

STATE OF INDIANA

Drinking Water State Revolving Fund Loan Program



**Annual Report
State Fiscal Year 2022
July 1, 2021 – June 30, 2022**

**Drinking Water State Revolving Fund Loan Program
Annual Report SFY 2022**

Table of Contents

I.	Introduction	1
II.	State Revolving Fund (SRF) Loan Program Management [40 CFR 35.3570(a)(3)(i)]	1
III.	Goals and Objectives of the SFY 2022 Intended Use Plan [40 CFR 35.3570(a)(1)]	1
IV.	Environmental Review [40 CFR 35.3570(a)(3)(xii-xiii)]	2
V.	State Match [40 CFR 35.3165(b)(2)]	2
VI.	Binding Commitments Exceed 120% of Grant [40 CFR 35.3165(b)(4)]	3
VII.	Expeditious and Timely Use of Funds [40 CFR 35.35.3550(l)]	3
	A. Interest Rates	3
	B. Terms	4
	C. Other Assistance Provided	4
	D. Administrative Expenses and Fees	5
	E. Transfers [40 CFR 35.3570(a)(3)(x)]	6
	F. Cross-collateralization [40 CFR 35.3110(f)]	6
	G. DWSRF Loan Program Financial Statements	7
	H. Federal Requirements	7
	I. Compliance with 2 CFR part 200 [40 CFR 35.3570(a)(3)(xiv)]	7
VIII.	Projects Funded [40 CFR 35.3570(a)(3)(iv)]	7
IX.	Eligibility [40 CFR 35.3570 (a)(3)(v)]	8
X.	Set-Asides [40 CFR 35.3570(a)(3)(vi)]	8
XI.	Assistance to Small Systems [40 CFR 35.3570(a)(3)(vii)]	9
XII.	Disadvantaged Communities [40 CFR 35.3570(a)(3)(viii)]	9

Exhibits:

Exhibit A:	Goals and Objectives of the DWSRF Loan Program SFY 2022 Intended Use Plan
Exhibit B:	Green Project Reserve in SFY 2022
Exhibit C:	Additional Subsidization by Capitalization Grant Year
Exhibit D:	Equivalency Projects in SFY 2022
Exhibit E:	SFY 2022 DWSRF Loan Program Project Descriptions
Exhibit F:	Cumulative History of the Federal DWSRF Capitalization Grants
Exhibit G:	Cumulative History of the State Match
Exhibit H:	Summary of DWSRF Loan Program Loans Closed in SFY 2022
Exhibit I:	Expeditious and Timely Use of Funds
Exhibit J:	SFY 2022 DWSRF Loan Program Quarterly Interest Rates
Exhibit K:	Summary of DW Program Fee Expenditures in SFY 2022
Exhibit L:	Summary of DWSRF Transfers
Exhibit M:	Combined Financial Statements
Exhibit N:	Schedule of Expenditures of Federal Awards and Independent Auditors' Reports
Exhibit O:	DWSRF Projects Closed in SFY 2022 Map
Exhibit P:	DWSRF Projects Closed Since 1999 Map
Exhibit Q:	Summary of Set-Aside Funds in SFY 2022
Exhibit R:	Summary of Associated Funds
Exhibit S:	Summary of DWSRF Projects with a Regional Solution SFY 2018 – 2022
Exhibit T:	Summary of New Borrowers to the DWSRF Program in SFY 2022
Exhibit U:	Summary of Disadvantaged Community Financings SFY 2017 – 2022

State of Indiana
Drinking Water State Revolving Fund Loan Program
Annual Report
SFY 2022

I. Introduction

Pursuant to 40 CFR 35.3570, the State of Indiana (State), acting through its Indiana Finance Authority (Authority), submits an Annual Report for the Drinking Water State Revolving Fund Loan Program (DWSRF 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) 2022 (July 1, 2021 - June 30, 2022). It is prepared in accordance with Section 1452 of the Safe Drinking Water Act (SDWA), as amended, 42 U.S.C. 300j-12, and with 40 CFR 35.3570.

II. State Revolving Fund (SRF) Loan Program Management [40 CFR 35.3570(a)(3)(i)]

Indiana Code 5-1.2-10 and 5-1.2-3 govern the establishment and administration of the DWSRF Loan Program by the Authority.

III. Goals and Objectives of the SFY 2022 Intended Use Plan [40 CFR 35.3570(a)(1)]

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

The SFY 2022 IUP sets forth the intended use of all funds appropriated to the DWSRF Loan Base Program during SFY 2022 and the DWSRF General Supplemental funds appropriated through the Bipartisan Infrastructure Law (BIL). The SFY 2022 DWSRF General Supplemental Capitalization Grant was awarded on September 27, 2022 and will be disbursed to projects financed in SFY 2023 and addressed in the SFY 2023 DWSRF Annual Report.

To accomplish the objectives of the program, the Authority set short-term and long-term goals as part of the SFY 2022 Intended Use Plan (IUP). A description of how the DWSRF Loan Program has achieved these goals, or is working toward them, is in Exhibit A.

In SFY 2022, the Authority chose to continue the Green Project Reserve (GPR) Sustainability Incentive Program, which provides an interest rate break incentive to State Revolving Fund Participants that incorporate green project components into their projects. In SFY 2022, green projects accounted for more than 14%, or \$1,458,951 of the 2022 Capitalization Grant. Exhibit B, Green Project Reserve in SFY 2022, lists Participants that incorporated GPR projects.

Under the terms and conditions of the 2022 Capitalization Grant, the DWSRF Loan Program is required to use fourteen (14%) percent of funds available in the grant to provide Additional Subsidy to eligible recipients. In addition, the DWSRF Loan Program must provide twelve (12%) percent and may provide up to thirty-five (35%) percent of its 2022 Capitalization Grant in

the form of Additional Subsidization to disadvantaged communities, as required by the SDWA. Additional Subsidization may be in the form of principal forgiveness, negative interest rate loans, or grants. The 2022 DWSRF Capitalization Grant was awarded on September 27, 2022 and the DWSRF Loan Program has identified communities that are eligible to receive the Additional Subsidization from the 2022 Capitalization Grant. Exhibit C, Additional Subsidization by Capitalization Grant Year, lists Participants that received Additional Subsidization in the form of principal forgiveness. As of June 30, 2022, the DWSRF Loan Program has provided a total of \$60.4 million dollars in Additional Subsidization from Capitalization Grants and met the Additional Subsidization goals of the 2010-2021 Capitalization Grants. The DWSRF Loan Program has identified communities that are eligible to receive the Additional Subsidization remaining from the 2022 Base and General Supplemental Capitalization Grants. The Authority shall provide the Additional Subsidization, as required by the terms and conditions of the Capitalization Grant, which allows Indiana four years in which to allocate the Additional Subsidization. However, every attempt will be made to assign the Additional Subsidization within two years of receiving a Capitalization Grant. Priority for Additional Subsidization was given to disadvantaged communities that could not otherwise afford such projects.

Another requirement of the Capitalization Grant is to document projects that are categorized as Equivalency. The purpose of Equivalency within the SRF Loan Programs is to allow states to select a loan or multiple loans, the sum of which is equal to the amount of a Capitalization Grant, to meet specific federal requirements for the program. For the DWSRF Loan Program, these requirements include meeting cross-cutter requirements, single audit requirements, Federal Funding Accountability and Transparency Act reporting requirements, Disadvantaged Business Enterprise Utilization, and the Signage Requirement. Exhibit D, Equivalency Projects for SFY 2022, provides detail on selected projects and Equivalency requirements of the program in SFY 2022.

Regionalization, or independent public bodies sharing the responsibility of providing services to residents, can lead to many benefits for communities and the State. Regional solutions to drinking water issues reduce administrative operation and maintenance costs, offer economies of scale, and create environmental benefits, such as less excavation. Through incentives and close work with utilities, the Authority has encouraged regionalization through the DWSRF Loan Program and closed five loans in the last five years assisting communities facilitating Regionalization. See Exhibit S for details.

IV. Environmental Review [40 CFR 35.3570(a)(3)(xii-xiii)]

All projects funded through the DWSRF Loan Program complied with Federal Cross-Cutting Authorities and State Environmental Review Procedures (SERP). A description of each project funded in SFY 2022 is attached in Exhibit E.

V. State Match [40 CFR 35.3165(b)(2)]

The Authority has fully met its State Match requirements through the end of SFY 2022 by means of depositing the net proceeds from revenue bonds issued by the Authority into the Drinking Water State Revolving Loan Fund (DWSRF Loan Fund). To date, the DWSRF Loan Program State Match has aggregated in excess of 20% of the EPA awarded \$375,628,100 in federal Capitalization Grants, which the Authority was required to match through June 30,

2022. See [Exhibit F](#) for a history of the Capitalization Grants awarded to the DWSRF Loan Program. [Exhibit G](#) details State Match deposited in the DWSRF Loan Fund through the end of SFY 2022, 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 2022, the DWSRF Loan Program financed 24 loans, with 21 Participants, totaling \$112,560,000. Since the DWSRF Loan Program's inception in 1997, over 323 loans aggregating over approximately \$1.16 billion have been financed, more than two times the amount of federal Capitalization Grants that have been awarded to the DWSRF Loan Program (\$402,840,100). A summary of all DWSRF Loan Program financings completed in SFY 2022 is presented in [Exhibit H](#).

VII. Expeditious and Timely Use of Funds [40 CFR 35.35.3550(l)]

The DWSRF 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 \$288 million in outstanding principal as of June 30, 2022, a portion of which has funded financings through the DWSRF Loan Program. A summary of the accounts and associated balances are set forth in [Exhibit I: Expeditious and Timely Use of Funds](#). Future bond issuances are expected to be used to fund new commitments related to new loans in future years. The balance of the bond proceeds not available for loans are used for reserve funds, administrative expenses, and costs of issuance.

A. Interest Rates

The Authority recognizes the continued need to balance the level of subsidy with the inherent limited capacity of the DWSRF 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 DWSRF 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 2014-2018 ACS 5-year estimate data, and projected user rates.

In SFY 2022, the DWSRF Loan Program offered interest rates at 2.00 %. See [Exhibit J](#).

The DWSRF Loan Program also offers incentive programs which encourage Participants to pursue projects that further improve public and environmental health. Integrating these project components into a DWSRF Loan Program financing can lead to a reduced interest rate. In the DWSRF Loan Program, up to an additional .50% reduction may be permitted if a project is financed that includes green/sustainable components, including climate resiliency

components. By including the replacement of lead service lines, the SRF interest rate may also be reduced as low as 0.00%.

In SFY 2022, by completing a financing with the DWSRF Loan Program, and associated Authority programs, Participants will save over \$29.5 million in interest expenses over the life of the loan repayment period, as compared to completing an open market financing, see the “SFY 2022 Savings” column in Exhibit H for estimated savings provided to each participant.

B. Terms

Standard DWSRF Loan Program loans closed in SFY 2022 were structured with annual principal repayments that commenced no later than one year after expected completion of the proposed project and a majority of the loans have a final principal payment no later than 20 years after expected completion of the proposed project.

Loan Terms That Exceed 20 Years

The DWSRF Loan Program may offer Participants extended term financing, at its discretion, provided the useful life of the project is equal to or greater than the loan term, focusing on the rehabilitation of aging distribution and transmission systems. An increase in the interest rate may be applied for extended term loans.

- As permitted by the SDWA, a loan term up to 40 years may be given to a community determined to be disadvantaged, as defined in Section XII of this Report.
- On August 3, 2017, the Authority received EPA approval to offer extended term financings in both CWSRF and DWSRF Loan Programs. A loan term up to 35 years may be given to all Indiana utilities to correct the issue of aging infrastructure for all water and sewer projects having a useful life equal to the loan term. In SFY 2022, the DWSRF Loan Program closed five loans that include loan terms that exceed 20 years.

C. Other Assistance Provided

As of June 30, 2022, the DWSRF Loan Program has provided a total of \$60,402,000 of Additional Subsidization in the form of principal forgiveness to 47 loan recipients during SFY 2010-2021. Exhibit C, Additional Subsidization by Capitalization Grant Year, lists Participants that received principal forgiveness from recent Capitalization Grants.

Priority for Additional Subsidization was provided to those communities that have a lower MHI and/or high post-project user rates. This allowed the DWSRF Loan Program to extend financing to communities that could not otherwise afford a DWSRF financing. The DWSRF Loan Program has not set a cap on the amount of Additional Subsidization that a community may receive.

During SFY 2022, the DWSRF Loan Program provided \$41,530,000 in DWSRF Pooled Loan funding to one community. The DWSRF Pooled Loan program offers eligible

Participants the “AAA” interest rate that is available to the DWSRF Loan Program at the time of their loan closing. See the “SRF Pooled Loan Amount” column in [Exhibit H](#) for DWSRF Pooled Loan participants.

In addition to DWSRF Loan Program funds, other federal, state, and local funds are associated with DWSRF Loan Program projects. In SFY 2022 an additional \$7,641,011 in funds from other federal programs also assisted DWSRF Loan Program Participants. Further, an additional \$8,111,937 was contributed from non-federal sources. See [Exhibit R](#) for details.

Effective July 1, 2018, Indiana legislation required that all Participants in the SRF Loan Programs that receive a loan or other financial assistance from the SRF Loan Programs certify that the Participant has documentation demonstrating that it has the financial managerial, technical, and legal capability to operate and maintain its water or wastewater system in the form of an Asset Management Program. Along with creating guidance to assist Participants to meet this requirement, the Authority appropriated State funds to assist disadvantaged communities to create Asset Management Programs. In SFY 2022, the Authority awarded \$50,000 in Asset Management Programs Grants to two DWSRF Loan Program Participants.

Beginning in SFY 2022, the Authority received an Appropriation from the State Legislature to establish the Water Infrastructure Assistance Fund (WAF). The purpose of the WAF is to provide grants, loans, and other financial assistance to Participants for the planning, designing, acquisition, construction, renovation, improvement, or expansion of public water systems, wastewater, or stormwater collection treatment systems. In SFY 2022, the Authority entered into two Drinking Water WAF State Agreements, and seven Clean Water WAF Agreements totaling \$21,664,500.

D. Administrative Expenses and Fees

The cost of financing loans includes the 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. In SFY 2022, the DWSRF Loan Program completed 24 financings with 21 Participants and collected \$20,000 in Loan Closing Fees. Fees were not assessed for participants closing more than one assistance agreement at the same time. Fees were assessed for Fee Program and WAF Program closings in SFY 2022.

The non-use fee policy of the DWSRF Loan Program permits the assessment of a non-use fee for DWSRF Loan Program 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 the 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 DWSRF Loan Program during SFY 2022.

As permitted by 40 CFR Part 35 and the EPA Fee Policy, dated October 20, 2005, effective November 13, 2015, the Authority implemented a DWSRF Fee for the DWSRF Loan Program. The DWSRF Fees collected will be deposited in the DWSRF Fee Account, a segregated account that is not designated as part of the accounts comprising the SRF Fund, and separate from the Wastewater Program Fund account, where the CWSRF Fees will be deposited.

The DWSRF Fees accumulated may be used by the Authority on projects, needs, costs, or expenses (which may include the provision of State Match for the DWSRF Fund) that are eligible for DWSRF Loan Program assistance and set-aside assistance. A detailed summary of the actual use of the DWSRF Fees is provided in Exhibit K of this report.

The DWSRF Fees charged by the Authority are separately stated from interest charges imposed in respect to financial assistance, structured in the form of a loan; provided however, as set out in its standard forms of the financial assistance agreement, the Authority may adjust the interest rate on the bonds, evidencing any SRF loan to be lowered, with the difference between the amount payable as the original rate on such bonds and the lower rate being deemed an SRF Fee in connection with the DWSRF Loan Program. Any such recharacterization of the otherwise stated interest charges as fees will be accomplished by notice given by the Authority to the Participant prior to the date any scheduled interest payment is due, and prior to deposit of any interest payment in the DWSRF Fund.

The total amount in the DWSRF Fee Account as of June 30, 2022 was \$7,921,341 with an unallocated balance of \$5,511,129. Exhibit K outlines the expenditure of the DWSRF Fee Account in SFY 2022.

E. Transfers [40 CFR 35.3570(a)(3)(x)]

The State permits transfers between the DWSRF Loan Program and the CWSRF Loan Program of Capitalization Grants and other funds held in or allocable to such funds to the extent permitted by the Clean Water Act (CWA) and the SDWA. There were no transfers in SFY 2022. 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 and the DWSRF Loan Programs to optimize capitalization requirements and to 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, no cross-collateralizations have been made.

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 negatively affect 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.

G. DWSRF Loan Program Financial Statements

The DWSRF Loan Program is audited annually by an independent certified public accounting firm. For SFY 2022, which ended June 30, 2022, the DWSRF Loan Program received an unmodified opinion from an independent auditor, as described in Exhibit M.

The DWSRF Loan Program is audited annually for compliance with the requirements set forth in 2 CFR 200 Subpart F, the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, effective for non-federal entities beginning on December 26, 2014. For SFY 2022, the DWSRF Loan Program was determined to be "in compliance," as noted in the Schedule of Expenditures of Federal Awards and Independent Auditors' Reports. The Independent Auditor's Report is provided as Exhibit N.

H. Federal Requirements

The Authority has fulfilled all applicable federal requirements required by the SDWA 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 conducted in accordance with federal and state law.
- All loans made during the SFY 2022 had related projects listed on the Authority's Drinking Water Project Priority List (PPL).
- Compliance with the "American Iron and Steel" requirement described in the SDWA, as amended October 23, 2018.

I. Compliance with 2 CFR part 200 [40 CFR 35.3570(a)(3)(xiv)]

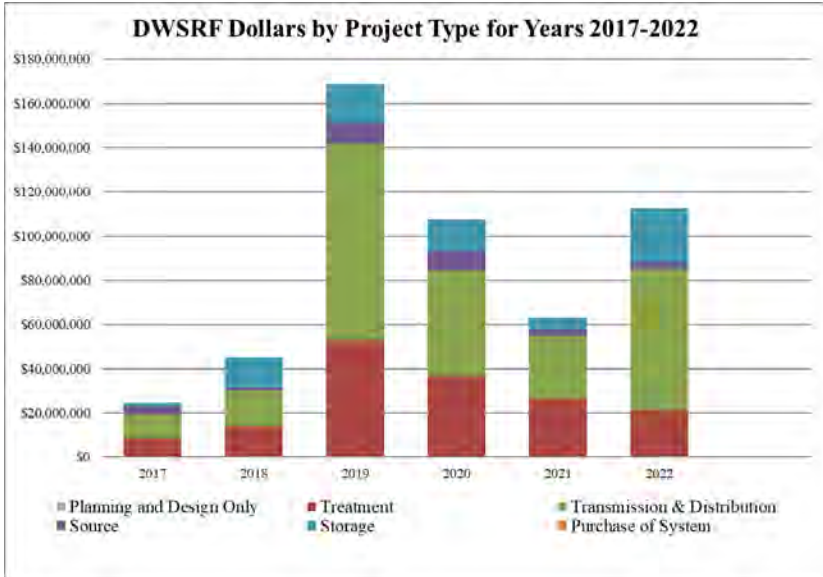
The DWSRF Loan Program complied with all requirements of 2 CFR part 200.

VIII. Projects Funded [40 CFR 35.3570(a)(3)(iv)]

The scoring and ranking system of the DWSRF Loan Program focuses on those projects with the greatest public health need. A map showing the location of projects funded in SFY 2022 is attached as Exhibit O. A map showing the location of all projects funded since the inception of

the DWSRF Loan Program is attached as Exhibit P.

In 2022, the DWSRF continued to experience high demand. The majority of funds were utilized for Transmission and Distribution projects (57%). See *DWSRF Dollars by Project Type for Years 2017-2022*.



IX. Eligibility [40 CFR 35.3570 (a)(3)(v)]

All projects were reviewed for eligibility. It is the objective of the DWSRF Loan Program to ensure that each project:

- Allows the Participant to achieve or maintain compliance with the SDWA;
- Allows the Participant to provide drinking water of adequate quality and quantity to residents;
- Allows the Participant to achieve or maintain technical, financial, and managerial capacity; and
- Does not cause significant negative environmental impacts. Prior to funding, each project was reviewed in accordance with the EPA-approved SERP.

X. Set-Asides [40 CFR 35.3570(a)(3)(vi)]

The Authority is responsible for managing the Set-Aside funds.

In SFY 2022, the Authority utilized the State Program Management Set-Aside to complete drinking water goals by:

- Maintaining the Indiana Lead Sampling Program for Public Schools data platform to allow the State and school districts to manage and public notice lead sampling results data.
- Continuing the Indiana Validated Water Loss Audit Program, to conduct trainings and aid utilities in validating their water audits every other year.
- Continuing the Lead Sampling Program for Child Care Facilities, to develop a lead sampling program for child care facilities, including developing an application, an application ranking matrix, and marketing materials.
- Organizing and conducting four regional water planning meetings, including setting agendas and recruiting speakers, drafting regional boundaries.
- Conducting the Central Indiana Water Study to assess the current water supply in Central Indiana, as well as the future demand and the cost of infrastructure needed to meet the

demand for these regions.

See Exhibit Q for a summary of Set-Aside activities.

The Authority is utilizing the Technical Assistance set-aside funding to finance third party contractors to conduct outreach to Disadvantaged Communities and new borrowers. In SFY 2022 twelve new borrowers were financed through the DWSRF Loan Program, see Exhibit T.

XI. Assistance to Small Systems [40 CFR 35.3570(a)(3)(vii)]

Of the total amount available for assistance from the DWSRF Loan Program each year, the Authority must make at least 15% available solely for providing loan assistance to small systems, to the extent such funds can be obligated for eligible projects. A small system is defined as a public water system that regularly serves 10,000 or fewer persons. When the Authority provides assistance in an amount that exceeds 15% of the available funds in one year, it may credit the excess toward the 15% requirement in future years.

In SFY 2022, 46% of DWSRF funds went to systems serving fewer than 10,000 persons, as shown in *2022 DWSRF Dollars Provided by Population Size*. Cumulatively, the DWSRF Loan Program has provided 42% of its funds to small systems.

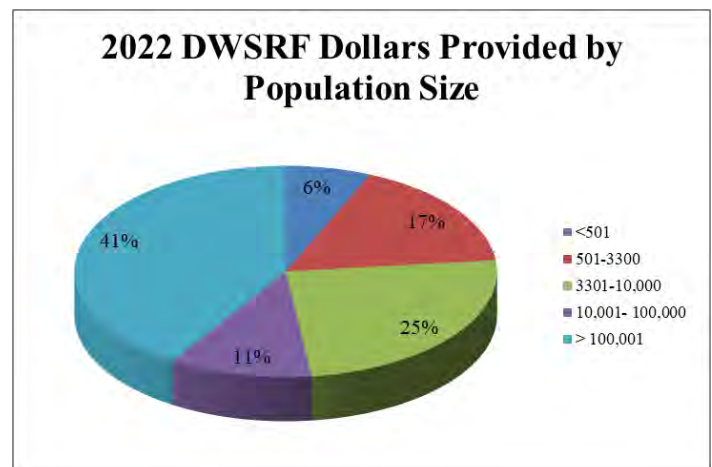
XII. Disadvantaged Communities [40 CFR 35.3570(a)(3)(viii)]

In SFY 2022 the Authority defines a Disadvantaged Participant as a community with:

- 1) A project area with an MHI below 80% of the State MHI, as established by 2015-2019 American Community Five Year Survey;
- 2) Projects that have a positive, direct impact on a census tract(s), or other targeted project area, which has an MHI below 80% of the State MHI may also receive Additional Subsidization;
- 3) An estimated post project user rate greater than \$45.00 per month;
- 4) An average annual residential post project user rate that would exceed one (1%) percent of the Participant's Median Household Income (MHI).

These communities are eligible to receive the lowest interest rate the Authority provides to DWSRF Loan Program Participants. See Section VII.A of this Annual Report for a description of the DWSRF Loan Program's interest rate structure.

During SFY 2022, the Authority provided \$39,065,000 to fourteen disadvantaged communities. The total disadvantaged population served was 44,918 persons.



In the last five years the Authority has successfully financed approximately \$304 million in low interest loans with Disadvantaged Communities, see Exhibit U.

Exhibit A

Goals and Objectives of the DWSRF Loan Program State Fiscal Year (SFY) 2022 Intended Use Plan

The DWSRF Loan Program sets short- and long-term goals as required by 40 CFR 35.3555(c)(5). Short-term goals and objectives are those the State expects to achieve during State Fiscal Year (SFY) 2022, 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 2022, the DWSRF Loan Program expects to achieve the following short-term goals and objectives:

ST1 Goal: Seek the immediate award of the Federal Fiscal Year (FFY) 2022 Capitalization Grant and the BIL DWSRF General Supplemental Capitalization Grant. Upon award, continue to disburse loan proceeds such that the 2022 Capitalization Grants can promptly be utilized.

Result: The FFY 2022 base DWSRF Capitalization Grant was awarded to the Authority on September 27, 2022. The DWSRF Loan Program disbursed sufficient loan proceeds so that the 2022 Capitalization Grant will be fully drawn, other than the amount reserved for Additional Subsidization and set-aside amounts. The SFY 2022 DWSRF General Supplemental Capitalization Grant was awarded on September 27, 2022, and will be disbursed to projects financed in SFY 2023.

ST1a Goal: Ensure that Additional Subsidization is provided pursuant to the terms and conditions of the current capitalization grants and as described in Section 1452 of the Safe Drinking Water Act (SDWA). Additional Subsidization from the DWSRF Base Program may be provided in the form of principal forgiveness, negative interest loans, grants, other loan forgiveness, and through buying, refinancing, or restructuring debt (or any combination of these). Additional Subsidization from the DWSRF General Supplemental Program may be provided in the form of principal forgiveness, and grants.

Result: The 2022 Base Program Capitalization Grant required the Authority to ensure that no less than 26% of the funds of the Capitalization Grant were appropriated for Additional Subsidization. The DWSRF 2022 General Supplemental Capitalization Grant also required the Authority to ensure that no less than 49% of the funds of the Capitalization Grant were appropriated for Additional Subsidization. The DWSRF Loan Program has identified communities that are eligible to receive Additional Subsidization from the SFY 2022 Base Program and SFY 2022 General Supplemental Capitalization Grant. The Authority shall make effort to meet the Additional Subsidization requirement within two years of receiving the 2022 Capitalization Grants, but in no case longer than the terms and conditions permitted by the Capitalization Grant. See Exhibit C, Additional Subsidization by Capitalization Grant Year.

ST1b Goal: Ensure that Davis Bacon Act wage rules apply to all assistance agreements made with funds appropriated under the 2022 Capitalization Grant.

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

ST1c Goal: Ensure that all American Iron and Steel requirements (AIS) as set forth in the current Capitalization Grant are met. Work to implement the Buy America Build America Act requirements.

Result: The DWSRF 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. Further, American Iron and Steel certifications are reviewed during inspection. The Authority is reviewing all draft and approved waivers and awaiting guidance on implementation of the Buy America Build America Act (BABA). The EPA BABA waiver that applies to the SRF Loan program will apply to all equivalency projects closed in SFY 2022, as all plans and specifications were submitted prior to May 14, 2022.

ST1d Goal: If practical, equivalency projects selected for the DWSRF Base Loan Program and the DWSRF General Supplemental program will be identified in Exhibit C. A list equivalency projects will be included in the Annual Report.

Result: Equivalency projects were projected in the SFY 2022 DWSRF Intended Use Plan and the selected equivalency projects for the FFY 2022 Base DWSRF Capitalization Grant are identified in Exhibit D of this Annual Report.

ST1e Goal: Ensure that Participants are developing and implementing an Asset Management Program (AMP) that meets the requirements set forth in the DWSRF Loan Program Guidelines.

Result: The Authority launched an Asset Management Program on July 1, 2018. Guidance was created and the program was presented to interested parties at conferences and via the SRF Loan Program's newsletter. Further, a grant program, utilizing State funds, was launched to assist small, disadvantaged communities with the cost of completing Asset Management Programs. In SFY 2022, \$50,000 has been awarded to two Drinking Water Program borrowers through this program. Participants will be required to provide certification of a completed Asset Management Programs at loan closing or prior to their final loan disbursement.

ST2 Goal: Ensure that all DWSRF Loan Program Participants achieve or maintain compliance with existing or future requirements of the Safe Drinking Water Act.

Result: In SFY 2022, 83% of DWSRF Loan Program funds assisted compliant systems to maintain compliance with the Safe Drinking Water Act; and 17%, or \$18,630,000, funded projects that assisted non-compliant systems to achieve compliance.

ST3 Goal: Conduct a total of 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 Programs staff completed 47 inspections (25 clean water and 22 drinking water) in SFY 2022, thus exceeding its goal.

ST4 Goal: Work diligently with Participants and effectively manage projects to assist Participants in closing loans and constructing projects in a timely, efficient manner.

Result: In SFY 2022, the DWSRF Loan Program successfully closed on 24 financings with 21 Participants. The SRF Loan Programs staff diligently worked with Participants by conducting project planning meetings, reviewing Preliminary Engineering Reports, and corresponding with Participants through the closing process. Participants were required to bid prior to loan closing, and provide a timeline, to ensure that Participants will meet the 2-year construction goal implemented by the Authority.

ST5 Goal: Ensure that EPA funds are accessed when eligible expenses are incurred to minimize un-liquidated obligations.

Result: The DWSRF 2022 Base Program Capitalization Grant was awarded on September 27, 2022. The Authority will begin to draw the 2022 CAP grant immediately upon reward.

ST6 Goal: Consider other available funding opportunities from Federal and/or State sources to further achieve the goals of the SRF (i.e. WIIN Grants, State appropriation, etc.).

Result: On September 6, 2019, the Authority and USEPA entered into a loan agreement securing WIFIA Funding in the amount not to exceed \$436,000,000.

The Authority was awarded a WIIN Lead Testing in School and Child Care Program Drinking Water Grant in the amount of \$1,168,000. The WIIN grant will be used by the Water Resources and Infrastructure Planning Program (WRIPP) section of the Authority to continue a lead sampling program for childcare facilities. The Authority was also awarded a WIIN Reduction in Lead Exposure Via Drinking Water Grant, \$543,928 to assist schools and childcare facilities identified through sampling programs to remediate lead in drinking water.

On June 16, 2022, the Authority applied to the WIIN Assistance for Small and Disadvantaged Communities Drinking Water Grant Program, in the amount of \$549,000 to assist a small, disadvantaged community to achieve compliance with drinking water standards.

Beginning in SFY 2021, the Authority received an Appropriation from the State Legislature to establish the Water Infrastructure Assistance Fund (WAF). The purpose of the WAF is to provide grants, loans, and other financial assistance to Participants for the planning, designing, acquisition, construction, renovation, improvement, or expansion of public water systems, wastewater, or stormwater collection treatment systems. In SFY 2022, the Authority entered into two Drinking Water WAF State Agreements and seven Clean Water WAF State Agreements, totaling \$21,664,500.

ST7 Goal: Promote regional solutions for drinking water issues. Provide Regional Assistance Program (RAP) State grants to qualifying projects that promote a regional solution.

Result: The Authority has worked in SFY 2022 to continue to promote regional solutions for drinking water issues in many proactive ways:

- **Indiana's Scoring system continues to give additional points to regional solutions and gives deductive points for proposed projects that involve disconnection from an active regional wastewater system.**
- **Preliminary Engineering Report guidance continues to require that projects discuss regionalization potential in their evaluation of alternatives.**
- **A Regionalization Assistance Program was continued to offer State grant funds to communities to investigate the challenges, benefits, and implications of regionalization for all entities.**
- **Conducted twenty-nine Regional Planning Meetings throughout the State.**
- **No RAP Grant were awarded in SFY 2022.**

ST8 Goal: Ensure that Participants completed non-revenue water audits as required by IC 8-1-30.8 and participate in regional study area activities as required by IC 5-1.2-11.5.

Result: The Authority is ensuring Participants are aware of the non-revenue water audit requirement and the regional study requirement through Project Planning Meetings and Preliminary Engineering Report response letters.

ST9 Goal: Amend the DWSRF Scoring in SFY 2023 to focus on further meeting the needs of Disadvantaged Communities and encourage climate resiliency projects.

Result: The Authority updated the DWSRF Scoring to include additional points awarded to communities that meet Disadvantaged Community Criteria and climate resiliency projects.

ST10 Goal: Conduct outreach to Disadvantaged Communities that may include presenting at workshops and conferences to advertise the availability of additional funding and providing assistance as needed to Disadvantaged Communities in accessing the DWSRF Loan Program.

Result: The Authority entered into third-party contracts with two entities to work with Indiana communities to assist disadvantaged communities to apply to the SRF Loan Programs.

B. Long-Term Goals and Objectives

LT1 Goal: Provide financial assistance to current and future Participants, by providing low-cost financing commensurate with prudent fiscal and credit standards.

Result: In SFY 2022, 24 DWSRF loans were closed with 21 Participants. See Exhibit H, Summary of Closed Loans for SFY 2022.

LT2 Goal: Maintain the long-term financial integrity of the DWSRF Loan Program by judiciously managing its assets in order to realize a rate of return that will sustain the DWSRF Loan Program in perpetuity.

Result: The SRF Loan Programs continue to manage the investment and programmatic use of its funds to maintain its financial integrity. See Exhibit I, Expedient and Timely Use of Funds.

LT3 Goal: 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 DWSRF 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 Programs monitor all Participants. For those Participants with a Paying Agent Agreement, the SRF Loan Programs monitor 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 Programs annually monitor 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.

LT4 Goal: Leverage EPA Capitalization Grants to generate loans that exceed two-times the awarded grant amounts.

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

LT5 Goal: Monitor Participant's draws of funds to assure loans are being drawn within two years. Work with Participants to spend down remaining funds. Assure that any un-drawn funds are returned to the DWSRF loan pool and made available to other Participants, to minimize un-liquidated obligations.

Result: In order to minimize un-liquidated obligations, the SRF Loan Programs continue to monitor Participants' expenditure rate. As loans are closed out and reamortized, unused loan funds are made

available to other Participants on the Project Priority List. Participants with funds remaining following substantial completion are contacted to determine 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 Participant who has not drawn their loan funds in a timely manner.

LT6 Goal: Report all uses of DWSRF Loan Program funds in the Drinking Water Project Benefits Reporting (PBR) database and the Drinking Water SRF Annual Summary as required by the EPA and the Federal Funding Accountability and Transparency Act (FFATA). Submit required reports to EPA in a well-prepared and timely manner.

Result: The Authority reports uses of DWSRF Loan Program funds in PBR on a monthly basis and NIMS on an annual basis, as required by EPA. Intended Use Plans, Annual Reports, National Infrastructure Management System data, and FFATA reports are well-prepared and submitted to EPA in a timely manner.

LT7 Goal: Periodically publish an SRF Loan Program newsletter.

Result: A newsletter for SFY 2022 was published June 2022.

LT8 Goal: Continue to look for co-funding opportunities between the Brownfields Program and the SRF Loan Program. Continue to look for co-funding opportunities between the USDA Rural Development and the SRF Loan Programs.

Result: The Authority continues to partner with the Brownfields Program to assist communities addressing their brownfield redevelopment needs by pairing Brownfield Loan Program Funds with project components eligible for the DWSRF Loan Program. A co-funded project with the DWSRF Loan Program has not come to fruition. Additionally, the DWSRF Loan Program staff discussed potential projects with the USDA Rural Development staff on a regular basis, but no co-funded projects resulted in SFY 2022.

LT9 Goal: Ensure that the DWSRF Loan Program and its Participants comply as required with Disadvantaged Business Enterprise fair share objectives, Federal environmental cross cutters and the Single Audit Act.

Result: Through various reports, audits, and comment periods, the Authority ensures that the DWSRF Loan Program and its Participants comply as required with Disadvantaged Business Enterprise, Federal environmental cross-cutters, and the Single Audit Act (2 CFR 200 Subpart F “Super Circular”).

LT10 Goal: Provide interest rate breaks to Participants which include the removal of lead service lines, Green components and Climate Resiliency projects.

Result: The Authority utilizes the Green Project Reserve (GPR) Sustainability Incentive Program to encourage Participants to include green project components in their SRF projects. The GPR Sustainability Incentive Program provides two main benefits:

- 1) Up to 0.50% interest rate discount over the entire loan; and**
- 2) Improved ranking on the SRF Project Priority List.**

In SFY 2022, green projects accounted for more than 14%, or \$1,458,951, of the 2022 Capitalization Grant. See Exhibit B, Green Project Reserve by Capitalization Grant Year.

LT11 Goal: Monitor DWSRF Set-Aside uses and activities and reconcile balances to EPA Set-Aside account balances. Continue the transfer of unused balances to the DWSRF Loan Program, thereby increasing the DWSRF Set-Aside spending rate and reducing un-liquidated obligations. Coordinate with the Indiana Department of Environmental Management and/ or the IFA Water Resources and Infrastructure Planning Program to develop new Set-Aside programs as needed.

Result: In order to reduce un-liquidated obligations, the Authority continues to reconcile Set-Aside balances and close out Capitalization Grants when appropriate. The Authority meets with the IDEM Drinking Water Branch as needed to discuss potential Set-Aside programs.

LT12 Goal: Provide at least 15% of the DWSRF Loan Program to systems serving fewer than 10,000 persons.

Result: In SFY 2022, 46% of DWSRF Loan Program funds went to systems serving fewer than 10,000 persons. Cumulatively, the DWSRF Loan Program has provided 42% of its funds to small systems.

LT13 Goal: Complete continuing education courses to ensure that all SRF Loan Program technical reviewers remain aware of innovations in the wastewater and drinking water industry and can review both wastewater and drinking water projects.

Result: In SFY 2022, the Authority's technical reviewers continued with drinking water technical training by conducting on-site inspections of water main installation/replacement projects and water facility improvement projects, attending drinking water technical sessions at the Indiana Section of the American Water Works Association conference and the Indiana Rural Water Association Conference.

LT14 Goal: Coordinate with the Indiana Department of Environmental Management's Drinking Water Branch to identify public water systems with Enforcement Targeting Tool (ETT) scores of 11 or greater that may benefit from DWSRF Loan Program funding.

Result: The Authority coordinates with the IDEM's Drinking Water Branch and Enforcement Program by soliciting comments on Participants' applications, approval letters, and DWSRF Loan Program Project Priority Lists. In addition, the DWSRF Loan Program reviews the Drinking Water Branch's Enforcement Targeting Tool data quarterly and provides input on potential projects as needed.

LT15 Goal: Ensure that DWSRF Loan Program assistance is provided to public water systems with an ETT score greater than or equal to 11, only when the conditions delineated in the SDWA section 1452(a)(3)(B) and (C) are met.

Result: The DWSRF Loan Program compares DWSRF applications to data from the Drinking Water Branch's Enforcement Targeting Tool on a quarterly basis to ensure that any DWSRF assistance is provided to public water systems with an ETT score greater than or equal to 11, only when the conditions delineated in the SDWA section 1452(a)(3)(B) and (C) are met.

LT16 Goal: Continue to support the Alliance of Indiana Rural Water's Indiana Drinking Water Certified Operator Apprenticeship Program, which has been approved by the Department of Labor.

Result: The Authority continued to work with the Alliance of Indiana Rural Water's Certified Operator Apprenticeship Program by providing assistance for the training, supplies and salary of eligible apprentices. The project is delivering qualified, Certified Operators for wastewater and drinking water systems in Indiana to meet the needs of the future. As of July 2022, twelve apprentices have graduated to become Certified Operators.

LT 17 Goal: Work with partners to develop a pipeline of projects to utilize the DWSRF Lead Service Line funding and the DWSRF Emerging Contaminants funding.

Result: In SFY 2022 the Authority worked with loan applicants to advertise available funding for lead service line removal project and to identify emerging contaminant issues within systems. The Authority has partnered with the Indiana Department of Environmental Management to identify communities facing challenges addressing Emerging Contaminants. In the first quarter of SFY 2023 the Authority produced a targeted lead service line removal project priority list.

Indiana DWSRF Loan Program

Exhibit B - Green Project Reserve in SFY 2022

FY 2022 Base DWSRF Capitalization Grant
SFY 2022 GPR Amount

\$10,711,000
 \$1,458,951

14%

Community	Project Description	Total SRF Loan and Principal Forgiveness Amount	Green Project Description	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 plus engineering)	Closing Date
Cedar Lake	Supply, Storage, and Distribution System Improvements	\$3,915,000	Ductile Iron Piping	\$ -	\$ 554,626	\$ -	\$ -	\$ 554,626	3/24/2022
L&M RWD	Distribution System Improvements	\$632,000	Automatic Meter Readers	\$ -		\$ 77,325	\$ -	\$ 77,325	4/11/2022
Grabill	Supply, Treatment, and Distribution System Improvements	\$3,727,000	SCADA, Ductile Iron Piping	\$ -	\$ 656,000	\$ 45,000	\$ -	\$ 701,000	5/31/2022
Cromwell	Supply, Treatment, and Distribution System Improvements	\$3,419,000	VFDs, meters	\$ -	\$ -	\$ 126,000	\$ -	\$ 126,000	6/28/2022

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

Summary of Additional Subsidy by Capitalization Grant:

CAP Grant Year	CAP Grant Amount	Minimum Required DWSRF Additional Subsidy	Maximum Required DWSRF Additional Subsidy	Additional Subsidy Total Under CAP Grant as of June 30, 2022
2010	\$ 22,638,000	\$ 6,791,400	\$ 22,638,000	\$ 7,000,000
2011	\$ 15,709,000	\$ 4,712,700	\$ 15,709,000	\$ 5,000,000
2012	\$ 14,970,000	\$ 2,994,000	\$ 4,491,000	\$ 3,000,000
2013	\$ 14,046,000	\$ 2,809,200	\$ 4,213,800	\$ 3,000,000
2014	\$ 14,348,000	\$ 2,869,600	\$ 4,304,400	\$ 3,000,000
2015	\$ 14,253,000	\$ 2,850,600	\$ 4,275,900	\$ 3,000,000
2016	\$ 13,484,000	\$ 2,696,800	\$ 6,742,000	\$ 4,125,000
2017	\$ 13,368,000	\$ 2,673,600	\$ 6,684,000	\$ 3,000,000
2018	\$ 16,978,000	\$ 3,395,600	\$ 8,489,000	\$ 3,861,000
2019	\$ 16,819,000	\$ 4,372,940	\$ 9,250,450	\$ 9,250,450
2020	\$ 16,830,000	\$ 3,366,000	\$ 8,246,700	\$ 8,000,000
2021	\$ 16,815,000	\$ 3,363,000	\$ 8,239,350	\$ 8,000,000
2022	\$ 10,711,000	\$ 4,371,900	\$ 8,239,350	\$ 165,550

Summary of Additional Subsidy Provided to DWSRF Loan Program Participants in SFY 2022:

Participant	Closing Date	SRF Loan	Principal Forgiveness	Total Loan and Principal Forgiveness	Disadvantaged yes/no	CAP Grant
Leavenworth	11/23/2021	\$ 649,000	\$ 500,000	\$ 1,149,000	yes	2020
Dana	12/15/2021	\$ 986,000	\$ 870,000	\$ 1,856,000	yes	2020
Fort Wayne	12/15/2021	\$ 44,400,000	\$ 80,000	\$ 44,480,000	no	2020
L&M RWD	4/11/2022	\$ 172,000	\$ 460,000	\$ 632,000	yes	2020
Russellville	4/29/2022	\$ 355,000	\$ 1,000,000	\$ 1,355,000	yes	2020
Nashville	5/25/2022	\$ -	\$ 2,677,450	\$ 2,677,450	yes	2020
Nashville	5/25/2022	\$ -	\$ 1,147,550	\$ 1,147,550	yes	2021
Grabill	5/31/2022	\$ 1,572,000	\$ 330,000	\$ 1,902,000	no	2021
Wheatland	6/16/2022	\$ 1,394,000	\$ 2,575,000	\$ 3,969,000	yes	2021
Van Bibber Lake CD	6/29/2022	\$ -	\$ 3,947,450	\$ 3,947,450	yes	2021
Van Bibber Lake CD	6/29/2022	\$ -	\$ 165,550	\$ 165,550	yes	2022

DWSRF Loan Program SFY 2022 Base DWSRF Capitalization Grant

\$10,711,000

Community	Project Description	Total Equivalency Amount	will submit DBE report	complied with federal cross-cutters	will comply with the single audit act 2 CFR 200 Subpart F	BABA Compliance	complied with signage requirement	reported to FSRS to meet FFATA requirements
Lebanon	Storage and Distribution System Improvements	\$6,735,000	Yes	Yes	Yes	n/a*	Yes Press Release 11/9/2021	Yes 10/26/2022
New Chicago	Distribution System Improvements	\$3,345,000	Yes	Yes	Yes	n/a*	Yes Press Release 12/21/2021	Yes 10/26/2022
Edinburgh	New Supply, Supply Improvements, and New Plant	\$631,000	Yes	Yes	Yes	n/a*	Yes Press Release 3/31/2022	Yes 10/26/2022

Equivalency Project Cost Total:	\$10,711,000
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Exhibit E

SFY 2022 DWSRF Loan Program Project Descriptions

DWSRF Participant: New Market			
SRF Project #:	DW21075402	DWSRF Loan:	\$ 1,180,000
DWSRF Loan Closed:	September 16, 2021	Principal Forgiveness:	\$ 0
Affected Population:	765	Total Loan and Principal Forgiveness:	\$ 1,180,000
Loan Term:	20 years	NIMS Categories:	
Interest Rate:	2.00%	Treatment:	\$ 10,439
		Transmission & Distribution:	\$ 1,169,561
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 195,000
This Project: Assists a compliant system to maintain compliance.			
<p>Project Description:</p> <p>The Town of New Market’s distribution system includes original cast iron mains from the 1930s that experience water loss and low pressure. The iron filtration system and electrical equipment at the water treatment plant were forty years old and not meeting the needs of the system.</p> <p>To improve the efficiency of the system the Water Utility Improvements project includes:</p> <ul style="list-style-type: none"> • Replacement of the filter media at the Water Treatment Plant, and • Replacement of approximately 11,000 lineal feet of 4-inch to 8-inch diameter distribution water main in the Southeast and Northwest sections of Town, including appurtenances. <p>The proposed project replaces components of the water system that have outlived their useful life. In addition, replacement of the water mains will improve pressure and water quality to the customers and may reduce the percentage of non-revenue water in the utility.</p>			

DWSRF Participant: Lebanon

SRF Project #:	DW21110602	DWSRF Loan:	\$ 6,735,000
DWSRF Loan Closed:	November 9, 2021	Principal Forgiveness:	\$ 0
Affected Population:	16,098	Total Loan and Principal Forgiveness:	\$ 6,735,000
Loan Term:	20 years	NIMS Categories:	
Interest Rate:	2.00%	Storage:	\$ 6,735,000
Equivalency Amount:	\$6,735,000	Estimated SRF Savings:	\$ 0

This Project: Assists a compliant system to maintain compliance.

Project Description:

Evaluations of the Lebanon Utilities' Water Distribution System revealed the need for additional water storage. The Sugar Creek WTP, which provides the City of Lebanon with 80% of its potable water supply, is located approximately 5 miles north of the city limits and is connected to the distribution system by a single 24-inch diameter water main. Two elevated water storage tanks currently provide a total of 750,000 gallons of water storage. Should an issue occur with the 24-inch water main from the Sugar Creek WTP, the 750,000 gallons of water storage currently available would be exhausted by the daily average demand of 1.62 MGD within approximately 11 hours, in the best-case scenario, assuming the elevated storage tanks were full.

The selected Phase II Project includes the construction of a two Million Gallon Ground Water Storage Tank with a booster station, to be located in the northeast corner of Abner Longley Park. In addition, Phase II includes approximately 1,750 linear feet of water main, which will be constructed from the new facilities, through City of Lebanon park property and along the southern boundary of the Lebanon Church of Christ property, to connect with the existing distribution system, located along the east side of Indianapolis Avenue.

DWSRF Participant: Leavenworth

SRF Project #:	DW21091301	DWSRF Traditional Loan:	\$ 649,000
DWSRF Loan Closed:	November 23, 2021	Principal Forgiveness:	\$ 500,000
Affected Population:	233	Total Loan and Principal Forgiveness:	\$ 1,149,000
Loan Term:	20 years	NIMS Categories:	
Interest Rate:	2.00%	Transmission & Distribution:	\$ 218,310
		Storage	\$ 930,690
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 972,348

This Project: Assists a compliant system to maintain compliance.

Project Description:

The Town of Leavenworth owns and operates a WTP and distribution system in which the majority of components are approximately 80 years old and in need of repair or replacement. Leavenworth also supplies water to the Crawford County Water Company, Inc. The clear well at the WTP is showing signs of settlement, deformation and spalling of the concrete surface, and the elevated water storage tank is in poor condition. The system had inoperable valves and hydrants, impacting the system’s ability to isolate areas in the event of water main breaks.

The Water Utility Improvements Project includes:

- Installing a new 60,000-gallon water storage tank, mixing system, new controls and security fence;
- Demolition of the existing storage tank;
- Replacing/Installing of two hydrants and two valves; and
- Upgrading the booster station to increase flow capacity to Crawford County Water Company as well as new controls.

The project is necessary to replace and rehabilitate aging infrastructure in the Town of Leavenworth. The project reduces water loss, improves water storage, flow and pressure, and addresses security and operational issues in the system. The Town of Leavenworth meets the Indiana criteria for Disadvantaged communities and received Additional Subsidy to reduce the burden of the project on the population.

DWSRF Participant: Lapel			
SRF Project #:	DW21054802	DWSRF Loan A:	\$ 2,735,000
		DWSRF Loan B:	\$ 3,790,000
DWSRF Loan Closed:	December 7, 2021	Principal Forgiveness:	\$ 0
Affected Population:	2,068	Total Loan and Principal Forgiveness:	\$ 6,525,000
Loan A Term:	35 years	NIMS Categories:	
Loan B Term:	20 years	Treatment:	\$ 1,305,000
Interest Rate Loan A:	0.00%	Transmission & Distribution:	\$ 4,315,000
Interest Rate Loan B:	0.00%	Source:	\$ 751,000
		Storage:	\$ 154,000
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 3,867,296
This Project: Assists a noncompliant system to achieve compliance.			
<p>Project Description:</p> <p>The Town of Lapel had insufficient source water to meet the 20-year peak needs of the area and WTP components were at the end of their useful life and needed rehabilitated. The elevated storage tanks require rehabilitation and security improvements. The Town’s distribution system had areas where water main was undersized, leading pressure issues, and aging mains led to an increase in water main breaks and the older areas of the distribution system include lead service lines.</p> <p>To meet the needs of the system the Drinking Water System Improvements Project includes:</p> <ul style="list-style-type: none"> • Improvements to the State Road 13 supply well and Ford Street supply well. • Hydrogeological investigation for future well location; • Abandoning remaining well that is out of service; • Water treatment plant improvements, including upsized chlorine gas system and scrubber, added chlorinator and pre-filtration injection point; new polymer and sodium permanganate feed systems; new chemical storage and feed building; upgraded filter media to both sand and anthracite; new raw water flow meter; and upgraded SCADA; • Improvements to existing ground storage tank; • Elevated storage tank improvements, including epoxy repairs and modifications to access hatch and overflow pipe; • Construction of an additional pump station; and • Approximately 10,500 LF of 6- and 8-inch diameter water main to replace undersized pipe and appurtenances; and • Replace lead service lines to premise plumbing in areas where water main improvements are completed. <p>The improvements allow the system sufficient supply to meet the needs of the community, allow the WTP to properly treat for ammonia, iron and manganese removal, provide adequate storage, reduce water loss, improve system pressure, and remove the human health risk of lead service lines to homes. The project received a reduced interest rate through the Indiana lead service line incentive program.</p>			

DWSRF Participant: Dana			
SRF Project #:	DW20048301	DWSRF Traditional Loan:	\$ 986,000
DWSRF Loan Closed:	December 15, 2021	Principal Forgiveness:	\$ 870,000
Affected Population:	660	Total Loan and Principal Forgiveness:	\$ 1,856,000
Loan Term:	20 years	NIMS Categories:	
		Treatment:	\$ 778,816
		Transmission & Distribution:	\$ 240,817
Interest Rate:	0.00%	Source:	\$ 183,097
		Storage	\$ 653,270
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 1,807,000
This Project: Assists a compliant system to maintain compliance.			
<p>Project Description:</p> <p>The Town of Dana’s water supply and treatment equipment were at the end of their useful life and in need of either replacement or abandonment. The Town’s elevated storage tank was nearly 100 years old, undersized and in poor condition. The wellfield and treatment facilities lacked emergency backup power and meters in the system are beyond useful life and not reliable.</p> <p>To meet the needs of the system the selected project plan includes:</p> <ul style="list-style-type: none"> • Construction of a new wellhouse for Existing Well #6; • Abandoning Wells #1 and #2; • Replacing electrical and control systems for Wells #6 and #7; • Installing a new standby generator to serve the wellfield and treatment facilities; • Replacing raw water transmission mains from Wells #6 and #7; • Replacing aerator and recoating aerator detention tank; • Replacing electrical and control systems at treatment facility; • Connecting existing backwash drain to sanitary sewer; • Construction of a new 75,000 gallon elevated water storage tank; • Replacing water meters with new radio-read meters <p>The improvements to the drinking water system provide the Town of Dana with water in adequate quantity and pressure, improving both reliability and efficiency in the system. The Town of Dana meets the Indiana criteria for Disadvantaged communities and received Additional Subsidy to reduce the burden of the project on the population.</p>			

DWSRF Participant: Fort Wayne

SRF Project #:	DW21120205	DWSRF Loan:	\$ 7,500,000
		DWSRF Pooled Loan:	\$ 36,900,000
DWSRF Loan Closed:	December 15, 2021	Principal Forgiveness:	\$ 80,000
Affected Population:	266,000	Total Loan and Principal Forgiveness:	\$ 44,560,000
Loan Term:	20 years	NIMS Categories:	
Interest Rate:	1.95%	Treatment:	\$ 8,670,058
		Transmission & Distribution:	\$ 33,425,000
		Source:	\$ 623,581
		Storage	\$ 1,761,361
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 345,000

This Project: Assists a compliant system to maintain compliance.

Project Description:

The City of Fort Wayne’s Three Rivers Filtration Plant has many components which required rehabilitation due to age. The City has also acknowledged the need to supplement their surface water supply with new ground water source for additional resiliency in the system. The City has identified several areas that experience a number of water main breaks due to water main that is approaching 100 years old. Some select zones in the distribution system also experience pressure and quality issues due to dead ends. The aging distribution system is also expected to include lead service lines.

To correct these issues, the City of Fort Wayne’s project includes:

- Equipment and system upgrades and replacements to the Three Rivers Filtration Plant including HVAC, batch lime slaking systems, filter underdrains, modifications to filter backwash retention basin, Program Logic Controllers (PLC) and SCADA upgrades, installation of electrical line interconnection between Wet Weather Pump Station and the TRFP.
- Replacement of the PLC at the St. Joseph Dam
- Extension of water service from the City’s main system to the City’s Honeysuckle system, which will also provide a back-up supply.
- Installation of water main in several areas of the distribution system, including related appurtenances.
- Removal and replacement of lead service lines in areas where water main is replaced.
- Rehabilitation of the existing Dupont Water Tank,
- Construction of a new 500,000 gallon elevated water storage tank

The project will improve operations throughout Fort Wayne’s water system by removing aging infrastructure, eliminating potential sources of lead in the distribution system, improving water pressure and quality by removing dead-ends in the system, increasing storage capacities, and improving operations at the Water Treatment Plant. The City of Fort Wayne received Additional Subsidy through the Terms and Conditions of the 2021 appropriation.

DWSRF Participant: Gibson Water Inc.			
SRF Project #:	DW18082603	DWSRF Pooled Loan:	\$ 1,205,000
DWSRF Loan Closed:	December 15, 2021	Principal Forgiveness:	\$ 0
Affected Population:	4,648	Total Loan and Principal Forgiveness:	\$ 1,205,000
Loan Term:	20 years	NIMS Categories:	
Interest Rate:	2.12%	Transmission & Distribution:	\$ 1,205,000
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 0
This Project: Assists a compliant system to maintain compliance.			
<p>Project Description:</p> <p>Gibson Water Inc, is a non-profit corporation that purchases water from the City of Evansville and distributes water service to areas of Gibson County. Gibson Water Inc. has areas of the distribution system with dead end mains that do not have sufficient water pressure during peak demand periods.</p> <p>The Water Distribution System Improvements project includes:</p> <ul style="list-style-type: none"> • The installation of approx. 8 inch diameter water main on County Road CR 225 W from CR 950 to State Route 168; • Replacing existing 4 inch diameter water main with a new 8 inch diameter pipe on SR 68; • The installation of 6 and 8 inch diameter water main on CR 350 W from CR 400 S to CR 250 and on CR 200 S between CR 350 W and Old SR 65; • Installation of new 6 inch diameter water main to connect the existing water main on SR 65 with an existing dead end water main on SR 64; • Installation of 16 inch diameter water main from the connection with the Evansville Master meter to the Gibson Water Pumping Station; • Installation of a second master meter vault; and • Replacement of existing pumps in the Gibson Water Pumping Station with larger and more energy efficient pumps. <p>The proposed project improves performance, increases system pressure in critical areas during peak demand periods, and provides looping of the network to eliminate dead end piping segments.</p>			

DWSRF Participant: New Chicago			
SRF Project #:	DW21064502	DWSRF Pooled Loan:	\$ 3,345,000
DWSRF Loan Closed:	December 21, 2021	Principal Forgiveness:	\$ 0
Affected Population:	5,350	Total Loan and Principal Forgiveness:	\$ 3,345,000
Loan Term:	20 years	NIMS Categories:	
Interest Rate:	2.33%	Transmission & Distribution:	\$ 3,345,000
Equivalency Amount:	\$ 3,345,000	Estimated SRF Savings:	\$ 421,149
This Project: Assists a compliant system to maintain compliance.			
<p>Project Description:</p> <p>The Town of New Chicago has an existing distribution system with portions of main that are over 70 years old. In the area along Lake Park Avenue, the exact date of installation is not known but it is assumed to be in the 1950s or earlier. Consequently, the water main in this area is reaching the end of its useful life. In the Nob Hill Subdivision, the water main was installed in the rear yards of residences when the subdivision was developed in the 1950s. Residents have since filled their backyards with sheds, landscaping, pools, etc. and the water main is difficult to access.</p> <p>The New Chicago Drinking Water System Improvements project includes:</p> <ul style="list-style-type: none"> • Relocation of approximately 4,500 lineal feet of 6-inch and 8-inch diameter pipe in the Nob Hill area; and • Replacement of approximately 4,000 lineal feet of 8-inch diameter pipe on Lake Park Avenue. <p>The project replaces watermains that are nearing 70 years old and has reached the end of their useful life. In addition, the watermain on Knob Hill is relocated from backyards to the street right of way, providing for easier access for future maintenance.</p>			

DWSRF Participant: Cedar Lake			
SRF Project #:	DW20174504	DWSRF Traditional Loan:	\$ 3,915,000
DWSRF Loan Closed:	March 24, 2022	Principal Forgiveness:	\$ 0
Affected Population:	5,550	Total Loan and Principal Forgiveness:	\$ 3,915,000
Loan Term:	20 years	NIMS Categories:	
		Transmission & Distribution:	\$ 1,363,688
Interest Rate:	2.25%	Source:	\$ 310,159
		Storage:	\$ 2,241,153
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 475,000
This Project: Assists a compliant system to maintain compliance.			
<p>Project Description:</p> <p>The Town of Cedar Lake is divided into two systems (Eastside and Westside) that are not connected. The East District has two wells and one WTP. New construction in the Eastside District has more than doubled the amount of customers in the area and the existing supply and treatment system are insufficient to meet the current demand.</p> <p>The Water Utility System Improvements project includes:</p> <ul style="list-style-type: none"> • Installation of a 250,000-gallon elevated storage tank off of Colfax Street between W 127th Pl and W 128th Ln and new high service pumps, motors and controls at an existing pump station. • Purchase of the existing Paradise Cove, LLC private well supply located at 13928 and 13960 Morse Street; and • Installation of approximately 3,500 linear feet of 12-inch water main from the new well supply along Morse St., W 140th Ave., Edison St., and W 141st Ave. to the platted Lakeside South subdivision. <p>The project provides additional supply and pressure to serve its Eastside District water customers to meet the 20-year needs of the Eastside District water system. The project will use recycled material and the use of ductile iron has shown to result in a reduction in energy consumption, therefore the project is eligible for the Green Project Reserve incentive.</p>			

DWSRF Participant: Edinburgh			
SRF Project #:	DW21104101	DWSRF Traditional Loan:	\$ 6,450,000
DWSRF Loan Closed:	March 31, 2022	Principal Forgiveness:	\$ 0
Affected Population:	4,480	Total Loan and Principal Forgiveness:	\$ 6,450,000
Loan Term:	20 years	NIMS Categories:	
		Treatment:	\$ 5,353,499
Interest Rate:	2.00%	Source:	\$ 1,096,501
Equivalency Amount:	6,450,000	Estimated SRF Savings:	\$ 1,187,362
This Project: Assists a noncompliant system to achieve compliance.			
<p>Project Description:</p> <p>The Town of Edinburgh’s water system is supplied by four groundwater wells. Well 1 is expected to fail within the next five years without intervention and Wells 3 and 4 are expected to see a significant reduction in capacity due to age of equipment. Because of these challenges the Town requires an additional water source to meet current and future projected water system demands. Additionally, customers reported discolored water, and filter effluent is regularly above the Secondary Maximum Contaminant Limit for manganese.</p> <p>The selected project plan includes improvements to water supply and treatment systems, which are described as follows:</p> <ul style="list-style-type: none"> • Replacement of pumps/motors and VFDs in existing Wells 1, 3 and 4; • Installation of new production well, including installation of a new well house, installation of pump/motor, VFD, drop pipe and appurtenances, water meter and vault, electrical and telemetry work; asphalt drive, site fencing and gates, and miscellaneous project related appurtenances; • Installation of approximately 700 linear feet of raw water main; and • Demolish and repurpose the existing water treatment building and site, including the following: <ul style="list-style-type: none"> ○ Installation of a raw water clear well; ○ Installation of two aerators and a detention tank; ○ Installation of three high service pumps with room for an additional high service pump; ○ Installation of three horizontal pressure filters with dual (sand/anthracite) media, with room for an additional filter; ○ Installation of a new backwash holding tank and backwash lift station pumps; ○ Installation of chlorine feed system, chlorine analyzer, and chlorine gas scrubber systems; ○ Installation of potassium permanganate, fluoride, and phosphate feed systems; ○ Replacement of existing electrical, plumbing, HVAC and instrumentation systems; ○ Furnishings for restroom, laboratory and office area; and ○ Asphalt drive and parking area, site fencing and gates, and miscellaneous project related appurtenances. <p>The proposed improvements to the existing drinking water system provide the Town of Edinburgh with water that is of adequate quantity, improving both reliability and efficiency in the system.</p>			

DWSRF Participant: Losantville & Modoc Regional Water District

SRF Project #:	DW21156801	DWSRF Traditional Loan:	\$ 172,000
DWSRF Loan Closed:	April 11, 2022	Principal Forgiveness:	\$ 460,000
Affected Population:	450	Total Loan and Principal Forgiveness:	\$ 632,000
Loan Term:	20 years	NIMS Categories:	
Interest Rate:	2.00%	Transmission & Distribution:	\$ 632,000
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 699,221

This Project: Assists a compliant system to maintain compliance.

Project Description:

The Losantville and Modoc (L&M) Regional Water District owns a distribution system with multiple dead-end segments and undersized lines that cause water to stagnate. This stagnant water causes sediment buildup, chlorine pooling, and bacteria growth. Dead ends also present greater risk for water service outages as a main break occurring on a dead-end line renders all downstream customers without water until the repairs occur.

L&M Regional Water District’s project includes the following components:

- Installation of approximately 4,800 LF of 6” water main and associated appurtenances, including connection to existing water mains, service tap connections and the installation of approximately 6 new valves & hydrants;
- Replacement of 11 existing valves;
- Replacement of 16 existing hydrants; and
- Replacement of 200 existing water meters with AMR meters including associated software and equipment

The purpose of this project is to increase system reliability and efficiency, while reducing the operational costs of the district’s drinking water system. This project will ensure that L&M Regional Water District will continue to supply sufficient and safe water to its customers. The project includes the installation of efficient water meters which makes the project eligible for the Green Project Reserve incentive. The areas of Losantville and Modoc meets the Indiana criteria for Disadvantaged communities and received Additional Subsidy to reduce the burden of the project on the population.

DWSRF Participant: Russellville			
SRF Project #:	DW20186702	DWSRF Traditional Loan:	\$ 355,000
DWSRF Loan Closed:	April 29, 2022	Principal Forgiveness:	\$ 1,000,000
Affected Population:	380	Total Loan and Principal Forgiveness:	\$ 1,355,000
Loan Term:	20 years	NIMS Categories:	
Interest Rate:	2.00%	Transmission & Distribution:	\$ 113,388
		Storage:	\$ 1,241,612
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 1,515,960
This Project: Assists a noncompliant system to achieve compliance.			
<p>Project Description:</p> <p>The Town of Russellville’s elevated storage tank was over 60 years old and in poor condition, with many items out of compliance with current code. In the distribution system inoperable valves reduced the system’s ability to maintain the system effectively and caused unnecessary water outages for customers in the event of water main breaks.</p> <p>The Water Improvements Project includes:</p> <ul style="list-style-type: none"> • Construction of a new 50,000-gallon water storage tank, including a new hydrant, and fence; • Installation of four new gate valves; • Installation of approximately 1,200 LF of 6- and 8-inch water mains to connect the new water storage tank to the distribution system; • Replacement of approximately five inoperable valves throughout the distribution system; and • Demolition of the existing 50,000-gallon storage tank. <p>The proposed valve replacement ensures the system can be operated with minimal interruptions to residents when there are breaks or other problems. Construction of a new storage tank will ensure that safe and adequate storage is available for the water system. The Town of Russellville meets the Indiana criteria for Disadvantaged communities and received Additional Subsidy to reduce the burden of the project on the population.</p>			

DWSRF Participant: North Dearborn			
SRF Project #:	DW20161502	DWSRF Traditional Loan:	\$ 2,915,000
DWSRF Loan Closed:	May 13, 2022	Principal Forgiveness:	\$ 0
Affected Population:	5,500	Total Loan and Principal Forgiveness:	\$ 2,915,000
Loan Term:	20 years	NIMS Categories:	
Interest Rate:	2.25%	Treatment:	\$ 1,490,427
		Transmission & Distribution:	\$ 1,424,573
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 629,000
This Project: Assists a compliant system to maintain compliance.			
<p>Project Description:</p> <p>The North Dearborn Water Corporation is a rural water authority that provides service to a large territory in Dearborn County. The Corporation operates two wells to provide approximately 77% of the systems water supply (the remainder is purchased from nearby suppliers). The two wells are in good working order but were undersized and unable to meet the current and future needs of the system. Constructed in 1994, the package treatment plant was at the end of its useful life and components were beginning to corrode and fail.</p> <p>The North Dearborn Water Corporation project includes:</p> <ul style="list-style-type: none"> • Upgrades to the two existing wells to increase capacity; • Construction of a new water treatment plant to replace the existing plant; and • Installation of approximately 26,000 lineal feet of new 6-inch through 12-inch diameter water transmission main. <p>Well upgrades allow the wellfield to meet the needs of the system and the proposed water treatment plant. Installation of the water mains improves the North Dearborn Water Corporation's distribution system and provides water service to existing homes. It allows for a redundant feed to the 500,000-gallon water storage tank once the water main can be extended across I-74 and will also allow for looping to an existing main.</p>			

DWSRF Participant: Nashville			
SRF Project #:	DW22030701	DWSRF Traditional Loan:	\$ 0
DWSRF Loan Closed:	May 25, 2022	Principal Forgiveness:	\$ 3,825,000
Affected Population:	3,315	Total Loan and Principal Forgiveness:	\$ 3,825,000
Loan Term:	20 years	NIMS Categories:	
		Treatment:	\$ 734,295
Interest Rate:	0.00%	Transmission & Distribution:	\$ 2,351,648
		Storage:	\$ 739,057
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 5,625,000
This Project: Assists a compliant system to maintain compliance.			
<p>Project Description:</p> <p>The Brown County State Park was established in 1929 and is one of the most popular Indiana State Parks. The State Park has an existing water system that utilizes Ogle Lake as its surface water source. In 2019 torrential rains caused erosion leading to high turbidity in Ogle Lake and forced the closure of the water supply for Brown County State Park and therefore, the Park itself was closed. This event proved the State Park required an alternate source of water to be able to continue operations through future flooding events.</p> <p>The Brown County State Park project includes:</p> <ul style="list-style-type: none"> • Installation of approximately two miles of 6-inch through 10-inch diameter water main to connect facilities in the Park to the Town of Nashville; • Construction of a new water booster station and appurtenances; • Installation of a ground level water storage tank and appurtenances; and • Decommissioning of facilities within the Park, including underground storage tanks and the existing water treatment plant. <p>With the completion of this project, Brown County State Park will regionalize with the Town of Nashville for potable water service. This will allow the park to decommission its existing water treatment plant and other non-essential facilities and will provide the Park with a safe and reliable water supply. The Town of Nashville meets the Indiana criteria for Disadvantaged communities and received Additional Subsidy to reduce the burden of the project on the population.</p>			

DWSRF Participant: Grabill			
SRF Project #:	DW20130202	DWSRF Loan A:	\$ 1,572,000
		DWSRF Loan B:	\$ 1,825,000
DWSRF Loan Closed:	May 31, 2022	Principal Forgiveness:	\$ 330,000
Affected Population:	1,250	Total Loan and Principal Forgiveness:	\$ 3,727,000
Loan Term A:	20 years	NIMS Categories:	
Loan Term B:	35 years	Treatment:	\$ 136,655
Interest Rate A:	2.00%	Transmission & Distribution:	\$ 1,991,982
Interest Rate B:	2.30%	Storage:	\$ 1,598,363
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 2,059,573
This Project: Assists a compliant system to maintain compliance.			
<p>Project Description:</p> <p>The Town of Grabill’s existing ground water wells lacked firm capacity to meet 20-year water demands, components at the water treatment plant were past useful life, the distribution system has aging water mains with frequent breaks along Main Street, and the two storage towers were in poor condition requiring several improvements to meet Indiana Department of Environmental Management requirements.</p> <p>The Water Utility Improvements project includes:</p> <ul style="list-style-type: none"> • Connection to the Fort Wayne Drinking Water Utility with extension to existing Grabill distribution system to be provided by Fort Wayne; • Abandonment of the existing Grabill Water Treatment Plant and Supply Wells; • Water main extension along Witmer Road from Page Road to Illinois Street to provide internal looping in the Grabill distribution system; • Water main replacement on North Main Street starting at Grabill Road, including service line replacement up to the curb box; • Water main replacement on South Main Street starting at Home Guard Way, including service line replacement up to the curb box; • Modifications to the Maysville Water Meter and Bypass; • Rehabilitation of the North and South Water Towers, including minor structural and safety repairs, cleaning and painting, and pipe, valve, and hydrant replacement; and • New SCADA and telemetry for remote monitoring of water meters and towers. <p>The project regionalizes the drinking water systems of Grabill and Maysville RWSD with Fort Wayne, ensuring that users of both Grabill and Maysville RWSD receive an adequate supply of adequately treated drinking water. The project also addresses distribution and storage needs within the Grabill system, ensuring adequate storage capacity and addressing areas with frequent water main breaks. The project includes SCADA improvements and water main replacement leading to a more energy and water efficient system and makes the project eligible for the Green Project Reserve. The Town of Grabill meets the Indiana criteria for Disadvantaged communities and received Additional Subsidy to reduce the burden of the project on the population.</p>			

DWSRF Participant: Tri-Township Water			
SRF Project #:	DW22061501	DWSRF Traditional Loan:	\$ 5,193,000
DWSRF Loan Closed:	June 7, 2022	Principal Forgiveness:	\$ 0
Affected Population:	9,725	Total Loan and Principal Forgiveness:	\$ 5,193,000
Loan Term:	20 years	NIMS Categories:	
Interest Rate:	2.00%	Transmission & Distribution:	\$ 1,564,120
		Storage:	\$ 3,628,880
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 1,290,464
This Project: Assists a compliant system to maintain compliance.			
<p>Project Description:</p> <p>Tri-Township Water Corp (TTWC). is a not-for-profit water utility that currently provides potable water to approximately 3,900 customers in southeast Indiana and southwest Ohio. The age of the system and population growth in the area required additional elevated water storage and transmission mains to address flow and pressure needs and provide increased reliability in the event of an interruption in system pumping capacity.</p> <p>The Drinking Water Systems Improvements project includes:</p> <ul style="list-style-type: none"> • Installation of a 1.0-million-gallon elevated water storage tank on Winter Hill Road near the intersection of Whites Hill Road and Gaynor Ridge Road, and approximately 880 linear feet of 16-inch water main to connect the storage tank to the existing transmission main, including fittings, valves, and hydrants; • Installation of approximately 2,800 linear feet of 12-inch water main along North Dearborn Road from State Line Road to Henderson Road; and • Installation of approximately 5,000 linear feet of 12-inch water main along State Line Road from Sneakville Road to North Dearborn Road. <p>The proposed project allows TTWC to meet the 20-year water storage and distribution needs of its customers.</p>			

DWSRF Participant: Wheatland			
SRF Project #:	DW22014201	DWSRF Traditional Loan:	\$ 1,394,000
DWSRF Loan Closed:	June 16, 2022	Principal Forgiveness:	\$ 2,575,000
Affected Population:	480	Total Loan and Principal Forgiveness:	\$ 3,969,000
Loan Term:	35 years	NIMS Categories:	
Interest Rate:	0.00%	Treatment:	\$ 229,254
		Transmission & Distribution:	\$ 3,739,746
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 4,446,919
This Project: Assists a noncompliant system to achieve compliance.			
<p>Project Description:</p> <p>The Town of Wheatland’s distribution system was first installed in 1946. A treatment plant was added to the system in 1966 and the Town has continued upgrades and rehabilitation to the system. The aging distribution system includes asbestos cement piping and valves that were in poor condition and prone to failure. Due to the age of the system, existing service lines are assumed to be lead service lines. Two high service pumps at the WTP were past their useful life and needed to be replaced to continue distribute finished water. Meters in the system were obsolete and required manual reading.</p> <p>The Drinking Water System Improvements project includes distribution system and water treatment plant improvements, which will address existing and 20-year needs:</p> <ul style="list-style-type: none"> • Replacement of existing asbestos cement water mains with approximately 26,500 LF of 6-inch and 8-inch PVC pipe, including approximately 5,500 LF of ¾-inch and 1-inch service connections, valves, hydrants, and other distribution system appurtenances; • Replacement of approximately 179 lead service lines; • Replacement of 2 high service pumps and installation of a generator at the Water Treatment Plant; and • Upgrade of approximately 184 existing water meters to new radio-read meters throughout the service area. <p>The distribution system replacement addresses deterioration of the piping and system pressure issues, improves system reliability and integrity, and reduces water loss. Water Treatment Plant improvements replace critical equipment that has exceeded its useful life and provides back-up emergency power. Meter upgrades will result in more accurate and efficient data collection and billing. The improvements also include the replacement of service lines throughout the distribution system, in an effort to reduce the risk of lead exposure and improve the operation of the system by reducing water loss. It is proposed that the Participant replace the service lines from the main to the premise plumbing. The Town of Wheatland meets the Indiana criteria for Disadvantaged Communities and received Additional Subsidy to reduce the burden of the project on the population.</p>			

DWSRF Participant: Edwardsville			
SRF Project #:	DW20112201	DWSRF Traditional Loan:	\$ 4,817,000
DWSRF Loan Closed:	June 22, 2022	Principal Forgiveness:	\$ 0
Affected Population:	10,442	Total Loan and Principal Forgiveness:	\$ 4,817,000
Loan Term:	20 years	NIMS Categories:	
Interest Rate:	2.25%	Storage:	\$ 4,817,000
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 1,053,929
This Project: Assists a compliant system to maintain compliance.			
<p>Project Description:</p> <p>The Edwardsville Water Corporation serves the Town of Edwardsville and has wholesale agreements with the Towns of Lanesville, Greenville and Elizabeth. Within the service area, some areas are experiencing significant growth with several new subdivisions under construction. The area is served by the Frank Ott water storage tank, which was constructed in 1966 and in need of rehabilitation. The Frank Ott water storage tank is not hydraulically ideal to serve the area and additional storage capacity will be required.</p> <p>The project includes replacement of the existing 150,000-gallon Frank Ott Elevated Water Storage Tank, including the construction of a new 1,000,000-gallon elevated water storage tank and foundation, and mixer; the installation of SCADA control and electrical systems; demolition of the existing tank, upon the completion of the new tank; and miscellaneous project-related appurtenances.</p> <p>The proposed project provides the Edwardsville Water Corporation with water which is adequate in terms of quantity and delivery pressure, and capable of meeting projected future 20-year demands.</p>			

DWSRF Participant: Cromwell

SRF Project #:	DW21165702	DWSRF Traditional Loan:	\$ 794,000
DWSRF Loan Closed:	June 28, 2022	Principal Forgiveness:	\$ 0
Affected Population:	550	Total Loan and Principal Forgiveness:	\$ 794,000
Loan Term:	20 years	NIMS Categories:	
Interest Rate:	2.00%	Treatment:	\$ 767,972
		Source:	\$ 26,028
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 2,820,777

This Project: Assists a compliant system to maintain compliance.

Project Description:

The Town of Cromwell is service by a WTP that is over twenty years old and has components failing due to age. The existing wells were in need of rehabilitation and some equipment was inefficient. The existing water storage tank is over 45 years old and in need of rehabilitation. The distribution system has inoperable hydrants, and most meters in the use are obsolete.

The Town of Cromwell Waterworks Improvements project includes the following components:

- Water Treatment Plant improvements, including the installation of a new gravity filter, a building addition, existing building upgrades, new high service pumps, a new generator, a new electrical room with VFDs, associated electrical upgrades, and new submersible pumps;
- Supply well upgrades, including cleaning the wells and installation of new submersible pumps, new well motors with VFDs new pitless adapters, new check valves, new temperature probes, new pressure transmitters, and new/replacement chain-link fencing;
- Rehabilitation of the elevated storage tank;
- Replacement of existing hydrants throughout the distribution system; and
- Replacement of existing water meters including residential and large diameter master meters throughout the distribution system.

The purpose of this project is to increase system reliability and efficiency, while reducing the operational costs of the Town’s drinking water system. This project will ensure that the Town of Cromwell will continue to supply sufficient and safe water to its customers. The project includes energy efficient components making the project eligible for the Green Project Reserve incentive.

DWSRF Participant: Van Bibber

SRF Project #:	DW19106701	DWSRF Traditional Loan:	\$ 0
DWSRF Loan Closed:	June 29, 2022	Principal Forgiveness:	\$ 4,113,000
Affected Population:	830	Total Loan and Principal Forgiveness:	\$ 4,113,000
Loan Term:	n/a	NIMS Categories:	
Interest Rate:	n/a	Treatment:	\$ 1,436,426
		Transmission & Distribution:	\$ 2,676,574
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 6,052,835

This Project: Assists a compliant system to maintain compliance.

Project Description:

Van Bibber’s drinking water treatment components, including the filter unit, aerator, electrical system, high service pumps are nearing the end of their useful life and require replacement. The aging water distribution system consists of undersized water mains with numerous dead-ends that affect pressure, flow and overall water quality. The water distribution system does not include customer water meters, and most of the service lines are located under existing houses and structures, making it very challenging to identify water loss and manage the water distribution system efficiently.

The Van Bibber Lake Conservancy District Drinking Water System Project includes:

- Construction of a New Water Treatment Plant including a new water treatment plant building, installation of a new aerator, installation of a new stilling well, installation of a new pressure filter system including automatic backwashing, installation of new high service pumps, installation of a new chlorination system, all site piping, site restoration, electrical and controls, installation of a new antenna and controls at the existing elevated tank and wellfield, installation of a new emergency generator; and demolition and disposal of existing water treatment equipment; and
- Distribution system improvements, including:
 - Replacement of 4- to 6-inch water mains, along with associated appurtenances; and
 - Replacement of approximately 375 service connections, ¾ inch service lines, and installation of new AMI water meter assemblies.

The project will simplify operation and maintenance of the system and allow the system to provide water is sufficient quality and quantity to meet the needs of the service area. The service area meets the Indiana criteria for Disadvantaged communities and received Additional Subsidy to reduce the burden of the project on the population.

DWSRF Participant: Jackson County			
SRF Project #:	DW21033604	DWSRF Loan A:	\$ 285,000
		DWSRF Loan B:	\$ 4,015,000
DWSRF Loan Closed:	June 30, 2022	Principal Forgiveness:	\$ 0
Affected Population:	14,747	Total Loan and Principal Forgiveness:	\$ 4,300,000
Loan Term A:	20 years	NIMS Categories:	Transmission & Distribution: \$ 4,300,000
Loan Term B:	35 years		
Interest Rate A:	2.00%		
Interest Rate B:	1.60%		
Equivalency Amount:	n/a	Estimated SRF Savings:	\$ 2,350,000
This Project: Assists a noncompliant system to achieve compliance.			
<p>Project Description:</p> <p>The Jackson County Water Utility, established in 1970 has expanded over the years to now serve approximately 5,766 customers in Jackson County. The original drinking water infrastructure in the Town of Brownstown, within the service area, is aged and contains lead service lines and cast-iron pipe. A critical 8” water transmission main in downtown Brownstown is over 100 years old and at risk for water main breaks that interrupt service.</p> <p>The Jackson County Water Utility Improvements includes the replacement of approximately 12,000 lineal feet of 6-inch through 16-inch diameter water main and appurtenances, including 160 lead service lines.</p> <p>The proposed projects replace existing water mains in order to improve the quality of the existing distribution system and protect the public health by eliminating lead components. These improvements also support the long-term operations of the Jackson County Water Utility.</p>			

Exhibit F
Cumulative History of Federal DWSRF Capitalization Grants

FFY 1997 Federal Capitalization Grant	\$ 25,371,806
FFY 1998 Federal Capitalization Grant	\$ 8,687,500
FFY 1999 Federal Capitalization Grant	\$ 9,105,300
FFY 2000 Federal Capitalization Grant	\$ 8,989,850
FFY 2001 Federal Capitalization Grant	\$ 9,159,460
FFY 2002 Federal Capitalization Grant	\$ 8,955,100
FFY 2003 Federal Capitalization Grant	\$ 9,398,200
FFY 2004 Federal Capitalization Grant	\$ 9,749,300
FFY 2005 Federal Capitalization Grant	\$ 11,201,850
FFY 2006 Federal Capitalization Grant	\$ 12,166,734
FFY 2007 Federal Capitalization Grant	\$ 11,484,000
FFY 2008 Federal Capitalization Grant	\$ 11,367,000
FFY 2009 Federal Capitalization Grant	\$ 11,367,000
American Recovery and Reinvestment Act of 2009 Grant	\$ 27,212,000
FFY 2010 Federal Capitalization Grant	\$ 22,638,000
FFY 2011 Federal Capitalization Grant	\$ 15,709,000
FFY 2012 Federal Capitalization Grant	\$ 14,970,000
FFY 2013 Federal Capitalization Grant	\$ 14,046,000
FFY 2014 Federal Capitalization Grant	\$ 14,348,000
FFY 2015 Federal Capitalization Grant	\$ 14,253,000
FFY 2016 Federal Capitalization Grant	\$ 13,484,000
FFY 2017 Federal Capitalization Grant	\$ 13,368,000
FFY 2018 Federal Capitalization Grant	\$ 16,978,000
FFY 2019 Federal Capitalization Grant	\$ 16,819,000
FFY 2019 Federal Capitalization Grant reallocation	\$ 154,000
FFY 2020 Federal Capitalization Grant	\$ 16,830,000
FFY 2021 Federal Capitalization Grant	\$ 16,815,000
FFY 2022 Federal Capitalization Grant	\$ 10,711,000
FFY 2022 General Supplemental Capitalization Grant	\$ 27,502,000
TOTAL GRANTS	\$ 402,840,100
TOTAL GRANTS REQUIRED TO MATCH	\$ 375,628,100

Exhibit G
Cumulative History of the State Match

The State deposited \$7,000,000 of additional State Match in the DWSRF Loan Program during SFY 2022. To date, the DWSRF State Match has aggregated in excess of 20 percent of the awarded \$375,628,100 Capitalization Grants (including the yet-to-be awarded FFY 2022 and FFY 2022 General Supplemental capitalization grants) the State was required to match through June 30, 2022, which results from the following cumulative history of State matches to the DWSRF Program:

\$6,860,000	State Revolving Fund Program Bond, Subordinate Series 1, net proceeds representing a State Match (September 1999)*
5,640,000	State Revolving Fund Program Bond, Subordinate Series 2, net proceeds representing a State Match (December 2001)*
3,823,000	Series 2001A State Revolving Fund Program Bond net proceeds representing a State Match allocation (November 2001 & July 2002)
1,949,860	Series 2004B State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2004)
2,000,000	Series 2004B State Revolving Fund Program Bond net proceeds representing a State Match allocation (February 2005)
2,100,000	Series 2006A State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2006)
2,493,109	Series 2006B State Revolving Fund Program Bond net proceeds representing a State Match allocation (December 2006)
2,400,000	Series 2007B State Revolving Fund Program Bond net proceeds representing a State Match allocation (December 2007)
7,000,000	Series 2009A State Revolving Fund Program Bond net proceeds representing a State Match allocation (November 2009)
4,437,000	Series 2010B State Revolving Fund Program Bond net proceeds representing a State Match allocation (October 2010)
1,567,051	Series 2011A State Revolving Fund Program Bond net proceeds representing a State Match allocation (October 2011)
2,788,000	Series 2012B State Revolving Fund Program Bond net proceeds representing a State Match allocation (August 2012)
5,554,400	Series 2014A State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2014)
7,000,000	Series 2016A State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2016)
5,000,000	Series 2017B State Revolving Fund Program Bond net proceeds representing a State Match allocation (November 2017)
7,001,090	Series 2019E State Revolving Fund Program Bond net proceeds representing a State Match allocation (October 2019)
7,000,000	Series 2021B State Revolving Fund Program Bond net proceeds representing a State Match allocation (November 2021)
\$74,613,510	TOTAL

* Source restructured in SFY 2002 vis-à-vis Series 2001A State Revolving Fund Program Bond net proceeds representing a State Match allocation (November 2001)

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 2022 (including the yet-to-be awarded FFY 2022 and FFY 2022 General Supplemental capitalization grants) by \$2,238,090 (also known as over-match), which is banked toward future capitalization grants that are expected to be awarded in SFY 2023. This over-match is intended to permit and will allow the State to immediately begin to convert its next capitalization grant (upon award expected in SFY 2023) to cash (and deposit it in the DWSRF) based upon incurred costs paid by Program Participants.

State Match has been provided from State Revolving Fund Program Bonds, the net proceeds of which are allocated between 4 distinct purposes – (1) DWSRF’s State Match; (2) DWSRF’s leveraged loans; (3) Clean Water (CW) SRF’s State Match; and (4) CWSRF’s leveraged loans. These bonds are 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 DWSRF being equal to the proportion of the net bond proceeds originally deposited in DWSRF 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 DWSRF 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 DWSRF and the principal amount repaid as of the end SFY 2022.

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 DWSRF 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

<i>DRINKING WATER</i>									
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	
		2022	2021	2020	2019	2018	All Prior SFYs		
2001A	\$ 15,680,000							15,680,000	\$ -
2004B	3,625,835							3,625,835	-
2006A	1,988,671							1,988,671	-
2006B	2,359,076							2,359,076	-
2007B	2,087,648							2,087,648	-
2009A	6,610,905				900,000	710,000		5,000,905	-
2010B	4,083,672							4,083,672	-
2011A	1,413,300							1,413,300	-
2012B	2,390,013				1,620,013	-		770,000	-
2014A	5,520,000							5,520,000	-
2015B ^Δ	785,000		-	785,000	-	-	-	-	-
2016A	5,960,000	735,000	700,000	670,000	455,000	435,000	340,000		2,625,000
2017B	4,210,000	420,000	400,000	380,000	-	-	-		3,010,000
2019E	5,810,000	495,000	365,000	-	-	-	-		4,950,000
2021B	5,800,000	-	-	-	-	-	-		5,800,000
Total	\$ 68,324,120	\$ 1,650,000	\$ 1,465,000	\$ 1,835,000	\$ 2,975,013	\$ 1,145,000	\$ 42,869,107	\$	16,385,000

Notes:

Δ 2015B refinanced a portion of the 2009A Bonds; only the part retired before issuance of 2015B (together with the unrefunded February 1, 2016 maturity of the 2009A Bonds) are shown under 2009A heading.

Indiana DWSRF Loan Program
Exhibit H - Summary of DWSRF Loan Program Loans Closed in SFY 2022

Participant Name	Closing Date	Term	Interest Rate	SRF Loan Amount	SRF Pooled Loan Amount	SRF Principal Forgiveness Amount	State Loan Amount	State Principal Forgiveness Amount	Total Loan & Principal Forgiveness	Savings
New Market	09/16/2021	20	2.00%	\$ 1,180,000	\$ -	\$ -	\$ -	\$ -	\$ 1,180,000	\$ 195,000
Lebanon	11/09/2021	20	2.00%	\$ 6,735,000	\$ -	\$ -	\$ -	\$ -	\$ 6,735,000	\$ -
Leavenworth	11/23/2021	20	2.00%	\$ 649,000	\$ -	\$ 500,000	\$ -	\$ -	\$ 1,149,000	\$ 972,348
Lapel	12/07/2021	20 / 35	0.00%	\$ 6,525,000	\$ -	\$ -	\$ -	\$ -	\$ 6,525,000	\$ 3,867,296
Gibson Water Authority	12/15/2021	20	2.12%	\$ -	\$ 1,205,000	\$ -	\$ -	\$ -	\$ 1,205,000	\$ -
Dana	12/15/2021	20	0.00%	\$ 986,000	\$ -	\$ 870,000	\$ -	\$ -	\$ 1,856,000	\$ 1,807,000
Fort Wayne	12/15/2021	20	1.95%	\$ 7,500,000	\$ 36,980,000	\$ 80,000	\$ -	\$ -	\$ 44,560,000	\$ 345,000
New Chicago	12/21/2021	20	2.33%	\$ -	\$ 3,345,000	\$ -	\$ -	\$ -	\$ 3,345,000	\$ 421,149
Cedar Lake	03/24/2022	20	2.25%	\$ 3,915,000	\$ -	\$ -	\$ -	\$ -	\$ 3,915,000	\$ 475,000
Edinburgh (EQ)	03/31/2022	20	2.00%	\$ 6,450,000	\$ -	\$ -	\$ -	\$ -	\$ 6,450,000	\$ 1,187,362
L & M RWD	04/11/2022	20	2.00%	\$ 172,000	\$ -	\$ 460,000	\$ -	\$ -	\$ 632,000	\$ 699,221
Dillsboro	04/13/2022	20 / 25	2.0% / 2.1%	\$ -	\$ -	\$ -	\$ 1,328,000	\$ 1,328,000	\$ 2,656,000	\$ 2,109,527
Russellville	04/29/2022	20	2.00%	\$ 355,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,355,000	\$ 1,515,960
North Dearborn WA	05/13/2022	20	2.00%	\$ 2,915,000	\$ -	\$ -	\$ -	\$ -	\$ 2,915,000	\$ 629,000
Nashville	05/25/2022	20	0.00%	\$ -	\$ -	\$ 3,825,000	\$ -	\$ -	\$ 3,825,000	\$ 5,625,000
Grabill	05/31/2022	20 / 35	2%/2.3%	\$ 3,397,000	\$ -	\$ 330,000	\$ -	\$ -	\$ 3,727,000	\$ 2,059,573
Tri-Township	06/07/2022	20	2.00%	\$ 5,193,000	\$ -	\$ -	\$ -	\$ -	\$ 5,193,000	\$ 1,290,464
Wheatland	06/16/2022	35	0.00%	\$ 1,394,000	\$ -	\$ 2,575,000	\$ -	\$ -	\$ 3,969,000	\$ 4,446,919
Edwardsville	06/22/2022	20	2.25%	\$ 4,817,000	\$ -	\$ -	\$ -	\$ -	\$ 4,817,000	\$ 1,053,929
Cromwell	06/28/2022	20	2.00%	\$ 794,000	\$ -	\$ -	\$ 2,625,000	\$ -	\$ 3,419,000	\$ 2,820,777
Van Bibber Lake CD	06/29/2022	20	0.00%	\$ -	\$ -	\$ 4,113,000	\$ -	\$ 98,000	\$ 4,211,000	\$ 6,052,835
Jackson County	06/30/2022	20 / 35	2%/1.6%	\$ 4,300,000	\$ -	\$ -	\$ -	\$ -	\$ 4,300,000	\$ 2,350,000
DWSRF Loan Totals SFY 2022:				\$ 57,277,000	\$ 41,530,000	\$ 13,753,000	\$ 3,953,000	\$ 1,426,000	\$ 117,939,000	\$ 39,923,360

Exhibit I
Expeditious and Timely Use of Funds

This Exhibit identifies the intended uses of the funds held in various accounts of the DWSRF, and how those uses support the goals of the DWSRF. This Exhibit also demonstrates how the Authority meets the requirements of 40 CFR 35.3550(1) by using all of the funds in the DWSRF 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 Drinking Water Trust Indenture and comprise its DWSRF. Set forth on the attached Schedule 1 (the "Use Schedule") is detail on what funds are held in the DWSRF and how they were expeditiously and timely used in SFY 2022 and will continue to be in perpetuity.

Drinking Water Purchase Account

Sources of Funds: Funds held in this account¹ come from proceeds of Program Bonds² 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 2022 as well as loans anticipated to be closed in SFY 2023 and after.

Uses of Funds: These funds are used to make loans for qualified Proposed Projects as permitted by 40 CFR 35.3525(a). This use directly furthers the primary purpose of the DWSRF Loan Program by financing qualified Proposed Projects that facilitate compliance with the Safe Drinking Water Act and protect public health.

Available Balance: As of July 1, 2022, the aggregate amount of closed and committed loans exceeded the balance in this account ("Excess Commitments"). As additional loans are closed in SFY 2022, such committed amounts will contribute to additional Excess Commitments. The aggregate amount held in this account as of July 1, 2022 is shown in the Use Schedule. Accordingly, none of the funds presently on deposit in this account are available for other SRF Loan Program purposes except to finance closed and committed loans related to qualified Proposed Projects.

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

² These bonds are revenue bonds within the meaning of 40 CFR 35.3525(e), the net proceeds of which were deposited in the DWSRF. 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 DWSRF. 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 DWSRF 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; their proceeds (together with other match sources) have matched all capitalization grants awarded to date as well as the not-yet-available FFY 2022 (FFY refers to the Federal Fiscal Year ending September 30 of the year listed) grant by reason of over-match.

Drinking Water 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 35.3525(e) 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 that facilitate compliance with the Safe Drinking Water Act and protect public health.

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.

Drinking Water 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 35.3525(e) and 40 CFR 35.3550(g)(3), respectively. This use indirectly furthers the primary purpose of the SRF by making loan proceeds available to finance qualified Proposed Projects that facilitate compliance with the Safe Drinking Water Act and protect public health.

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.

DRINKING WATER RESERVE³ contains the following accounts:

Drinking Water 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

³ 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 Safe Drinking Water Act, as amended.

35.3525(e) and 40 CFR 35.3550(g)(3), respectively, and *secondly* transferred to the Reserve Deficiency Account, as described below.

Available Balance: Approximately annually, this account is fully depleted to make payments on Program Bonds, with any excess available balances to be transferred to the Reserve Deficiency Account. Accordingly, none of the funds presently on deposit⁴ in this account are available for other SRF purposes.

Drinking Water Reserve Grant Account

Sources of Funds: Funds held in this account⁵ come from federal capitalization grants drawn when funds are loaned, up to the amount therein (and in the Equity Grant Account) that equals the perpetuity amount, and any amounts in excess thereof come from State Match.⁶

Uses of Funds: These funds are used (i) as security⁷ for outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3525(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 35.3525(e) and 40 CFR 35.3550(g)(3), respectively. This use both directly and indirectly furthers the primary purpose of the DWSRF Loan Program by making financing for qualified Proposed Projects that facilitate compliance with the Safe Drinking Water Act and protect public health.

Available Balance: The aggregate amount held in this account (as of July 1, 2022 and as anticipated in SFY 2023) is shown in the Use Schedule.⁸ 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 and/or agencies obligations.

Drinking Water 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

⁴ And before any transfers to the CWSRF as discussed elsewhere in this Exhibit.

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

⁶ State Match in this account came from State Match Revenue Bonds, and is from principal on loan repayments funded from such proceeds. As of July 1, 2022, 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 35.3525(e) and the Authority's Operating Agreement with EPA.

⁷ Pursuant to the financing indentures related to the cross-collateralized outstanding Program Bonds, the Authority is presently required to maintain reserves of at least \$59.4 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 DWSRF 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 2022 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.

⁸ And before any transfers to the CWSRF as discussed elsewhere in this Exhibit.

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, 2022 nor are any so anticipated in SFY 2023.

DRINKING WATER EQUITY⁹ contains the following accounts:

Drinking Water Equity Grant Account

Sources of Funds: Funds held in this account come from federal capitalization grants drawn when funds are loaned, up to the amount therein (and in the Reserve Grant 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 security¹⁰ and as a source of payment for the outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3525(e), (ii) to fund any transfers to the Authority's CWSRF as permitted by law including Section 302 of the Safe Drinking Water Act, and (iii) to fund that portion of any loans closed but not presently on deposit in the Purchase Account¹¹ 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 DWSRF Loan Program by making financing for qualified Proposed Projects that facilitate compliance with the Safe Drinking Water Act and protect public health.

⁹ 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 DWSRF treats it as part of the “reserve” for the purposes of this Report and the federal Safe Drinking Water Act, as amended.

¹⁰ 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 2022 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, 2022.

¹¹ In addition to meeting any Excess Commitments as of July 1, 2022, 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, 2022, (b) PERs submitted and under review by the DWSRF as of July 1, 2022 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2023), each as detailed in the Use Schedule.

Available Balance: The aggregate amount held in this account (as of July 1, 2022 and as anticipated in SFY 2023) is shown in the Use Schedule.¹² In furtherance of these purposes, the funds in this account are invested with certain short-term investments and State and Local Government Series (SLGS) securities.

Drinking Water 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 35.3525(e) and 40 CFR 35.3550(g)(3), 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 such commitments. This use both directly and indirectly furthers the primary purpose of the SRF by making financing for qualified Proposed Projects that facilitate compliance with the Safe Drinking Water Act and protect public health.

Available Balance: The aggregate amount held in this account as of July 1, 2022 is shown in the Use Schedule.¹³

Additional Information Concerning Expected Uses of SRF Funds

Use of Available Balances to Meet Closed Loan Commitments. Under its existing practices, the Authority closes DWSRF loans with Participants without the necessity of having available balances in its Purchase Account to fully fund those loan commitments on the date a DWSRF loan is closed. As of July 1, 2022, there were Excess Commitments. By closing new loans for qualified Proposed Projects with (a) approved PERs as of July 1, 2022, (b) PERs submitted and under review by the DWSRF as of July 1, 2022 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2023), 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 2023. 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 2023) in the event additional Guarantee Revenue Bonds could not to be issued.

¹² And before any transfers to the CWSRF as discussed elsewhere in this Exhibit.

¹³ And before any transfers to the CWSRF as discussed elsewhere in this Exhibit.

Use of Available Balances as a Reserve and Source of Payment for Guarantee Revenue Bonds. Amounts held in the 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 35.3525(e). In addition to this use, a portion of these funds are also held to meet (a) Excess Commitments in SFY 2023 in the event additional Guarantee Revenue Bonds could not to be issued and (b) any transfers to the CWSRF 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 35.3550(g)(3). In addition to this use, a portion of these funds are held to meet (a) Excess Commitments in SFY 2023 in the event additional Guarantee Revenue Bonds could not to be issued and (b) any transfers to the CWSRF as permitted by law.

Use of Available Balances to Possibly Transfer Funds to the Wastewater SRF. As of July 1, 2022, about \$23.6 million has been transferred to DWSRF. As of July 1, 2022, the cumulative transfer amount available for additional transfers from CWSRF to the DWSRF could result in up to approximately \$123.9 million of allowable transfers which includes 33% of the FFY 2022 grant. The full amount of any such potential transfers is banked.

Further, transfers can be made from DWSRF to the CWSRF up to the cumulative amount made from CWSRF to 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 one or more of the Authority's 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 DWSRF or CWSRF 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-2022 (Actual)	<u>in SFY</u>
<u>A. Funds Committed to Projects by DWSRF</u>		
Purchase Account	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>
<u>B. Other Funds Held in DWSRF</u>		
Reserve Grant Account	\$ 5,400,000	\$ -
Reserve Earnings Account	-	-
Reserve Support Account	-	-
Reserve Deficiency Account	-	-
Equity Grant Account	56,900,000	\$ 21,400,000
Equity Earnings Account	24,600,000	-
	<u>\$ 86,900,000</u>	<u>\$ 21,400,000</u>
Total Available Funds (A. and B. above)	<u>\$ 86,900,000</u>	<u>\$ 21,400,000</u>

Proof of Timely & Expedious Use of Above Funds Held in DWSRF*

Closed Loan (Undrawn loan amounts covered by on-hand Purchase A/C Funds)	\$ -
Closed Loan Excess Commitments (after Application of above Purchase A/C **)	27,500,000
Closed Loan to be funded directly from Equity (undrawn portion of loan)	100,000
PERs In-house (approved & under-review) Awaiting Loan Closing	750,700,000
Other Projects on new SFY's PPL, Requesting Loan Funding	30,600,000
1. Use: to cover Loan Demand***	808,900,000
2. Use: to cover Series Reserve Requirement	5,300,000
Possible Uses of Funds (1 & 2 above without considering other secondary purposes for holding them in the DWSRF) # are as follows:	<u>\$ 814,200,000</u>

Uses of Funds (1 & 2 above):	\$ 814,200,000
Less: Total Available Funds (A. and B. above)	108,300,000
Amount by which "Possible Uses of Funds" EXCEED "Total Available Funds"	<u>\$ 705,900,000</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 2022 DWSRF Loan Program Quarterly Interest Rates¹

State Fiscal Year (SFY) By Quarter (Qtr)	User Rates (Over \$45)	User Rates (\$25 to \$45)	User Rates (Under \$25)
Tier III (Median Household Income ² : under \$45,042)			
1 st Qtr SFY 2022	2.00%	2.00%	2.00%
2 nd Qtr SFY 2022	2.00%	2.00%	2.00%
3 rd Qtr SFY 2022	2.00%	2.00%	2.00%
4 th Qtr SFY 2022	2.00%	2.00%	2.00%
Tier II (Median Household Income: \$45,043 to \$56,302)			
1 st Qtr SFY 2022	2.00%	2.00%	2.00%
2 nd Qtr SFY 2022	2.00%	2.00%	2.00%
3 rd Qtr SFY 2022	2.00%	2.00%	2.00%
4 th Qtr SFY 2022	2.00%	2.00%	2.00%
Tier I (Median Household Income: over \$56,303)			
1 st Qtr SFY 2022	2.00%	2.00%	2.00%
2 nd Qtr SFY 2022	2.00%	2.00%	2.00%
3 rd Qtr SFY 2022	2.00%	2.00%	2.00%
4 th Qtr SFY 2022	2.00%	2.00%	2.00%

¹ Up to an additional .50 percent reduction is possible if a project is financed that includes green/sustainable, including climate resiliency, components. The SRF interest rate may also be reduced if a project includes lead line replacement.

² Median Household Income reflected in the 2015-2019 ACS 5-year Estimate data.

Exhibit K

Summary of Drinking Water Program Fee Sources and Uses

<u>Total Fees Collected</u>
\$15,000,000

Participant/ Project	Description	Allocated Amount	Expenses as of 6/30/2022	Participant/ Project Balance
WhyFi Water Admin	Senate Enrolled Act No. 347 (Act) requires all public water utilities in the State of Indiana to provide to the Indiana Finance Authority (IFA) a Non-Revenue Water Audit as identified in the American Water Works Association Manual of Water Supply Practices M-36.	495,270	(495,270)	-
Jonesboro	To provide the Town of Jonesboro funding to purchase remote water metering equipment. Original loan amount was \$129,000; undrawn balance re-amortized on 2/27/20.	88,936	(88,936)	-
Lead Sampling Program	To complete the public health goal of ensuring safe drinking water for Indiana public schools, the Authority will implement a lead sampling program. The goal of the program is to fund a voluntary lead sampling program for interested public schools in the state. The program will	4,000,000	(3,269,355)	730,645
Delphi BAN	The project will install water main, a raw water main, a new booster station, a new ground storage tank, and rehabilitation of two other storage tanks.	1,000,000	-	1,000,000
Lanesville Loan	The project is to refund the outstanding RD bonds. The bonds funded the installation of watermain and a new 200,000-gallon water tower.	1,200,000	(1,161,551)	38,449
Lewisville BAN	The project will replace well pumps, improve treatment plant components, install new water main, a new booster station, and new meters.	700,000	(700,000)	-
Fountain City	The project includes replacing water mains and appurtenances to reduce water loss in the distribution system. The project will also install a bulk loading station.	2,350,000	(1,709,271)	640,729
Van Bibber	To allow the Van Bibber Lake Conservancy District to refund the outstanding bonds of the "Waterworks Revenue Bonds of 1992" to facilitate the 2022 Financial Assistance Agreement.	98,000	(97,611)	389
TOTAL		\$ 9,932,206	\$ (7,521,994)	\$ 2,410,212
Loan Repayments				\$ 83,648
Interest Earned				\$ 359,688
		<u>Unallocated Funds</u>		<u>Account Balance</u>
		\$ 5,511,129		\$ 7,921,341

Exhibit L
Summary of DWSRF 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, 2021, an amount of up to 33 percent of the Safe Drinking Water Act grants for FFYs 1997 through 2021 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 2021, 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 2021.

Exhibit M



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

COMBINED FINANCIAL STATEMENTS

June 30, 2022 and 2021

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

CONTENTS

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED).....	4
COMBINED FINANCIAL STATEMENTS	
COMBINED STATEMENTS OF NET POSITION	9
COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	10
COMBINED STATEMENTS OF CASH FLOWS	11
NOTES TO COMBINED FINANCIAL STATEMENTS	12
OTHER SUPPLEMENTARY INFORMATION	
COMBINING SCHEDULES - STATEMENTS OF NET POSITION INFORMATION	37
COMBINING SCHEDULES - STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INFORMATION	38
COMBINING SCHEDULES - STATEMENTS OF CASH FLOWS INFORMATION	39
OTHER REPORT	
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 <i>GOVERNMENT AUDITING STANDARDS</i>	40

Independent Auditors' Report

Members of the Indiana Finance Authority
State Revolving Fund Loan Programs

Report on the Audit of Combined Financial Statements

Opinion

We have audited the 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, 2022 and 2021, 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.

In our opinion, the accompanying combined financial statements referred to above present fairly, in all material respects, the financial position of State Revolving Fund Loan Programs at June 30, 2022 and 2021, and the changes in their financial position and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of State Revolving Fund Loan Programs and Indiana Finance Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about State Revolving Fund Loan Programs' ability to continue as a going concern for twelve months beyond the combined financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit 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 State Revolving Fund Loan Programs' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about State Revolving Fund Loan Programs' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic combined financial statements. Such information is the responsibility of management and, 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 audits 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.

Other Supplementary Information

Our audits were conducted for the purpose of forming opinions on the combined financial statements that collectively comprise State Revolving Fund Loan Programs' basic combined financial statements. The accompanying 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 audits 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 basic 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 September 29, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of State Revolving Fund Loan Programs' 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
September 29, 2022

3.

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, 2022**

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, 2022. All amounts, unless otherwise indicated, are expressed in thousands of dollars and are approximate.

Financial Highlights: The SRF Programs' total net position increased by \$51.8 million during the current fiscal year from \$1,528.3 million to \$1,580.1 million. Nonoperating revenues consisted of \$53.9 million of capital contributions (grants) from the U.S. Environmental Protection Agency (EPA) during fiscal year 2022. SRF Programs' net position is restricted for water pollution and drinking water projects and related purposes of SRF Programs.

During the current fiscal year, the SRF Programs' liabilities increased by \$271.1 million. The primary increase in liabilities is a result of bond and note issuances and the scheduled principal payments. The SRF Programs issued \$392.9 million in new bonds and notes.

The SRF Programs disbursed \$424.1 million to participants during the current year to fund wastewater and drinking water infrastructure project expenses. Loans receivable 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 an annual comprehensive 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, 2022

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 12-36 of this report.

In addition to the basic combined financial statements and accompanying notes, this report also presents other supplementary information on pages 37-39. 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, 2022**

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 \$1,580.1 million at the close of the most recent fiscal year.

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

	2022	June 30, 2021	2020
Current assets	\$ 503,374	\$ 382,926	\$ 709,361
Noncurrent assets	<u>3,196,022</u>	<u>2,989,361</u>	<u>2,898,741</u>
Total Assets	<u>3,699,396</u>	<u>3,372,287</u>	<u>3,608,102</u>
Deferred Outflows of Resources	<u>3,796</u>	<u>7,968</u>	<u>10,969</u>
Current liabilities	155,946	151,272	170,883
Long-term liabilities	<u>1,967,106</u>	<u>1,700,677</u>	<u>1,943,570</u>
Total Liabilities	<u>2,123,052</u>	<u>1,851,949</u>	<u>2,114,453</u>
Net Position			
Restricted	<u>1,580,140</u>	<u>1,528,306</u>	<u>1,504,618</u>
Total Net Position	<u>\$1,580,140</u>	<u>\$1,528,306</u>	<u>\$1,504,618</u>

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 2022, participant needs were met with EPA grants, new bond issuances, the WIFIA Loan, and funds on hand.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (UNAUDITED)
June 30, 2022

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

	Years Ended June 30,		
	2022	2021	2020
Operating Revenues			
Interest income-investments	\$ 1,397	\$ 1,388	\$ 13,495
Interest income-participants	77,618	78,106	75,249
Other	<u>1,046</u>	<u>1,423</u>	<u>1,754</u>
Total operating revenues	<u>80,061</u>	<u>80,917</u>	<u>90,498</u>
Operating Expenses			
Interest	48,783	59,888	53,056
Bond issuance costs	2,373	-	2,102
Trustee fees	80	111	93
Other program and administrative	<u>5,201</u>	<u>4,626</u>	<u>6,836</u>
Total operating expenses	<u>56,437</u>	<u>64,625</u>	<u>62,087</u>
Operating Income	23,624	16,292	28,411
Nonoperating Revenues and (Expenses)			
Capital contributions (EPA Grants)	53,883	31,124	76,420
Loan forgiveness	<u>(25,673)</u>	<u>(23,728)</u>	<u>(24,023)</u>
Total nonoperating revenues and (expenses)	<u>28,210</u>	<u>7,396</u>	<u>52,397</u>
Increase in Net Position	51,834	23,688	80,808
Net Position:			
Beginning of Year	<u>1,528,306</u>	<u>1,504,618</u>	<u>1,423,810</u>
End of Year	<u>\$1,580,140</u>	<u>\$1,528,306</u>	<u>\$1,504,618</u>

The SRF Programs' net position increased by \$51.8 million during the current fiscal year. Key elements of this increase are as follows:

- The SRF Programs received \$53.9 million in capital contributions (grants) from the EPA for qualified drinking water projects and related program purposes.
- Operating revenues exceeded operating expenses by \$23.6 million.
- The SRF Programs had \$25.7 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, 2022**

DEBT ADMINISTRATION

Long-term Debt: At the end of the current fiscal year, the SRF Programs’ debt, net of premium/discount was \$2.1 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)**

	2022	2021	2020
Net Bond Indebtedness	<u>\$2,087,784</u>	<u>\$1,821,398</u>	<u>\$2,078,198</u>

During the current fiscal year, the SRF Programs' debt increased by \$271.1 million. The primary increase in liabilities is a result of bond and note issuances and the scheduled principal payments. The SRF Programs issued \$392.9 million in new bonds and notes.

Additional information on the SRF Programs' long-term debt can be found in Notes 7 and 8 to the combined financial statements on pages 22-35 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, 2022 and 2021

	2022	2021
ASSETS		
Current Assets:		
Cash and equivalents	\$ 307,038,661	\$ 206,932,169
Interest receivable	35,645,350	33,825,018
Due from EPA	259,733	65,218
Accounts receivable	131,087	3,000
Loans receivable-current, net	<u>160,299,116</u>	<u>142,100,840</u>
Total Current Assets	<u>503,373,947</u>	<u>382,926,245</u>
Noncurrent Assets:		
Investments	19,273,852	38,083,448
Loans receivable, net	3,176,642,709	2,951,171,607
Equipment, net	<u>105,331</u>	<u>105,792</u>
Total Noncurrent Assets	<u>3,196,021,892</u>	<u>2,989,360,847</u>
Total Assets	<u>3,699,395,839</u>	<u>3,372,287,092</u>
DEFERRED OUTFLOWS OF RESOURCES		
Loss on debt refunding	<u>3,796,239</u>	<u>7,967,457</u>
Total Deferred Outflows of Resources	<u>3,796,239</u>	<u>7,967,457</u>
LIABILITIES		
Current Liabilities:		
Interest payable	34,365,652	29,959,215
Accounts payable	867,205	394,027
Amount due to federal government	-	125,263
Bonds/Notes payable-current, net	<u>120,712,900</u>	<u>120,793,100</u>
Total Current Liabilities	<u>155,945,757</u>	<u>151,271,605</u>
Long-term Liabilities:		
Amount due to federal government	35,190	72,146
Bonds/Notes payable, net	<u>1,967,071,012</u>	<u>1,700,605,223</u>
Total Long-term Liabilities	<u>1,967,106,202</u>	<u>1,700,677,369</u>
Total Liabilities	<u>2,123,051,959</u>	<u>1,851,948,974</u>
NET POSITION		
Restricted for water pollution and drinking water projects and other related program purposes	<u>\$ 1,580,140,119</u>	<u>\$ 1,528,305,575</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, 2022 and 2021

	2022	2021
OPERATING REVENUES		
Interest income-investments	\$ 1,397,329	\$ 1,388,110
Interest income-loan participants	77,618,353	78,105,854
Administration and premium fees	46,776	44,002
Other	<u>998,655</u>	<u>1,378,598</u>
Total Operating Revenues	<u>80,061,113</u>	<u>80,916,564</u>
OPERATING EXPENSES		
Interest	48,783,186	59,887,506
Bond issuance costs	2,373,461	-
Trustee fees	79,900	111,400
Other program and administrative	<u>5,200,355</u>	<u>4,626,177</u>
Total Operating Expenses	<u>56,436,902</u>	<u>64,625,083</u>
OPERATING INCOME	23,624,211	16,291,481
NONOPERATING REVENUES AND (EXPENSES)		
Capital contributions (EPA Grants)	53,882,739	31,124,389
Loan forgiveness	<u>(25,672,406)</u>	<u>(23,728,517)</u>
Total Nonoperating Revenues and (Expenses)	<u>28,210,333</u>	<u>7,395,872</u>
INCREASE IN NET POSITION	51,834,544	23,687,353
NET POSITION		
Beginning of Year	<u>1,528,305,575</u>	<u>1,504,618,222</u>
End of Year	<u>\$ 1,580,140,119</u>	<u>\$ 1,528,305,575</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, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash payments for salaries, administrative and other expenses	\$ (4,098,267)	\$ (3,431,488)
Administration fee	46,776	44,002
Net Cash Used by Operating Activities	<u>(4,051,491)</u>	<u>(3,387,486)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturities of loans to participants	180,423,748	356,885,578
Issuance of loans to participants	(424,093,126)	(382,751,777)
Change in investments	18,809,596	27,721,722
Interest received on loans and investments	77,195,350	81,173,948
Net Cash Provided (Used) by Investing Activities	<u>(147,664,432)</u>	<u>83,029,471</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Proceeds from debt issuance	475,238,064	110,000,000
Principal payments to reduce indebtedness including refunding	(173,260,245)	(341,668,558)
Payment of debt issuance costs, net of refunding	(2,373,461)	-
Interest paid on debt	(75,797,761)	(87,648,745)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>223,806,597</u>	<u>(319,317,303)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital contributions (EPA grants)	53,688,224	31,189,210
Issuance of forgivable loans to participants	(25,672,406)	(23,728,517)
Net Cash Provided by Capital Financing Activities	<u>28,015,818</u>	<u>7,460,693</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	100,106,492	(232,214,625)
CASH AND EQUIVALENTS		
Beginning of Year	<u>206,932,169</u>	<u>439,146,794</u>
End of Year	<u>\$ 307,038,661</u>	<u>\$ 206,932,169</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES		
Operating income	\$ 23,624,211	\$ 16,291,481
Adjustments to reconcile operating income to net cash used by operating activities:		
Depreciation	461	461
Interest income	(79,015,682)	(79,493,964)
Interest expense	48,783,186	59,887,506
Bond issuance costs	2,373,461	-
Changes in assets and liabilities:		
Accounts receivable	(128,087)	(1,000)
Accounts payable	473,178	(197,950)
Amount due to federal government	(162,219)	125,980
Net Cash Used by Operating Activities	<u>\$ (4,051,491)</u>	<u>\$ (3,387,486)</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, 2022 and 2021

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 an annual comprehensive 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 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, and further amended by the Water Resources and Development Act (WRRDA) of 2014 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), as replaced by Indiana Code 5-1.2-10 effective July 1, 2018, 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), as replaced by Indiana Code 5-1.2-10 effective July 1, 2018, the State also has established a public drinking water system program to provide financial assistance for eligible projects. The SRF Programs 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, 2022 and 2021

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

If necessary, the capitalization grants are deposited into the SRF Programs accounts and are available to pay scheduled debt service on the Revenue Bonds. SRF Programs participant loan repayments and interest earned on the SRF Programs investments are used to meet the debt service obligations for the Revenue Bonds. States are required to provide an additional 20 percent of the federal capitalization grant as matching funds in order to receive a grant. SRF Programs matching funds have been provided through the issuance of revenue bonds payable 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 Authority issued Series 2011A, 2012A, 2012B, 2012C, 2013A, 2014B, 2015A, 2015B, 2016A, 2016B, 2016D, 2016E, 2017B, 2017C, 2018A, 2019A, 2019C, 2019D, 2019E, 2019F, 2021A, and 2021B Bonds, and WIFIA 17114IN Loan in respect of the SRF Programs. Such liabilities are summarized in Note 7 and are secured by a common trust estate supported in part by participant loan repayments.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

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. 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 by the forgivable loans closed by the SRF Programs, and by a review of individual loan balances' collectability. The allowance for doubtful accounts was \$93,985,236 and \$68,312,830 at June 30, 2022 and 2021, 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 nonoperating revenues and expenses, and include capital contributions.

Subsequent Events: The Authority has evaluated the combined financial statements for subsequent events occurring through September 29, 2022, the date the combined financial statements were available to be issued. See Note 11.

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

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 Mellon 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, 2022 and 2021 follows:

	<u>2022</u>		
	<u>Wastewater</u>	<u>Drinking Water</u>	<u>Total</u>
Money market funds	\$ 201,234,339	\$ 87,181,274	\$ 288,415,613
Government obligations	<u>26,044,604</u>	<u>11,852,296</u>	<u>37,896,900</u>
	<u>\$ 227,278,943</u>	<u>\$ 99,033,570</u>	<u>\$ 326,312,513</u>
	<u>2021</u>		
	<u>Wastewater</u>	<u>Drinking Water</u>	<u>Total</u>
Money market funds	\$ 108,636,736	\$ 70,381,002	\$ 179,017,738
Government obligations	<u>47,132,996</u>	<u>18,864,883</u>	<u>65,997,879</u>
	<u>\$ 155,769,732</u>	<u>\$ 89,245,885</u>	<u>\$ 245,015,617</u>

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

NOTE 2 - CASH AND EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investment Type and Interest Rate Risk Disclosure: As of June 30, 2022, the SRF Programs had the following investments and maturities (amounts are in thousands):

	Wastewater				
	Investment Maturities (in years)				
Fair Value	< 1	1 - < 5	5 - < 10	> 10	
Money market funds	\$201,234	\$ 201,234	\$ -	\$ -	\$ -
Government obligations	<u>26,045</u>	<u>11,621</u>	<u>8,364</u>	<u>6,060</u>	<u>-</u>
	<u>\$227,279</u>	<u>\$ 212,855</u>	<u>\$ 8,364</u>	<u>\$ 6,060</u>	<u>\$ -</u>

	Drinking Water				
	Investment Maturities (in years)				
Fair Value	< 1	1 - < 5	5 - < 10	> 10	
Money market funds	\$ 87,182	\$ 87,182	\$ -	\$ -	\$ -
Government obligations	<u>11,852</u>	<u>7,002</u>	<u>4,396</u>	<u>454</u>	<u>-</u>
	<u>\$ 99,034</u>	<u>\$ 94,184</u>	<u>\$ 4,396</u>	<u>\$ 454</u>	<u>\$ -</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, 2022:

	S&P	Fitch	Moody's	Fair Value
Money market funds	AAAm	N/A	Aaa-mf	\$ 174,922
	AAAm	AAAmmf	Aaa-mf	113,494
Government obligations	AA+	AAA	Aaa	<u>37,897</u>
Total Rated Investments				<u>\$ 326,313</u>

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

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, 2022:

BlackRock Fed Fund	51%
Dreyfus Government	22%
US Treasury	9%

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.

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

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.

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.

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, 2022 and 2021.

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.

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.

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

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, 2022 and 2021:

2022	Level 1	Level 2	Total
Assets			
Cash Equivalents:			
Money Market Fund Shares	\$288,415,613	\$ -	\$288,415,613
Government Obligations	-	18,623,048	18,623,048
Investments:			
Government Obligations	<u>-</u>	<u>19,273,852</u>	<u>19,273,852</u>
Total Assets at Fair Value	<u>\$288,415,613</u>	<u>\$ 37,896,900</u>	<u>\$326,312,513</u>
2021	Level 1	Level 2	Total
Assets			
Cash Equivalents:			
Money Market Fund Shares	\$179,017,738	\$ -	\$179,017,738
Government Obligations	-	27,914,431	27,914,431
Investments:			
Government Obligations	<u>-</u>	<u>38,083,448</u>	<u>38,083,448</u>
Total Assets at Fair Value	<u>\$179,017,738</u>	<u>\$ 65,997,879</u>	<u>\$245,015,617</u>

At June 30, 2022 and 2021, 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
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

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, 2022 and 2021 includes actual advances for construction and related costs on eligible projects net of principal payments from participants as follows:

	Loans Receivable as of June 30, 2022	Loans Receivable as of June 30, 2021	Actual Loan Available Less Principal Repayments as of June 30, 2022
Wastewater Fund	\$2,740,481,750	\$2,535,102,864	\$2,886,032,137
Drinking Water Fund	<u>596,460,075</u>	<u>558,169,583</u>	<u>646,495,236</u>
Total All Loans	<u>\$3,336,941,825</u>	<u>\$3,093,272,447</u>	<u>\$3,532,527,373</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 \$160,299,116 at June 30, 2022 and \$142,100,840 at June 30, 2021.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021

NOTE 4 - LOANS RECEIVABLE (CONTINUED)

As of June 30, 2022, the outstanding balances of closed loans exceeding 50 percent of the total loans receivable and representing the Programs' largest borrowers are summarized below:

Name of Participant	Loans Receivable as of June 30, 2022	Loans Receivable as of June 30, 2021	Actual Loan Available Less Principal Repayments as of June 30, 2022
Wastewater Fund			
City of Fort Wayne	\$ 527,401,409	\$ 395,490,831	\$ 527,401,409
Citizens Water Authority	454,361,639	411,367,681	454,361,639
City of Evansville	319,037,645	297,730,551	320,448,000
City of Terre Haute	167,671,000	176,042,000	167,671,000
Drinking Water Fund			
City of Fort Wayne	\$ 88,505,144	\$ 47,884,019	\$ 89,446,000
City of Evansville	71,532,450	74,421,697	71,532,450
City of East Chicago	35,357,000	37,925,175	35,357,000
City of Greensburg	24,546,623	27,728,123	24,546,623
City of Crown Point	20,169,223	20,744,034	20,546,700
City of Batesville	18,608,354	18,770,000	18,608,354
Jackson County Water Utility Inc	14,889,000	13,955,000	14,889,000
City of Frankfort	13,630,000	13,630,000	13,630,000
City of Bluffton	13,269,670	13,779,000	13,269,670

NOTE 5 - INTEREST RECEIVABLE

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

Interest receivable at June 30, 2022:

	Investments	Loans	Total
Wastewater	\$ 480,402	\$ 29,750,397	\$ 30,230,799
Drinking Water	<u>154,042</u>	<u>5,260,509</u>	<u>5,414,551</u>
	<u>\$ 634,444</u>	<u>\$ 35,010,906</u>	<u>\$ 35,645,350</u>

Interest receivable at June 30, 2021:

	Investments	Loans	Total
Wastewater	\$ 325,248	\$ 28,073,796	\$ 28,399,044
Drinking Water	<u>86,373</u>	<u>5,339,601</u>	<u>5,425,974</u>
	<u>\$ 411,621</u>	<u>\$ 33,413,397</u>	<u>\$ 33,825,018</u>

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

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, 2022, 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, 2022, the SRF Programs had the following liabilities:

	Yield Reduction	Due Date
2019C		
Wastewater Fund	\$ 21,584	January 31, 2024
Drinking Water Fund	<u>13,606</u>	January 31, 2024
	<u>\$ 35,190</u>	

NOTE 7 - BONDS AND NOTES PAYABLE

The SRF Programs are structured to provide cross-collateralization in accordance with Federal Environmental Law, the bond indenture and SRF indentures, generally by providing a mechanism for pledged funds from either of the SRF Programs to be made available to the other. To effect such cross-collateralization, the SRF indentures allow the SRF trustee to disburse certain assets in the trust estate from either SRF Program and at the written direction of the program representative to collateralize, fund, or secure the other SRF Program, including transfers between the Drinking Water Fund and the Wastewater Fund, subject to provisions of State Environmental Law and Federal Environmental Law. However, under Federal Environmental Law, the bond indenture, and SRF indentures, cross-collateralization may not be used to provide for payment of debt service on bonds.

Bonds and Notes payable at June 30, 2022 and 2021 for bonds issued on behalf of the SRF Programs are summarized as follows:

	2022	2021
<u>Wastewater Fund:</u>		
Series 2021B Bonds issued November 16, 2021 for the aggregate amount of \$261,325,000 maturing from February 1, 2023 to February 1, 2041 at interest rates from 4.00% to 5.00%. Of this, \$218,140,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.	\$ 218,140,000	\$ -

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

	2022	2021
Series 2021A Bonds issued July 7, 2021 for the aggregate amount of \$81,595,000, maturing from February 1, 2022 to February 1, 2032 at interest rates of 5.00%. Of this, \$70,345,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds to each program.	\$ 69,675,000	\$ -
Series 2019F Bonds issued November 21, 2019 for the aggregate amount of \$53,445,000, to refund the callable portion of Series of 2010A and 2010C Bonds maturing from February 1, 2021 to February 1, 2022 at an interest rate of 5.00%. Of this, \$45,590,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.	-	16,115,000
Series 2019E Bonds issued October 10, 2019 for the aggregate amount of \$215,000,000, maturing from February 1, 2021 to February 1, 2047 at an interest rate of 5.00%. Of this, \$135,820,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. In May 2021, \$11,000,000 was cash defeased.	115,675,000	124,820,000
WIFIA 17114IN Loan dated September 6, 2019 for the aggregate amount up to \$436,000,000 maturing from January 15, 2021 to January 15, 2054 at an interest rate of 1.78%. A \$164,000,000 disbursement of funds occurred on October 9, 2019 with the entire amount allocated to the WSRF Program. A \$110,000,000 disbursement occurred on May 19, 2021 with the entire amount allocate to the WSRF Program. A \$50,000,000 disbursement occurred on October 13, 2021 with the entire amount allocated to the WSRF Program.	307,045,800	264,868,900
Series 2019C Bonds issued June 4, 2019 for the aggregate amount of \$81,275,000, maturing from February 1, 2023 to February 1, 2036 at an interest rate of 5.00%. Of this, \$49,850,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.	49,850,000	49,850,000

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

	2022	2021
<p>Series 2019A Bonds issued January 24, 2019 for the aggregate amount of \$266,740,000, maturing from February 1, 2026 to February 1, 2039 at an interest rate of 5.00%. The whole amount was allocated to the WSRF Program.</p>	\$ 266,740,000	\$ 266,740,000
<p>Series 2018A Bonds issued October 24, 2018 for the aggregate amount of \$153,195,000, maturing from February 1, 2020 to February 1, 2035 at an interest rate of 5.00%. Of this, \$110,000,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. In May 2021, \$10,000,000 was cash defeased.</p>	100,000,000	100,000,000
<p>Series 2017C Refunding Bonds issued November 1, 2017 for the aggregate amount of \$124,495,000 to refund the callable portion of Series 2010B, 2011A, and 2012B Bonds, maturing from February 1, 2018 to February 1, 2031 at an interest rate of 5.00%. Of this, \$82,415,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. In May 2021, \$1,615,000 was cash defeased.</p>	75,805,000	76,820,000
<p>Series 2017B Bonds issued November 1, 2017 for the aggregate amount of \$21,045,028, maturing from February 1, 2020 to February 1, 2028 at an interest rate of 5.00%. Of this, \$16,835,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p>	12,020,000	13,705,000

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

	2022	2021
<p>Series 2016E Refunding Bonds issued October 12, 2016 for the aggregate amount of \$85,930,000 to refund the callable portion of Series 2010B and 2012B Bonds, maturing from February 1, 2022 to February 1, 2030 at interest rates ranging from 3.00% to 5.00%. Of this, \$78,400,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. In May 2021, \$11,245,000 was cash defeased.</p>	\$ 66,620,000	\$ 67,155,000
<p>Series 2016D Refunding Bonds issued October 12, 2016 for the aggregate amount of \$164,445,000, maturing from February 1, 2020 to August 1, 2046 at interest rates ranging from 3.00 % to 5.00%. The whole amount was allocated to the WSRF Program. In May 2021, \$86,070,000 was cash defeased.</p>	66,915,000	71,845,000
<p>Series 2016B Refunding Bonds 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 an 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.</p>	26,770,000	34,570,000
<p>Series 2016A Bonds 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. In May 2021, \$11,855,000 was cash defeased.</p>	38,035,000	39,350,000

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

	2022	2021
<p>Series 2015B Refunding Bonds 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.</p>	\$ 80,054,111	\$ 93,572,637
<p>Series 2015A Bonds 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. In May 2021, \$24,422,857 was cash defeased.</p>	54,226,638	58,455,154
<p>Series 2014B Refunding Bonds 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>	-	7,871,734
<p>Series 2013A Refunding Bonds 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>	7,380,000	7,380,000

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

	2022	2021
<p>Series 2012C Bonds 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. In April 2019, \$70,875,000 was cash defeased. In May 2021, \$5,125,000 was cash defeased.</p>	\$ 14,965,000	\$ 18,145,000
<p>Series 2012B Bonds 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. In October 2016, \$43,910,000 was refunded. In November 2017, \$43,035,000 was refunded. In July 2021, \$6,235,000 was refunded.</p>	-	6,235,000
<p>Series 2012A Refunding Bonds issued February 8, 2012 for the aggregate amount of \$137,945,000 to refund the callable portion of Series 2001A, 2004B, and 2004C Bonds, maturing from February 1, 2013 to February 1, 2026 at interest rates ranging from 2.00% to 5.00%. Of this, \$126,070,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. In April 2019, \$29,565,000 was cash defeased. In November 2021, \$40,210,000 was refunded.</p>	-	58,525,000
Subtotal-Wastewater Fund	<u>\$1,569,916,549</u>	<u>\$1,376,023,425</u>

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

	2022	2021
<u>Drinking Water Fund:</u>		
Series 2021B Bonds issued November 16, 2021 for the aggregate amount of \$261,325,000 maturing from February 1, 2023 to February 1, 2041 at interest rates from 4.00% to 5.00%. Of this, \$43,185,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.	\$ 43,185,000	\$ -
Series 2021A Bonds issued July 7, 2021 for the aggregate amount of \$81,595,000, maturing from February 1, 2022 to February 1, 2032 at interest rates of 5.00%. Of this, \$11,250,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds to each program.	10,925,000	-
Series 2019E Bonds issued October 10, 2019 for the aggregate amount of \$215,000,000 maturing from February 1, 2021 to February 1, 2047 at an interest rate of 5.00%. Of this, \$79,180,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.	72,625,000	78,180,000
Series 2019D Bonds issued June 4, 2019 for the aggregate amount \$18,570,000 maturing from February 1, 2023 to February 1, 2036 at an interest rate of 5.00%. The whole amount was allocated to the DWSRF Program.	18,570,000	18,570,000
Series 2019C Bonds issued June 4, 2019 for the aggregate amount of \$81,275,000 maturing from February 1, 2023 to February 1, 2036 at an interest rate of 5.00%. Of this, \$31,425,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.	31,425,000	31,425,000

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

	2022	2021
<p>Series 2018A Bonds issued October 24, 2018 for the aggregate amount of \$153,195,000 maturing from February 1, 2020 to February 1, 2035 at an interest rate of 5.00%. Of this, \$43,195,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program. In May 2021, \$2,305,000 was cash defeased.</p>	\$ 39,990,000	\$ 40,305,000
<p>Series 2017C Refunding Bonds issued November 1, 2017 for the aggregate amount of \$124,495,000 to refund the callable portion of Series 2010B, 2011A, and 2012B Bonds, maturing from February 1, 2018 to February 1, 2031 at an interest rate of 5.00%. Of this, \$42,080,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program. In May 2021, \$5,180,000 was cash defeased.</p>	35,805,000	35,805,000
<p>Series 2017B Bonds issued November 1, 2017 for the aggregate amount of \$21,045,000, maturing from February 1, 2020 to February 1, 2028 at an interest at interest rate of 5.00%. Of this, \$4,210,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p>	3,010,000	3,430,000
<p>Series 2016E Refunding Bonds issued October 12, 2016 for the aggregate amount of \$85,930,000 to refund the callable portion of the Series 2010B Bonds, maturing from February 1, 2022 to February 1, 2030 at interest rates ranging from 3.00% to 5.00%. Of this, \$7,530,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p>	6,470,000	7,530,000

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

	2022	2021
<p>Series 2016B Refunding Bonds 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 an interest rate 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.</p>	\$ 1,415,000	\$ 2,775,000
<p>Series 2016A Bonds 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, \$5,960,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p>	2,625,000	3,360,000
<p>Series 2015B Refunding Bonds 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, \$21,183,816 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p>	13,530,889	16,577,363
<p>Series 2015A Bonds 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. In May 2021, \$2,492,143 was cash defeased.</p>	5,533,362	5,964,846

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

	2022	2021
<p>Series 2014B Refunding Bonds 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>	\$ -	\$ 703,266
<p>Series 2013A Refunding Bonds 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>	1,235,000	6,415,000
<p>Series 2012C Bonds 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. In April 2019, \$6,705,000 was cash defeased.</p>	2,040,000	2,775,000
<p>Series 2012A Refunding Bonds issued February 8, 2012 for the aggregate amount of \$137,945,000 to refund the callable portion of Series 2001A, 2004B, and 2004C Bonds, maturing from February 1, 2013 to February 1, 2026 at interest rates ranging from 2.00% to 5.00%. Of this, \$11,875,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program. In April 2019, \$150,000 was cash defeased. In November 2021, \$3,685,000 was refunded.</p>	-	5,220,000

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

	2022	2021
<p>Series 2011A Bonds issued October 26, 2011 for the aggregate amount of \$191,385,000, maturing from February 1, 2012 to February 1, 2030 at interest rates ranging from 1.00% to 5.00%. Of this, \$50,870,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program. In November 2017, \$37,295,000 was refunded.</p>	\$ <u> -</u>	\$ <u> 2,240,000</u>
Subtotal-Drinking Water Fund	<u> 288,384,251</u>	<u> 261,275,475</u>
Total Principal	1,858,300,800	1,637,298,900
Net premium on bonds payable	<u> 229,483,112</u>	<u> 184,099,423</u>
Total Bonds Payable	2,087,783,912	1,821,398,323
Less: Current portion	<u> 120,712,900</u>	<u> 120,793,100</u>
Long-term Portion	<u><u>\$1,967,071,012</u></u>	<u><u>\$1,700,605,223</u></u>

In May 2021, the Authority legally cash defeased SRF Bonds from Series 2012C, 2015A, 2016A, 2016D, 2016E, 2017C, 2018A, and 2019E to their respective call dates. The Authority deposited \$206,710,599 with the trustee to fund the escrow to defease a par amount of \$171,310,000 plus additional funds needed until the call dates. This transaction produced a present value savings of \$14,223,493 or 8.3% of the refunded bonds.

The bonds referred to above are considered to have been defeased and have been removed from the combined financial statements and in total the defeased balances outstanding are \$248,890,000 and \$358,395,000 as of June 30, 2022 and 2021, respectively.

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

The aggregate debt service requirements and premiums for all bonds and notes allocable to the SRF Programs as of June 30, 2022, 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>	
2023	\$ 96,182,654	\$ 24,530,246	\$ 120,712,900	\$ 67,644,602	\$ 14,243,663	\$ 81,888,265	\$ 202,601,165
2024	98,982,898	22,902,802	121,885,700	63,323,984	13,062,900	76,386,884	198,272,584
2025	96,453,947	20,526,553	116,980,500	58,639,518	11,917,760	70,557,278	187,537,778
2026	111,709,760	21,189,540	132,899,300	54,065,823	10,903,033	64,968,856	197,868,156
2027	108,449,071	20,535,929	128,985,000	48,766,185	9,847,155	58,613,340	187,598,340
2028-2032	435,516,419	97,772,781	533,289,200	172,486,044	33,714,546	206,200,590	739,489,790
2033-2037	337,623,100	63,436,400	401,059,500	84,424,533	11,737,563	96,162,096	497,221,596
2038-2042	196,884,500	17,490,000	214,374,500	23,114,778	1,843,250	24,958,028	239,332,528
2043-2047	50,902,000	-	50,902,000	6,055,419	-	6,055,419	56,957,419
2048-2052	31,929,300	-	31,929,300	1,857,162	-	1,857,162	33,786,462
2053-2054	5,282,900	-	5,282,900	125,460	-	125,460	5,408,360
	<u>1,569,916,549</u>	<u>288,384,251</u>	<u>1,858,300,800</u>	<u>580,503,508</u>	<u>107,269,870</u>	<u>687,773,378</u>	<u>2,546,074,178</u>
Premium	<u>185,178,345</u>	<u>44,304,767</u>	<u>229,483,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,483,112</u>
Total	<u>\$1,755,094,894</u>	<u>\$332,689,018</u>	<u>\$2,087,783,912</u>	<u>\$580,503,508</u>	<u>\$107,269,870</u>	<u>\$687,773,378</u>	<u>\$2,775,557,290</u>

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

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

	Interest Rates Ranges	Maturity Range	Annual Principal Payment Range	Principal
Wastewater Fund	1.78% - 5.00%	2023-2054	\$1,765,400 - \$111,709,760	\$1,569,916,549
Drinking Water Fund	3.00% - 5.00%	2023-2041	2,575,000 - 24,530,246	<u>288,384,251</u>
Combined Programs	1.78% - 5.00%	2023-2054	1,765,400 - 132,899,300	1,858,300,800
Less: Current Portion				<u>(120,712,900)</u>
Total Long-term Portion				<u>\$1,737,587,900</u>

The bond agreements allow for remedies in case there is an event of default. An event of default can be (i) default in the due and punctual payment of any principal or interest on any bond (ii) any warranty, representation or other statement contained in the bond indenture or bonds that is false or misleading and not remedied in appropriate time (iii) default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the SRF Programs contained in the bond indenture or in the bonds (iv) a petition is filed against the SRF Programs or the SRF Programs file a petition under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation of any jurisdiction and (v) the SRF Programs are generally not paying their debts as such debts become due.

The remedies include the following (i) the bond trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on the bonds (ii) the bond trustee may by action or suit in equity require the Authority to account as if it were the trustee of an express trust for the holders of the bonds and may take such action with respect to the participant loans and the SRF Programs' indentures as the bond trustee deems necessary or appropriate and in the best interest of the bondholders (iii) upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the bond trustee and of the bondholders under the bond indenture, the bond trustee will be entitled to the appointment of a receiver or receivers of the trust estate and (iv) use the assets of the series trust estate for any series of bonds solely for payment of the principal and interest due on such series of bonds.

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

NOTE 8 - LONG-TERM LIABILITIES

Long-term liability activity for the years ended June 30, 2022 and 2021 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Amounts Due Within One Year	Amounts Due Thereafter
June 30, 2022:						
Amount due to federal government	\$ 197,409	\$ -	\$ (162,219)	\$ 35,190	\$ -	\$ 35,190
Bonds/Notes payable	1,637,298,900	392,920,000	(171,918,100)	1,858,300,800	120,712,900	1,737,587,900
Net premium on bonds payable	<u>184,099,423</u>	<u>82,318,064</u>	<u>(36,934,375)</u>	<u>229,483,112</u>	<u>-</u>	<u>229,483,112</u>
	<u>\$1,821,595,732</u>	<u>\$475,238,064</u>	<u>\$(209,014,694)</u>	<u>\$2,087,819,102</u>	<u>\$ 120,712,900</u>	<u>\$1,967,106,202</u>
June 30, 2021:						
Amount due to federal government	\$ 71,429	\$ 125,980	\$ -	\$ 197,409	\$ 125,263	\$ 72,146
Bonds/Notes payable	1,836,095,000	110,000,000	(308,796,100)	1,637,298,900	120,793,100	1,516,505,800
Net premium on bonds payable	<u>242,103,195</u>	<u>-</u>	<u>(58,003,772)</u>	<u>184,099,423</u>	<u>-</u>	<u>184,099,423</u>
	<u>\$2,078,269,624</u>	<u>\$110,125,980</u>	<u>\$(366,799,872)</u>	<u>\$1,821,595,732</u>	<u>\$ 120,918,363</u>	<u>\$1,700,677,369</u>

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2022 and 2021**

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, 2022, an amount up to 33% of the Safe Drinking Water Act grants for Federal Fiscal Years (FFY) 1997 through 2022 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 2022, to date, the following transfers were made:

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

NOTE 10 - PROGRAM REVENUES

For the years ended June 30, 2022 and 2021, program revenues consisted of the following:

	2022	2021
Interest and other income	\$ 80,061,113	\$ 80,916,564
Capital contributions (EPA Grants)	<u>53,882,739</u>	<u>31,124,389</u>
	<u>\$133,943,852</u>	<u>\$112,040,953</u>

NOTE 11 - SUBSEQUENT EVENT

On September 8, 2022, the Authority issued 2022B SRF Program Bonds for the aggregate amount of \$250,000,000, maturing from February 1, 2028 to February 1, 2047 at interest rates of 5.00%. Of this \$237,955,000 was allocated to the WSRF Program, and \$12,045,000 was allocated to the DWSRF Program, based upon the percentage of original bond proceeds allocated to each program.

OTHER SUPPLEMENTARY INFORMATION

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
COMBINING SCHEDULES - STATEMENTS OF NET POSITION INFORMATION
June 30, 2022 and 2021

	Waste water Program		Drinking Water Program		Combined	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current Assets:						
Cash and equivalents	\$ 212,855,101	\$ 129,677,432	\$ 94,183,560	\$ 77,254,737	\$ 307,038,661	\$ 206,932,169
Interest receivable-investments	480,402	325,248	154,042	86,373	634,444	411,621
Interest receivable-loans	29,750,397	28,073,796	5,260,509	5,339,601	35,010,906	33,413,397
Due from EPA	-	-	259,733	65,218	259,733	65,218
Accounts receivable	-	3,000	131,087	-	131,087	3,000
Loans receivable-current, net	129,754,565	109,928,719	30,544,551	32,172,121	160,299,116	142,100,840
Total Current Assets	<u>372,840,465</u>	<u>268,008,195</u>	<u>130,533,482</u>	<u>114,918,050</u>	<u>503,373,947</u>	<u>382,926,245</u>
Noncurrent Assets:						
Investments	14,423,842	26,092,300	4,850,010	11,991,148	19,273,852	38,083,448
Loans receivable, net	2,610,727,185	2,425,174,145	565,915,524	525,997,462	3,176,642,709	2,951,171,607
Equipment, net	105,331	105,792	-	-	105,331	105,792
Total Noncurrent Assets	<u>2,625,256,358</u>	<u>2,451,372,237</u>	<u>570,765,534</u>	<u>537,988,610</u>	<u>3,196,021,892</u>	<u>2,989,360,847</u>
Total Assets	<u>2,998,096,823</u>	<u>2,719,380,432</u>	<u>701,299,016</u>	<u>652,906,660</u>	<u>3,699,395,839</u>	<u>3,372,287,092</u>
DEFERRED OUTFLOWS OF RESOURCES						
Loss on debt refunding	2,867,295	6,692,782	928,944	1,274,675	3,796,239	7,967,457
Total Deferred Outflows of Resources	<u>2,867,295</u>	<u>6,692,782</u>	<u>928,944</u>	<u>1,274,675</u>	<u>3,796,239</u>	<u>7,967,457</u>
LIABILITIES						
Current Liabilities:						
Interest payable	28,430,792	24,573,786	5,934,860	5,385,429	34,365,652	29,959,215
Accounts payable	579,965	325,640	287,240	68,387	867,205	394,027
Amount due to federal government	-	113,628	-	11,635	-	125,263
Bonds/Loans payable-current, net	96,182,654	97,476,875	24,530,246	23,316,225	120,712,900	120,793,100
Total Current Liabilities	<u>125,193,411</u>	<u>122,489,929</u>	<u>30,752,346</u>	<u>28,781,676</u>	<u>155,945,757</u>	<u>151,271,605</u>
Long-term Liabilities:						
Amount due to federal government	21,584	53,261	13,606	18,885	35,190	72,146
Bonds/Loans payable, net	1,658,912,240	1,424,103,158	308,158,772	276,502,065	1,967,071,012	1,700,605,223
Total Long-term Liabilities	<u>1,658,933,824</u>	<u>1,424,156,419</u>	<u>308,172,378</u>	<u>276,520,950</u>	<u>1,967,106,202</u>	<u>1,700,677,369</u>
Total Liabilities	<u>1,784,127,235</u>	<u>1,546,646,348</u>	<u>338,924,724</u>	<u>305,302,626</u>	<u>2,123,051,959</u>	<u>1,851,948,974</u>
NET POSITION						
Restricted for water pollution and drinking water projects and other related program purposes	<u>\$ 1,216,836,883</u>	<u>\$ 1,179,426,866</u>	<u>\$ 363,303,236</u>	<u>\$ 348,878,709</u>	<u>\$ 1,580,140,119</u>	<u>\$ 1,528,305,575</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, 2022 and 2021

	Wastewater Program		Drinking Water Program		Combined	
	2022	2021	2022	2021	2022	2021
OPERATING REVENUE						
Interest income-investments	\$ 1,145,295	\$ 1,036,720	\$ 252,034	\$ 351,390	\$ 1,397,329	\$ 1,388,110
Interest income-loan participants	64,100,733	64,740,048	13,517,620	13,365,806	77,618,353	78,105,854
Administration and premium fees	26,161	27,002	20,615	17,000	46,776	44,002
Other	-	-	998,655	1,378,598	998,655	1,378,598
Total Operating Revenue	<u>65,272,189</u>	<u>65,803,770</u>	<u>14,788,924</u>	<u>15,112,794</u>	<u>80,061,113</u>	<u>80,916,564</u>
OPERATING EXPENSES						
Interest	41,726,113	51,036,477	7,057,073	8,851,029	48,783,186	59,887,506
Bond issuance costs	2,007,343	-	366,118	-	2,373,461	-
Trustee fees	78,900	111,400	1,000	-	79,900	111,400
Other program and administrative	3,074,946	2,746,477	2,125,409	1,879,700	5,200,355	4,626,177
Total Operating Expenses	<u>46,887,302</u>	<u>53,894,354</u>	<u>9,549,600</u>	<u>10,730,729</u>	<u>56,436,902</u>	<u>64,625,083</u>
OPERATING INCOME	18,384,887	11,909,416	5,239,324	4,382,065	23,624,211	16,291,481
NONOPERATING REVENUES AND (EXPENSES)						
Capital contributions (EPA Grants)	38,292,000	19,333,047	15,590,739	11,791,342	53,882,739	31,124,389
Loan forgiveness	(19,266,870)	(16,477,237)	(6,405,536)	(7,251,280)	(25,672,406)	(23,728,517)
Total Nonoperating Revenues and (Expenses)	<u>19,025,130</u>	<u>2,855,810</u>	<u>9,185,203</u>	<u>4,540,062</u>	<u>28,210,333</u>	<u>7,395,872</u>
INCREASE IN NET POSITION	37,410,017	14,765,226	14,424,527	8,922,127	51,834,544	23,687,353
NET POSITION						
Beginning of Year	<u>1,179,426,866</u>	<u>1,164,661,640</u>	<u>348,878,709</u>	<u>339,956,582</u>	<u>1,528,305,575</u>	<u>1,504,618,222</u>
End of Year	<u>\$ 1,216,836,883</u>	<u>\$ 1,179,426,866</u>	<u>\$ 363,303,236</u>	<u>\$ 348,878,709</u>	<u>\$ 1,580,140,119</u>	<u>\$ 1,528,305,575</u>

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
COMBINING SCHEDULES - STATEMENTS OF CASH FLOWS INFORMATION
Years Ended June 30, 2022 and 2021

	Waste water Program		Drinking Water Program		Combined	
	2022	2021	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash payments for salaries, administrative and other expenses	\$ (3,041,365)	\$ (2,824,208)	\$ (1,056,902)	\$ (607,280)	\$ (4,098,267)	\$ (3,431,488)
Administration fee	26,161	27,002	20,615	17,000	46,776	44,002
Net Cash Used by Operating Activities	<u>(3,015,204)</u>	<u>(2,797,206)</u>	<u>(1,036,287)</u>	<u>(590,280)</u>	<u>(4,051,491)</u>	<u>(3,387,486)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Maturities of loans to participants	125,156,349	324,572,818	55,267,399	32,312,760	180,423,748	356,885,578
Issuance of loans to participants	(330,535,235)	(321,134,325)	(93,557,891)	(61,617,452)	(424,093,126)	(382,751,777)
Change in investments	11,668,458	20,934,548	7,141,138	6,787,174	18,809,596	27,721,722
Interest received on loans and investments	63,414,273	67,374,717	13,781,077	13,799,231	77,195,350	81,173,948
Net Cash Provided (Used) by Investing Activities	<u>(130,296,155)</u>	<u>91,747,758</u>	<u>(17,368,277)</u>	<u>(8,718,287)</u>	<u>(147,664,432)</u>	<u>83,029,471</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Proceeds from debt issuance	407,540,237	110,000,000	67,697,827	-	475,238,064	110,000,000
Principal payments to reduce indebtedness, including refunding	(145,887,605)	(304,935,982)	(27,372,640)	(36,732,576)	(173,260,245)	(341,668,558)
Payment of debt issuance costs, net of refunding	(2,007,343)	-	(366,118)	-	(2,373,461)	-
Interest paid on debt	(62,181,391)	(72,924,943)	(13,616,370)	(14,723,802)	(75,797,761)	(87,648,745)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>197,463,898</u>	<u>(267,860,925)</u>	<u>26,342,699</u>	<u>(51,456,378)</u>	<u>223,806,597</u>	<u>(319,317,303)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES						
Capital Contributions (EPA Grants)	38,292,000	19,333,047	15,396,224	11,856,163	53,688,224	31,189,210
Issuance of forgivable loans to participants	(19,266,870)	(16,477,237)	(6,405,536)	(7,251,280)	(25,672,406)	(23,728,517)
Net Cash Provided by Capital Financing Activities	<u>19,025,130</u>	<u>2,855,810</u>	<u>8,990,688</u>	<u>4,604,883</u>	<u>28,015,818</u>	<u>7,460,693</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	83,177,669	(176,054,563)	16,928,823	(56,160,062)	100,106,492	(232,214,625)
CASH AND EQUIVALENTS						
Beginning of Year	<u>129,677,432</u>	<u>305,731,995</u>	<u>77,254,737</u>	<u>133,414,799</u>	<u>206,932,169</u>	<u>439,146,794</u>
End of Year	<u>\$ 212,855,101</u>	<u>\$ 129,677,432</u>	<u>\$ 94,183,560</u>	<u>\$ 77,254,737</u>	<u>\$ 307,038,661</u>	<u>\$ 206,932,169</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES						
Operating income	\$ 18,384,887	\$ 11,909,416	\$ 5,239,324	\$ 4,382,065	\$ 23,624,211	\$ 16,291,481
Adjustments to reconcile operating income to net cash used by operating activities:						
Depreciation	461	461			461	461
Interest income	(65,246,028)	(65,776,768)	(13,769,654)	(13,717,196)	(79,015,682)	(79,493,964)
Interest expense	41,726,113	51,036,477	7,057,073	8,851,029	48,783,186	59,887,506
Bond issuance costs	2,007,343	-	366,118	-	2,373,461	-
Changes in assets and liabilities:						
Accounts receivable	3,000	(3,000)	(131,087)	2,000	(128,087)	(1,000)
Accounts payable	254,325	(78,296)	218,853	(119,654)	473,178	(197,950)
Amount due to federal government	(145,305)	114,504	(16,914)	11,476	(162,219)	125,980
Net Cash Used by Operating Activities	<u>\$ (3,015,204)</u>	<u>\$ (2,797,206)</u>	<u>\$ (1,036,287)</u>	<u>\$ (590,280)</u>	<u>\$ (4,051,491)</u>	<u>\$ (3,387,486)</u>

OTHER REPORT

*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 (SRF Programs), an enterprise fund of the Indiana Finance Authority, which comprise the combined statement of net position as of June 30, 2022, 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, which collectively comprise SRF Programs' basic combined financial statements, and have issued our report thereon dated September 29, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the SRF Programs' internal control over financial reporting (internal control) as a basis for designing 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 the SRF Programs' internal control. Accordingly, we do not express an opinion on the effectiveness of the SRF 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 combined 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the SRF Programs' combined financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the combined financial statements. 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
September 29, 2022



Members of the Indiana Finance Authority
State Revolving Fund Loan Programs

We have audited the combined financial statements of State Revolving Fund Loan Programs (SRF Programs) as of and for the year ended June 30, 2022, and have issued our report thereon dated September 29, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Combined Financial Statement Audit

As communicated in our engagement agreement, our responsibility, as described by professional standards, is to form and express an opinion about whether the combined financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the combined financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the combined financial statements are free of material misstatement.

An audit of combined financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered SRF Programs' internal control over financial reporting solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether SRF Programs' combined financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you, including our identification of significant risks.

Compliance with All Ethics Requirements Regarding Independence

The engagement team; others in our firm, as appropriate; and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies used by SRF Programs is included in Note 1 to the combined financial statements. There was no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2022.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the combined financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the combined financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting SRF Programs' combined financial statements are as follows:

- Management's estimate of the fair value of investments is based on valuation methodologies described in Note 3 to the combined financial statements.
- Management's estimate of the allowance for doubtful accounts is determined by the forgivable loans closed by the SRF Programs, and by a review of individual loan balances' collectability.

We evaluated the key factors and assumptions used to develop the above estimates and determined that the estimates are reasonable in relation to the combined financial statements taken as a whole.

Combined Financial Statement Disclosures

Certain combined financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to combined financial statement users. The most sensitive disclosures affecting SRF Programs' combined financial statements relate to cash and equivalents and investments, loans receivable, and bonds and notes payable.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. Significant unusual transactions are significant transactions outside the normal course of business for SRF Programs or that otherwise appear to be unusual due to their timing, size, or nature. There were no significant unusual transactions identified during the audit.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the combined financial statements as a whole. There were no misstatements identified by us as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no material misstatements identified by us as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to SRF Programs' combined financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in a letter addressed to us dated September 29, 2022, a copy of which has been provided to you.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Supplementary Information

With respect to the management's discussion and analysis accompanying the combined financial statements, which is a required part of the combined financial statements, we have applied certain limited procedures; however, the procedures did not provide us with sufficient evidence to express an opinion or provide any assurance on the information.

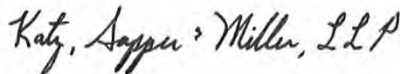
The combining schedules accompanying the combined financial statements are not a required part of the combined financial statements. The combining schedules have been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures in order to provide an opinion on the combining schedules in relation to the combined financial statements as a whole.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with SRF Programs, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting SRF Programs, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as SRF Programs' auditors.

Distribution and Use of This Communication

This communication is intended solely for the information and use of the Members of the Indiana Finance Authority and management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Katy, Sapper & Miller, LLP".

Indianapolis, Indiana
September 29, 2022

Exhibit N

INDIANA FINANCE AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND
INDEPENDENT AUDITOR'S REPORTS

June 30, 2022



INDIANA FINANCE AUTHORITY

CONTENTS

	Page
Independent Auditor's Report on Compliance for Each Major Federal Program Required by the Uniform Guidance and on Internal Control Over Compliance	1-4
Schedule of Expenditures of Federal Awards	5
Notes to Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs	7-8

*Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance*

Members of the Indiana Finance Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Indiana Finance Authority's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Indiana Finance Authority's major federal programs for the year ended June 30, 2022. Indiana Finance Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Indiana Finance Authority 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 its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Indiana Finance Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Indiana Finance Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and the provisions of contracts or grant agreements applicable to Indiana Finance Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Indiana Finance Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Indiana Finance Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Indiana Finance Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Indiana Finance Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Indiana Finance Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Indiana Finance Authority, a component unit of the State of Indiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Indiana Finance Authority's basic financial statements. We issued our report thereon dated October 31, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. 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 basic 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements or to the basic 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 basic financial statements as a whole.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
October 31, 2022

INDIANA FINANCE AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

	Federal Assistance Listing Number	Pass-through Entity Identifying/ Grant Number	Program or Award Amount	Federal Expenditures	Amount Provided to Subrecipients
U.S DEPARTMENT OF TREASURY					
Passed through Indiana State Budget Agency: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds					
	21.027	Memorandum of Understanding dated 10/29/21	\$ 160,000,000	\$ 5,065,364	\$ 5,065,364
U.S. ENVIRONMENTAL PROTECTION AGENCY:					
Clean Water State Revolving Fund Cluster: Capitalization Grants for Clean Water State Revolving Funds					
	66.458	CS18000121-0 DA	38,292,000	38,292,000	38,292,000
Drinking Water State Revolving Fund Cluster: Capitalization Grants for Drinking Water State Revolving Funds					
	66.468	FS98548619-0 DA	154,000	154,000	154,000
	66.468	FS98548620-0 DF	1,683,000	432,641	
	66.468	FS98548621-0 DA	14,460,900	14,460,900	14,460,900
	66.468	FS98548621-0 DD	672,600	665,113	
	66.468	FS98548621-0 DF	1,681,500	359,624	
	66.468	FS98548622-0 DD		94,116	
				<u>16,166,394</u>	<u>14,614,900</u>
State and Tribal Response Program Grants					
	66.817	RP00E14614-0	787,518	218,288	
	66.817	RP00E14615-0	800,000	407,579	
				<u>625,867</u>	
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements					
	66.818	BF00E48101-F	6,984,204	409,805	409,805
Multipurpose Grants to States and Tribes					
	66.204	AA00E02780-1	119,840	20,791	20,791
Voluntary School and Child Care Lead Testing and Reduction Grant Program (SDWA 1464(d))					
	66.444	M100E02762-0	423,000	423,000	
Water Infrastructure Finance and Innovation (WIFIA)					
	66.958	WIFIA-2019-N17114IN	436,000,000	314,868,900	314,868,900
				<u>\$ 375,872,121</u>	<u>\$ 373,271,760</u>

See accompanying notes to schedule of expenditures of federal awards.

INDIANA FINANCE AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Indiana Finance Authority (IFA). The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *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 financial statements.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, or when not applicable the specific federal award agreement, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Expenditures to Subrecipients: The amounts of expenditures to subrecipients represents the actual expenditures incurred by subrecipients and reimbursable by IFA in 2022.

NOTE 2 - INDIRECT COST RATE

IFA has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - LOAN PROGRAM

The accompanying schedule of expenditures of federal awards includes one federal loan disbursed under the Water Infrastructure Finance and Innovation Act (WIFIA). The WIFIA loan agreement provides for continuing compliance requirements through debt maturity or repayment, and therefore, IFA reports the prior year loan balances, plus any additional draws, on the schedule of expenditures of federal awards.

WIFIA funds were used to finance two projects: the DigIndy Tunnel System (DigIndy) project and the Integrated Overflow Control Plan (IOCP) project being completed by CWA Authority, Inc. and Evansville Water and Sewer Utility, respectively. The DigIndy project was substantially completed in June 2019, and the IOCP project was in progress at June 30, 2022. WIFIA expenditures were \$50,000,000 during fiscal year 2022. The WIFIA loan balance outstanding was \$307,045,800 as of June 30, 2022.

INDIANA FINANCE AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

Summary of Auditor's Results

Financial Statements

Type of auditor's 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 auditor's 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:

Assistance Listing Number	Agency	Title
21.027	U.S Department of Treasury	Coronavirus State and Local Fiscal Recovery Funds
66.958	U.S. Environmental Protection Agency	Water Infrastructure Finance and Innovation (WIFIA)
66.458	U.S. Environmental Protection Agency	Clean Water State Revolving Fund Cluster
66.468	U.S. Environmental Protection Agency	Drinking Water State Revolving Fund Cluster

INDIANA FINANCE AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2022

Summary of Auditors' Results (Continued)

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

\$1,830,097

Auditee qualified as low-risk auditee?

 ✓ yes no

Financial Statement Findings

None

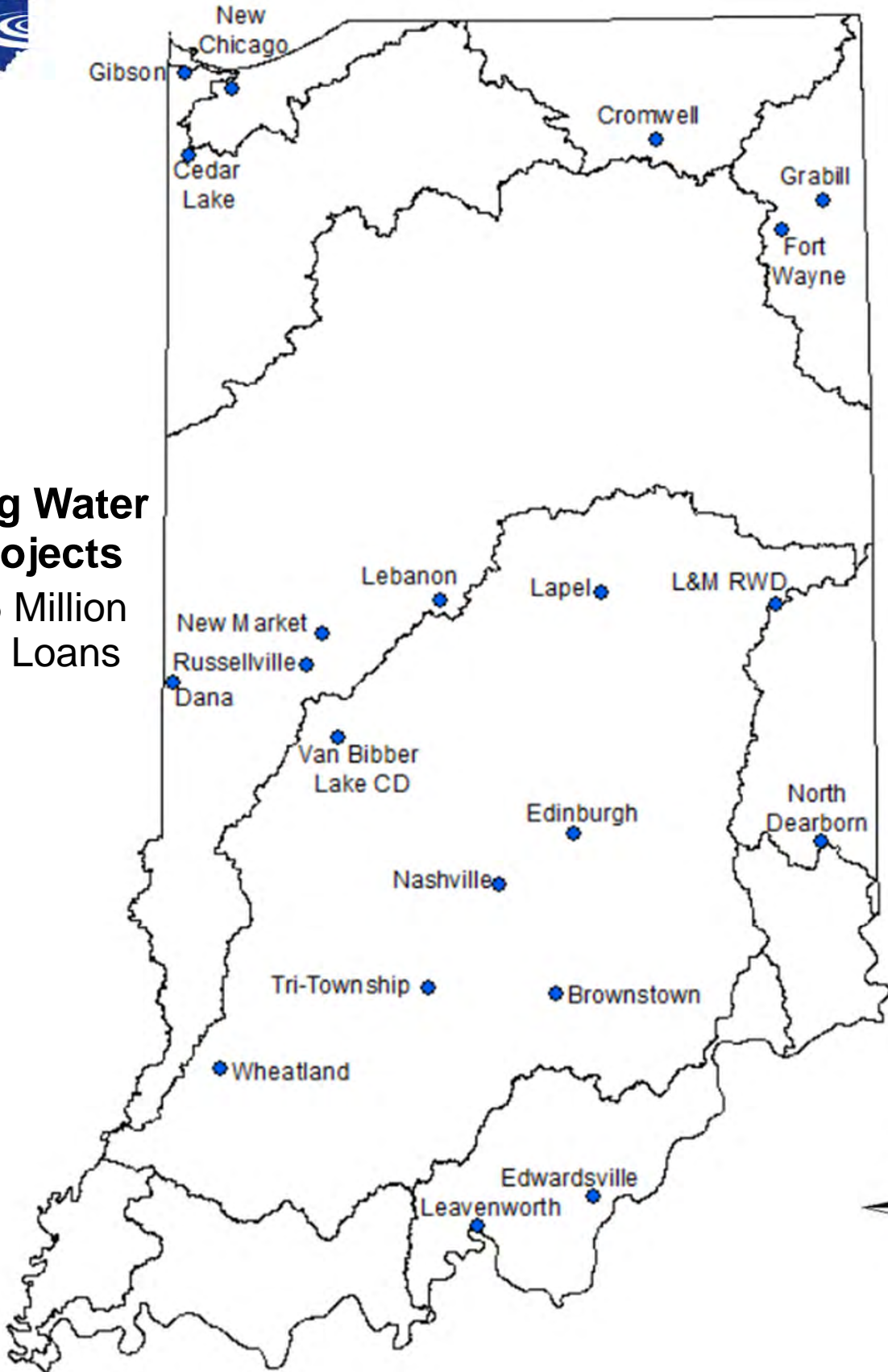
Federal Award Findings and Questioned Costs

None

Drinking Water Projects Closed State Fiscal Year 2022



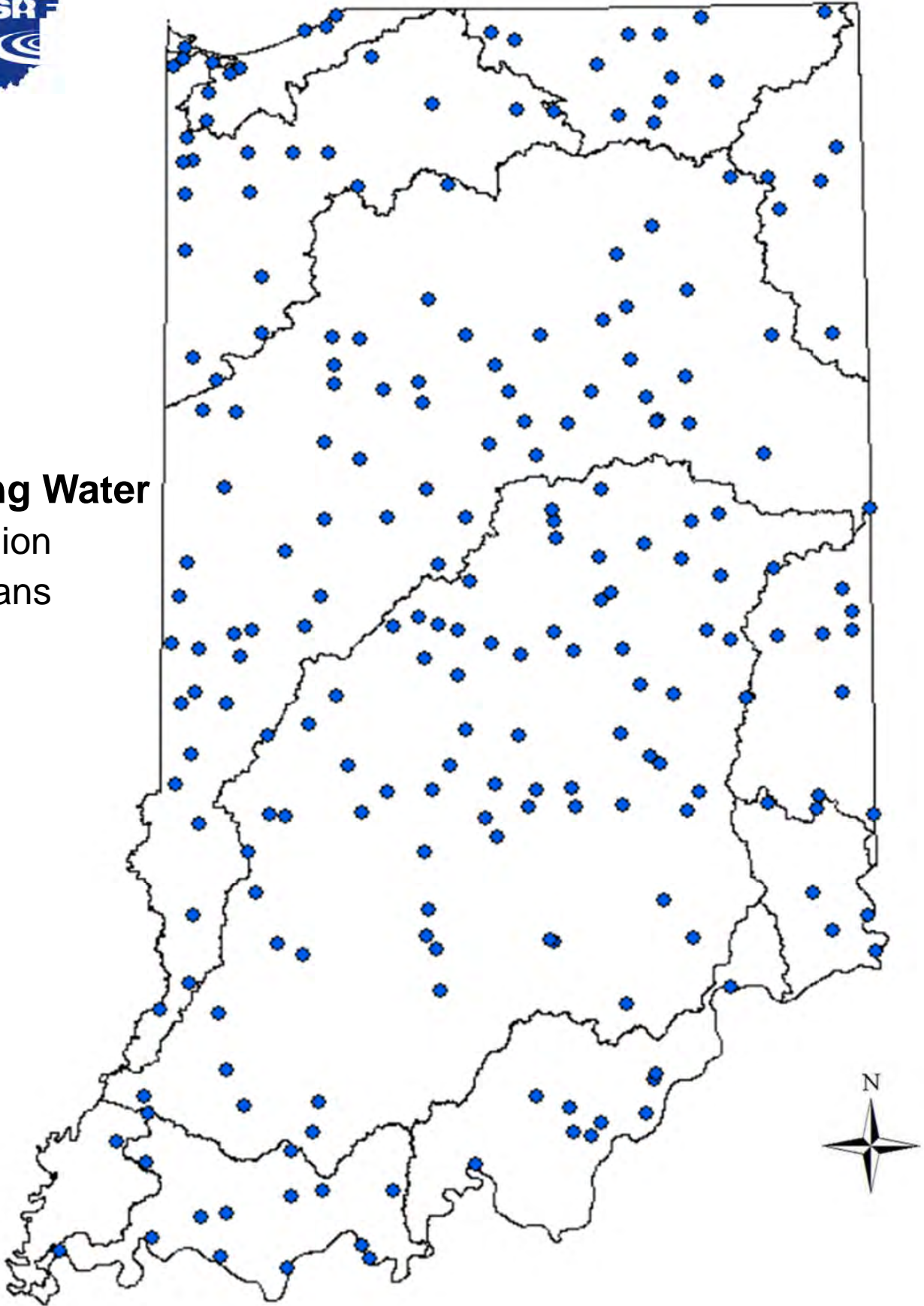
- **Drinking Water 2022 Projects**
\$ 112.5 Million
24 Loans



All Drinking Water Projects Closed Since 1999



- **Drinking Water**
\$1.1 Billion
323 Loans



Indiana DWSRF Loan Program
Exhibit Q - Summary of Set-Aside Funds in SFY 2022

Capitalization Grant Year	Set-Aside	Award Amount	Balance on 7/2021	ASAP Activity Date (in SFY 2022)	Activity Amount	Description	Balance 7/2022
2020	Administrative	673,200.00	-				-
	State Program Management ¹	1,683,000.00	931,972.66	09/30/21	\$ 54,109.00	Central Indiana Water Study	877,863.66
				09/30/21	\$ 3,621.25	Central Indiana Water Study	874,242.41
				09/30/21	\$ 4,662.50	Central Indiana Water Study	869,579.91
				09/30/21	\$ 54,109.00	Central Indiana Water Study	815,470.91
				09/30/21	\$ 4,323.75	Central Indiana Water Study	811,147.16
				09/30/21	\$ 27,925.00	Water Loss	783,222.16
				09/30/21	\$ 22,212.00	Central Indiana Water Study	761,010.16
				12/31/21	\$ 4,662.50	Central Indiana Water Study	756,347.66
				12/31/21	\$ 21,171.25	Central Indiana Water Study	735,176.41
				12/31/21	\$ 26,415.63	Water Loss	708,760.78
				03/29/22	\$ 4,662.50	Central Indiana Water Study	704,098.28
				03/29/22	\$ 2,200.00	Central Indiana Water Study	701,898.28
				03/29/22	\$ 29,137.50	Central Indiana Water Study	672,760.78
				03/29/22	\$ 105,659.70	Water Loss	567,101.08
				6/27/2022	\$ 125,500.01	Lead Sampling for Public Schools	441,601.07
				6/27/2022	\$ 4,662.50	Central Indiana Water Study	436,938.57
2021	Administrative	672,600.00	672,600.00	03/29/22	366,669.22	DW Program Administration	305,930.78
				03/29/22	184,493.44	DW Program Administration	121,437.34
				03/29/22	121,437.34	DW Program Administration	-
	State Program Management ²	1,681,500.00	1,681,500.00	06/27/22	189,344.21	Apprenticeship Scholarship Program	1,492,155.79
2022 Base Program*	Administrative	428,440.00	-				-
	Technical Assistance	214,220.00	-				-
	State Program Management	1,071,100.00	-				-
	Local Assistance	1,606,650.00	-				-
2022 General Supplemental*	Administrative	1,100,080.00	-				-
	Technical Assistance	550,040.00	-				-
	Local Assistance	275,020.00	-				-
Total Set-Aside Balance 7/1/2022:							\$ 1,929,094.36

* - Not awarded as of July 2022

1 - Central Indiana Water Supply Study, Water Loss, Lead Sampling for Public Schools

2 - Regional Water Study, Regional Planning Meetings, Lead Sampling for Public Schools, Cybersecurity Training, Apprenticeship Scholarship

Exhibit Q

Summary of Activities Completed Under the Technical Assistance Set-Aside as of July 2022

1. **Name of program:** Technical Assistance Program
 - a. **Capitalization Grant:** 2022 Base and 2022 General Supplemental
 - b. **Purpose:** Assist Disadvantaged Communities to identify needs and access to funding.
 - c. **Agency Responsibilities:** The Authority will engage third party contractors to conduct community outreach and assistance with preliminary planning.
 - d. **Achievements:** The Authority engaged third-party contractors in March 2022. The Contractors have worked in several small unsewered neighborhoods completing income surveys and conducting public meetings.

Summary of Activities Completed Under the State Program Management Set-Aside as of July 2022

1. **Name of program:** Lead Sampling Program for Public Schools and Child Care Facilities
 - a. **Capitalization Grant:** DWSRF base 2019, 2020, and 2021
 - b. **Purpose:** To help Indiana public schools and child care facilities assess if there is a presence of lead in drinking water within their facilities
 - c. **Agency Responsibilities:** Per the eligibility requirements of the WIIN Act Section 2107, *Lead Testing in School and Child Care Program Drinking Water Grant*, the Authority developed and initiated a lead sampling program for school and child care facilities. The Authority will work with IDEM to develop a sampling protocol and will engage a third-party contractor to help manage laboratory coordination and data management. The Authority has been allocated \$1,168,000 from the WIIN Act Section 2107 for FY 2018 through FY 2020. The Authority has also been awarded \$543,928 from the WIIN Act's Section 2105 Reducing Lead in Drinking Water grant.
 - d. **Achievements:** Third party contractors were engaged August 2019. Sampling protocols developed. Application, guidance documents, and marketing materials prepared.

The IFA has been collecting applications on a rolling basis since November 2019. As of 6/30/22, about 5,600 samples have been collected and 73 schools and 24 child cares have completed sampling. An estimated 45,000 children have been impacted by this project. In December 2021, the IFA sent approximately 3,200 emails and 3,900 letters marketing the Lead Sampling and Remediation Programs to child care facility providers. In July 2022, the IFA revised its marketing materials and sent approximately 3,150 emails and 3,700 letters to potential applicants. In addition to trying to contact new participants, the IFA continues to follow up with facilities who have enrolled but have not yet completed the program.

More information can be found at: www.in.gov/ifa/lead-sampling-program/phase-ii-2019-current

2. **Name of program:** Indiana Validated Water Loss Audit Program
 - a. **Capitalization Grant:** DWSRF base program 2019 and 2020
 - b. **Purpose:** To help water utilities better understand the amount of non-revenue water in their systems and help address potential issues

- c. **Agency Responsibilities:** The Authority engaged a third-party contractor to conduct trainings and aid utilities in completing a water audit. In addition, the Authority also engaged the same third-party contractor to conduct trainings to train validators, who aid utilities in completing a validated water audit. For more information see: <https://www.in.gov/ifa/water-loss-audits/>

Achievements: Contractors were engaged August 2019. Seven training sessions were held from November 2019 – March 2020 until COVID-19 closures and travel restrictions impacted the ability of utilities to attend in-person training. In June 2020, the training programs were revised to a virtual format. Six virtual and socially-distanced in-person trainings were held June – September 2020. The deadline to submit a validated audit to IFA was extended from August 1, 2020, to January 1, 2021, due to the COVID-19 pandemic. The 2020 Legislative report which summarizes the efforts of the State, and the results of the program are available here: www.in.gov/ifa/water-loss-audits

In the Spring of 2022, the same third-party contractor was re-engaged to provide another round of trainings. Three audit training sessions and three validator training workshops were conducted between January and March of 2022, with 89 people attending the audit trainings and 36 people attending the validator workshops. In all, the State has certified 150 Water Audit Validators. The deadline to submit 2021 water audits was August 1, 2022. The submitted audits are now being tallied and reviewed. The 2022 Legislative Report will be posted to the IFA website in December 2022.

3. **Name of program:** Regional Water Planning Meetings

- a. **Capitalization Grant Year:** 2021
- b. **Purpose:** The goal of the program is to increase communication and improve collaboration among utilities and other water users in local regions across the State. For more information see: <https://www.in.gov/ifa/regional-planning-meetings/>
- c. **Agency Responsibilities:** The Authority has organized and conducted regional meetings, including setting the agendas and recruiting speakers, drafting region boundaries and invitation lists, and finding suitable regional locations for meetings. The Authority may engage a third-party contractor to assist with the implementation of this program.
- d. **Achievements:** The IFA conducted twenty-nine Regional Water Planning Meetings in SFY 2022, with approximately 400 people attending representing over 270 utilities.

4. **Name of program:** Central Indiana Water Study

- a. **Capitalization Grant Year:** 2018, 2019, and 2020
- b. **Purpose:** The goal of the IFA’s Central Indiana Water Study is to provide the State and affected water utilities a better understanding of the supply and demand of water resources in the Central Indiana region. For more information see www.in.gov/ifa/regional-water-studies/central-indiana-water-study
- c. **Agency Responsibilities:** The Authority lead the planning effort, including drafting study scopes, engaging third party contractors, reviewing all deliverables, conducting public meetings.
- d. **Achievements:** Contractors were engaged in 2019. The IFA hosted a public meeting on April 29, 2019, to kick-off the study with elected officials, utility personnel, and other interested parties. Several presentations have been made to share the findings including a public meeting on August 9, 2021, to present the final results of the study.

Final deliverables have been completed and are available on the IFA website:

[Fact Sheet](#)

Executive Summary Report

Regional Water Demand Forecast Report

Regional Supply Fact Sheet

Regional Water Availability Report

Regional Water Demand Forecast Presentation at the Indiana Water Summit 8-12-2020

Central Indiana Water Study Kick-Off Meeting Presentations 4-29-2019

5. **Name of program:** Indiana Drinking Water Certified Operator Apprenticeship Program
 - a. **Capitalization Grant Year:** 2021 and 2022
 - b. **Purpose:** To provide training of skilled workers and standardize training across Indiana for Certified Operators for Drinking Water systems.
 - c. **Agency Responsibilities:** The Authority works with a third-party contractor to administer the Apprenticeship Program and provide assistance for the training, supplies, and salary of eligible apprentices.
 - d. **Achievements:** The Authority has continued an agreement with a third-party, in effect through December 2023. Apprenticeship training began in Jan 2019. As of June 2022, nineteen drinking water apprentices are currently enrolled in the program and seven drinking water certified operators have graduated from the program.

6. **Name of program:** Indiana Lead Service Line Platform
 - a. **Capitalization Grant Year:** 2022 base program
 - b. **Purpose:** To create a platform to act as a central location for water systems to submit lead service line inventory data to comply with requirements and direct funding decisions.
 - c. **Agency Responsibilities:** The Authority will solicit and work with a third-party contractor to create a software platform that facilitates the submission and management of lead service line inventories.
 - d. **Achievements:** As of June 2022, the Authority has worked to coordinate efforts with the Indiana Department of Environmental Management. No contractors are yet engaged

7. **Name of program:** Indiana Cyber Security Training Program
 - a. **Capitalization Grant Year:** 2021
 - b. **Purpose:** To provide no-cost, virtual cybersecurity training for the water utilities of Indiana
 - c. **Agency Responsibilities:** The Authority will work with a third-party contractor to administer the Cybersecurity training.
 - d. **Achievements:** The third-party contractor was engaged in April 2022. The first cybersecurity training was held 8/4/22, with 27 people in attendance. Fourteen more workshops will be prior the end date of the contract which is Dec 2023.

Summary of Activities Completed Under the Local Assistance/ State Programs as of July 2022

1. **Name of program:** Indiana Drinking Water Lead Service Line Inventory
 - a. **Capitalization Grant Year:** 2022 base program and 2022 General Supplemental
 - b. **Purpose:** To provide funds and professional services to assist Indiana communities locate and report lead service lines in their drinking water systems in small and Disadvantaged Communities.
 - c. **Agency Responsibilities:** The Authority will grant funds for inventory projects in small and Disadvantaged Communities that identify service line materials through activities such as public outreach campaigns, inventory tools, site investigations, and predictive modeling.
 - d. **Achievements:** Preliminary coordination began with state agencies to begin the Lead Service Line Inventory program. Contracts and implementation will begin in SFY 2023.

2. **Name of program:** Regional Water Supply Planning in Clinton County, Indiana
 - a. **Capitalization Grant Year:** 2022 base program and 2022 General Supplemental
 - b. **Purpose:** To provide funds and professional services to investigate water availability in the area of Clinton County Indiana.
 - c. **Agency Responsibilities:** The Authority will work with a third-party contractor to administer investigation and planning projects.
 - d. **Achievements:** As of June 2022 the Authority has engaged a third party contractor to begin the investigative process in Clinton County.

3. **Name of program:** Regional Water Supply Planning in Southeast Central, Indiana
 - a. **Capitalization Grant Year:** 2022 General Supplemental
 - b. **Purpose:** To provide funds and professional services to investigate the 50-year demand and supply availability in the Driftwood Flatrock Haw and Upper East Fork White watersheds.
 - c. **Agency Responsibilities:** The Authority will work with a third-party contractor to administer investigation and planning projects.
 - d. **Achievements:** The third-party contractor was engaged in August 2022. Work will commence in August 2022 and conclude in August 2023. Besides the supply and demand study, the project will also include the upgrading of water monitoring equipment and the updating of Indiana's water utilities service territory map. More information is available here: <https://www.in.gov/ifa/regional-water-studies/southeast-I74-water-study/>

Indiana DW SRF Loan Program
Exhibit R - Summary of All Associated Funds in SFY 2022

Applicant Name	Closing Date	SRF Funding*	Co Funding Federal Programs (ARP, RD, OCRA)	Fee Agreements	State Programs	Local Funds
New Market	09/16/2021	\$ 1,180,000	700,000			
Lebanon	11/09/2021	\$ 6,735,000	-			
Leavenworth	11/23/2021	\$ 1,149,000	700,000			
Lapel	12/07/2021	\$ 6,525,000	700,000			
Gibson Water Authority	12/15/2021	\$ 2,410,000				2,363,384
Dana	12/15/2021	\$ 1,856,000	820,000		110,000	300,000
Fort Wayne	12/15/2021	\$ 44,560,000				
New Chicago	12/21/2021	\$ 6,690,000				
Cedar Lake	03/24/2022	\$ 3,915,000				
Edinburgh (EQ)	03/31/2022	\$ 6,450,000	1,656,511			
L & M RWD	04/11/2022	\$ 632,000	894,500			
Russellville	04/29/2022	\$ 1,355,000	270,000			-
North Dearborn WA	05/13/2022	\$ 2,915,000			2,225,000	300,000
Nashville	05/25/2022	\$ 3,825,000			25,000	
Grabill	05/31/2022	\$ 3,727,000				
Tri-Township	06/07/2022	\$ 5,193,000				
Wheatland	06/16/2022	\$ 3,969,000	700,000		40,553	
Edwardsville	06/22/2022	\$ 4,817,000	500,000			
Cromwell	06/28/2022	\$ 794,000	700,000		2,650,000	
Van Bibber Lake CD	06/29/2022	\$ 4,113,000		98,000		
Jackson County	06/30/2022	\$ 4,300,000				

*Includes Traditional, Additional Subsidy, and Pooled

\$ 7,641,011

Non-Federal Total: \$ 8,111,937

Exhibit S - Summary of Drinking Water Projects with a Regional Solution SFY 2017 - 2022

<u>Closing Date</u>	<u>Community</u>	<u>Loan Amount</u>	<u>Project</u>
5/31/2022	Grabill	\$ 3,727,000	The project will allow the City of Fort Wayne to extends service to the Town of Grabill and allow the Town decommission an existing WTP.
5/25/2022	Nashville	\$ 3,825,000	The project extends service to Brown County State Park and Park to decommission an existing WTP.
12/18/2019	Lizton	\$ 1,400,000	The Water Main extension project will extend drinking water service from the existing Citizens Water Authority utility to the Town of Lizton and surrounding areas.
8/16/2018	Jackson County	\$ 6,680,000	The Water Main extension project will extend drinking water service from the existing Jackson County Water utility to approximate 573 households and businesses.
3/30/2017	LaGrange Regional Utility District	\$ 4,195,000	The State of Indiana constructed a non-transient/ noncommunity water system at the Howe/Lagrange Travel Plaza in the 1950s. The water system has a capacity of 150 gpm and consists of two wells, a three-cell pressure filtration system and two hydropneumatic tanks with a combined capacity of 12,000 gallons. The system is currently operated and maintained by the Indiana Toll Road Concession Company, who desires to retire the plant. The existing facility is at the end of useful life and would require expensive upgrades to continue to meet the needs of the system. he proposed project will install water main and associated hydrants and valves to the existing Fawn River Crossing water system, a pressure booster station with chlorine injection system, hydropneumatic tank with telemetry interconnections and a standby power generator. The proposed project will install water main and associated hydrants and valves to the existing Fawn River Crossing water system, a pressure booster station with chlorine injection system, hydropneumatic tank with telemetry interconnections and a standby power generator. The project will connect Travel Plaza #7 to the existing Fawn River Crossing water treatment plant, within the LaGrange County Regional Utility District. The Fawn River Crossing plant is in good condition and has sufficient capacity to meet the needs of the Travel Plaza and existing customers.
2/15/2017	Cayuga	\$ 777,000	North Vermillion Community School Corporation is not currently connected to Cayuga's water system and had been operating an underground drinking water well system, located on school property. The school ceased utilizing the wells for drinking water, when the wells started having water quality issues with increasing levels of nitrate. To protect the health of the students, the North Vermillion School Corporation began using bottled water. In April 2016, the North Vermillion Community School Corporation and the Indiana Department of Environmental Management (IDEM) entered into an Agreed Order to bring the nitrate levels down to below the maximum contaminant level (MCL). The project connected the School Corp to the existing Cayuga system

Exhibit T
Summary of New Borrowers to the DWSRF Program in SRF 2022

<u>Community</u>	<u>Closing Date</u>	<u>Loan Amount</u>
Lapel	11/23/2021	1,149,000
Lapel	12/7/2021	2,735,000
Leavenworth	12/7/2021	3,790,000
Dana	12/15/2021	1,205,000

Exhibit U

Summary of Disadvantaged Community Financings

June 2016 - June 2022

Borrower Name	State Tracking Number	MHI Lower than 80% of State MHI ¹	Rates Greater than \$45 a month	1%	Agreement Date	Agreement Amount	Interest Rate	Term	Additional Subsidy Amount	Estimated Savings
Waynetown	DW15088901		X	X	07/29/2016	2,082,000	2.00	20	500,000	1,061,503
Marshall	DW16106102		X	X	12/15/2016	893,000	2.00	20	700,000	1,049,178
Hillsdale Water Corp	DW15148301		X	X	03/09/2017	1,141,000	2.00	20	814,000	1,242,210
LaGrange County RUD	DW17034401		X	X	03/31/2017	4,195,000	2.00	20	-	906,571
Greentown	DW15113401		X	X	06/19/2017	2,250,000	2.25	20	1,090,000	1,784,998
Atlanta	DW16032901		X	X	06/19/2017	941,000	0.00	n/a	941,000	1,354,327
Lawrence	DW17014901		X	X	06/20/2017	8,505,000	2.00	20	-	1,837,995
Jasonville	DW15072802	X			08/30/2017	1,200,000	2.00	20	-	259,329
Ligonier	DW14095701	X			09/28/2017	2,268,000	2.00	20	-	490,132
Peru (Grissom)	DW17065202	X			12/07/2017	7,799,000	0.00	20	-	3,425,648
Tell City	DW17043302			X	12/12/2017	1,735,000	2.00	20	-	3,425,648
South Whitley	DW16149201			X	12/20/2017	1,358,000	2.00	20	-	293,474
East Chicago	DW16164504	X		X	12/22/2017	3,850,000	2.25	20	-	717,642
East Chicago	DW16164506	X		X	06/22/2018	14,150,000	0.39	20	-	5,628,690
Clinton	DW17128302	X			06/27/2018	478,000	2.00	20	-	103,299
Jackson County Water Ut	DW18023603			X	08/16/2018	6,680,000	2.30	35	-	2,306,406
Mishawaka	DW18077103	X		X	10/29/2018	13,000,000	2.82	20	-	1,523,600
North Judson	DW18017501	X		X	12/11/2018	1,584,000	3.55	35	-	78,850
Delphi	DW18170801	X		X	12/12/2018	7,420,000	3.55	35	-	369,360
Kirklin	DW18091202		X	X	12/14/2018	3,718,000	2.00	20	2,555,000	3,928,596
Walkerton	DW17097102	X	X	X	12/20/2018	7,184,000	2.00	20	2,850,000	5,038,450
Evansville	DW18128201	X		X	12/21/2018	77,220,000	3.25	20	-	4,916,155
Lebanon	DW18130601			X	02/15/2019	3,360,000	2.00	20	-	838,799
Holland	DW18051901	X		X	03/29/2019	617,000	2.00	20	265,000	457,469
Crown Point	DW18044501		X		11/01/2019	6,626,400	0.00	20	-	2,371,907
Glenwood	DW18147002		X	X	11/14/2019	235,000	2.00	20	165,000	252,602
Huntingburg	DW18151902			X	12/17/2019	8,000,000	2.59	20	-	1,162,937
Lizton	DW18063201		X	X	12/18/2019	1,400,000	0.00	20	1,400,000	2,014,939
Delphi	DW18170802		X	X	12/20/2019	6,225,000	2.42	20	1,000,000	3,745,700
Bluffton	DW19089001	X		X	01/27/2020	13,789,000	2.44	20	-	1,813,791
Peru (Grissom)	DW17065202	X		X	05/14/2020	4,400,000	2.00	20	-	950,873
Monroe	DW19010101		X	X	09/29/2020	2,911,000	2.00	20	2,439,000	3,196,000
Monroe	DW19010101		X	X	09/29/2020	820,000	2.30	35	-	-
Carlisle	DW19097701	X		X	09/30/2020	3,140,000	2.00	20	-	197,000
North Salem	DW19033201	X	X	X	10/28/2020	1,470,000	2.00	20	1,010,000	1,358,000
Crown Point	DW18044503		X		11/24/2020	7,819,535	0.00	20	-	3,419,535
Lacrosse	DW20024601		X	X	12/04/2020	4,214,458	0.00	20	1,500,000	3,216,218
Galveston	DW19070901		X	X	12/15/2020	5,965,080	0.00	35	4,250,000	7,382,000
Fountain City Water Wor	DW19118901		X	X	12/15/2020	202,000	2.00	20	-	3,344,156
Lewisville	DW20033302		X	X	12/18/2020	433,000	2.00	20	-	1,101,044
Universal	DW20058303	X	X	X	12/28/2020	238,000	2.25	20	72,000	126,947
Frankfort	DW19141201	X			03/16/2021	10,835,000	2.00	20	-	1,134,872
Frankfort	DW19141201	X			03/16/2021	2,795,000	2.30	35	-	-
Topeka	DW20104401		X	X	03/31/2021	4,392,000	2.00	20	667,000	850,700
Northwest Jasper RWD	DW19173701		X	X	05/27/2021	3,445,000	2.30	35	-	-
Northwest Jasper RWD	DW19173701		X	X	05/27/2021	2,685,000	2.00	20	-	-
New Market	DW21075402		X	X	09/16/2021	1,180,000	2.00	20	-	195,000
Leavenworth	DW21091301	X	X	X	11/23/2021	1,149,000	0.02	20	500,000	972,348
Lapel	DW21054802		X	X	12/07/2021	2,735,000	0.00	20	-	3,867,296
Lapel	DW21054802		X	X	12/07/2021	3,790,000	0.00	35	-	-
Dana	DW20048301		X	X	12/15/2021	1,856,000	0.00	20	870,000	1,807,000
Gibson	DW18082603		X		12/15/2021	1,205,000	0.02	20	-	-
New Chicago	DW21064502	X	X	X	12/21/2021	3,345,000	0.02	20	-	421,149
L&M RWD	DW21156801	X	X	X	04/11/2022	632,000	0.02	20	460,000	699,221
Russellville	DW20186702		X	X	04/29/2022	1,355,000	0.02	20	1,000,000	1,515,960
Nashville	DW22030701	X	X	X	05/25/2022	3,825,000	0.00	20	3,825,000	5,625,000
Wheatland	DW22014201	X	X	X	06/16/2022	3,969,000	0.00	35	2,575,000	-
Edwardsville	DW20112201	X		X	06/22/2022	4,817,000	2.25	20	-	-
Cromwell	DW21165702	X	X	X	06/28/2022	794,000	2.00	20	-	-
Van Bibber	DW19106701	X	X	X	06/29/2022	4,113,000	0.00	n/a	4,113,000	-
Jackson County	DW21033604		X	X	06/30/2022	285,000	2.00	20	-	-
Jackson County	DW21033604		X	X	06/30/2022	4,015,000	1.60	35	-	-
TOTALS						304,733,473			35,561,000	95,780,525