

# **STATE OF INDIANA**

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



**Annual Report  
State Fiscal Year 2011  
July 1, 2011**

**STATE OF INDIANA**  
**CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM**  
**STATE FISCAL YEAR 2011 ANNUAL REPORT**

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STATE OF INDIANA  
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STATE FISCAL YEAR 2011 ANNUAL REPORT

I. INTRODUCTION

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

This Annual Report is for State Fiscal Year (SFY) 2011 (July 1, 2010 - June 30, 2011). It is prepared in accordance with Section 606(d) of the Clean Water Act (CWA), as amended by the Water Quality Act of 1987, and 40 CFR 35.3165(a) and (b).

II. SRF LOAN PROGRAM MANAGEMENT [40 CFR 35.3110]

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

III. GOALS AND OBJECTIVES OF THE SFY 2011 INTENDED USE PLAN [40 CFR 35.3150 (b) (2)]

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

To accomplish these intentions, the Authority set short-term and long-term goals and objectives as part of the SFY 2011 Intended Use Plan (IUP). A description of how the CWSRF Loan Program has achieved these goals or is working toward them is in Exhibit A.

EPA's 2011 Capitalization Grant required the Authority to allocate 20%, or \$7,117,600, of its funds to green projects. The Authority accomplished this requirement via its Green Project Reserve (GPR) Sustainability Incentive Program, which is offered by the SRF Loan Programs to participants that incorporate green project components into their projects. Exhibit B, 20% GPR Projects by Capitalization Grant Year, lists the 2011 Capitalization Grant GPR projects.

Another goal of the Authority was to disburse at least 9.27% or \$3,297,794 or up to 30.89% or \$10,992,647 of its 2011 Capitalization Grant in the form of additional subsidization. Additional subsidization could be in the form of principal forgiveness, negative interest rate loans, or grants; however, the Authority accomplished this requirement in the form of principal forgiveness. Exhibit C, Additional Subsidization Projects by Capitalization Grant

Year, list participants that received principal forgiveness. Priority for additional subsidization was given to Participants that could not otherwise afford such projects.

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

All CWSRF Loan Program-funded projects and activities were in compliance with federal Cross-Cutting Authorities and State Environmental Review Procedures (SERP). A description of each project funded in SFY 2011 is attached in Exhibit D.

The participants receiving funds from the CWSRF Loan Program during SFY 2011 will realize the following significant environmental and public health benefits:

- Abatement of combined sewer overflow (CSO) discharges along approximately 45 miles of stream segments, ultimately reducing pollution to the Ohio River;
- Elimination of 1,070 septic systems in three communities, eliminating failing systems that discharge to waters of the state;
- \$126 million in SRF funds targeted to abate pathogen or nutrient loadings to impaired water bodies (303(d) listed streams); and
- Increased compliance with NPDES permits.

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

The Authority has fully met its State Match requirements through the end of SFY 2011 by means of depositing the net proceeds from revenue bonds issued by the Authority into the Clean Water State Revolving Loan Fund (CWSRF). The State deposited \$9,800,000 of State Match in the CWSRF Loan Program in SFY 2011. To date, the CWSRF Loan Program State Match has aggregated in excess of 20% of the awarded \$731,842,853 Capitalization Grants through June 30, 2011. See Exhibit E for a history of the Capitalization Grants awarded to the CWSRF Loan Program. Exhibit F details State Match deposited in the CWSRF through the end of SFY 2011; 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 2011, the CWSRF Loan Program closed 21 loans totaling \$128,114,800. Since the CWSRF Loan Program's inception in 1992, 384 loans aggregating approximately \$2.4 billion have been closed, which is more than two times the amount of federal Capitalization Grants that have been awarded to the CWSRF Loan Program (\$731,842,853). For a summary of all loans closed by the CWSRF Loan Program during SFY 2011, please see Exhibit G.

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

The CWSRF Loan Program is a leveraged program and has established itself as a highly rated borrower in the national bond market. The Authority has utilized its Capitalization Grants to leverage multiple series of bonds, aggregating over \$1.43 billion in outstanding principal as of June 30, 2011, a portion of which has funded CWSRF Loan Program loans. A summary of the accounts and associated balances are set forth in Exhibit H: Intended Uses of Funds, attached hereto. Future bond issuances are expected to be used to fund new commitments related to new loans in future years. The balance of the bond proceeds not available for loans are used for reserve funds, administrative expenses, and costs of issuance.

### A. Interest Rates

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

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

The CWSRF Loan Program offered interest rates ranging from a low of 2.00% to a high of 3.87% during SFY 2011. A summary of the actual interest rates for each quarter of SFY 2011 is set forth in Exhibit I.

The subsidized CWSRF Loan Program interest rate has provided aggregate savings of \$54,247,530 to participants closing a CWSRF Loan Program loan during SFY 2011. See "SRF Savings" column in Exhibit G for savings provided to each participant.

### B. Terms

Consistent with applicable law, all CWSRF Loan Program loans closed in SFY 2011 were structured with annual principal repayments commencing one year after expected completion of the Proposed Project, and a final principal payment no later than 20 years after expected completion of the Proposed Project.

### C. Other Assistance Provided

As of June 30, 2011, the CWSRF Loan Program has provided \$24,369,896 of Additional Subsidy in the form of principal forgiveness to 8 loan recipients. Exhibit C,

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

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

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

During SFY 2011, the CWSRF Loan Program did not provide any CWSRF Pooled Loans, a program that offers eligible participants the “AAA” interest rate that is available to the CWSRF Loan Program at the time of their loan closing.

During SFY 2011, the CWSRF Loan Program did not provide any refinancing assistance.

During SFY 2011, the CWSRF Loan Program provided \$10,992,000 of additional subsidization through the FFY 2011 Capitalization Grant.

#### D. Administrative Expenses and Fees

During SFY 2011, the CWSRF Loan Program used a portion (\$1,847,647) of the maximum allowable percentage of each federal Capitalization Grant to offset CWSRF Loan Program costs, including administrative, legal and financial fees and expenses, to the extent permitted by Section 603(d)(7) of the Clean Water Act to operate the CWSRF Loan Program in perpetuity. The portion not used is being carried forward for application in future years on an as needed basis. Exhibit H identifies the balance of the CWSRF Program’s 4% administrative expense limit remaining to meet its continuing needs.

During SFY 2011, subject to certain waivers, the CWSRF Loan Program assessed each Participant that closed a loan, a loan closing fee at the time the Participant closed its CWSRF Program loan. During SFY 2011, the CWSRF Loan program collected \$19,000 in loan closing fees.

The non-use fee policy of the CWSRF Loan Program permits the assessment of a non-use fee for CWSRF Loan Program loan funds that are not used within two years following a Participant’s loan closing. Pursuant to the policy, each Participant that does not complete its project and fully expend the funds borrowed within two years after the loan closing, will be assessed a one percent fee on the balance of the funds that remain un-drawn. An additional one percent fee will be assessed each six months following the two year anniversary of the Participant’s loan closing until the loan is fully drawn or closed out. No non-use fees were collected by the CWSRF Loan Program during SFY 2011.

E. Transfers – 40 CFR 35.3110 (f)

The State permits transfers between the DWSRF Loan Program and the CWSRF Loan Program of Capitalization Grants and other funds held in or allocable to such funds to the extent permitted by the Clean Water Act (CWA) and the Safe Drinking Water Act (SDWA). There were no transfers in SFY 2011. For a historic summary of transfers, see Exhibit J.

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

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

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

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

G. CWSRF Loan Program Financial Statements

The CWSRF Loan Program is audited annually by an independent certified public accounting firm. For the SFY 2011, which ended June 30, 2011, the CWSRF Loan Program received an unqualified opinion from our independent auditors, as described in Exhibit K.

The CWSRF Loan Program is audited annually for compliance with the requirements set forth in the U.S. Office of Management and Budget (OMB) Circular A-133. For the SFY 2011 ended June 30, 2011, the CWSRF Loan Program was determined to be "in compliance," as noted in the Schedule of Expenditures of Federal Awards and OMB Circular A-133 Auditor's Reports, which is attached as Exhibit L.

H. Federal Requirements

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

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

All loans made during the SFY 2011 had related projects listed on the Authority's Project Priority Lists (PPL).

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

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

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

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

The scoring and ranking system of the CWSRF Loan Program focuses on those projects with the greatest need. A map showing the location of projects funded in SFY 2011 is attached as Exhibit N. A map showing the location of all projects funded since the inception of the CWSRF Loan Program is attached as Exhibit O.

CSO Correction projects accounted for over 50 % of the total CWSRF assistance provided in SFY 2011.

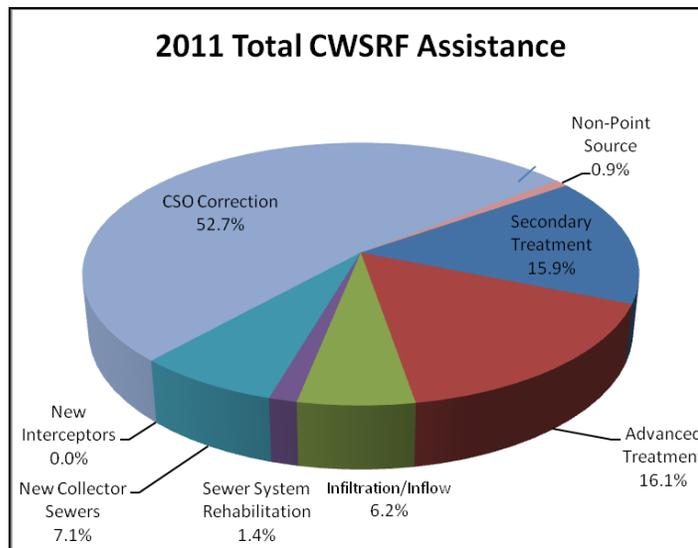


Exhibit A  
CWSRF Loan Program Report on Goals and Objectives of SFY 2011

The CWSRF Loan Program sets short- and long-term goals as required by 40 CFR 35.3150(b)(2). Short-term goals and objectives are those the State expects to achieve during SFY 2011, 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 2011, the CWSRF Loan Program expects to achieve the following short-term goals and objectives:

(ST1) Goal: Seek the immediate award of the Federal Fiscal Year (FFY) 2011 Capitalization Grant. Continue to disburse loan proceeds such that the 2011 Capitalization Grant can promptly be deposited and, as expenditures are incurred or paid, be converted to cash. Ensure that at least 30% of the 2011 Capitalization Grant is used to provide Additional Subsidization in the form of principal forgiveness, negative interest loans or grants. Ensure that 20% of the 2011 Capitalization Grant is allocated to fund Green Project Reserve Projects. Work diligently to identify and fund Projects that address or have components of Green Project Reserve infrastructure, water or energy efficiency improvements or include other environmentally innovative activities. Exhibit C shows the percentage of SRF funds that may be used toward Green Project Reserve activities. Ensure that Davis Bacon wage rules apply to all assistance agreements made with funds appropriated under the 2011 Capitalization Grant.

**Result: The Authority applied for its FFY 2011 Capitalization Grant on June 16, 2011 and was awarded on September 13, 2011.**

**The CWSRF Loan Program continues to disburse its loan proceeds expeditiously. Once the CWSRF Loan Program has access to the funds, the 2011 Capitalization Grant can be fully drawn down.**

**The above goal states that the CWSRF Loan Program will provide at least 30% of the 2011 Capitalization Grant in additional subsidization. This goal was written prior to the CWSRF Loan Program receiving the terms and conditions of the 2011 Capitalization Grant and was consistent with the language in the terms and conditions of the 2009/2010 Capitalization Grant. Upon receipt of the 2011 Capitalization Grant, it was noted that the additional subsidization language changed to include a range (between 9.27% and 30.89%) of funds that could be provided for additional subsidization and no longer required “at least 30%”.**

**The CWSRF Loan Program provided additional subsidization in the form of principal forgiveness to three Participants totaling \$10,992,000, thus meeting the terms and conditions of the 2011 Capitalization Grant. The 2011 Capitalization Grant required the CWSRF Loan Program to use at least 9.27% and, and no more than 30.89% of the funds provided by the grant. The range for the CWSRF Loan Program was between \$3,297,794 and \$10,992,647. As noted above and as demonstrated in Exhibit C, the CWSRF Loan Program provided \$10,992,000 in additional subsidization, thus falling in the required range.**

**The CWSRF Loan Program provided at least 20% of the 2011 Capitalization Grant to fund Green Project Reserve Projects, thus meeting its goal. Exhibit B demonstrates that \$12,599,294 dollars were provided from the 2011 Capitalization Grant to fund projects with green components.**

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

(ST2) Goal: Document the environmental benefits derived from the CWSRF financed Projects using the one-page forms sanctioned by EPA.

**Result: The Authority documented the environmental benefits of the 21 loans that were closed in SFY 2011 by completing 21 of the one-page forms required by EPA.**

(ST3) Work diligently with Participants who received ARRA funds to effectively manage their Projects so as to meet all the requirements of the ARRA, including the following:

(ST3a) Ensure that none of the funds appropriated are used for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the Project is produced in the United States unless a waiver is given by EPA. This requirement shall be applied in a manner consistent with the U.S. obligations under international agreements.

**Result: In SFY 2011, projects were reviewed for compliance with all ARRA requirements. Site visits were conducted and recommendations were made to communities who did not have all documentation available. The Authority received certifications from Participants certifying they met ARRA requirements.**

(ST3b) The CWSRF shall report no less than weekly on the use of the funds provided under the ARRA. The CWSRF Benefits Reporting database will be used to gather information regarding key Project characteristics and milestones. Project data shall be entered into the reporting system as soon as loan agreements are signed with recipients. The CWSRF shall meet all reporting requirements established under the ARRA.

**Result: In SFY 2011, project data was submitted on a weekly basis or as required to satisfy reporting requirements to EPA and other authorities.**

(ST3c) Ensure that Davis-Bacon Act wage rules apply to all assistance agreements made in whole or in part with the funds appropriated.

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

(ST4) Goal: Conduct at least 30 technical inspections during the construction phase and the post-construction phase to document the construction progress, as well as the appropriate use of SRF funds.

**Result: SRF Loan Program staff completed 73 inspections in SFY 2011.**

(ST5) Conduct financial audits to assess Participants financial strength and their ability to repay loans, and work with Participants as needed.

**Result: SRF Loan Program staff conducted financial audits for 21 CWSRF borrowers in SFY 2011. The audits consisted of a combination of reviewing the borrowers' financial due diligence in house, meeting face to face with borrowers, telephone conversations, and on-site visits.**

(ST6) Work diligently with Participants and effectively manage Projects to assist Participants in closing loans and constructing their Projects in a timely, efficient manner.

**Result: In SFY 2011, SRF Loan Program staff held project planning meetings, timely reviewed Preliminary Engineering Reports using the SRF Work Plan and corresponded with Participants through the process to successfully close on 21 loans. Requiring communities to bid prior to loan closing and providing a timeline allows communities to meet the 2-year construction goal implemented by the Authority.**

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

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

**Result: 21 loans were closed with interest rates ranging from 0.00% – 3.37%. See Exhibit G, Summary of Closed Loans for SFY 2011.**

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

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

(LT3) Monitor all outstanding loans and the financial capability of Participants through the use of an in-house monitoring system and, in conjunction with the Bank of New York, ensure the CWSRF Loan Program continues to avoid loan defaults. In particular, review the financial statements for Participants receiving a State Board of Accounts audit in the current calendar year. Require new Participants to utilize paying agent agreements and offer all prior Participants the opportunity to enter into a paying agent agreement. Conduct financial on-site visits as warranted.

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

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

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

(LT5) Monitor Participant's draw of funds to assure loans are being drawn within two years. Assure that un-drawn funds are returned to the loan pool and made available to other Participants.

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

(LT6) Submit required reports to EPA in a well-prepared and timely manner, and ensure that EPA funds are accessed within one week of being made available to the State.

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

(LT7) Provide interest rate breaks to communities which adopt Nonpoint Source Projects. The CWSRF Loan Program will meet quarterly with the Indiana Department of Environmental Management (IDEM) Nonpoint section to identify Projects on the CWSRF Loan Program PPL which may benefit from SRF funding.

**Result: The Authority closed on five nonpoint source projects as well as several septic tank elimination projects in SFY 2010. These communities received on average an interest rate break of .50 basis points. The Authority's staff and IDEM staff identify projects on a quarterly basis where the applicant can benefit from a NPS interest rate break.**

(LT8) Work with the IDEM Total Maximum Daily Load (TMDL) section to develop a system to assist communities in the implementation of TMDLs and offer interest rate breaks to communities which implement TMDL Projects which are CWSRF Loan Program eligible.

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

(LT9) Periodically publish an SRF Loan Program newsletter.

**Result: A newsletter was published fall 2010 and spring 2011 and electronically distributed.**

(LT10) Work with the other State and Federal clean water infrastructure financing agencies to coordinate efficient and effective financing of clean water Projects.

**Result: The CW and DW Program Administrators continue to participate on the Indiana Rural Development Council's Environmental Infrastructure Working Group (EWIG), which brings State**

**and Federal funding agencies together for a one-stop-shop for communities seeking funding for infrastructure projects.**

(LT11) Develop a comprehensive database for staff to reference all information related to each SRF Project.

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

(LT12) Utilize the Clean Watershed Need Survey information database when a new application is received and use this information to confirm the need of the Project as well as providing input to the scoring of the Project.

**Result: The Authority is working with EPA to utilize the CWNS information. The system was unavailable most of this year to take advantage of the benefits.**

(LT13) Coordinate the co-funding of an Indiana Brownfield's Program and CWSRF Loan Program Project.

**Result: The Authority partnered with two Brownfields Program communities to provide CWSRF Loan Program funds.**

(LT14) Provide incentives to Participants through the Green Project Reserve Sustainability Incentive Program. The SRF Loan Programs created the GPR Sustainability Incentive Program to encourage CW and DW SRF Loan Program participants to include green projects components in their SRF projects. The GPR Sustainability Incentive Program provides two main benefits:

- 1) Up to 0.5% percent interest rate discount over the entire loan and
- 2) Improved ranking on the SRF Project Priority List.

**Result: In SFY 2010, the Authority renamed the SI/GI Incentive program the Green Project Reserve (GPR) Sustainability Incentive Program. This new program encourages Participants to incorporate green project components into projects and realize an interest rate break.**

**The 2010 Capitalization Grant required the Authority to ensure that no less than 20 percent of the funds of the grant were appropriated for green project components. Exhibit B demonstrates that at least 20% of the Cap Grant Funds or \$7,117,600 was allocated to those projects that included green components. The Authority exceeded this goal with 35.4% of the Capitalization Grant funds or \$12,599,294 of green components.**

Indiana CWSRF Loan Program  
Exhibit B - Green Project Reserve Required for FFY 2011 Capitalization Grant

CWSRF Loan Program FFY 2011 Capitalization Grant = \$ 35,588,000  
20% Green Project Reserve Required = \$ 7,117,600  
35.40% Green Project Reserve Provided = \$ 12,599,294

Community	Project Description	Total Project Cost	Total SRF Loan and Principal Forgiveness Amount	Green Project Description	Business Case (BC) or Categorical Exemption (CE)	Category 1: Green Infrastructure	Category 2: Water Efficiency	Category 3: Energy Efficiency	Category 4: Environmentally Innovative	Total Eligible GPR Cost (sum of Categories 1-4)	Business Case posted to the IFA website
Jeffersonville, 10th Street	Collection system improvements	\$ 22,350,000	\$ 22,350,000	VFD's	CE			\$ 1,088,452		\$ 1,088,452	Yes
New Albany	Collection system improvements	\$ 7,400,000	\$ 7,400,000	VFD's	CE			\$ 1,659,750		\$ 1,659,750	Yes
New Albany	Collection system improvements	\$ 7,400,000	\$ 7,400,000	I/I Removal	BC			\$ 1,027,806		\$ 1,027,806	Yes
New Albany	Collection system improvements	\$ 7,400,000	\$ 7,400,000	I/I Removal	BC			\$ 1,200,400		\$ 1,200,400	Yes
New Albany	Collection system improvements	\$ 7,400,000	\$ 7,400,000	CIPP	BC			\$ 1,173,691		\$ 1,173,691	Yes
Chesterfield	New WWTP	\$ 7,559,000	\$ 7,559,000	SCADA & VFD's	BC			\$ 453,883		\$ 453,883	Yes
Speedway	WWTP Improvements	\$ 13,850,000	\$ 13,850,000	UNOX, Biosolids System, Pervious Pavement, Bio Swales, Rain Garden, Interlocking concrete pavers	BC	\$ 1,652,664		\$ 4,342,648		\$ 5,995,312	Yes

**TOTALS:** \$ 73,359,000 \$ 73,359,000

**\$ 12,599,294**

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

CWSRF Loan Program FFY 2010 Capitalization Grant = \$ 49,104,000  
 Additional Subsidization Requirement = (At least \$7,354,221 and up to \$24,514,070)  
 Additional Subsidization Provided = \$ 13,377,896

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

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

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

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

**\$ 10,992,000**

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

\* P & I = Principal and Interest

Indiana CWSRF Loan Program  
Exhibit D - Project Descriptions in SFY 2011

<b>CWSRF Participant: Mooresville</b>			
SRF Project #:	WW100355 01	CWSRF Loan Amount:	\$8,990,000
NPDES #:	IN0023825	Principal Forgiveness:	\$0.00
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$8,990,000
CWSRF Loan Closed:	8/24/10	Estimated SRF Savings:	\$2,431,444
Interest Rate:	2.92%	Affected Population:	9,273
NIMS Categories: I Secondary Treatment:	\$8,990,000		

**Environmental Benefits:**

The Mooresville plant has experienced flows that exceed their design capacity. The sludge handling facilities are inadequate and have caused the plant to report total suspended solids and *E coli* violations during heavy rains. This project will allow the Mooresville WWTP to meet the limits set in the NPDES permit and contribute to water quality improvements in the East Fork White Lick Creek, which is listed on the Indiana 303(d) list as an impaired stream.

**Project Description:**

The wastewater treatment plant was constructed in 1956 and is rated to treat 1.5 million gallons per day (MGD). Components of the plant have outlived their useful life and the plant is undersized to treat current and projected flows. This project will increase the plant's design average daily capacity from 1.5 MGD to 3.5 MGD. Construction includes new clarifiers, a second oxidation ditch and new raw sewage and effluent pumps. The project will also address sludge handling by installing improved raw activated sludge and waste activated sludge (RAS/WAS) pumping facilities.



**CWSRF Participant: Scott County RSD**

SRF Project #:	WW095872 01	CWSRF Loan Amount:	\$965,000
NPDES #:	IN0062251	Principal Forgiveness:	\$0.00
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$965,000
CWSRF Loan Closed:	10/8/10	Estimated SRF Savings:	\$339,690
Interest Rate:	2.25%	Affected Population:	293
NIMS Categories: IV-A New Collector Sewers:	\$965,000		

**Environmental Benefits:**

This project will eliminate failing and aging septic systems by extending sewers in the City of Scottsburg. The elimination of these systems will reduce the pathogen loading to Stucker Ditch which is listed on the Indiana 303(d) list as an impaired stream.

**Project Description:**

The purpose for this project is to eliminate failing septic systems in the Scott County area where most systems drain into the roadside ditches. The project will install sanitary sewers in the unincorporated community of Lexington within Scott County. A septic tank effluent pump (STEP) pressure sewer system will be installed and the wastewater will be pumped via a force main to the wastewater treatment plant at the Englishton Park Treatment Facility. This project will serve approximately 120 homes.

Upgrades at the existing Englishton Park wastewater treatment plant (WWTP) are needed to handle the increased flow. The plant will increase the average design flow from 10,000 gallons per day (GPD) to 41,000 GPD and make other needed improvements.



Installation of Recirculating Media Filter tanks.

<b>CWSRF Participant: Winamac</b>			
SRF Project #:	WW094166 01	CWSRF Loan Amount:	\$1,495,000
NPDES #:	IN0020516	Principal Forgiveness:	\$0.00
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$1,495,000
CWSRF Loan Closed:	10/29/10	Estimated SRF Savings:	\$570,667
Interest Rate:	2.00%	Affected Population:	2,418
NIMS Categories: V CSO Correction:	\$1,495,000		
<b>Environmental Benefits:</b> This project will complete portions of the Town of Winamac Long Term Control Plan (LTCP) and eliminate combined sewer overflows to the Tippecanoe River, reducing pathogen loadings to this impaired stream.			
<b>Project Description:</b> The Town of Winamac currently has an approved LTCP with the Indiana Department of Environmental Management (IDEM). This project proposes to separate the remainder of the combined sewer system south of 11 <sup>th</sup> Street. Completion of Phases III and IV are the final two phases of a four-phase project. The sanitary collection system will be disconnected from the CSOs 002, 004, 005 and 007, thus converting them to storm water outfalls.			

<b>CWSRF Participant: Luce Township RSD</b>			
SRF Project #:	WW100970 01	CWSRF Loan Amount:	\$2,000,000
NPDES #:	IN0021067	Principal Forgiveness:	\$3,702,000
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$5,702,000
CWSRF Loan Closed:	12/13/10	Estimated SRF Savings:	\$6,704,596
Interest Rate:	2.00%	Affected Population:	2,694
NIMS Categories: IV New Sewers:	\$5,702,000		
<b>Environmental Benefits:</b> This project will eliminate failing and aging septic systems by extending sewers. The elimination of these systems will reduce the pathogen loading to the impaired Little Pigeon Creek.			
<b>Project Description:</b> The purpose for this project is to eliminate failing septic systems in the Luce Township RSD area. The proposed project will extend sewers to the unsewered communities of Richland City, Hatfield, Eureka, and the French Island Boat Club. Sewers will also be installed to serve the areas along State Road 66 from Hatfield to Sand Ridge, along State Road 161 from Richland City to State Road 66, and along County Road 850 W from Eureka to the Boat Club. Some homes and/or businesses will share a grinder pump unit. Wastewater treatment will be provided by the city of Rockport at its North Wastewater Treatment Plant.			

<b>CWSRF Participant: City of Anderson</b>			
SRF Project #:	WW092048 02	CWSRF Loan Amount:	\$2,445,000
NPDES #:	IN0032476	Principal Forgiveness:	\$0.00
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$2,445,000
CWSRF Loan Closed:	12/21/10	Estimated SRF Savings:	\$933,299
Interest Rate:	2.00%	Affected Population:	59,734
NIMS Categories:			
II Advanced Treatment	\$ 660,150		
III-B Sewer System Rehabilitation	\$1,784,850		

**Environmental Benefits:**  
This project will improve sludge handling at the Anderson WPCP and reduce overflows to the White River. The White River is currently listed as impaired on the Indiana 303(d) report and is the subject of the West Fork White River Watershed Total Maximum Daily Load (TMDL) report. The West Fork White River TMDL lists combined sewer overflows as a source of E coli impairment in the White River.

**Project Description:**  
The In September 2002, the city of Anderson entered into a Federal Consent Decree with the United States Department of Justice, US Environmental Protection Agency (US EPA) and Indiana Department of Environmental Management (IDEM). The requirements of the Consent Decree addressed issues at the WPCP and in the collection system as well as development of the Combined Sewer Overflow (CSO) Long Term Control Plan (LTCP). The existing decant system is not functional, thus no thickening of primary sludge is possible. The decant discharge point needs to be relocated to decrease head losses in the line and increase capacity. The Sludge Storage Improvement project is consistent with the phase II recommendations to bring back Storage Tank 2 into service with improved operating characteristics.



Demolition of Sludge Tank

Additionally, there has been no routine televising in Anderson's collection system. The City proposes to implement the sewer televising project to systematically evaluate and document the condition of the sewers. Televising of the sewers will identify additional areas in the system where future rehabilitation will occur.

<b>CWSRF Participant: City of New Albany</b>			
SRF Project #:	WW097122 05	CWSRF Loan Amount:	\$7,400,000
NPDES #:	IN0023884	Principal Forgiveness:	\$0.00
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$7,400,000
CWSRF Loan Closed:	12/30/10	Estimated SRF Savings:	\$3,058,825
Interest Rate:	1.73%	Affected Population:	37,603
NIMS Categories: III-A Infiltration/Inflow:	\$7,400,000		
<b>Environmental Benefits:</b> This project will reduce infiltration/ inflow in the New Albany system and reduce the risk of surcharging and sanitary sewer overflows to the Ohio River. The Ohio River is listed as impaired due to high levels of E coli and is the subject of the ORSANCO TMDL.			
<b>Project Description:</b> The City of New Albany experiences increased amounts of Infiltration/Inflow (I/I) in conjunction with new development within each lift station's collective service areas. Upgrades are necessary to prevent upstream surcharging and/or Sanitary Sewer Overflow (SSOs). This loan addresses four separate projects the city will utilize to prevent the I/I from entering the system. <ul style="list-style-type: none"> <li>• Basin 4 Interceptor: The purpose of the project is to eliminate I/I from the interceptor sewer, allow additional flow capacity for existing and future flows and to eliminate surcharging of the interceptor.</li> <li>• Basin 14 – Mt. Tabor Road: The purpose of the projects is to provide pumping conveyance capacity for existing and future flows that will help reduce SSO's, collection system surcharging and comply with the City's Consent Decree with US EPA.</li> <li>• Basin 27 and Jacobs Creek/Lewis Branch: The purpose of the projects is to eliminate I/I, which will eliminate surcharging of the collection system and reduce SSO's, and also allow additional flow capacity for existing and future flows.</li> <li>• Sewer Lining and Rehabilitation: The purpose of the project is to eliminate I/I from the collection system, which will assist in the elimination of surcharging in the collection system and compliance with the City's Amended Capacity Assurance Plan (ACAP).</li> </ul>			

<b>CWSRF Participant: City of Boonville</b>			
SRF Project #:	WW101487 04	CWSRF Loan Amount:	\$4,525,000
NPDES #:	IN0022420	Principal Forgiveness:	\$0.00
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$4,525,000
CWSRF Loan Closed:	12/30/10	Estimated SRF Savings:	\$1,603,667
Interest Rate:	2.23%	Affected Population:	6,834
NIMS Categories: V CSO Correction:	\$4,525,000		
<b>Environmental Benefits:</b> This project will implement the Town of Boonville's long term control plan and will reduce combined sewer overflow events to Cypress Creek, which flows directly to the Ohio River. Cypress Creek is listed as impaired due to high levels of E coli, sulfates and total dissolved solids.			
<b>Project Description:</b> The Town of Boonville currently has an approved Long Term Control Plan (LTCP) with the Indiana Department of Environmental Management (IDEM). The Town currently bypasses during heavy rain events in which the plant is no longer able to treat the flow. Boonville proposes to installation of a vortex separator and associated piping at both the North and South CSO storage lagoon locations. This will allow the treatment plant to handle more wastewater, reducing combined sewer overflows.			

<b>CWSRF Participant: City of Seymour</b>			
SRF Project #:	WW100336 02	CWSRF Loan Amount:	\$9,400,000
NPDES #:	IN0024473	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$9,400,000
CWSRF Loan Closed:	3/15/11	Estimated SRF Savings:	\$2,012,843
Interest Rate:	3.37%	Affected Population:	18,101
NIMS Categories:			
V CSO Correction:	\$8,084,000		
II Advanced Treatment	\$1,316,000		

**Environmental Benefits:**

This project to implement the City of Seymour’s long term control plan and will reduce combined sewer overflow events to the East Fork of the White River. East Fork of the White River is the subject of the 2007 TMDL report which cites that the primary cause of impairment on the stream is E coli and notes combined sewer overflow as a known source of impairment.

**Project Description:**

The Seymour's collection system consists of a combination of sanitary sewers and combined sewers. The city’s original CSO LTCP was approved by the Indiana Department of Environmental Management (IDEM) on June 13, 2005. At the city’s request, the IDEM revised the LTCP schedule on July 23, 2009 to allow the city to complete the proposed work in several phases.

Two phases have been completed. Phases III and IV will separate storm run-off from sanitary sewers. Phases III includes construction of a new storm sewer system for the downtown area and Phase IV will include construction of new sanitary sewers along 3<sup>rd</sup> Street and installation of a new force main from the 4<sup>th</sup> Street lift station.

The city currently uses a malfunctioning UV disinfection system at the WWTP which causes E. coli violations in the treated effluent. The city will replace the malfunctioning UV unit with a new one.



<b>CWSRF Participant: Town of Cumberland</b>			
SRF Project #:	WW102249 02	CWSRF Loan Amount:	\$2,100,000
NPDES #:	IN0058009	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$2,100,000
CWSRF Loan Closed:	3/25/11	Estimated SRF Savings:	\$515,715
Interest Rate:	3.12%	Affected Population:	854
NIMS Categories: I Secondary Treatment:	\$2,100,000		
<b>Environmental Benefits:</b> This project will protect Doe Creek from potential stressors brought about by the failure of reliable sewer services.			
<b>Project Description:</b> The Gem wastewater utility (Gem Utilities, Inc.) was in a position to sell their utility within the Cumberland Indiana area. To ensure reliable sewer service, the Town of Cumberland will use SRF Loan Funds ensure continued and improved treatment of wastewater in the area. The purchase will position the town to provide more extensive sewer services and will lower the costs to operate the wastewater systems.			

<b>CWSRF Participant: City of Terre Haute</b>			
SRF Project #:	WW100584 01	CWSRF Loan Amount:	\$14,025,000
NPDES #:	IN0025607	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$14,025,000
CWSRF Loan Closed:	3/25/11	Estimated SRF Savings:	\$3,879,919
Interest Rate:	2.87%	Affected Population:	23,443
NIMS Categories:			
I Secondary Treatment	\$6,030,750		
II Advanced Treatment	\$5,890,500		
V CSO Correction:	\$2,103,750		
<b>Environmental Benefits:</b>			
When constructed, the project will protect the WWTP from failures due to aging and failing equipment and protect the Wabash River from additional impairment. This loan is for planning & design only.			
<b>Project Description:</b>			
<p>The purpose of the project is to design the upgrade to the WWTP for additional wet weather treatment capacity and to design improvements to replace equipment and processes that have gone beyond their useful life and that are no longer viable and cost-effective to operate and maintain.</p> <p>There are no feasible alternatives to the proposed action. The “no-action” alternative was rejected, since the need for the additions and improvements at the existing WWTP would not be addressed.</p>			

<b>CWSRF Participant: City of Jeffersonville</b>			
SRF Project #:	WW061210 05	CWSRF Loan Amount:	\$22,350,000
NPDES #:	IN0023302	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$22,350,000
CWSRF Loan Closed:	3/31/11	Estimated SRF Savings:	\$6,704,868
Interest Rate:	2.68%	Affected Population:	27,362
NIMS Categories:			
V CSO Correction:	\$22,302,789		
VII-H Brownfields:	\$ 47,211		
<b>Environmental Benefits:</b> This project will reduce combined sewer overflow events to the Ohio River. The Ohio River is listed as impaired due to high levels of E coli and is the subject of the ORSANCO TMDL.			
<b>Project Description:</b> The city entered into a Consent Decree with the U.S. EPA and the Indiana Department of Environmental Management (IDEM), effective on November 24, 2009, which specifies the methods and time frames which the city must follow in order to reduce or eliminate combined sewer overflows (CSOs) to the Ohio River. Several items are included in this schedule which are described as follows: <ul style="list-style-type: none"> <li>• The DWWTP will be expanded to treat a maximum wet weather capacity of 50 million gallons per day (MGD). USEPA has indicated that this treatment capacity should be attained prior to a CSO discharge from CSO 018 at the Tenth Street Pump Station.</li> <li>• DWWTP expansion: including a new 120-foot diameter final clarifier; adding one return activated sludge (RAS) pump to the RAS/waste activate sludge (WAS) pump station No. 2; and adjusting the oxidation ditch aerator variable frequency drive (VFD) controls.</li> <li>• The Tenth Street Pump Station (TSPS): This pump station will be expanded to handle wet weather flows. The TSPS and DWWTP capacity increases are designed to reduce discharges from CSO 018 at the TSPS to three or less during a typical year. When the TSPS and DWWTP projects are finished, CSO 018 will discharge only after the DWWTP has treated a peak flow of 50 MGD for at least three consecutive hours.</li> <li>• WWTP Effluent line: The city determined that the existing effluent line from the DWWTP does not have enough capacity to accommodate flows from an expanded DWWTP and will install a new 72-inch effluent line. The city determined that an effluent outfall to Mill Creek would be cost-effective compared with an effluent outfall to the current receiving stream of Cane Run. At the same time as construction of the new effluent line, a new 24-inch force main to the SSPS would be installed in the same trench as the new effluent line from the DWWTP to Spring Street.</li> </ul>			

<b>CWSRF Participant: City of Valparaiso</b>			
SRF Project #:	WW0912864 02	CWSRF Loan Amount:	\$1,533,000
NPDES #:	IN0024660	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$1,533,000
CWSRF Loan Closed:	4/21/11	Estimated SRF Savings:	\$328,265
Interest Rate:	3.37%	Affected Population:	27,428
NIMS Categories: V CSO Correction:	\$1,533,000		

**Environmental Benefits:**

This project is to implement the City of Valparaiso's long term control plan and will reduce combined sewer overflow events to Salt Creek. Salt Creek is the subject of the Salt Creek Watershed TMDL report which notes that the primary cause of impairment on the stream is *E coli* and states that combined sewer overflow as a known source of impairment.

**Project Description:**

The City is required to address projects in its CSO Long Term Control Plan (LTCP). Items included in this loan include: five sewer separation projects; post-construction monitoring to determine the flow rate for the wet weather disinfection facility; and construction of new disinfection facilities at the EKPCF to treat flows stored from the CSO detention tanks.

The proposed CSO Disinfection Facility project will provide for the chlorination and dechlorination of stored CSO flows, prior to discharge into Salt Creek via an existing outfall. The proposed project includes the construction of a new Chemical Feed Building, installation of two 3,000 gallon sodium hypochlorite storage tanks, installation of two 3,000 gallon sodium bisulfate tanks, chemical metering pumps, and related piping, electrical, and instrumentations and controls. The Chemical Feed Building will be located adjacent to the existing CSO detention basins.



<b>CWSRF Participant: Howard County Drainage Board</b>			
SRF Project #:	WW092634 01	CWSRF Loan Amount:	\$1,487,800
NPDES #:	NONE	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$1,487,800
CWSRF Loan Closed:	4/28/11	Estimated SRF Savings:	\$357,924
Interest Rate:	3.16%	Affected Population:	83,776
NIMS Categories: VI Storm Sewers:	\$1,487,800		

**Environmental Benefits:**

This project will move stormwater to the existing storm water basin, which will allow agricultural and urban pollutants to settle out and filter through bioretention best management practices (BMPs). The project will reduce stormwater impacts to the East Fork of Little Wildcat Creek. This Creek is the subject of the Wildcat Creek, Upper TMDL report which sites row crop agriculture, pastures, urban and rural runoff as known sources of impairment to the Creek.

**Project Description:**

The existing conveyance systems within the Howard County Drainage area are not adequate by current standards for the present land use. Localized urban and rural flooding occurs on a regular basis within the sub-watershed. The water quality within the watershed is affected by agricultural activities and urbanization.

The proposed project will direct storm water to a constructed 17-acre storm water basin which will detain storm water run-off in order to alleviate localized urban and rural flooding and will utilize BMPs to improve water quality concerns and reduce the overall storm water release rate.



Kitty Run NPS Project

<b>CWSRF Participant: City of Mount Vernon</b>			
SRF Project #:	WW064965 04	CWSRF Loan Amount:	\$7,433,000
NPDES #:	IN0025607	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$7,433,000
CWSRF Loan Closed:	5/18/11	Estimated SRF Savings:	\$2,284,321
Interest Rate:	2.62%	Affected Population:	7,478
NIMS Categories: V CSO Correction:	\$7,433,000		

**Environmental Benefits:**

This project to implement the City of Mount Vernon’s long term control plan and will reduce combined sewer overflow events to the Ohio River. The Ohio River is listed as impaired due to high levels of *E coli* and is the subject of the ORSANCO TMDL.

**Project Description:**

The Phase II of the CSO LTCP for the City of Mount Vernon includes replacing the existing Mill Creek Lift station (LS) with three dry weather pumps rated at 2.0 million gallon per day (MGD) each with variable frequency drives (VFDs), four wet weather pumps rated at 10 MGD each with VFDs, and an emergency generator, as well as the installing of approximately 4,800 feet of 36-inch diameter force main from the Mill Creek LS to the Wastewater Treatment Plant (WWTP). Phase II will convey the 10-year/1-hour volume from the entire combined sewer area to the WWTP for storage and full treatment.



VFD’s for the Mill Creek Lift Station project

<b>CWSRF Participant: Town of Speedway</b>			
SRF Project #:	WW094549 05	CWSRF Loan Amount:	\$13,850,000
NPDES #:	IN0032972	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$13,850,000
CWSRF Loan Closed:	5/19/11	Estimated SRF Savings:	\$3,401,266
Interest Rate:	3.12%	Affected Population:	12,881
NIMS Categories:			
II Advanced	\$5,088,899		
V CSO Correction:	\$8,761,101		
<b>Environmental Benefits:</b> This project to implement the City of Speedway's long term control plan and will reduce combined sewer overflow events to Eagle Creek. Eagle Creek is listed as impaired on the Indiana 303(d) report due to high levels of <i>E coli</i> .			
<b>Project Description:</b> The existing anaerobic digestion process followed by the dewatering adds a significant mass loading of ammonia nitrogen into the secondary process. The inability of the aeration process to treat the ammonia stresses the nitrification towers to the point where effluent ammonia can exceed NPDES permit limits. To accomplish the changes at the plant the Town will install UNOX Aeration Tanks. A preliminary energy and operational analysis was conducted which would indicate that the implementation of these recommendations will result an energy efficiency of approximately 40% compared to the existing system. Other improvements to the WWTP include conversion of the sludge storage tank to a Storage-Nitrification-Denitrification-Reactor (SNDR), SCADA, electric and structural repairs.  Town of Speedway entered into an agreement with IDEM for their CSO LTCP dated September 10, 2010 and to meet the requirements of the Town's NPDES Permit No. IN0032972 and the criteria as outlined in IDEM's CSO Treatment Facilities Non-Rule Policy Document. Based upon the evaluation of CSO control alternatives the Town Council has elected to implement the following as the selected alternative to for this phase of the implementation of CSO LTCP: <ul style="list-style-type: none"> <li>• The Construction of new storm sewers and conversion of the existing sewers to sanitary.</li> <li>• Construction of storm water Best Management Practice (BMP) Treatment units at a new outfall on Eagle Creek.</li> <li>• Removal of all storm flow from industrial areas which currently discharge into the existing 72-inch interceptor north of the WWTP.</li> <li>• Construction of control devices at the WWTP to utilize the existing 72 inch interceptor for in-line storage during small rain events.</li> <li>• Construction of approximately 1.0 million gallons of storage downstream of the existing CSO screen with return pumping systems, which will be further evaluated following the post-construction monitoring period for the this project.</li> <li>• Install new 15 MGD capacity UV disinfection system to replace the chlorination/ dechlorination process.</li> <li>• Upgrade and replace Motor Control Centers.</li> </ul>			

<b>CWSRF Participant: City of Evansville</b>			
SRF Project #:	WW081382 06	CWSRF Loan Amount:	\$3,800,000
NPDES #:	IN0033073	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$3,800,000
CWSRF Loan Closed:	6/9/11	Estimated SRF Savings:	\$813,703
Interest Rate:	3.37%	Affected Population:	121,585
NIMS Categories: V CSO Correction:	\$3,800,000		
<b>Environmental Benefits:</b> This project to implement part of the City of Evansville's long term control plan and will reduce combined sewer overflow events to the Ohio River. The Ohio River is listed as impaired due to high levels of E coli and is the subject of the ORSANCO TMDL.			
<b>Project Description:</b> The Utility entered into a consent decree with the United States Environmental Protection Agency, the Department of Justice and the Indiana Department of Environmental Management (IDEM) in February 2011 on a plan to develop remedial measures for sewer system overflows. In this proposed project the Utility will fully develop the CSO-LTCP and SSRMP and submit the resulting final IOCP to state and federal agencies by November 30, 2012. The IOCP will identify specific infrastructure projects, including sustainable/green projects, which the Utility will be required to construct over the next 20 years to reduce overflows from the city's sanitary and combined sewer systems.			

<b>CWSRF Participant: Thralls Station RSD</b>			
SRF Project #:	WW094584 01	CWSRF Loan Amount:	\$3,089,000
NPDES #:	IN0109592	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$3,089,000
CWSRF Loan Closed:	6/9/11	Estimated SRF Savings:	\$949,316
Interest Rate:	2.62%	Affected Population:	1,264
NIMS Categories: I Secondary Treatment:	\$3,089,000		
<b>Environmental Benefits:</b> This project to improve the Thralls Station WWTP will allow the plant to meet the ammonia and disinfection limits of its NPDES permit. Removing these stressors will improve the water quality of the Wabash which is impaired at the project site due to high nutrient levels.			
<b>Project Description:</b> The wastewater treatment plant at Thralls Station was involved with enforcement action with IDEM for permit violations at their plant. The WWTP cannot meet ammonia limits or disinfection limits. The purpose of the project is to update the current system that has gone beyond its useful life and to comply with an IDEM Agreed Order. This project will upgrade their treatment plant and make needed improvements including: <ul style="list-style-type: none"> <li>• New screening building with a new mechanical fine screen;</li> <li>• Lemna treatment system;</li> <li>• Aeration and mixing improvements;</li> <li>• UV Disinfection System;</li> <li>• Various influent and effluent piping improvements;</li> <li>• New flow meter;</li> <li>• Emergency electrical generator;</li> <li>• Wireless monitoring system, and;</li> <li>• New Nitrification system.</li> </ul>			

<b>CWSRF Participant: Town of Chesterfield</b>			
SRF Project #:	WW100648 02	CWSRF Loan Amount:	\$3,759,000
NPDES #:	TBD	Principal Forgiveness:	\$3,800,000
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$7,559,000
CWSRF Loan Closed:	6/15/11	Estimated SRF Savings:	\$7,138,338
Interest Rate:	2.87%	Affected Population:	2,969
NIMS Categories: II Advanced Treatment:	\$7,559,000		
<b>Environmental Benefits:</b> This project will improve the treatment levels at Chesterfield and at Anderson by reducing flow to the combined system of Anderson. This project will reduce combined sewer overflow events to the West Fork White River, an impaired stream. The West Fork White River TMDL lists combined sewer overflows as a source of E coli impairment in the White River.			
<b>Project Description:</b> Chesterfield has determined that it would be cost-effective to construct and operate its own WWTP, rather than to have wastewater conveyed to Anderson for treatment. An evaluation from the IDEM Permits section under the anti-degradation rule determined that this projects qualifies. This will also allow Anderson to handle more flow in its treatment works and therefore reduce the frequency and/or volume of combined sewer overflows in the Anderson collection system.			

<b>CWSRF Participant: City of Columbus</b>			
SRF Project #:	WW102303 05	CWSRF Loan Amount:	\$600,000
NPDES #:	None	Principal Forgiveness:	\$0
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$600,000
CWSRF Loan Closed:	6/23/11	Estimated SRF Savings:	\$362,911
Interest Rate:	0.00%	Affected Population:	39,059
NIMS Categories: VII-H Brownfields:	\$600,000		
<b>Environmental Benefits:</b> This project will remediate a brownfield site and eliminate hazardous contaminants in soils, eliminating the discharge of these contaminants to waters of the state. This project will protect the Flat Rock River, which is impaired and the subject of the Flatrock-Haw Creek Watershed TMDL report.			
<b>Project Description:</b> The Columbus Redevelopment Group identified the Former Columbus Wood Treating site as a source for soil and groundwater contamination. The site is contaminated with a variety of petrochemicals and other hazardous materials from the operations of the former Columbus Wood Treating Facility. Final remediation technical issues are being resolved with the Indiana Department of Environmental Management, Office of Land Quality, State Cleanup Section. The Commission must submit a Revised Remediation Work Plan-2 prior to beginning on-site remediation activities. Soil from the site will be removed and/or treated and then backfilling the excavation with clean fill material. Reuse for this site will be a parking lot for an indoor sports complex.			

<b>CWSRF Participant: South West Lake Maxinkuckee RWSD</b>			
SRF Project #:	WW094950 01	CWSRF Loan Amount:	\$1,250,000
NPDES #:	IN0021288	Principal Forgiveness:	\$1,150,000
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$2,400,000
CWSRF Loan Closed:	6/27/11	Estimated SRF Savings:	\$2,152,553
Interest Rate:	3.12%	Affected Population:	404
NIMS Categories: IV-A New Collector Sewers:	\$2,400,000		
<b>Environmental Benefits:</b> This project will eliminate failing and aging septic systems by extending sewers. The elimination of these systems will reduce the pathogen loading to Lake Maxinkuckee which is listed on the Indiana 303(d) report as an impaired water body.			
<b>Project Description:</b> The Marshall County Health Department has documented septic system problems in the area and continued use of the on-site systems may contribute to environmental degradation in Lake Maxinkuckee. The project is needed because the existing on-site systems are not operating properly. The SWLMCD proposes to install, by directional drilling, approximately 18,950 feet of 1 ¼ inch to 4-inch diameter sewer force main around the south and southwest edge of Lake Maxinkuckee, with a connection to an existing lift station owned by the town of Culver. The project also includes an upgrade to that lift station. As a part of this project, individual homeowners will be required to purchase and install individual grinder pumps on their property. This project will eliminate 150 failing septic systems.			

<b>CWSRF Participant: Town of Plainfield</b>			
SRF Project #:	WW092432 02	CWSRF Loan Amount:	\$3,476,000
NPDES #:	IN0021202	Principal Forgiveness:	\$3,490,000
Repayment Period:	20 yrs	Total Loan and Principle Forgiveness:	\$6,966,000
CWSRF Loan Closed:	6/30/11	Estimated SRF Savings:	\$7,703,397
Interest Rate:	0.00%	Affected Population:	18,396
NIMS Categories: V CSO Correction:	\$6,966,000		
<b>Environmental Benefits:</b> This project will implement the Town of Plainfield's long term control plan and will reduce combined sewer overflow events to White Lick Creek, which is impaired due to high levels of <i>E coli</i> .			
<b>Project Description:</b> The Plainfield Department of Corrections Penitentiary sanitary sewer system consists of over 17,000 feet of vitrified clay pipe with open joints ranging in size from 6- to 24-inches in diameter. The sewers discharge into Plainfield's combined sewer system. Most of the facility's sanitary sewers were constructed before 1950 and are beyond their useful life; they suffer from very excessive Inflow/Infiltration (I/I), which impacts the town's combined sewers. The City of Plainfield will comply with its approved Long Term Control Plan (LTCP) and reduce combined sewer overflows (CSOs) events at CSO outfall 001 as a result of this project. The town will install new storm sewers and sanitary sewers to separate the combined sewers in the area. The proposed project includes cured-in-place pipe (CIPP) lining of approximately 6,800 feet of sewer ranging in diameter from 6- to 12-inches, reconstruction of approximately 16,800 feet of pipe from 6- to 18-inches in diameter. CIPP is a trenchless technology. The project also includes the elimination of a lift station and the construction of a new grinder pump station along County Road 700.			

# CWSRF Benefits Reporting

<b>Loan:</b> 153 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW10035501	Other #:
Borrower: Mooresville	Loan Execution Date: 08/24/2010	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.92%	Original Tracking #:	
Loan Amount \$: \$8,990,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 8,990,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:** expand plant from 1.5mgd to 3.5mgd and other rehab to meet standards.

**Facility Name:**

**Population Served (Current) :**

by the Project: 9,273  
by the Facility: 9,273

**Wastewater Volume (Design Flow) :**

by the Project: 2.0000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 3.5000mgd

**Needs Categories:**

I Secondary Treatment \$8,990,000 100%

**Discharge Information:**

Ocean Outfall     Estuary/Coastal Bay     Wetland     Surface Water     Groundwater     Land  
 Other/Reuse     Eliminates Discharge     No Change / No Discharge     NEP Study     Seasonal Discharge  
 NPDES Permit Number: IN0023825     No NPDES Permit  
 Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	East Fork White Lick Creek	05120201000254		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

Protection:

Restoration:

Primary  
Secondary

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

Protection:

Restoration:

Secondary  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 154 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW09587201	Other #:
Borrower: Scott County	Loan Execution Date: 10/08/2010	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.25%	Original Tracking #:	
Loan Amount \$: \$965,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 70%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 965,000		Multiple nonpoint source projects with similar Environmental Results: <input checked="" type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:** removal of 117 failing septics

**Facility Name:**

**Population Served (Current) :**

by the Project: 293  
by the Facility: 6,040

**Wastewater Volume (Design Flow) :**

by the Project: 0.0360mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 1.3500mgd

**Needs Categories:**

IV-A New Collector Sewers \$965,000 100%

**Discharge Information:**

- Ocean Outfall     Estuary/Coastal Bay     Wetland     Surface Water     Groundwater     Land  
 Other/Reuse     Eliminates Discharge     No Change / No Discharge     NEP Study     Seasonal Discharge  
 NPDES Permit Number: IN0062251     No NPDES Permit  
 Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Stucker Ditch	05120207000046		<input type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

**Protection:**

**Restoration:**

Primary  
Secondary

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

Infrastructure Improvement  
Regionalization/Consolidation  
Other Public Health/Pathogen Reduction

**Protection:**

Secondary  
Secondary

**Restoration:**

Primary

**Comments:** impaired for ammonia, cyanide, DO, IBC,

# CWSRF Benefits Reporting

<b>Loan:</b> 155 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW09 41 66	Other #:
Borrower: Winamac	Loan Execution Date: 10/29/2010	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.00%	Original Tracking #:	
Loan Amount \$: \$1,495,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 75%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 1,495,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:**

**Facility Name:**

**Population Served (Current) :**

by the Project: 2,418  
by the Facility: 2,418

**Wastewater Volume (Design Flow) :**

by the Project: 0.4300mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 0.4300mgd

**Needs Categories:**

V CSO Correction \$1,495,000 100%

**Discharge Information:**

- Ocean Outfall     Estuary/Coastal Bay     Wetland     Surface Water     Groundwater     Land  
 Other/Reuse     Eliminates Discharge     No Change / No Discharge     NEP Study     Seasonal Discharge  
 NPDES Permit Number: IN0020516     No NPDES Permit  
 Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Tippecanoe River	05120106002213		<input type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

**Protection:**

Secondary

**Restoration:**

Primary

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

**Protection:**

Primary

**Restoration:**

Primary

**Comments:** listed for e coli, pcb

# CWSRF Benefits Reporting

<b>Loan:</b> 156 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW10097001	Other #:
Borrower: Luce Township	Loan Execution Date: 12/13/2010	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.00%	Original Tracking #:	
Loan Amount \$: \$5,702,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 38%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 5,702,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:** 800 failing septs removed from service.

**Facility Name:**

**Population Served (Current) :**

by the Project: 2,000  
by the Facility: 2,694

**Wastewater Volume (Design Flow) :**

by the Project: 0.2500mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 0.5000mgd

**Needs Categories:**

IV-A New Collector Sewers \$5,702,000 100%

**Discharge Information:**

- Ocean Outfall   
 Estuary/Coastal Bay   
 Wetland   
 Surface Water   
 Groundwater   
 Land  
 Other/Reuse   
 Eliminates Discharge   
 No Change / No Discharge   
 NEP Study   
 Seasonal Discharge  
NPDES Permit Number: IN0061662     No NPDES Permit  
Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Little Pigeon Creek	05140201000127		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

Protection:

Restoration:

Primary  
Secondary

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

Infrastructure Improvement  
Regionalization/Consolidation  
Other Public Health/Pathogen Reduction

Protection:

Restoration:

Secondary  
Secondary  
Primary

**Comments:** environmental benefit realized at the bottom of the Baker Creek-Richard Drain watershed (14)

# CWSRF Benefits Reporting

<b>Loan:</b> 159 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW09204802	Other #:
Borrower: Anderson	Loan Execution Date: 12/21/2010	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.00%	Original Tracking #:	
Loan Amount \$: \$2,445,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 2,445,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:** sludge storage and televising

**Facility Name:**

**Population Served (Current) :**

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

**Wastewater Volume (Design Flow) :**

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

**Needs Categories:**

II Advanced Treatment \$660,150 27%  
III-B Sewer System Rehabilitation \$1,784,850 73%

**Discharge Information:**

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

**Affected Waterbodies:**

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

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

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

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

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

Protection:

Primary  
Secondary

Restoration:

Primary

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

Protection:

Secondary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 157 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW09712205	Other #:
Borrower: New Albany	Loan Execution Date: 12/30/2010	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 1.73%	Original Tracking #:	
Loan Amount \$: \$7,400,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 7,400,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:** Basin 4, 14, 27, Mt Tabor lift station and system lining.

**Facility Name:**

**Population Served (Current) :**

by the Project: 37,603  
by the Facility: 37,603

**Wastewater Volume (Design Flow) :**

by the Project: 6.9000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 6.9000mgd

**Needs Categories:**

III-A Infiltration/Inflow \$7,400,000 100%

**Discharge Information:**

- Ocean Outfall   
 Estuary/Coastal Bay   
 Wetland   
 Surface Water   
 Groundwater   
 Land  
 Other/Reuse   
 Eliminates Discharge   
 No Change / No Discharge   
 NEP Study   
 Seasonal Discharge  
 NPDES Permit Number: IN0023884   
 No NPDES Permit  
 Other Permit Type:   
 Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Ohio River	05140101000009		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

**Protection:**

Primary  
Secondary

**Restoration:**

Primary

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

**Protection:**

Secondary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 158 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW10148704	Other #:
Borrower: Boonville	Loan Execution Date: 12/30/2010	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.23%	Original Tracking #:	
Loan Amount \$: \$4,525,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 4,525,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:** screening and disfection on existing CSO lagoons.

**Facility Name:**

**Population Served (Current) :**

by the Project: 6,834  
by the Facility: 6,834

**Wastewater Volume (Design Flow) :**

by the Project: 1.4400mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 1.4400mgd

**Needs Categories:**

V CSO Correction \$4,525,000 100%

**Discharge Information:**

Ocean Outfall     Estuary/Coastal Bay     Wetland     Surface Water     Groundwater     Land  
 Other/Reuse     Eliminates Discharge     No Change / No Discharge     NEP Study     Seasonal Discharge  
 NPDES Permit Number: IN0022420     No NPDES Permit  
 Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Cypress Creek	05140201001038		<input checked="" type="checkbox"/>
Other Impacted :	Ohio River	05140201000509		<input type="checkbox"/>

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

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

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

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

Protection:

Restoration:

Primary  
Secondary

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

Protection:

Restoration:

Secondary

Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 160 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW 10033602	Other #:
Borrower: Seymour	Loan Execution Date: 03/15/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 3.37%	Original Tracking #:	
Loan Amount \$: \$9,400,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 9,400,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:** 3rd St sewer separation and UV disinfection system

**Facility Name:** Seymour WWTP

**Population Served (Current) :**  
 by the Project: 18,101  
 by the Facility: 18,101

**Wastewater Volume (Design Flow) :**  
 by the Project: 4.3000mgd Volume Eliminated/Conserved: 0.0000mgd  
 by the Facility: 4.3000mgd

**Needs Categories:**

V CSO Correction	\$8,084,000	86%
II Advanced Treatment	\$1,316,000	14%

**Discharge Information:**

- Ocean Outfall   
  Estuary/Coastal Bay   
  Wetland   
  Surface Water   
  Groundwater   
  Land  
 Other/Reuse   
 Eliminates Discharge   
 No Change / No Discharge   
 NEP Study   
 Seasonal Discharge  
 NPDES Permit Number: IN0024473   
 No NPDES Permit  
 Other Permit Type:   
 Other Permit Number:

Affected Waterbodies:	Waterbody Name	Waterbody ID	State Waterbody ID	Receiving Waterbody
Primary Impacted :	East Fork White River	05120206000208		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

**Protection:**

Secondary

**Restoration:**

Primary

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

Infrastructure Improvement  
 Other Public Health/Pathogen Reduction

**Protection:**

**Restoration:**

Secondary  
 Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 161 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW10224902	Other #:
Borrower: Cumberland	Loan Execution Date: 03/25/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 3.12%	Original Tracking #:	
Loan Amount \$: \$2,100,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 2,100,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:** purchase of the Gem WW utility. provide more extensive water & sewer services and will lower costs to operate the systems.

**Facility Name:**

**Population Served (Current) :**

by the Project: 854  
by the Facility: 854

**Wastewater Volume (Design Flow) :**

by the Project: 0.2000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 0.2000mgd

**Needs Categories:**

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

**Discharge Information:**

Ocean Outfall   
 Estuary/Coastal Bay   
 Wetland   
 Surface Water   
 Groundwater   
 Land  
 Other/Reuse   
 Eliminates Discharge   
 No Change / No Discharge   
 NEP Study   
 Seasonal Discharge  
NPDES Permit Number: IN0058009     No NPDES Permit  
Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Doe Creek	05120204000257		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

Protection:

Primary  
Secondary

Restoration:

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

Infrastructure Improvement  
Regionalization/Consolidation

Protection:

Secondary  
Primary

Restoration:

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 163 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW 10058401	Other #:
Borrower: Terre Haute	Loan Execution Date: 03/25/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.87%	Original Tracking #:	
Loan Amount \$: \$14,025,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 14,025,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:** design & upgrade WWTP for additional wet weather treatment capacity & ammonia/ nitrate removal.

**Facility Name:**

**Population Served (Current) :**

by the Project: 23,443  
by the Facility: 23,443

**Wastewater Volume (Design Flow) :**

by the Project: 24.0000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 24.0000mgd

**Needs Categories:**

I Secondary Treatment	\$6,030,750	43%
II Advanced Treatment	\$5,890,500	42%
V CSO Correction	\$2,103,750	15%

**Discharge Information:**

Ocean Outfall     Estuary/Coastal Bay     Wetland     Surface Water     Groundwater     Land  
 Other/Reuse     Eliminates Discharge     No Change / No Discharge     NEP Study     Seasonal Discharge  
 NPDES Permit Number: IN0025607     No NPDES Permit  
 Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Wabash River	05120111000979		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

**Protection:**

**Restoration:**

Primary  
Secondary

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

**Protection:**

**Restoration:**

Secondary  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 162 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW 06121005	Other #:
Borrower: Jeffersonville	Loan Execution Date: 03/31/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.68%	Original Tracking #:	
Loan Amount \$: \$22,350,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 96%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 22,350,000		Multiple nonpoint source projects with similar Environmental Results: <input checked="" type="checkbox"/>	Total NPS Projects: 1

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

**Project Description:** Downtown WWTP, Mill Creek Effluent Line & Tenth St pump station expansion. All projects are included in the Jeffersonville LTCP.

**Facility Name:**

**Population Served (Current) :**

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

**Wastewater Volume (Design Flow) :**

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

**Needs Categories:**

V CSO Correction \$22,302,789 100%

**Discharge Information:**

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

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Mill Creek	05140101000269		<input checked="" type="checkbox"/>
Other Impacted :	Ohio River	05140101000011		<input type="checkbox"/>

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

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

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

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

Protection:

Restoration:

Primary  
Secondary

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

Protection:

Restoration:

Secondary

Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 162 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW 06121005	Other #:
Borrower: Jeffersonville	Loan Execution Date: 03/31/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.68%	Original Tracking #:	
Loan Amount \$: \$22,350,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 96%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 22,350,000		Multiple nonpoint source projects with similar Environmental Results: <input checked="" type="checkbox"/>	Total NPS Projects: 1

**Project:** 2 of CW Needs Survey Number : # of NPS Projects: 1

**Project Description:** Spring Street brownfield project.

**Facility Name:**

**Population Served (Current) :**

by the Project: 27,362  
by the Facility: 27,360

**Wastewater Volume (Design Flow) :**

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

**Needs Categories:**

VII-H Brownfields \$47,211 0%

**Discharge Information:**

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

**Affected Waterbodies:**

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

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

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

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

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

Protection:

Primary  
Secondary

Restoration:

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

Groundwater Protection  
Other Public Health/Pathogen Reduction

Protection:

Restoration:

Primary  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 164 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW0912864	Other #:
Borrower: Valparaiso Municipal RWD	Loan Execution Date: 04/21/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 3.37%	Original Tracking #:	
Loan Amount \$: \$1,533,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 1,533,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:** CSO Disinfection Facility

**Facility Name:**

**Population Served (Current) :**

by the Project: 27,428  
by the Facility: 27,428

**Wastewater Volume (Design Flow) :**

by the Project: 6.0000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 6.0000mgd

**Needs Categories:**

V CSO Correction \$1,533,000 100%

**Discharge Information:**

Ocean Outfall     Estuary/Coastal Bay     Wetland     Surface Water     Groundwater     Land  
 Other/Reuse     Eliminates Discharge     No Change / No Discharge     NEP Study     Seasonal Discharge  
 NPDES Permit Number: IN0024660     No NPDES Permit  
 Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Salt Creek	04040001000077		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

Protection:

Restoration:

Primary  
Secondary

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

Protection:

Secondary

Restoration:

Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 165 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW092634 01	Other #:
Borrower: Howard County Drainage	Loan Execution Date: 04/28/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 3.16%	Original Tracking #:	
Loan Amount \$: \$1,487,800	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 1,487,800		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:**

**Facility Name:**

**Population Served (Current) :**

by the Project: 83,776  
by the Facility: 83,776

**Wastewater Volume (Design Flow) :**

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

**Needs Categories:**

VI Storm Sewers \$1,487,800 100%

**Discharge Information:**

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

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	East Fork Little Wildcat Creek	05120107000266		<input type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

**Protection:**

**Restoration:**

Secondary  
Primary

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

**Protection:**

**Restoration:**

Secondary  
Secondary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 166 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW064965 04	Other #:
Borrower: Mount Vernon	Loan Execution Date: 05/18/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.62%	Original Tracking #:	
Loan Amount \$: \$7,433,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 80%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 7,433,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:** LTCP phase II projects

**Facility Name:**

**Population Served (Current) :**

by the Project: 7,478  
by the Facility: 7,478

**Wastewater Volume (Design Flow) :**

by the Project: 4.1000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 4.1000mgd

**Needs Categories:**

V CSO Correction \$7,433,000 100%

**Discharge Information:**

- Ocean Outfall   
 Estuary/Coastal Bay   
 Wetland   
 Surface Water   
 Groundwater   
 Land  
 Other/Reuse   
 Eliminates Discharge   
 No Change / No Discharge   
 NEP Study   
 Seasonal Discharge  
NPDES Permit Number: IN0025607     No NPDES Permit  
Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Ohio River	05140202000324		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

Protection:

Restoration:

Primary  
Secondary

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

Protection:

Restoration:

Secondary  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 167 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW0914549	Other #:
Borrower: Speedway	Loan Execution Date: 05/19/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 3.12%	Original Tracking #:	
Loan Amount \$: \$13,850,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 73%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 13,850,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:** WWTP & LTCP projects

**Facility Name:**

**Population Served (Current) :**

by the Project: 12,881  
by the Facility: 12,881

**Wastewater Volume (Design Flow) :**

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

**Needs Categories:**

II Advanced Treatment \$5,088,899 37%  
V CSO Correction \$8,761,101 63%

**Discharge Information:**

Ocean Outfall  Estuary/Coastal Bay  Wetland  Surface Water  Groundwater  Land  
 Other/Reuse  Eliminates Discharge  No Change / No Discharge  NEP Study  Seasonal Discharge  
 NPDES Permit Number: IN0032972  No NPDES Permit  
 Other Permit Type: Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Eagle Creek	05120201000401		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

Protection:

Restoration:

Primary  
Secondary

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

Protection:

Restoration:

Secondary  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 168 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW08138206	Other #:
Borrower: Evansville	Loan Execution Date: 06/09/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 3.37%	Original Tracking #:	
Loan Amount \$: \$3,800,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 3,800,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:** Cass Ave 3-5

**Facility Name:**

**Population Served (Current) :**

by the Project: 121,585  
by the Facility: 121,582

**Wastewater Volume (Design Flow) :**

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

**Needs Categories:**

V CSO Correction \$3,800,000 100%

**Discharge Information:**

Ocean Outfall     Estuary/Coastal Bay     Wetland     Surface Water     Groundwater     Land  
 Other/Reuse     Eliminates Discharge     No Change / No Discharge     NEP Study     Seasonal Discharge  
 NPDES Permit Number: IN0033073     No NPDES Permit  
 Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

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

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

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

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

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

Protection:

Restoration:

Primary  
Secondary

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

Protection:

Restoration:

Secondary  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 169 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW09458401	Other #:
Borrower: Thralls Station RSD	Loan Execution Date: 06/09/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.62%	Original Tracking #:	
Loan Amount \$: \$3,089,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 70%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 3,089,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:** rehabilitation of the Thralls Station WWTP which cannot meet ammonia limits or disinfect.

**Facility Name:**

**Population Served (Current) :**

by the Project: 1,264  
by the Facility: 1,264

**Wastewater Volume (Design Flow) :**

by the Project: 0.1500mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 0.1500mgd

**Needs Categories:**

I Secondary Treatment \$3,089,000 100%

**Discharge Information:**

Ocean Outfall  Estuary/Coastal Bay  Wetland  Surface Water  Groundwater  Land  
 Other/Reuse  Eliminates Discharge  No Change / No Discharge  NEP Study  Seasonal Discharge  
 NPDES Permit Number: IN0109592  No NPDES Permit  
 Other Permit Type: Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Wabash River	05120111000980		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

**Protection:**

Secondary

**Restoration:**

Primary

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

**Protection:**

**Restoration:**

Secondary

Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 170 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW10064802	Other #:
Borrower: Chesterfield	Loan Execution Date: 06/15/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 2.87%	Original Tracking #:	
Loan Amount \$: \$7,559,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 7,559,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:** construction of a new 1.0 mgd wastewater treatment plant.

**Facility Name:**

**Population Served (Current) :**

by the Project: 2,969  
by the Facility: 2,969

**Wastewater Volume (Design Flow) :**

by the Project: 1.0000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 1.0000mgd

**Needs Categories:**

II Advanced Treatment \$7,559,000 100%

**Discharge Information:**

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

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	White River	05120201000090		<input type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

Protection:

Primary  
Secondary

Restoration:

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

Protection:

Primary  
Secondary

Restoration:

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 173 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW10230305	Other #:
Borrower: Columbus	Loan Execution Date: 06/23/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 0.00%	Original Tracking #:	
Loan Amount \$: \$600,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 67%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 600,000		Multiple nonpoint source projects with similar Environmental Results: <input checked="" type="checkbox"/>	Total NPS Projects: 1

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

**Project Description:** Remediation of a brownfield site located in Columbus, IN

**Facility Name:**

**Population Served (Current) :**

by the Project: 39,059  
by the Facility: 39,059

**Wastewater Volume (Design Flow) :**

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

**Needs Categories:**

VII-H Brownfields \$600,000 100%

**Discharge Information:**

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

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Flatrock River	05120205000144		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

**Protection:**

**Restoration:**

Primary  
Secondary

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

**Protection:**

**Restoration:**

Secondary  
Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 171 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW09495001	Other #:
Borrower: South West Lake	Loan Execution Date: 06/27/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 3.12%	Original Tracking #:	
Loan Amount \$: \$2,400,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 2,400,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:** Install a force main to connect to Culver WWTP and eliminate failing septic systems (150)

**Facility Name:**

**Population Served (Current) :**

by the Project: 404  
by the Facility: 1,539

**Wastewater Volume (Design Flow) :**

by the Project: 0.0460mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 0.3800mgd

**Needs Categories:**

IV-A New Collector Sewers \$2,400,000 100%

**Discharge Information:**

Ocean Outfall  Estuary/Coastal Bay  Wetland  Surface Water  Groundwater  Land  
 Other/Reuse  Eliminates Discharge  No Change / No Discharge  NEP Study  Seasonal Discharge  
 NPDES Permit Number: IN0021288  No NPDES Permit  
 Other Permit Type: Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	Lake Maxinkuckee	05120106001995		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

Protection:

Primary  
Secondary

Restoration:

Restoration:

Secondary

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

Regionalization/Consolidation  
Other Public Health/Pathogen Reduction

Protection:

Primary

**Comments:**

# CWSRF Benefits Reporting

<b>Loan:</b> 172 of 173	<input checked="" type="checkbox"/> Entry Complete	Tracking #: WW09243202	Other #:
Borrower: Plainfield	Loan Execution Date: 06/30/2011	Incremental Funding: N	Phase #: 0
Assistance Type: Loan	Loan Interest Rate: 0.00%	Original Tracking #:	
Loan Amount \$: \$6,966,000	Repayment Period: 20	Same Environmental Results: <input type="checkbox"/>	
<input type="checkbox"/> Final Amount	% Funded by CWSRF: 100%	ARRA Funding: <input type="checkbox"/>	
Total from all Projects \$: 6,966,000		Multiple nonpoint source projects with similar Environmental Results: <input type="checkbox"/>	Total NPS Projects: 0

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

**Project Description:**

**Facility Name:**

**Population Served (Current) :**

by the Project: 18,396  
by the Facility: 18,396

**Wastewater Volume (Design Flow) :**

by the Project: 6.0000mgd Volume Eliminated/Conserved: 0.0000mgd  
by the Facility: 6.0000mgd

**Needs Categories:**

V CSO Correction \$6,966,000 100%

**Discharge Information:**

- Ocean Outfall   
 Estuary/Coastal Bay   
 Wetland   
 Surface Water   
 Groundwater   
 Land  
 Other/Reuse   
 Eliminates Discharge   
 No Change / No Discharge   
 NEP Study   
 Seasonal Discharge  
 NPDES Permit Number: IN0021202     No NPDES Permit  
 Other Permit Type:    Other Permit Number:

**Affected Waterbodies:**

	<u>Waterbody Name</u>	<u>Waterbody ID</u>	<u>State Waterbody ID</u>	<u>Receiving Waterbody</u>
Primary Impacted :	White Lick Creek	05120201000205		<input checked="" type="checkbox"/>
Other Impacted :				<input type="checkbox"/>

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

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

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

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

Protection:

Restoration:

Primary  
Primary

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

Infrastructure Improvement  
Other Public Health/Pathogen Reduction

Protection:

Restoration:

Secondary  
Primary

**Comments:**

Exhibit E  
 CUMULATIVE HISTORY OF FEDERAL CAPITALIZATION GRANTS

\$	22,731,411	FFY 1989 Federal Capitalization Grant
	23,512,995	FFY 1990 Federal Capitalization Grant
	49,459,806	FFY 1991 Federal Capitalization Grant
	46,826,208	FFY 1992 Federal Capitalization Grant
	46,321,506	FFY 1993 Federal Capitalization Grant
	28,741,977	FFY 1994 Federal Capitalization Grant
	29,684,260	FFY 1995 Federal Capitalization Grant
	48,623,553	FFY 1996 Federal Capitalization Grant
	15,020,160	FFY 1997 Federal Capitalization Grant
	32,452,972	FFY 1998 Federal Capitalization Grant
	32,454,299	FFY 1999 Federal Capitalization Grant
	35,916,531	FFY 2000 Federal Capitalization Grant
	33,645,988	FFY 2001 Federal Capitalization Grant
	32,128,866	FFY 2002 Federal Capitalization Grant
	31,919,976	FFY 2003 Federal Capitalization Grant
	31,939,281	FFY 2004 Federal Capitalization Grant
	25,969,581	FFY 2005 Federal Capitalization Grant
	21,135,427	FFY 2006 Federal Capitalization Grant
	25,793,856	FFY 2007 Federal Capitalization Grant
	16,472,652	FFY 2008 Federal Capitalization Grant
	16,399,548	FFY 2009 Federal Capitalization Grant
	49,104,000	FFY 2010 Federal Capitalization Grant
	35,588,000	FFY 2011 Federal Capitalization Grant
\$	731,842,853	TOTAL

Exhibit F  
CUMULATIVE HISTORY OF STATE MATCH

The State deposited \$9.8 million of additional State Match in the CWSRF Loan Program in SFY 2011. To date, the CWSRF State Match has aggregated in excess of 20 percent of the awarded \$731,842,853 capitalization grants through June 30, 2011, which results from the following cumulative history of State matches to the CWSRF Program:

\$ 145,492	State match appropriated for administrative costs in SFY 1992 (June, 1992)
145,492	State match appropriated for administrative costs in SFY 1993 (July 15, 1992, October 1, 1992, January 1, 1993 and April 1, 1993)
582,501	State match disbursed in connection with a direct loan to the Town of Wanatah made in 1991.
13,704,753	Series 1993A State Match Revenue Bond net proceeds (January 1993)*
13,790,322	Series 1994A State Match Revenue Bond net proceeds (March 1994)**
137,540	State match appropriated for administrative costs in SFY 1994
9,264,301	Series 1995A State Match Revenue Bond net proceeds (February 1995)**
139,973	State match appropriated for administrative costs in SFY 1995
70,904	State match related to other administrative costs
15,159,296	Series 1997A State Match Revenue Bond net proceeds (September 1997)
1,134,501	Series 1998 State Revolving Fund Program Bond net proceeds representing a State Match allocation (September 1998)
27,101,378	Series 2000A State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2000)
7,701,881	Series 2000B State Revolving Fund Program Bond net proceeds representing a State Match allocation (January 2001 & July 2001)
13,200,000	Series 2001A State Revolving Fund Program Bond net proceeds representing a State Match allocation (November 2001 & July 2002)
6,387,856	Series 2004B State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2004)
6,800,000	Series 2004B State Revolving Fund Program Bond net proceeds representing a State Match allocation (February 2005)
2,250,000	Series 2006A State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2006)
4,220,770	Series 2006B State Revolving Fund Program Bond net proceeds representing a State Match allocation (December 2006)
1,100,000	Series 2007A State Revolving Fund Program Bond net proceeds representing a State Match allocation (May 2007)
5,200,000	Series 2007B State Revolving Fund Program Bond net proceeds representing a State Match allocation (December 2007)
13,200,000	Series 2009A State Revolving Fund Program Bond net proceeds representing a State Match allocation (November 2009)
9,800,000	Series 2010B State Revolving Fund Program Bond net proceeds representing a State Match allocation (October 2010)
\$151,236,960	TOTAL

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

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

As a result of the foregoing, the State has deposited State Match in excess of that required based on grants awarded as of the end of SFY 2011 by \$4,868,389 (also known as over-match), which are banked toward future capitalization grants that are expected to be awarded in SFY 2012. This over-match is intended to permit, and will allow, the State to immediately convert its next capitalization grant (expected to be awarded in FFY 2012) to cash (and deposit it in the CWSRF) based upon incurred costs paid by the close of SFY 2011 and banked as a result of their not having yet been used to convert any capitalization grant to cash.

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

The State Match Revenue Bonds are repaid semi-annually and since all of their proceeds were used for State Match, the State tracks, allocates and records their entire payment as a State Match repayment such that it is paid solely from CWSRF earnings applied on each payment date toward that bond payment. The State Revolving Fund Program Bonds are also repaid semi-annually and at the time of each payment the State tracks, allocates and records their payment *first* between CWSRF and DWSRF purposes (with the percentage paid from CWSRF being equal to the proportion of the net bond proceeds originally deposited in CWSRF from those bonds as compared to their total net bond proceeds) and *second* between State Match and leveraged loans purposes (with the payment allocated as a State Match repayment computed and tracked to be no more than the amount of the total CWSRF earnings applied on each payment date toward that bond payment). Set forth in the attached Exhibit F-1 is the principal amount of the State Revolving Fund Program Bonds allocated to State Match purposes for the CWSRF and the principal amount repaid as of the end SFY 2011.

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

<b>CLEAN WATER</b>								
Revenue Bonds	Original Par Amount of Bonds Designated as State Match	Par Amount retired during SFY Ending June30						Remaining Par Amount of Bonds Designated as State Match
		2011	2010	2009	2008	2007	All Prior SFYs	
1993*	\$3,930,000	-	-	-	-	-	3,930,000	-
1994♦	3,650,000	-	-	-	-	-	3,650,000	-
1995♦	2,270,000	-	-	-	-	-	2,270,000	-
1997^	6,090,000	-	810,000	770,000	735,000	700,000	3,075,000	-
1998	1,146,360	-	-	-	-	-	1,146,360	-
2000A	27,257,690	-	-	-	8,906,999	3,983,008	14,367,683	-
2000B ^	-	-	-	-	-	-	-	-
2001A	12,652,000	-	-	-	2,404,671	5,733,863	4,513,466	-
2002A*	10,874,000	-	-	-	-	-	10,874,000	-
2002B	-	-	-	-	-	-	-	-
2004A♦	19,071,553	-	-	-	-	-	19,071,553	-
2004B	12,105,996	-	-	310,878	3,039,879	2,922,639	5,832,600	-
2004C	-	-	-	-	-	-	-	-
2005A ^	17,437,953	7,965,000	3,815,000	2,730,000	1,230,000	790,000	-	907,953
2006A	2,146,636	-	-	-	-	2,146,636	-	-
2006B	4,027,035	-	1,287,035	2,555,000	185,000	-	-	-
2007A	1,073,358	-	-	-	-	-	-	1,073,358
2007B	4,925,514	1,385,000	980,000	-	-	-	-	2,560,514
2009A	12,399,675	-	-	-	-	-	-	12,399,675
2010B	8,956,447	6,000,000	-	-	-	-	-	2,956,447
<b>Total</b>	<b>\$150,014,217</b>	<b>15,350,000</b>	<b>6,892,035</b>	<b>6,365,878</b>	<b>16,501,549</b>	<b>16,276,146</b>	<b>68,730,662</b>	<b>\$19,897,947</b>
<b>Notes:</b>								
* 2002A refinanced the outstanding portion of the 1993 Bonds; only the part retired before issuance of 2002A (together with the unrefunded February 1, 2003 maturity of the 1993 Bonds) are shown under 1993 heading.								
♦ 2004A refinanced the outstanding portion of the 1994 & 1995 Bonds; only the part retired before issuance of 2004A (together with the unrefunded February 1, 2005 maturity of the 1995 Bonds) are shown under 1994 & 1995 heading.								
^ 2005A refinanced a portion of the outstanding 1997 & 2000B Bonds; only the part retired before issuance of 2005A together with the unrefunded February 1, 2006 TO 2010 maturities of the 1997 Bonds, are shown under 1997 & 2000B heading.								

Indiana CW SRF Loan Program  
Exhibit G - Summary of Loans Closed in SFY 2011

Applicant Name	Closing Date	Loan Amount	Principal Forgiveness Amount	Total Loan and Principal Forgiveness	Estimated Open Market Interest Rate	Estimated Open Market P & I	SRF Interest Rate	SRF P & I *	SRF Savings
Mooresville	24-Aug-10	\$ 8,990,000	\$ -	\$ 8,990,000	5.00%	\$ 14,427,617	2.92%	\$ 11,996,173	\$ 2,431,444
Scott County RSD	8-Oct-10	\$ 965,000	\$ -	\$ 965,000	5.00%	\$ 1,548,682	2.25%	\$ 1,208,992	\$ 339,690
Winamac	29-Oct-10	\$ 1,495,000	\$ -	\$ 1,495,000	5.00%	\$ 2,399,253	2.00%	\$ 1,828,586	\$ 570,667
Luce Township RSD	13-Dec-10	\$ 2,000,000	\$ 3,702,000	\$ 5,702,000	5.00%	\$ 9,150,865	2.00%	\$ 2,446,269	\$ 6,704,596
Anderson	21-Dec-10	\$ 2,445,000	\$ -	\$ 2,445,000	5.00%	\$ 3,923,863	2.00%	\$ 2,990,564	\$ 933,299
New Albany	30-Dec-10	\$ 7,400,000	\$ -	\$ 7,400,000	5.00%	\$ 11,875,903	1.73%	\$ 8,817,077	\$ 3,058,825
Boonville	30-Dec-10	\$ 4,525,000	\$ -	\$ 4,525,000	5.00%	\$ 7,261,954	2.23%	\$ 5,658,288	\$ 1,603,667
Seymour	15-Mar-11	\$ 9,400,000	\$ -	\$ 9,400,000	5.00%	\$ 15,085,606	3.37%	\$ 13,072,763	\$ 2,012,843
Cumberland	25-Mar-11	\$ 2,100,000	\$ -	\$ 2,100,000	5.00%	\$ 3,370,189	3.12%	\$ 2,854,473	\$ 515,715
Terre Haute	25-Mar-11	\$ 14,025,000	\$ -	\$ 14,025,000	5.00%	\$ 22,508,046	2.87%	\$ 18,628,126	\$ 3,879,919
Jeffersonville	31-Mar-11	\$ 22,350,000	\$ -	\$ 22,350,000	5.00%	\$ 35,868,436	2.68%	\$ 29,163,568	\$ 6,704,868
Valparaiso	21-Apr-11	\$ 1,533,000	\$ -	\$ 1,533,000	5.00%	\$ 2,460,238	3.37%	\$ 2,131,973	\$ 328,265
Howard County Drainage Bo	28-Apr-11	\$ 1,487,800	\$ -	\$ 1,487,800	5.00%	\$ 2,387,698	3.16%	\$ 2,029,774	\$ 357,924
Mt. Vernon	18-May-11	\$ 7,433,000	\$ -	\$ 7,433,000	5.00%	\$ 11,928,863	2.62%	\$ 9,644,542	\$ 2,284,321
Speedway	19-May-11	\$ 13,850,000	\$ -	\$ 13,850,000	5.00%	\$ 22,227,197	3.12%	\$ 18,825,930	\$ 3,401,266
Evansville	9-Jun-11	\$ 3,800,000	\$ -	\$ 3,800,000	5.00%	\$ 6,098,437	3.37%	\$ 5,284,734	\$ 813,703
Thralls Station RSD	9-Jun-11	\$ 3,089,000	\$ -	\$ 3,089,000	5.00%	\$ 4,957,387	2.62%	\$ 4,008,071	\$ 949,316
Chesterfield	15-Jun-11	\$ 3,759,000	\$ 3,800,000	\$ 7,559,000	5.00%	\$ 12,131,074	2.87%	\$ 4,992,736	\$ 7,138,338
Columbus	23-Jun-11	\$ 600,000	\$ -	\$ 600,000	5.00%	\$ 962,911	0.00%	\$ 600,000	\$ 362,911
SWLMCD	27-Jun-11	\$ 1,250,000	\$ 1,150,000	\$ 2,400,000	5.00%	\$ 3,851,644	3.12%	\$ 1,699,091	\$ 2,152,553
Plainfield	30-Jun-11	\$ 3,476,000	\$ 3,490,000	\$ 6,966,000	5.00%	\$ 11,179,397	0.00%	\$ 3,476,000	\$ 7,703,397

**TOTAL** **\$115,972,800** **\$12,142,000** **\$128,114,800** **\$54,247,530**

\* P & I = Principal and Interest

## Exhibit H

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

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

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

The following accounts have been created and exist under the Authority's Wastewater Trust Indenture and comprise its CWSRF. Set forth on the attached Exhibit H-1 (the "Use Schedule") is detail on what funds are held in the CWSRF and how they were expeditiously and timely used in SFY 2011 and will continue to be in perpetuity.

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

*Sources of Funds:* Funds held in this account<sup>1</sup> come from proceeds of Program Bonds<sup>2</sup> issued by the Authority. The Authority expects to cause additional Program Bonds to be issued at times and in amounts sufficient to meet the funding requirements for loans presently closed as of the end of the SFY 2011 as well as loans anticipated to be closed in SFY 2012 and after.

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

*Available Balance:* As of July 1, 2011, the aggregate amount of closed and committed loans exceeded the balance in this account ("Excess Commitments"). As additional loans are closed in SFY 2012, such committed amounts will contribute to additional Excess Commitments. The aggregate amount held in this account as of July 1, 2011 is shown in the Use Schedule. Accordingly, none of the funds presently on deposit in this account are available for other SRF purposes except to finance closed and committed loans related to qualified Proposed Projects.

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

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

<sup>2</sup> To date, the Authority (or its predecessor issuer) has issued multiple series of bonds including several refunding series (the "Program Bonds"), a portion of which are issued for the CWSRF. An allocated portion of the Program Bonds were deposited in the Purchase Account (with such bonds being referred to as the "Guarantee Revenue Bonds" in this Report) to make loans from the CWSRF and a further allocated portion of the Program Bonds were deposited in the Purchase Account (or the former State Match Loan Account) as state match (with such bonds being referred to as the "State Match Revenue Bonds" in this Report) to make loans or for other permitted purposes. The Guarantee Revenue Bonds are revenue bonds within the meaning of 40 CFR 35.3120(d), the net proceeds of which were deposited in the CWSRF. The State Match Revenue Bonds are revenue bonds within the meaning of 40 CFR 35.3135(b)(2), the net proceeds of which were deposited in the CWSRF; their proceeds (together with other match sources) have matched all capitalization grants awarded to date as well as a portion of the not-yet-available FFY 2012 (FFY refers to the Federal Fiscal Year ending September 30 of the year listed) grant by reason of over-match.

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

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

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

**Wastewater Participant Loan Interest Account.**

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

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

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

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

**Wastewater Reserve Earnings Account.**

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

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

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

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

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

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

*Sources of Funds:* Funds held in this account<sup>5</sup> come from federal capitalization grants drawn when funds are loaned or administrative expenses are incurred, up to the amount therein (and in the Support Account and Equity Grant Account) that equals the perpetuity amount, and any amounts in excess thereof come from State Match.<sup>6</sup>

*Uses of Funds:* These funds are used (i) as security<sup>7</sup> for outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3120(d) & (e) and (ii) as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 35.3120(d) & (f) and 40 CFR 35.3135(b)(2), respectively. This use both directly and indirectly furthers the primary purpose of the CWSRF Program by making financing for qualified Proposed Projects available and through their construction improves water quality in the State of Indiana.

*Available Balance:* The aggregate amount held in this account (as of July 1, 2011 and as anticipated in SFY 2012) is shown in the Use Schedule.<sup>8</sup> In furtherance of these purposes, the funds in this account are invested with certain short-term investments, State and Local Government Series (SLGS) securities, treasury obligations, and long-term high-quality investment contracts (the "Investment Agreements"). The Investment Agreements (a) pay interest semi-annually serving as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds, (b) mature and may be terminated at the Authority's option as set forth in the attached Schedule 2, and (c) are available in full (as security) at any time if needed to pay the outstanding Guarantee Revenue Bonds.

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

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

*Uses of Funds:* These funds are used (i) as security for outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3120(d) & (e) and (ii) as a source of payment for

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

<sup>6</sup> State Match in this account came from State Match Revenue Bonds, and is either from (a) original proceeds that were held as reserve balances from State Match Revenue Bonds issued in 1993, 1994, 1995 and 1997 or (b) principal on loan repayments funded from such proceeds. As of July 1, 2011, such amounts related to State Match on deposit in this account have not been applied to Guarantee Revenue Bonds but may be so applied to make any regularly scheduled payments on the outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3120(d) and the Authority's Operating Agreement with EPA.

<sup>7</sup> Pursuant to the financing indentures related to the cross-collateralized outstanding Program Bonds, the Authority is presently required to maintain reserves of at least \$554.2 million, which is to be held in the Reserve accounts and is not anticipated to be used to make loans to Participants. A portion of the reserves have been allocated to the CWSRF for purpose of this Annual Report (as shown in the amount set out in the Use Schedule). This is a minimum invested funds requirement. However, the Authority views invested amounts in excess of the foregoing minimum requirement as security and as a source of payment for the outstanding Program Bonds. Further, the Authority expects that the foregoing minimum requirement will increase as additional Program Bonds are issued in SFY 2012 and beyond. Such excess purposes are served by the Equity accounts to the extent that they are not anticipated to be used to make loans to Participants.

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

the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 35. 3120(d) & (f) and 40 CFR 35.3135(b)(2), respectively. This use both directly and indirectly furthers the primary purpose of the CWSRF Program by making financing for qualified Proposed Projects available and through their construction improves water quality in the State of Indiana.

*Available Balance:* The aggregate amount held in this account (as of July 1, 2011 and as anticipated in SFY 2012) is shown in the Use Schedule. In furtherance of these purposes, the funds in this account are invested with Investment Agreements. The Investment Agreements as allocable to the Support Account (a) pay interest semi-annually serving as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds, (b) mature and may be terminated at the Authority's option as set forth in the attached Schedule 2, and (c) are available in full (as security) at any time if needed to pay the outstanding Guarantee Revenue Bonds. Further, Support Account balances are anticipated to applied to as a scheduled source of payment for the outstanding Guarantee Revenue Bonds and when so applied will be replaced by retaining earnings in the Equity Grant Account in an amounts necessary to preserve perpetuity as authorized and required by the Authority's Operating Agreement with EPA.

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

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

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

*Available Balance:* No amounts were held in this account as of July 1, 2011 nor are any so anticipated in SFY 2012.

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

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

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

*Uses of Funds:* These funds are applied to reasonable costs of administering the CWSRF Program as permitted by 40 CFR 35.3120(g). The Authority so applied these funds during the SFY 2011 (and expects to apply them and other funds in the

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

CWSRF<sup>10</sup> to this purpose in the SFY 2012). Any funds not expended in SFY 2012 are banked for management of the CWSRF in perpetuity by the Authority.

*Available Balance:* As of July 1, 2011, the aggregate amount held in this account is shown in the Use Schedule. All of these funds are expected to be used solely to pay reasonable costs of administering the CWSRF Program. Accordingly, none of the funds presently on deposit in this account are available for other SRF purposes.

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

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

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

*Available Balance:* The aggregate amount held in this account (as of July 1, 2011 and as anticipated in SFY 2012) is shown in the Use Schedule.<sup>13</sup> In furtherance of these purposes, the funds in this account are invested with certain short-term investments, State and Local Government Series (SLGS) securities, treasury obligations, and long-term high-quality investment contracts (the "Investment Agreements"). The Investment Agreements (a) pay interest semi-annually serving as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds, (b) mature and may be terminated at the Authority's option as set forth in the attached Schedule 2, and (c) are available in full (as security) at any time if needed to pay the outstanding Guarantee Revenue Bonds.

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<sup>10</sup> Amounts set aside in this account only represent a portion of the funds the Authority is permitted by 40 CFR 35.3120(g) to apply to costs of administering the CWSRF Program. Additionally the Authority continues to bank for this purpose the remaining amount up to the full 4% limit as measured against total grants (including the not-yet-available FFY 2012 grant expected to be awarded in SFY 2012).

<sup>11</sup> Pursuant to the financing indentures, the Authority may use these funds if the Reserve Grant Account were insufficient to pay outstanding Program Bonds. Further, the Authority expects that the foregoing minimum requirement of Reserve accounts will increase as additional Program Bonds are issued in SFY 2012 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, 2011.

<sup>12</sup> In addition to meeting any Excess Commitments as of July 1, 2011, 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, 2011, (b) PERs submitted and under review by the CWSRF as of July 1, 2011 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2012), each as detailed in the Use Schedule.

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

## **Wastewater Equity Earnings Account.**

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

*Uses of Funds:* These funds are used (i) as security and as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 35.3120(d) & (f) and 40 CFR 35.3135(b)(2), respectively, like the Equity Grant Account and (ii) to fund that portion of any loans closed but not on deposit in the Purchase Account in the event additional leveraged Guarantee Revenue Bonds could not be issued for any reason to meet such commitments. This use both directly and indirectly furthers the primary purpose of the SRF by making financing for qualified Proposed Projects available and through their construction improves water quality in the State of Indiana.

*Available Balance:* The aggregate amount held in this account as of July 1, 2011 is shown in the Use Schedule.<sup>14</sup>

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

**Use of Available Balances to Meet Closed Loan Commitments.** Under its existing practices, the Authority closes CWSRF Program loans with Participants without the necessity of having available balances in its Purchase Account to fully fund those loan commitments on the date a CWSRF Program loan is closed. As of July 1, 2011, there were Excess Commitments. By closing new loans for qualified Proposed Projects with (a) approved PERs as of July 1, 2011, (b) PERs submitted and under review by the CWSRF as of July 1, 2011 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2012), 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 2012. 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 2012) in the event additional Guarantee Revenue Bonds could not to be issued.

**Use of Available Balances as a Reserve and Source of Payment for Guarantee Revenue Bonds.** Amounts held in the Support Account, Reserve Deficiency Account, Equity Grant Account, Reserve Grant Account Reserve Earnings Account and Equity Earnings Account secure, and are a source of payment, for Guarantee Revenue Bonds as permitted by 40 CFR 35.3120(d) & (f). In addition to this use, a portion of these funds are also held to meet (a) Excess Commitments in SFY 2012 in the event additional Guarantee Revenue Bonds could not to be issued, (b) costs of administering the CWSRF Program in perpetuity, and (c) any transfers to the DWSRF as permitted by law.

**Use of Available Balances as a Source of Payment for State Match Revenue Bonds.** All SRF earnings including amounts held in the Reserve Earnings Account and Equity Earnings Account secure, and are a source of payment, for State Match Revenue Bonds as permitted by 40 CFR 35.3135(b)(2). In addition to this use, a portion of these funds are held to meet (a) Excess Commitments in SFY 2012 in the event additional Guarantee Revenue Bonds could not to be issued, (b) costs of administering the CWSRF Program in perpetuity, and (c) any transfers to the DWSRF as permitted by law.

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

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

**Use of Available Balances to Possibly Transfer Funds to the Drinking Water SRF.**

As of July 1, 2011, about \$23.6 million has been transferred to DWSRF. As of July 1, 2011, the cumulative transfer amount available for additional transfers from CWSRF to the DWSRF could result in up to approximately \$61.2 million of allowable transfers which includes 33 percent of the FFY 2011 grant. The full amount of any such potential transfers is banked.

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

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

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<sup>15</sup> Additionally the Authority continues to bank for this purpose the remaining amount up to the full 4 percent limit as measured against total grants (including the not-yet-available FFY 2012 grant expected to be awarded in SFY 2012).

Exhibit H - Schedule 1

	Account Balances* as of: <u>30-Jun-2011</u> <u>(Actual)</u>	Future Deposits in SFY
<b><u>A. Funds Committed to Projects by CWSRF</u></b>		
Purchase Account	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>
<b><u>B. Other Funds Held in CWSRF</u></b>		
Reserve Grant Account	\$ 328,900,000	\$ -
Reserve Earnings Account	3,900,000	-
Reserve Support Account	7,100,000	-
Reserve Deficiency Account	-	-
Equity Grant Account	242,900,000	48,600,000
Equity Earnings Account	111,700,000	
Equity Administrative Account	-	
	<u>\$ 694,500,000</u>	<u>\$ 48,600,000</u>
<b>Total Available Funds (A. and B. above)</b>	<u>\$ 694,500,000</u>	<u>\$ 48,600,000</u>

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

Closed Loan (Undrawn loan amounts covered by on-hand Purchase A/C Funds)	\$ -
Closed Loan Excess Commitments (after Application of above Purchase A/C **)	222,400,000
Closed Loan to be funded directly from Equity (undrawn portion of loan)	-
PERs In-house (approved & under-review) Awaiting Loan Closing	405,100,000
Other Projects on new SFY's PPL, Requesting Loan Funding	713,300,000
1. Use: to cover Loan Demand***	<u>1,340,800,000</u>
Funds held in existing Administrative Account	0
Remainder of 4% banked funds available for Administrative purposes	9,600,000
2. Use: to cover Administrative Costs in Perpetuity	<u>9,600,000</u>
3. Use: to cover Series Reserve Requirement	<u>438,500,000</u>
<b>Possible Uses of Funds (1, 2 &amp; 3 above without considering other secondary purposes for holding them in the CWSRF) # are as follows:</b>	<u>\$ 1,788,900,000</u>
<b>Uses of Funds (1, 2 &amp; 3 above):</b>	\$ 1,788,900,000
<b>Less: Total Available Funds (A. and B. above)</b>	743,100,000
<b>Amount by which "Possible Uses of Funds" EXCEED "Total Available Funds"</b>	<u>\$ 1,045,800,000</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.

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

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

Investment Agreement with:	Final Maturity Date <sup>16</sup>	Optional Termination Date <sup>17</sup>	Scheduled Repayments of Invested Amounts <sup>18</sup>
Citigroup Global Company Inc., Dated, February 13, 2006	8/1/16	Any time	\$1 to \$5 million
Trinity Plus Funding Company, LLC, Dated March 21, 2006	2/1/29	N/A	\$3 to \$10 million
FSA Capital Management Services LLC, Dated June 19, 2007	2/1/28	N/A	\$-0- to \$15 million

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

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

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

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

Exhibit I  
SFY 2011 CWSRF Loan Program Quarterly Interest Rates

State Fiscal Year (SFY) By Quarter (Qtr)	User Rates (Over \$50)	User Rates (\$30 to \$50)	User Rates (Under \$30)
Tier III (MHI: under \$33,669)			
1 <sup>st</sup> Qtr SFY 2011	2.17%	2.42%	2.92%
2 <sup>nd</sup> Qtr SFY 2011	2.00%	2.00%	2.48%
3 <sup>rd</sup> Qtr SFY 2011	2.62%	2.87%	3.37%
4 <sup>th</sup> Qtr SFY 2011	2.62%	2.87%	3.37%
Tier II (MHI: \$33,670 to \$41,566)			
1 <sup>st</sup> Qtr SFY 2011	2.42%	2.67%	3.17%
2 <sup>nd</sup> Qtr SFY 2011	2.00%	2.23%	2.73%
3 <sup>rd</sup> Qtr SFY 2011	2.87%	3.12%	3.62%
4 <sup>th</sup> Qtr SFY 2011	2.87%	3.12%	3.62%
Tier I (MHI: over \$41,567)			
1 <sup>st</sup> Qtr SFY 2011	2.67%	2.92%	3.42%
2 <sup>nd</sup> Qtr SFY 2011	2.23%	2.48%	2.98%
3 <sup>rd</sup> Qtr SFY 2011	3.12%	3.37%	3.87%
4 <sup>th</sup> Qtr SFY 2011	3.12%	3.37%	3.87%

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

Exhibit J

TRANSFERS

Consistent with its Intended Use Plans and EPA Policy Statement (FRL-6884-7, 65 FR 199, 10/13/00, pg. 60940), the State is reporting on transfers between the CWSRF and the DWSRF. In its Intended Use Plans, the State retained the flexibility to make transfers of grants (and other funds) held in or allocable to such funds to the extent permitted by the Clean Water Act and the Safe Drinking Water Act. As of June 30, 2011, an amount of up to 33 percent of the Safe Drinking Water Act grants for FFYs 1997 through 2011 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 2011, 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 2011.

# Exhibit K



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

**COMBINED FINANCIAL STATEMENTS**

June 30, 2011 and 2010

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

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## *Independent Auditors' Report*

Members of the Indiana Finance Authority  
State Revolving Fund Loan Programs

We have audited the accompanying combined financial statements of the State Revolving Fund Loan Programs, an enterprise fund of the Indiana Finance Authority, as of and for the years ended June 30, 2011 and 2010, presented on pages 8 - 32. These combined financial statements are the responsibility of the Programs' management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

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

As discussed in Note 1, the financial statements present only the State Revolving Fund Loan Programs, an enterprise fund, and do not purport to, and do not, present fairly the financial position of the Indiana Finance Authority, as of June 30, 2011 and 2010, and the changes in its financial position or its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the State Revolving Fund Loan Programs at June 30, 2011 and 2010, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

The Management's Discussion and Analysis presented on pages 3-7 is not a required part of the basic combined financial statements, but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2011, on our consideration of the State Revolving Fund Loan Programs' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

*Katz, Sappan & Miller, LLP*

Indianapolis, Indiana  
September 27, 2011

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")**  
**June 30, 2011**

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As management of the State Revolving Fund Loan Programs (SRF Programs), we offer readers of the SRF Programs' combined financial statements this narrative overview of Management's Discussion and Analysis (MD&A) of the financial activities of the SRF Programs for the fiscal year ended June 30, 2011. All amounts, unless otherwise indicated, are expressed in thousands of dollars and are approximate.

**Financial Highlights:** The SRF Programs' total net assets increased by \$40.3 million during the current fiscal year from \$1,042.4 million to \$1,082.7 million. Of this amount, \$85.4 million consists of capital contributions (grants) from the U.S. Environmental Protection Agency (EPA) offset by \$43.9 million in loan forgiveness. Included in that total is \$36.2 million in grants made available by the American Recovery and Reinvestment Act of 2009. All of these net assets are restricted for water pollution and drinking water projects and related SRF Program purposes.

During the current fiscal year, the SRF Programs' debt decreased by \$11.3 million. The net decrease in debt is the result of the full cash defeasance of the Series 1998A bonds, the partial defeasance of Series 2001A, 2002B and 2004B for a defeasance total of \$93.1 million, and scheduled principal payments totaling \$83.1 million, offset by the issuance of \$164.9 million of new Series 2010B and 2010C bonds. Refinancing the Series 2001A, 2002B and 2004B with the Series 2010C bonds resulted in present value savings of \$2.9 million or 4.4% of the refunded bonds.

The SRF Programs disbursed \$221.9 million to participants during the current year to fund wastewater and drinking water infrastructure project expenses. Loan commitments can be found in Note 3 to the combined financial statements on page 17 of this report.

### **BASIC COMBINED FINANCIAL STATEMENTS**

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

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

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")**  
**June 30, 2011**

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

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

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

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

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

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")**  
**June 30, 2011**

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**FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of the government enterprise's financial position. In the case of the SRF Programs, assets exceeded liabilities by \$1,082.7 million at the close of the most recent fiscal year.

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

	<b>2011</b>	<b>June 30, 2010</b>	<b>2009</b>
Current assets	\$ 672,886	\$ 717,323	\$ 605,256
Noncurrent assets	<u>2,218,204</u>	<u>2,148,365</u>	<u>2,129,269</u>
Total Assets	<u>2,891,090</u>	<u>2,865,688</u>	<u>2,734,525</u>
Current liabilities	124,696	124,904	115,774
Long-term liabilities	<u>1,683,654</u>	<u>1,698,365</u>	<u>1,642,671</u>
Total Liabilities	<u>1,808,350</u>	<u>1,823,269</u>	<u>1,758,445</u>
Net Assets			
Restricted	<u>1,082,740</u>	<u>1,042,419</u>	<u>976,080</u>
Total Net Assets	<u>\$ 1,082,740</u>	<u>\$ 1,042,419</u>	<u>\$ 976,080</u>

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

In fiscal year 2011, participants needs were met with EPA grants including additional funding made available by the American Recovery and Reinvestment Act of 2009 (ARRA), new bond issuances, and funds on hand. However, long-term liabilities decreased because the early defeasance of debt and scheduled principal payments exceeded the amount of new bond issuances.

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")**  
**June 30, 2011**

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

	Years Ended June 30,		
	2011	2010	2009
Operating Revenues			
Interest-investments	\$ 18,862	\$ 32,395	\$ 106,106
Interest-participants	61,693	58,179	57,000
Other	445	686	288
Total operating revenues	81,000	91,260	163,394
Operating Expenses			
Interest	76,492	79,867	81,266
Amortization of deferred charges	1,238	958	1,075
Trustee fees	80	90	80
Other program and administrative	4,397	3,040	1,524
Total operating expenses	82,207	83,955	83,945
Operating Income (Loss)	(1,207)	7,305	79,449
Nonoperating Revenues and (Expenses)			
Capital contributions (EPA Grants)	85,400	129,790	29,592
Loan forgiveness	(43,872)	(70,756)	(1,698)
Total nonoperating revenues	41,528	59,034	27,894
Increase in Net Assets	40,321	66,339	107,343
Net Assets:			
Beginning of Year	1,042,419	976,080	868,737
End of Year	\$ 1,082,740	\$ 1,042,419	\$ 976,080

The SRF Programs' net assets increased by \$40.3 million during the current fiscal year. Key elements of this increase are as follows:

- The SRF Programs received \$85.4 million in capital contributions (grants) from the EPA for qualified wastewater and drinking water projects and related program purposes. Although lower than last year, EPA grant levels were higher than normal due to the additional funding made available by the ARRA. ARRA grants received in fiscal year 2011 totaled \$36.2 million.
- Operating expenses exceeded interest income on investments and loans by \$1.2 million.
- The majority of the ARRA grants were loaned to communities and are forgivable under the terms of the Act and offset the increases mentioned above.

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")**  
**June 30, 2011**

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**DEBT ADMINISTRATION**

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

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

	<b>Years Ended June 30,</b>		
	<b>2011</b>	<b>2010</b>	<b>2009</b>
Net Bond Indebtedness	\$ 1,771,362	\$ 1,782,689	\$ 1,715,974

During the current fiscal year, the SRF Programs' debt decreased by \$11.3 million. The net decrease in debt is the result of the full cash defeasance of the Series 1998A bonds, the partial defeasance of Series 2001A, 2002B and 2004B for a defeasance total of \$93.1 million, and scheduled principal payments totaling \$83.1 million, offset by the issuance of \$164.9 million of new Series 2010B and 2010C bonds.

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

**REQUESTS OF INFORMATION**

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

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**COMBINED STATEMENTS OF NET ASSETS**  
**Years Ended June 30, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
Current Assets:		
Cash and equivalents	\$ 520,772,125	\$ 541,588,990
Interest receivable	19,991,460	26,130,640
Due from EPA	38,284,978	51,481,881
Accounts Receivable, net of allowance	422,086	3,233,349
Loans receivable	93,414,969	94,887,655
Total Current Assets	<u>672,885,618</u>	<u>717,322,515</u>
Noncurrent Assets:		
Investments	391,335,676	426,553,884
Loans receivable, net of allowance	1,818,610,241	1,713,450,893
Equipment, net	44,590	22,579
Deferred charges, net	8,213,519	8,337,489
Total Noncurrent Assets	<u>2,218,204,026</u>	<u>2,148,364,845</u>
Total Assets	<u>2,891,089,644</u>	<u>2,865,687,360</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Interest payable	34,765,934	35,067,840
Accounts payable	381,773	263,967
Amount due to federal government	1,302,905	3,761,898
Bonds payable-current, net	88,245,000	85,810,000
Total Current Liabilities	<u>124,695,612</u>	<u>124,903,705</u>
Long-term Liabilities:		
Amount due to federal government	536,634	1,485,502
Bonds payable, net	1,683,116,962	1,696,879,424
Total Long-term Liabilities	<u>1,683,653,596</u>	<u>1,698,364,926</u>
Total Liabilities	<u>1,808,349,208</u>	<u>1,823,268,631</u>
<b>NET ASSETS</b>		
Restricted for water pollution and drinking water projects and other related program purposes	<u>\$ 1,082,740,436</u>	<u>\$ 1,042,418,729</u>

*See accompanying notes.*

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**Years Ended June 30, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>OPERATING REVENUE</b>		
Interest income-investments	\$ 18,862,184	\$ 32,395,408
Interest income-loan participants	61,692,618	58,178,496
Other	444,808	686,137
Total Operating Revenue	<u>80,999,610</u>	<u>91,260,041</u>
<b>OPERATING EXPENSES</b>		
Interest	76,492,305	79,867,252
Amortization of deferred charges	1,238,219	958,031
Trustee fees	79,538	89,960
Other program and administrative	4,396,721	3,040,276
Total Operating Expenses	<u>82,206,783</u>	<u>83,955,519</u>
<b>OPERATING INCOME</b>	(1,207,173)	7,304,522
<b>NONOPERATING REVENUES AND (EXPENSES)</b>		
Capital contributions - federal grants	85,400,959	129,790,385
Loan forgiveness	(43,872,079)	(70,756,376)
Total Nonoperating Revenues	<u>41,528,880</u>	<u>59,034,009</u>
<b>INCREASE IN NET ASSETS</b>	40,321,707	66,338,531
<b>NET ASSETS</b>		
Beginning of Year	<u>1,042,418,729</u>	<u>976,080,198</u>
End of Year	<u>\$ 1,082,740,436</u>	<u>\$ 1,042,418,729</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, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash payments for salaries, administrative and other expenses	\$ (1,128,443)	\$ (5,746,037)
Administration fee	26,061	75,001
Net Cash (Used) by Operating Activities	<u>(1,102,382)</u>	<u>(5,671,036)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Maturities of loans to participants	118,195,473	107,172,406
Issuance of loans to participants	(221,882,135)	(176,883,874)
Change in investments	35,218,208	27,923,204
Interest received on loans and investments	86,693,982	89,481,452
Purchase of capital assets	(22,011)	7,988
Net Cash (Used) by Investing Activities	<u>18,203,517</u>	<u>47,701,176</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Proceeds from debt issuance	164,925,000	427,960,000
Principal payments to reduce indebtedness including refunding	(176,252,462)	(361,244,635)
Payment of debt issuance costs, net of refunding	(1,114,249)	(1,330,949)
Change in amount due to federal government	(3,407,861)	(2,315,875)
Interest paid on debt	(76,794,211)	(79,449,219)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(92,643,783)</u>	<u>(16,380,678)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Capital contributions (EPA grants)	98,597,862	107,914,832
Issuance of forgivable loans to participants	(43,872,079)	(70,756,376)
Net Cash Provided by Capital Financing Activities	<u>54,725,783</u>	<u>37,158,456</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	(20,816,865)	62,807,918
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>541,588,990</u>	<u>478,781,072</u>
End of Year	<u>\$ 520,772,125</u>	<u>\$ 541,588,990</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating income	\$ (1,207,173)	\$ 7,304,522
Adjustments to reconcile operating income to net cash used by operating activities:		
Interest income	(80,554,802)	(90,573,904)
Interest expense	76,492,305	79,867,252
Amortization of deferred charges	1,238,219	958,031
Changes in assets and liabilities:		
Accounts receivable	2,811,263	(3,233,349)
Accounts payable	117,806	6,412
Net Cash (Used) by Operating Activities	<u>\$ (1,102,382)</u>	<u>\$ (5,671,036)</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, 2011 and 2010**

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

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

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

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

Basis of Presentation and Accounting: The 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 State Revolving Fund Loan Programs recognize revenues in the period earned and expenses in the period incurred. Financial transactions are reported as business-type activities.

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

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

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2011 and 2010**

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

By operation of law, effective May 15, 2005, all assets and liabilities of the SRF Programs (including the outstanding bonds of the Indiana Bond Bank related to the SRF Programs) became the assets and liabilities of the Indiana Finance Authority instead of the State or the Indiana Bond Bank. For years ending on, or before, June 30, 2005, these assets and liabilities of the SRF Programs were previously reported as part of the respective financial statements of the State and/or the Indiana Bond Bank. For the comparative financial statements for the years ended June 30, 2011 and 2010, such are reported as the Authority's assets and liabilities related to the SRF Programs.

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

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

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

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

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2011 and 2010**

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

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

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

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

Investments: Investments are recorded at fair value, based on quoted market prices of the investment or similar investments. For investments at June 30, 2011 and 2010, market approximates cost. Changes in the fair value of investments are included in the combined statement of revenues, expenses and changes in net assets.

Allowance for Doubtful Accounts: Management's estimate of the allowance for doubtful accounts is determined through a review of individual loan balances' collectability, as well as the forgivable loans disbursed pursuant to ARRA. Management had allowed for approximately \$113,815,000 and \$73,026,000 at June 30, 2011 and 2010, respectively.

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

Deferred Charges: Deferred charges are bond issuance costs, which are amortized using the interest method over the varying terms of the bonds issued.

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

Subsequent Events: The Authority has evaluated the combined financial statements for subsequent events occurring through September 27, 2011, 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, 2011 and 2010**

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**NOTE 2 - CASH AND INVESTMENTS**

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

A summary of cash and investments as of June 30, 2011 and 2010 follows:

	<u>2011</u>		
	<u>Wastewater</u>	<u>Drinking Water</u>	<u>Total</u>
Cash	\$ 126,736	\$ -	\$ 126,736
Money market funds	399,281,966	80,730,663	480,012,629
Guaranteed investment contracts	172,546,680	32,725,367	205,272,047
Government obligations	<u>163,219,771</u>	<u>63,476,618</u>	<u>226,696,389</u>
	<u>\$ 735,175,153</u>	<u>\$ 176,932,648</u>	<u>\$ 912,107,801</u>
	<u>2010</u>		
	<u>Wastewater</u>	<u>Drinking Water</u>	<u>Total</u>
Money market funds	\$ 402,026,756	\$ 94,411,761	\$ 496,438,517
Guaranteed investment contracts	178,943,234	36,236,677	215,179,911
Government obligations	<u>192,699,995</u>	<u>63,824,451</u>	<u>256,524,446</u>
	<u>\$ 773,669,985</u>	<u>\$ 194,472,889</u>	<u>\$ 968,142,874</u>

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**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2011 and 2010**

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

Investment Type and Interest Rate Risk Disclosure: As of June 30, 2011, 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	\$ 399,282	\$ 399,282	\$ -	\$ -	\$ -
Guaranteed investment contracts	172,547	6,871	36,633	38,287	90,756
Government obligations	<u>163,220</u>	<u>28,720</u>	<u>25,816</u>	<u>71,306</u>	<u>37,378</u>
	<u>\$ 735,049</u>	<u>\$ 434,873</u>	<u>\$ 62,449</u>	<u>\$ 109,593</u>	<u>\$ 128,134</u>

	Drinking Water				
	Investment Maturities (in years)				
	Fair Value	< 1	1 - < 5	5 - < 10	> 10
Money market funds	\$ 80,731	\$ 80,731	\$ -	\$ -	\$ -
Guaranteed investment contracts	32,725	2,463	3,505	16,320	10,437
Government obligations	<u>63,477</u>	<u>2,579</u>	<u>25,175</u>	<u>22,044</u>	<u>13,679</u>
	<u>\$ 176,933</u>	<u>\$ 85,773</u>	<u>\$ 28,680</u>	<u>\$ 38,364</u>	<u>\$ 24,116</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, 2011:

	S&P	Fitch	Moody's	Fair Value
Money market funds	AAAm	AAAmmf	Aaa-mf	\$ 480,013
Guaranteed investment contracts	A	A+	Aa3	21,623
	AA+	unrated	unrated	89,625
	unrated	unrated	unrated	94,024
Government obligations	AA+	AAA	Aaa	154,963
	AA+	AAA	Aaa	32,774
	AA+	unrated	Aaa	568
	unrated	AAA	unrated	798
	unrated	unrated	unrated	<u>37,594</u>
Total Rated Investments				<u>\$ 911,982</u>

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2011 and 2010**

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**NOTE 2 - CASH 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 of America, including, but not limited to, mortgage participation certificates, mortgage pass-through certificates, collateralized mortgage obligations and other mortgage-backed securities.

Concentration of Credit Risk: The Program places no limit on the amount the SRF Programs may invest in any one issuer. The following table shows investments in issuers that represent 5% or more of the total investments at June 30, 2011:

Dreyfus Gov't Cash Management Fd 289	31%
Dreyfus Cash Management CI A Fd 288	22%
U.S. Treasury	17%
Trinity Plus Funding Company, LLC GIC	10%
FSA Capital Management GIC	10%
Federal Home Loan Mortgage Corporation	7%

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2011 and 2010**

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**NOTE 3 - LOANS RECEIVABLE**

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

The loans receivable balance at June 30, 2011 and 2010 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, 2011	Loans Receivable as of June 30, 2010	Actual Loan Available Less Principal Repayments as of June 30, 2011
Wastewater Fund	\$ 1,598,289,303	\$ 1,532,469,954	\$ 1,856,831,293
Drinking Water Fund	<u>313,735,907</u>	<u>275,868,594</u>	<u>370,936,127</u>
Total All Loans	<u>\$ 1,912,025,210</u>	<u>\$ 1,808,338,548</u>	<u>\$ 2,227,767,420</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 \$93,414,969 at June 30, 2011 and \$94,887,655 at June 30, 2010.

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2011 and 2010**

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

As of June 30, 2011, the outstanding balances of closed loans exceeding 50 percent of the total loans receivable and representing the SRF Programs' largest borrowers are summarized below:

<b>Name of Participant</b>	<b>Loans Receivable as of June 30, 2011</b>	<b>Loans Receivable as of June 30, 2010</b>	<b>Actual Loan Available Less Principal Repayments as of June 30, 2011</b>
<b>Wastewater Fund</b>			
City of Indianapolis	\$ 409,151,478	\$ 421,425,385	\$ 412,654,250
City of Fort Wayne	82,964,602	83,933,950	83,367,580
City of Columbus	81,477,000	84,025,000	81,477,000
City of Evansville	76,727,421	72,983,506	97,406,510
City of Lafayette	48,273,974	52,316,201	48,506,080
City of Mishawaka	38,135,468	38,352,845	39,573,000
City of Hammond	37,430,000	40,335,000	37,430,000
City of New Albany	34,401,900	34,307,000	40,519,000
<b>Drinking Water Fund</b>			
City of East Chicago	\$ 41,910,000	\$ 22,093,462	\$ 41,910,000
City of Fort Wayne	25,160,000	26,960,000	25,160,000
City of Bloomington	17,648,000	18,992,000	17,648,000
City of Mishawaka	15,165,000	16,320,000	15,165,000
City of Greensburg	14,587,450	12,887,175	14,587,450
City of Huntington	10,383,000	-	10,383,000
City of Jasper	9,140,000	9,883,000	9,140,000
City of Martinsville	8,891,424	9,402,424	9,070,000
City of Michigan City	6,024,916	6,064,916	6,024,916
Town of Santa Claus	5,764,000	5,986,000	5,764,000
Town of Syracuse	5,351,568	5,596,568	5,351,568

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2011 and 2010**

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**NOTE 4 - INTEREST RECEIVABLE**

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

Interest receivable at June 30, 2011:

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

Interest receivable at June 30, 2010:

	Investments	Loans	Total
Wastewater	\$ 4,907,275	\$ 18,054,520	\$ 22,961,795
Drinking Water	1,055,941	2,112,904	3,168,845
	<u>\$ 5,963,216</u>	<u>\$ 20,167,424</u>	<u>\$ 26,130,640</u>

**NOTE 5 - DEFERRED CHARGES, NET**

Deferred charges represent bond issuance costs which are being amortized using the interest method over the life of the related bond issue. Accumulated amortization was \$12,916,418 and \$11,437,216 at June 30, 2011 and 2010, respectively. The net unamortized deferred charges were \$8,213,519 and \$8,337,489 at June 30, 2011 and 2010, respectively. At June 30, 2011, future amortization of deferred charges is as follows:

June 30, 2012	\$ 1,076,920
June 30, 2013	1,006,237
June 30, 2014	931,083
June 30, 2015	857,510
June 30, 2016	778,086
Thereafter	<u>3,563,683</u>
	<u>\$ 8,213,519</u>

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2011 and 2010**

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

Several series of bonds issued by the Indiana Bond Bank, succeeded by the Authority, in connection with the SRF Programs were the subject of legal opinions as of the date of their issuance to the effect that interest on such bonds was excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"). Under the Code, such exclusion is conditioned on continuing compliance with certain tax covenants including payment of certain earnings in excess of the bond yield to the U.S. Treasury as rebate or yield reduction payments. The estimated liabilities, which were calculated as of January 31, 2011, 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, 2011, the SRF Programs had the following liabilities:

	<b>Yield Reduction</b>	<b>Due Date</b>
<b>2004B</b>		
Wastewater Fund	\$ 448,243	January 31, 2014
Drinking Water Fund	88,391	January 31, 2014
<b>2007A</b>		
Wastewater Fund	1,135,431	January 31, 2012
Drinking Water Fund	<u>167,474</u>	January 31, 2012
	<u>\$ 1,839,539</u>	

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2011 and 2010**

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**NOTE 7 - BONDS PAYABLE**

Bonds payable at June 30, 2011 and 2010 for bonds issued on behalf of the SRF Programs are summarized as follows:

	2011	2010
<u>Wastewater Fund:</u>		
Series 2010C Refunding Bonds issued October 20, 2010 for the aggregate amount of \$64,925,000 to refund the callable portion of Series 2001A, 2002B and 2004B Bonds, maturing from February 1, 2020 to February 1, 2023 at interest rate of 5.00%. Of this, \$57,370,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.	\$ 57,370,000	\$ -
Series 2010B Bonds issued October 20, 2010 for the aggregate amount of \$100,000,000, maturing from February 1, 2011 to February 1, 2030 at interest rates ranging from 1.50% to 5.00%. Of this, \$80,000,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	74,000,000	-
Series 2010A Refunding Bonds issued February 2, 2010 for the aggregate amount of \$288,970,000 to refund the callable portion of Series 2000B, 2001A, 2002B, 2004B and 2004C Bonds, maturing from February 1, 2011 to February 1, 2024 at interest rates ranging from 2.00% to 5.00%. Of this, \$246,735,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	246,170,000	246,735,000
Series 2009A Bonds issued November 24, 2009 for the aggregate amount of \$138,990,000, maturing from February 1, 2011 to February 1, 2028 at interest rates ranging from 2.00% to 5.00%. Of this, \$121,235,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	121,235,000	121,235,000

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**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2011 and 2010**

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

	2011	2010
Series 2007B Bonds issued December 13, 2007 for the aggregate amount of \$94,530,000, maturing from February 1, 2010 to February 1, 2028 at interest rates ranging from 4.00% to 5.50%. Of this, \$66,305,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	\$ 63,940,000	\$ 65,325,000
Series 2007A Bonds issued May 30, 2007 for the aggregate amount of \$71,230,000, maturing from February 1, 2008 to February 1, 2027 at interest rates ranging from 4.00% to 5.00%. Of this, \$61,255,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	61,255,000	61,255,000
Series 2006B Bonds issued December 13, 2006 for the aggregate amount of \$142,930,000, maturing from February 1, 2008 to February 1, 2028 at interest rates ranging from 3.50% to 5.50%. Of this, \$112,745,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	105,265,000	108,345,000
Series 2006A Bonds issued April 25, 2006 for the aggregate amounts of \$221,355,000, maturing from February 1, 2007 to February 1, 2027 at interest rates ranging from 3.60% to 5.25%. Of this, \$203,760,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	164,160,000	172,980,000
Series 2005A Refunding Bonds issued December 7, 2005 for the aggregate amount of \$277,930,000 to refund the callable portion of Series 1997A, 1998A, 2000A, 2000B, 2001A, and 2002B Bonds, maturing from February 1, 2006 to February 1, 2029 at interest rates ranging from 3.30% to 5.25%. Of this, \$197,950,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	181,420,000	189,385,000

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2011 and 2010**

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

	2011	2010
Series 2004A Refunding Bonds issued April 7, 2004 for the aggregate amount of \$113,115,000 to refund the callable portion of the Series 1994A and 1995A Bonds, maturing from February 1, 2005 to February 1, 2012 at interest rates ranging from 1.74% to 3.98%.	\$ 12,235,000	\$ 28,180,000
Series 2004B Bonds issued April 7, 2004 for the aggregate amounts of \$200,000,000, maturing from February 1, 2005 to February 1, 2025 at interest rates ranging from 2.00% to 5.00%. Of this amount, \$167,480,000 was the final allocation to the WSRF program based upon the percentage of original bond proceeds allocated to each program. In February 2010, \$13,549,109 was refunded. In October 2010, \$6,528,667 was refunded. The remaining \$125,556,013 matures from February 1, 2012 to February 1, 2025.	125,556,013	135,601,896
Series 2004C Bonds issued June 23, 2004 for the aggregate amount of \$200,000,000, maturing serially through February 1, 2027 at interest rates ranging from 5.00% to 5.25%. In February 2010, \$31,640,000 was refunded. The remaining \$139,910,000 matures from February 1, 2011 to February 1, 2027.	133,340,000	139,910,000
Series 2002A Refunding Bonds issued December 23, 2002 for the aggregate amount of \$75,070,000 to refund the callable portion of the Series 1993A Bonds, maturing from February 1, 2004 to February 1, 2013 at interest rates ranging from 1.86% to 4.84%.	11,185,000	20,530,000
Series 2002B Bonds issued December 23, 2002 for the aggregate amount of \$66,695,000, maturing from February 1, 2013 to February 1, 2024 at interest rates ranging from 4.00% to 5.375%. Of this amount, \$52,422,270 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program. In December 2005, \$3,775,000 was refunded. In February 2010, \$32,063,115 was refunded. In October 2010, \$6,705,000 was refunded. The remaining \$9,878,888 matures from February 1, 2013 to February 1, 2024.	9,878,888	16,583,888

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**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2011 and 2010**

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

	2011	2010
Series 2001A Bonds issued October 24, 2001 for the aggregate amount of \$400,000,000, maturing from August 1, 2003 to February 1, 2023 at interest rates ranging from 3.5% to 5.5%. Of this amount, \$320,104,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program. In December 2005, \$2,885,000 was refunded. In February 2010, \$157,619,688 was refunded. In October 2010, \$45,540,603 was refunded. The remaining balance of \$67,635,627 matures from February 1, 2012 to February 1, 2023.	\$ 67,635,627	\$ 124,996,070
Series 1998A Bonds issued September 1, 1998 for the aggregate amount of \$90,000,000, maturing serially through February 1, 2020 at interest rates ranging from 4.00% to 5.00%. Of this amount, \$67,750,534 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. In December 2005, \$25,983,504 was refunded. In September 2010, the remaining balance of \$20,927,982 was cash defeased.	-	20,927,982
Subtotal-Wastewater	<u>1,434,645,528</u>	<u>1,451,989,836</u>
 <u>Drinking Water Fund:</u>		
Series 2010C Refunding Bonds issued October 20, 2010 for the aggregate amount of \$64,925,000 to refund the callable portion of Series 2001A, 2002B and 2004B Bonds, maturing from February 1, 2020 to February 1, 2023 at interest rate of 5.00%. Of this, \$7,555,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.	7,555,000	-
Series 2010B Bonds issued October 20, 2010 for the aggregate amount of \$100,000,000, maturing from February 1, 2011 to February 1, 2030 at interest rates ranging from 1.50% to 5.00%. Of this, \$20,000,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	18,535,000	-

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2011 and 2010**

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

	2011	2010
Series 2010A Refunding Bonds issued February 2, 2010 for the aggregate amount of \$288,970,000 to refund the callable portion of Series 2000B, 2001A, 2002B, 2004B and 2004C Bonds, maturing from February 1, 2011 to February 1, 2024 at interest rates ranging from 2.00% to 5.00%. Of this, \$42,235,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	\$ 42,165,000	\$ 42,235,000
Series 2009A Bonds issued November 24, 2009 for the aggregate amount of \$138,990,000, maturing from February 1, 2011 to February 1, 2028 at interest rates ranging from 2.00% to 5.00%. Of this, \$17,755,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	17,585,000	17,755,000
Series 2007B Bonds issued December 13, 2007 for the aggregate amount of \$94,530,000, maturing from February 1, 2010 to February 1, 2028 at interest rates ranging from 4.00% to 5.50%. Of this, \$28,225,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	26,315,000	27,425,000
Series 2007A Bonds issued May 30, 2007 for the aggregate amount of \$71,230,000, maturing from February 1, 2008 to February 1, 2027 at interest rates ranging from 4.00% to 5.00%. Of this, \$9,975,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	9,035,000	9,230,000
Series 2006B Bonds issued December 13, 2006 for the aggregate amount of \$142,930,000, maturing from February 1, 2008 to February 1, 2028 at interest rates ranging from 3.50% to 5.50%. Of this, \$30,185,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	24,055,000	25,730,000

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**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2011 and 2010**

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

	2011	2010
Series 2006A Bonds issued April 25, 2006 for the aggregate amounts of \$221,355,000, maturing from February 1, 2007 to February 1, 2027 at interest rates ranging from 3.60% to 5.25%. Of this, \$17,595,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	\$ 13,980,000	\$ 14,765,000
Series 2005A Refunding Bonds issued December 7, 2005 for the aggregate amount of \$277,930,000 to refund the callable portion of Series 1997A, 1998A, 2000A, 2000B, 2001A, and 2002B Bonds, maturing from February 1, 2006 to February 1, 2029 at interest rates ranging from 3.30% to 5.25%. Of this, \$77,535,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.	57,035,000	61,540,000
Series 2004B Bonds issued April 7, 2004 for the aggregate amount of \$200,000,000, maturing from February 1, 2005 to February 1, 2025 at interest rates ranging from 2.00% to 5.00%. Of this amount, \$32,520,000 was the final allocation to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program. In February 2010, \$2,310,891 was refunded. In October 2010, \$1,201,333 was refunded. The remaining \$24,758,987 matures from February 1, 2012 to February 1, 2025.	24,758,987	26,643,104
Series 2002B Bonds issued December 23, 2004 for the aggregate amount of \$66,695,000, maturing from February 1, 2013 to February 1, 2024 at interest rates ranging from 4.00% to 5.375%. Of this amount, \$14,272,730 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program. In December 2005, \$2,165,000 was refunded. In February 2010, \$5,246,885 was refunded. The remaining \$6,861,112 matures from February 1, 2013 to February 1, 2024.	6,861,112	6,861,112

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**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2011 and 2010**

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

	2011	2010
Series 2001A Bonds issued October 24, 2001 for the aggregate amount of \$400,000,000, maturing from August 1, 2004 to February 1, 2023 at interest rates ranging from 3.5% to 5.5%. Of this amount, \$79,896,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program. In December 2005, \$16,600,000 was refunded. In February 2010, \$22,685,312 was refunded. In October 2010, \$6,559,397 was refunded. The remaining \$21,739,373 matures from February 1, 2012 to February 1, 2023.	\$ 21,739,373	\$ 31,248,930
Series 1998A Bonds issued September 1, 1998 for the aggregate amount of \$90,000,000, maturing serially through February 1, 2020 at interest rates ranging from 4.00% to 5.00%. Of this amount, \$22,249,466 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program. In December 2005, \$10,421,496 was refunded. In September 2010, the remaining balance of \$4,192,018 was cash defeased.	<u>-</u>	<u>4,192,018</u>
Subtotal-Drinking Water	<u>269,619,472</u>	<u>267,625,164</u>
Total Principal	1,704,265,000	1,719,615,000
Loss on refunding	(27,743,968)	(26,605,175)
Net premium on bonds payable	<u>94,840,930</u>	<u>89,679,599</u>
Total Bonds Payable	1,771,361,962	1,782,689,424
Less: Current portion	<u>88,245,000</u>	<u>85,810,000</u>
Long-term Portion	<u>\$ 1,683,116,962</u>	<u>\$ 1,696,879,424</u>

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

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2011 and 2010**

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

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

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

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

The bonds referred to above are considered to have been defeased and have been removed from the financial statements and in total have remaining outstanding balances of \$369,625,000 and \$480,665,000 as of June 30, 2011 and 2010, respectively.

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2011 and 2010**

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

The aggregate debt service requirements for all bonds allocable to the SRF Programs as of June 30, 2011, are as follows:

	Principal			Interest			Debt Service Total
	Wastewater Fund	Drinking Water Fund	Total	Wastewater Fund	Drinking Water Fund	Total	
2012	\$ 74,143,001	\$ 14,101,999	\$ 88,245,000	\$ 70,073,314	\$ 13,098,590	\$ 83,171,904	\$ 171,416,904
2013	79,285,753	15,269,247	94,555,000	66,532,094	12,418,560	78,950,654	173,505,654
2014	88,738,599	16,721,401	105,460,000	62,536,172	11,702,819	74,238,991	179,698,991
2015	90,947,319	17,492,681	108,440,000	58,440,357	10,946,846	69,387,203	177,827,203
2016	95,395,000	18,165,000	113,560,000	54,097,819	10,156,040	64,253,859	177,813,859
2017-2021	508,669,037	104,875,963	613,545,000	198,508,450	36,360,811	234,869,261	848,414,261
2022-2026	375,606,819	65,328,181	440,935,000	81,255,731	12,491,825	93,747,556	534,682,556
2027-2030	<u>121,860,000</u>	<u>17,665,000</u>	<u>139,525,000</u>	<u>11,437,662</u>	<u>1,550,869</u>	<u>12,988,531</u>	<u>152,513,531</u>
	1,434,645,528	269,619,472	1,704,265,000	602,881,599	108,726,360	711,607,959	2,415,872,959
Loss on Refunding	(23,679,565)	(4,064,403)	(27,743,968)	-	-	-	(27,743,968)
Premium	<u>80,019,103</u>	<u>14,821,827</u>	<u>94,840,930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,840,930</u>
Total	<u>\$1,490,985,066</u>	<u>\$280,376,896</u>	<u>\$1,771,361,962</u>	<u>\$ 602,881,599</u>	<u>\$ 108,726,360</u>	<u>\$ 711,607,959</u>	<u>\$2,482,969,921</u>

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**Years Ended June 30, 2011 and 2010**

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

The following is a summary of total debt service:

	Interest Rates Ranges	Maturity Range	Annual Payment Range	Principal
Wastewater Fund	2.00%-5.50%	2012-2030	\$ 13,050,000 - \$110,360,320	\$ 1,434,645,528
Drinking Water Fund	2.00%-5.50%	2012-2029	4,375,000 - 22,020,000	<u>269,619,472</u>
Combined Programs	2.00%-5.50%	2012-2030	13,050,000 - 131,360,000	1,704,265,000
Less: Current Portion				<u>88,245,000</u>
Total Long-term Portion				<u>\$ 1,616,020,000</u>

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2011 and 2010**

**NOTE 8 - LONG-TERM LIABILITIES**

Long-term liabilities activity for the years ended June 30, 2011 and 2010 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Amounts Due Within One Year	Amounts Due Thereafter
June 30, 2011:						
Amount due to federal government	\$ 5,247,400	\$ 925,176	\$ 4,333,037	\$ 1,839,539	\$ 1,302,905	\$ 536,634
Bonds payable	1,719,615,000	164,925,000	180,275,000	1,704,265,000	88,245,000	1,616,020,000
Loss on refunding	(26,605,175)	5,539,847	6,678,640	(27,743,968)	-	(27,743,968)
Net premium on bonds payable	89,679,599	19,648,109	14,486,778	94,840,930	-	94,840,931
	<u>\$ 1,787,936,824</u>	<u>\$ 191,038,132</u>	<u>\$ 204,012,344</u>	<u>\$1,773,201,501</u>	<u>\$ 89,547,905</u>	<u>\$ 1,683,653,596</u>
June 30, 2010:						
Amount due to federal government	\$ 7,563,275	\$ 1,063,129	\$ 3,379,004	\$ 5,247,400	\$ 3,761,898	\$ 1,485,502
Bonds payable	1,663,615,000	427,960,000	371,960,000	1,719,615,000	85,810,000	1,633,805,000
Loss on refunding	(7,369,941)	5,288,128	24,523,362	(26,605,175)	-	(26,605,175)
Net premium on bonds payable	59,729,000	45,963,711	16,013,112	89,679,599	-	89,679,599
	<u>\$ 1,723,537,334</u>	<u>\$ 480,274,968</u>	<u>\$ 415,875,478</u>	<u>\$1,787,936,824</u>	<u>\$ 89,571,898</u>	<u>\$ 1,698,364,926</u>

**STATE REVOLVING FUND LOAN PROGRAMS  
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)  
NOTES TO COMBINED FINANCIAL STATEMENTS  
Years Ended June 30, 2011 and 2010**

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**NOTE 9 - FUND TRANSFERS**

Consistent with its Intended Use Plans and EPA's related Policy Statement, the Authority is required to report on transfers between the DWSRF and the WSRF in its Financial Statements. In its Intended Use Plans, the SRF Programs retained the flexibility to make transfers of grants (and other funds) held in or allocable to such funds to the extent permitted by the Clean Water Act and the Safe Drinking Water Act. As of June 30, 2011, an amount up to 33% of the Safe Drinking Water Act grants for Federal Fiscal Years (FFY) 1997 through 2011 could be so transferred on a net cumulative basis between the two SRF Program funds.

Based on the State's award of Safe Drinking Water Act related funds for FFY 1997 through 2011, to date, the following transfers were made:

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

**NOTE 10 - PROGRAM REVENUE**

For the years ended June 30, 2011 and 2010, program revenues consisted of the following:

	2011	2010
Interest and other income	\$ 80,999,610	\$ 91,260,041
Capital contributions - federal grants	<u>85,400,959</u>	<u>129,790,385</u>
	<u>\$ 166,400,569</u>	<u>\$ 221,050,426</u>

**NOTE 11 - SUBSEQUENT EVENTS**

On August 26, 2011, the City of Indianapolis' wastewater utility was sold to a private entity and as a result, all of the SRF obligations associated with the City of Indianapolis Sanitary District were defeased in their entirety pursuant to an Escrow Deposit Agreement dated as of August 1, 2011 between the Indianapolis Bond Bank and The Bank of New York Mellon Trust Company, N.A. As a consequence, the defeased Indianapolis SRF Bonds are payable solely from the Indianapolis Escrow Funds.

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*Independent Auditors' Report  
on Combining Schedules*

Members of the Indiana Finance Authority  
State Revolving Fund Loan Programs

Our report on our audits of the basic combined financial statements of the State Revolving Fund Loan Programs for the years ended June 30, 2011 and 2010, appears on pages 1-2. Those audits were made for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The accompanying combining schedules are presented for purposes of additional analysis of the basic combined financial statements rather than to present the financial position, results of operations and cash flows of the individual programs. Such information has been subjected to the auditing procedures applied in the audits of the basic combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic combined financial statements taken as a whole.

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
September 27, 2011

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**COMBINING SCHEDULES - STATEMENTS OF NET ASSETS INFORMATION**  
**June 30, 2011 and 2010**

	Wastewater Program		Drinking Water Program		Combined	
	2011	2010	2011	2010	2011	2010
<b>ASSETS</b>						
Current Assets:						
Cash and equivalents	\$ 434,999,778	\$ 441,628,842	\$ 85,772,347	\$ 99,960,148	\$ 520,772,125	\$ 541,588,990
Interest receivable-investments	4,075,687	4,907,275	905,081	1,055,941	4,980,768	5,963,216
Interest receivable-loans	13,635,372	18,054,520	1,375,320	2,112,904	15,010,692	20,167,424
Due from EPA	27,548,683	36,296,641	10,736,295	15,185,240	38,284,978	51,481,881
Accounts receivable	422,086	2,229,349	-	1,004,000	422,086	3,233,349
Loans receivable, net of allowance	79,136,513	81,041,135	14,278,456	13,846,520	93,414,969	94,887,655
Total Current Assets	<u>559,818,119</u>	<u>584,157,762</u>	<u>113,067,499</u>	<u>133,164,753</u>	<u>672,885,618</u>	<u>717,322,515</u>
Noncurrent Assets:						
Investments	300,175,375	332,041,143	91,160,301	94,512,741	391,335,676	426,553,884
Loans receivable, net of allowance	1,519,152,790	1,451,428,819	299,457,451	262,022,074	1,818,610,241	1,713,450,893
Equipment, net	30,423	16,412	14,167	6,167	44,590	22,579
Deferred charges, net	6,924,261	7,037,037	1,289,258	1,300,452	8,213,519	8,337,489
Total Noncurrent Assets	<u>1,826,282,849</u>	<u>1,790,523,411</u>	<u>391,921,177</u>	<u>357,841,434</u>	<u>2,218,204,026</u>	<u>2,148,364,845</u>
Total Assets	<u>2,386,100,968</u>	<u>2,374,681,173</u>	<u>504,988,676</u>	<u>491,006,187</u>	<u>2,891,089,644</u>	<u>2,865,687,360</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Interest payable	29,286,022	29,608,506	5,479,912	5,459,334	34,765,934	35,067,840
Accounts payable	358,386	263,967	23,387	-	381,773	263,967
Amount due to federal government	1,135,431	3,230,255	167,474	531,643	1,302,905	3,761,898
Bonds payable-current, net	74,143,001	72,517,056	14,101,999	13,292,944	88,245,000	85,810,000
Total Current Liabilities	<u>104,922,840</u>	<u>105,619,784</u>	<u>19,772,772</u>	<u>19,283,921</u>	<u>124,695,612</u>	<u>124,903,705</u>
Long-term Liabilities:						
Amount due to federal government	448,243	1,270,489	88,391	215,013	536,634	1,485,502
Bonds payable, net	1,416,842,065	1,432,543,588	266,274,897	264,335,836	1,683,116,962	1,696,879,424
Total Long-term Liabilities	<u>1,417,290,308</u>	<u>1,433,814,077</u>	<u>266,363,288</u>	<u>264,550,849</u>	<u>1,683,653,596</u>	<u>1,698,364,926</u>
Total Liabilities	<u>1,522,213,148</u>	<u>1,539,433,861</u>	<u>286,136,060</u>	<u>283,834,770</u>	<u>1,808,349,208</u>	<u>1,823,268,631</u>
<b>NET ASSETS</b>						
Restricted for water pollution and drinking water projects and other related program purposes	<u>\$ 863,887,820</u>	<u>\$ 835,247,312</u>	<u>\$ 218,852,616</u>	<u>\$ 207,171,417</u>	<u>\$ 1,082,740,436</u>	<u>\$ 1,042,418,729</u>

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**COMBINING SCHEDULES - STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS INFORMATION**  
**Years Ended June 30, 2011 and 2010**

	Waste water Program		Drinking Water Program		Combined	
	2011	2010	2011	2010	2011	2010
<b>OPERATING REVENUE</b>						
Interest income-investments	\$ 14,647,112	\$ 24,815,480	\$ 4,215,072	\$ 7,579,928	\$ 18,862,184	\$ 32,395,408
Interest income-loan participants	52,341,579	49,436,480	9,351,039	8,742,016	61,692,618	58,178,496
Administration and premium fees	19,000	49,001	7,061	26,000	26,061	75,001
Other	-	-	418,747	611,136	418,747	611,136
<b>Total Operating Revenue</b>	<u>67,007,691</u>	<u>74,300,961</u>	<u>13,991,919</u>	<u>16,959,080</u>	<u>80,999,610</u>	<u>91,260,041</u>
<b>OPERATING EXPENSES</b>						
Interest	64,564,773	66,755,699	11,927,532	13,111,553	76,492,305	79,867,252
Amortization of deferred charges	1,042,116	809,566	196,103	148,465	1,238,219	958,031
Trustee fees	79,538	89,960	-	-	79,538	89,960
Other program and administrative	3,681,921	2,413,900	714,800	626,376	4,396,721	3,040,276
<b>Total Operating Expenses</b>	<u>69,368,348</u>	<u>70,069,125</u>	<u>12,838,435</u>	<u>13,886,394</u>	<u>82,206,783</u>	<u>83,955,519</u>
<b>OPERATING INCOME (LOSS)</b>	(2,360,657)	4,231,836	1,153,484	3,072,686	(1,207,173)	7,304,522
<b>NONOPERATING REVENUES AND (EXPENSES)</b>						
Capital contributions	65,767,047	95,563,548	19,633,912	34,226,837	85,400,959	129,790,385
Loan forgiveness	(34,765,882)	(51,781,912)	(9,106,197)	(18,974,464)	(43,872,079)	(70,756,376)
<b>Total Nonoperating Revenues and (Expenses)</b>	<u>31,001,165</u>	<u>43,781,636</u>	<u>10,527,715</u>	<u>15,252,373</u>	<u>41,528,880</u>	<u>59,034,009</u>
<b>INCREASE IN NET ASSETS</b>	28,640,508	48,013,472	11,681,199	18,325,059	40,321,707	66,338,531
<b>NET ASSETS</b>						
Beginning of Year	<u>835,247,312</u>	<u>787,233,840</u>	<u>207,171,417</u>	<u>188,846,358</u>	<u>1,042,418,729</u>	<u>976,080,198</u>
End of Year	<u>\$ 863,887,820</u>	<u>\$ 835,247,312</u>	<u>\$ 218,852,616</u>	<u>\$ 207,171,417</u>	<u>\$ 1,082,740,436</u>	<u>\$ 1,042,418,729</u>

**STATE REVOLVING FUND LOAN PROGRAMS**  
**(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)**  
**COMBINING SCHEDULES - STATEMENTS OF CASH FLOWS INFORMATION**  
**Years Ended June 30, 2011 and 2010**

	Wastewater Program		Drinking Water Program		Combined	
	2011	2010	2011	2010	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash receipts (payments) for salaries, administrative, interest and other revenues (expenses)	\$ (1,859,777)	\$ (4,709,390)	\$ 731,334	\$ (1,036,647)	\$ (1,128,443)	\$ (5,746,037)
Administration fee	19,000	49,001	7,061	26,000	26,061	75,001
Net Cash Provided (Used) by Operating Activities	<u>(1,840,777)</u>	<u>(4,660,389)</u>	<u>738,395</u>	<u>(1,010,647)</u>	<u>(1,102,382)</u>	<u>(5,671,036)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Maturities of loans to participants	101,433,749	93,596,921	16,761,724	13,575,485	118,195,473	107,172,406
Issuance of loans to participants	(167,253,098)	(153,725,056)	(54,629,037)	(23,158,818)	(221,882,135)	(176,883,874)
Change in investments	31,865,768	27,116,252	3,352,440	806,952	35,218,208	27,923,204
Interest received on loans and investments	72,239,427	73,221,405	14,454,555	16,260,047	86,693,982	89,481,452
Purchase of capital assets	(14,011)	5,988	(8,000)	2,000	(22,011)	7,988
Net Cash (Used) by Investing Activities	<u>38,271,835</u>	<u>40,215,510</u>	<u>(20,068,318)</u>	<u>7,485,666</u>	<u>18,203,517</u>	<u>47,701,176</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Proceeds from debt issuance	137,370,000	367,970,000	27,555,000	59,990,000	164,925,000	427,960,000
Principal payments to reduce indebtedness including refunding	(151,445,578)	(308,101,419)	(24,806,884)	(53,143,216)	(176,252,462)	(361,244,635)
Payment of debt issuance costs, net of refunding	(929,340)	(1,143,603)	(184,909)	(187,346)	(1,114,249)	(1,330,949)
Change in amount due to federal government	(2,917,070)	(1,877,879)	(490,791)	(437,996)	(3,407,861)	(2,315,875)
Interest paid on debt	(64,887,257)	(66,314,882)	(11,906,954)	(13,134,337)	(76,794,211)	(79,449,219)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(82,809,245)</u>	<u>(9,467,783)</u>	<u>(9,834,538)</u>	<u>(6,912,895)</u>	<u>(92,643,783)</u>	<u>(16,380,678)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>						
Capital Contributions (EPA Grants)	74,515,005	76,123,694	24,082,857	31,791,138	98,597,862	107,914,832
Issuance of forgivable loans to participants	(34,765,882)	(51,781,912)	(9,106,197)	(18,974,464)	(43,872,079)	(70,756,376)
Net Cash Provided by Capital Financing Activities	<u>39,749,123</u>	<u>24,341,782</u>	<u>14,976,660</u>	<u>12,816,674</u>	<u>54,725,783</u>	<u>37,158,456</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	(6,629,064)	50,429,120	(14,187,801)	12,378,798	(20,816,865)	62,807,918
<b>CASH AND EQUIVALENTS</b>						
Beginning of Year	441,628,842	391,199,722	99,960,148	87,581,350	541,588,990	478,781,072
End of Year	<u>\$ 434,999,778</u>	<u>\$ 441,628,842</u>	<u>\$ 85,772,347</u>	<u>\$ 99,960,148</u>	<u>\$ 520,772,125</u>	<u>\$ 541,588,990</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ (2,360,657)	\$ 4,231,836	\$ 1,153,484	\$ 3,072,686	\$ (1,207,173)	\$ 7,304,522
Adjustments to reconcile operating income (loss) to net cash used by operating activities:						
Interest income	(66,988,691)	(74,251,960)	(13,566,111)	(16,321,944)	(80,554,802)	(90,573,904)
Interest expense	64,564,773	66,755,699	11,927,532	13,111,553	76,492,305	79,867,252
Amortization of deferred charges	1,042,116	809,566	196,103	148,465	1,238,219	958,031
Changes in assets and liabilities:						
Accounts receivable	1,807,263	(2,229,349)	1,004,000	(1,004,000)	2,811,263	(3,233,349)
Accounts payable	94,419	23,819	23,387	(17,407)	117,806	6,412
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,840,777)</u>	<u>\$ (4,660,389)</u>	<u>\$ 738,395</u>	<u>\$ (1,010,647)</u>	<u>\$ (1,102,382)</u>	<u>\$ (5,671,036)</u>

# Exhibit L



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

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

**June 30, 2011**

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

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

*Year Ended June 30, 2011*

Members of the Indiana Finance Authority  
State Revolving Fund Loan Programs

We have audited the combined financial statements of the State Revolving Fund Loan Programs, an enterprise fund of the Indiana Finance Authority, as of and for the year ended June 30, 2011, and have issued our report thereon dated September 27, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

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

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

## **Compliance and Other Matters**

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

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

*Katz, Sapp & Miller, LLP*

Indianapolis, Indiana  
September 27, 2011

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2011**

	<b>Federal CFDA Number</b>	<b>Grant Number</b>	<b>Program or Award Amount</b>	<b>Federal Expenditures</b>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY:</b>				
Capitalization Grants for Clean				
Water State Revolving Funds	66.458	CS 18000110-0	49,104,000	8,074,136
	66.458	CS 18000111-0	35,588,000	<u>27,548,683</u>
				<u>35,622,819</u>
ARRA-Capitalization Grants for Clean				
Water State Revolving Funds	66.458	2W-00E73001	94,447,500	<u>30,142,965</u> *
				<u>65,765,784</u>
Capitalization Grants for Drinking				
Water State Revolving Funds	66.468	FS98548609-0	454,680	324,230
	66.468	FS98548610-0	22,185,240	2,642,856
	66.468	FS98548610-0	452,760	94,517
	66.468	FS98548611-0	15,394,820	10,712,908
	66.468	FS98548606-0	208,744	<u>208,744</u>
				<u>13,983,255</u>
ARRA-Capitalization Grants for Drinking				
Water State Revolving Funds	66.468	2F-00E72901	27,212,000	<u>6,069,404</u> *
				<u>20,052,659</u>
				<u>\$ 85,818,443</u>

\* Grant relates to the American Recovery and Reinvestment Act of 2009

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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE 1 - BASIS OF PRESENTATION**

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

**NOTE 2 - SUBRECIPIENTS**

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

<b>Program Title</b>	<b>CFDA Number</b>	<b>Amount Provided</b>
Capitalization Grants for Clean Water State Revolving Funds	66.458	\$35,622,819
ARRA-Capitalization Grants for Clean Water State Revolving Funds	66.458	\$30,142,965
Capitalization Grants for Drinking Water State Revolving Funds	66.468	\$13,355,764
ARRA-Capitalization Grants for Drinking Water State Revolving Funds	66.468	\$ 6,069,404

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

*Year Ended June 30, 2011*

Members of the Indiana Finance Authority  
State Revolving Fund Loan Programs

## **Compliance**

We have audited the State Revolving Fund Loan Programs' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of State Revolving Fund Loan Programs' major federal programs for the year ended June 30, 2011. The State Revolving Fund Loan Programs' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the State Revolving Fund Loan Programs' management. Our responsibility is to express an opinion on the State Revolving Fund Loan Programs' compliance based on our audit.

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

In our opinion, the State Revolving Fund Loan Programs complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

## **Internal Control Over Compliance**

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

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

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

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

We have audited the combined financial statements of the State Revolving Fund Loan Programs, an enterprise fund of the Indiana Finance Authority, as of and for the year ended June 30, 2011, and have issued our report thereon dated September 27, 2011. Our audit was performed for the purpose of forming our opinion on the financial statements that collectively comprise the State Revolving Fund Loan Programs' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Katz, Sappaw & Miller, LLP*

Indianapolis, Indiana  
September 27, 2011



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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2011**

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

Dollar threshold used to distinguish between type A and type B programs:	\$2,574,553
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

**SECTION II – Financial Statement Findings**

None

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

None

Exhibit M

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

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

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

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

Beginning Balance <sup>1</sup> @ 7/1/10	117,492,335
Increase/(Decrease) in fund balance	<u>\$ (5,770,266)</u>
Balance as of 6/30/11	111,722,069

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

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

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

Hammond Non Federal Match for US Army Corp of Engineers grant	925,000
Centerville Non Federal Match for Special Appropriation Grant	300,068
Martinsville Non Federal Match for Special Appropriation Grant	1,932,200
Upland Non Federal Match for Special Appropriation Grant	740,000
Madison Township Non Federal Match for Special Appropriation Grant	1,125,800
Tell City Non Federal Match for Special Appropriation Grant	1,000,450
Indianapolis Non Federal Match for Special Appropriation Grant	1,359,531
Richmond Non Federal Match for Special Appropriation Grant	157,827
	<u>\$ 94,145,834</u>

Available for Future Allocation

<sup>1</sup>The Wastewater Equity Earnings Account is made up of recycled "non-federal" funds.

<sup>2</sup>As of June 30, 2011, the SRF Loan Program has made Non-Point source loans in the amount of \$195.5 million, which have been attributed to the state required 319 match.

Closing Date	Participant	Loan Amount	NPS Portion	Disbursed	NPS Disbursed
06/30/04	City of Evansville	\$ 7,130,000	\$ 1,081,937	\$ 7,130,000	\$ 1,081,937
08/24/04	City of Indianapolis	25,000,000	3,466,230	24,915,278	3,454,483
08/31/04	Jennings NW RUD	6,200,000	2,174,437	6,200,000	2,174,437
10/01/04	Fulda RSD	419,342	270,408	419,342	270,408
11/10/04	Delaware County RWD	1,085,145	1,085,145	1,085,145	1,085,145
12/13/04	Taylor RSD	3,905,600	2,450,842	3,905,600	2,450,842
12/29/04	Town of Fortville	2,370,000	564,573	1,992,630	474,677
12/29/04	City of Indianapolis	70,000,000	25,679,058	69,240,517	25,400,446
02/28/05	City of New Haven	4,100,000	3,872,904	4,100,000	3,872,904
07/29/05	Campbell Township RSD	845,000	845,000	845,000	845,000
09/29/05	City of Columbia City	16,672,000	49,032	16,672,000	49,032
09/30/05	Town of Fortville	1,630,000	1,630,000	1,259,758	1,259,758
10/14/05	City of Fort Wayne	40,000,000	2,884,702	40,000,000	2,884,702
12/29/05	City of Indianapolis	90,000,000	20,104,248	88,621,247	19,796,261
12/30/05	Muncie SD	17,960,000	1,118,436	17,791,162	1,107,922
06/30/06	City of Indianapolis	35,250,000	8,836,444	33,970,186	8,515,621
06/30/06	Spencer MSW	350,000	38,500	350,000	38,500
08/17/06	City of Tell City	1,425,000	1,171,182	1,425,000	1,171,182
12/15/06	Town of Centerville	3,400,000	635,139	3,351,920	626,157
12/15/06	City of Indianapolis	34,750,000	30,932,406	34,750,000	30,932,406
08/28/07	Spencer MSW	4,783,788	338,380	4,783,788	338,380
08/30/07	Town of Centerville	800,000	136,000	708,962	120,524
12/18/07	City of Indianapolis	80,557,000	30,046,754	80,557,000	30,046,754
12/27/07	Allen County RWSD	1,609,858	1,609,858	1,609,858	1,609,858
03/28/08	City of Jeffersonville	9,800,000	3,724,000	9,800,000	3,724,000
05/05/08	Morgan County RSD	476,000	476,000	476,000	476,000
12/30/08	Allen County RWSD	2,971,000	2,971,000	2,971,000	2,971,000
07/06/09	City of Indianapolis	32,050,000	9,443,985	32,050,000	9,443,985
09/15/09	City of Angola	5,000,000	3,577,000	4,989,087	3,569,193
12/11/09	City of South Bend	4,495,000	539,400	4,393,494	527,219
12/23/09	City of Fort Wayne	29,091,005	4,072,741	29,091,005	4,072,741
12/29/09	City of Connersville	3,700,000	3,700,000	1,302,366	1,302,366
12/30/09	Town of Plainfield	7,269,000	2,000,000	6,260,153	1,722,425
01/20/10	City of Charlestown	1,300,000	1,300,000	1,300,000	1,300,000
01/28/10	Henryville	2,686,000	1,880,200	2,274,376	1,592,063
01/28/10	Town of Zionsville	2,089,000	1,985,000	1,906,541	1,811,625
03/01/10	City of Goshen	1,000,000	1,000,000	118,258	118,258
03/31/10	Town of Milton	4,351,385	2,872,000	3,970,073	2,620,327
06/30/10	Allen County RSD	5,200,000	5,200,000	3,176,154	3,176,154
10/08/10	Scott County	965,000	965,000	715,655	715,655
12/13/10	Luce Twp. RSD	5,702,000	5,702,000	1,852,178	1,852,178
01/27/11	South West Lake Max CD	2,400,000	2,400,000	1,200,000	1,200,000
03/31/11	Jeffersonville	22,350,000	47,211	246,330	520
06/23/11	Columbus	600,000	600,000	-	-
		<u>\$ 195,477,152</u>		<u>\$ 181,803,046</u>	

Allocated for a Portion of the State Required 319 Match \$ 10,035,359

"Banked" toward Future Allocation of Match \$ 171,767,687

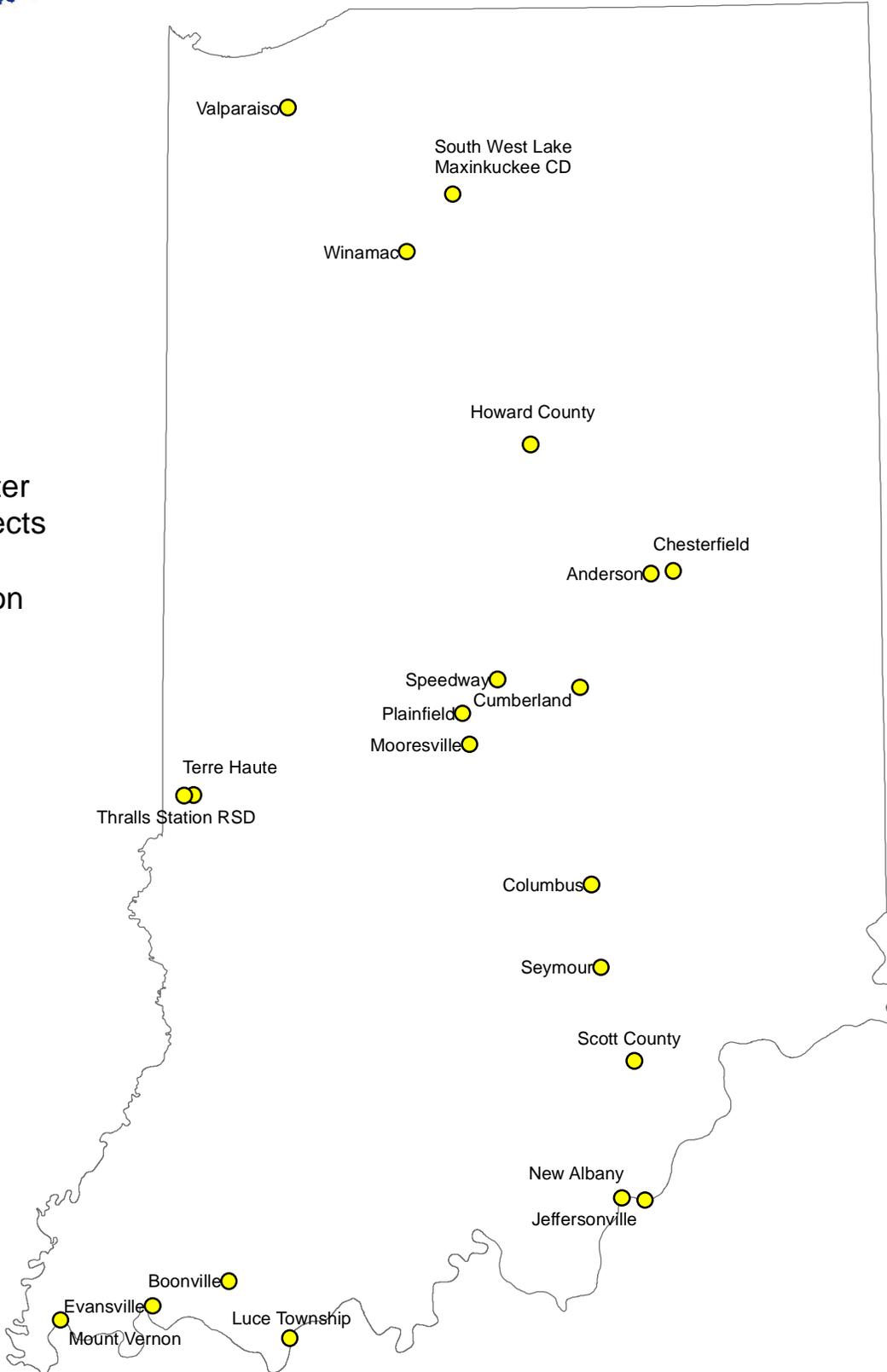
Clean Water Projects Closed in State Fiscal Year 2011  
(July 1, 2010 - June 30, 2011)



**Legend**

○ Clean Water  
2011 Projects

\$128 million  
21 loans





# Exhibit O

# Indiana Finance Authority State Revolving Fund Loan Programs

## All Clean Water Projects Closed in since 1992

### Legend

○ Clean Water Projects

\$ 2.5 billion  
384 loans

