Inflow during wet weather events. This I/I has caused significant back-ups and led to sanitary sewer overflows in the system and is the subject of a Violation Letter from IDEM. Additionally, the nearby areas of McKinney and Paxon are currently served by failing, on-site septic systems. The areas have been the subject of an Agreed Order between IDEM and Wells County Commissioners since September 2005.</p> <p>To correct I/I issues, the City of Bluffton will install approximately 3000 LF of 8 and 15-inch sanitary sewer along Division Road, update the City's Infiltration/ Inflow study, install a new 7.8 MGD pump at the WWTP, and install approximately 1200 LF of 20-in force main.</p> <p>This project will reduce surcharges due to 1 year-1 hour and 10 year-1 hour storm events at the point of connection to the WWTP as cited by IDEM in an Inspection Summary/Violation Letter reading sanitary sewer and combined sewer overflows.</p> <p>To correct issues in the McKinney and Paxon Areas of Wells County the City will install approximately 19,300 LF of 2-inch, 3-inch and 6-inch pressure main, approximately 5,7960 LF of 1.5-inch pressure service lateral, 130 LF of 6-inch gravity lateral and 75 grinder pump stations and curb stop assemblies.</p> <p>By extending service to these areas the City will eliminate the failing septic systems that would otherwise continue to discharge inadequately treated sewage into nearby streams or ditches and lead to public health risk.</p>			

<b>CWSRF Participant: Farmland</b>			
SRF Project #:	WW14136802	CWSRF Loan Amount:	\$ 1,200,000
Affected Population:	1,333	Principal Forgiveness:	\$ 0.00
CWSRF Loan Closed:	4/6/2016	Total Loan and Principle Forgiveness:	\$ 1,200,000
NIMS Categories:		Estimated SRF Savings:	\$ 259,329
Secondary Treatment:	\$ 57,426	Equivalency Amount	\$ 0.00
Sewer System Rehabilitation:	\$ 1,142,574		
<p>Environmental Benefits: the project will allow Farmland to achieve compliance and reduce sewer overflows to the White River. The White River is listed on the impaired bodies list for high levels of E coli. By reducing overflows the project will assist with the goals of the Upper White River Headwaters TMDL.</p>			
<p>Project Description:</p> <p>The Town of Farmland's collection system experiences a significant amount of Inflow and Infiltration. The high levels of I/I has led to significant sanitary sewer overflows in the system and is the subject of an Agreed Order between Farmland and IDEM.</p> <p>The project includes installing approximately 1100 feet of 8-inch sanitary sewer and seven manholes, using cured-in-place-pipe methods to line approximately 14,600 feet of 8-inch sewers and 1,650 feet of 10-inch sewers and complete 17 point repairs and rehabilitation approximately 43 manholes.</p> <p>The project also includes separating the storm sewer from the sanitary sewer along Hickory Street and along Plum Street.</p> <p>The purpose for these improvements is to address the excessive infiltration and inflow issues in the sanitary sewer system which are causing sanitary sewer overflows and surcharging. These improvements are also part of the Compliance Plan in accordance with an Agreed Order (AO) between Farmland and the Indiana Department of Environmental Management that went into effect on August 14, 2008.</p>			

<b>CWSRF Participant: Rosedale</b>			
SRF Project #:	WW15106101	CWSRF Loan Amount:	\$ 689,000
Affected Population:	725	Principal Forgiveness:	\$ 600,000
CWSRF Loan Closed:	5/27/2016	Total Loan and Principle Forgiveness:	\$ 1,289,000
NIMS Categories:		Estimated SRF Savings:	\$ 1,012,443
Secondary Treatment:	\$1,289,000	Equivalency Amount	\$ 0.00
Environmental Benefits: the project will allow Rosedale to achieve compliance and eliminate outfall events to Big Raccoon Creek, currently listed on the impaired waterbodies list for high levels of E coli.			
Project Description:			
<p>The existing treatment facility in Rosedale cannot adequately treat flows during wet weather events, causing solids to be “washed out” of the treatment unit to the receiving stream on a reoccurring basis, which has led to an Agreed Order with the Indiana Department of Environmental Management. Moreover, certain equipment and structures are deteriorating and/or at the end of their useful service life and are in need of replacement/rehabilitation, and the facility lacks emergency backup power and emergency alarms.</p> <p>The flow equalization basin and wastewater treatment plant (WWTP) modifications project includes:</p> <ul style="list-style-type: none"> <li>• Flow equalization basin with drain lift station, force main, and flow meter;</li> <li>• Flow diversion structure with overflow weir;</li> <li>• Comminutor with bypass bar screen;</li> <li>• Treatment plant building improvements, including headworks chamber modifications;</li> <li>• Rehabilitate plant site lift station, including sludge transfer pumps and piping;</li> <li>• Remove lab and chemical feed building and install new chemical building and equipment;</li> <li>• Rehabilitate steel treatment tank;</li> <li>• Replace emergency power generator; and</li> <li>• Improve controls and alarm systems at the main lift station and at the WWTP.</li> </ul> <p>The flow equalization basin will reduce the amount of wastewater sent to the WWTP during peak flow periods. Reduced flow, along with proper sludge removal, will allow the plant to process its rated capacity without regulatory violations. The WWTP modifications will address undersized and deteriorating structures and equipment. The controls and alarm systems will improve operations and alert operators of equipment failure. The emergency generator will allow the main lift station and WWTP to function during power failure.</p> <p>The Town of Rosedale has a MHI of \$30,278, which is significantly below the average MHI for Indiana. Further, the town’s population is declining, the 2009-2013 ACS 5-yr estimate reports that 27% of the population earns below the poverty line and 14.5% is unemployed. Without subsidy the estimated post-project rates of \$85 and would be a hardship for this community.</p>			

<b>CWSRF Participant: Fall Creek RWD</b>			
SRF Project #:	WW16074803	CWSRF Loan Amount:	\$ 14,300,000
Affected Population:	15,800	Principal Forgiveness:	\$ 0.00
CWSRF Loan Closed:	June 22, 2016	Total Loan and Principle Forgiveness:	\$ 14,300,000
NIMS Categories:		Estimated SRF Savings:	\$ 6,281,160
Secondary Treatment:	\$ 4,921,875	Equivalency Amount	\$ 0.00
Infiltration/ Inflow:	\$ 9,030,895		
Sewer System Rehabilitation:	\$ 347,230		
Environmental Benefits: The project will allow Fall Creek RWD to maintain compliance and protect Fall Creek from further impairment.			
Project Description:			
<p>Fall Creek RWD currently has infiltration and inflow issues and backups and maintenance issues due to undersized sewer main in the collection system. Further, the WWTP plant has older equipment that is reaching the end of its useful service life making it less efficient and more costly to operate. Further the baby farms lift station and the reformatory lift station headworks are currently undersized and do not meet the needs of the system.</p> <p>The proposed project will:</p> <ul style="list-style-type: none"> <li>• Rehabilitate sewers along State Street, East Street, East Water Street, State Road 67, Falls Park, McCoy Street, South Broadway and South Pendleton Avenue, downstream of the Baby Farms lift station and in downtown Pendleton.</li> <li>• Construct a new headworks facility adjacent to the existing that will be sized to accommodate a peak flow of 4.0 MGD from the Pendleton Correctional Facility.</li> <li>• Increase the capacity of the Baby Farms lift station from 90 gpm to 160 gpm.</li> <li>• At the WWTP the project includes; recoating the four original aeration tanks and the two original secondary clarifiers; installing new variable speed blowers; dissolved oxygen (DO) sensors; control valves and replacing the existing diffusers with new ones in the existing aeration tanks; and installing new chemical feed pumps that will have the ability of optimally adjusting the chemical (alum) to the amount of flow being treated for phosphorus removal.</li> </ul> <p>The project will decrease inflow and infiltration in the collection system, eliminate backups in the collection system, and extend the useful life of the Fall Creek RWD wastewater treatment plant.</p>			

**CWSRF Benefits Reporting**

<b>Loan:</b> IN289 Borrower: Chesterton Assistance Type: Loan Loan Amount \$: \$2,329,000 <input type="checkbox"/> Final Amount	<input checked="" type="checkbox"/> Entry Complete Loan Execution Date: 07/27/2015 Loan Interest Rate: 0.00% Repayment Period: 20 % Funded by CWSRF: 91%	Tracking #: WW15016404 Other #: Incremental Funding: N Phase #: 0 Original Tracking #: Linked to Tracking#: Same Environmental Results: <input type="checkbox"/> ARRA Funding: <input type="checkbox"/>
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:**

**Facility Name:** Chesterton WWTP

**Population Served (Current) :**

by the Project: 0  
 by the Facility: 0

**Wastewater Volume (Design Flow) :**

by the Project: 4.6000mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 4.6000mgd

**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: IN0022578   
 No NPDES Permit  
 Other Permit Type:   
 Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Coffee Creek	04040001000124		<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> IN290	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW14049102a	Other #:
Borrower: Monticello	Loan Execution Date: 09/18/2015	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.00%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$870,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
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:** This project will expand the Wastewater Treatment Plant and make necessary improvements to the Wastewater Treatment Plant, as outlined in the Monticello Combined Sewer Overflow Long Term Control Plan.

**Facility Name:**

**Population Served (Current) :**  
 by the Project: 0  
 by the Facility: 0

**Wastewater Volume (Design Flow) :**  
 by the Project: 1.1000mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 1.1000mgd

**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: IN0020176  No NPDES Permit
- Other Permit Type: Other Permit Number:

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Tippecanoe River	05120106002337		<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> IN291	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW14049102b	Other #:
Borrower: Monticello	Loan Execution Date: 09/18/2015	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.00%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$11,865,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
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:** This project will expand the Wastewater Treatment Plant and make necessary improvements to the Wastewater Treatment Plant, as outlined in the Monticello Combined Sewer Overflow Long Term Control Plan.

**Facility Name:**

**Population Served (Current) :**

by the Project: 0  
by the Facility: 0

**Wastewater Volume (Design Flow) :**

by the Project: 1.1000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 1.1000mgd

**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: IN0020176  No NPDES Permit
- Other Permit Type: Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Tippecanoe River	05120106002337		<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> IN296	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW14228001b	Other #:
Borrower: Kempton	Loan Execution Date: 09/29/2015	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.00%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$1,688,561	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
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:** This project will install approximately 18,000 feet of 8-inch gravity sewers through the Town of Kempton, approximately 5,500 feet of 6-inch service laterals and one wetwell for a proposed lift station. The project will provide water quality and health benefits by reducing overflow events to the Swamp Creek watershed from failing septic systems. 186

**Facility Name:**  
**Population Served (Current):**

by the Project: 0  
 by the Facility: 0

**Wastewater Volume (Design Flow) :**  
 by the Project: 0.0600mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 2.0000mgd

**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 :	Swamp Creek	05120107000183		<input 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

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

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> IN311	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW14228001a	Other #:
Borrower: Kempton	Loan Execution Date: 09/29/2015	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 0.00%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$516,439	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
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:** This project will install approximately 18,000 feet of 8-inch gravity sewers through the Town of Kempton, approximately 5,500 feet of 6-inch service laterals and one wetwell for a proposed lift station. The project will provide water quality and health benefits by reducing overflow events to the Swamp Creek watershed from failing septic systems. 186

**Facility Name:**

**Population Served (Current):**

by the Project: 0  
by the Facility: 0

**Wastewater Volume (Design Flow) :**

by the Project: 0.0600mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 2.0000mgd

**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:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Swamp Creek	05120107000183		<input 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

**Protection:**

**Restoration:**

Secondary  
Primary  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> IN293	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW14280206a	Other #:
Borrower: Allen County RWSD	Loan Execution Date: 10/22/2015	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 0.00%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$1,632,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
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:** This project will extend sewer service to several areas in Allen County to eliminate failing onsite septic systems. The new collection systems will discharge to the City of Fort Wayne for treatment.

**Facility Name:** Hessen Cassel - 62 septics

**Population Served** (Current) : 11 septics

by the Project: 0  
by the Facility: 0

**Wastewater Volume** (Design Flow) :

by the Project: 0.1300mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 60.0000mgd

**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:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Saint Marys River	04100004000013		<input type="checkbox"/>
Other Impacted :	Cedar Creek	04100003000169		<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:**

**Project:** 2 of CW Needs Survey Number : # of NPS Projects: 0

**Project Description:** This project will extend sewer service to several areas in Allen County to eliminate failing onsite septic systems. The new collection systems will discharge to the City of Fort Wayne for treatment.

**Facility Name:**

**Population Served** (Current) : 41 septics

by the Project: 0  
by the Facility: 0

**Wastewater Volume** (Design Flow) :

by the Project: 0.0240mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 60.0000mgd

# CWSRF Benefits Reporting

<b>Loan:</b> IN293	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW14280206a	Other #:
Borrower: Allen County RWSD	Loan Execution Date: 10/22/2015	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 0.00%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$1,632,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>		Total NPS Projects: 0	

### 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 :	Aboite Creek	05120101000286		<input type="checkbox"/>
Other Impacted :	Aboite Creek	05120101000287		<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> IN297	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW14280206b	Other #:
Borrower: Allen County RWSD	Loan Execution Date: 10/22/2015	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 0.00%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$8,348,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
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:** This project will extend sewer service to several areas in Allen County to eliminate failing onsite septic systems. The new collection systems will discharge to the City of Fort Wayne for treatment.

**Facility Name:** Hessen Cassel - 62 septics

**Population Served** (Current) : Fort Wayne - 11 septics

by the Project: 0  
by the Facility: 0

**Wastewater Volume** (Design Flow) :

by the Project: 0.1300mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 60.0000mgd

**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:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Saint Marys River	04100004000013		<input type="checkbox"/>
Other Impacted :	Cedar Creek	04100003000169		<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:**

**Project:** 2 of CW Needs Survey Number : # of NPS Projects: 0

**Project Description:** This project will extend sewer service to several areas in Allen County to eliminate failing onsite septic systems. The new collection systems will discharge to the City of Fort Wayne for treatment.

**Facility Name:**

**Population Served** (Current) : Northport - 41 septics

by the Project: 0  
by the Facility: 0

**Wastewater Volume** (Design Flow) :

by the Project: 0.0240mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 60.0000mgd

# CWSRF Benefits Reporting

<b>Loan:</b> IN297	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW14280206b	Other #:
Borrower: Allen County RWSD	Loan Execution Date: 10/22/2015	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 0.00%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$8,348,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>		Total NPS Projects: 0	

### 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 :	Aboite Creek	05120101000286		<input type="checkbox"/>
Other Impacted :	Aboite Creek	05120101000287		<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> IN294	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW16058705a	Other #:
Borrower: Madison	Loan Execution Date: 10/28/2015	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 1.95%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$493,255	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
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:** This project will separate the storm drainage system around the Madison State Hospital from the sanitary sewers, correct inflow and infiltration defects in the sanitary system and reduce the quantity of wastewater flow being treated by the City of Madison from the Madison State Hospital Complex sewer collection system.

**Facility Name:**

**Population Served (Current) :**  
 by the Project: 0  
 by the Facility: 0

**Wastewater Volume (Design Flow) :**  
 by the Project: 3.6000mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 3.6000mgd

**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: IN0025666  No NPDES Permit
- Other Permit Type: Other Permit Number:

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Ohio River	05140101000050		<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> IN295	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW16058705b	Other #:
Borrower: Madison	Loan Execution Date: 10/28/2015	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 1.95%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$2,198,784	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 86%	ARRA Funding: <input type="checkbox"/>	
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:** This project will separate the storm drainage system around the Madison State Hospital from the sanitary sewers, correct inflow and infiltration defects in the sanitary system and reduce the quantity of wastewater flow being treated by the City of Madison from the Madison State Hospital Complex sewer collection system.

**Facility Name:**

**Population Served (Current) :**  
 by the Project: 0  
 by the Facility: 0

**Wastewater Volume (Design Flow) :**  
 by the Project: 3.6000mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 3.6000mgd

**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: IN0025666  No NPDES Permit
- Other Permit Type: Other Permit Number:

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Ohio River	05140101000050		<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> IN298	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW16038004a	Other #:
Borrower: Tipton	Loan Execution Date: 10/30/2015	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 0.00%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$382,782	Repayment Period: 0	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
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:** This project will construct a lift station in Kempton and a force main and sanitary sewer continuing from the lift station to the Tipton West WWTP.

**Facility Name:**

**Population Served (Current) :**

by the Project: 0  
by the Facility: 0

**Wastewater Volume (Design Flow) :**

by the Project: 2.0000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 2.0000mgd

**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:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Cicero Creek	05120201001544		<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  
Regionalization/Consolidation  
Other Public Health/Pathogen Reduction

**Protection:**  
Secondary

**Restoration:**  
Secondary  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> IN299	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW16038004b	Other #:
Borrower: Tipton	Loan Execution Date: 10/30/2015	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 0.00%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$3,268,291	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 98%	ARRA Funding: <input type="checkbox"/>	
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:** This project will construct a lift station in Kempton and a force main and sanitary sewer continuing from the lift station to the Tipton West WWTP.

**Facility Name:**

**Population Served (Current) :**

by the Project: 0  
by the Facility: 0

**Wastewater Volume (Design Flow) :**

by the Project: 2.0000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 2.0000mgd

**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:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Cicero Creek	05120201001544		<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  
Regionalization/Consolidation  
Other Public Health/Pathogen Reduction

**Protection:**  
Secondary

**Restoration:**  
Secondary  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> IN300	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW14014001a	Other #:
Borrower: North Vernon	Loan Execution Date: 11/17/2015	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.00%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$723,696	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
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:** The project will replace the sewers within the Hickory Manor Trailer Park subdivision, construct in-line storage upstream of the Southwest Lift Station, construct a new Vortex High Rate Clarifier (HRC) at the wastewater treatment plant to provide primary treatment to excess wet weather flows, and install disinfection facilities at the effluent of the

**Facility Name:** (Current) HRC, including a new chemical feed building.

**Population Served** (Current):  
 by the Project: 0  
 by the Facility: 0

**Wastewater Volume** (Design Flow) :  
 by the Project: 2.2000mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 2.2000mgd

**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: IN0020451  No NPDES Permit
- Other Permit Type: Other Permit Number:

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Vernon Fork	05120207000138		<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:**  
**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> IN302	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW14264301a	Other #:
Borrower: North Webster	Loan Execution Date: 12/09/2015	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.25%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$408,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
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:** This project rehabilitates the aging wastewater treatment plant, rehabilitates the collection system and expands the capacity of the existing plant to allow North Webster to provide service to a nearby community.

**Facility Name:**

**Population Served (Current) :**

by the Project: 0  
by the Facility: 0

**Wastewater Volume (Design Flow) :**

by the Project: 0.0710mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 0.5710mgd

**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: IN0040444  No NPDES Permit
- Other Permit Type: Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Tippecanoe River	05120106000149		<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 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

**Protection:**

**Restoration:**  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> IN305 Borrower: North Webster Assistance Type: Loan Loan Amount \$: \$3,037,000 <input type="checkbox"/> Final Amount	<input checked="" type="checkbox"/> Entry Complete Loan Execution Date: 12/09/2015 Loan Interest Rate: 2.25% Repayment Period: 20 % Funded by CWSRF: 82%	Tracking #: WW14264301b Other #: Incremental Funding: N Phase #: 0 Original Tracking #: Linked to Tracking#: Same Environmental Results: <input type="checkbox"/> ARRA Funding: <input type="checkbox"/>
Multiple nonpoint source projects with similar Environmental Results:		Total NPS Projects: 0

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

**Project Description:** This project rehabilitates the aging wastewater treatment plant, rehabilitates the collection system and expands the capacity of the existing plant to allow North Webster to provide service to a nearby community.

**Facility Name:**

**Population Served (Current) :**

by the Project: 0  
 by the Facility: 0

**Wastewater Volume (Design Flow) :**

by the Project: 0.0710mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 0.5710mgd

**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: IN0040444   
 No NPDES Permit  
 Other Permit Type:   
 Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Tippecanoe River	05120106000149		<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 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

**Protection:**

**Restoration:**  
 Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> IN303 Borrower: Edgewood Assistance Type: Loan Loan Amount \$: \$1,455,000 <input type="checkbox"/> Final Amount	<input checked="" type="checkbox"/> Entry Complete Loan Execution Date: 12/16/2015 Loan Interest Rate: 2.00% Repayment Period: 20 % Funded by CWSRF: 100%	Tracking #: WW14074801    Other #: Incremental Funding: N    Phase #: 0 Original Tracking #: Linked to Tracking#: Same Environmental Results: <input type="checkbox"/> ARRA Funding: <input type="checkbox"/>
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 lining and manhole rehab to reduce I/I.

**Facility Name:**

**Population Served (Current) :**

by the Project: 0  
 by the Facility: 0

**Wastewater Volume (Design Flow) :**

by the Project: 0.6000mgd    Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 21.2500mgd

**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:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
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    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

**Protection:**

**Restoration:**  
 Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> IN304	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW14065502	Other #:
Borrower: Brooklyn	Loan Execution Date: 12/18/2015	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.11%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$1,415,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 72%	ARRA Funding: <input type="checkbox"/>	
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:** The project includes lining or replacing 23,000 feet of sewers and lateral and repairing 34 manholes. The purpose of the project is to rehabilitate the sewers and manholes in Country Manor Mobile Home Park and reduce infiltration and inflow from contributing to the sewer system. The goal of this project is to eliminate sanitary sewer overflows and

**Facility Name:** (Current): clear water to the plant.

Population Served  
 by the Project: 0  
 by the Facility: 0

**Wastewater Volume** (Design Flow) :  
 by the Project: 0.2400mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 0.2400mgd

**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: IN0039772  No NPDES Permit
- Other Permit Type: Other Permit Number:

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	White Lick Creek	05120201000195		<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> IN306	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW14191401	Other #:
Borrower: Odon	Loan Execution Date: 02/26/2016	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.00%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$2,822,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 86%	ARRA Funding: <input type="checkbox"/>	
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:** The Existing WWTP is under Agreed Order and experiences flows greater than the existing capacity. Project will increase the design flow from 0.25 to 0.45 mgd, make improvements at the WWTP to replace aging components, and rehab two lift stations to eliminate SSOs.

**Facility Name:**

**Population Served (Current) :**

by the Project: 0  
by the Facility: 0

**Wastewater Volume (Design Flow) :**

by the Project: 0.4500mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 0.4500mgd

**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: IN0020214  No NPDES Permit
- Other Permit Type: Other Permit Number:

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	Kane Ditch	05120202000341		<input checked="" type="checkbox"/>
Other Impacted :	White River	05120202000408		<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:**

**Restoration:**  
Primary  
Primary

**Comments:**



# CWSRF Benefits Reporting

<b>Loan:</b> IN308	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW14136802	Other #:
Borrower: Farmland	Loan Execution Date: 04/05/2016	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.00%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$1,200,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 70%	ARRA Funding: <input type="checkbox"/>	
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:** CIPP, manhole rehabilitation, and separating storm sewers throughout the system. The purpose for these improvements is to address inflow and infiltration issues in the town's sewer system which has caused sanitary sewer overflows and surcharging. These improvements are part of a Compliance Plan in accordance with an existing

**Facility Name:** (Current Order between Farmland and IDEM.)

**Population Served** (Current Order between Farmland and IDEM.)

by the Project: 0

by the Facility: 0

**Wastewater Volume** (Design Flow) :

by the Project: 1.3000mgd Volume Eliminated/Conserved: 0.0000mgd

by the Facility: 1.3000mgd

**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: IN0021512  No NPDES Permit
- Other Permit Type: Other Permit Number:

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	White River	05120201000105		<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> IN309	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW15106101	Other #:
Borrower: Rosedale	Loan Execution Date: 05/27/2016	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.00%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$1,289,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 75%	ARRA Funding: <input type="checkbox"/>	
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:** The project will rehabilitate the WWTP and construct a flow equalization basin. Reduced flow along with proper sludge removal will allow the plant to process its rated capacity without regulatory violations.

**Facility Name:**

**Population Served (Current) :**

by the Project: 0  
by the Facility: 0

**Wastewater Volume (Design Flow) :**

by the Project: 0.1220mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 0.1220mgd

**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: IN0035505  No NPDES Permit
- Other Permit Type: Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Raccoon Creek	05120108000022		<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:**  
Primary  
Secondary

**Restoration:**

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

**Protection:**

**Restoration:**  
Primary  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> IN310	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW14136802	Other #:
Borrower: Fall Creek RWD	Loan Execution Date: 06/30/2016	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 0.00%	Original Tracking #: Linked to Tracking#:	
Loan Amount \$: \$14,300,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 90%	ARRA Funding: <input type="checkbox"/>	
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:**

**Facility Name:**

**Population Served (Current) :**

by the Project: 0  
by the Facility: 0

**Wastewater Volume (Design Flow) :**

by the Project: 1.9600mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 1.9600mgd

**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: IN0049026  No NPDES Permit  
Other Permit Type: Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Fall Creek	05120201000056		<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:**

**Restoration:**

Primary  
Secondary

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

**Protection:**

**Restoration:**

Primary  
Secondary

**Comments:**

Exhibit F  
 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
	32,176,000	FFY 2013 Federal Capitalization Grant
	33,790,000	FFY 2014 Federal Capitalization Grant
	33,617,000	FFY 2015 Federal Capitalization Grant
	32,200,000	FFY 2016 Federal Capitalization Grant
\$	992,134,353	TOTAL GRANTS
\$	897,686,853	TOTAL GRANTS REQUIRED TO MATCH

**Exhibit G**  
**CUMULATIVE HISTORY OF STATE MATCH**

The State deposited \$15,000,000 of State Match in the CWSRF Loan Program in SFY 2016. To date, the CWSRF State Match has aggregated in excess of 20 percent of the awarded \$897,686,853 Capitalization Grants the Authority was required to match through June 30, 2016, 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)
6,624,400	Series 2012B State Revolving Fund Program Bond net proceeds representing a State Match allocation (August 2012)
13,139,000	Series 2014A State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2014)
15,000,000	Series 2016A State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2016)
\$188,131,971	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 2016 by \$8,594,600 (also known as over-match), which is banked toward future capitalization grants that are expected to be awarded in SFY 2017. 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 2017) to cash (and deposit it in the CWSRF) based upon incurred costs paid by the close of SFY 2016 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 G-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 2016.

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 G - Schedule-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
		2016	2015	2014	2013	2012	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	-	-	-	-	-	6,090,000	-
1998A	1,146,360	-	-	-	-	-	1,146,360	-
2000A	27,257,690	-	-	-	-	-	27,257,690	-
2000B ^	-	-	-	-	-	-	-	-
2001A	12,652,000	-	-	-	-	-	12,652,000	-
2002A*	10,874,000	-	-	-	-	-	10,874,000	-
2002B	-	-	-	-	-	-	-	-
2004A♦	19,071,553	-	-	-	-	-	19,071,553	-
2004B	12,105,996	-	-	-	-	-	12,105,996	-
2004C	-	-	-	-	-	-	-	-
2005A ^	17,437,953	-	-	-	-	907,953	16,530,000	-
2006A	2,146,636	-	-	-	-	-	2,146,636	-
2006B	4,027,035	-	-	-	-	-	4,027,035	-
2007A	1,073,358	-	1,073,358	-	-	-	-	-
2007B	4,925,514	-	-	-	995,514	1,565,000	2,365,000	-
2009A	12,399,675	3,300,000	2,040,000	2,125,000	280,000	-	-	4,654,675
2010B	8,956,447	-	-	-	1,046,447	1,910,000	6,000,000	-
2011A	2,042,434	-	-	-	-	2,042,434	-	-
2012B	5,777,896	610,000	442,896	-	4,305,000	-	-	420,000
2014A	13,055,000	-	13,055,000	-	-	-	-	-
2014B▲	996,884	-	6,673	-	-	-	-	990,211
2015BΔ	413,468	-	-	-	-	-	-	413,468
2016A	12,775,000	-	-	-	-	-	-	12,775,000
<b>Total</b>	<b>185,074,899</b>	<b>3,910,000</b>	<b>16,617,927</b>	<b>2,125,000</b>	<b>6,626,961</b>	<b>6,425,387</b>	<b>130,116,270</b>	<b>19,253,354</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.
- ▲ 2014B refinanced the outstanding portion of the 2007A Bonds; only the part retired before issuance of 2014B (together with the unrefunded February 1, 2015 maturity of the 2007A Bonds) are shown under 2007A heading.
- Δ 2015B refinanced the outstanding portion of the 2012B Bonds; only the part retired before issuance of 2015B (together with the unrefunded February 1, 2016 maturity of the 2012B Bonds) are shown under 2012B heading.

Indiana CW SRF Loan Program  
Exhibit H - Summary of Loans Closed in SFY 2016

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
Chesterton	27-Jul-15	\$ 1,579,000	\$ 750,000	\$ 2,329,000	3.75%	\$ 3,351,994	0.000%	\$ 1,579,000	\$ 1,772,994
Monticello, Series A	18-Sep-15	\$ 870,000	\$ -	\$ 870,000	3.75%	\$ 1,252,140	2.000%	\$ 1,064,127	\$ 188,014
Monticello, Series B	18-Sep-15	\$ 11,865,000	\$ -	\$ 11,865,000	3.75%	\$ 17,076,606	2.000%	\$ 14,512,489	\$ 2,564,116
Kempton, BAN Series A	29-Sep-15	\$ -	\$ 516,439	\$ 516,439	3.75%	\$ 743,281	0.000%	\$ -	\$ 743,281
Kempton, BAN Series B	29-Sep-15	\$ 400,000	\$ 1,288,561	\$ 1,688,561	3.75%	\$ 2,430,248	2.000%	\$ 489,254	\$ 1,940,994
Allen County, Series A	22-Oct-15	\$ 1,632,000	\$ -	\$ 1,632,000	3.75%	\$ 2,348,843	0.000%	\$ 1,632,000	\$ 716,843
Allen County, Series B	22-Oct-15	\$ 8,348,000	\$ -	\$ 8,348,000	3.75%	\$ 12,014,792	0.000%	\$ 8,348,000	\$ 3,666,792
Madison, Series B-1	28-Oct-15	\$ 493,255	\$ -	\$ 493,255	3.75%	\$ 709,913	1.950%	\$ 600,410	\$ 109,503
Madison, Series B-2	28-Oct-15	\$ 2,198,784	\$ -	\$ 2,198,784	3.75%	\$ 3,164,582	1.950%	\$ 2,676,449	\$ 488,133
Tipton, BAN Series A	30-Oct-15	\$ -	\$ 382,782	\$ 382,782	3.75%	\$ 550,916	0.000%	\$ -	\$ 550,916
Tipton, BAN Series B	30-Oct-15	\$ 1,614,000	\$ 1,654,291	\$ 3,268,291	3.75%	\$ 4,703,862	0.000%	\$ 1,614,000	\$ 3,089,862
North Vernon, Series A-1	17-Nov-15	\$ 723,696	\$ -	\$ 723,696	3.75%	\$ 1,041,574	2.000%	\$ 885,177	\$ 156,396
North Vernon, Series A-2 & B	17-Nov-15	\$ 5,776,304	\$ -	\$ 5,776,304	3.75%	\$ 8,313,499	2.000%	\$ 7,065,196	\$ 1,248,303
North Webster, Series A	9-Dec-15	\$ 408,000	\$ -	\$ 408,000	3.75%	\$ 587,211	2.250%	\$ 511,159	\$ 76,051
North Webster, Series B	9-Dec-15	\$ 3,037,000	\$ -	\$ 3,037,000	3.75%	\$ 4,370,978	2.250%	\$ 3,804,879	\$ 566,098
Edgewood	16-Dec-15	\$ 455,000	\$ 1,000,000	\$ 1,455,000	3.75%	\$ 2,094,097	2.000%	\$ 556,526	\$ 1,537,571
Brooklyn	18-Dec-15	\$ 1,415,000	\$ -	\$ 1,415,000	3.75%	\$ 2,036,527	2.110%	\$ 1,749,162	\$ 287,366
Odon	26-Feb-16	\$ 2,822,000	\$ -	\$ 2,822,000	3.75%	\$ 4,061,541	2.000%	\$ 3,451,685	\$ 609,856
Bluffton	31-Mar-16	\$ 4,132,000	\$ -	\$ 4,132,000	3.75%	\$ 5,946,948	0.000%	\$ 4,132,000	\$ 1,814,948
Farmland	5-Apr-16	\$ 1,200,000	\$ -	\$ 1,200,000	3.75%	\$ 1,727,090	2.000%	\$ 1,467,761	\$ 259,329
Rosedale	27-May-16	\$ 689,000	\$ 600,000	\$ 1,289,000	3.75%	\$ 1,855,183	2.000%	\$ 842,740	\$ 1,012,443
Fall Creek RWD	22-Jun-16	\$ 14,300,000	\$ -	\$ 14,300,000	3.75%	\$ 20,581,160	0.000%	\$ 14,300,000	\$ 6,281,160

<b>TOTAL</b>	<b>\$63,958,039</b>	<b>\$6,192,073</b>	<b>\$70,150,112</b>		<b>\$29,680,969</b>
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\* P & I = Principal and Interest  
Grey = equivalency

## Exhibit I

### **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 I-1 (the "Use Schedule") is detail on what funds are held in the CWSRF and how they were expeditiously and timely used in SFY 2016 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 2016 as well as loans anticipated to be closed in SFY 2017 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, 2016, the aggregate amount of closed and committed loans exceeded the balance in this account ("Excess Commitments"). As additional loans are closed in SFY 2017, such committed amounts will contribute to additional Excess Commitments. The aggregate amount held in this account as of July 1, 2016 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.

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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 the not-yet-available FFY 2017 (FFY refers to the Federal Fiscal Year ending September 30 of the year listed) grant by reason of over-match.

**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.

*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

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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.

Reserve Deficiency Account. Accordingly, none of the funds presently on deposit<sup>4</sup> in this account are available for other SRF purposes.

#### **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, 2016 and as anticipated in SFY 2017) 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

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

<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, 2016, 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 \$180.6 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 2017 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.

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, 2016 and as anticipated in SFY 2017) is shown in the Use Schedule. Support Account balances are anticipated to be 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, 2016 nor are any so anticipated in SFY 2017.

**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 2016 (and expects to apply them and other funds in the CWSRF<sup>10</sup> to this purpose in the SFY 2017). Any funds not expended in SFY 2017 are banked for management of the CWSRF in perpetuity by the Authority.

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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 2017 grant expected to be awarded in SFY 2017).

*Available Balance:* As of July 1, 2016, 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 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, 2016 and as anticipated in SFY 2017) 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, and treasury obligations.

### **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 2017 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, 2016.

<sup>12</sup> In addition to meeting any Excess Commitments as of July 1, 2016, 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, 2016, (b) PERs submitted and under review by the CWSRF as of July 1, 2016 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2017), 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, 2016 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, 2016, there were Excess Commitments. By closing new loans for qualified Proposed Projects with (a) approved PERs as of July 1, 2016, (b) PERs submitted and under review by the CWSRF as of July 1, 2016 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2017), 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 2017. 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 2017) 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 2017 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 2017 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, 2016, about \$23.6 million has been transferred to DWSRF. As of July 1, 2016, the cumulative transfer amount available for additional transfers from CWSRF to the DWSRF could result in up to approximately \$84.6 million of allowable transfers which includes 33 percent of the FFY 2016 grant. 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 2017 grant expected to be awarded in SFY 2017).

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.

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 I-Schedule 1

	Account Balances* as of:	Future Deposits in SFY
	30-Jun-2016 (Actual)	
<b><u>A. Funds Committed to Projects by CWSRF</u></b>		
Purchase Account	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>
<b><u>B. Other Funds Held in CWSRF</u></b>		
Reserve Grant Account	\$ 161,300,000	\$ -
Reserve Earnings Account	1,300,000	-
Reserve Support Account	23,300,000	-
Reserve Deficiency Account	-	-
Equity Grant Account	240,400,000	32,200,000
Equity Earnings Account	219,200,000	
Equity Administrative Account	400,000	
	<u>\$ 645,900,000</u>	<u>\$ 32,200,000</u>
<b>Total Available Funds (A. and B. above)</b>	<u>\$ 645,900,000</u>	<u>\$ 32,200,000</u>

**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 **)	112,900,000
Closed Loan to be funded directly from Equity (undrawn portion of loan)	-
PERs In-house (approved & under-review) Awaiting Loan Closing	1,106,600,000
Other Projects on new SFY's PPL, Requesting Loan Funding	134,800,000
1. Use: to cover Loan Demand***	<u>1,354,300,000</u>
Funds held in existing Administrative Account	400,000
Remainder of 4% banked funds available for Administrative purposes	4,900,000
2. Use: to cover Administrative Costs in Perpetuity	<u>5,300,000</u>
3. Use: to cover Series Reserve Requirement	<u>166,100,000</u>
<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>	<u>\$ 1,525,700,000</u>

<b>Uses of Funds (1, 2 &amp; 3 above):</b>	\$ 1,525,700,000
<b>Less: Total Available Funds (A. and B. above)</b>	678,100,000
<b>Amount by which "Possible Uses of Funds" EXCEED "Total Available Funds"</b>	<u>\$ 847,600,000</u>

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.

Exhibit J  
SFY 2016 CWSRF Loan Program Quarterly Interest Rates<sup>1</sup>

State Fiscal Year (SFY) By Quarter (Qtr)	User Rates (Over \$50)	User Rates (\$30 to \$50)	User Rates (Under \$30)
Tier III (MHI <sup>2</sup> : under \$38,598)			
1 <sup>st</sup> Qtr SFY 2016	2.00%	2.00%	2.24%
2 <sup>nd</sup> Qtr SFY 2016	2.00%	2.00%	2.11%
3 <sup>rd</sup> Qtr SFY 2016	2.00%	2.00%	2.00%
4 <sup>th</sup> Qtr SFY 2016	2.00%	2.00%	2.00%
Tier II (MHI: \$38,599 to \$48,247)			
1 <sup>st</sup> Qtr SFY 2016	2.00%	2.00%	2.49%
2 <sup>nd</sup> Qtr SFY 2016	2.00%	2.00%	2.36%
3 <sup>rd</sup> Qtr SFY 2016	2.00%	2.00%	2.09%
4 <sup>th</sup> Qtr SFY 2016	2.00%	2.00%	2.09%
Tier I (MHI: over \$48,248)			
1 <sup>st</sup> Qtr SFY 2016	2.00%	2.24%	2.74%
2 <sup>nd</sup> Qtr SFY 2016	2.00%	2.11%	2.61%
3 <sup>rd</sup> Qtr SFY 2016	2.00%	2.00%	2.34%
4 <sup>th</sup> Qtr SFY 2016	2.00%	2.00%	2.34%

<sup>1</sup> Up to an additional .50 percent reduction is possible if a project includes a green component as part of the Green Project Reserve Sustainability Incentive Program.

<sup>2</sup> Median Household Income reflected in the 2009-2013 ACS 5-year Estimate data.

Exhibit K

Summary of CW Program Fee Expenditures in SFY 2016

<u>Beginning Balance</u> \$ 10,000,000
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Participant/ Project	Description	Amount	Account Balance
JNRU	The SRF Loan Program provided a subsidy to the Jennings North Regional Utility (JNRU) for the purpose of restructuring its existing debt through its WW Fee Account in order for it to become a more sustainable entity.	(7,183,743)	2,816,257
Bluffton	The McKinney & Paxon area of Wells County, near Bluffton Indiana is an economically depressed area that suffers from failing septic systems. The Indiana Department of Environmental Management has been working with interested parties in Wells County to develop a solution to the pollution issue since an Agreed Order was issued September, 2005. The City of Bluffton agreed to a regional solution and extend sewers to the McKinney & Paxon area under an SRF loan. The City also incurred a second loan from the fee account, in the amount of \$435,000, to finance the grinder pumps, service lines and appurtenances that are not owned and operated by the utility.	(435,000)	2,381,257
Interest earned		13,038	2,394,295

<u>Current Unallocated Funds</u> \$ 2,394,295
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Exhibit L

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, 2016, an amount of up to 33 percent of the Safe Drinking Water Act grants for FFYs 1997 through 2016 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 2016, 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 2016.



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

COMBINED FINANCIAL STATEMENTS

June 30, 2016 and 2015

**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

**Report on the Financial Statements**

We have audited the accompanying combined financial statements of State Revolving Fund Loan Programs, an enterprise fund of the Indiana Finance Authority, which comprise the combined statements of net position as of June 30, 2016 and 2015, and the related combined statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the notes to the combined financial statements.

***Management's Responsibility for the Combined Financial Statements***

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Uniform Compliance Guidelines for Audit of State and Local Governments by Authorized Independent Public Accountants*, issued by the Indiana State Board of Accounts. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of State Revolving Fund Loan Programs at June 30, 2016 and 2015, and the changes in their net position and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Report on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic combined financial statements. Such information, although not a part of the basic combined 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 combined 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 of America, 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 combined financial statements, and other knowledge we obtained during our audit of the basic combined 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.

### **Report on Other Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the basic combined financial statements as a whole. The supplementary combining schedules of statements of net position information, statements of revenues, expenses and changes in net position information, and statements of cash flows information are presented for purposes of additional analysis and are not a required part of the basic 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 basic combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 basic 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 of America. In our opinion, the information is fairly stated in all material respects in relation to the basic combined financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2016, on our consideration of 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering State Revolving Fund Loan Programs' internal control over financial reporting and compliance.

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
October 13, 2016

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (UNAUDITED)**  
**June 30, 2016**

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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 (Management's Discussion and Analysis (MD&A)) of the financial activities of the SRF Programs for the fiscal year ended June 30, 2016. All amounts, unless otherwise indicated, are expressed in thousands of dollars and are approximate.

**Financial Highlights:** The SRF Programs' total net position increased by \$28 million during the current fiscal year from \$1,278.5 million to \$1,306.5 million. Non-operating revenues consisted of \$33.6 million of capital contributions (grants) from the U.S. Environmental Protection Agency (EPA) during fiscal year 2016. SRF Program's net position is restricted for water pollution and drinking water projects and related SRF Program purposes.

During the current fiscal year, the SRF Programs' debt decreased by \$31.6 million. The net decrease in debt is the result of principal payments on outstanding debt totaling \$147.4 million and the issuance of \$115.8 million in new bonds. Included in the issuance of new bonds is 2016A for \$62.7 million. The 2016A bonds were used to partially refund the Series 2006B and 2009A bonds.

The SRF Programs disbursed \$137.9 million to participants during the current year to fund wastewater and drinking water infrastructure project expenses. Loan receivables can be found in Note 4 to the combined financial statements starting on page 20 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 basic combined financial statements do 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, 2016**

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The SRF Programs' basic combined financial statements include statements of net position, statements of revenues, expenses and changes in net position, statements of cash flows, and the notes to the combined financial statements. These combined financial statements can be found on pages 9-11 of this report and are summarized below:

- The *combined statements of net position* present information on all of the SRF Programs' assets, deferred outflows of resources, and liabilities, with the difference reported as net position.
- The *combined statements of revenues, expenses and changes in net position* present information showing how the SRF Programs' net position changed during each year. All changes in net position 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 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 12-37 of this report.

In addition to the basic combined financial statements and accompanying notes, this report also presents other supplementary information on pages 38-40. 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, 2016**

**FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the government enterprise's financial position. In the case of the SRF Programs, net position is \$1,306.5 million at the close of the most recent fiscal year.

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

	2016	June 30, 2015	2014
Current assets	\$ 546,060	\$ 789,403	\$ 747,747
Noncurrent assets	<u>2,251,022</u>	<u>2,007,048</u>	<u>2,106,753</u>
Total Assets	<u>2,797,082</u>	<u>2,796,451</u>	<u>2,854,500</u>
Deferred Outflows of Resources	<u>28,816</u>	<u>35,150</u>	<u>38,508</u>
Current liabilities	115,968	116,141	153,408
Long-term liabilities	<u>1,403,444</u>	<u>1,436,916</u>	<u>1,494,318</u>
Total Liabilities	<u>1,519,412</u>	<u>1,553,057</u>	<u>1,647,726</u>
Net Position			
Restricted	<u>1,306,486</u>	<u>1,278,544</u>	<u>1,245,282</u>
Total Net Position	<u>\$ 1,306,486</u>	<u>\$ 1,278,544</u>	<u>\$ 1,245,282</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.

In fiscal year 2016, participant needs were met with EPA grants, new bond issuances, and funds on hand.

The SRF Programs adopted GASB Statement No. 72, *Fair Value Measurement and Application*, during fiscal year 2016. This statement required the SRF Programs to disclose fair value measurements, the level of fair value hierarchy, and valuation techniques. See Note 3.

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (UNAUDITED)**  
**June 30, 2016**

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

	Years Ended June 30,		
	2016	2015	2014
Operating Revenues			
Interest income-investments	\$ 11,799	\$ 6,620	\$ 11,276
Interest income-participants	53,301	56,211	58,597
Other	<u>1,172</u>	<u>772</u>	<u>382</u>
Total operating revenues	<u>66,272</u>	<u>63,603</u>	<u>70,255</u>
Operating Expenses,			
Interest	51,705	68,247	79,825
Bond issuance costs	1,128	1,676	963
Trustee fees	76	49	51
Other program and administrative	<u>2,400</u>	<u>4,789</u>	<u>342</u>
Total operating expenses	<u>55,309</u>	<u>74,761</u>	<u>81,181</u>
Operating Income (Loss)	10,963	(11,158)	(10,926)
Nonoperating Revenues and (Expenses)			
Capital contributions (EPA Grants)	33,563	47,607	58,515
Loan forgiveness	<u>(16,584)</u>	<u>(3,187)</u>	<u>(11,164)</u>
Total nonoperating revenues and (expenses)	<u>16,979</u>	<u>44,420</u>	<u>47,351</u>
Increase in Net Position	27,942	33,262	36,425
Net Position:			
Beginning of Year	<u>1,278,544</u>	<u>1,245,282</u>	<u>1,208,857</u>
End of Year	<u>\$1,306,486</u>	<u>\$1,278,544</u>	<u>\$1,245,282</u>

The SRF Programs' net position increased by \$28 million during the current fiscal year. Key elements of this increase are as follows:

- The SRF Programs received \$33.6 million in capital contributions (grants) from the EPA for qualified wastewater and drinking water projects and related program purposes.
- Operating revenues exceeded operating expenses by \$11 million.
- The SRF Programs had \$16.6 million in loan forgiveness.

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (UNAUDITED)**  
**June 30, 2016**

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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 was \$1.49 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)

	2016	2015	2014
Net Bond Indebtedness	<u>\$ 1,491,728</u>	<u>\$ 1,523,914</u>	<u>\$ 1,618,472</u>

During the current fiscal year, the SRF Programs' debt decreased by \$31.6 million. The net decrease in debt is the result of principal payments on outstanding debt totaling \$147.4 million and the issuance of \$115.8 million in new bonds. Included in the issuance of new bonds is 2016A for \$62.7 million. The 2016A bonds were used to partially refund the Series 2006B and 2009A 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 23-36 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.

## **COMBINED FINANCIAL STATEMENTS**

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
COMBINED STATEMENTS OF NET POSITION  
June 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
Current Assets:		
Cash and equivalents	\$ 405,774,115	\$ 578,543,568
Interest receivable	22,708,687	22,855,526
Due from EPA	1,148,699	46,649,193
Loans receivable, net	<u>116,428,817</u>	<u>141,354,595</u>
Total Current Assets	<u>546,060,318</u>	<u>789,402,882</u>
Noncurrent Assets:		
Investments	440,188,251	183,709,984
Loans receivable, net	1,810,721,712	1,822,878,173
Equipment, net	<u>111,603</u>	<u>460,430</u>
Total Noncurrent Assets	<u>2,251,021,566</u>	<u>2,007,048,587</u>
Total Assets	<u>2,797,081,884</u>	<u>2,796,451,469</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Loss on debt refunding	<u>28,816,027</u>	<u>35,149,971</u>
Total Deferred Outflows of Resources	<u>28,816,027</u>	<u>35,149,971</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Interest payable	26,280,088	26,608,215
Accounts payable	638,249	432,595
Bonds payable-current, net	<u>89,050,000</u>	<u>89,100,000</u>
Total Current Liabilities	<u>115,968,337</u>	<u>116,140,810</u>
Long-term Liabilities:		
Amount due to federal government	765,133	2,102,210
Bonds payable, net	<u>1,402,678,344</u>	<u>1,434,814,047</u>
Total Long-term Liabilities	<u>1,403,443,477</u>	<u>1,436,916,257</u>
Total Liabilities	<u>1,519,411,814</u>	<u>1,553,057,067</u>
<b>NET POSITION</b>		
Restricted for water pollution and drinking water projects and other related program purposes	<u>\$ 1,306,486,097</u>	<u>\$ 1,278,544,373</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 POSITION**  
**Years Ended June 30, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>OPERATING REVENUE</b>		
Interest income-investments	\$ 11,799,099	\$ 6,619,769
Interest income-loan participants	53,300,675	56,210,767
Administration and premium fees	26,019	30,006
Other	<u>1,146,167</u>	<u>742,121</u>
Total Operating Revenue	<u>66,271,960</u>	<u>63,602,663</u>
<b>OPERATING EXPENSES</b>		
Interest	51,705,440	68,247,356
Bond issuance costs	1,127,934	1,675,640
Trustee fees	75,612	48,872
Other program and administrative	<u>2,400,049</u>	<u>4,788,933</u>
Total Operating Expenses	<u>55,309,035</u>	<u>74,760,801</u>
<b>OPERATING INCOME (LOSS)</b>	10,962,925	(11,158,138)
<b>NONOPERATING REVENUES AND (EXPENSES)</b>		
Capital contributions	33,562,882	47,607,436
Loan forgiveness	<u>(16,584,083)</u>	<u>(3,186,513)</u>
Total Nonoperating Revenues and (Expenses)	<u>16,978,799</u>	<u>44,420,923</u>
<b>INCREASE IN NET POSITION</b>	27,941,724	33,262,785
<b>NET POSITION</b>		
Beginning of Year	<u>1,278,544,373</u>	<u>1,245,281,588</u>
End of Year	<u>\$ 1,306,486,097</u>	<u>\$ 1,278,544,373</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, 2016 and 2015**

	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash payments for salaries, administrative and other expenses	\$ (2,460,917)	\$ (2,004,158)
Administration fee	<u>26,019</u>	<u>30,006</u>
Net Cash Used by Operating Activities	<u>(2,434,898)</u>	<u>(1,974,152)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Maturities of loans to participants	174,976,010	216,174,916
Issuance of loans to participants	(137,893,771)	(178,516,697)
Change in investments	(256,478,267)	48,174,071
Interest received on loans and investments	65,246,613	64,291,910
Change in capital assets	<u>348,827</u>	<u>(73,530)</u>
Net Cash Provided (Used) by Investing Activities	<u>(153,800,588)</u>	<u>150,050,670</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Proceeds from debt issuance	139,994,161	292,992,898
Principal payments to reduce indebtedness including refunding	(165,845,920)	(384,193,516)
Payment of debt issuance costs, net of refunding	(1,127,934)	(1,675,640)
Interest paid on debt	<u>(52,033,567)</u>	<u>(70,447,344)</u>
Net Cash Used by Non-Capital Financing Activities	<u>(79,013,260)</u>	<u>(163,323,602)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Capital contributions (EPA grants)	79,063,376	47,952,096
Issuance of forgivable loans to participants	<u>(16,584,083)</u>	<u>(3,186,513)</u>
Net Cash Provided by Capital Financing Activities	<u>62,479,293</u>	<u>44,765,583</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	<b>(172,769,453)</b>	<b>29,518,499</b>
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>578,543,568</u>	<u>549,025,069</u>
End of Year	<u>\$ 405,774,115</u>	<u>\$ 578,543,568</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 10,962,925	\$ (11,158,138)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Interest income	(65,099,774)	(62,830,536)
Interest expense	51,705,440	68,247,356
Bond issuance costs	1,127,934	1,675,640
Changes in assets and liabilities:		
Accounts receivable	-	2,000
Accounts payable	205,654	(12,684)
Amount due to federal government	<u>(1,337,077)</u>	<u>2,102,210</u>
Net Cash Used by Operating Activities	<u>\$ (2,434,898)</u>	<u>\$ (1,974,152)</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, 2016 and 2015**

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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 State Revolving Fund Loan Programs (SRF Programs), conform to generally accepted accounting principles as applicable to governmental units in the United States of America. 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 recognize revenues in the period earned and expenses in the period incurred. Financial transactions are reported as business-type activities.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The SRF Programs follow GASB pronouncements.

The SRF Programs adopted GASB Statement No. 72, *Fair Value Measurement and Application*, during fiscal year 2016. This statement required the SRF Programs to disclose fair value measurements, the level of fair value hierarchy, and valuation techniques. See Note 3.

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 Programs required the SRF Programs 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**  
**Years Ended June 30, 2016 and 2015**

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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 Indiana Finance 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 is 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 from the interest portion of the SRF Program participant loan repayments and 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 in the management of the SRF Programs.

The Indiana Bond Bank, on behalf of the SRF Programs, issued Series 2001A, 2002A, 2002B, 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, 2012A, 2012B, 2012C, 2013A, 2014A, 2014B, 2015A, 2015B, 2016A, and 2016B 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.

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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 revenues and expenses. Actual results could vary from those estimates.

Restricted Net Position: Restricted net position is available for providing financial assistance related to water pollution control and drinking water projects and other purposes of the SRF Programs.

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, 2016 and 2015, fair value approximates cost. Changes in the fair value of investments are included in the combined statements of revenues, expenses and changes in net position.

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 \$16,738,899 and \$15,988,599 at June 30, 2016 and 2015, respectively.

Bond Discounts, Premiums, and Bond Issuance Costs: Bond discounts and premiums are amortized using the interest method over the varying terms of the bonds issued. Bond issuance costs are recorded as expenses when incurred.

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: The Authority has evaluated the combined financial statements for subsequent events occurring through October 13, 2016, the date the combined financial statements were available to be issued.

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

All cash and 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 statutes, 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 and equivalents and investments as of June 30, 2016 and 2015 follows:

	<u>2016</u>		
	<u>Wastewater</u>	<u>Drinking Water</u>	<u>Total</u>
Cash	\$ 6,443	\$ 590	\$ 7,033
Bank deposits	6,736,163	-	6,736,163
Money market funds	231,577,372	62,751,477	294,328,849
Government obligations	<u>429,946,109</u>	<u>114,944,212</u>	<u>544,890,321</u>
	<u>\$ 668,266,087</u>	<u>\$ 177,696,279</u>	<u>\$ 845,962,366</u>
	<u>2015</u>		
	<u>Wastewater</u>	<u>Drinking Water</u>	<u>Total</u>
Cash	\$ 1,828	\$ 1,453	\$ 3,281
Bank deposits	9,246,748	-	9,246,748
Money market funds	440,301,665	85,911,063	526,212,728
Government obligations	<u>145,152,324</u>	<u>81,638,471</u>	<u>226,790,795</u>
	<u>\$ 594,702,565</u>	<u>\$ 167,550,987</u>	<u>\$ 762,253,552</u>

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**NOTE 2 - CASH AND EQUIVALENTS AND INVESTMENTS (CONTINUED)**

Investment Type and Interest Rate Risk Disclosure: As of June 30, 2016, the SRF Programs had the following investments and maturities (amounts are in thousands):

	<b>Wastewater</b>				
	<b>Investment Maturities (in years)</b>				
Fair Value	< 1	1 - < 5	5 - < 10	> 10	
Bank deposits	\$ 6,736	\$ 3,493	\$ 3,243	\$ -	\$ -
Money market funds	231,577	231,577	-	-	-
Government obligations	<u>429,946</u>	<u>81,683</u>	<u>303,229</u>	<u>36,377</u>	<u>8,657</u>
	<u>\$ 668,259</u>	<u>\$ 316,753</u>	<u>\$ 306,472</u>	<u>\$ 36,377</u>	<u>\$ 8,657</u>

	<b>Drinking Water</b>				
	<b>Investment Maturities (in years)</b>				
Fair Value	< 1	1 - < 5	5 - < 10	> 10	
Money market funds	\$ 62,752	\$ 62,752	\$ -	\$ -	\$ -
Government obligations	<u>114,944</u>	<u>26,263</u>	<u>71,110</u>	<u>16,270</u>	<u>1,301</u>
	<u>\$ 177,696</u>	<u>\$ 89,015</u>	<u>\$ 71,110</u>	<u>\$ 16,270</u>	<u>\$ 1,301</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, 2016:

	<b>S&amp;P</b>	<b>Fitch</b>	<b>Moody's</b>	<b>Fair Value</b>
Bank deposits	AA+	AAA	Aaa	\$ 6,736
Money market funds	AAAm	unrated	Aaa-mf	208,554
	AAAm	AAAmmf	Aaa-mf	85,775
Government obligations	AA+	AAA	Aaa	<u>544,890</u>
Total Rated Investments				<u>\$ 845,955</u>

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**NOTE 2 - CASH AND 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 SRF Programs place no limit on the amount that may be invested in any one issuer. The following table shows investments in issuers that represent 5% or more of the total investments at June 30, 2016:

Federal Government Agency Debt	44%
Goldman Financial Square MM	22%
US Treasury	21%
Dreyfus Cash Management CI A Fd288	6%

**NOTE 3 - FAIR VALUE MEASUREMENTS**

The SRF Programs have categorized their assets and liabilities that are measured at fair value into a three-level fair value hierarchy. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy are described as follows:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the SRF Programs has the ability to access.

*Level 2* - Inputs to the valuation methodology may include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and/or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

*Level 3* - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where there is little or no market activity for the asset or liability, the SRF Programs make estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk. Also included in Level 3 are assets measured using a practical expedient that can never be redeemed at the practical expedient.

Following is a description of the valuation methodologies used by the SRF Programs for assets that are measured at fair value on a recurring basis. There have been no changes in the methodologies used at June 30, 2016 and 2015.

*Money Market Fund Shares:* Valued at the daily closing price as reported by the funds. These funds are required to publish their daily net asset value (NAV) and to transact at that price. These funds are deemed to be actively traded.

*Bank Deposits:* Determined by discounting the related cash flows on current yields of similar investments with comparable durations considering the credit-worthiness of the issuer.

*Government Obligations:* Valued using pricing models maximizing the use of observable inputs for similar securities.

For those assets measured at fair value, management determines the fair value measurement policies and procedures. Those policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the SRF Programs' management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain assets could result in a different fair value measurement at the reporting date.

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**NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)**

Following is a summary, within each level of the fair value hierarchy, of the SRF Programs' assets that are measured at fair value on a recurring basis as of June 30, 2016 and 2015:

<b>2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
<b>Assets</b>			
Cash Equivalents:			
Money Market Fund Shares	\$294,328,849		\$294,328,849
Bank Deposits		\$ 3,492,593	3,492,593
Government Obligations		107,945,640	107,945,640
Investments:			
Bank Deposits		3,243,570	3,243,570
Government Obligations		<u>436,944,681</u>	<u>436,944,681</u>
Total Assets at Fair Value	<u>\$294,328,849</u>	<u>\$551,626,484</u>	<u>\$845,955,333</u>
<b>2015</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
<b>Assets</b>			
Cash Equivalents:			
Money Market Fund Shares	\$526,211,979		\$526,211,979
Bank Deposits		\$ 2,499,916	2,499,916
Government Obligations		49,828,392	49,828,392
Investments:			
Money Market Fund Shares	749		749
Bank Deposits		6,746,832	6,746,832
Government Obligations		<u>176,962,403</u>	<u>176,962,403</u>
Total Assets at Fair Value	<u>\$526,212,728</u>	<u>\$236,037,543</u>	<u>\$762,250,271</u>

At June 30, 2016 and 2015, the SRF Programs had no other assets and no liabilities that are measured at fair value on a recurring basis.

**STATE REVOLVING FUND LOAN PROGRAMS**  
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**NOTE 4 - 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, 2016 and 2015 includes actual advances for construction and related costs on eligible projects net of principal payments from participants as follows:

	<b>Loans Receivable as of June 30, 2016</b>	<b>Loans Receivable as of June 30, 2015</b>	<b>Actual Loan Available Less Principal Repayments as of June 30, 2016</b>
Wastewater Fund	\$1,599,120,419	\$1,629,031,608	\$1,656,892,902
Drinking Water Fund	<u>328,030,110</u>	<u>335,201,160</u>	<u>363,861,332</u>
Total All Loans	<u>\$1,927,150,529</u>	<u>\$1,964,232,768</u>	<u>\$2,020,754,234</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 \$116,428,817 at June 30, 2016 and \$141,354,595 at June 30, 2015.

**STATE REVOLVING FUND LOAN PROGRAMS**  
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**NOTE 4 - LOANS RECEIVABLE (CONTINUED)**

As of June 30, 2016, the outstanding balances of closed loans exceeding 50 percent of the total loans receivable and representing the Programs' largest borrowers are summarized below:

<b>Name of Participant</b>	<b>Loans Receivable as of June 30, 2016</b>	<b>Loans Receivable as of June 30, 2015</b>	<b>Actual Loan Available Less Principal Repayments as of June 30, 2016</b>
<b>Wastewater Fund</b>			
City of Indianapolis (escrow)	\$ 220,747,500	\$ 238,161,500	\$ 220,747,500
City of Terre Haute	151,415,000	152,001,000	151,415,000
City of Fort Wayne	141,427,867	162,523,970	147,051,042
City of Evansville	131,740,947	113,147,908	134,755,498
City of Hammond	65,160,000	68,100,000	65,160,000
City of Columbus	62,474,595	66,413,000	62,928,000
City of Jeffersonville	60,843,277	63,451,150	60,843,277
<b>Drinking Water Fund</b>			
City of Fort Wayne	\$ 40,772,000	\$ 44,129,000	\$ 40,772,000
City of East Chicago	31,930,000	34,060,000	31,930,000
Town of Bargersville	17,180,000	17,795,000	17,180,000
City of Bloomington	16,015,000	17,846,000	16,015,000
City of Greensburg	12,543,950	13,288,050	12,543,950
City of Lake Station	10,962,298	11,048,500	10,986,000
City of Huntington	8,873,000	9,270,000	8,873,000
Indiana American Water Co., Inc.	8,161,606	8,997,717	8,161,606
City of Martinsville	7,085,000	7,662,000	7,085,000
City of Whitestown	6,993,000	6,941,281	6,993,000
Town of Speedway	5,852,947	5,854,947	5,852,947
Jackson County Water Utility, Inc.	5,824,444	4,278,293	6,185,000

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**NOTE 5 - INTEREST RECEIVABLE**

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

Interest receivable at June 30, 2016:

	<b>Investments</b>	<b>Loans</b>	<b>Total</b>
Wastewater	\$ 1,046,657	\$ 18,004,621	\$ 19,051,278
Drinking Water	<u>296,269</u>	<u>3,361,140</u>	<u>3,657,409</u>
	<u>\$ 1,342,926</u>	<u>\$ 21,365,761</u>	<u>\$ 22,708,687</u>

Interest receivable at June 30, 2015:

	<b>Investments</b>	<b>Loans</b>	<b>Total</b>
Wastewater	\$ 484,226	\$ 18,851,323	\$ 19,335,549
Drinking Water	<u>163,156</u>	<u>3,356,821</u>	<u>3,519,977</u>
	<u>\$ 647,382</u>	<u>\$ 22,208,144</u>	<u>\$ 22,855,526</u>

**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. Any estimated liabilities, which were calculated as of January 31, 2016, are recorded in both the general short-term debt group for the current portion and the general long-term debt account group for the long-term portion. With respect to such bonds, as of June 30, 2016, the SRF Programs had the following liabilities:

	<b>Yield Reduction</b>	<b>Due Date</b>
<b>2009A</b>		
Wastewater Fund	\$667,393	January 31, 2019
Drinking Water Fund	<u>97,740</u>	January 31, 2019
	<u>\$765,133</u>	

**STATE REVOLVING FUND LOAN PROGRAMS  
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**NOTE 7 - BONDS PAYABLE**

Bonds payable at June 30, 2016 and 2015 for bonds issued on behalf of the SRF Programs are summarized as follows:

	2016	2015
<b><u>Wastewater Fund:</u></b>		
<b>Series 2016B Refunding Bonds</b> issued April 7, 2016 for the aggregate amount of \$53,115,000 to refund the callable portion of Series 2006B, and 2009A Bonds maturing from February 1, 2020 to February 1, 2028 at interest rate of 5.00%. Of this, \$48,240,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.	\$ 48,240,000	\$ -
<b>Series 2016A Bonds</b> issued April 7, 2016 for the aggregate amount of \$62,675,000 maturing from February 1, 2017 to February 1, 2036 at interest rates ranging from 4.00% to 5.00%. Of this, \$56,715,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.	56,715,000	-
<b>Series 2015B Refunding Bonds</b> issued March 19, 2015 for the aggregate amount of \$139,715,000 to refund the callable portion of Series 2007A, 2007B, 2009A, and 2012B Bonds, maturing from February 1, 2016 to February 1, 2025 at interest rates ranging from 2.00% to 5.00%. Of this, \$118,531,184 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.	115,232,700	118,531,184
<b>Series 2015A Bonds</b> issued February 11, 2015 for the aggregate amount of \$100,000,000, maturing from February 1, 2020 to February 1, 2035 at an interest rate of 5.00%. Of this, \$90,740,692 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.	90,740,692	90,740,692

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**STATE REVOLVING FUND LOAN PROGRAMS  
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**NOTE 7 - BONDS PAYABLE (CONTINUED)**

	<b>2016</b>	<b>2015</b>
<p><b>Series 2014B Refunding Bonds</b> issued April 24, 2014 for the aggregate amount of \$68,350,000 to refund the callable portion of Series 2006B, 2007A, and 2007B Bonds, maturing from February 1, 2015 to February 1, 2022 at interest rates ranging from 2.00% to 5.00%. Of this, \$53,790,822 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p>	\$ 53,472,517	\$ 53,472,517
<p><b>Series 2013A Refunding Bonds</b> issued February 26, 2013 for the aggregate amount of \$45,090,000 to refund the callable portion of Series 2004B, 2004C, 2005A, 2006A, and 2006B Bonds, maturing from February 1, 2019 to February 1, 2024 at interest rates ranging from 3.00% to 5.00%. Of this, \$32,210,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p>	32,210,000	32,210,000
<p><b>Series 2012C Bonds</b> issued December 13, 2012 for the aggregate amount of \$109,595,000, maturing from February 1, 2020 to February 1, 2032 at interest rates ranging from 3.00% to 5.00%. Of this, \$99,415,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.</p>	99,415,000	99,415,000
<p><b>Series 2012B Bonds</b> issued August 30, 2012 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 based upon the percentage of original bond proceeds allocated to each program. In March 2015, \$23,595,000 was refunded.</p>	93,600,000	94,210,000

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**STATE REVOLVING FUND LOAN PROGRAMS  
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**NOTE 7 - BONDS PAYABLE (CONTINUED)**

	<b>2016</b>	<b>2015</b>
<p><b>Series 2012A Refunding Bonds</b> 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.</p>	\$ 109,075,000	109,920,000
<p><b>Series 2011A Bonds</b> 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.</p>	42,495,000	42,495,000
<p><b>Series 2010C Refunding Bonds</b> 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.</p>	57,370,000	57,370,000
<p><b>Series 2010B Bonds</b> 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.</p>	59,970,000	62,045,000

**STATE REVOLVING FUND LOAN PROGRAMS  
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**NOTE 7 - BONDS PAYABLE (CONTINUED)**

	<b>2016</b>	<b>2015</b>
<p><b>Series 2010A Refunding Bonds</b> 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.</p>	\$ 175,210,000	\$ 212,080,000
<p><b>Series 2009A Bonds</b> 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. In March 2015, \$57,410,000 was refunded. In April 2016, \$40,330,000 was refunded.</p>	15,750,000	59,380,000
<p><b>Series 2007B Bonds</b> 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. In April 2014, \$3,640,000 was refunded and \$29,855,000 was cash defeased. In March 2015, \$18,320,000 was refunded.</p>	3,910,000	5,655,000
<p><b>Series 2006B Bonds</b> 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. In February 2013, \$7,680,000 was refunded. In April 2014, \$22,960,000 was refunded and \$32,865,000 was cash defeased. In April 2016, \$12,745,000 was refunded.</p>	4,840,000	22,455,000

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**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2016 and 2015**

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

	<b>2016</b>	<b>2015</b>
<p><b>Series 2006A Bonds</b> issued April 25, 2006 for the aggregate amount 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. In February 2013, \$24,945,000 was refunded and \$3,265,000 was cash defeased. In April 2014, \$1,750,000 was refunded and \$50,180,000 was cash defeased.</p>	\$ 41,245,000	\$ 51,605,000
<p><b>Series 2004C Bonds</b> 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 and in February 2013, \$6,650,000 was cash defeased. In April 2014, \$6,200,000 was cash defeased.</p>	-	8,410,000
<p><b>Series 2004B Bonds</b> 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 and in February 2013, \$4,260,000 was cash defeased. In April 2014, \$13,312,319 was cash defeased.</p>	<u>26,785,274</u>	<u>26,785,274</u>
<b>Subtotal-Wastewater</b>	<u>1,126,276,183</u>	<u>1,146,779,667</u>

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
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**NOTE 7 - BONDS PAYABLE (CONTINUED)**

	2016	2015
<b><u>Drinking Water Fund:</u></b>		
<b>Series 2016B Refunding Bonds</b> issued April 7, 2016 for the aggregate amount of \$53,115,000 to refund the callable portion of Series 2006B and 2009A Bonds maturing from February 1, 2020 to February 1, 2028 at interest rates ranging of 5.00%. Of this, \$4,875,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.	\$ 4,875,000	\$ -
<b>Series 2016A Bonds</b> issued April 7, 2016 for the aggregate amount of \$62,675,000 maturing from February 1, 2017 to February 1, 2036 at an interest ranging from 4.00% to 5.00%. Of this, \$5,960,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.	5,960,000	-
<b>Series 2015B Refunding Bonds</b> issued March 19, 2015 for the aggregate amount of \$139,715,000 to refund the callable portion of Series 2007A, 2007B, 2009A, and 2012B Bonds, maturing from February 1, 2016 to February 1, 2015 at interest rates ranging from 2.00% to 5.00%. Of this, \$21,183,816 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.	20,832,300	21,183,816
<b>Series 2015A Bonds</b> issued February 11, 2015 for the aggregate amount of \$100,000,000 maturing from February 1, 2020 to February 1, 2035 at an interest rate of 5.00%. Of this, \$9,259,308 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.	9,259,308	9,259,308

**STATE REVOLVING FUND LOAN PROGRAMS**  
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**NOTES TO COMBINED FINANCIAL STATEMENTS**  
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**NOTE 7 - BONDS PAYABLE (CONTINUED)**

	2016	2015
<p><b>Series 2014B Refunding Bonds</b> issued April 24, 2014 for the aggregate amount of \$68,350,000 to refund the callable portion of Series 2006B, 2007A, and 2007B Bonds, maturing from February 1, 2015 to February 1, 2022 at interest rates ranging from 2.00% to 5.00%. Of this, \$14,559,178 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p>	\$ 14,477,483	\$ 14,477,483
<p><b>Series 2013A Refunding Bonds</b> issued February 26, 2013 for the aggregate amount of \$45,090,000 to refund the callable portion of Series 2005A, 2006A, and 2006B Bonds, maturing from February 1, 2019 to February 1, 2024 at interest rates ranging from 3.00% to 5.00%. Of this, \$12,880,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p>	12,880,000	12,880,000
<p><b>Series 2012C Bonds</b> issued December 13, 2012 for the aggregate amount of \$109,595,000, maturing from February 1, 2021 to February 1, 2032 at interest rates ranging from 4.00% to 5.00%. Of this, \$10,180,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.</p>	10,180,000	10,180,000
<p><b>Series 2012B Bonds</b> issued August 30, 2012 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, \$17,145,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program. In March 2015, \$6,085,000 was refunded.</p>	10,290,000	10,290,000

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
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**NOTE 7 - BONDS PAYABLE (CONTINUED)**

	2016	2015
<p><b>Series 2012A Refunding Bonds</b> 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.</p>	\$ 7,325,000	\$ 7,440,000
<p><b>Series 2011A Bonds</b> 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.</p>	48,100,000	49,550,000
<p><b>Series 2010C Refunding Bonds</b> 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, \$7,555,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p>	7,555,000	7,555,000
<p><b>Series 2010B Bonds</b> 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.</p>	15,150,000	15,745,000

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2016 and 2015**

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

	<b>2016</b>	<b>2015</b>
<p><b>Series 2010A Refunding Bonds</b> 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.</p>	\$ 26,250,000	\$ 34,550,000
<p><b>Series 2009A Bonds</b> 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. In March 2015, \$6,715,000 was refunded. In April 2016, \$5,185,000 was refunded.</p>	2,290,000	8,140,000
<p><b>Series 2007B Bonds</b> 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. In April 2014, \$1,695,000 was refunded and \$7,295,000 was cash defeased. In March 2015, \$7,960,000 was refunded.</p>	3,095,000	4,545,000
<p><b>Series 2007A Bonds</b> 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. In April 2014, \$3,500,000 was refunded and \$1,040,000 was cash defeased. In March 2015, \$2,255,000 was refunded.</p>	540,000	980,000

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**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2016 and 2015**

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

	<b>2016</b>	<b>2015</b>
<p><b>Series 2006B Bonds</b> 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. In February 2013, \$2,745,000 was refunded. In April 2014, \$9,740,000 was refunded.</p>	\$ 2,155,000	\$ 4,205,000
<p><b>Series 2006A Bonds</b> issued April 25, 2006 for the aggregate amount 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. In February 2013, \$4,405,000 was refunded. In April 2014, \$85,000 was cash defeased.</p>	4,630,000	5,930,000
<p><b>Series 2004B Bonds</b> 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. In April 2014, \$3,622,681 was cash defeased.</p>	<u>5,199,726</u>	<u>5,199,726</u>
<b>Subtotal-Drinking Water</b>	<u>211,043,817</u>	<u>222,110,333</u>
Total Principal	1,337,320,000	1,368,890,000
Net premium on bonds payable	<u>154,408,344</u>	<u>155,024,047</u>
Total Bonds Payable	1,491,728,344	1,523,914,047
Less: Current portion	<u>89,050,000</u>	<u>89,100,000</u>
Long-term Portion	<u>\$1,402,678,344</u>	<u>\$ 1,434,814,047</u>

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2016 and 2015**

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

In April 2016, the Authority issued \$53,115,000 2016B Refunding Bonds. The bonds were sold at a premium and refunded \$58,260,000 par amount of prior debt. The refunding debt was used to refund the callable portion of the Series 2006B and 2009A Bonds. The cash flow savings was \$5,506,623 with a net present value savings of \$4,758,724.

In April 2015, the Authority cash defeased in advance of their stated maturity dates the Series 2005A Bonds. A cash deposit of \$92,276,367 was made to an escrow fund, which will pay principal and interest for the defeased debt totaling \$93,282,313.

In March 2015, the Authority issued \$139,715,000 2015B Refunding Bonds. The bonds were sold at a premium and refunded \$149,460,000 par amount of prior debt. The refunding debt was used to refund the callable portion of the Series 2007A, 2007B, 2009A, and 2012B Bonds. The cash flow savings was \$24,762,060 with a net present value savings of \$17,409,227.

The bonds referred to above are considered to have been defeased and have been removed from the combined financial statements and in total have remaining outstanding balances of \$507,270,000 and \$563,085,000 as of June 30, 2016 and 2015, respectively.

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2016 and 2015**

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

The aggregate debt service requirements and premiums for all bonds allocable to the SRF Programs as of June 30, 2016, are as follows:

	<u>Principal</u>			<u>Interest</u>			<u>Debt Service Total</u>
	<u>Wastewater Fund</u>	<u>Drinking Water Fund</u>	<u>Total</u>	<u>Wastewater Fund</u>	<u>Drinking Water Fund</u>	<u>Total</u>	
2017	\$ 74,264,189	\$ 14,785,811	\$ 89,050,000	\$ 54,100,003	\$10,031,423	\$ 64,131,426	\$ 153,181,426
2018	79,574,751	10,935,249	90,510,000	51,482,893	9,411,113	60,894,006	151,404,006
2019	101,203,377	19,781,623	120,985,000	47,650,656	8,879,450	56,530,106	177,515,106
2020	93,169,774	21,845,226	115,015,000	42,578,450	7,972,681	50,551,131	165,566,131
2021	99,416,710	23,108,290	122,525,000	37,968,661	6,924,795	44,893,456	167,418,456
2022-2026	338,044,636	72,360,364	410,405,000	129,868,466	21,025,716	150,894,182	561,299,182
2027-2031	258,571,928	41,398,072	299,970,000	58,087,648	7,983,121	66,070,769	366,040,769
2032-2036	82,030,818	6,829,182	88,860,000	8,918,628	577,874	9,496,502	98,356,502
	<u>1,126,276,183</u>	<u>211,043,817</u>	<u>1,337,320,000</u>	<u>430,655,405</u>	<u>72,806,173</u>	<u>503,461,578</u>	<u>1,840,781,578</u>
Premium	<u>133,561,907</u>	<u>20,846,437</u>	<u>154,408,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,408,344</u>
Total	<u>\$1,259,838,090</u>	<u>\$231,890,254</u>	<u>\$1,491,728,344</u>	<u>\$430,655,405</u>	<u>\$72,806,173</u>	<u>\$503,461,578</u>	<u>\$1,995,189,922</u>

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2016 and 2015**

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

The following is a summary of total debt service without premiums:

	<b>Interest Rates Ranges</b>	<b>Maturity Range</b>	<b>Annual Payment Range</b>	<b>Principal</b>
Wastewater Fund	2.00% - 5.50%	2017-2036	\$ 5,290,000 - \$101,203,377	\$1,126,276,183
Drinking Water Fund	2.00% - 5.50%	2017-2035	737,967 - 23,108,290	<u>211,043,817</u>
Combined Programs	2.00% - 5.50%	2017-2035	5,290,000 - 122,525,000	1,337,320,000
Less: Current Portion				<u>(89,050,000)</u>
Total Long-term Portion				<u>\$1,248,270,000</u>

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2016 and 2015**

**NOTE 8 - LONG-TERM LIABILITIES**

Long-term liability activity for the years ended June 30, 2016 and 2015 was as follows:

	<b>Balance Beginning of Year</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance End of Year</b>	<b>Amounts Due Within One Year</b>	<b>Amounts Due Thereafter</b>
June 30, 2016:						
Amount due to federal government	\$ 2,102,210	\$ -	\$ (1,337,077)	\$ 765,133	\$ -	\$ 765,133
Bonds payable	1,368,890,000	115,790,000	(147,360,000)	1,337,320,000	89,050,000	1,248,270,000
Net premium on bonds payable	<u>155,024,047</u>	<u>24,204,161</u>	<u>(24,819,864)</u>	<u>154,408,344</u>	<u>-</u>	<u>154,408,344</u>
	<u>\$1,526,016,257</u>	<u>\$139,994,161</u>	<u>\$(173,516,941)</u>	<u>\$1,492,493,477</u>	<u>\$89,050,000</u>	<u>\$1,403,443,477</u>
June 30, 2015:						
Amount due to federal government	\$ -	\$ 2,102,210	\$ -	\$ 2,102,210	\$ -	\$ 2,102,210
Bonds payable	1,487,055,000	239,715,000	(357,880,000)	1,368,890,000	89,100,000	1,279,790,000
Net premium on bonds payable	<u>131,417,475</u>	<u>53,277,898</u>	<u>(29,671,326)</u>	<u>155,024,047</u>	<u>-</u>	<u>155,024,047</u>
	<u>\$1,618,472,475</u>	<u>\$295,095,108</u>	<u>\$(387,551,326)</u>	<u>\$1,526,016,257</u>	<u>\$89,100,000</u>	<u>\$1,436,916,257</u>

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2016 and 2015**

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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 combined 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, 2016, an amount up to 33% of the Safe Drinking Water Act grants for Federal Fiscal Years (FFY) 1997 through 2016 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 2016, to date, the following transfers were made:

2001	\$ 20,464,898
2002	3,120,183

**NOTE 10 - PROGRAM REVENUE**

For the years ended June 30, 2016 and 2015, program revenues consisted of the following:

	2016	2015
Interest and other income	\$66,271,960	\$ 63,602,663
Capital grants and contributions	<u>33,562,882</u>	<u>47,607,436</u>
	<u>\$99,834,842</u>	<u>\$111,210,099</u>

## **OTHER SUPPLEMENTARY INFORMATION**

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**COMBINING SCHEDULES - STATEMENTS OF NET POSITION INFORMATION**  
**June 30, 2016 and 2015**

	Wastewater Program		Drinking Water Program		Eliminations	Combined	
	2016	2015	2016	2015	2016	2016	2015
<b>ASSETS</b>							
Current Assets:							
Cash and equivalents	\$ 316,759,512	\$ 454,063,846	\$ 89,014,603	\$124,479,722		\$ 405,774,115	\$ 578,543,568
Interest receivable-investments	1,046,657	484,226	296,269	163,156		1,342,926	647,382
Interest receivable-loans	18,004,621	18,851,323	3,361,140	3,356,821		21,365,761	22,208,144
Due from EPA	-	33,617,000	1,148,699	13,032,193		1,148,699	46,649,193
Accounts receivable	1,068,836	-	-	-	\$ (1,068,836)	-	-
Loans receivable, net	92,494,561	118,506,782	23,934,256	22,847,813		116,428,817	141,354,595
Total Current Assets	<u>429,374,187</u>	<u>625,523,177</u>	<u>117,754,967</u>	<u>163,879,705</u>	<u>(1,068,836)</u>	<u>546,060,318</u>	<u>789,402,882</u>
Noncurrent Assets:							
Investments	351,506,575	140,638,719	88,681,676	43,071,265		440,188,251	183,709,984
Loans receivable, net	1,506,625,858	1,510,524,826	304,095,854	312,353,347		1,810,721,712	1,822,878,173
Equipment, net	109,853	395,680	1,750	64,750		111,603	460,430
Total Noncurrent Assets	<u>1,858,242,286</u>	<u>1,651,559,225</u>	<u>392,779,280</u>	<u>355,489,362</u>	<u>-</u>	<u>2,251,021,566</u>	<u>2,007,048,587</u>
Total Assets	<u>2,287,616,473</u>	<u>2,277,082,402</u>	<u>510,534,247</u>	<u>519,369,067</u>	<u>(1,068,836)</u>	<u>2,797,081,884</u>	<u>2,796,451,469</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Loss on debt refunding	25,424,523	30,674,910	3,391,504	4,475,061		28,816,027	35,149,971
Total Deferred Outflows of Resources	<u>25,424,523</u>	<u>30,674,910</u>	<u>3,391,504</u>	<u>4,475,061</u>	<u>-</u>	<u>28,816,027</u>	<u>35,149,971</u>
<b>LIABILITIES</b>							
Current Liabilities:							
Interest payable	22,141,452	22,317,053	4,138,636	4,291,162		26,280,088	26,608,215
Accounts payable	438,816	356,048	1,268,269	76,547	(1,068,836)	638,249	432,595
Bonds payable-current, net	74,264,189	72,383,485	14,785,811	16,716,515	-	89,050,000	89,100,000
Total Current Liabilities	<u>96,844,457</u>	<u>95,056,586</u>	<u>20,192,716</u>	<u>21,084,224</u>	<u>(1,068,836)</u>	<u>115,968,337</u>	<u>116,140,810</u>
Long-term Liabilities:							
Amount due to federal government	667,393	1,497,256	97,740	604,954		765,133	2,102,210
Bonds payable, net	1,185,573,900	1,207,007,597	217,104,444	227,806,450		1,402,678,344	1,434,814,047
Total Long-term Liabilities	<u>1,186,241,293</u>	<u>1,208,504,853</u>	<u>217,202,184</u>	<u>228,411,404</u>	<u>-</u>	<u>1,403,443,477</u>	<u>1,436,916,257</u>
Total Liabilities	<u>1,283,085,750</u>	<u>1,303,561,439</u>	<u>237,394,900</u>	<u>249,495,628</u>	<u>(1,068,836)</u>	<u>1,519,411,814</u>	<u>1,553,057,067</u>
<b>NET POSITION</b>							
Restricted for water pollution and drinking water projects and other related program purposes	<u>\$1,029,955,246</u>	<u>\$1,004,195,873</u>	<u>\$276,530,851</u>	<u>\$274,348,500</u>	<u>\$ -</u>	<u>\$1,306,486,097</u>	<u>\$1,278,544,373</u>

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**COMBINING SCHEDULES - STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INFORMATION**  
**Years Ended June 30, 2016 and 2015**

	Waste water Program		Drinking Water Program		Combined	
	2016	2015	2016	2015	2016	2015
<b>OPERATING REVENUE</b>						
Interest income-investments	\$ 8,960,184	\$ 4,780,782	\$ 2,838,915	\$ 1,838,987	\$ 11,799,099	\$ 6,619,769
Interest income-loan participants	43,878,868	46,327,453	9,421,807	9,883,314	53,300,675	56,210,767
Administration and premium fees	14,000	20,000	12,019	10,006	26,019	30,006
Other	-	-	1,146,167	742,121	1,146,167	742,121
Total Operating Revenue	<u>52,853,052</u>	<u>51,128,235</u>	<u>13,418,908</u>	<u>12,474,428</u>	<u>66,271,960</u>	<u>63,602,663</u>
<b>OPERATING EXPENSES</b>						
Interest	43,345,929	55,841,551	8,359,511	12,405,805	51,705,440	68,247,356
Bond issuance costs	1,021,350	1,476,630	106,584	199,010	1,127,934	1,675,640
Trustee fees	75,612	48,872	-	-	75,612	48,872
Other program and administrative	1,295,842	3,419,817	1,104,207	1,369,116	2,400,049	4,788,933
Total Operating Expenses	<u>45,738,733</u>	<u>60,786,870</u>	<u>9,570,302</u>	<u>13,973,931</u>	<u>55,309,035</u>	<u>74,760,801</u>
<b>OPERATING INCOME (LOSS)</b>	7,114,319	(9,658,635)	3,848,606	(1,499,503)	10,962,925	(11,158,138)
<b>NONOPERATING REVENUES AND (EXPENSES)</b>						
Capital contributions	32,200,000	33,617,000	1,362,882	13,990,436	33,562,882	47,607,436
Loan forgiveness	(13,554,946)	(435,780)	(3,029,137)	(2,750,733)	(16,584,083)	(3,186,513)
Total Nonoperating Revenues and (Expenses)	<u>18,645,054</u>	<u>33,181,220</u>	<u>(1,666,255)</u>	<u>11,239,703</u>	<u>16,978,799</u>	<u>44,420,923</u>
<b>INCREASE IN NET POSITION</b>	25,759,373	23,522,585	2,182,351	9,740,200	27,941,724	33,262,785
<b>NET POSITION</b>						
Beginning of Year	<u>1,004,195,873</u>	<u>980,673,288</u>	<u>274,348,500</u>	<u>264,608,300</u>	<u>1,278,544,373</u>	<u>1,245,281,588</u>
End of Year	<u>\$ 1,029,955,246</u>	<u>\$ 1,004,195,873</u>	<u>\$ 276,530,851</u>	<u>\$ 274,348,500</u>	<u>\$ 1,306,486,097</u>	<u>\$ 1,278,544,373</u>

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**COMBINING SCHEDULES - STATEMENTS OF CASH FLOWS INFORMATION**  
**Years Ended June 30, 2016 and 2015**

	Waste water Program		Drinking Water Program		Eliminations	Combined	
	2016	2015	2016	2015	2016	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash payments for salaries, administrative and other expenses	\$ (3,187,385)	\$ (1,896,465)	\$ 726,468	\$ (107,693)		\$ (2,460,917)	\$ (2,004,158)
Administration fee	14,000	20,000	12,019	10,006		26,019	30,006
Net Cash Provided (Used) by Operating Activities	<u>(3,173,385)</u>	<u>(1,876,465)</u>	<u>738,487</u>	<u>(97,687)</u>	<u>-</u>	<u>(2,434,898)</u>	<u>(1,974,152)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Maturities of loans to participants	149,215,837	184,707,814	25,760,173	31,467,102		174,976,010	216,174,916
Issuance of loans to participants	(119,304,648)	(164,585,102)	(18,589,123)	(13,931,595)		(137,893,771)	(178,516,697)
Change in investments	(210,867,856)	10,887,010	(45,610,411)	37,287,060		(256,478,267)	48,174,071
Interest received on loans and investments	53,123,323	52,324,224	12,123,290	11,967,686		65,246,613	64,291,910
Change in capital assets	285,827	(76,530)	63,000	3,000		348,827	(73,530)
Net Cash Provided (Used) by Investing Activities	<u>(127,547,517)</u>	<u>83,257,416</u>	<u>(26,253,071)</u>	<u>66,793,253</u>	<u>-</u>	<u>(153,800,588)</u>	<u>150,050,670</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>							
Proceeds from debt issuance	127,107,776	255,882,582	12,886,385	37,110,316		139,994,161	292,992,898
Principal payments to reduce indebtedness including refunding	(141,410,382)	(315,055,590)	(24,435,538)	(69,137,926)		(165,845,920)	(384,193,516)
Payment of debt issuance costs, net of refunding	(1,021,350)	(1,476,630)	(106,584)	(199,010)		(1,127,934)	(1,675,640)
Interest paid on debt	(43,521,530)	(57,476,673)	(8,512,037)	(12,970,671)		(52,033,567)	(70,447,344)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(58,845,486)</u>	<u>(118,126,311)</u>	<u>(20,167,774)</u>	<u>(45,197,291)</u>	<u>-</u>	<u>(79,013,260)</u>	<u>(163,323,602)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>							
Capital Contributions (EPA Grants)	65,817,000	33,790,000	13,246,376	14,162,096		79,063,376	47,952,096
Issuance of forgivable loans to participants	(13,554,946)	(435,780)	(3,029,137)	(2,750,733)		(16,584,083)	(3,186,513)
Net Cash Provided by Capital Financing Activities	<u>52,262,054</u>	<u>33,354,220</u>	<u>10,217,239</u>	<u>11,411,363</u>	<u>-</u>	<u>62,479,293</u>	<u>44,765,583</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	<b>(137,304,334)</b>	<b>(3,391,140)</b>	<b>(35,465,119)</b>	<b>32,909,638</b>		<b>(172,769,453)</b>	<b>29,518,499</b>
<b>CASH AND EQUIVALENTS</b>							
Beginning of Year	<u>454,063,846</u>	<u>457,454,986</u>	<u>124,479,722</u>	<u>91,570,084</u>		<u>578,543,568</u>	<u>549,025,069</u>
End of Year	<u><u>\$316,759,512</u></u>	<u><u>\$454,063,846</u></u>	<u><u>\$89,014,603</u></u>	<u><u>\$124,479,722</u></u>	<u><u>\$ -</u></u>	<u><u>\$405,774,115</u></u>	<u><u>\$578,543,568</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>							
Operating income (loss)	\$ 7,114,319	\$ (9,658,635)	\$ 3,848,606	\$ (1,499,503)		\$ 10,962,925	\$ (11,158,138)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Interest income	(52,839,052)	(51,108,235)	(12,260,722)	(11,722,301)		(65,099,774)	(62,830,536)
Interest expense	43,345,929	55,841,551	8,359,511	12,405,805		51,705,440	68,247,356
Bond issuance costs	1,021,350	1,476,630	106,584	199,010		1,127,934	1,675,640
Changes in assets and liabilities:							
Accounts receivable	(1,068,836)	2,000	-	-	\$ 1,068,836	-	2,000
Accounts payable	82,768	72,968	1,191,722	(85,652)	(1,068,836)	205,654	(12,684)
Amount due to federal government	(829,863)	1,497,256	(507,214)	604,954		(1,337,077)	2,102,210
Net Cash Provided (Used) by Operating Activities	<u>\$ (3,173,385)</u>	<u>\$ (1,876,465)</u>	<u>\$ 738,487</u>	<u>\$ (97,687)</u>	<u>\$ -</u>	<u>\$ (2,434,898)</u>	<u>\$ (1,974,152)</u>



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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND  
INDEPENDENT AUDITORS' REPORTS

June 30, 2016

# 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*

Members of the Indiana Finance Authority  
State Revolving Fund Loan Programs

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the combined financial statements of State Revolving Fund Loan Programs, an enterprise fund of the Indiana Financing Authority, which comprise the combined statement of net position as of June 30, 2016, and the related combined statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated October 13, 2016.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the combined financial statements, we considered State Revolving Fund Loan Programs' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 State Revolving Fund Loan Programs' internal control. Accordingly, we do not express an opinion on the effectiveness of State Revolving Fund Loan Programs' internal control.

*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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether State Revolving Fund Loan Programs' combined financial statements are free from material misstatement, we performed tests of their 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*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of State Revolving Fund Loan Programs' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering State Revolving Fund Loan Programs' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
October 13, 2016

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2016**

	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 18000116-0	\$ 32,200,000	<u>\$ 32,200,000</u>
Capitalization Grants for Drinking Water State Revolving Funds	66.468	FS98548612-0	14,970,000	75,458
	66.468	FS98548614-0	286,960	33,037
	66.468	FS98548615-0	285,060	285,060
	66.468	FS98548615-0	1,000,000	697,116
	66.468	FS98548616-0	13,214,320	1,000,000
	66.468	FS98548616-0	539,360	<u>418,379</u>
				<u>2,509,049</u>
				<u>\$ 34,709,049</u>

*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, 2016**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of State Revolving Fund Loan Programs, an enterprise fund of the Indiana Finance Authority. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR), *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic combined financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* for federal awards made prior to December 26, 2014 and the Uniform Guidance for federal awards made on or subsequent to December 26, 2014, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - SUBRECIPIENTS**

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	\$32,200,000
Capitalization Grants for Drinking Water State Revolving Funds	66.468	1,075,458

At June 30, 2016, the balance of ARRA forgivable loans was \$16,738,899, and loans forgiven during fiscal year 2016 were \$16,584,083.

*Independent Auditors' Report on Compliance for  
Each Major Federal Program,  
on Internal Control Over Compliance,  
and on the Schedule of Expenditures of Federal Awards  
as Required by Uniform Guidance*

Members of the Indiana Finance Authority  
State Revolving Fund Loan Programs

**Report on Compliance for Each Major Federal Program**

We have audited State Revolving Fund Loan Programs' compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of State Revolving Fund Loan Programs' major federal programs for the year ended June 30, 2016. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of State Revolving Fund Loan Programs' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of State Revolving Fund Loan Programs' compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, State Revolving Fund Loan Programs complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of their major federal programs for the year ended June 30, 2016.

### **Report on Internal Control Over Compliance**

Management of State Revolving Fund Loan Programs is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered State Revolving Fund Loan Programs' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the combined financial statements of State Revolving Fund Loan Programs, an enterprise fund of the Indiana Finance Authority, as of and for the year ended June 30, 2016, and have issued our report thereon dated October 13, 2016, which contained an unmodified opinion on those combined financial statements. Our audit was conducted for the purpose of forming 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 the Uniform Guidance 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 of America. 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.

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
October 13, 2016

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2016**

**SECTION I – Summary of Auditors’ Results**

*Financial Statements*

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes ✓ no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes ✓ none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes ✓ no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes ✓ no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes ✓ none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? \_\_\_\_\_ yes ✓ no

Identification of major programs:

CFDA Number	Agency	Title
66.458	U.S. Environmental Protection Agency	Capitalization Grants for Clean Water State Revolving Funds
66.468	U.S Environmental Protection Agency	Capitalization Grants for Drinking Water State Revolving Funds

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2016**

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

Dollar threshold used to distinguish between type A and type B programs:	\$1,041,272
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

**SECTION II – Financial Statement Findings**

None

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

None

**Exhibit O**

**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> @ 7/1/15	224,109,417
Increase/(Decrease) in fund balance	\$ (4,941,947)
Balance as of 6/30/16	219,167,470

**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
FFY 2013	C997548213	1,250,000
FFY 2014	C997548214	1,250,000
FFY 2015	C997548215	1,250,000
FFY 2016	C997548216	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
North Vernon Non Federal Match for Special Appropriation Grant	986,873
Rensselaer Non Federal Match for Special Appropriation Grant	1,588,100
Vigo County Non Federal Match for Special Appropriation Grant	523,719

Available for Future Allocation	<u>\$ 192,242,543</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, 2016, the SRF Loan Program has made Non-Point source loans in the amount of \$245.3 million, which have been attributed to the state required 319 match.



Indiana CWSRF Loan Program  
Exhibit P - WRRDA Requirements\*

Community Name	Date SRF Application Was Received	Loan Amount	Loan Closing Date	SFY Closing	Is this an Equivalency Project? Yes/No	Did A&E Meet 40 CFR Ch 11 and certification	FSP 'Self Certification' Received Prior to loan closing (Applications on or after 10/1/14)	FSP 'Non-Self Certified' Must receive prior to last disbursement (Applications on or after 10/1/14)	Cost & Effectiveness Certification Form Received Date (Applications on or after 10/1/15)
Chesterton	6/2/2014	\$ 2,329,000	7/27/2015	2016	No	NA	NA	NA	NA
Monticello, Series A	6/19/2013	\$ 870,000	9/18/2015	2016	No	footnote 1	NA	NA	NA
Monticello, Series B	6/19/2013	\$ 11,865,000	9/18/2015	2016	Yes	footnote 1	NA	NA	NA
Kempton	2/27/2014	\$ 400,000	9/29/2015	2016	Yes	footnote 1	NA	NA	NA
Kempton, BAN Series A	2/27/2014	\$ 516,439	9/29/2015	2016	No	footnote 1	NA	NA	NA
Kempton, BAN Series B	2/27/2014	\$ 1,288,561	9/29/2015	2016	Yes	footnote 1	NA	NA	NA
Allen County, Series A	4/3/2014	\$ 1,632,000	10/22/2015	2016	No	footnote 1	NA	NA	NA
Allen County, Series B	4/3/2014	\$ 8,348,000	10/22/2015	2016	Yes	footnote 1	NA	NA	NA
Madison, Series B-1	6/30/2015	\$ 493,255	10/28/2015	2016	No	footnote 1	No	Yes	NA
Madison, Series B-2	6/30/2015	\$ 2,198,784	10/28/2015	2016	Yes	footnote 1	No	Yes	NA
Tipton, BAN Series A	6/30/2015	\$ 382,782	10/30/2015	2016	No	footnote 1	No	Yes	NA
Tipton, BAN Series B	6/30/2015	\$ 1,654,291	10/30/2015	2016	Yes	footnote 1	No	Yes	NA
Tipton	6/30/2015	\$ 1,614,000	10/30/2015	2016	Yes	footnote 1	No	Yes	NA
North Vernon, Series A-1	6/10/2013	\$ 723,696	11/17/2015	2016	No	footnote 1	NA	NA	NA
North Vernon, Series A-2	6/10/2013	\$ 1,786,304	11/17/2015	2016	Yes	footnote 1	NA	NA	NA
North Vernon, Series B	6/10/2013	\$ 3,990,000	11/17/2015	2016	Yes	footnote 1	NA	NA	NA
North Webster, Series A	4/1/2104	\$ 408,000	12/9/2015	2016	No	footnote 1	NA	NA	NA
North Webster, Series B	4/1/2104	\$ 3,037,000	12/9/2015	2016	Yes	footnote 1	NA	NA	NA
Edgewood	6/26/2013	\$ 1,455,000	12/16/2015	2016	No	NA	NA	NA	NA
Brooklyn	9/3/2013	\$ 1,415,000	12/18/2015	2016	No	NA	NA	NA	NA
Odon	2/3/2014	\$ 2,822,000	2/26/2016	2016	No	NA	NA	NA	NA
Farmland	1/14/2013	\$ 1,200,000	4/5/2016	2016	No	NA	NA	NA	NA
Bluffton	5/11/2015	\$ 4,132,000	3/31/2016	2016	No	NA	No	Yes	NA
Rosedale	2/10/2015	\$ 1,289,000	5/27/2016	2016	No	NA	No	Yes	NA
Fall Creek RWD	9/29/2015	\$ 14,300,000	6/30/2016	2016	No	NA	No	Yes	NA

<sup>1</sup> Complied with section 602(b)(14) - A&E requirement by entering into an assistance agreement for construction costs only.

\* Some of the WRRDA requirements are set forth below

**Architectural & Engineering (A & E) Procurement:** The A & E procurement requirement applies only to CW Equivalency Projects. A & E services must be negotiated under Chapter 11 of title 40, United States Code or an equivalent State qualifications-based requirement. If applicable, the participant must provide a certification to the SRF Loan Program that it met the requirements of 40 U.S.C Chapter 11.

**Equivalency Projects and Requirements:** Projects selected as an Equivalency Project must meet certain requirements including equivalency requirements set forth in WRRDA. An Equivalency Project must meet the following: 1) FFATA Reporting requirements, 2) Single Audit Act (2 CFR 200 Subpart F), 3) Federal Cross-Cutters, 4) Disadvantaged Business Enterprises, 5) A & E Procurement (WRRDA requirement), 6) signage and 7) other equivalency requirements requirement under the CWA Act, as amended.

**Fiscal Sustainability Plans (FSP):** All CWSRF participants that propose treatment works projects for repair, replacement or expansion shall certify they have developed and implemented a fiscal sustainability plan. This requirement is effective for applications submitted after October 1, 2014.

**Cost & Effectiveness Analysis (C&E):** All CWSRF participants who submit an application after October 1, 2015 must certify they have conducted a cost and effectiveness analysis as outlined in WRRDA.

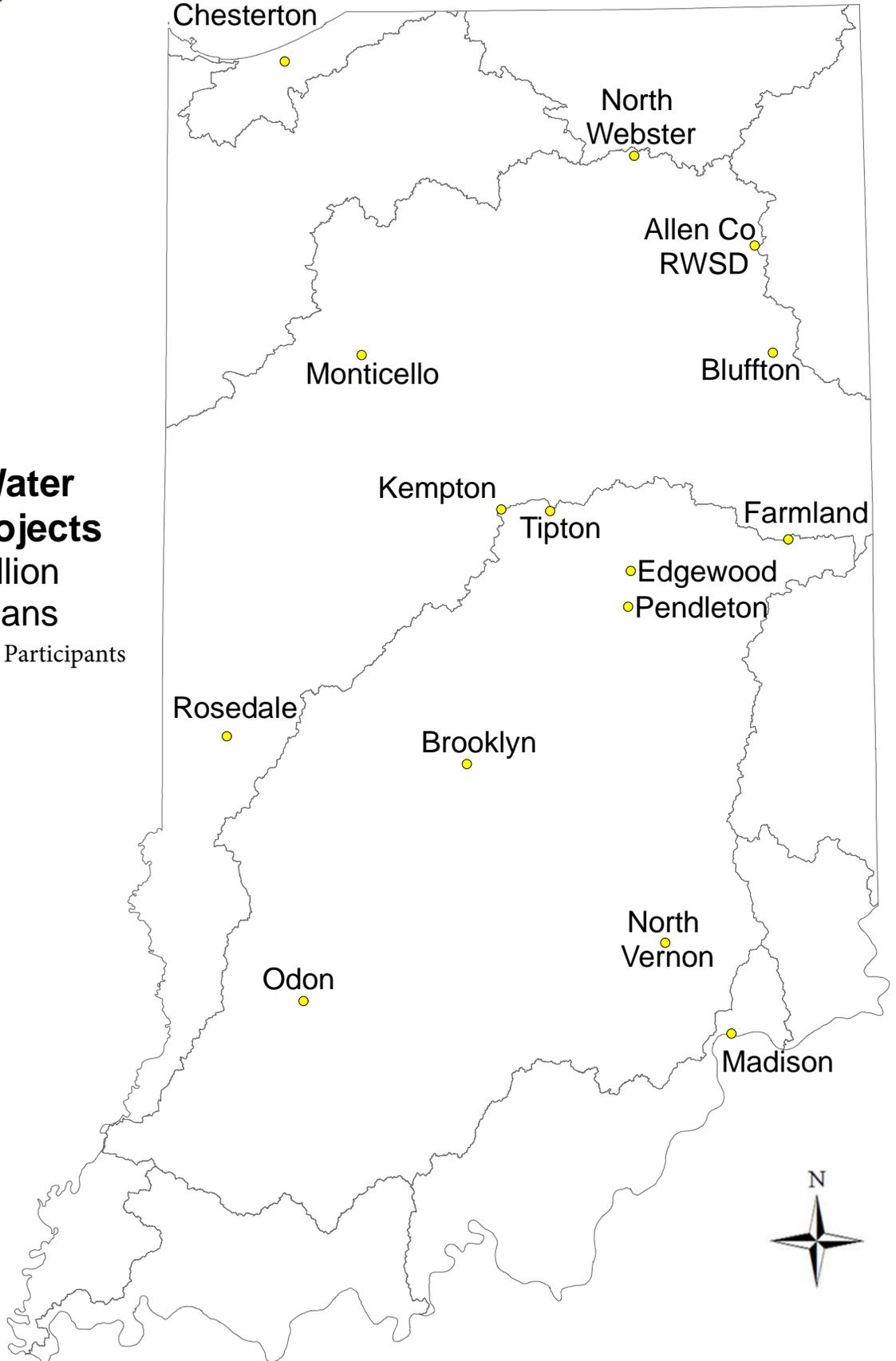
**Other:** CWSRF participants will be required to comply with all applicable requirements set forth in WRRDA and with the terms and conditions of the Capitalization Grant. In addition to the above WRRDA



Exhibit Q

**Indiana Finance Authority  
State Revolving Fund Loan Programs**

**Clean Water Projects Closed in State Fiscal Year 2016**



● **Clean Water  
2016 Projects**  
 \$70.1 Million  
 22 Loans

\*with 15 loan Participants



Exhibit R

**Indiana Finance Authority  
State Revolving Fund Loan Programs**

All Clean Water Projects Closed Since 1992

**● Clean Water**

\$3.26 Billion

483 Loans

