

STATE OF INDIANA

Drinking Water State Revolving Fund Loan Program



**Annual Report
State Fiscal Year 2023
July 1, 2022 – June 30, 2023**

**Drinking Water State Revolving Fund Loan Program
Annual Report SFY 2023**

Table of Contents

| | | |
|-------|---|---|
| I. | Introduction | 1 |
| II. | State Revolving Fund (SRF) Loan Program Management [40 CFR 35.3570(a)(3)(I)] | 1 |
| III. | Goals and Objectives of the SFY 2023 Intended Use Plan [40 CFR 35.3570(a)(1)] | 1 |
| IV. | Environmental Review [40 CFR 35.3570(a)(3)(xii-xiii)] | 2 |
| V. | State Match [40 CFR 35.3165(b)(2)] | 2 |
| VI. | Binding Commitments Exceed 120% of Grant [40 CFR 35.3165(b)(4)] | 3 |
| VII. | Expeditious and Timely Use of Funds [40 CFR 35.353550(l)] | 3 |
| | A. Interest Rates | 3 |
| | B. Terms | 4 |
| | C. Other Assistance Provided | 4 |
| | D. Administrative Expenses and Fees | 5 |
| | E. Transfers [40 CFR 35.3570(a)(3)(x)] | 6 |
| | F. Cross-collateralization [40 CFR 35.3110(f)] | 6 |
| | G. DWSRF Loan Program Financial Statements | 7 |
| | H. Federal Requirements | 7 |
| | I. Compliance with 2 CFR part 200 [40 CFR 35.3570(a)(3)(xiv)] | 7 |
| VIII. | Projects Funded [40 CFR 35.3570(a)(3)(iv)] | 7 |
| IX. | Eligibility [40 CFR 35.3570 (a)(3)(v)] | 8 |
| X. | Set-Asides [40 CFR 35.3570(a)(3)(vi)] | 8 |
| XI. | Assistance to Small Systems [40 CFR 35.3570(a)(3)(vii)] | 9 |
| XII. | Disadvantaged Communities [40 CFR 35.3570(a)(3)(viii)] | 9 |

Exhibits:

| | |
|------------|--|
| Exhibit A: | Goals and Objectives of the DWSRF Loan Program SFY 2023 Intended Use Plan |
| Exhibit B: | Green Project Reserve in SFY 2023 |
| Exhibit C: | Additional Subsidization by Capitalization Grant Year |
| Exhibit D: | Equivalency Projects in SFY 2023 |
| Exhibit E: | SFY 2023 DWSRF Loan Program Project Descriptions |
| Exhibit F: | Cumulative History of the Federal DWSRF Capitalization Grants |
| Exhibit G: | Cumulative History of the State Match |
| Exhibit H: | Summary of DWSRF Loan Program Loans Closed in SFY 2023 |
| Exhibit I: | Expeditious and Timely Use of Funds |
| Exhibit J: | SFY 2023 DWSRF Loan Program Quarterly Interest Rates |
| Exhibit K: | Summary of DW Program Fee Expenditures in SFY 2023 |
| Exhibit L: | Summary of DWSRF Transfers |
| Exhibit M: | Combined Financial Statements |
| Exhibit N: | Schedule of Expenditures of Federal Awards and Independent Auditors' Reports |
| Exhibit O: | DWSRF Projects Closed in SFY 2023 Map |
| Exhibit P: | DWSRF Projects Closed Since 1999 Map |
| Exhibit Q: | Summary of Set-Aside Funds in SFY 2023 |
| Exhibit R: | Summary of Associated Funds in SFY 2023 |
| Exhibit S: | Summary of DWSRF Projects with a Regional Solution SFY 2019 – 2023 |
| Exhibit T: | Summary of New Borrowers to the DWSRF Program in SFY 2023 |
| Exhibit U: | Summary of Disadvantaged Community Financings SFY 2019 – 2023 |

State of Indiana
Drinking Water State Revolving Fund Loan Program
Annual Report
SFY 2023

I. Introduction

Pursuant to 40 CFR 35.3570, the State of Indiana (State), acting through its Indiana Finance Authority (Authority), submits an Annual Report for the Drinking Water State Revolving Fund Loan Program (DWSRF Loan Program) to the Regional Administrator of the U.S. Environmental Protection Agency (EPA), Region V.

This Annual Report is for State Fiscal Year (SFY) 2023 (July 1, 2022 - June 30, 2023). It is prepared in accordance with Section 1452 of the Safe Drinking Water Act (SDWA), as amended, 42 U.S.C. 300j-12, and with 40 CFR 35.3570.

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

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

III. Goals and Objectives of the SFY 2023 Intended Use Plan [40 CFR 35.3570(a)(1)]

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

The Amended and Restated DWSRF SFY 2022 Intended Use Plan (IUP) sets forth the intended uses of the DWSRF General Supplemental funds, appropriated through the Bipartisan Infrastructure Law (BIL) in FY 2022. The SFY 2023 IUP for Drinking Water SRF Base Program and Drinking Water SRF General Supplemental Funds sets forth the intended use of all funds appropriated to the referenced programs in FY 2023. The Drinking Water SRF IUP for Lead Service Line Replacement Program sets forth the intended use of all funds appropriated to the program through the BIL in FY 2022. The Drinking Water SRF IUP for Emerging Contaminants Program sets forth the intended use of all DWSRF Emerging Contaminants funds appropriated through the BIL in FY 2022, including transferred CWSRF Emerging Contaminants funds.

To accomplish the objectives of the program, the Authority set short-term and long-term goals as part of the Intended Use Plans. A description of how the DWSRF Loan Program has addressed these goals is in [Exhibit A](#).

In SFY 2023, the Authority chose to continue the Green Project Reserve (GPR) Sustainability Incentive Program, which provides an interest rate break incentive to State Revolving Fund Participants that incorporate green project components into their projects. In SFY 2023, green projects accounted for more than 19%, or \$13,059,610 of the total Capitalization Grants utilized in SFY 2023. [Exhibit B](#), Green Project Reserve in SFY 2023, lists Participants that incorporated GPR projects.

Under the terms and conditions of the FY 2023 Capitalization Grant, the DWSRF Loan Program is required to use fourteen (14%) percent of funds available in the grant to provide Additional Subsidy to eligible recipients. In addition, the DWSRF Loan Program must provide twelve (12%) percent and may provide up to thirty-five (35%) percent of its FY 2023 Capitalization Grant in the form of Additional Subsidization to disadvantaged communities, as required by the SDWA. Additional Subsidization may be in the form of principal forgiveness, negative interest rate loans, or grants. The FY 2023 DWSRF Capitalization Grant was applied for on June 17, 2023, and the DWSRF Loan Program has identified communities that are eligible to receive the Additional Subsidization from the FY 2023 Capitalization Grant. [Exhibit C](#), Additional Subsidization by Capitalization Grant Year, lists Participants that received Additional Subsidization in the form of principal forgiveness. As of June 30, 2023, the DWSRF Loan Program has provided a total of \$93.4 million dollars in Additional Subsidization from Capitalization Grants and met the Additional Subsidization goals of the 2010-2022 Base program Capitalization Grants. The DWSRF Loan Program has identified communities that are eligible to receive the Additional Subsidization remaining from the Base, General Supplemental, Lead Service Line Removal, and Emerging Contaminant Capitalization Grants. The Authority shall provide the Additional Subsidization, as required by the terms and conditions of the Capitalization Grant, which allows Indiana four years in which to allocate the Additional Subsidization. However, every attempt will be made to assign the Additional Subsidization within two years of receiving a Capitalization Grant. Priority for Additional Subsidization was given to disadvantaged communities that could not otherwise afford such projects.

Another requirement of the Capitalization Grant is to document projects that are categorized as Equivalency. The purpose of Equivalency within the SRF Loan Programs is to allow states to select a loan or multiple loans, the sum of which is equal to the amount of a Capitalization Grant, to meet specific federal requirements for the program. For the DWSRF Loan Program, these requirements include meeting crosscutter requirements, single audit requirements, Federal Funding Accountability and Transparency Act reporting requirements, Disadvantaged Business Enterprise Utilization, and the Signage Requirement. [Exhibit D](#), Equivalency Projects for SFY 2023, provides detail on selected projects and Equivalency requirements of the program in SFY 2023.

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

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

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

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

The Authority has fully met its State Match requirements through the end of SFY 2023 by means of depositing the net proceeds from revenue bonds issued by the Authority into the Drinking Water State Revolving Loan Fund (DWSRF Loan Fund). To date, the DWSRF Loan

Program State Match has aggregated more than the \$77,713,620, which the Authority was required to provide as match through June 30, 2023. See Exhibit F for a history of the Capitalization Grants awarded to the DWSRF Loan Program. Exhibit G details State Match deposited in the DWSRF Loan Fund through the end of SFY 2023, 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 2023, the DWSRF Loan Program financed loans, with 20 Participants, totaling \$133,351,695. Since the DWSRF Loan Program's inception in 1997, over 343 loans aggregating over approximately \$1.29 billion have been financed, more than two times the amount of federal Capitalization Grants that have been awarded to the DWSRF Loan Program (\$504,730,100). A summary of all DWSRF Loan Program financings completed in SFY 2023 is presented in Exhibit H.

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

The DWSRF Loan Program is a leveraged program and has established itself as a highly rated borrower in the national bond market. The Authority has utilized its Capitalization Grants to leverage multiple series of bonds, aggregating over \$309 million in outstanding principal as of June 30, 2023, a portion of which has funded financings through the DWSRF Loan Program. A summary of the accounts and associated balances are set forth in Exhibit I: Expeditious and Timely Use of Funds. Future bond issuances are expected to be used to fund new commitments related to new loans in future years. The balance of the bond proceeds not available for loans are used for reserve funds, administrative expenses, and costs of issuance.

A. Interest Rates

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

Interest rates applied to new loans are reset on the first business day of each January, April, July and October using a Base DWSRF Program Interest Rate (Base Rate). The Base Rate is calculated by using 90% of the average 20-year, AAA-rated general obligation bond Municipal Market Data (MMD) composite index for the most recent calendar month. The Base Rate is then discounted further based upon a participant's Median Household Income (MHI) from the 2015-2020 ACS 5-year estimate data, and projected user rates.

In SFY 2023, the DWSRF Loan Program offered interest rates ranging from a low of at 2.00 % to 3.12%. See Exhibit J.

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

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

In SFY 2023, by completing a financing with the DWSRF Loan Program, and associated Authority programs, Participants will save over \$97.0 million in interest expenses over the life of the loan repayment period, as compared to completing an open market financing, see the “SFY 2023 Program Savings” column in [Exhibit H](#) for estimated savings provided to each participant.

B. Terms

Standard DWSRF Loan Program loans closed in SFY 2023 were structured with annual principal repayments that commenced no later than one year after expected completion of the proposed project and a majority of the loans have a final principal payment no later than 20 years after expected completion of the proposed project.

Loan Terms That Exceed 20 Years

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

- As permitted by the SDWA, a loan term up to 40 years may be given to a community determined to be disadvantaged, as defined in Section XII of this Report.
- On August 3, 2017, the Authority received EPA approval to offer extended term financings in both CWSRF and DWSRF Loan Programs. A loan term up to 35 years may be given to all Indiana utilities to correct the issue of aging infrastructure for all water and sewer projects having a useful life equal to the loan term. In SFY 2023, the DWSRF Loan Program closed eleven loans that include loan terms that exceed 20 years.

C. Other Assistance Provided

As of June 30, 2023, the DWSRF Loan Program has provided a total of \$93,366,695 of Additional Subsidization in the form of principal forgiveness to 58 loan recipients during SFY 2010-2023. [Exhibit C](#), Additional Subsidization by Capitalization Grant Year, lists Participants that received principal forgiveness from recent Capitalization Grants.

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

During SFY 2023, the DWSRF Loan Program provided \$47,834,000 in DWSRF Pooled Loan funding to one community. The DWSRF Pooled Loan program offers eligible Participants the “AAA” interest rate that is available to the DWSRF Loan Program at the time of their loan closing. See the “SRF Pooled Loan Amount” column in [Exhibit H](#) for

DWSRF Pooled Loan participants.

In addition to DWSRF Loan Program funds, other federal, state, and local funds are associated with DWSRF Loan Program projects. In SFY 2023 an additional \$5,126,800 in funds from other federal programs also assisted DWSRF Loan Program Participants. Further, an additional \$10,060,056 was contributed from non-federal sources. See [Exhibit R](#) for details.

Effective July 1, 2018, Indiana legislation required that all Participants in the SRF Loan Programs that receive a loan or other financial assistance from the SRF Loan Programs certify that the Participant has documentation demonstrating that it has the financial managerial, technical, and legal capability to operate and maintain its water or wastewater system in the form of an Asset Management Program. Along with creating guidance to assist Participants to meet this requirement, the Authority appropriated State funds to assist disadvantaged communities to create Asset Management Programs. In SFY 2023, there were no awards from the Asset Management Grants Program for DWSRF Loan Program Participants.

Beginning in SFY 2023, the Authority received an Appropriation from the State Legislature to establish the Water Infrastructure Assistance Fund (WAF). The purpose of the WAF is to provide grants, loans, and other financial assistance to Participants for the planning, designing, acquisition, construction, renovation, improvement, or expansion of public water systems, wastewater, or stormwater collection treatment systems. In SFY 2023, the Authority entered into two Drinking Water WAF State Agreements, and ten Clean Water WAF Agreements totaling \$11,211,601.

D. Administrative Expenses and Fees

The cost of financing loans includes the fees and expenses of the SRF Trustee Bank. The Authority may require Participants to offset some of these costs through a Loan Closing Fee, which is \$1,000 per participant. In SFY 2023, the DWSRF Loan Program completed financings with 20 Participants and collected \$20,000 in Loan Closing Fees. Fees were not assessed for participants closing more than one assistance agreement at the same time. Fees were assessed for Fee Program and WAF Program closings in SFY 2023.

The non-use fee policy of the DWSRF Loan Program permits the assessment of a non-use fee for DWSRF Loan Program funds that are not used within two years following a Participant's loan closing. Pursuant to the policy, each Participant that does not complete its project and fully expend the funds borrowed within two years after the loan closing, may be assessed a one percent fee on the balance of the funds that remain un-drawn. An additional one percent fee may be assessed each six months following the two-year anniversary of the Participant's loan closing, until the loan is fully drawn or closed out. The Authority contacts Participants in advance of the two-year anniversary of their loan closing and works with the Participant to spend down the remaining funds to avoid any non-use fee. Thus, no non-use fees were collected by the DWSRF Loan Program during SFY 2023.

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

and separate from the Wastewater Program Fund account, where the CWSRF Fees will be deposited.

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

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

The total amount in the DWSRF Fee Account as of June 30, 2023, was \$11,920,909 with an unallocated balance of \$8,882,072. Exhibit K outlines the expenditure of the DWSRF Fee Account in SFY 2023.

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

The State permits transfers between the DWSRF Loan Program and the CWSRF Loan Program of Capitalization Grants and other funds held in or allocable to such funds to the extent permitted by the Clean Water Act (CWA) and the SDWA. In SFY 2023 the Authority transferred the whole of the FY 2022 CWSRF Emerging Contaminant funding to the DWSRF Emerging Contaminant program. For a historic summary of transfers, see Exhibit L.

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

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

Cross-collateralization maximizes the security for bonds issued by the State to capitalize the SRF Loan Programs. The State expects that any such transfers would occur at any time necessary to prevent a default on any such bonds and would be made between accounts established for like purposes and subject to like restrictions. Historically, no cross-collateralizations have been made.

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

G. DWSRF Loan Program Financial Statements

The DWSRF Loan Program is audited annually by an independent certified public accounting firm. For SFY 2023, which ended June 30, 2023, the DWSRF Loan Program received an unmodified opinion from an independent auditor, as described in Exhibit M.

The DWSRF Loan Program is audited annually for compliance with the requirements set forth in 2 CFR 200 Subpart F, the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, effective for non-federal entities beginning on December 26, 2014. For SFY 2023, the DWSRF Loan Program was determined to be “in compliance,” as noted in the Schedule of Expenditures of Federal Awards and Independent Auditors’ Reports. The Independent Auditor’s Report is provided as Exhibit N.

H. Federal Requirements

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

- Assurances and certifications provided in the IUP have been met;
- Closed loans equal more than the required 120% of each quarterly Capitalization Grant payment and were made within one year of receipt of all payments;
- All funds have been used in a timely and expeditious manner; and
- environmental reviews have been conducted in accordance with federal and state law.
- All loans made during the SFY 2023 had related projects listed on the Authority's Drinking Water Project Priority List (PPL).
- Compliance with the “American Iron and Steel” requirement described in the SDWA, as amended October 23, 2018.
- Compliance with Equivalency requirements for all Equivalency projects.

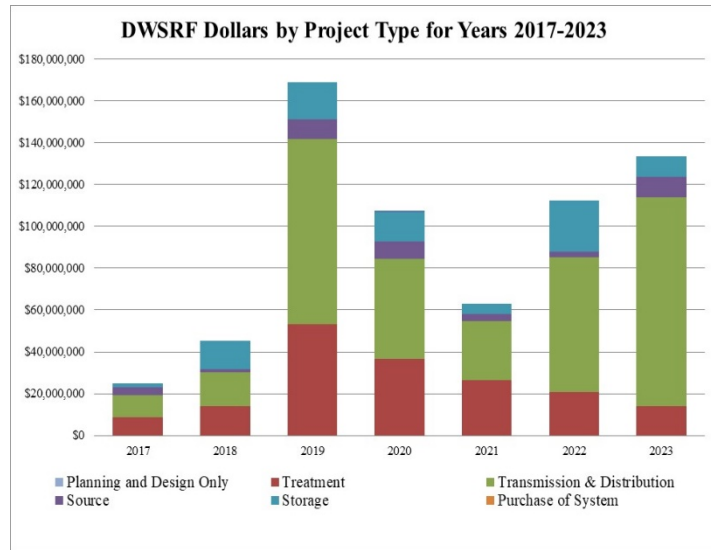
I. Compliance with 2 CFR part 200 [40 CFR 35.3570(a)(3)(xiv)]

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

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

The scoring and ranking system of the DWSRF Loan Program focuses on those projects with the greatest public health need. A map showing the location of projects funded in SFY 2023 is attached as Exhibit O. A map showing the location of all projects funded since the inception of the DWSRF Loan Program is attached as Exhibit P.

In SFY 2023, the DWSRF continued to experience high demand. The majority of funds were utilized for Transmission and Distribution projects (75%). See *DWSRF Dollars by Project Type for Years 2017-2023*.



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

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

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

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

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

In SFY 2023, the Authority utilized the State Program Management Set-Aside to complete drinking water goals by:

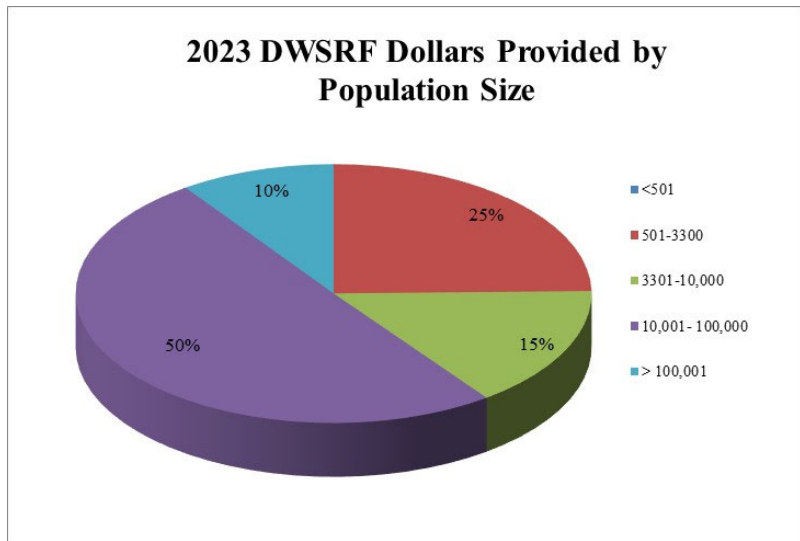
- Conducting outreach activities to Disadvantaged Communities to eliminate barriers to funding .
- Maintaining the Indiana Lead Sampling Program for Public Schools data platform to allow the State and school districts to manage and public notice lead sampling results data.
- Continuing the Lead Sampling Program for Child Care Facilities, to develop a lead sampling program for childcare facilities, including developing an application, an application ranking matrix, and marketing materials.
- Organizing and conducting regional water planning meetings, including setting agendas and recruiting speakers, drafting regional boundaries.
- Conducting water studies to assess the current water supply in multiple areas of Indiana, as well as the future demand and the cost of infrastructure needed to meet the demand for these regions.
- Continuing to partner with the Alliance Certified Operator Apprenticeship Program.
- Create a platform to house lead service line inventory data.
- Provide funding for the completion of Lead Service Line Inventories.

See [Exhibit Q](#) for a summary of Set-Aside activities.

The Authority is utilizing the Technical Assistance set-aside funding to finance third party contractors to conduct outreach to Disadvantaged Communities and new borrowers. In SFY 2023 eight borrowers that have not previously utilized the DWSRF Loan Programs were financed, see [Exhibit T](#).

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

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



In SFY 2023, 40% of DWSRF funds went to systems serving fewer than 10,000 persons, as shown in *2023 DWSRF Dollars Provided by Population Size*. Cumulatively, the DWSRF Loan Program has provided 42% of its funds to small systems.

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

In SFY 2023 the Authority defines a Disadvantaged Participant as a community with:

- 1) A project area with an MHI below 80% of the State MHI, as established by 2016-2020 American Community Five Year Survey;
- 2) Projects that have a positive, direct impact on a census tract(s), or other targeted project area, which has an MHI below 80% of the State MHI may also receive Additional Subsidization;
- 3) An estimated post project user rate greater than \$45.00 per month;
- 4) An average annual residential post project user rate that would exceed one (1%) percent of the Participant's Median Household Income (MHI).

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

During SFY 2023, the Authority provided \$124,132,500 to 17 disadvantaged communities. In the last five years the Authority has successfully financed approximately \$376 million in low interest loans with Disadvantaged Communities, see Exhibit U.

Exhibit A

Goals and Objectives of the DWSRF Loan Program State Fiscal Year (SFY) 2023 Intended Use Plan

The DWSRF Loan Program sets short- and long-term goals as required by 40 CFR 35.3555(c)(5). Short-term goals and objectives are those the State expects to achieve during State Fiscal Year (SFY) 2023, while long-term goals and objectives are those the State expects to achieve over a longer period.

The following goals were set in the Intended Use Plan for Drinking Water SRF Base Program and Drinking Water SRF General Supplemental Funds State Fiscal Year 2023 (July 1, 2022 – June 30, 2023).

A. Short-Term Goals and Objectives for Base and General Supplemental Grants

During SFY 2023, the DWSRF Loan Program expects to achieve the following short-term goals and objectives:

ST 1 Goal: Seek the immediate award of the Federal Fiscal Year (FFY) 2023 Capitalization Grant and the BIL DWSRF General Supplemental Capitalization Grant. Upon award, continue to disburse loan proceeds such that the 2023 Capitalization Grants can promptly be utilized.

Result: The FY 2022 DWSRF General Supplemental Capitalization Grant was awarded to the Authority on September 27, 2022. The Authority applied for the FY 2023 DWSRF Base Capitalization Grant and the SFY 2023 DWSRF General Supplemental Capitalization Grant on July 17, 2023. The DWSRF Loan Program awarded sufficient loans so that the entire FY 2022 General Supplemental Grant and FY 2023 Capitalization Grants can be fully drawn, other than the amount set aside for Additional Subsidization. Remaining grant funds are expected to fully-drawn in SFY 2024.

ST 1a Goal: Ensure that Additional Subsidization is provided pursuant to the terms and conditions of the current capitalization grants and as described in Section 1452 of the Safe Drinking Water Act (SDWA). Additional Subsidization from the DWSRF Base Program may be provided in the form of principal forgiveness, negative interest loans, grants, other loan forgiveness, and through buying, refinancing, or restructuring debt (or any combination of these). Additional Subsidization from the DWSRF General Supplemental Program may be provided in the form of principal forgiveness, and grants.

Result: The 2023 Base Program Capitalization Grant required the Authority to ensure that no less than 26% of the funds of the Capitalization Grant were appropriated for Additional Subsidization.

The FY 2022 and FY 2023 General Supplemental Capitalization Grant also required the Authority to ensure that no less than 49% of the funds of the Capitalization Grant were appropriated for Additional Subsidization. The Authority shall make effort to meet the Additional Subsidization requirement within two years of receiving the Capitalization Grants, but in no case longer than the terms and conditions permitted by the Capitalization Grant. See Exhibit C, Additional Subsidization by Capitalization Grant Year.

ST 1b Goal: Ensure that Davis Bacon Act wage rules apply to all assistance agreements made with funds appropriated under the 2023 Capitalization Grant.

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

ST 1c Goal: Ensure that all American Iron and Steel requirements (AIS) as set forth in the current Capitalization Grant are met. Ensure that all Build America, Buy America requirements as set forth in the Capitalization Grant are met for equivalency projects.

Result: The DWSRF Loan Program included language in all Financial Assistance Agreements that required Participants to meet the requirements of the American Iron and Steel Act and provided guidance on the waiver process and requirements of the Act. Further, American Iron and Steel certifications are reviewed during inspections. The DWSRF Loan Program reviewed the details of all equivalency closings in SFY 2023 and documented the applicability of the Adjustment Period Waiver for SRF Projects that have Initiated Design Planning for all closers.

ST 1d Goal: If practical, equivalency projects selected for the DWSRF Base Loan Program and the DWSRF General Supplemental program will be identified in Exhibit C. A list equivalency projects will be included in the Annual Report.

Result: Equivalency projects were projected in the SFY 2023 DWSRF Intended Use Plan and the selected equivalency projects can be found in Exhibit D of this Annual Report.

ST 1e Goal: Ensure that Participants are developing and implementing an Asset Management Program (AMP) that meets the requirements set forth in the DWSRF Loan Program Guidelines. Effective July 1, 2023, ensure all Participants have developed and are implementing an AMP that meets the DWSRF Loan Program Guidelines prior to entering into a financial assistance agreement.

Result: The Authority launched an Asset Management Program on July 1, 2018. Guidance was created and the program was presented to interested parties at conferences and via the SRF Loan Program's newsletter. Further, a grant program, utilizing State funds, was launched to assist small, disadvantaged communities with the cost of completing Asset Management Programs. In SFY 2023, there were no Drinking Water Program recipients of this program. Participants will be required to provide certification of a completed Asset Management Programs at loan closing or prior to their final loan disbursement.

ST 2 Goal: Ensure that all DWSRF Loan Program Participants achieve or maintain compliance with existing or future requirements of the Safe Drinking Water Act.

Result: In SFY 2023, 78% of the combined DWSRF Loan Program funds assisted compliant systems to maintain compliance with the Safe Drinking Water Act; 20% assisted compliant systems to comply with future requirements, and 2%, or \$2,950,000, funded a project that assisted a non-compliant system to achieve compliance with requirements.

ST 3 Goal: Conduct a total of 30 technical, on site and/ or virtual inspections between the CWSRF and DWSRF Loan Programs during the construction phase and the post-construction phase to document the construction progress, as well as the appropriate use of SRF funds.

Result: SRF Loan Programs staff completed 50 inspections (33 clean water and 17 drinking water) in SFY 2023, thus exceeding its goal.

ST 4 Goal: Work diligently with Participants and effectively manage projects to assist Participants in closing loans and constructing projects in a timely, efficient manner.

Result: In SFY 2023, the DWSRF Loan Program successfully closed on financings with 20 Participants. The SRF Loan Programs staff diligently worked with Participants by conducting project planning meetings, reviewing Preliminary Engineering Reports, and corresponding with Participants through

the closing process. Participants were required to bid prior to loan closing, and provide a timeline, to ensure that Participants will meet the 2-year construction goal implemented by the Authority.

ST 5 Goal: Ensure that EPA funds are accessed when eligible expenses are incurred to minimize un-liquidated obligations.

Result: Funds will be accessed promptly as eligible expenses are incurred to minimize unliquidated obligations.

ST 6 Goal: Consider other available funding opportunities from Federal and/or State sources to further achieve the goals of the SRF (i.e. WIIN Grants, State appropriation, etc.).

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

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

The Authority has applied to the WIIN Assistance for Small and Disadvantaged Communities Drinking Water Grant Program, for a total amount of \$1,574,000 to assist two small, disadvantaged communities to achieve compliance with drinking water standards.

The Authority has applied to the EC-SDC program, in the amount of \$26,029,000, to implement a program assisting drinking water systems with PFAS testing and PFAS treatment systems.

Beginning in SFY 2021, the Authority received an Appropriation from the State Legislature to establish the Water Infrastructure Assistance Fund (WAF). The purpose of the WAF is to provide grants, loans, and other financial assistance to Participants for the planning, designing, acquisition, construction, renovation, improvement, or expansion of public water systems, wastewater, or stormwater collection treatment systems. In SFY 2023, the Authority entered into two Drinking Water WAF State Agreements and ten Clean Water WAF State Agreements, totaling \$11,211,601.

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

Result: The Authority has worked in SFY 2023 to continue to promote regional solutions for drinking water issues in many proactive ways:

- **Indiana's Scoring system continues to give additional points to regional solutions and gives deductive points for proposed projects that involve disconnection from an active regional wastewater system.**
- **Preliminary Engineering Report guidance continues to require that projects discuss regionalization potential in their evaluation of alternatives.**
- **A Regionalization Assistance Program was continued to offer State grant funds to communities to investigate the challenges, benefits, and implications of regionalization for all entities.**
- **Conducted twenty-nine Regional Planning Meetings throughout the State.**

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

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

ST 9 Goal: Work to build a sufficient project pipeline of projects to enable the Authority to utilize funds appropriated under BIL to the DWSRF Emerging Contaminants Program.

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

ST 10 Goal: Conduct outreach to Disadvantaged Communities that may include presenting at workshops and conferences to advertise the availability of additional funding and providing assistance as needed to Disadvantaged Communities in accessing the DWSRF Loan Program.

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

B. Short-Term Goals and Objectives for Lead Service Line Removal Grants

The following short-term goals were set in the Drinking Water SRF Intended Use Plan for Lead Service Line Replacement Program State Fiscal Year 2023 (July 1, 2022 – June 30, 2023). For Federal Lead Service Line Replacement Funds appropriated in FY 2022.

ST 1 Goal: Seek the immediate award of the Federal Fiscal Year (FY) 2022 BIL DWSRF Lead Service Line Replacement Capitalization Grant. Upon award, disburse project funds such that the LSL Replacement Capitalization Grant can promptly be utilized.

Result: The FY 2022 DWSRF Lead Service Line Replacement Capitalization Grant was awarded to the Authority on January 19, 2023. The Authority awarded Lead Service Line Replacement loans through the second half of SFY 2023 and has identified sufficient recipients in the SFY 2024 IUP to fully disburse the FY 2022 Grant.

ST 1a Goal: Ensure that Additional Subsidization is provided pursuant to the terms and conditions of the LSL Replacement Capitalization Grant and as described in Section 1452 of the Safe Drinking Water Act (SDWA). Forty-nine (49%) percent of the LSL Replacement Capitalization Grant shall be provided as additional subsidization in the format of principal forgiveness or grants (or any combination of these). Provide Additional Subsidization to those water systems meeting the State's Disadvantaged Community criteria.

Result: The FY 2022 Lead Service Line Replacement Capitalization Grant required the Authority to ensure that no less than 49% of the funds of the Capitalization Grant were appropriated for Additional Subsidization. The Authority shall make effort to meet the Additional Subsidization requirement within two years of receiving the Capitalization Grants, but in no case longer than the terms and conditions permitted by the Capitalization Grant. See Exhibit C, Additional Subsidization by Capitalization Grant Year.

ST 1b Goal: Ensure that Davis Bacon Act wage rules apply to all assistance agreements made with funds appropriated under the LSL Replacement Capitalization Grant.

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

ST 1c Goal: Ensure that all American Iron and Steel requirements (AIS) as set forth in the LSL Replacement Capitalization Grant are met. Work to implement the Buy America Build America Act requirements as applicable.

Result: The DWSRF Loan Program included language in all Financial Assistance Agreements that required Participants to meet the requirements of the American Iron and Steel Act and provided guidance on the waiver process and requirements of the Act. Further, American Iron and Steel certifications are reviewed during inspections. The DWSRF Loan Program reviewed the details of all equivalency closings in SFY 2023, including all loan closings funded through the Lead Service Line Removal program and documented the applicability of the Adjustment Period Waiver for SRF Projects that have Initiated Design Planning for all closers.

ST 1d Goal: If practical, equivalency projects selected for the DWSRF Lead Service Line Replacement Program will be identified in Exhibit C. A list of equivalency projects will be included in the SFY 2023 Annual Report.

Result: Equivalency projects were projected in the SFY 2023 DWSRF Intended Use Plan and the selected equivalency projects can be found in Exhibit D of this Annual Report.

ST 1e Goal: Ensure that Participants are developing and implementing an Asset Management Program (AMP) that meets the requirements set forth in the DWSRF Loan Program Guidelines.

Result: The Authority launched an Asset Management Program on July 1, 2018. Guidance was created and the program was presented to interested parties at conferences and via the SRF Loan Program’s newsletter. Further, a grant program, utilizing State funds, was launched to assist small, disadvantaged communities with the cost of completing Asset Management Programs. In SFY 2023, there were no Drinking Water Program recipients of this program. Participants will be required to provide certification of a completed Asset Management Programs at loan closing or prior to their final loan disbursement.

ST 2 Goal: Ensure that all DWSRF Loan Program Participants achieve or maintain compliance with existing or future requirements of the Safe Drinking Water Act.

Result: See above (Base and General Supplement Goal ST 2) for total Safe Drinking Water Act requirement compliance for the combined DWSRF Loan Programs.

ST 3 Goal: Conduct a total of 30 technical, on site and/ or virtual inspections between the CWSRF and DWSRF Loan Programs (including LSL Replacement Program projects) during the construction phase and the post-construction phase to document the construction progress, as well as the appropriate use of SRF funds.

Result: See above (Base and General Supplement Goal ST 3) for total inspections conducted for the combined DWSRF Loan Programs.

ST 4 Goal: Work diligently with Participants and effectively manage projects to assist Participants in closing loans and constructing projects in a timely, efficient manner.

Result: In SFY 2023, the DWSRF Lead Service Line Replacement Loan Program successfully closed eight financings with Participants. The SRF Loan Programs staff diligently worked with Participants by conducting project planning meetings, reviewing Preliminary Engineering Reports, and corresponding with Participants through the closing process. Participants were required to bid prior to loan closing, and provide a timeline, to ensure that Participants will meet the 2-year construction goal implemented by the Authority.

ST 5 Goal: Ensure that EPA funds are accessed when eligible expenses are incurred to minimize un-liquidated obligations.

Result: Funds will be accessed promptly as eligible expenses are incurred to minimize unliquidated obligations.

ST 6 Goal: Consider other available funding opportunities from Federal and/or State sources to further achieve the goals of the DWSRF Lead Service Line Replacement Program (i.e. WIIN Grants, State appropriation, etc.).

Result: See above (Base and General Supplement Goal ST 6) for details on funding opportunities pursued.

ST 7 Goal: Ensure that Participants completed non-revenue water audits as required by IC 8-1-30.8 and participate in regional study area activities as required by IC 5-1.2-11.5.

Result: *See above (Base and General Supplement Goal ST 7) for details on steps to ensure water audits and regional study activities are conducted.*

ST 8 Goal: Continue to ensure participants in all programs under the Authority fully replace and fully fund both the public and private sides of LSL Replacement projects. The Authority agrees to ensure that any project funded in whole or in part under the LSL Removal Program Capitalization Grant involving lead service line replacement must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.

Result: **The Authority ensured that any project that replaced lead service lines completed full replacement from the main to the premise plumbing. Projects that were not expected to encounter lead service lines still assured that if lead service lines, or lead components upstream of galvanized pipe, along the project alignment were discovered during construction, full replacement was required.**

ST 9 Goal: Conduct outreach to Disadvantaged Communities that may include presenting at workshops and conferences to advertise the availability of additional funding and providing assistance as needed to Disadvantaged Communities in accessing the DWSRF Loan Program, and in particular the LSL Replacement Program Funds.

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

ST 10 Goal: Utilize set-asides, state funds, etc. to provide funds and professional services to assist Indiana communities in identifying and locating lead service lines in their drinking water system.

Result: **In SFY 2023 the Authority began the Lead Service Line Inventory Funding program, offering funding to all community water systems seeking assistance to complete an inventory of lead service lines in systems. The Authority has also worked with IDEM and third-party contractors to create a data system to track all resulting inventory data for the state.**

C. Short-Term Goals and Objectives for DWSRF Emerging Contaminants Grants

The following short-term goals were set in the Drinking Water SRF Intended Use Plan for Emerging Contaminants Program State Fiscal Year 2023 (July 1, 2022 – June 30, 2023) For DWSRF Federal Emerging Contaminants Funds appropriated in FY 2022.

ST 1 Goal: Seek the immediate transfer of award of the Federal Fiscal Year (FFY) 2022 CWSRF Emerging Contaminant Capitalization Grant to the DWSRF Emerging Contaminant Program.

Result: The FY 2022 CWSRF Emerging Contaminant Capitalization Grant was fully transferred to the DWSRF Emerging Contaminant program as of March 21, 2023.

ST 2 Goal: Seek the immediate award of the Federal Fiscal Year (FFY) 2022 BIL DWSRF Emerging Contaminants Capitalization Grant. Upon award, disburse loan proceeds such that the Emerging Contaminants Capitalization Grant can promptly be utilized.

Result: The FY 2022 DWSRF Emerging Contaminant Capitalization Grant was awarded to the Authority on March 21, 2023. The DWSRF Loan Program did not award any funding for activities eligible under the DWSRF Emerging Contaminant funding in SFY 2023 but has identified sufficient recipients in the SFY 2024 IUP to award loans from the program to fully disburse the grant.

ST 2a Goal: Ensure that Additional Subsidization is provided pursuant to the terms and conditions of the Emerging Contaminants Capitalization Grant and as described in Section 1452 of the Safe Drinking Water Act (SDWA). 100% of the Emerging Contaminants Capitalization Grant shall be provided as additional subsidization in the form of principal forgiveness or grants (or any combination of these).

Result: The Authority shall make effort to meet the Additional Subsidization requirement within two years of receiving the Capitalization Grants, but in no case longer than the terms and conditions permitted by the Capitalization Grant.

ST 2b Goal: Ensure that Davis Bacon Act wage rules apply to all assistance agreements made with funds appropriated under the Emerging Contaminants Capitalization Grant.

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

ST 2c Goal: Ensure that all American Iron and Steel requirements (AIS) as set forth in the Emerging Contaminants Capitalization Grant are met. Work to implement the Buy America Build America Act requirements as applicable (effective May 14, 2022).

Result: The DWSRF Loan Program includes language in all Financial Assistance Agreements that require Participants to meet the requirements of the American Iron and Steel Act and provides guidance on the waiver process and requirements of the Act. All Emerging Contaminant closings will also include language that require Participants to meet the requirements of Build America Buy America, absent a waiver. All certifications will be reviewed during site inspections.

ST 2d Goal: If practical, equivalency projects selected for the DWSRF Emerging Contaminants Program will be identified in Exhibit C. A list of equivalency projects will be included in the SFY 2023 Annual Report.

Result: Equivalency projects were projected in the SFY 2023 DWSRF Emerging Contaminant Intended Use Plan and will be restated in the SFY 2024 DWSRF Intended Use Plan.

ST 2e Goal: Ensure that Participants are developing and implementing an Asset Management Program (AMP) that meets the requirements set forth in the DWSRF Loan Program Guidelines.

Result: The Authority launched an Asset Management Program on July 1, 2018. Guidance was created and the program was presented to interested parties at conferences and via the SRF Loan Program’s newsletter. Participants will be required to provide certification of a completed Asset Management Programs at loan closing.

ST 3 Goal: Ensure that all DWSRF Loan Program Participants achieve or maintain compliance with existing or future requirements of the Safe Drinking Water Act.

Result: The Emerging Contaminant Program has no Participants in SFY 2023. See above (Base and General Supplement Goal ST 2) for total Safe Drinking Water Act requirement compliance for the combined DWSRF Loan Programs.

ST 4 Goal: Conduct a total of 30 technical, on site and/ or virtual inspections between the CWSRF and DWSRF Loan Programs (including Emerging Contaminants Program projects) during the construction phase and the post-construction phase to document the construction progress, as well as the appropriate use of SRF funds.

Result: See above (Base and General Supplement Goal ST 3) for total inspections conducted for the combined DWSRF Loan Programs.

ST 5 Goal: Work diligently with Participants and effectively manage projects to assist Participants in closing loans and constructing projects in a timely, efficient manner.

Result: The Emerging Contaminant Program has no Participants in SFY 2023. The Authority has identified sufficient recipients in the SFY 2024 IUP to award loans from the DWSRF Emerging Contaminant Capitalization Grant in SFY 2024 to fully draw the grant. In SFY 2024 the Authority will continue to work diligently with all Participants by conducting project planning meetings, reviewing Preliminary Engineering Reports, and corresponding with Participants through the closing process. Participants will be required to bid prior to loan closing, and provide a timeline, to ensure that Participants will meet the 2-year construction goal implemented by the Authority.

ST 6 Goal: Ensure that EPA funds are accessed when eligible expenses are incurred to minimize un-liquidated obligations.

Result: Funds will be accessed promptly as eligible expenses are incurred to minimize unliquidated obligations.

ST 7 Goal: Consider other available funding opportunities from Federal and/or State sources to further achieve the goals of the DWSRF Emerging Contaminant Program (i.e. WIIN Grants, State appropriation, etc.).

Result: See above (Base and General Supplement Goal ST 6) for details on funding opportunities pursued.

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

Result: See above (Base and General Supplement Goal ST 7) for details on steps to ensure water audits and regional study activities are conducted.

Goal: Work with the Indiana Department of Environmental Management and communities to identify and prioritize communities that need to address PFAS contamination in source water.

Result: IDEM worked with utilities to perform voluntary DW PFAS testing through their voluntary PFAS testing program. The Authority received the results of this voluntary testing and contacted communities to determine interest in further testing and/or mitigation measures. The Authority applied to the EC-SDC grant program on July 14, 2023, to provide funding for PFAS removal measure in these communities.

ST 10 Goal: Conduct outreach to Disadvantaged Communities that may include presenting at workshops and conferences to advertise the availability of additional funding and providing assistance as needed to Disadvantaged Communities in accessing the DWSRF Loan Program, and in particular the Emerging Contaminants Program Funds.

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

ST 11 Goal: Utilize set-asides, state funds, etc. to provide funds and professional services to assist Indiana communities to meet the statutory purpose of the Emerging Contaminants funds to address Emerging Contaminants in Drinking water with focus on PFAS remediation.

Result: The Authority provided state funds to support lab analysis and staffing for a Drinking Water Sampling initiative conducted by IDEM looking at PFAS contamination.

D. Long-Term Goals and Objectives for Base and General Supplemental Grants

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

Result: In SFY 2023, 22 DWSRF loans were closed with 20 Participants. See Exhibit H, Summary of Closed Loans for SFY 2023.

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

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

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

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

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

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

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

Result: In order to minimize un-liquidated obligations, the SRF Loan Programs continue to monitor Participants' expenditure rate. As loans are closed out and reamortized, unused loan funds are made available to other Participants on the Project Priority List. Participants with funds remaining following substantial completion are contacted to determine if they are interested in using remaining funds to finance a new project, or if they wish to close out their loan. In addition, the Financial Assistance Agreement contains "non-use fee" language which allows the Authority to charge a fee to a Participant who has not drawn their loan funds in a timely manner.

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

Result: The Authority reports uses of DWSRF Loan Program funds in PBR on a monthly basis and NIMS on an annual basis, as required by EPA. Intended Use Plans, Annual Reports, National

Infrastructure Management System data, and FFATA reports are well-prepared and submitted to EPA in a timely manner.

LT7 Goal: Periodically publish an SRF Loan Program newsletter.

Result: A newsletter for SFY 2023 was published June 2023.

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

Result: The Authority continues to partner with the Brownfields Program to assist communities addressing their brownfield redevelopment needs by pairing Brownfield Loan Program Funds with project components eligible for the DWSRF Loan Program. A co-funded project with the DWSRF Loan Program has not come to fruition. Additionally, the DWSRF Loan Program staff discussed potential projects with the USDA Rural Development staff on a regular basis, but no co-funded projects resulted in SFY 2023.

LT 9 Goal: Ensure that the DWSRF Loan Program and its Participants comply as required with Disadvantaged Business Enterprise fair share objectives, Federal environmental crosscutters and the Single Audit Act.

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

LT 10 Goal: Provide interest rate breaks to Participants which include the removal of lead service lines, Green components, and Climate Resiliency projects.

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

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

In SFY 2023, green projects accounted for more than 19%, or \$13,059,610 of the total Capitalization Grants utilized in SFY 2023. See Exhibit B, Green Project Reserve by Capitalization Grant Year.

In SFY 2023 projects replacing lead service lines received a reduced interest rate.

LT 11 Goal: Monitor DWSRF Set-Aside uses and activities and reconcile balances to EPA Set-Aside account balances. Continue the transfer of unused balances to the DWSRF Loan Program, thereby increasing the DWSRF Set-Aside spending rate and reducing un-liquidated obligations. Coordinate with the Indiana Department of Environmental Management and/ or the IFA Water Resources and Infrastructure Planning Program to develop new Set-Aside programs as needed.

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

LT 12 Goal: Provide at least 15% of the DWSRF Loan Program to systems serving fewer than 10,000 persons.

Result: In SFY 2023, 40% of DWSRF Loan Program funds went to systems serving fewer than 10,000 persons. Cumulatively, the DWSRF Loan Program has provided 42% of its funds to small systems.

LT 13 Goal: Complete continuing education courses to ensure that all SRF Loan Program technical reviewers remain aware of innovations in the wastewater and drinking water industry and can review both wastewater and drinking water projects.

Result: In SFY 2023, the Authority's technical reviewers continued with drinking water technical training by conducting on-site inspections of water main installation/replacement projects and water facility improvement projects, attending drinking water technical sessions at the Indiana Section of the American Water Works Association conference and the Indiana Rural Water Association Conference.

LT 14 Goal: Coordinate with the Indiana Department of Environmental Management's Drinking Water Branch to identify public water systems with Enforcement Targeting Tool (ETT) scores of 11 or greater that may benefit from DWSRF Loan Program funding.

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

LT 15 Goal: Ensure that DWSRF Loan Program assistance is provided to public water systems with an ETT score greater than or equal to 11, only when the conditions delineated in the SDWA section 1452(a)(3)(B) and (C) are met.

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

LT 15 Goal: Ensure that DWSRF Loan Program assistance is provided to public water systems with an ETT score greater than or equal to 11, only when the conditions delineated in the SDWA section 1452(a)(3)(B) and (C) are met.

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

E. Long-Term Goals and Objectives for DWSRF Lead Service Line Replacement Grants

The following long-term goals were set in the Drinking Water SRF Intended Use Plan for Lead Service Line Replacement Program State Fiscal Year 2023 (July 1, 2022 – June 30, 2023) For Federal Lead Service Line Replacement Funds appropriated in FY 2022.

During SFY 2023, the Authority will continue to work to achieve the following long-term goals:

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

Result: In SFY 2023, eight DWSRF Lead Service Line Replacement loans were closed with Participants. See Exhibit H, Summary of Closed Loans for SFY 2023.

LT 2 Goal: Monitor all outstanding loans and the financial capability of Participants through the use of an in-house monitoring system and, in conjunction with the Bank of New York Mellon Trust Company, ensure the DWSRF Loan Program continues to avoid loan defaults. In particular, review the financial statements for Participants receiving a State Board of Accounts examination report in the current calendar year. Require new Participants to utilize paying agent agreements and offer all prior Participants the opportunity to enter into a paying agent agreement. Conduct financial on-site visits as warranted.

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

LT 3 Goal: Report all uses of DWSRF Lead Service Line Replacement Program funds in the Drinking Water SRF Data System and the Drinking Water SRF Annual Summary as required by the EPA and the Federal Funding Accountability and Transparency Act (FFATA). Submit required reports to EPA in a well-prepared and timely manner.

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

LT 4 Goal: Periodically publish an SRF Loan Program newsletter. Provide an update on LSL Replacement funding activities.

Result: A newsletter for SFY 2023 was published June 2023.

LT 5 Goal: Continue to look for co-funding opportunities between the Brownfields Program and the SRF Loan Program. Continue to look for co-funding opportunities between the SRF Loan Program and other federal programs including the HUD Office of Community and Rural Affairs and USDA Rural Development.

Result: The Authority continues to partner with the Brownfields Program to assist communities addressing their brownfield redevelopment needs by pairing Brownfield Loan Program Funds with project components eligible for the DWSRF Loan Program. A co-funded project with the DWSRF Loan Program has not come to fruition. Additionally, the DWSRF Loan Program staff discussed potential projects with the USDA Rural Development staff on a regular basis, but no DWSRF co-funded projects resulted in SFY 2023.

LT 6 Goal: Ensure that the DWSRF Loan Program and its Participants comply as required with Disadvantaged Business Enterprise fair share objectives, Federal environmental crosscutters, and the Single Audit Act.

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

LT 7 Goal: Provide interest rate breaks to Participants which include the Replacement of lead service lines, Green components, and Climate Resiliency projects.

Result: The Authority utilizes the Green Project Reserve (GPR) Sustainability Incentive Program and lead service line Replacement Incentive Programs to encourage Participants to include these components in their SRF projects.

In SFY 2023 all Participants in the Lead Service Line Removal Program received an interest rate ranging from 0.00% to 1.32% and the majority of the Participants in this Program received an extended 35 year term.

LT 8 Goal: Monitor DWSRF LSL Replacement Program Set-Aside uses and activities and reconcile balances to EPA Set-Aside account balances. Coordinate with the Indiana Department of Environmental Management and/ or the IFA Water Resources and Infrastructure Planning Program to develop new Set-Aside programs as needed.

Result: The Authority is utilizing the LSL Replacement set-aside funding to develop a complete inventory of lead service lines in Indiana, so better prioritize replacement. In order to reduce un-liquidated obligations, the Authority continues to reconcile Set-Aside balances and will close out Capitalization Grants when appropriate. The Authority meets with the IDEM Drinking Water Branch as needed to discuss potential Set-Aside programs.

LT 9 Goal: Provide at least 15% of the DWSRF Loan Program to systems serving fewer than 10,000 persons.

Result: In SFY 2023, 16% of DWSRF Lead Service Line Loan Program funds went to systems serving fewer than 10,000 persons. Cumulatively, the DWSRF Loan Program has provided 42% of its funds to small systems.

LT 10 Goal: Complete continuing education courses to ensure that all SRF Loan Program technical reviewers remain aware of innovations in the wastewater and drinking water industry and can review both wastewater and drinking water projects.

Result: In SFY 2023, the Authority’s technical reviewers continued with drinking water technical training by conducting on-site inspections of water main installation/replacement projects and water facility improvement projects, attending drinking water technical sessions at the Indiana Section of the American Water Works Association conference and the Indiana Rural Water Association Conference.

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

Result: The Authority coordinates with the IDEM’s Drinking Water Branch and Enforcement Program by soliciting comments on Participants’ applications, approval letters, and DWSRF Loan Program

Project Priority Lists. In addition, the DWSRF Loan Program reviews the Drinking Water Branch's Enforcement Targeting Tool data quarterly and provides input on potential projects as needed.

LT 12 Goal: Eliminate lead service lines from the drinking water distribution systems of Indiana.

Result: The Authority has utilized loan funds, set-aside funds, and other state programs to finance efforts in SFY 2023 to assist IDEM and community water systems to complete inventories to determine the count and location of lead service lines in the state, to better prioritize efforts to eliminate lead service lines from drinking water systems of Indiana.

F. Long-Term Goals and Objectives for DWSRF Emerging Contaminants Grants

The following long-term goals were set in the Drinking Water SRF Intended Use Plan for Emerging Contaminant Program State Fiscal Year 2023 (July 1, 2022 – June 30, 2023) for Federal Emerging Contaminant Funds appropriated in FY 2022.

During SFY 2023, the Authority will continue to work to achieve the following long-term goals:

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

Result: The Emerging Contaminant Program has no Participants in SFY 2023.

LT 2 Goal: Monitor all outstanding loans and the financial capability of Participants through the use of an in-house monitoring system and, in conjunction with the Bank of New York Mellon Trust Company, ensure the DWSRF Loan Program continues to avoid loan defaults. In particular, review the financial statements for Participants receiving a State Board of Accounts examination report in the current calendar year. Require new Participants to utilize paying agent agreements and offer all prior Participants the opportunity to enter into a paying agent agreement. Conduct financial on-site visits as warranted.

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

LT 3 Goal: Report all uses of DWSRF Emerging Contaminant Program funds, including the contaminant of concern addressed, in the Drinking Water SRF Data System and the Drinking Water SRF Annual Summary as required by the EPA and the Federal Funding Accountability and Transparency Act (FFATA). Submit required reports to EPA in a well-prepared and timely manner.

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

LT 4 Goal: Periodically publish an SRF Loan Program newsletter.

Result: A newsletter for SFY 2023 was published June 2023.

LT 5 Goal: Continue to look for co-funding opportunities between the Brownfields Program and the SRF Loan Program. Continue to look for co-funding opportunities between SRF Loan Program and other federal programs including the HUD Office of Community and Rural Affairs and USDA Rural Development.

Result: The Authority continues to partner with the Brownfields Program to assist communities addressing their brownfield redevelopment needs by pairing Brownfield Loan Program Funds with project components eligible for the DWSRF Loan Program. A co-funded project with the DWSRF Loan Program has not come to fruition. Additionally, the DWSRF Loan Program staff discussed potential projects with the USDA Rural Development staff on a regular basis, but no co-funded projects resulted in SFY 2023.

LT 6 Goal: Ensure that the DWSRF Loan Program and its Participants comply as required with Disadvantaged Business Enterprise fair share objectives, Federal environmental crosscutters, and the Single Audit Act.

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

LT 7 Goal: Monitor DWSRF Emerging Contaminants Program Set-Aside uses and activities and reconcile balances to EPA Set-Aside account balances. Coordinate with the Indiana Department of Environmental Management and/ or the IFA Water Resources and Infrastructure Planning Program to develop new Set-Aside programs as needed.

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

LT 8 Goal: Provide at least 15% of the DWSRF Loan Program to systems serving fewer than 10,000 persons.

Result: Emerging Contaminant Funding is not yet provided to systems. Cumulatively, the DWSRF Loan Program has provided 42% of its funds to small systems.

LT 9 Goal: Complete continuing education courses to ensure that all SRF Loan Program technical reviewers remain aware of innovations in the wastewater and drinking water industry and can review both wastewater and drinking water projects.

Result: In SFY 2023, the Authority’s technical reviewers continued with drinking water technical training by conducting on-site inspections of water main installation/replacement projects and water facility improvement projects, attending drinking water technical sessions at the Indiana Section of the American Water Works Association conference and the Indiana Rural Water Association Conference.

LT 10 Goal: Coordinate with the Indiana Department of Environmental Management’s Drinking Water Branch to identify public water systems with Enforcement Targeting Tool (ETT) scores of 11 or greater that may benefit from DWSRF Loan Program funding.

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

Indiana DWSRF Loan Program

Exhibit B - Green Project Reserve in SFY 2023

| | |
|---|----------------------|
| DWSRF Loan Program FY 2022 General Supplemental Capitalization Grant: | \$ 27,502,000 |
| DWSRF Loan Program FY 2023 Base Capitalization Grant: | \$ 8,473,000 |
| DWSRF Loan Program FY 2023 General Supplemental Capitalization Grant: | \$ 31,128,000 |
| DWSRF Loan Program FY 2022 Lead Service Line Removal: | \$ 43,334,000 |
| Total Capitalization Grants utilized in SFY 2023: | \$ 67,103,000 |
| Green Project Reserve Provided = | \$ 13,059,610 |

| Community | Project Description | Total SRF Loan and Principal Forgiveness Amount | Green Project Description | Category 1: Green Infrastructure | Category 2: Water Efficiency | Category 3: Energy Efficiency | Category 4: Environmentally Innovative | Total Eligible GPR Cost (sum of Categories 1-4 plus engineering) | Closing Date |
|----------------|--|---|---|----------------------------------|------------------------------|-------------------------------|--|--|--------------|
| Columbus | Supply, Treatment, and Distribution Improvements | 22,200,000 | new booster station, DI water main | \$ - | \$ 1,519,686 | \$ 1,284,369 | \$ - | \$ 2,804,055 | 8/26/2022 |
| Cambridge City | Water Main Replacements and Storage Improvements | 5,335,000 | VFDs, energy efficient components, | \$ - | \$ - | \$ 742,750 | \$ - | \$ 742,750 | 12/15/2022 |
| Poseyville | Treatment Improvements | 2,950,000 | recycle water system (tank, skid & assoc valves | \$ - | \$ - | \$ - | \$ 58,765 | \$ 58,765 | 3/22/2023 |
| Chandler | Distribution System Improvements | 17,621,000 | DI | \$ - | \$ 8,676,040 | \$ - | \$ - | \$ 8,676,040 | 4/21/2023 |

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

Summary of Additional Subsidy by Capitalization Grant:

| CAP Grant | CAP Grant Amount | Minimum Required DWSRF Additional Subsidy | Maximum Required DWSRF Additional Subsidy | Additional Subsidy Total Under CAP Grant as of June 30, 2023 |
|---------------|------------------|---|---|--|
| 2010 | 22,638,000 | 6,791,400 | 22,638,000 | 7,000,000 |
| 2011 | 15,709,000 | 4,712,700 | 15,709,000 | 5,000,000 |
| 2012 | 14,970,000 | 2,994,000 | 4,491,000 | 3,000,000 |
| 2013 | 14,046,000 | 2,809,200 | 4,213,800 | 3,000,000 |
| 2014 | 14,348,000 | 2,869,600 | 4,304,400 | 3,000,000 |
| 2015 | 14,253,000 | 2,850,600 | 4,275,900 | 3,000,000 |
| 2016 | 13,484,000 | 2,696,800 | 6,742,000 | 4,125,000 |
| 2017 | 13,368,000 | 2,673,600 | 6,684,000 | 3,000,000 |
| 2018 | 16,978,000 | 3,395,600 | 8,489,000 | 3,861,000 |
| 2019 | 16,819,000 | 4,372,940 | 9,250,450 | 9,250,450 |
| 2020 | 16,830,000 | 3,366,000 | 8,246,700 | 8,000,000 |
| 2021 | 16,815,000 | 3,363,000 | 8,239,350 | 8,000,000 |
| 2022 | 10,711,000 | 2,784,860 | 5,248,390 | 3,755,550 |
| 2023 | 8,473,000 | 2,202,980 | 4,151,770 | - |
| 2022 Gen Supp | 27,502,000 | 13,475,980 | 13,475,980 | 8,356,500 |
| 2022 LSLR | 43,334,000 | 21,233,660 | 21,233,660 | 21,018,195 |
| 2022 EC | 13,801,000 | 13,801,000 | 13,801,000 | - |
| 2023 Gen Supp | 36,128,000 | 17,702,720 | 17,702,720 | - |
| Total | | | | \$ 93,366,695 |

Summary of Additional Subsidy Provided to DWSRF Loan Program Participants in SFY 2023:

| Participant | Closing Date | SRF Loan | Principal Forgiveness | Total Loan and Principal Forgiveness | Disadvantaged yes/no | CAP Grant |
|----------------|--------------|--------------|-----------------------|--------------------------------------|----------------------|-----------|
| Maysville RWSD | 9/30/2022 | \$ - | \$ 590,000 | \$ 590,000 | yes | 2022 |
| Cambridge City | 12/15/2022 | \$ 3,035,000 | \$ 2,300,000 | \$ 5,335,000 | yes | 2022 GS |
| Rensselaer | 2/24/2023 | \$ 150,000 | \$ 2,000,000 | \$ 2,150,000 | yes | 2022 LSLR |
| Poseyville | 3/8/2023 | \$ 1,950,000 | \$ 1,000,000 | \$ 2,950,000 | yes | 2022 |
| Logansport | 3/15/2023 | \$ 1,300,000 | \$ 7,200,000 | \$ 8,500,000 | yes | 2022 LSLR |
| Arcadia | 3/16/2023 | \$ 1,965,000 | \$ 2,000,000 | \$ 3,965,000 | yes | 2022 |
| BBP Water Corp | 3/23/2023 | \$ 4,639,000 | \$ 726,600 | \$ 5,365,600 | yes | 2022 GS |
| Monticello | 3/30/2023 | \$ 4,860,000 | \$ 2,050,000 | \$ 6,910,000 | yes | 2022 GS |
| Elkhart | 5/3/2023 | \$ - | \$ 818,195 | \$ 818,195 | no | 2022 LSLR |
| LaCrosse | 5/15/2023 | \$ - | \$ 3,279,900 | \$ 3,279,900 | yes | 2022 GS |
| Fort Wayne | 6/21/2023 | \$ 1,999,000 | \$ 11,000,000 | \$ 12,999,000 | yes | 2022 LSLR |

Indiana Drinking Water SRF Loan Program
Exhibit D - Equivalency Projects

Active General Grants in SFY 2023

| | | |
|---|-----------|-------------------|
| FY 2022 BIL General Supplemental Grant: | \$ | 27,502,000 |
| FY 2023 Base Capitalization Grant: | \$ | 8,473,000 |
| FY 2023 BIL General Supplemental Grant: | \$ | 36,128,000 |
| Total Active Grants | \$ | 72,103,000 |

Active Special Use Grants in SFY 2023

| | | |
|---|-----------|-------------------|
| FY 2022 BIL Lead Service Line Grant, (less set-asides taken): | \$ | 32,933,840 |
| FY 2022 BIL Emerging Contaminant Grant (less set-asides taken): | \$ | 13,139,080 |
| Total Active Grants | \$ | 46,072,920 |

Equivalency Project for General Grants

| Community | Project Description | Total Equivalency Amount | will submit DBE report | complied with federal cross-cutters | will comply with the single audit act 2 CFR 200 Subpart F | BABA Compliance or applied a waiver | complied with signage requirement | reported to FSRS to meet FFATA requirements |
|----------------|---|--------------------------|------------------------|-------------------------------------|---|-------------------------------------|-----------------------------------|---|
| Attica | Treatment, Storage, and Distribution System Improvements | 4,833,000 | Yes | Yes | Yes | Yes | Yes Press Release and Sign Posted | Yes April 9, 2023 |
| Madison | Plant, Storage and Distribution System Improvements | 12,000,000 | Yes | Yes | Yes | Yes | Yes Press Release and Sign Posted | Yes April 9, 2023 |
| Cambridge City | Water Main Replacements and Storage Improvements | 5,335,000 | Yes | Yes | Yes | Yes | Yes Press Release and Sign Posted | Yes April 9, 2023 |
| Rensselaer | Storage, Treatment, and Distribution Improvements + Lead Service Line Replacement | 5,334,000 | Yes | Yes | Yes | Yes | Yes Sign Posted | Yes April 9, 2023 |
| Chandler | Distribution System Improvements | 17,621,000 | Yes | Yes | Yes | Yes | Yes Press Release and Sign Posted | <i>pending grant</i> |
| Chalmers | Treatment, Storage, and Distribution System Improvements | 2,174,000 | Yes | Yes | Yes | Yes | Yes Press Release and Sign Posted | <i>pending grant</i> |

| | |
|--|-------------------|
| Equivalency Project Cost Total: | 47,297,000 |
| <i>Remainder to Report in SFY 2024</i> | <i>24,806,000</i> |

Indiana Drinking Water SRF Loan Program
Exhibit D - Equivalency Projects

Equivalency Projects for Lead Service Line Replacement:

| Community | Project Description | Total Equivalency Amount | Add Sub | Loan | will submit DBE report | complied with federal cross-cutters | will comply with the single audit act 2 CFR 200 Subpart F | BABA Compliance or applied a waiver | complied with signage requirement | reported to FSRS to meet FFATA requirements |
|------------|-------------------------------|--------------------------|------------|-----------|------------------------|-------------------------------------|---|-------------------------------------|-----------------------------------|---|
| Rensselaer | Lead Service Line Replacement | 2,150,000 | 2,000,000 | 150,000 | Yes | Yes | Yes | Yes | Yes Sign Posted | Yes Aug 15, 2023 |
| Logansport | Lead Service Line Replacement | 8,450,000 | 7,200,000 | 1,250,000 | Yes | Yes | Yes | Yes | Yes Sign Posted | Yes Aug 15, 2023 |
| Monticello | Lead Service Line Replacement | 1,055,000 | - | 1,055,000 | Yes | Yes | Yes | Yes | Yes Sign Posted | Yes Aug 15, 2023 |
| Arcadia | Lead Service Line Replacement | 140,400 | - | 140,400 | Yes | Yes | Yes | Yes | Yes Sign Posted | Yes Aug 15, 2023 |
| Bulter | Lead Service Line Replacement | 904,252 | - | 904,252 | Yes | Yes | Yes | Yes | Yes Sign Posted | Yes Aug 15, 2023 |
| Elkhart | Lead Service Line Replacement | 818,195 | 818,195 | - | Yes | Yes | Yes | Yes | Yes Sign Posted | Yes Aug 15, 2023 |
| Fort Wayne | Lead Service Line Replacement | 12,999,000 | 11,000,000 | 1,999,000 | Yes | Yes | Yes | Yes | Yes Sign Posted | Yes Aug 15, 2023 |
| Chalmers | Lead Service Line Replacement | 105,000 | - | 105,000 | Yes | Yes | Yes | Yes | Yes Sign Posted | Yes Aug 15, 2023 |

| | |
|---|-------------------|
| LSLR Equivalency Project Cost Total: | 26,621,847 |
| <i>Remainder to Report in SFY 2024</i> | <i>6,311,993</i> |

Equivalency Project for Emerging Contaminants:

| Community | Project Description | Total Equivalency Amount | will submit DBE report | complied with federal cross-cutters | will comply with the single audit act 2 CFR 200 Subpart F | BABA Compliance or applied a waiver | complied with signage requirement | reported to FSRS to meet FFATA requirements |
|-----------|---------------------|--------------------------|------------------------|-------------------------------------|---|-------------------------------------|-----------------------------------|---|
| n/a | | - | | | | | | |

| | |
|--|-------------------|
| EC Equivalency Project Total: | - |
| <i>Remainder to Report in SFY 2024</i> | <i>13,139,080</i> |

Exhibit E

SFY 2023 DWSRF Loan Program Project Descriptions

| DWSRF Participant: Columbus | | | |
|---|-----------------|---------------------------------------|---------------|
| SRF Project #: | DW21140301 | DWSRF Loan Amount: | \$ 12,200,000 |
| | | DWSRF Pooled Loan Amount: | \$ 10,000,000 |
| DWSRF Loan Closed: | August 26, 2022 | Principal Forgiveness: | \$ 0 |
| Affected Population: | 44,061 | Total Loan and Principal Forgiveness: | \$ 22,200,000 |
| Loan Term: | 20 years | NIMS Categories | |
| Interest Rate: | 2.73% | Source: | \$ 3,101,168 |
| | | Transmission & Distribution: | \$ 19,098,832 |
| Equivalency Amount: | n/a | Estimated SRF Savings: | \$ 3,566,520 |
| This Project: Assists a compliant system to maintain compliance. | | | |
| <p>Project Description:</p> <p>The City of Columbus did not have sufficient well capacity to operate Water Treatment Plant (WTP) No. 2 at its full capacity. The Wellfield and WTP had components that were aging and deficient and the distribution system was experiencing low pressures.</p> <p>To correct these issues the Wellfield and System Improvements projects includes:</p> <ul style="list-style-type: none"> • Installation of four, groundwater wells, and associated raw water main; • Replacement of Deaver Road and Carr Hill Road Booster Stations with one booster station at the Deaver Road location, including emergency generator; • Installation of a new 2MG elevated storage tank and improvements to Tank No 5; • Installation of a 20-inch distribution water main along Deaver Road; • Installation of 12-inch water main along Inwood Drive, Barker Drive, and South International Drive; • Water main replacements within the existing distribution system, including associated hydrants, valves, and reconnection of existing service lines along 7th Street, Central Avenue, Flatrock Drive, Lafayette Avenue and Middle Road. These projects include the complete replacement of 54 galvanized service lines with lead goosenecks. <ul style="list-style-type: none"> ○ Water main relocations within the existing distribution system at 23rd and Cottage Streets, 17th and Central Streets, 15th and Franklin Streets, and 7th and Washington Streets. <p>The Wellfield and System Improvements projects will address existing aging and deficient infrastructure, and low pressures within the Columbus distribution system, and increase water supply, storage, and pressure to start moving towards meeting projected 20-year needs. The improvements also include the replacement of service lines in older areas of the distribution system, in an effort to reduce the risk of lead exposure and improve the operation of the system by reducing water loss. The project includes energy efficiency improvements such as eliminating a booster station, using more energy efficient components in the new booster station, and installing ductile iron water main. This financing is the first time the City of Columbus has borrowed from the DWSRF Loan Program.</p> | | | |

DWSRF Participant: Maysville Regional Water and Sewer District

| | | | |
|----------------------|--------------------|---------------------------------------|--------------|
| SRF Project #: | DW22050201 | DWSRF Loan Amount: | \$ 0 |
| DWSRF Loan Closed: | September 22, 2022 | Principal Forgiveness: | \$ 590,000 |
| Affected Population: | 1,634 | Total Loan and Principal Forgiveness: | \$ 590,000 |
| Loan Term: | 35 years | NIMS Categories | |
| Interest Rate: | 0.00% | Transmission & Distribution: | \$ 216,961 |
| | | Storage: | \$ 373,039 |
| Equivalency Amount: | n/a | Estimated SRF Savings: | \$ 3,691,989 |

This Project: Assists a compliant system to maintain compliance.

Project Description:

The Maysville RWSD system lacked sufficient storage and had areas of low pressure causing low water quality and potential risks to customers.

The Water Utility Improvements project includes:

- Construction of a 150,000-gallon elevated storage tank near the intersection of SR 37 and Cuba Road.
- Distribution system looping via the installation of approximately 5,400 linear feet of 10-inch water main along Cuba Road between SR 37 and Trammel Road.

The proposed project will ensure adequate system storage capacity and improve system pressure, water quality, and reliability. The District will continue to purchase water from the Town of Grabill to distribute to its customers.

This financing is the first time the Maysville RWSD has borrowed from the DWSRF Loan Program. The project area meets the definition of disadvantaged community due to high rates that exceed one percent of the project area's MHI. The project has also been financed through a state program.

| DWSRF Participant: Attica | | | |
|--|-------------------|---------------------------------------|--------------|
| SRF Project #: | DW22082301 | DWSRF Pooled Loan Amount: | \$ 4,833,000 |
| DWSRF Loan Closed: | November 18, 2022 | Principal Forgiveness: | \$ 0 |
| Affected Population: | 3,147 | Total Loan and Principal Forgiveness: | \$ 4,833,000 |
| Loan Term: | 30 years | NIMS Categories | |
| | | Treatment: | \$ 1,247,868 |
| | | Transmission & Distribution: | \$ 1,730,333 |
| Interest Rate: | 4.01% | Source: | \$ 1,264,098 |
| | | Storage: | \$ 590,700 |
| Equivalency (Base/GS): | \$ 4,833,000 | Estimated SRF Savings: | \$ 0 |
| This Project: Assists a compliant system to maintain compliance. | | | |
| <p>Project Description:</p> <p>The City of Attica operates a WTP and distribution system. Multiple structures and equipment in the system are beyond useful life, including well buildings, disinfection equipment and in-ground storage reservoir roof. The City’s distribution system includes two water mains that were at risk of failure and a booster station that was leaking. The distribution system had undersized main that lead to pressure issues.</p> <p>The Drinking Water System Improvements Project includes:</p> <ul style="list-style-type: none"> • Replacement of Well No. 1 building, and renovation of Well No. 2 building, and on-site emergency backup power at the well field; • Replacement of the existing disinfection equipment with new gas chlorine equipment • Replacement of the roof on the in-ground storage reservoir; • Installation of distribution system improvements including bypassing an abandoned booster station, relocating high risk water mains, replacing hydrants, replacing under-sized water mains, relocating meters on private property, and installing system-wide isolation valves. The work includes the relocations/replacement of approximately 2,000 lineal feet of 6-inch through 12-inch diameter water mains, replacement of 20 hydrants, relocation of approximately 40 meters and installing approximately 40 isolation valves. <p>The proposed project will replace infrastructure that is beyond its useful life, provide emergency power at the source of supply, and allow the city to continue to provide safe, reliable, and affordable drinking water. This financing is the first time the City of Attica has borrowed from the DWSRF Loan Program.</p> | | | |

| DWSRF Participant: Cambridge City | | | |
|---|-------------------|---------------------------------------|--------------|
| SRF Project #: | DW22168902 | DWSRF Traditional Loan: | \$ 3,035,000 |
| DWSRF Loan Closed: | December 15, 2022 | Principal Forgiveness: | \$ 2,300,000 |
| Affected Population: | 1,900 | Total Loan and Principal Forgiveness: | \$ 5,335,000 |
| Loan Term: | 20 years | NIMS Categories | |
| | | Treatment: | \$ 1,377,483 |
| | | Transmission & Distribution: | \$ 1,910,062 |
| Interest Rate: | 2.12% | Source: | \$ 1,395,399 |
| | | Storage: | \$ 652,056 |
| Equivalency (Base/GS): | \$ 5,335,000 | Estimated SRF Savings: | \$ 4,095,833 |
| This Project: Assists a compliant system to maintain compliance. | | | |
| <p>Project Description:</p> <p>Cambridge City owns and operates two separate water systems, the Town system and the Industrial Park system. The Town distribution system was established in 1895 and has undersized outdated mains, lack of redundancy and many manual-read service meters. The Town system also includes three groundwater wells that are all approximately 100 years old and had many aging and failing components. The treatment facility was installed in 1955 and failing components led to inefficiencies and safety issues. The Industrial Park system includes two wells that are not providing sufficient supply for the demand of the system, and a WTP with components past their useful life.</p> <p>To meet the needs of the Town, the project includes:</p> <ul style="list-style-type: none"> • the installation of distribution piping with associated hydrants, valves and connections. • Water main replacement along US 40, Westview Drive, Maple Street, Hill Drive, Shawnee Avenue, Green Street, Parkway Drive, Delaware Street at Vandalia Avenue, Front Street, Delaware Street at Lee Street, and Plum Street • Installation of automated meter reading (AMR) and advanced metering infrastructure (AMI) for the Industrial Park water system. • Improvements to three Town system wells, and two Industrial Park wells including clean, inspect, repair pumps and motors, electrical and SCADA improvements. • Installation of one new well in the Industrial Park system. • Improvements to two Industrial Park wells • WTP improvements, including new emergency shutoff system for chlorine gas; new flow meter; addressing inadequate and aging components; • Inspect and repair inoperable booster station • Industrial Park treatment plant improvements and expansion. <p>Water main replacement will address undersized piping, reduce water main breaks, extend life expectancy of the components, and reduce water loss. The AMR/AMI work will improve data from the customer meters and reduce water loss. Rehabilitation of wells and the installation of a new well will allow the system to supply sufficient water. The project area meets the definition of disadvantaged community due to a low MHI. The project includes energy efficiency improvements including VFDs.</p> | | | |

| DWSRF Participant: Madison | | | |
|---|-------------------|---------------------------------------|---------------|
| SRF Project #: | DW22093903 | DWSRF Pooled Loan Amount: | \$ 12,000,000 |
| DWSRF Loan Closed: | December 15, 2022 | Principal Forgiveness: | \$ 0 |
| Affected Population: | 11,967 | Total Loan and Principal Forgiveness: | \$ 12,000,000 |
| Loan Term: | 30 years | NIMS Categories | |
| | | Treatment: | \$ 1,408,018 |
| Interest Rate: | 4.01% | Transmission & Distribution: | \$ 751,2027 |
| | | Storage: | \$ 3,079,955 |
| Equivalency (Base/GS): | \$12,000,000 | Estimated SRF Savings: | \$ 0 |
| This Project: Assists a compliant system to maintain compliance. | | | |
| <p>Project Description:</p> <p>The Town of Madison’s distribution system was constructed in the 1950s and there are numerous areas where existing mains are undersized to accommodate customer and fire flow demands. The existing storage facilities were inspected in 2020 and determined to be in need of rehabilitation, and the system controls are in need of upgrade to allow utility staff greater reliability and operational flexibility. The City operates three wellfields and WTPs, many components at the plants were at the end of their useful life.</p> <p>Madison’s Water Utility Improvement Project includes:</p> <ul style="list-style-type: none"> • Rehabilitation of all six of the utility’s water storage facilities including control upgrades, • Rehabilitation of the existing JPG and West End Water Treatment Plants, including replacing the existing chlorine gas disinfection systems in-kind, improving process piping, providing heat trace and insulation for exposed process piping, and making building improvements, new integrated controls, and replacing flow meters • Installing VFDs on pumps at wells, and booster stations, • Installation of upsized water main and associated appurtenances in the areas of Franks Drive, Sunrise Drive, East Street, Hillcrest Drive, and Flint Road, • Purchase of approximately 3,000 customer water meters. <p>Improvements to the controls will allow for more flexibility in operations. Water main replacements will reduce main breaks in the system and improve flow and pressure in the system. New water meters will allow for replacement of all meters over the next few years and will reduce water loss in the distribution system.</p> | | | |

| DWSRF Participant: Rensselaer | | | |
|---|-------------------|---------------------------------------|---------------|
| SRF Project #: | DW22193702 | DWSRF Loan Amount: | \$ 5,844,000 |
| | | DWSRF LSLR Loan: | \$ 150,000 |
| DWSRF Loan Closed: | February 24, 2023 | Principal Forgiveness (LSLR): | \$ 2,000,000 |
| Affected Population: | 5,912 | Total Loan and Principal Forgiveness: | \$ 7,994,000 |
| Loan Term: | 20 years | NIMS Categories | |
| | | Transmission & Distribution: | \$ 553,346 |
| Interest Rate: | 0.00% | Source: | \$ 1,326,278 |
| | | Storage: | \$ 13,964,376 |
| Equivalency (Base/GS): | \$5,334,000 | | |
| Equivalency (LSLR): | \$2,150,000 | Estimated SRF Savings: | \$ 5,770,250 |
| This Project: Assists a compliant system to maintain compliance and comply with upcoming requirements. | | | |
| <p>Project Description:</p> <p>The City of Rensselaer lacked sufficient water storage to account for existing and future growth. Portions of the City’s distribution system date back to the early 1900s and is experiencing a high rate of water main breaks. This area of the distribution system is believed to include lead/ galvanized water service lines. Distribution lines from the WTP are aging and causing frequent breaks. The system is lacking backup power due to their secondary power source being decommissioned.</p> <p>The Water Utility Improvements project includes:</p> <ul style="list-style-type: none"> • Replacement of 8-inch water main along Van Rensselaer Street from Harrison Street to Grace Street, including associated hydrants, valves, and complete replacement of lead service lines; • Installation of emergency backup generators at the WTP, Well Nos. 6, 7, and 8, and Elevated Storage Tank Nos. 1 and 2, and relocation of the transformer at the WTP; • Installation of a new 400,000-gallon elevated storage tank with mixing system south of IN-114 approximately 0.35 mile east of I-65, including approximately 800 LF of 12-inch water main, an emergency backup generator, and site work; • Installation of mixing systems at Elevated Storage Tank Nos. 1 and 2; and • Complete lead service lines replacements at various locations throughout the system: <ul style="list-style-type: none"> ○ Front Street from College Avenue/Jackson Street to Grace Street. ○ Van Rensselaer Street from College Avenue/Clark Street to Washington Street (US-231). ○ Weston Street from Elm Street to Grace Street. <p>The Water Utility Improvements project will address existing aging and deficient infrastructure and increase water storage and pressure within the Rensselaer distribution system to meet projected 20-year needs. The project is expected to completely replace approximately 90 lead service lines. The project area meets the definition of disadvantaged community due to rates that would annually exceed one percent of the project area’s MHI.</p> | | | |

| DWSRF Participant: Logansport | | | |
|---|----------------|---------------------------------------|---------------|
| SRF Project #: | DW23150901 | DWSRF Loan Amount: | \$ 50,000 |
| | | DWSRF LSLR Loan: | \$ 1,250,000 |
| DWSRF Loan Closed: | March 15, 2023 | Principal Forgiveness (LSLR): | \$ 7,200,000 |
| Affected Population: | 18,369 | Total Loan and Principal Forgiveness: | \$ 8,500,000 |
| Loan Term: | 20 years | NIMS Categories | |
| Interest Rate: | 0.00% | Transmission & Distribution: | \$ 8,500,000 |
| Equivalency (LSLR): | \$ 8,450 000 | Estimated SRF Savings: | \$ 11,208,898 |
| This Project: Assists a compliant system to comply with upcoming requirements | | | |
| <p>Project Description:</p> <p>Logansport has completed a survey of their distribution system and identified lead service lines within the system. Approximately 4000 lead service lines are in need of replacement to protect human health.</p> <p>The lead service line replacement project in Logansport will replace approximately 4,000 lead and galvanized service lines from the water main to the premise plumbing throughout the City. Also included is the replacement of meter pits.</p> <p>The proposed project will eliminate identified lead service lines in the community. The improvements will reduce the risk of lead exposure and improve the operation of the system by reducing water loss.</p> <p>The project area meets the definition of disadvantaged community due to rates that would annually exceed one percent of the project area's MHI.</p> | | | |

| DWSRF Participant: Arcadia | | | |
|---|----------------|---------------------------------------|--------------|
| SRF Project #: | DW22292902 | DWSRF Loan Amount: | \$ 1,824,600 |
| | | DWSRF LSLR Loan: | \$ 140,400 |
| DWSRF Loan Closed: | March 16, 2023 | Principal Forgiveness: | \$ 2,000,000 |
| Affected Population: | 1,700 | Total Loan and Principal Forgiveness: | \$ 3,965,000 |
| Loan Term: | 20 years | NIMS Categories | |
| | | Treatment: | \$ 629,465 |
| | | Transmission & Distribution: | \$ 2,063,072 |
| Interest Rate: | 0.00% | Source: | \$ 204,577 |
| | | Storage: | \$ 1,067,886 |
| Equivalency (LSLR): | \$ 140,400 | Estimated SRF Savings: | \$ 6,813,303 |
| This Project: Assists a compliant system to maintain compliance and comply with upcoming requirements | | | |
| <p>Project Description:</p> <p>The Arcadia utility has two raw water production wells which were experience freezing due to dilapidated well houses and operational issues do to valve placement. The WTP experienced frequent issues with freezing due to exposed pipes on the aerator and settling tank, both high service pumps were operating below rated design conditions and valves needed to be replaced on the vertical pressure filters and the gas chlorine disinfection system needed to be replaced with a liquid chlorine system. The elevated storage tank was undersized and safety equipment was past its useful life. The distribution system included areas outdated pipe materials, and lead service lines.</p> <p>The project improvements include:</p> <ul style="list-style-type: none"> • Improvements at Well No. 1 and No. 2 including new well houses, valves, and raw water piping; addition of building drain piping, VFD, flow meter, and sampling point for each well; • Water treatment plant improvements, including aerator pipe heat tracing and blower replacement; addition of settling tank access stairs and platform; high service pump VFDs; vertical pressure filter influent valve replacement; backwash valve, pressure gauge, and meter; chlorine room ventilation, gas scrubber and chlorine analyzer; effluent flow meter and piping; site fencing and lighting; upgraded indoor lighting and electrical systems; and new SCADA system; • Construction of a 200,000-gallon elevated storage tank; new altitude valve and valve vault at the existing tank site; • Water main replacement along Alley North of Main Street; along SR 19 from the High School to the Middle School, and along Olive Street to South West Street; • Hydrogeologic study; to determine additional groundwater well locations; and • Distribution system mapping to identify assets which will increase staff efficiency, be used in hydraulic modeling efforts, and provide a foundation for the asset management plan. <p>The Water Utility Improvements Project will bring the wells to reliable operating condition, address inadequate and aging components at the WTP, address the projected storage needs, and reduce bottlenecks, dead ends and water main breaks in the system. The project area meets the definition of disadvantaged community due to rates that would annually exceed one percent of the project area's MHI.</p> | | | |

| DWSRF Participant: Poseyville | | | |
|---|----------------|---------------------------------------|--------------|
| SRF Project #: | DW23056501 | DWSRF Loan Amount: | \$ 1,950,000 |
| DWSRF Loan Closed: | March 22, 2023 | Principal Forgiveness: | \$ 1,000,000 |
| Affected Population: | 966 | Total Loan and Principal Forgiveness: | \$ 2,950,000 |
| Loan Term: | 20 years | NIMS Categories | |
| Interest Rate: | 0.00% | Treatment: | \$ 2,343,740 |
| | | Storage: | \$ 606,260 |
| Equivalency Amount: | n/a | Estimated SRF Savings: | \$ 2,391,323 |
| This Project: Assists a noncompliant system to achieve compliance. | | | |
| <p>Project Description:</p> <p>The Town of Poseyville has increased levels of nitrate in their source water and the existing treatment plant was not able to remove a sufficient amount of nitrate. As a result, the Town of Poseyville Water Treatment Plant was continuously exceeding the Nitrate Maximum Contaminate Levels (MCL) set by EPA and was in violation of the federal SDWA and Indiana drinking water regulations.</p> <p>The Poseyville Water Treatment Plant Improvements Project includes the construction of new ion exchange treatment equipment to be located in a new building immediately adjacent to the existing water treatment plant. The equipment will include the ion exchange system and other necessary components, including pumps, controls, and a waste tank. The improvements would incorporate treatment equipment regeneration equipment, pumps, controls, and waste systems. The project will also include a new drive at the treatment plant and the rehabilitation of an existing elevated water tank.</p> <p>The proposed project will address the problems associated with high nitrates in the water supply and bring the Town into compliance with the EPA standard for nitrate levels. This should eliminate the health and safety concerns of the water supply. The Town intends to work with Indiana Department of Environmental Management for an on-site pilot study. The project includes a recycled water system making the WTP more water efficient.</p> <p>This financing is the first time the Town of Poseyville has borrowed from the DWSRF Loan Program. The project is also funded by a WIIN grant through the EPA. The project area meets the definition of disadvantaged community due to rates that would annually exceed one percent of the project area's MHI.</p> | | | |

| DWSRF Participant: BBP Water Corp. | | | |
|---|----------------|---------------------------------------|--------------|
| SRF Project #: | DW23216002 | DWSRF Loan Amount: | \$ 4,639,000 |
| DWSRF Loan Closed: | March 23, 2023 | Principal Forgiveness: | \$ 726,600 |
| Affected Population: | 9,650 | Total Loan and Principal Forgiveness: | \$ 5,365,600 |
| Loan Term: | 35 years | NIMS Categories | |
| Interest Rate: | 2.49% | Transmission & Distribution: | \$ 5,365,600 |
| Equivalency Amount: | n/a | Estimated SRF Savings: | \$ 3,057,145 |
| This Project: Assists a compliant system to maintain compliance. | | | |
| <p>Project Description:</p> <p>Water Main extensions were necessary to alleviate water quality supply and quality issues of homeowners , including failing and contaminated water wells near the Lanes Addition system supply and looping along SR 246 and Dubois Road to the Hurricane Hill Tank, and County Line Road south of State Road 46 to Hardscrabble Road.</p> <p>The Distribution System Improvements Project includes:</p> <ul style="list-style-type: none"> • State Road 67 and Lanes Addition: Approximately 6,000 LF of 8-inch diameter water main extension, and approximately 3,800 LF of 4-inch water distribution main, including associated connections, valves and hydrants within the right-of-way; providing water to a currently unserved area with failing private wells; • Dubois Road: Approximately 23,300 LF of 8-inch diameter water main extension, including associated connections, valves and hydrants within the right-of-way; addressing a dead end and improving capacity to fill the Hurricane Hill storage tank; • County Line Road: Approximately 14,500 LF of 8-inch diameter water main extension, including associated connections, valves and hydrants within the right-of-way; providing redundancy in the heavily used eastern distribution system; • West Street: Approximately 1,800 LF of 12-inch diameter water transmission main, including associated connections, valves and hydrants within the right-of-way; improving transmission from the water plant to the Town of Spencer; and • State Road 67 to State Road 46 Connection: Approximately 700 LF of 8-inch diameter water main loop, including associated connections, valves and hydrants within the right-of-way; addressing a dead-end to improve flow to the west system and capacity to fill the School storage tank. <p>The project will allow the system to provide drinking water in adequate quality and quantity to serve customer. The project area meets the definition of disadvantaged community due to rates that would annually exceed one percent of the project area’s MHI.</p> | | | |

| DWSRF Participant: Monticello | | | |
|---|----------------|---------------------------------------|--------------|
| SRF Project #: | DW22079102 | DWSRF Loan Amount: | \$ 3,805,000 |
| | | DWSRF LSLR Loan: | \$ 1,055,000 |
| DWSRF Loan Closed: | March 30, 2023 | Principal Forgiveness: | \$ 2,050,000 |
| Affected Population: | 5,300 | Total Loan and Principal Forgiveness: | \$ 6,910,000 |
| Loan Term: | 35 years | NIMS Categories | |
| Interest Rate: | 1.32% | Transmission & Distribution: | \$ 6,910,000 |
| Equivalency (LSLR): | \$1,055,000 | Estimated SRF Savings: | \$ 6,857,430 |
| This Project: Assists a compliant system to maintain compliance and to comply with upcoming requirements. | | | |
| <p>Project Description:</p> <p>The city identified a need to replace undersized, aging water mains and associated water services within the RCA neighborhood. The water mains were frequently experiencing water main breaks due to age and the area was suspected to include lead and galvanized service lines.</p> <p>RCA Neighborhood Drinking Water Improvements Project includes:</p> <ul style="list-style-type: none"> • Installation of 6-inch diameter water distribution main, including associated connections, valves and hydrants within the right-of-way; addressing water loss, undersized and aging piping; • Abandon 4-inch diameter water main along Ireland Street and transfer services to existing 12-inch diameter main, addressing undersized and aging piping; and • Lead service line replacements throughout the service area; addressing water loss and reducing potential of lead exposure. <p>The project will improve the reliability of the distribution system in the RCA neighborhood and remove approximately 83 lead service lines from the system. The project area meets the definition of disadvantaged community due to a low MHI in the project area.</p> | | | |

| DWSRF Participant: Butler | | | |
|--|----------------|---------------------------------------|--------------|
| SRF Project #: | DW23161701 | DWSRF Traditional Loan: | \$ 2,663,748 |
| | | DWSRF LSLR Loan: | \$ 904,252 |
| DWSRF Loan Closed: | April 19, 2023 | Principal Forgiveness: | \$ 0 |
| Affected Population: | 2,700 | Total Loan and Principal Forgiveness: | \$ 3,568,000 |
| Loan Term: | 35 years | NIMS Categories | |
| Interest Rate: | 0.99% | Transmission & Distribution: | \$ 3,568,000 |
| Equivalency (LSLR): | \$904,252 | Estimated SRF Savings: | \$ 2,451,494 |
| This Project: Assists a compliant system to maintain compliance and comply with upcoming requirements | | | |
| <p>Project Description:</p> <p>The Town of Butler’s distribution system in the project area was primarily built in the 1950s. The cast iron main was at the end of its useful life and experiencing many breaks, causing interruptions in services and emergency projects for the City. In addition, the water service lines were lead and posed a health risk.</p> <p>The North Broadway Street Drinking Water Improvements project includes:</p> <ul style="list-style-type: none"> • Installation of 10-inch water main along N Broadway Street between Main Street and Monroe Street, including associated hydrants, valves, and appurtenances; • Complete replacement of 40 lead service lines along N Broadway Street between Main Street and Monroe Street; and • Complete replacement of existing sidewalks within the project limits as a result of significant disturbance associated with installation of the drinking water infrastructure. <p>The N Broadway Street Drinking Water Improvements project replaces existing aging infrastructure, reducing water loss and the potential for contamination associated with water main breaks. The improvements also include the replacement of lead service lines, and improve the operation of the system by reducing water loss. This financing is the first time the Town of Butler has borrowed from the DWSRF Loan Program.</p> | | | |

DWSRF Participant: Chandler

| | | | |
|------------------------|----------------|---------------------------------------|---------------|
| SRF Project #: | DW23228703 | DWSRF Traditional Loan: | \$ 7,621,000 |
| | | DWSRF Pooled Loan Amount: | \$ 10,000,000 |
| DWSRF Loan Closed: | April 21, 2023 | Principal Forgiveness: | \$ 0 |
| Affected Population: | 20,120 | Total Loan and Principal Forgiveness: | \$ 17,621,000 |
| Loan Term: | 30 years | NIMS Categories | |
| Interest Rate: | 2.74% | Transmission & Distribution: | \$ 17,621,000 |
| Equivalency (Base/GS): | \$ 17,621,000 | Estimated SRF Savings: | \$ 8,316,316 |

This Project: Assists a compliant system to maintain compliance.

Project Description:

Currently there are customers within the existing Chandler drinking water distribution system that experience supply issues during high usage periods due to issues with the transmission capacity of the distribution system. Further, critical areas of the community lack redundancy.

The Transmission Main Project includes:

- Installation of approximately 8.9 miles of 8-, 12-, 14-, and 24-inch water transmission main from the Chandler Water Treatment Plant to the intersection of CR 150 S and CR 725 W (Jenner Road and Fuquay Road), including isolation, pressure reducing, and air release valves, and hydrants. Six interconnections between the new transmission main and the existing distribution system will be installed at key locations.

The Phase 3 project will provide additional transmission capacity throughout the distribution system and redundancy to several critical medical facilities. The project proposes the use of ductile iron pipe, which is a sustainable design component. The project area meets the definition of disadvantaged community due to rates that would annually exceed one percent of the project area's MHI.

| DWSRF Participant: Bourbon | | | |
|---|----------------|---------------------------------------|--------------|
| SRF Project #: | DW22135001 | DWSRF Pooled Loan Amount: | \$ 5,001,000 |
| DWSRF Loan Closed: | April 25, 2023 | Principal Forgiveness: | \$ 0 |
| Affected Population: | 1,767 | Total Loan and Principal Forgiveness: | \$ 5,001,000 |
| Loan Term: | 35 years | NIMS Categories | |
| Interest Rate: | 3.59% | Treatment: | \$ 3,906,509 |
| Equivalency Amount: | n/a | Source: | \$ 1,094,491 |
| | | Estimated SRF Savings: | \$ 1,826,986 |
| This Project: Assists a compliant system to maintain compliance. | | | |
| <p>Project Description:</p> <p>The Town of Bourbon operates two wells which were deteriorated required improvements. Well 1 was inoperable and Well 2 was not operating efficiently. Additionally, both well houses lacked proper temperature control, and the pipe coatings were deteriorated. The existing WTP, including the Aeralater, were constructed in 1965. The Aeralater was corroded and leaking, and the electrical and controls equipment were outdated, the high service pumps were at the end of useful life and excessively noisy, making operations difficult. The WTP building was also small, causing cramped conditions around equipment, making maintenance difficult.</p> <p>The selected project plan includes improvements to the water supply and the WTP, which are described as follows:</p> <ul style="list-style-type: none"> • At the existing wells, the project will rehabilitate both wells and rebuild pumps and motors, line the casing at Well 1, install two mini split HVAC units, improve coatings of piping and valves, replace two doors and replace all electrical, lighting, controls and instrumentation units. • Construction of a new production well; • Construction of a new WTP, including a new building, a package treatment unit, two 300 gpm high service pumps/motors, chlorine room with equipment and feed, chlorine gas scrubber, phosphate equipment and feed, laboratory facility, piping, valves, meter/vault, installation of backwash sanitary piping, site fencing, manholes, instrumentation, electrical work, HVAC and SCADA systems; and • Installation of a generator and automatic transfer switch. <p>After the construction of Well 3 the Town will have the necessary capacity to allow for the eventual failure of Well 1. The new WTP will eliminate the cramped conditions and working conditions at the existing WTP and allow the system to be more efficient and allow the Town to meet the future needs of customers. The project includes energy efficiency improvements including more efficient components, and the use of recycled materials. The project area meets the definition of disadvantaged community due to rates that would annually exceed one percent of the project area's MHI. This financing is the first time the Town of Bourbon has borrowed from the DWSRF Loan Program.</p> | | | |

| DWSRF Participant: Brown County Water Utility | | | | |
|--|----------------|---------------------------------------|--------------|--------------|
| SRF Project #: | DW20140703 | DWSRF Pool Loan A: | \$ 2,400,000 | |
| | | DWSRF Pool Loan B: | \$ 3,600,000 | |
| DWSRF Loan Closed: | April 26, 2023 | Principal Forgiveness: | \$ 0 | |
| Affected Population: | 11,300 | Total Loan and Principal Forgiveness: | \$ 6,000,000 | |
| Loan Term A: | 20 years | NIMS Categories | | |
| Loan Term B: | 35 years | | | |
| Interest Rate A: | 3.51% | | Treatment: | \$ 1,425,873 |
| Interest Rate B: | 3.51% | | Source: | \$ 974,127 |
| Equivalency Amount: | n/a | Estimated SRF Savings: | \$ 1,857,626 | |
| This Project: Assists a compliant system to maintain compliance. | | | | |
| <p>Project Description:</p> <p>The Brown County distribution system has many critical transmission mains that have failed, taken out of service due to washouts, or are reaching the end of their useful life and service line leaks are causing water loss in the system. The Spurgeon’s Booster Station is aging and in need of rehabilitation. A well in the system is over 40 years old and no longer operable. The Water Utility needs a maintenance facility for storage of critical equipment and the SCADA system has become obsolete.</p> <p>The project includes:</p> <ul style="list-style-type: none"> • Construction of a new well to replace the existing Well #2; • Replacement of the Carmel System transmission main, and related appurtenances; • Replacement of the Wild Cherry Lane water main and related appurtenances; • Replacement of the Indian Creek water main, including stream crossing, and related appurtenances; • Replacement of the SR 135 water main, and related appurtenances; • Replacement of the Grandview Road water main, and related appurtenances; • Replacement of the E. Christianburg Road water main, and related appurtenances; • Rehabilitation of the Spurgeons Booster Station, includes pumps/VFDs, valves/piping, coating, electrical work, updates to SCADA control, and appurtenances; • Upgrades to the SCADA System • Construction of a new maintenance building, including construction of water fill station, • Rehabilitation to the existing utility office building,; and • The purchase of new meter reading equipment with AMR data collectors, to replace the existing outdated meter reading equipment. <p>The project will solve capacity issues, allow the distribution system to meet the needs of all customers in the service area, reduce water loss and reduce maintenance issues. The project area meets the definition of disadvantaged community due to rates that would annually exceed one percent of the project area’s MHI.</p> | | | | |

| DWSRF Participant: Elkhart | | | |
|--|-------------|---------------------------------------|--------------|
| SRF Project #: | DW22232001 | DWSRF Traditional Loan: | \$ 0 |
| DWSRF Loan Closed: | May 3, 2023 | Principal Forgiveness (LSLR): | \$ 818,195 |
| Affected Population: | 45,698 | Total Loan and Principal Forgiveness: | \$ 818,195 |
| Loan Term: | 20 years | NIMS Categories | |
| Interest Rate: | 0.00% | Transmission & Distribution: | \$ 818,195 |
| Equivalency (LSLR): | \$ 818,195 | Estimated SRF Savings: | \$ 1,313,082 |
| This Project: Assists a compliant system to comply with upcoming requirements | | | |
| <p>Project Description:</p> <p>The city of Elkhart distribution system included an 8-inch water main along Indiana Avenue in the City that was constructed prior to 1970 and had reached the end of its useful life. There were approximately 80 water service lines connecting to the main, most of which were assumed to include lead. A sewer separation project and new force main project was being constructed along Indian Ave and it would interfere with the current service line locations.</p> <p>The Project consists of the full replacement of lead service lines connected to the water main being replaced in association with the City's sewage works utility project.</p> <p>The proposed project will eliminate approximately 60 lead service lines in the community. The improvements will reduce the risk of lead exposure. This financing is the first time the City of Elkhart has borrowed from the DWSRF Loan Program.</p> | | | |

| DWSRF Participant: La Crosse | | | |
|---|--------------|---------------------------------------|--------------|
| SRF Project #: | DW22444602 | DWSRF Traditional Loan: | \$ 0 |
| DWSRF Loan Closed: | May 15, 2023 | Principal Forgiveness: | \$ 3,279,900 |
| Affected Population: | 540 | Total Loan and Principal Forgiveness: | \$ 3,279,900 |
| Loan Term: | 20 years | NIMS Categories | |
| Interest Rate: | 0.00% | Transmission & Distribution: | \$ 3,279,900 |
| Equivalency Amount: | n/a | Estimated SRF Savings: | \$ 5,263,753 |
| This Project: Assists a compliant system to maintain compliance. | | | |
| <p>Project Description:</p> <p>Pipe materials include cast iron, PVC and ductile iron pipe. The Town commonly experiences water main breaks and has documented ten repairs in the last two year. The Town has also noted that most of their hydrants are in poor condition, do not have isolation valves and create low pressure problems in the system. Many isolation valves are inoperable in the distribution system.</p> <p>The selected projects include improvements to the distribution system, described as follows:</p> <p><u>Phase 2 Water Main Utility Improvement Projects</u></p> <ul style="list-style-type: none"> • Secondary Transmission Main Improvements: Removal of approximately ten existing hydrants; Replacement of approximately 7,200 linear feet of water main and approximately twenty hydrants/valves; Installation of approximately ten new hydrants/valves; Reconnection of approximately 150 service taps, approximately fifteen wet connections, and miscellaneous project related appurtenances. • Tertiary Transmission Main Improvements: Removal of approximately eleven existing hydrants; Replacement of approximately 6,500 linear feet of water main and approximately nine hydrants/valves; Reconnection of approximately 100 service taps, approximately fifteen wet connections, and miscellaneous project related appurtenances. <p>These projects are needed to replace aging water system components, to provide safe and reliable water to the water customers. The project area meets the definition of disadvantaged community due to rates that would annually exceed one percent of the project area's MHI. This financing is the first time the Town of La Crosse has borrowed from the DWSRF Loan Program.</p> | | | |

| DWSRF Participant: Reelsville Water Authority | | | |
|---|--------------|---------------------------------------|--------------|
| SRF Project #: | DW22116703 | DWSRF Traditional Loan: | \$ 1,143,000 |
| DWSRF Loan Closed: | May 19, 2023 | Principal Forgiveness: | \$ 0 |
| Affected Population: | 2,800 | Total Loan and Principal Forgiveness: | \$ 1,143,000 |
| Loan Term: | 20 years | NIMS Categories | |
| Interest Rate: | 2.00% | Treatment: | \$ 369,028 |
| | | Transmission & Distribution: | \$ 773,971 |
| Equivalency Amount: | n/a | Estimated SRF Savings: | \$ 436,303 |
| This Project: Assists a compliant system to maintain compliance. | | | |
| <p>Project Description:</p> <p>The Town of Reelsville operates a drinking water system that has many components reaching the end of their useful life. The existing system experiences low chlorine residuals and stagnant water because of dead-end water mains. The Dogwood Springs water main experiences frequent breaks, which are difficult to identify and access due to the existing off-road alignment in a heavily wooded area. RWA currently has no building for administrative and storage purposes.</p> <p>The Water Utility System Improvements include:</p> <ul style="list-style-type: none"> • Installation of approximately 7,700 LF of directionally drilled 4-inch diameter water main to loop the system at W CR 1000 S, S CR 700 W, and W CR 1025, and associated appurtenances; • Installation of approximately 2,700 LF of directionally drilled 6-inch diameter water main along SR 243 at the Dogwood Springs Campground, reconnection of existing service lines, and associated appurtenances; • Installation of a PRV bypass assembly, including backflow preventer, valves, flow meter, and PRV, located in a new structure adjacent to the existing elevated storage tank, and associated civil site work; and • Construction of Administrative Office and Storage buildings at the WTP and associated civil site work. <p>The proposed project includes looping in the southwest corner of the distribution system to improve the mixing conditions within the pipe. Looping also improves system reliability by providing a redundant flow path in the event of a water main break. Replacing the water main along road right-of-way will improve the operation of the system by reducing water loss. A pressure reducing valve (PRV) bypass at the water tower will be installed, allowing for redundancy and maintenance activities to occur without taking the tower out of service. This will increase the reliability of the system and supply to the users. The proposed project includes new administration and equipment storage buildings at the Water Treatment Plant site. This will streamline operations and improve customer service.</p> <p>The project area meets the definition of disadvantaged community due to rates that would annually exceed one percent of the project area's MHI.</p> | | | |

| DWSRF Participant: Fort Wayne | | | |
|--|---------------|---------------------------------------|---------------|
| SRF Project #: | DW22180206 | DWSRF LSLR Loan: | \$ 1,999,000 |
| DWSRF Loan Closed: | June 21, 2023 | Principal Forgiveness (LSLR): | \$ 11,000,000 |
| Affected Population: | 270,402 | Total Loan and Principal Forgiveness: | \$ 12,999,000 |
| Loan Term: | 35 years | NIMS Categories | |
| Interest Rate: | 0.00% | Transmission & Distribution: | \$ 12,999,000 |
| Equivalency (LSLR): | \$ 12,999,000 | Estimated SRF Savings: | \$ 25,786,489 |
| This Project: Assists a compliant system to comply with upcoming requirements | | | |
| <p>Project Description:</p> <p>The City of Fort Wayne provides potable water to over 250,000 people in the service area. The City of Fort Wayne’s treatment plant and early components of the distribution system were installed in the 1930s, and many service lines in the City are lead. Fort Wayne has a goal to replace all the lead service lines in the utility over the next 20 years. In order to accomplish this, approximately 700 lead service lines per year will need to be replaced.</p> <p>The Project consists of the replacement of lead service lines (from the main to the premise plumbing) in multiple neighborhoods and underserved areas of the City.</p> <p>he proposed project will eliminate approximately 2087lead service lines in disadvantaged neighborhoods in Fort Wayne. The improvements will reduce the risk of lead exposure and protect human health. The project areas meet the definition of disadvantaged community due to rates that would annually exceed one percent of the project area’s MHI.</p> | | | |

| DWSRF Participant: Chalmers | | | |
|--|---------------|---------------------------------------|--------------|
| SRF Project #: | DW23089101 | DWSRF Traditional Loan: | \$ 2,174,000 |
| | | DWSRF LSLR: | \$ 105,000 |
| DWSRF Loan Closed: | June 26, 2023 | Principal Forgiveness: | \$ 0 |
| Affected Population: | 550 | Total Loan and Principal Forgiveness: | \$ 2,279,000 |
| Loan Term: | 35 years | NIMS Categories | |
| | | Treatment: | \$ 382,588 |
| Interest Rate: | 0.67% | Transmission & Distribution | \$ 1,570,685 |
| | | Source: | \$ 325,727 |
| Equivalency (Base/GS): | \$ 2,174,000 | | |
| Equivalency (LSLR): | \$ 105,000 | Estimated SRF Savings: | \$ 2,307,147 |
| This Project: Assists a compliant system to maintain compliance and comply with upcoming requirements | | | |
| <p>Project Description:</p> <p>The Town of Chalmers experienced many water main breaks due to old cast iron water mains installed in the 1940s. The distribution system also included a number of service lines with lead goosenecks, and inoperable isolation valves. The system lacked sufficient raw water capacity to meet the future needs of the community. The WTP had many components past their useful life that were past useful life or inoperable including the chlorine disinfection system, aerator, detention tank, filters, valves, vents, and piping. The existing water storage tank was in need of rehabilitation.</p> <p>The Water Utility Improvements Project includes:</p> <ul style="list-style-type: none"> • Major rehabilitation of the existing water treatment plant, including aerator and filter improvements, detention tank structural improvements, and chemical feed system improvements; • Minor rehabilitation of the existing elevated water storage tank, • Installation of water valves at various locations throughout the existing distribution system; • Replacement of approximately 240 customer meters with radio read meters; • Replacement of water main along East Walnut Street and Prairie Street/IN-43, including complete replacement of approximately 24 galvanized service lines with lead goosenecks; • Complete replacement of approximately 70 galvanized service lines with lead goosenecks primarily on Second Street, Third Street and East Main Street. • Installation of one, ground water well, including well house and emergency backup generator, near the Chalmers Community Park; and • Installation of approximately 800 LF of raw water main to connect the new well to the existing water system. <p>The Chalmers Water Utility Improvements Project will address existing aging and deficient infrastructure within the source, treatment, and distribution system, allowing the utility to meet 20-year drinking water production needs. The project will also increase system reliability and efficiency, ensuring a continued supply of sufficient and safe drinking water. The project includes the installation of an AMR system, which will be make the system more water efficient. The project area meets the definition of disadvantaged community due to rates that would annually exceed one percent of the project area's MHI.</p> | | | |

Exhibit F
Cumulative History of Federal DWSRF Capitalization Grants

| | |
|---|-----------------------|
| FFY 1997 Federal Capitalization Grant | \$ 25,371,806 |
| FFY 1998 Federal Capitalization Grant | \$ 8,687,500 |
| FFY 1999 Federal Capitalization Grant | \$ 9,105,300 |
| FFY 2000 Federal Capitalization Grant | \$ 8,989,850 |
| FFY 2001 Federal Capitalization Grant | \$ 9,159,460 |
| FFY 2002 Federal Capitalization Grant | \$ 8,955,100 |
| FFY 2003 Federal Capitalization Grant | \$ 9,398,200 |
| FFY 2004 Federal Capitalization Grant | \$ 9,749,300 |
| FFY 2005 Federal Capitalization Grant | \$ 11,201,850 |
| FFY 2006 Federal Capitalization Grant | \$ 12,166,734 |
| FFY 2007 Federal Capitalization Grant | \$ 11,484,000 |
| FFY 2008 Federal Capitalization Grant | \$ 11,367,000 |
| FFY 2009 Federal Capitalization Grant | \$ 11,367,000 |
| American Recovery and Reinvestment Act of 2009 Grant | \$ 27,212,000 |
| FFY 2010 Federal Capitalization Grant | \$ 22,638,000 |
| FFY 2011 Federal Capitalization Grant | \$ 15,709,000 |
| FFY 2012 Federal Capitalization Grant | \$ 14,970,000 |
| FFY 2013 Federal Capitalization Grant | \$ 14,046,000 |
| FFY 2014 Federal Capitalization Grant | \$ 14,348,000 |
| FFY 2015 Federal Capitalization Grant | \$ 14,253,000 |
| FFY 2016 Federal Capitalization Grant | \$ 13,484,000 |
| FFY 2017 Federal Capitalization Grant | \$ 13,368,000 |
| FFY 2018 Federal Capitalization Grant | \$ 16,978,000 |
| FFY 2019 Federal Capitalization Grant | \$ 16,819,000 |
| FFY 2019 Federal Capitalization Grant reallocation | \$ 154,000 |
| FFY 2020 Federal Capitalization Grant | \$ 16,830,000 |
| FFY 2021 Federal Capitalization Grant | \$ 16,815,000 |
| FFY 2021 Federal Capitalization Grant reallocation | \$ 154,000 |
| FFY 2022 Federal Capitalization Grant | \$ 10,711,000 |
| FFY 2022 General Supplemental Capitalization Grant | \$ 27,502,000 |
| FFY 2022 Lead Service Line Replacement Capitalization Grant | \$ 43,334,000 |
| FFY 2022 Emerging Contaminant Capitalization Grant (includes CWSRF Transfer) | \$ 13,801,000 |
| FFY 2023 Federal Capitalization Grant | \$ 8,473,000 |
| FFY 2023 General Supplemental Capitalization Grant | \$ 36,128,000 |
| TOTAL GRANTS | \$ 504,730,100 |
| TOTAL GRANTS REQUIRED TO MATCH | \$ 420,383,100 |

Exhibit G
Cumulative History of the State Match

The State deposited \$14,000,000 of additional State Match in the DWSRF Loan Program during SFY 2023. To date, the DWSRF State Match has aggregated more than the \$77,713,620, (including the yet-to-be awarded FY 2023 and FY 2023 General Supplemental capitalization grants) the State was required to match through June 30, 2023, which results from the following cumulative history of State matches to the DWSRF Program:

| | |
|---------------------|---|
| \$6,860,000 | State Revolving Fund Program Bond, Subordinate Series 1, net proceeds representing a State Match (September 1999)* |
| 5,640,000 | State Revolving Fund Program Bond, Subordinate Series 2, net proceeds representing a State Match (December 2001)* |
| 3,823,000 | Series 2001A State Revolving Fund Program Bond net proceeds representing a State Match allocation (November 2001 & July 2002) |
| 1,949,860 | Series 2004B State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2004) |
| 2,000,000 | Series 2004B State Revolving Fund Program Bond net proceeds representing a State Match allocation (February 2005) |
| 2,100,000 | Series 2006A State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2006) |
| 2,493,109 | Series 2006B State Revolving Fund Program Bond net proceeds representing a State Match allocation (December 2006) |
| 2,400,000 | Series 2007B State Revolving Fund Program Bond net proceeds representing a State Match allocation (December 2007) |
| 7,000,000 | Series 2009A State Revolving Fund Program Bond net proceeds representing a State Match allocation (November 2009) |
| 4,437,000 | Series 2010B State Revolving Fund Program Bond net proceeds representing a State Match allocation (October 2010) |
| 1,567,051 | Series 2011A State Revolving Fund Program Bond net proceeds representing a State Match allocation (October 2011) |
| 2,788,000 | Series 2012B State Revolving Fund Program Bond net proceeds representing a State Match allocation (August 2012) |
| 5,554,400 | Series 2014A State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2014) |
| 7,000,000 | Series 2016A State Revolving Fund Program Bond net proceeds representing a State Match allocation (April 2016) |
| 5,000,000 | Series 2017B State Revolving Fund Program Bond net proceeds representing a State Match allocation (November 2017) |
| 7,001,090 | Series 2019E State Revolving Fund Program Bond net proceeds representing a State Match allocation (October 2019) |
| 7,000,000 | Series 2021B State Revolving Fund Program Bond net proceeds representing a State Match allocation (November 2021) |
| 14,000,000 | Series 2022B State Revolving Fund Program Bond net proceeds representing a State Match allocation (September 2022) |
| \$88,613,510 | TOTAL |

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

As a result of the foregoing, the State has deposited State Match in excess of that required based on grants awarded as of the end of SFY 2023 (including the yet-to-be awarded FFY 2023 and FFY 2023 General Supplemental capitalization grants) by \$10,899,890 (also known as over-match), which is banked toward future capitalization grants that are expected to be awarded in SFY 2024. This over-match is intended to permit and will allow the State to immediately begin to convert its next capitalization grant (upon award expected in SFY 2024) to cash (and deposit it in the DWSRF) based upon incurred costs paid by Program Participants.

State Match has been provided from State Revolving Fund Program Bonds, the net proceeds of which are allocated between 4 distinct purposes – (1) DWSRF’s State Match; (2) DWSRF’s leveraged loans; (3) Clean Water (CW) SRF’s State Match; and (4) CWSRF’s leveraged loans. These bonds are repaid semi-annually and at the time of each payment the State tracks, allocates, and records their payment *first* between CWSRF and DWSRF purposes (with the percentage paid from DWSRF being equal to the proportion of the net bond proceeds originally deposited in DWSRF from those bonds as compared to their total net bond proceeds) and *second* between State Match and leveraged loans purposes (with the payment allocated as a State Match repayment computed and tracked to be no more than the amount of the total DWSRF earnings applied on each payment date toward that bond payment). Set forth in the attached Exhibit G-1 is the principal amount of the State Revolving Fund Program Bonds allocated to State Match purposes for the DWSRF and the principal amount repaid as of the end SFY 2023.

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

Exhibit G - Schedule-1

| DRINKING WATER | | | | | | | | | |
|-----------------------|--|--|---------------------|---------------------|---------------------|---------------------|----------------------|---|--|
| Revenue Bonds | Original Par Amount of Bonds Designated as State Match | Par Amount retired during SFY Ending June 30 | | | | | | Remaining Par Amount of Bonds Designated as State Match | |
| | | 2023 | 2022 | 2021 | 2020 | 2019 | All Prior SFYs | | |
| 2001A | \$ 15,680,000 | | | | | | 15,680,000 | \$ - | |
| 2004B | 3,625,835 | | | | | | 3,625,835 | - | |
| 2006A | 1,988,671 | | | | | | 1,988,671 | - | |
| 2006B | 2,359,076 | | | | | | 2,359,076 | - | |
| 2007B | 2,087,648 | | | | | | 2,087,648 | - | |
| 2009A | 6,610,905 | | | | | 900,000 | 5,710,905 | - | |
| 2010B | 4,083,672 | | | | | | 4,083,672 | - | |
| 2011A | 1,413,300 | | | | | | 1,413,300 | - | |
| 2012B | 2,390,013 | | | | | 1,620,013 | 770,000 | - | |
| 2014A | 5,520,000 | | | | | | 5,520,000 | - | |
| 2015B Δ | 785,000 | | | - | 785,000 | - | - | - | |
| 2016A | 5,960,000 | 775,000 | 735,000 | 700,000 | 670,000 | 455,000 | 775,000 | 1,850,000 | |
| 2017B | 4,210,000 | 440,000 | 420,000 | 400,000 | 380,000 | - | - | 2,570,000 | |
| 2019E | 5,810,000 | 515,000 | 495,000 | 365,000 | - | - | - | 4,435,000 | |
| 2021B | 5,800,000 | 530,000 | - | - | - | - | - | 5,270,000 | |
| 2022B | 12,045,000 | - | - | - | - | - | - | 12,045,000 | |
| Total | \$ 80,369,120 | \$ 2,260,000 | \$ 1,650,000 | \$ 1,465,000 | \$ 1,835,000 | \$ 2,975,013 | \$ 44,014,107 | \$ 26,170,000 | |

Notes:

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

Indiana DWSRF Loan Program
Exhibit H - Summary of DWSRF Loan Program Loans Closed in SFY 2023

| Participant Name | Closing Date | Term | Interest Rate | SRF Loan Amount | Pooled Loan Amount | SRF Principal Forgiveness Amount Base and GS | SRF Loan Amount LSLR | SRF Principal Forgiveness Amount LSLR | State Loan Amount | State Principal Forgiveness Amount | Total Loan & Principal Forgiveness |
|---|--------------|------|---------------|-----------------|--------------------|--|----------------------|---------------------------------------|-------------------|------------------------------------|------------------------------------|
| Columbus | 08/26/2022 | 20 | 2.73% | 12,200,000 | 10,000,000 | - | - | - | - | - | 22,200,000 |
| Maysville RWS | 09/30/2022 | 35 | 0.00% | - | - | 590,000 | - | - | 2,137,000 | - | 2,727,000 |
| North Liberty | 09/27/2022 | 20 | 0.00% | - | - | - | - | - | - | 340,000 | 340,000 |
| Attica | 11/18/2022 | 30 | 4.01% | - | 4,833,000 | - | - | - | - | - | 4,833,000 |
| Cambridge City | 12/15/2022 | 20 | 2.12% | 3,035,000 | - | 2,300,000 | - | - | - | - | 5,335,000 |
| Madison | 12/15/2022 | 30 | 4.01% | - | 12,000,000 | - | - | - | - | - | 12,000,000 |
| Rensselaer | 02/24/2023 | 20 | 0.00% | 5,844,000 | - | - | 150,000 | 2,000,000 | - | - | 7,994,000 |
| Logansport | 03/15/2023 | 20 | 0.00% | 50,000 | - | - | 1,250,000 | 7,200,000 | - | - | 8,500,000 |
| Arcadia | 03/16/2023 | 20 | 0.00% | 1,824,600 | - | 2,000,000 | 140,400 | - | - | 2,000,000 | 5,965,000 |
| Poseyville | 03/22/2023 | 20 | 0.00% | 1,950,000 | - | 1,000,000 | - | - | - | - | 2,950,000 |
| BBP Water | 03/23/2023 | 35 | 2.49% | 4,639,000 | - | 726,600 | - | - | - | - | 5,365,600 |
| Monticello | 03/30/2023 | 35 | 1.32% | 3,805,000 | - | 2,050,000 | 1,055,000 | - | - | - | 6,910,000 |
| Butler | 04/19/2023 | 35 | 0.99% | 2,663,748 | - | - | 904,252 | - | - | - | 3,568,000 |
| Chandler | 04/21/2023 | 30 | 2.74% | 7,621,000 | 10,000,000 | - | - | - | - | - | 17,621,000 |
| Bourbon | 04/25/2023 | 35 | 3.59% | - | 5,001,000 | - | - | - | - | - | 5,001,000 |
| Brown County Water (Series A) | 04/26/2023 | 20 | 3.51% | - | 2,400,000 | - | - | - | - | - | 2,400,000 |
| Brown County Water (Series B) | 04/26/2023 | 35 | 3.51% | - | 3,600,000 | - | - | - | - | - | 3,600,000 |
| Elkhart | 05/03/2023 | 20 | 0.00% | - | - | - | - | 818,195 | - | - | 818,195 |
| LaCrosse | 05/15/2023 | 20 | 0.00% | - | - | 3,279,900 | - | - | - | - | 3,279,900 |
| Reelsville Water | 05/19/2023 | 20 | 2.00% | 1,143,000 | - | - | - | - | - | - | 1,143,000 |
| Fort Wayne | 06/21/2023 | 35 | 0.00% | - | - | - | 1,999,000 | 11,000,000 | - | - | 12,999,000 |
| Chalmers (Series A) | 06/26/2023 | 20 | 2.44% | 999,000 | - | - | - | - | - | - | 999,000 |
| Chalmers (Series B) | 06/26/2023 | 35 | 0.00% | 1,175,000 | - | - | 105,000 | - | - | - | 1,280,000 |
| DWSRF Loan Totals SFY 2023: \$ 133,351,695 | | | | | | | | | | | DWSRF Savings SFY 2023: |

Exhibit I
Expeditious and Timely Use of Funds

This Exhibit identifies the intended uses of the funds held in various accounts of the DWSRF, and how those uses support the goals of the DWSRF. This Exhibit also demonstrates how the Authority meets the requirements of 40 CFR 35.3550(1) by using all of the funds in the DWSRF in an expeditious and timely manner.

Sources, Uses and Available Balances in SRF Accounts

The following accounts have been created and exist under the Authority's Drinking Water Trust Indenture and comprise its DWSRF. Set forth on the attached Schedule 1 (the "Use Schedule") is detail on what funds are held in the DWSRF and how they were expeditiously and timely used in SFY 2023 and will continue to be in perpetuity.

Drinking Water Purchase Account

Sources of Funds: Funds held in this account¹ come from proceeds of Program Bonds² issued by the Authority. The Authority expects to cause additional Program Bonds to be issued at times and in amounts sufficient to meet the funding requirements for loans presently closed as of the end of the SFY 2023 as well as loans anticipated to be closed in SFY 2024 and after.

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

Available Balance: As of July 1, 2023, the aggregate amount of closed and committed loans exceeded the balance in this account ("Excess Commitments"). As additional loans are closed in SFY 2022, such committed amounts will contribute to additional Excess Commitments. The aggregate amount held in this account as of July 1, 2023 is shown in the Use Schedule. Accordingly, none of the funds presently on deposit in this account are available for other SRF Loan Program purposes except to finance closed and committed loans related to qualified Proposed Projects.

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

² These bonds are revenue bonds within the meaning of 40 CFR 35.3525(e), the net proceeds of which were deposited in the DWSRF. To date, the Authority (or its predecessor issuer) has issued multiple series of bonds including several refunding series (the "Program Bonds"), a portion of which are issued for the DWSRF. An allocated portion of the Program Bonds were deposited in the Purchase Account (with such bonds being referred to as the "Guarantee Revenue Bonds" in this Report) to make loans from the DWSRF and a further allocated portion of the Program Bonds were deposited in the Purchase Account (or the former State Match Loan Account) as State Match (with such bonds being referred to as the "State Match Revenue Bonds" in this Report) to make loans or for other permitted purposes; their proceeds (together with other match sources) have matched all capitalization grants awarded to date as well as the not-yet-available FFY 2023 (FFY refers to the Federal Fiscal Year ending September 30 of the year listed) grant by reason of over-match.

Drinking Water Participant Loan Principal Account

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

Uses of Funds: These funds are used to make payments on the outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3525(e) and the Authority's Operating Agreement with EPA. This use indirectly furthers the primary purpose of the SRF by making loan proceeds available to finance qualified Proposed Projects that facilitate compliance with the Safe Drinking Water Act and protect public health.

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

Drinking Water Participant Loan Interest Account

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

Uses of Funds: These funds are used to make payments on the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 35.3525(e) and 40 CFR 35.3550(g)(3), respectively. This use indirectly furthers the primary purpose of the SRF by making loan proceeds available to finance qualified Proposed Projects that facilitate compliance with the Safe Drinking Water Act and protect public health.

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

DRINKING WATER RESERVE³ contains the following accounts:

Drinking Water Reserve Earnings Account

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

Uses of Funds: These funds are *first* used to make payments on the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR

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

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

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

Drinking Water Reserve Grant Account

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

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

Available Balance: The aggregate amount held in this account (as of July 1, 2023 and as anticipated in SFY 2024) is shown in the Use Schedule.⁸ In furtherance of these purposes, the funds in this account are invested with certain short-term investments, State and Local Government Series (SLGS) securities, and treasury and/or agencies obligations.

Drinking Water Reserve Deficiency Account

Sources of Funds: Funds held in this account, if any, will come from other Reserve accounts discussed above when the amounts held in the group of accounts serving as the Reserve any

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

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

⁶ State Match in this account came from State Match Revenue Bonds, and is from principal on loan repayments funded from such proceeds. As of July 1, 2023, such amounts related to State Match on deposit in this account have not been applied to Guarantee Revenue Bonds but may be so applied to make any regularly scheduled payments on the outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3525(e) and the Authority's Operating Agreement with EPA.

⁷ Pursuant to the financing indentures related to the cross-collateralized outstanding Program Bonds, the Authority is presently required to maintain reserves of at least \$18.4 million, which is to be held in the Reserve accounts and is not anticipated to be used to make loans to Participants. A portion of the reserves have been allocated to the DWSRF for purpose of this Annual Report (as shown in the amount set out in the Use Schedule). This is a minimum invested funds requirement. However, the Authority views invested amounts in excess of the foregoing minimum requirement as security and as a source of payment for the outstanding Program Bonds. Further, the Authority expects that the foregoing minimum requirement will increase as additional Program Bonds are issued in SFY 2024 and beyond. Such excess purposes are served by the Equity accounts to the extent that they are not anticipated to be used to make loans to Participants.

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

Series of Program Bonds (a “Series Reserve”) exceeds its Series Reserve Requirement.

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

Available Balance: No amounts were held in this account as of July 1, 2023 nor are any so anticipated in SFY 2024.

DRINKING WATER EQUITY⁹ contains the following accounts:

Drinking Water Equity Grant Account

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

Uses of Funds: These funds are used (i) as security¹⁰ and as a source of payment for the outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3525(e), (ii) to fund any transfers to the Authority's CWSRF as permitted by law including Section 302 of the Safe Drinking Water Act, and (iii) to fund that portion of any loans closed but not presently on deposit in the Purchase Account¹¹ in the event additional leveraged Guarantee Revenue Bonds could not be issued for any reason to meet such commitments. This use both directly and indirectly furthers the primary purpose of the DWSRF Loan Program by making financing for qualified Proposed Projects that facilitate compliance with the Safe Drinking Water Act and protect public health.

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

¹⁰ Pursuant to the financing indentures, the Authority may use these funds if the Reserve Grant Account were insufficient to pay outstanding Program Bonds. Further, the Authority expects that the foregoing minimum requirement of Reserve accounts will increase as additional Program Bonds are issued in SFY 2022 and will result in a transfer of any uncommitted amounts in the Equity Grant Account to the Reserve Grant Account inclusive of any Capitalization Grants drawn into the SRF after July 1, 2023.

¹¹ In addition to meeting any Excess Commitments as of July 1, 2023, 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, 2023, (b) PERs submitted and under review by the DWSRF as of July 1, 2023 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2024), each as detailed in the Use Schedule.

Available Balance: The aggregate amount held in this account (as of July 1, 2023 and as anticipated in SFY 2024) is shown in the Use Schedule.¹² In furtherance of these purposes, the funds in this account are invested with certain short-term investments and State and Local Government Series (SLGS) securities.

Drinking Water Equity Earnings Account

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

Uses of Funds: These funds are used (i) as security and as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 35.3525(e) and 40 CFR 35.3550(g)(3), respectively, like the Equity Grant Account and (ii) to fund that portion of any loans closed but not on deposit in the Purchase Account in the event additional leveraged Guarantee Revenue Bonds could not be issued for any reason to meet such commitments. This use both directly and indirectly furthers the primary purpose of the SRF by making financing for qualified Proposed Projects that facilitate compliance with the Safe Drinking Water Act and protect public health.

Available Balance: The aggregate amount held in this account as of July 1, 2023 is shown in the Use Schedule.¹³

Additional Information Concerning Expected Uses of SRF Funds

Use of Available Balances to Meet Closed Loan Commitments. Under its existing practices, the Authority closes DWSRF loans with Participants without the necessity of having available balances in its Purchase Account to fully fund those loan commitments on the date a DWSRF loan is closed. As of July 1, 2023, there were Excess Commitments. By closing new loans for qualified Proposed Projects with (a) approved PERs as of July 1, 2023, (b) PERs submitted and under review by the DWSRF as of July 1, 2023 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2024), the aggregate amount of Excess Commitments would become as shown in the Use Schedule.

The Authority expects to cause additional Program Bonds to be issued at times and in amounts sufficient to meet the funding requirements for loans presently closed and those anticipated to be closed in SFY 2023. Additionally, certain amounts held in the Equity Grant Account and Equity Earnings Account are available and would be used to meet a portion of the projected funding requirements for loans presently closed (and those anticipated to be closed in SFY 2024) in the event additional Guarantee Revenue Bonds could not be issued.

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

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

Use of Available Balances as a Reserve and Source of Payment for Guarantee Revenue Bonds. Amounts held in the Reserve Deficiency Account, Equity Grant Account, Reserve Grant Account Reserve Earnings Account and Equity Earnings Account secure, and are a source of payment, for Guarantee Revenue Bonds as permitted by 40 CFR 35.3525(e). In addition to this use, a portion of these funds are also held to meet (a) Excess Commitments in SFY 2024 in the event additional Guarantee Revenue Bonds could not to be issued and (b) any transfers to the CWSRF as permitted by law.

Use of Available Balances as a Source of Payment for State Match Revenue Bonds. All SRF earnings including amounts held in the Reserve Earnings Account and Equity Earnings Account secure, and are a source of payment, for State Match Revenue Bonds as permitted by 40 CFR 35.3550(g)(3). In addition to this use, a portion of these funds are held to meet (a) Excess Commitments in SFY 2023 in the event additional Guarantee Revenue Bonds could not to be issued and (b) any transfers to the CWSRF as permitted by law.

Use of Available Balances to Possibly Transfer Funds to the Wastewater SRF. As of July 1, 2023, about \$23.6 million has been transferred to DWSRF. As of July 1, 2023, the cumulative transfer amount available for additional transfers from CWSRF to the DWSRF could result in up to approximately \$138.7 million of allowable transfers which includes 33% of the FFY 2023 Base and General Supplemental grants. The full amount of any such potential transfers is banked.

Additionally, as of July 1, 2023, \$2,253,000 has been transferred to the DWSRF Emerging Contaminant program from the CWSRF Emerging Contaminant program. These accounts are established for like purposes and subject to like restrictions. As of July 1, 2023, the cumulative transfer amount available for additional transfers from CWSRF Emerging Contaminant program to the DWSRF Emerging Contaminant program could result in up to approximately \$7.3 million of allowable transfers which includes the FFY 2023 CWSRF Emerging Contaminant allotment.

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

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

Exhibit I -Schedule 1

| | Account Balances* as of: | |
|---|-----------------------------|---------------------------|
| | 30-Jun-2023 (Actual) | Future Deposits in SFY |
| <u>A. Funds Committed to Projects by DWSRF</u> | | |
| Purchase Account | \$ - | \$ - |
| | <u>\$ -</u> | <u>\$ -</u> |
| <u>B. Other Funds Held in DWSRF</u> | | |
| Reserve Grant Account | \$ 4,100,000 | \$ - |
| Reserve Earnings Account | - | - |
| Reserve Support Account | 4,500,000 | |
| Reserve Deficiency Account | - | - |
| Equity Grant Account | 57,200,000 | \$ 89,200,000 |
| Equity Earnings Account | 10,500,000 | - |
| | <u>\$ 76,300,000</u> | <u>\$ 89,200,000</u> |
| Total Available Funds (A. and B. above) | <u>\$ 76,300,000</u> | <u>\$ 89,200,000</u> |

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

| | |
|--|-------------------------|
| Closed Loan (Undrawn loan amounts covered by on-hand Purchase A/C Funds) | \$ - |
| Closed Loan Excess Commitments (after Application of above Purchase A/C **) | 59,000,000 |
| Closed Loan to be funded directly from Equity (undrawn portion of loan) | <u>0</u> |
| PERs In-house (approved & under-review) Awaiting Loan Closing | 923,500,000 |
| Other Projects on new SFY's PPL, Requesting Loan Funding | 51,900,000 |
| 1. Use: to cover Loan Demand*** | <u>1,034,400,000</u> |
| 2. Use: to cover Series Reserve Requirement | <u>4,000,000</u> |
| Possible Uses of Funds (1 & 2 above without considering other secondary purposes for holding them in the DWSRF) # are as follows: | <u>\$ 1,038,400,000</u> |

| | |
|--|-----------------------|
| Uses of Funds (1 & 2 above): | \$ 1,038,400,000 |
| Less: Total Available Funds (A. and B. above) | 165,500,000 |
| Amount by which "Possible Uses of Funds" EXCEED "Total Available Funds" | <u>\$ 872,900,000</u> |

Notes:

- * Amounts are approximate & rounded to nearest \$100,000
- ** This amount is a net unfunded amount of closed loans after application of the June 30th on-hand balance.
- *** While use will likely be met with future Program Bonds, possible that on-hand funds could be used. When covered by issuance of Program Bonds used to make subsidized loan, a reserve of 40% to 50% is funded from Equity and additional Program Bonds are used to make pooled loan at a market rate. Such Program Bonds would not be sufficient to meet all needs.

Exhibit J
SFY 2023 DWSRF Loan Program Quarterly Interest Rates¹

| State Fiscal Year (SFY) By Quarter (Qtr) | User Rates (Over \$45) | User Rates (\$25 to \$45) | User Rates (Under \$25) |
|--|---------------------------|------------------------------|----------------------------|
| Tier III (MHI ² : under \$46,588) | | | |
| 1 st Qtr SFY 2023 | 2.00% | 2.00% | 2.20% |
| 2 nd Qtr SFY 2023 | 2.00% | 2.12% | 2.62% |
| 3 rd Qtr SFY 2023 | 2.00% | 2.00% | 2.44% |
| 4 th Qtr SFY 2023 | 2.00% | 2.00% | 2.44% |
| Tier II (MHI: \$46,589 to 58,234) | | | |
| 1 st Qtr SFY 2023 | 2.00% | 2.00% | 2.45% |
| 2 nd Qtr SFY 2023 | 2.12% | 2.37% | 2.87% |
| 3 rd Qtr SFY 2023 | 2.00% | 2.19% | 2.69% |
| 4 th Qtr SFY 2023 | 2.00% | 2.19% | 2.69% |
| Tier I (MHI: over \$58,235) | | | |
| 1 st Qtr SFY 2023 | 2.00% | 2.20% | 2.70% |
| 2 nd Qtr SFY 2023 | 2.37% | 2.62% | 3.12% |
| 3 rd Qtr SFY 2023 | 2.19% | 2.44% | 2.94% |
| 4 th Qtr SFY 2023 | 2.19% | 2.44% | 2.94% |

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

² Median Household Income reflected in the 2016-2020 ACS 5-year Estimate data.

Exhibit K

Summary of Drinking Water Program Fee Sources and Uses

| |
|-----------------------------|
| Total Fees Collected |
| \$19,300,000 |

| Participant/ Project | Description | Allocated Amount | Expenses as of 6/30/2023 | Participant/ Project Balance |
|------------------------------|--|--------------------------|---------------------------------|-------------------------------------|
| WhyFi Water Admin | Senate Enrolled Act No. 347 (Act) requires all public water utilities in the State of Indiana to provide to the Indiana Finance Authority (IFA) a Non-Revenue Water Audit as identified in the American Water Works Association Manual of Water Supply Practices M-36. | 495,270 | (495,270) | - |
| Jonesboro | To provide the Town of Jonesboro funding to purchase remote water metering equipment. Original loan amount was \$129,000; undrawn balance re-amortized on 2/27/20. | 88,936 | (88,936) | - |
| Lead Sampling Program | To complete the public health goal of ensuring safe drinking water for Indiana public schools, the Authority will implement a lead sampling program. The goal of the program is to fund a voluntary lead sampling program for interested public schools in the state. The program will | 3,269,355 | (3,269,355) | - |
| Delphi BAN | The project will install water main, a raw water main, a new booster station, a new ground storage tank, and rehabilitation of two other storage tanks. | 1,000,000 | - | 1,000,000 |
| Lanesville Loan | The project is to refund the outstanding RD bonds. The bonds funded the installation of watermain and a new 200,000-gallon water tower. | 1,200,000 | (1,161,551) | 38,449 |
| Lewisville | The project will replace well pumps, improve treatment plant components, install new water main, a new booster station, and new meters. | 700,000 | (700,000) | - |
| Fountain City | The project includes replacing water mains and appurtenances to reduce water loss in the distribution system. The project will also install a bulk loading station. | 2,350,000 | (2,350,000) | - |
| Van Bibber | To allow the Van Bibber Lake Conservancy District to refund the outstanding bonds of the "Waterworks Revenue Bonds of 1992" to facilitate the 2022 Financial Assistance Agreement. | 98,000 | (97,611) | 389 |
| Arcadia | The proeject includes supply, treatment, storage, and distribution system improvements, will address existing, and 20-year needs of the Town. | 2,000,000 | - | 2,000,000 |
| TOTAL | | \$ 11,201,561 | \$ (8,162,723) | \$ 3,038,838 |
| Loan Repayments | | | | \$ 91,742 |
| Interest Earned | | | | \$ 691,891 |
| | | Unallocated Funds | | Account Balance |
| | | \$ 8,882,072 | | \$ 11,920,910 |

Exhibit L
Summary of DWSRF Transfers

Consistent with its Intended Use Plans and EPA Policy Statement (FRL-6884-7, 65 FR 199, 10/13/00, pg. 60940), the State is reporting on transfers between the CWSRF and the DWSRF. In its Intended Use Plans, the State retained the flexibility to make transfers of grants (and other funds) held in or allocable to such funds to the extent permitted by the Clean Water Act and the Safe Drinking Water Act. As of June 30, 2023, an amount of up to 33 percent of the Safe Drinking Water Act grants for FFYs 1997 through 2023 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 2023, 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 |

Additionally, the Authority transferred the whole of the FY 2022 CWSRF Emerging Contaminant funding to the DWSRF Emerging Contaminant program. These accounts are established for like purposes and subject to like restrictions. The statutory ceiling of funds available to transfer was 33% of the DWSRF Emerging Contaminant allotment. In FY 2022, the DWSRF allotment was \$11,548,000 and 33% of the allotment equals \$3,810,840; thus allowing 100% of the CWSRF Emerging Contaminant allotment (equal to \$2,253,000) to be transferred to the DWSRF Emerging Contaminant Program.

| <u>Transfer Dates</u> | <u>Transfer Amounts</u> |
|-----------------------|-------------------------|
| March 21, 2023 | <u>\$2,253,000</u> |
| Total | \$2,253,000 |

Such transfers did not negatively affect the capacity of the CWSRF to finance proposed projects during SFY 2023.



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

COMBINED FINANCIAL STATEMENTS

June 30, 2023 and 2022

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

CONTENTS

| | |
|--|----|
| INDEPENDENT AUDITORS' REPORT | 1 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)..... | 4 |
| COMBINED FINANCIAL STATEMENTS | |
| COMBINED STATEMENTS OF NET POSITION | 8 |
| COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION | 9 |
| COMBINED STATEMENTS OF CASH FLOWS | 10 |
| NOTES TO COMBINED FINANCIAL STATEMENTS | 11 |
| OTHER SUPPLEMENTARY INFORMATION | |
| COMBINING SCHEDULES - STATEMENTS OF NET POSITION INFORMATION | 34 |
| COMBINING SCHEDULES - STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INFORMATION | 35 |
| COMBINING SCHEDULES - STATEMENTS OF CASH FLOWS INFORMATION | 36 |
| OTHER REPORT | |
| INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> | 37 |

Independent Auditor's Report

Members of the Indiana Finance Authority
State Revolving Fund Loan Programs

Report on the Audit of Combined Financial Statements

Opinion

We have audited the combined financial statements of State Revolving Fund Loan Programs, an enterprise fund of the Indiana Finance Authority, which comprise the combined statements of net position as of June 30, 2023 and 2022, and the related combined statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the notes to the combined financial statements.

In our opinion, the accompanying combined financial statements referred to above present fairly, in all material respects, the financial position of State Revolving Fund Loan Programs at June 30, 2023 and 2022, and the changes in their financial position and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Combined Financial Statements

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of State Revolving Fund Loan Programs' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about State Revolving Fund Loan Programs' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Supplementary Information

Our audits were conducted for the purpose of forming opinions on the combined financial statements that collectively comprise State Revolving Fund Loan Programs' basic combined financial statements. The accompanying combining schedules of statements of net position information, statements of revenues, expenses and changes in net position information, and statements of cash flows information are presented for purposes of additional analysis and are not a required part of the basic combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic combined financial statements or to the basic combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2023, on our consideration of State Revolving Fund Loan Programs' internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of State Revolving Fund Loan Programs' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering State Revolving Fund Loan Programs' internal control over financial reporting and compliance.

Katy, Sapper & Miller, LLP

Indianapolis, Indiana
September 28, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (UNAUDITED)
June 30, 2023**

As management of the State Revolving Fund Loan Programs (SRF Programs), we offer readers of the SRF Programs' combined financial statements this narrative overview (Management's Discussion and Analysis (MD&A)) of the financial activities of the SRF Programs for the fiscal year ended June 30, 2023. All amounts, unless otherwise indicated, are expressed in thousands of dollars and are approximate.

Financial Highlights: The SRF Programs' total net position increased by \$94.2 million during the current fiscal year from \$1,580.1 million to \$1,674.3 million. Nonoperating revenues consisted of \$99.8 million of capital contributions (grants) from the U.S. Environmental Protection Agency (EPA) during fiscal year 2023. SRF Programs' net position is restricted for water pollution and drinking water projects and related purposes of SRF Programs.

During the current fiscal year, the SRF Programs' liabilities increased by \$283.8 million. The primary increase in liabilities is a result of bond issuances and the scheduled principal payments. The SRF Programs issued \$399.8 million in new bonds.

The SRF Programs disbursed \$543 million to participants during the current year to fund wastewater and drinking water infrastructure project expenses. Loans receivable can be found in Note 4 to the combined financial statements starting on page 18 of this report.

BASIC COMBINED FINANCIAL STATEMENTS

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

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

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

- The *combined statements of net position* present information on all of the SRF Programs' assets, deferred outflows of resources, and liabilities, with the difference reported as net position.

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (UNAUDITED)
June 30, 2023**

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

The notes to the combined financial statements provide additional information that is essential to a full understanding of the data provided in the combined financial statements. The notes to the combined financial statements can be found on pages 11-33 of this report.

In addition to the basic combined financial statements and accompanying notes, this report also presents other supplementary information 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.

FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the government enterprise's financial position. In the case of the SRF Programs, net position is \$1,674.3 million, \$1,580.1 million, and \$1,528.3 million for years ending June 30, 2023, 2022, and 2021, respectively.

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

| | 2023 | June 30, 2022 | 2021 |
|--------------------------------|--------------------|--------------------------|--------------------|
| Current assets | \$ 523,122 | \$ 503,374 | \$ 382,926 |
| Noncurrent assets | <u>3,556,014</u> | <u>3,196,022</u> | <u>2,989,361</u> |
| Total Assets | <u>4,079,136</u> | <u>3,699,396</u> | <u>3,372,287</u> |
| Deferred Outflows of Resources | <u>2,070</u> | <u>3,796</u> | <u>7,968</u> |
| Current liabilities | 162,285 | 155,946 | 151,272 |
| Long-term liabilities | <u>2,244,589</u> | <u>1,967,106</u> | <u>1,700,677</u> |
| Total Liabilities | <u>2,406,874</u> | <u>2,123,052</u> | <u>1,851,949</u> |
| Net Position | | | |
| Restricted | <u>1,674,332</u> | <u>1,580,140</u> | <u>1,528,306</u> |
| Total Net Position | <u>\$1,674,332</u> | <u>\$1,580,140</u> | <u>\$1,528,306</u> |

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (UNAUDITED)
June 30, 2023

As new and existing projects are undertaken and completed, additional bonds on behalf of the SRF Programs are issued in order to fund the projects.

In fiscal year 2023 and 2022, participant needs were met with EPA grants, new bond issuances, and funds on hand.

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

| | Years Ended June 30, | | |
|--|-----------------------------|--------------------|--------------------|
| | 2023 | 2022 | 2021 |
| Operating Revenues | | | |
| Interest income-investments | \$ 14,446 | \$ 1,397 | \$ 1,388 |
| Interest income-participants | 85,488 | 77,618 | 78,106 |
| Other | 3,091 | 1,046 | 1,423 |
| Total operating revenues | <u>103,025</u> | <u>80,061</u> | <u>80,917</u> |
| Operating Expenses | | | |
| Interest | 58,054 | 48,783 | 59,888 |
| Bond issuance costs | 3,203 | 2,373 | - |
| Trustee fees | 98 | 80 | 111 |
| Other program and administrative | 7,403 | 5,201 | 4,626 |
| Total operating expenses | <u>68,758</u> | <u>56,437</u> | <u>64,625</u> |
| Operating Income | 34,267 | 23,624 | 16,292 |
| Nonoperating Revenues and (Expenses) | | | |
| Capital contributions (EPA Grants) | 99,777 | 53,883 | 31,124 |
| Loan forgiveness | <u>(39,852)</u> | <u>(25,673)</u> | <u>(23,728)</u> |
| Total nonoperating revenues and (expenses) | <u>59,925</u> | <u>28,210</u> | <u>7,396</u> |
| Increase in Net Position | 94,192 | 51,834 | 23,688 |
| Net Position: | | | |
| Beginning of Year | <u>1,580,140</u> | <u>1,528,306</u> | <u>1,504,618</u> |
| End of Year | <u>\$1,674,332</u> | <u>\$1,580,140</u> | <u>\$1,528,306</u> |

2023 to 2022 Comparative Statements of Revenues, Expenses and Changes in Net Position

The SRF Programs' net position increased by \$94.1 million during the current fiscal year. Key elements of this increase are as follows:

- The SRF Programs received \$99.8 million in capital contributions (grants) from the EPA for qualified drinking water projects and related program purposes.
- Operating revenues exceeded operating expenses by \$34.3 million.

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
MANAGEMENT’S DISCUSSION AND ANALYSIS (“MD&A”) (UNAUDITED)
June 30, 2023**

- The SRF Programs had \$39.9 million in loan forgiveness.

2022 to 2021 Comparative Statements of Revenues, Expenses and Changes in Net Position

The SRF Programs’ net position increased by \$51.8 million. Key elements of this increase are as follows:

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

DEBT ADMINISTRATION

Long-term Debt: At the end of the current fiscal year, the SRF Programs’ debt, net of premium/discount was \$2.4 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)**

| | 2023 | 2022 | 2021 |
|-----------------------|--------------------|--------------------|--------------------|
| Net Bond Indebtedness | <u>\$2,366,485</u> | <u>\$2,087,784</u> | <u>\$1,821,398</u> |

During the current fiscal year, the SRF Programs' debt increased by \$278.7 million. The primary increase in liabilities is a result of bond issuances and the scheduled principal payments. The SRF Programs issued \$399.8 million in new bonds.

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

Additional information on the SRF Programs' long-term debt can be found in Notes 7 and 8 to the combined financial statements on pages 21-32 of this report.

REQUESTS OF INFORMATION

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

COMBINED FINANCIAL STATEMENTS

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
COMBINED STATEMENTS OF NET POSITION
June 30, 2023 and 2022

| | 2023 | 2022 |
|--|-------------------------|-------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and equivalents | \$ 320,896,814 | \$ 307,038,661 |
| Interest receivable | 40,635,596 | 35,645,350 |
| Due from EPA | 417,957 | 259,733 |
| Accounts receivable | 305,051 | 131,087 |
| Loans receivable-current, net | <u>160,867,153</u> | <u>160,299,116</u> |
| Total Current Assets | <u>523,122,571</u> | <u>503,373,947</u> |
| Noncurrent Assets: | | |
| Investments | 16,980,114 | 19,273,852 |
| Loans receivable, net | 3,538,928,776 | 3,176,642,709 |
| Equipment, net | <u>105,141</u> | <u>105,331</u> |
| Total Noncurrent Assets | <u>3,556,014,031</u> | <u>3,196,021,892</u> |
| Total Assets | <u>4,079,136,602</u> | <u>3,699,395,839</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Loss on debt refunding | <u>2,070,023</u> | <u>3,796,239</u> |
| Total Deferred Outflows of Resources | <u>2,070,023</u> | <u>3,796,239</u> |
| LIABILITIES | | |
| Current Liabilities: | | |
| Interest payable | 39,582,499 | 34,365,652 |
| Accounts payable | 771,496 | 867,205 |
| Amount due to federal government | 35,386 | - |
| Bonds/Notes payable-current, net | <u>121,895,700</u> | <u>120,712,900</u> |
| Total Current Liabilities | <u>162,285,081</u> | <u>155,945,757</u> |
| Long-term Liabilities: | | |
| Amount due to federal government | - | 35,190 |
| Bonds/Notes payable, net | <u>2,244,589,204</u> | <u>1,967,071,012</u> |
| Total Long-term Liabilities | <u>2,244,589,204</u> | <u>1,967,106,202</u> |
| Total Liabilities | <u>2,406,874,285</u> | <u>2,123,051,959</u> |
| NET POSITION | | |
| Restricted for water pollution and drinking water projects and other related program purposes | <u>\$ 1,674,332,340</u> | <u>\$ 1,580,140,119</u> |

See accompanying notes.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended June 30, 2023 and 2022

| | 2023 | 2022 |
|---|-------------------------|-------------------------|
| OPERATING REVENUES | | |
| Interest income-investments | \$ 14,446,012 | \$ 1,397,329 |
| Interest income-loan participants | 85,488,480 | 77,618,353 |
| Administration and premium fees | 358,002 | 46,776 |
| Other | <u>2,733,053</u> | <u>998,655</u> |
| Total Operating Revenues | <u>103,025,547</u> | <u>80,061,113</u> |
| OPERATING EXPENSES | | |
| Interest | 58,053,664 | 48,783,186 |
| Bond issuance costs | 3,203,312 | 2,373,461 |
| Trustee fees | 98,600 | 79,900 |
| Other program and administrative | <u>7,402,655</u> | <u>5,200,355</u> |
| Total Operating Expenses | <u>68,758,231</u> | <u>56,436,902</u> |
| OPERATING INCOME | 34,267,316 | 23,624,211 |
| NONOPERATING REVENUES AND (EXPENSES) | | |
| Capital contributions (EPA Grants) | 99,777,262 | 53,882,739 |
| Loan forgiveness | <u>(39,852,357)</u> | <u>(25,672,406)</u> |
| Total Nonoperating Revenues and (Expenses) | <u>59,924,905</u> | <u>28,210,333</u> |
| INCREASE IN NET POSITION | 94,192,221 | 51,834,544 |
| NET POSITION | | |
| Beginning of Year | <u>1,580,140,119</u> | <u>1,528,305,575</u> |
| End of Year | <u>\$ 1,674,332,340</u> | <u>\$ 1,580,140,119</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, 2023 and 2022

| | 2023 | 2022 |
|---|------------------------------|------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash payments for salaries, administrative and other expenses | \$ (5,037,489) | \$ (4,098,267) |
| Administration fee | 358,002 | 46,776 |
| Net Cash Used by Operating Activities | <u>(4,679,487)</u> | <u>(4,051,491)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Maturities of loans to participants | 180,179,868 | 180,423,748 |
| Issuance of loans to participants | (543,033,972) | (424,093,126) |
| Change in investments | 2,293,738 | 18,809,596 |
| Interest received on loans and investments | 94,944,246 | 77,195,350 |
| Net Cash Used by Investing Activities | <u>(265,616,120)</u> | <u>(147,664,432)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | |
| Proceeds from debt issuance | 456,423,407 | 475,238,064 |
| Principal payments to reduce indebtedness including refunding | (141,798,302) | (173,260,245) |
| Payment of debt issuance costs, net of refunding | (3,203,312) | (2,373,461) |
| Interest paid on debt | <u>(87,034,714)</u> | <u>(75,797,761)</u> |
| Net Cash Provided by Non-Capital Financing Activities | <u>224,387,079</u> | <u>223,806,597</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | |
| Capital contributions (EPA grants) | 99,619,038 | 53,688,224 |
| Issuance of forgivable loans to participants | <u>(39,852,357)</u> | <u>(25,672,406)</u> |
| Net Cash Provided by Capital Financing Activities | <u>59,766,681</u> | <u>28,015,818</u> |
| NET INCREASE IN CASH AND EQUIVALENTS | 13,858,153 | 100,106,492 |
| CASH AND EQUIVALENTS | | |
| Beginning of Year | <u>307,038,661</u> | <u>206,932,169</u> |
| End of Year | <u><u>\$ 320,896,814</u></u> | <u><u>\$ 307,038,661</u></u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES | | |
| Operating income | \$ 34,267,316 | \$ 23,624,211 |
| Adjustments to reconcile operating income to net cash used by operating activities: | | |
| Depreciation | 190 | 461 |
| Interest income | (99,934,492) | (79,015,682) |
| Interest expense | 58,053,664 | 48,783,186 |
| Bond issuance costs | 3,203,312 | 2,373,461 |
| Changes in assets and liabilities: | | |
| Accounts receivable | (173,964) | (128,087) |
| Accounts payable | (95,709) | 473,178 |
| Amount due to federal government | <u>196</u> | <u>(162,219)</u> |
| Net Cash Used by Operating Activities | <u><u>\$ (4,679,487)</u></u> | <u><u>\$ (4,051,491)</u></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, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

The Wastewater State Revolving Fund Loan Program and Drinking Water State Revolving Fund Loan Program: The federal Water Quality Act of 1987 as amended in 1996, and further amended by the Water Resources and Development Act (WRRDA) of 2014 authorized the United States Environmental Protection Agency (EPA) to award capitalization grants to states for public drinking water system programs and water pollution control revolving fund programs. Pursuant to Indiana Code 13-18-13 (WSRF Act), as replaced by Indiana Code 5-1.2-10 effective July 1, 2018, the State of Indiana (State) originally established a water pollution control revolving fund program to provide financial assistance, essentially, to make loans, to political subdivisions for eligible projects. A variety of political subdivisions and other eligible borrowers may receive loans from the WSRF Program, including municipal sewage works, sanitary districts, regional sewer districts and conservancy districts. Pursuant to Indiana Code 13-18-21 (DWSRF Act), as replaced by Indiana Code 5-1.2-10 effective July 1, 2018, the State also has established a public drinking water system program to provide financial assistance for eligible projects. The SRF Programs provide both loans and forgivable loans to public water systems for eligible projects.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The Authority issued Series 2012C, 2013A, 2015A, 2015B, 2016A, 2016B, 2016D, 2016E, 2017B, 2017C, 2018A, 2019A, 2019C, 2019D, 2019E, 2021A, 2021B, 2022B, 2022D, and 2023A Bonds, and WIFIA 17114IN Loan in respect of the SRF Programs. Such liabilities are summarized in Note 7 and are secured by a common trust estate supported in part by participant loan repayments.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Investments: Investments are recorded at fair value, based on quoted market prices of the investment or similar investments. Changes in the fair value of investments are included in the combined statements of revenues, expenses and changes in net position.

Allowance for Doubtful Accounts: Management's estimate of the allowance for doubtful accounts is determined by the forgivable loans closed by the SRF Programs, and by a review of individual loan balances' collectability. The allowance for doubtful accounts was \$100,388,832 and \$93,985,236 at June 30, 2023 and 2022, respectively.

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

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

Subsequent Events: The Authority has evaluated the combined financial statements for subsequent events occurring through September 28, 2023, 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, 2023 and 2022**

NOTE 2 - CASH AND EQUIVALENTS AND INVESTMENTS

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

A summary of cash and equivalents and investments as of June 30, 2023 and 2022 follows:

| | <u>2023</u> | | |
|------------------------|-----------------------|---------------------------|-----------------------|
| | <u>Wastewater</u> | <u>Drinking Water</u> | <u>Total</u> |
| Money market funds | \$ 231,837,518 | \$ 86,771,353 | \$ 318,608,871 |
| Government obligations | <u>14,423,842</u> | <u>4,844,215</u> | <u>19,268,057</u> |
| | <u>\$ 246,261,360</u> | <u>\$ 91,615,568</u> | <u>\$ 337,876,928</u> |
| | <u>2022</u> | | |
| | <u>Wastewater</u> | <u>Drinking Water</u> | <u>Total</u> |
| Money market funds | \$ 201,234,339 | \$ 87,181,274 | \$ 288,415,613 |
| Government obligations | <u>26,044,604</u> | <u>11,852,296</u> | <u>37,896,900</u> |
| | <u>\$ 227,278,943</u> | <u>\$ 99,033,570</u> | <u>\$ 326,312,513</u> |

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

NOTE 2 - CASH AND EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investment Type and Interest Rate Risk Disclosure: As of June 30, 2023, 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 | \$231,838 | \$231,838 | \$ - | \$ - | \$ - |
| Government obligations | <u>14,424</u> | <u>1,837</u> | <u>12,587</u> | <u>-</u> | <u>-</u> |
| | <u>\$246,262</u> | <u>\$233,675</u> | <u>\$12,587</u> | <u>\$ -</u> | <u>\$ -</u> |

| | Drinking Water | | | | |
|------------------------|---|------------------|-----------------|-------------|-------------|
| | Investment Maturities (in years) | | | | |
| Fair Value | < 1 | 1 - < 5 | 5 - < 10 | > 10 | |
| Money market funds | \$ 86,771 | \$ 86,771 | \$ - | \$ - | \$ - |
| Government obligations | <u>4,844</u> | <u>451</u> | <u>4,393</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 91,615</u> | <u>\$ 87,222</u> | <u>\$ 4,393</u> | <u>\$ -</u> | <u>\$ -</u> |

Credit Risk Disclosure: The following table (in thousands of dollars) provides information on the credit ratings associated with the SRF Programs' investments in debt securities at June 30, 2023:

| | S&P | Fitch | Moody's | Fair Value |
|-------------------------|----------------|--------------|----------------|-------------------|
| Money market funds | AAAm | N/A | Aaa-mf | \$ 280,949 |
| | AAAm | AAAmmf | Aaa-mf | 37,660 |
| Government obligations | AA+ | AAA | Aaa | <u>19,268</u> |
| Total Rated Investments | | | | <u>\$ 337,877</u> |

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

NOTE 2 - CASH AND EQUIVALENTS AND INVESTMENTS (CONTINUED)

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

Concentration of Credit Risk: The SRF Programs place no limit on the amount that may be invested in any one issuer. The following table shows investments in issuers that represent 5% or more of the total investments at June 30, 2023:

| | |
|--------------------|-----|
| BlackRock Fed Fund | 58% |
| Dreyfus Government | 25% |
| US Treasury | 5% |

NOTE 3 - FAIR VALUE MEASUREMENTS

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

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

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022**

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

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

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where there is little or no market activity for the asset or liability, the SRF Programs make estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

Following is a description of the valuation methodologies used by the SRF Programs for assets that are measured at fair value on a recurring basis. There have been no changes in the methodologies used at June 30, 2023 and 2022.

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

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

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

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

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a summary, within each level of the fair value hierarchy, of the SRF Programs' assets that are measured at fair value on a recurring basis as of June 30, 2023 and 2022:

| 2023 | Level 1 | Level 2 | Total |
|----------------------------|----------------------|----------------------|----------------------|
| Assets | | | |
| Cash Equivalents: | | | |
| Money Market Fund Shares | \$318,608,871 | \$ - | \$318,608,871 |
| Government Obligations | - | 2,287,943 | 2,287,943 |
| Investments: | | | |
| Government Obligations | <u>-</u> | <u>16,980,114</u> | <u>16,980,114</u> |
| Total Assets at Fair Value | <u>\$318,608,871</u> | <u>\$ 19,268,057</u> | <u>\$337,876,928</u> |
| | | | |
| 2022 | Level 1 | Level 2 | Total |
| Assets | | | |
| Cash Equivalents: | | | |
| Money Market Fund Shares | \$288,415,613 | \$ - | \$288,415,613 |
| Government Obligations | - | 18,623,048 | 18,623,048 |
| Investments: | | | |
| Government Obligations | <u>-</u> | <u>19,273,852</u> | <u>19,273,852</u> |
| Total Assets at Fair Value | <u>\$288,415,613</u> | <u>\$ 37,896,900</u> | <u>\$326,312,513</u> |

At June 30, 2023 and 2022, the SRF Programs had no other assets and no liabilities that are measured at fair value on a recurring basis.

NOTE 4 - LOANS RECEIVABLE

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

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

NOTE 4 - LOANS RECEIVABLE (CONTINUED)

The loans receivable balance at June 30, 2023 and 2022 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, 2023 | Loans Receivable as of June 30, 2022 | Actual Loan Available Less Principal Repayments as of June 30, 2023 |
|---------------------|---|---|--|
| Wastewater Fund | \$3,052,450,585 | \$2,740,481,750 | \$3,151,791,102 |
| Drinking Water Fund | <u>647,345,344</u> | <u>596,460,075</u> | <u>673,839,283</u> |
| Total All Loans | <u>\$3,699,795,929</u> | <u>\$3,336,941,825</u> | <u>\$3,825,630,385</u> |

These amounts represent projects that have been submitted and approved by the SRF Programs, and the loans have been closed. Loans receivable includes current portions of \$160,867,153 at June 30, 2023 and \$160,299,116 at June 30, 2022.

As of June 30, 2023, the outstanding balances of closed loans exceeding 50 percent of the total loans receivable and representing the Programs' largest borrowers are summarized below:

| | Loans Receivable as of June 30, 2023 | Loans Receivable as of June 30, 2022 | Actual Loan Available Less Principal Repayments as of June 30, 2023 |
|----------------------------------|---|---|--|
| Wastewater Fund | | | |
| City of Fort Wayne | \$ 517,761,452 | \$ 527,401,409 | \$ 517,761,452 |
| Citizens Water Authority | 443,288,211 | 454,361,639 | 443,288,211 |
| City of Evansville | 355,677,827 | 319,037,645 | 355,952,276 |
| City of Terre Haute | 159,103,000 | 167,671,000 | 159,103,000 |
| City of Indianapolis (Escrow) | 89,983,750 | 110,641,750 | 89,983,750 |
| Drinking Water Fund | | | |
| City of Fort Wayne | \$ 86,287,135 | \$ 88,505,144 | \$ 88,886,000 |
| City of Evansville | 68,549,302 | 71,532,450 | 68,549,302 |
| City of East Chicago | 32,579,000 | 35,357,000 | 32,579,000 |
| Town of Chandler | 29,524,455 | 12,044,117 | 29,524,455 |
| City of Greensburg | 22,749,000 | 24,546,623 | 22,749,000 |
| City of Columbus | 22,200,000 | - | 22,200,000 |
| City of Crown Point | 19,011,273 | 20,169,223 | 19,380,750 |
| City of Batesville | 18,277,212 | 18,608,354 | 18,277,212 |
| Jackson County Water Utility Inc | 14,410,000 | 14,889,000 | 14,410,000 |
| City of Frankfort | 13,475,000 | 13,630,000 | 13,475,000 |

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022**

NOTE 5 - INTEREST RECEIVABLE

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

Interest receivable at June 30, 2023:

| | Investments | Loans | Total |
|----------------|---------------------|----------------------|----------------------|
| Wastewater | \$ 808,446 | \$ 33,584,846 | \$ 34,393,292 |
| Drinking Water | <u>269,553</u> | <u>5,972,751</u> | <u>6,242,304</u> |
| | <u>\$ 1,077,999</u> | <u>\$ 39,557,597</u> | <u>\$ 40,635,596</u> |

Interest receivable at June 30, 2022:

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

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

Several series of bonds issued by the Indiana Bond Bank, succeeded by the Authority, in connection with the SRF Programs were the subject of legal opinions as of the date of their issuance to the effect that interest on such bonds was excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"). Under the Code, such exclusion is conditioned on continuing compliance with certain tax covenants including payment of certain earnings in excess of the bond yield to the U.S. Treasury as rebate or yield reduction payments. Any estimated liabilities, which were calculated as of January 31, 2023, 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, 2023, the SRF Programs had the following liabilities:

| | Yield Reduction | Due Date |
|---------------------|----------------------------|------------------|
| 2019C | | |
| Wastewater Fund | \$ 21,704 | January 31, 2024 |
| Drinking Water Fund | <u>13,682</u> | January 31, 2024 |
| | <u>\$ 35,386</u> | |

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022**

NOTE 7 - BONDS AND NOTES PAYABLE

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

Bonds and Notes payable at June 30, 2023 and 2022 for bonds issued on behalf of the SRF Programs are summarized as follows:

| | 2023 | 2022 |
|--|---------------|-------------|
| <u>Wastewater Fund:</u> | | |
| Series 2023A Bonds issued March 22, 2023 for the aggregate amount of \$69,900,000 maturing from February 1, 2024 to February 1, 2044 at an interest rate of 5.00%. Of this, \$50,670,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. | \$ 50,670,000 | \$ - |
| Series 2022D Bonds issued November 8, 2022 for the aggregate amount of \$79,900,000 maturing from February 1, 2029 to February 1, 2047 at an interest rate of 5.00%. Of this, \$64,580,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. | 64,580,000 | - |
| Series 2022B Bonds issued September 8, 2022 for the aggregate amount of \$250,000,000, maturing from February 1, 2028 to February 1, 2047 at an interest rate of 5.00%. Of this, \$237,955,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds to each program. | 237,955,000 | - |
| Series 2021B Bonds issued November 16, 2021 for the aggregate amount of \$261,325,000 maturing from February 1, 2023 to February 1, 2041 at interest rates from 4.00% to 5.00%. Of this, \$218,140,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. | 194,450,000 | 218,140,000 |

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

| | 2023 | 2022 |
|--|---------------|---------------|
| Series 2021A Bonds issued July 7, 2021 for the aggregate amount of \$81,595,000, maturing from February 1, 2022 to February 1, 2032 at interest rates of 5.00%. Of this, \$70,345,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds to each program. | \$ 69,675,000 | \$ 69,675,000 |
| Series 2019E Bonds issued October 10, 2019 for the aggregate amount of \$215,000,000, maturing from February 1, 2021 to February 1, 2047 at an interest rate of 5.00%. Of this, \$135,820,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. In May 2021, \$11,000,000 was cash defeased. | 102,830,000 | 115,675,000 |
| WIFIA 17114IN Loan dated September 6, 2019 for the aggregate amount up to \$436,000,000 maturing from January 15, 2021 to January 15, 2054 at an interest rate of 1.78%. A \$164,000,000 disbursement of funds occurred on October 9, 2019 with the entire amount allocated to the WSRF Program. A \$110,000,000 disbursement occurred on May 19, 2021 with the entire amount allocated to the WSRF Program. A \$50,000,000 disbursement occurred on October 13, 2021 with the entire amount allocated to the WSRF Program. | 299,192,900 | 307,045,800 |
| Series 2019C Bonds issued June 4, 2019 for the aggregate amount of \$81,275,000, maturing from February 1, 2023 to February 1, 2036 at an interest rate of 5.00%. Of this, \$49,850,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. | 41,875,000 | 49,850,000 |
| Series 2019A Bonds issued January 24, 2019 for the aggregate amount of \$266,740,000, maturing from February 1, 2026 to February 1, 2039 at an interest rate of 5.00%. The whole amount was allocated to the WSRF Program. | 266,740,000 | 266,740,000 |

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

| | 2023 | 2022 |
|---|----------------|----------------|
| <p>Series 2018A Bonds issued October 24, 2018 for the aggregate amount of \$153,195,000, maturing from February 1, 2020 to February 1, 2035 at an interest rate of 5.00%. Of this, \$110,000,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. In May 2021, \$10,000,000 was cash defeased.</p> | \$ 100,000,000 | \$ 100,000,000 |
| <p>Series 2017C Refunding Bonds issued November 1, 2017 for the aggregate amount of \$124,495,000 to refund the callable portion of Series 2010B, 2011A, and 2012B Bonds, maturing from February 1, 2018 to February 1, 2031 at an interest rate of 5.00%. Of this, \$82,415,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. In May 2021, \$1,615,000 was cash defeased.</p> | 75,805,000 | 75,805,000 |
| <p>Series 2017B Bonds issued November 1, 2017 for the aggregate amount of \$21,045,028, maturing from February 1, 2020 to February 1, 2028 at an interest rate of 5.00%. Of this, \$16,835,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p> | 10,255,000 | 12,020,000 |
| <p>Series 2016E Refunding Bonds issued October 12, 2016 for the aggregate amount of \$85,930,000 to refund the callable portion of Series 2010B and 2012B Bonds, maturing from February 1, 2022 to February 1, 2030 at interest rates ranging from 3.00% to 5.00%. Of this, \$78,400,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. In May 2021, \$11,245,000 was cash defeased.</p> | 65,375,000 | 66,620,000 |

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

| | 2023 | 2022 |
|--|---------------|---------------|
| Series 2016D Refunding Bonds issued October 12, 2016 for the aggregate amount of \$164,445,000, maturing from February 1, 2020 to August 1, 2046 at interest rates ranging from 3.00 % to 5.00%. The whole amount was allocated to the WSRF Program. In May 2021, \$86,070,000 was cash defeased. | \$ 61,740,000 | \$ 66,915,000 |
| Series 2016B Refunding Bonds issued April 7, 2016 for the aggregate amount of \$53,115,000 to refund the callable portion of Series 2006B and 2009A Bonds, maturing from February 1, 2020 to February 1, 2028 at an interest rate of 5.00%. Of this, \$48,240,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. | 26,770,000 | 26,770,000 |
| Series 2016A Bonds issued April 7, 2016 for the aggregate amount of \$62,675,000, maturing from February 1, 2017 to February 1, 2036 at interest rates ranging from 4.00% to 5.00%. Of this, \$56,715,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. In May 2021, \$11,855,000 was cash defeased. | 36,655,000 | 38,035,000 |
| Series 2015B Refunding Bonds issued March 19, 2015 for the aggregate amount of \$139,715,000 to refund the callable portion of Series 2007A, 2007B, 2009A, and 2012B Bonds, maturing from February 1, 2016 to February 1, 2025 at interest rates ranging from 2.00% to 5.00%. Of this, \$118,531,184 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. | 53,636,113 | 80,054,111 |
| Series 2015A Bonds issued February 11, 2015 for the aggregate amount of \$100,000,000, maturing from February 1, 2020 to February 1, 2035 at an interest rate of 5.00%. Of this, \$90,740,692 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. In May 2021, \$24,422,857 was cash defeased. | 49,784,881 | 54,226,638 |

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

| | 2023 | 2022 |
|--|------------------------|------------------------|
| <p>Series 2013A Refunding Bonds issued February 26, 2013 for the aggregate amount of \$45,090,000 to refund the callable portion of Series 2004B, 2004C, 2005A, 2006A, and 2006B Bonds, maturing from February 1, 2019 to February 1, 2024 at interest rates ranging from 3.00% to 5.00%. Of this, \$32,210,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program. In March 2023, \$7,380,000 was refunded.</p> | \$ - | \$ 7,380,000 |
| <p>Series 2012C Bonds issued December 13, 2012 for the aggregate amount of \$109,595,000, maturing from February 1, 2020 to February 1, 2032 at interest rates ranging from 3.00% to 5.00%. Of this, \$99,415,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program. In April 2019, \$70,875,000 was cash defeased. In May 2021, \$5,125,000 was cash defeased. In March 2023, \$11,570,000 was refunded.</p> | - | 14,965,000 |
| Subtotal-Wastewater Fund | <u>\$1,807,988,894</u> | <u>\$1,569,916,549</u> |
| <u>Drinking Water Fund:</u> | | |
| <p>Series 2023A Bonds issued March 22, 2023 for the aggregate amount of \$69,900,000 maturing from February 1, 2024 to February 1, 2043 at an interest rate of 5.00%. Of this, \$19,230,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p> | \$ 19,230,000 | \$ - |
| <p>Series 2022D Bonds issued November 8, 2022 for the aggregate amount of \$79,900,000 maturing from February 1, 2029 to February 1, 2047 at an interest rate of 5.00%. Of this, \$15,320,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p> | 15,320,000 | - |

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

| | 2023 | 2022 |
|--|---------------|------------|
| Series 2022B Bonds issued September 8, 2022 for the aggregate amount of \$250,000,000, maturing from February 1, 2028 to February 1, 2047 at an interest rate of 5.00%. Of this, \$12,045,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds to each program. | \$ 12,045,000 | \$ - |
| Series 2021B Bonds issued November 16, 2021 for the aggregate amount of \$261,325,000 maturing from February 1, 2023 to February 1, 2041 at interest rates from 4.00% to 5.00%. Of this, \$43,185,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program. | 39,845,000 | 43,185,000 |
| Series 2021A Bonds issued July 7, 2021 for the aggregate amount of \$81,595,000, maturing from February 1, 2022 to February 1, 2032 at interest rates of 5.00%. Of this, \$11,250,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds to each program. | 10,925,000 | 10,925,000 |
| Series 2019E Bonds issued October 10, 2019 for the aggregate amount of \$215,000,000 maturing from February 1, 2021 to February 1, 2047 at an interest rate of 5.00%. Of this, \$79,180,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program. | 67,540,000 | 72,625,000 |
| Series 2019D Bonds issued June 4, 2019 for the aggregate amount \$18,570,000 maturing from February 1, 2023 to February 1, 2036 at an interest rate of 5.00%. The whole amount was allocated to the DWSRF Program. | 17,615,000 | 18,570,000 |
| Series 2019C Bonds issued June 4, 2019 for the aggregate amount of \$81,275,000 maturing from February 1, 2023 to February 1, 2036 at an interest rate of 5.00%. Of this, \$31,425,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program. | 28,380,000 | 31,425,000 |

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

| | 2023 | 2022 |
|---|---------------|---------------|
| <p>Series 2018A Bonds issued October 24, 2018 for the aggregate amount of \$153,195,000 maturing from February 1, 2020 to February 1, 2035 at an interest rate of 5.00%. Of this, \$43,195,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program. In May 2021, \$2,305,000 was cash defeased.</p> | \$ 39,660,000 | \$ 39,990,000 |
| <p>Series 2017C Refunding Bonds issued November 1, 2017 for the aggregate amount of \$124,495,000 to refund the callable portion of Series 2010B, 2011A, and 2012B Bonds, maturing from February 1, 2018 to February 1, 2031 at an interest rate of 5.00%. Of this, \$42,080,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program. In May 2021, \$5,180,000 was cash defeased.</p> | 33,520,000 | 35,805,000 |
| <p>Series 2017B Bonds issued November 1, 2017 for the aggregate amount of \$21,045,000, maturing from February 1, 2020 to February 1, 2028 at an interest rate of 5.00%. Of this, \$4,210,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p> | 2,570,000 | 3,010,000 |
| <p>Series 2016E Refunding Bonds issued October 12, 2016 for the aggregate amount of \$85,930,000 to refund the callable portion of the Series 2010B Bonds, maturing from February 1, 2022 to February 1, 2030 at interest rates ranging from 3.00% to 5.00%. Of this, \$7,530,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p> | 5,235,000 | 6,470,000 |

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

| | 2023 | 2022 |
|---|--------------|--------------|
| <p>Series 2016B Refunding Bonds issued April 7, 2016 for the aggregate amount of \$53,115,000 to refund the callable portion of Series 2006B and 2009A Bonds, maturing from February 1, 2020 to February 1, 2028 at an interest rate of 5.00%. Of this, \$4,875,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p> | \$ 1,415,000 | \$ 1,415,000 |
| <p>Series 2016A Bonds issued April 7, 2016 for the aggregate amount of \$62,675,000, maturing from February 1, 2017 to February 1, 2036 at interest rates ranging from 4.00% to 5.00%. Of this, \$5,960,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p> | 1,850,000 | 2,625,000 |
| <p>Series 2015B Refunding Bonds issued March 19, 2015 for the aggregate amount of \$139,715,000 to refund the callable portion of Series 2007A, 2007B, 2009A, and 2012B Bonds, maturing from February 1, 2016 to February 1, 2025 at interest rates ranging from 2.00% to 5.00%. Of this, \$21,183,816 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p> | 8,958,887 | 13,530,889 |
| <p>Series 2015A Bonds issued February 11, 2015 for the aggregate amount of \$100,000,000, maturing from February 1, 2020 to February 1, 2035 at an interest rate of 5.00%. Of this, \$9,259,308 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program. In May 2021, \$2,492,143 was cash defeased.</p> | 5,080,119 | 5,533,362 |

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

| | 2023 | 2022 |
|---|------------------------|------------------------|
| <p>Series 2013A Refunding Bonds issued February 26, 2013 for the aggregate amount of \$45,090,000 to refund the callable portion of Series 2005A, 2006A, and 2006B Bonds, maturing from February 1, 2019 to February 1, 2024 at interest rates ranging from 3.00% to 5.00%. Of this, \$12,880,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p> | \$ <u> -</u> | \$ <u> 1,235,000</u> |
| <p>Series 2012C Bonds issued December 13, 2012 for the aggregate amount of \$109,595,000, maturing from February 1, 2021 to February 1, 2032 at interest rates ranging from 4.00% to 5.00%. Of this, \$10,180,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program. In April 2019, \$6,705,000 was cash defeased. In March 2023, \$1,260,000 was refunded.</p> | <u> -</u> | <u> 2,040,000</u> |
| Subtotal-Drinking Water Fund | <u> 309,189,006</u> | <u> 288,384,251</u> |
| Total Principal | 2,117,177,900 | 1,858,300,800 |
| Net premium on bonds payable | <u> 249,307,004</u> | <u> 229,483,112</u> |
| Total Bonds Payable | 2,366,484,904 | 2,087,783,912 |
| Less: Current portion | <u> 121,895,700</u> | <u> 120,712,900</u> |
| Long-term Portion | <u>\$2,244,589,204</u> | <u>\$1,967,071,012</u> |

The bonds that are considered to have been defeased and have been removed from the combined financial statements and in total the defeased balances outstanding are \$166,185,000 and \$248,890,000 as of June 30, 2023 and 2022, respectively.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

The aggregate debt service requirements and premiums for all bonds and notes allocable to the SRF Programs as of June 30, 2023, are as follows:

| | Principal | | | Interest | | | Debt Service Total |
|-----------|------------------------|---------------------------|------------------------|----------------------|---------------------------|----------------------|--------------------------|
| | Wastewater Fund | Drinking Water Fund | Total | Wastewater Fund | Drinking Water Fund | Total | |
| 2024 | \$ 98,992,898 | \$ 22,902,802 | \$ 121,895,700 | \$ 79,718,521 | \$ 15,197,038 | \$ 94,915,559 | \$ 216,811,259 |
| 2025 | 96,313,947 | 20,511,553 | 116,825,500 | 75,392,468 | 14,188,110 | 89,580,578 | 206,406,078 |
| 2026 | 111,559,760 | 21,174,540 | 132,734,300 | 70,825,774 | 13,174,132 | 83,999,906 | 216,734,206 |
| 2027 | 108,449,071 | 20,535,929 | 128,985,000 | 65,492,934 | 12,115,406 | 77,608,340 | 206,593,340 |
| 2028 | 108,704,400 | 22,125,000 | 130,829,400 | 60,319,177 | 11,088,609 | 71,407,786 | 202,237,186 |
| 2029-2033 | 496,180,452 | 107,880,748 | 604,061,200 | 228,869,636 | 38,756,407 | 267,626,043 | 871,687,243 |
| 2034-2038 | 454,872,666 | 69,158,434 | 524,031,100 | 117,284,540 | 13,915,893 | 131,200,433 | 655,231,533 |
| 2039-2043 | 247,853,900 | 21,350,000 | 269,203,900 | 31,715,934 | 3,082,450 | 34,798,384 | 305,077,284 |
| 2044-2048 | 58,527,300 | 3,550,000 | 62,077,300 | 5,974,364 | 375,250 | 6,349,614 | 67,351,914 |
| 2049-2053 | 24,769,100 | - | 24,769,100 | 1,288,820 | - | 1,288,820 | 26,057,920 |
| 2054 | 1,765,400 | - | 1,765,400 | 31,424 | - | 31,424 | 1,796,824 |
| | 1,807,988,894 | 309,189,006 | 2,117,177,900 | 736,913,592 | 121,893,295 | 858,806,887 | 2,975,984,787 |
| Premium | 205,134,997 | 44,172,007 | 249,307,004 | - | - | - | 249,307,004 |
| Total | <u>\$2,013,123,891</u> | <u>\$353,361,013</u> | <u>\$2,366,484,904</u> | <u>\$736,913,592</u> | <u>\$121,893,295</u> | <u>\$858,806,887</u> | <u>\$3,225,291,791</u> |

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022**

NOTE 7 - BONDS AND NOTES PAYABLE (CONTINUED)

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

| | Interest Rates Ranges | Maturity Range | Annual Principal Payment Range | Principal |
|-------------------------|----------------------------------|---------------------------|---|------------------------|
| Wastewater Fund | 1.78% - 5.00% | 2024-2054 | \$1,765,400 - \$132,734,300 | \$1,807,988,894 |
| Drinking Water Fund | 3.00% - 5.00% | 2024-2047 | 785,000 - 22,902,802 | <u>309,189,006</u> |
| Combined Programs | 1.78% - 5.00% | 2024-2054 | 1,765,400 - 132,734,300 | 2,117,177,900 |
| Less: Current Portion | | | | <u>(121,895,700)</u> |
| Total Long-term Portion | | | | <u>\$1,995,282,200</u> |

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

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

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022**

NOTE 8 - LONG-TERM LIABILITIES

Long-term liability activity for the years ended June 30, 2023 and 2022 was as follows:

| | Balance Beginning of Year | Increases | Decreases | Balance End of Year | Amounts Due Within One Year | Amounts Due Thereafter |
|----------------------------------|--|----------------------|------------------------|--------------------------------|--|---------------------------------------|
| June 30, 2023: | | | | | | |
| Amount due to federal government | \$ 35,190 | \$ 196 | \$ - | \$ 35,386 | \$ 35,386 | \$ - |
| Bonds/Notes payable | 1,858,300,800 | 399,800,000 | (140,922,900) | 2,117,177,900 | 121,895,700 | 1,995,282,200 |
| Net premium on bonds payable | <u>229,483,112</u> | <u>56,623,407</u> | <u>(36,799,515)</u> | <u>249,307,004</u> | <u>-</u> | <u>249,307,004</u> |
| | <u>\$2,087,819,102</u> | <u>\$456,423,603</u> | <u>\$(177,722,415)</u> | <u>\$2,366,520,290</u> | <u>\$121,931,086</u> | <u>\$2,244,589,204</u> |
| June 30, 2022: | | | | | | |
| Amount due to federal government | \$ 197,409 | \$ - | \$ (162,219) | \$ 35,386 | \$ - | \$ 35,190 |
| Bonds/Notes payable | 1,637,298,900 | 392,920,000 | (171,918,100) | 1,858,300,800 | 120,712,900 | 1,737,587,900 |
| Net premium on bonds payable | <u>184,099,423</u> | <u>82,318,064</u> | <u>(36,934,375)</u> | <u>229,483,112</u> | <u>-</u> | <u>229,483,112</u> |
| | <u>\$1,821,595,732</u> | <u>\$475,238,064</u> | <u>\$(209,014,694)</u> | <u>\$2,087,819,102</u> | <u>\$120,712,900</u> | <u>\$1,967,106,202</u> |

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2023 and 2022**

NOTE 9 - FUND TRANSFERS

Consistent with its Intended Use Plans and EPA's related Policy Statement, the Authority is required to report on transfers between the DWSRF and the WSRF in its combined financial statements. In its Intended Use Plans, the SRF Programs retained the flexibility to make transfers of grants (and other funds) held in or allocable to such funds to the extent permitted by the Clean Water Act and the Safe Drinking Water Act. As of June 30, 2023, an amount up to 33% of the Safe Drinking Water Act grants for Federal Fiscal Years (FFY) 1997 through 2023 could be so transferred on a net cumulative basis between the two SRF Programs funds.

Based on the State's award of Safe Drinking Water Act related funds for FFY 1997 through 2023, to date, the following transfers were made:

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

NOTE 10 - PROGRAM REVENUES

For the years ended June 30, 2023 and 2022, program revenues consisted of the following:

| | 2023 | 2022 |
|------------------------------------|----------------------|----------------------|
| Interest and other income | \$103,025,547 | \$ 80,061,113 |
| Capital contributions (EPA Grants) | <u>99,777,262</u> | <u>53,882,739</u> |
| | <u>\$202,802,809</u> | <u>\$133,943,852</u> |

NOTE 11 - SUBSEQUENT EVENT

On September 7, 2023, the Authority issued 2023B SRF Program Bonds for the aggregate amount of \$148,735,000, maturing from February 1, 2030 to February 1, 2044 at interest rates of 5.00%. Of this \$97,165,000 was allocated to the WSRF Program, and \$51,570,000 was allocated to the DWSRF Program, based upon the percentage of original bond proceeds allocated to each program.

OTHER SUPPLEMENTARY INFORMATION

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
COMBINING SCHEDULES - STATEMENTS OF NET POSITION INFORMATION
June 30, 2023 and 2022

| | Wastewater Program | | Drinking Water Program | | Combined | |
|---|-------------------------|-------------------------|------------------------|-----------------------|-------------------------|-------------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Cash and equivalents | \$ 233,674,736 | \$ 212,855,101 | \$ 87,222,078 | \$ 94,183,560 | \$ 320,896,814 | \$ 307,038,661 |
| Interest receivable-investments | 808,446 | 480,402 | 269,553 | 154,042 | 1,077,999 | 634,444 |
| Interest receivable-loans | 33,584,846 | 29,750,397 | 5,972,751 | 5,260,509 | 39,557,597 | 35,010,906 |
| Due from EPA | - | - | 417,957 | 259,733 | 417,957 | 259,733 |
| Accounts receivable | 305,051 | - | - | 131,087 | 305,051 | 131,087 |
| Loans receivable-current, net | 128,027,675 | 129,754,565 | 32,839,478 | 30,544,551 | 160,867,153 | 160,299,116 |
| Total Current Assets | <u>396,400,754</u> | <u>372,840,465</u> | <u>126,721,817</u> | <u>130,533,482</u> | <u>523,122,571</u> | <u>503,373,947</u> |
| Noncurrent Assets: | | | | | | |
| Investments | 12,586,624 | 14,423,842 | 4,393,490 | 4,850,010 | 16,980,114 | 19,273,852 |
| Loans receivable, net | 2,924,422,910 | 2,610,727,185 | 614,505,866 | 565,915,524 | 3,538,928,776 | 3,176,642,709 |
| Equipment, net | 105,141 | 105,331 | - | - | 105,141 | 105,331 |
| Total Noncurrent Assets | <u>2,937,114,675</u> | <u>2,625,256,358</u> | <u>618,899,356</u> | <u>570,765,534</u> | <u>3,556,014,031</u> | <u>3,196,021,892</u> |
| Total Assets | <u>3,333,515,429</u> | <u>2,998,096,823</u> | <u>745,621,173</u> | <u>701,299,016</u> | <u>4,079,136,602</u> | <u>3,699,395,839</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Loss on debt refunding | 1,419,167 | 2,867,295 | 650,856 | 928,944 | 2,070,023 | 3,796,239 |
| Total Deferred Outflows of Resources | <u>1,419,167</u> | <u>2,867,295</u> | <u>650,856</u> | <u>928,944</u> | <u>2,070,023</u> | <u>3,796,239</u> |
| LIABILITIES | | | | | | |
| Current Liabilities: | | | | | | |
| Interest payable | 33,307,155 | 28,430,792 | 6,275,344 | 5,934,860 | 39,582,499 | 34,365,652 |
| Accounts payable | 289,851 | 579,965 | 481,645 | 287,240 | 771,496 | 867,205 |
| Amount due to federal government | 21,704 | - | 13,682 | - | 35,386 | - |
| Bonds/Loans payable-current, net | 98,992,898 | 96,182,654 | 22,902,802 | 24,530,246 | 121,895,700 | 120,712,900 |
| Total Current Liabilities | <u>132,611,608</u> | <u>125,193,411</u> | <u>29,673,473</u> | <u>30,752,346</u> | <u>162,285,081</u> | <u>155,945,757</u> |
| Long-term Liabilities: | | | | | | |
| Amount due to federal government | - | 21,584 | - | 13,606 | - | 35,190 |
| Bonds/Loans payable, net | 1,914,130,993 | 1,658,912,240 | 330,458,211 | 308,158,772 | 2,244,589,204 | 1,967,071,012 |
| Total Long-term Liabilities | <u>1,914,130,993</u> | <u>1,658,933,824</u> | <u>330,458,211</u> | <u>308,172,378</u> | <u>2,244,589,204</u> | <u>1,967,106,202</u> |
| Total Liabilities | <u>2,046,742,601</u> | <u>1,784,127,235</u> | <u>360,131,684</u> | <u>338,924,724</u> | <u>2,406,874,285</u> | <u>2,123,051,959</u> |
| NET POSITION | | | | | | |
| Restricted for water pollution and drinking water projects and other related program purposes | <u>\$ 1,288,191,995</u> | <u>\$ 1,216,836,883</u> | <u>\$ 386,140,345</u> | <u>\$ 363,303,236</u> | <u>\$ 1,674,332,340</u> | <u>\$ 1,580,140,119</u> |

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
COMBINING SCHEDULES - STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INFORMATION
Years Ended June 30, 2023 and 2022

| | Wastewater Program | | Drinking Water Program | | Combined | |
|---|-------------------------|-------------------------|------------------------|-----------------------|-------------------------|-------------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| OPERATING REVENUE | | | | | | |
| Interest income-investments | \$ 11,098,149 | \$ 1,145,295 | \$ 3,347,863 | \$ 252,034 | \$ 14,446,012 | \$ 1,397,329 |
| Interest income-loan participants | 71,166,201 | 64,100,733 | 14,322,279 | 13,517,620 | 85,488,480 | 77,618,353 |
| Administration and premium fees | 338,001 | 26,161 | 20,001 | 20,615 | 358,002 | 46,776 |
| Other | 522,549 | - | 2,210,504 | 998,655 | 2,733,053 | 998,655 |
| Total Operating Revenue | <u>83,124,900</u> | <u>65,272,189</u> | <u>19,900,647</u> | <u>14,788,924</u> | <u>103,025,547</u> | <u>80,061,113</u> |
| OPERATING EXPENSES | | | | | | |
| Interest | 49,489,780 | 41,726,113 | 8,563,884 | 7,057,073 | 58,053,664 | 48,783,186 |
| Bond issuance costs | 2,644,547 | 2,007,343 | 558,765 | 366,118 | 3,203,312 | 2,373,461 |
| Trustee fees | 98,100 | 78,900 | 500 | 1,000 | 98,600 | 79,900 |
| Other program and administrative | 3,806,495 | 3,074,946 | 3,596,160 | 2,125,409 | 7,402,655 | 5,200,355 |
| Total Operating Expenses | <u>56,038,922</u> | <u>46,887,302</u> | <u>12,719,309</u> | <u>9,549,600</u> | <u>68,758,231</u> | <u>56,436,902</u> |
| OPERATING INCOME | 27,085,978 | 18,384,887 | 7,181,338 | 5,239,324 | 34,267,316 | 23,624,211 |
| NONOPERATING REVENUES AND (EXPENSES) | | | | | | |
| Capital contributions (EPA Grants) | 67,765,601 | 38,292,000 | 32,011,661 | 15,590,739 | 99,777,262 | 53,882,739 |
| Loan forgiveness | <u>(23,496,467)</u> | <u>(19,266,870)</u> | <u>(16,355,890)</u> | <u>(6,405,536)</u> | <u>(39,852,357)</u> | <u>(25,672,406)</u> |
| Total Nonoperating Revenues and (Expenses) | <u>44,269,134</u> | <u>19,025,130</u> | <u>15,655,771</u> | <u>9,185,203</u> | <u>59,924,905</u> | <u>28,210,333</u> |
| INCREASE IN NET POSITION | 71,355,112 | 37,410,017 | 22,837,109 | 14,424,527 | 94,192,221 | 51,834,544 |
| NET POSITION | | | | | | |
| Beginning of Year | <u>1,216,836,883</u> | <u>1,179,426,866</u> | <u>363,303,236</u> | <u>348,878,709</u> | <u>1,580,140,119</u> | <u>1,528,305,575</u> |
| End of Year | <u>\$ 1,288,191,995</u> | <u>\$ 1,216,836,883</u> | <u>\$ 386,140,345</u> | <u>\$ 363,303,236</u> | <u>\$ 1,674,332,340</u> | <u>\$ 1,580,140,119</u> |

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
COMBINING SCHEDULES - STATEMENTS OF CASH FLOWS INFORMATION
Years Ended June 30, 2023 and 2022

| | Wastewater Program | | Drinking Water Program | | Combined | |
|---|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|-----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Cash payments for salaries, administrative and other expenses | \$ (3,976,901) | \$ (3,041,365) | \$ (1,060,588) | \$ (1,056,902) | \$ (5,037,489) | \$ (4,098,267) |
| Administration fee | 338,001 | 26,161 | 20,001 | 20,615 | 358,002 | 46,776 |
| Net Cash Used by Operating Activities | <u>(3,638,900)</u> | <u>(3,015,204)</u> | <u>(1,040,587)</u> | <u>(1,036,287)</u> | <u>(4,679,487)</u> | <u>(4,051,491)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Maturities of loans to participants | 144,926,915 | 125,156,349 | 35,252,953 | 55,267,399 | 180,179,868 | 180,423,748 |
| Issuance of loans to participants | (456,895,750) | (330,535,235) | (86,138,222) | (93,557,891) | (543,033,972) | (424,093,126) |
| Change in investments | 1,837,218 | 11,668,458 | 456,520 | 7,141,138 | 2,293,738 | 18,809,596 |
| Interest received on loans and investments | 78,101,857 | 63,414,273 | 16,842,389 | 13,781,077 | 94,944,246 | 77,195,350 |
| Net Cash Used by Investing Activities | <u>(232,029,760)</u> | <u>(130,296,155)</u> | <u>(33,586,360)</u> | <u>(17,368,277)</u> | <u>(265,616,120)</u> | <u>(147,664,432)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | | | |
| Proceeds from debt issuance | 403,238,718 | 407,540,237 | 53,184,689 | 67,697,827 | 456,423,407 | 475,238,064 |
| Principal payments to reduce indebtedness, including refunding | (115,926,311) | (145,887,605) | (25,871,991) | (27,372,640) | (141,798,302) | (173,260,245) |
| Payment of debt issuance costs, net of refunding | (2,644,547) | (2,007,343) | (558,765) | (366,118) | (3,203,312) | (2,373,461) |
| Interest paid on debt | (72,448,699) | (62,181,391) | (14,586,015) | (13,616,370) | (87,034,714) | (75,797,761) |
| Net Cash Provided by Non-Capital Financing Activities | <u>212,219,161</u> | <u>197,463,898</u> | <u>12,167,918</u> | <u>26,342,699</u> | <u>224,387,079</u> | <u>223,806,597</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | | | | | |
| Capital Contributions (EPA Grants) | 67,765,601 | 38,292,000 | 31,853,437 | 15,396,224 | 99,619,038 | 53,688,224 |
| Issuance of forgivable loans to participants | (23,496,467) | (19,266,870) | (16,355,890) | (6,405,536) | (39,852,357) | (25,672,406) |
| Net Cash Provided by Capital Financing Activities | <u>44,269,134</u> | <u>19,025,130</u> | <u>15,497,547</u> | <u>8,990,688</u> | <u>59,766,681</u> | <u>28,015,818</u> |
| NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS | 20,819,635 | 83,177,669 | (6,961,482) | 16,928,823 | 13,858,153 | 100,106,492 |
| CASH AND EQUIVALENTS | | | | | | |
| Beginning of Year | 212,855,101 | 129,677,432 | 94,183,560 | 77,254,737 | 307,038,661 | 206,932,169 |
| End of Year | <u>\$ 233,674,736</u> | <u>\$ 212,855,101</u> | <u>\$ 87,222,078</u> | <u>\$ 94,183,560</u> | <u>\$ 320,896,814</u> | <u>\$ 307,038,661</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES | | | | | | |
| Operating income | \$ 27,085,978 | \$ 18,384,887 | \$ 7,181,338 | \$ 5,239,324 | \$ 34,267,316 | \$ 23,624,211 |
| Adjustments to reconcile operating income to net cash used by operating activities: | | | | | | |
| Depreciation | 190 | 461 | | | 189 | 461 |
| Interest income | (82,264,350) | (65,246,028) | (17,670,142) | (13,769,654) | (99,934,492) | (79,015,682) |
| Interest expense | 49,489,780 | 41,726,113 | 8,563,884 | 7,057,073 | 58,053,664 | 48,783,186 |
| Bond issuance costs | 2,644,547 | 2,007,343 | 558,765 | 366,118 | 3,203,312 | 2,373,461 |
| Changes in assets and liabilities: | | | | | | |
| Accounts receivable | (305,051) | 3,000 | 131,087 | (131,087) | (173,964) | (128,087) |
| Accounts payable | (290,114) | 254,325 | 194,405 | 218,853 | (95,708) | 473,178 |
| Amount due to federal government | 120 | (145,305) | 76 | (16,914) | 196 | (162,219) |
| Net Cash Used by Operating Activities | <u>\$ (3,638,900)</u> | <u>\$ (3,015,204)</u> | <u>\$ (1,040,587)</u> | <u>\$ (1,036,287)</u> | <u>\$ (4,679,487)</u> | <u>\$ (4,051,491)</u> |

OTHER REPORT

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

Members of the Indiana Finance Authority
State Revolving Fund Loan Programs

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of State Revolving Fund Loan Programs (SRF Programs), an enterprise fund of the Indiana Finance Authority, which comprise the combined statement of net position as of June 30, 2023, and the related combined statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the combined financial statements, which collectively comprise SRF Programs' basic combined financial statements, and have issued our report thereon dated September 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the SRF Programs' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the SRF Programs' internal control. Accordingly, we do not express an opinion on the effectiveness of the SRF Programs' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's combined financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

37.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
September 28, 2023

INDIANA FINANCE AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND
INDEPENDENT AUDITOR'S REPORTS

June 30, 2023



INDIANA FINANCE AUTHORITY

CONTENTS

| | Page |
|---|-------------|
| Independent Auditor's Report on Compliance for Each Major Federal Program Required by the Uniform Guidance and on Internal Control Over Compliance | 1-4 |
| Schedule of Expenditures of Federal Awards | 5 |
| Notes to Schedule of Expenditures of Federal Awards | 6 |
| Schedule of Findings and Questioned Costs | 7-8 |
| Corrective Action Plan | 9 |

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

Members of the Indiana Finance Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Indiana Finance Authority’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Indiana Finance Authority’s major federal programs for the year ended June 30, 2023. Indiana Finance Authority’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Indiana Finance Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Indiana Finance Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Indiana Finance Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Indiana Finance Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Indiana Finance Authority's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Indiana Finance Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on Indiana Finance Authority's response to the internal control findings over compliance identified in our audit and described in the accompanying schedule of findings and questioned costs. Indiana Finance Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Indiana Finance Authority, a component unit of the State of Indiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Indiana Finance Authority's basic financial statements. We issued our report thereon dated October 31, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
October 31, 2023

INDIANA FINANCE AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

| | Federal Assistance Listing Number | Pass-through Entity Identifying/ Grant Number | Program or Award Amount | Federal Expenditures | Amount Provided to Subrecipients |
|---|--|---|-------------------------------|-------------------------|--|
| U.S DEPARTMENT OF TREASURY | | | | | |
| Passed through Indiana State Budget Agency: | | | | | |
| COVID-19 - Coronavirus State and Local | | | | | |
| Fiscal Recovery Funds | | | | | |
| | 21.027 | Memorandum of Understanding dated 10/29/21 | \$ 160,000,000 | \$ 51,601,031 | \$ 51,601,031 |
| U.S. ENVIRONMENTAL PROTECTION AGENCY: | | | | | |
| Clean Water State Revolving Fund Cluster: | | | | | |
| Capitalization Grants for Clean | | | | | |
| Water State Revolving Funds | | | | | |
| | 66.458 | CS18000121-0 CA | 27,885,000 | 27,720,383 | 27,439,356 |
| | 66.458 | 4C00E03240-0 CA | 42,893,000 | 40,567,767 | 40,319,420 |
| | | | | <u>68,288,150</u> | <u>67,758,776</u> |
| Drinking Water State Revolving Fund Cluster: | | | | | |
| Capitalization Grants for Drinking | | | | | |
| Water State Revolving Funds | | | | | |
| | 66.468 | FS98548620-0 DF | 1,683,000 | 432,276 | |
| | 66.468 | FS98548621-0 DA | 14,614,900 | 154,000 | 154,000 |
| | 66.468 | FS98548621-0 DF | 1,681,500 | 594,960 | |
| | 66.468 | FS98548622-0 DA | 7,390,590 | 7,390,590 | 7,390,590 |
| | 66.468 | FS98548622-0 DD | 428,400 | 341,918 | |
| | 66.468 | FS98548622-0 DE | 214,220 | 34,293 | |
| | 66.468 | FS98548622-0 DF | 1,071,100 | 321,270 | 169,500 |
| | 66.468 | FS98548622-0 DG | 1,606,650 | 600,550 | 65,000 |
| | 66.468 | 4D00E03186-0 DA | 23,101,680 | 23,101,680 | 23,101,680 |
| | 66.468 | 4D00E03186-0 DD | 1,100,080 | 92,983 | |
| | 66.468 | 4D00E03186-0 DE | 550,040 | 85,315 | |
| | 66.468 | 4D00E03186-0 DG | 2,750,200 | 841,166 | 57,500 |
| | 66.468 | 4L00E03316-0 DD | 1,733,360 | 7,651 | |
| | 66.468 | 4L00E03316-0 DF | 4,333,400 | 151,603 | |
| | 66.468 | 4L00E03316-0 DG | 4,333,400 | 56,547 | 56,547 |
| | | | | <u>34,206,802</u> | <u>30,994,817</u> |
| State and Tribal Response Program Grants | | | | | |
| | 66.817 | RP00E14615-0 | 800,000 | 392,421 | |
| | 66.817 | RP00E14616-0 | 820,000 | 543,016 | |
| | 66.817 | 4W00E3306-0 | 1,100,000 | 6,379 | |
| | | | | <u>941,816</u> | |
| Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements | | | | | |
| | 66.818 | BF00E48101-G | 6,984,204 | 605,285 | 605,285 |
| | 66.818 | 4B00E03203-0 | 2,000,000 | 208 | 208 |
| | 66.818 | 4B00E03232-0 | 3,900,000 | 1,169 | 1,169 |
| | | | | <u>606,662</u> | <u>606,662</u> |
| Multipurpose Grants to States and Tribes | | | | | |
| | 66.204 | AA00E02780-1 | 119,840 | 20,531 | 20,531 |
| Reducing Lead in Drinking Water (SDWA 1459B) | | | | | |
| | 66.443 | L900E02971-0 | 543,928 | 15,363 | 6,874 |
| Water Infrastructure Finance and Innovation (WIFIA) | | | | | |
| | 66.958 | WIFIA-2019-N17114IN | 436,000,000 | 307,045,800 | 307,045,800 |
| | | | | <u>\$ 462,726,155</u> | <u>\$ 458,034,491</u> |

See accompanying notes to schedule of expenditures of federal awards.

INDIANA FINANCE AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Indiana Finance Authority (IFA). The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

Expenditures to Subrecipients: The amounts of expenditures to subrecipients represents the actual expenditures incurred by subrecipients and reimbursable by IFA in 2023.

NOTE 2 - INDIRECT COST RATE

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

NOTE 3 - LOAN PROGRAM

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

WIFIA funds were used to finance two projects: the DigIndy Tunnel System (DigIndy) project and the Integrated Overflow Control Plan (IOCP) project being completed by CWA Authority, Inc. and Evansville Water and Sewer Utility, respectively. The DigIndy project was substantially completed in June 2019, and the IOCP project was substantially completed at June 30, 2023. There were no WIFIA expenditures during fiscal year 2023. The WIFIA loan balance outstanding was \$299,192,900 as of June 30, 2023.

INDIANA FINANCE AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ yes _____✓ no

Federal Awards

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs: Unmodified

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

Identification of major programs:

| Assistance Listing Number | Agency | Title |
|--------------------------------------|--------------------------------------|---|
| 21.027 | U.S Department of Treasury | Coronavirus State and Local Fiscal Recovery Funds |
| 66.958 | U.S. Environmental Protection Agency | Water Infrastructure Finance and Innovation (WIFIA) |

INDIANA FINANCE AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) Year Ended June 30, 2023

Summary of Auditor's Results (Continued)

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee? _____ yes ✓ no

Financial Statement Findings

None

Federal Award Findings and Questioned Costs

2023-001 Coronavirus State and Local Fiscal Recovery Funds – Assistance Listing No. 21.027

Significant Deficiency in Internal Control over Compliance and Noncompliance – H. Period of Performance

Criteria: Pursuant to the Final Rule at 31 CFR section 35.5(a) for the Coronavirus State and Local Fiscal Recovery Funds, recipients may only use funds to cover costs incurred during the period beginning on March 3, 2021, and ending on December 31, 2024.

Condition and Context: During our testing, we noted 1 of the 39 items selected for testing included costs outside of the period of performance. Our sample was not statistically valid.

Cause and Effect: We noted internal controls surrounding the disbursement review process were appropriately designed and implemented but did not operate effectively for 1 of 39 disbursements selected for testing. This resulted in reimbursement of costs which occurred outside of the period of performance.

Questioned Costs: \$165,824

Recommendation: We recommend the IFA implement procedures to ensure the disbursement review process is operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The Indiana Finance Authority (IFA) agrees with the recommendation and plans to implement the revised process during 2023. The IFA has procedures in place to address these matters which includes the review of every disbursement. In this instance the IFA reviewed the existing Standard Operating Procedures and have edited them to reflect the date of the period of performance as part of the checklist for the program. The new program manager has been updated on the procedures and the importance of being in compliant with the federal guidelines. The funds were corrected subsequent to year end and paid with operating revenues during fiscal year 2024. The schedule of expenditures of federal award for the year ended June 30, 2023, included in this reporting package was also revised to remove the amount from federal expenditures.



CORRECTIVE ACTION PLAN Year Ended June 30, 2023

United States Department of Treasury

Indiana Finance Authority, a Component Unit of the State of Indiana (IFA) submits the following corrective action plan for the year ended June 30, 2023.

Name and address of independent public accounting firm:

Katz, Sapper & Miller, LLP
800 East 96th Street, Suite 500
Indianapolis, IN 46240

Audit period: Year ended June 30, 2023

The findings from the schedule of findings and questioned costs for the year ended June 30, 2023, are discussed below. The findings are numbered consistently with the numbers assigned in the Schedule.

FINANCIAL STATEMENT FINDINGS

None

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2023-001 Coronavirus State and Local Fiscal Recovery Funds – Assistance Listing No. 21.027

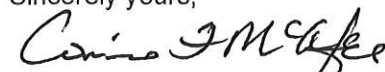
Significant Deficiency in Internal Control over Compliance and Noncompliance – H. Period of Performance

Recommendation: The Auditor recommended the IFA implement procedures to ensure the disbursement review process is operating effectively.

Planned Corrective Actions: The Indiana Finance Authority (IFA) has procedures in place to assure the appropriate use of the federal funds the IFA manages. IFA oversight includes the robust review process of all disbursements which includes IFA engineers and finance staff. With respect to the matter your letter references, the IFA reviewed our existing Standard Operating Procedures and have edited them to reflect the date of the period of performance as part of the checklist for the program. The new IFA Program Manager has been updated on the procedures and the importance of being in compliance with the federal guidelines. The funds were corrected subsequent to year end and paid with operating revenues during fiscal year 2024.

If the United States Department of Treasury has questions regarding this plan, please call Dan Huge, Public Finance Director of the State of Indiana at 317.233.4332.

Sincerely yours,


Connie McAfee, Controller
Indianapolis Finance Authority

Indiana Finance Authority • One North Capitol, Suite 900 • Indianapolis, IN 46204 • 317.233.4332 Fax 317.232.6786



Indiana Finance Authority State Revolving Fund Loan Programs

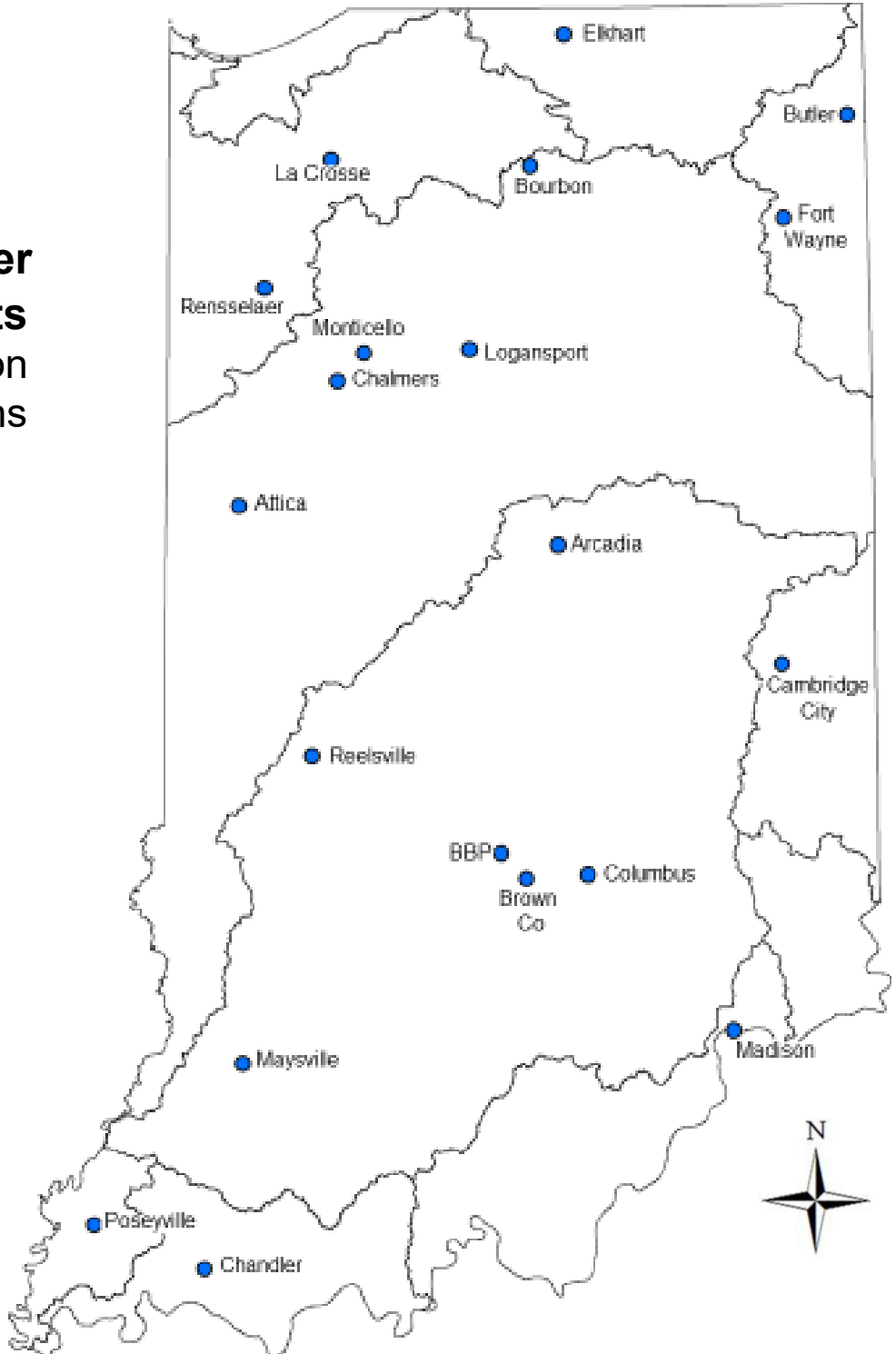
Drinking Water Projects Closed State Fiscal Year 2023

Drinking Water

● 2023 Projects

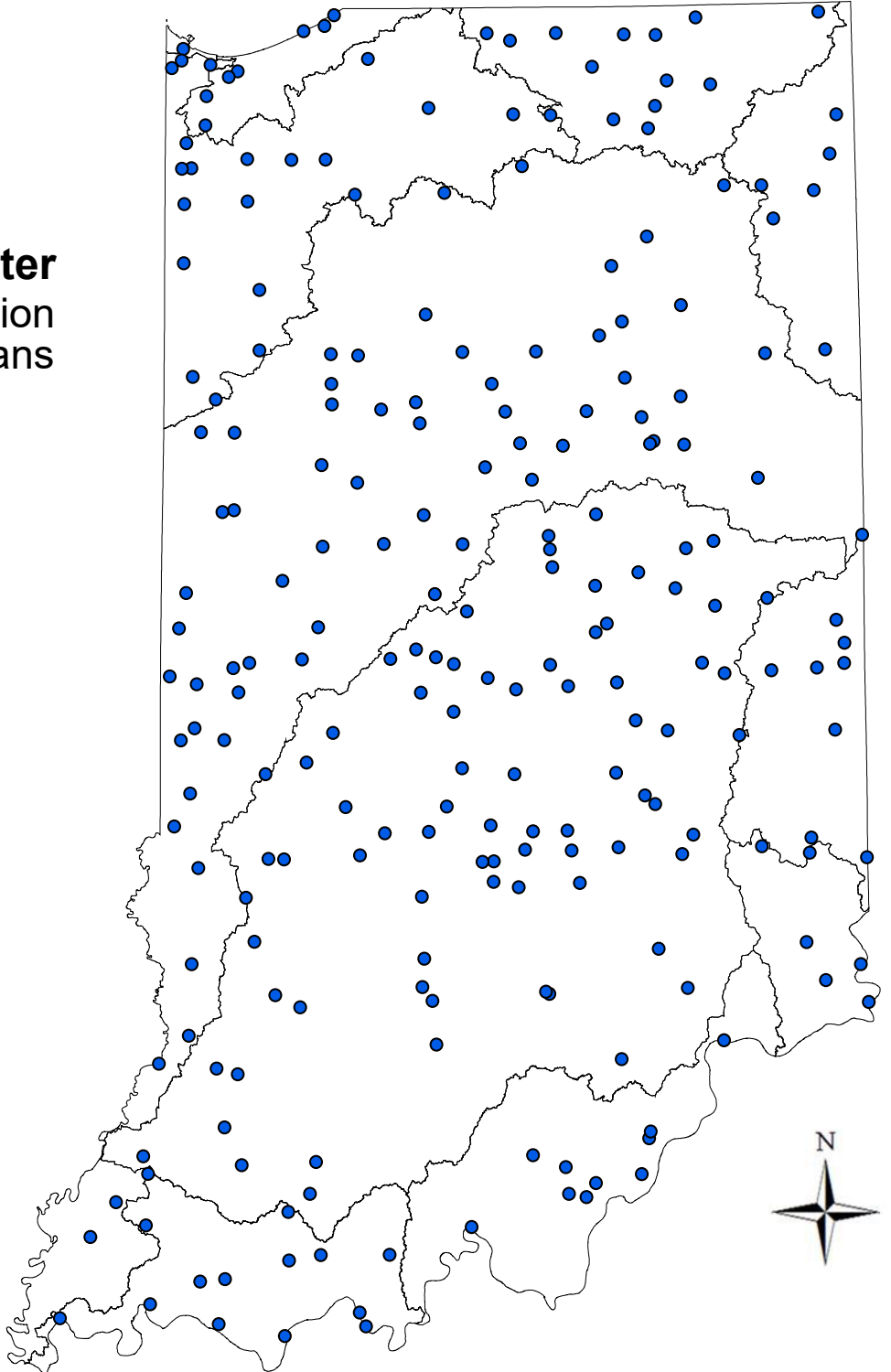
\$ 133 Million

20 Loans





● **Drinking Water**
\$1.29 Billion
343 Loans



Indiana DWSRF Loan Program
Exhibit Q - Summary of Set-Aside Funds in SFY 2023

| Capitalization Grant Year | Set-Aside | Award Amount | Balance on 6/30/2022 | ASAP Activity Date | Activity Amount | Description | Balance on 7/1/2023 |
|---------------------------|---------------------------------------|----------------|----------------------|--------------------|---------------------------------|---|------------------------------------|
| 2020 | Administrative | 673,200.00 | - | | | | - |
| | State Program Management ² | 1,683,000.00 | 436,938.57 | 08/26/22 | 4,662.50 | Central Water Study | 432,276.07 |
| | | | | 09/29/22 | 4,662.50 | Central Water Study | 427,613.57 |
| | | | | 01/12/23 | 5,250.00 | Central Water Study | 422,363.57 |
| | | | | 02/01/23 | 422,363.57 | Lead Sampling in Child Care Facilities | - |
| 2021 | Administrative | 672,600.00 | - | | | | - |
| | State Program Management ³ | 1,681,500.00 | 1,492,155.79 | 08/26/22 | 146,147.09 | Certified Operator Apprenticeship Program | 1,346,008.70 |
| | | | | 9/29/2022 | 75.00 | Regional Water Planning | 1,345,933.70 |
| | | | | 01/12/23 | 122,261.49 | Certified Operator Apprenticeship Program | 1,223,672.21 |
| | | | | 2/1/2023 | 126,136.43 | Lead Sampling in Child Care Facilities | 1,097,535.78 |
| | | | | 03/31/23 | 853,330.80 | Certified Operator Apprenticeship Program | 244,204.98 |
| | | | | 03/31/23 | 78.00 | Regional Water Planning | 244,126.98 |
| | | | | 06/29/23 | 77,429.44 | Certified Operator Apprenticeship Program | 166,697.54 |
| | | | | 06/29/23 | 35,200.00 | Indiana Cyber Security Training Program | 131,497.54 |
| | 2022 Base Program | Administrative | 428,440.00 | 428,440.00 | 7/1/2022 | \$ 109,978.29 | 1/1/22-3/31/22 (remaining partial) |
| | | | | 7/1/2022 | \$ 11,812.50 | Contract Services | 306,649.21 |
| | | | | 7/1/2022 | \$ 54,373.67 | Professional Services | 252,275.54 |
| | | | | 7/1/2022 | \$ 22.95 | Publication fees | 252,252.59 |
| | | | | 9/30/2022 | \$ 155,127.88 | 4/1/22-6/30/22 | 97,124.71 |
| | | | | 9/30/2022 | \$ 76,812.21 | 7/1/22-9/30/22 (partial) | 20,312.50 |
| | | | | 9/30/2022 | \$ 5,250.00 | Contract Services | 15,062.50 |
| | | | | 9/30/2022 | \$ 15,062.50 | Professional Services | - |
| Technical Assistance | | 214,220.00 | 214,220.00 | 1/12/2023 | \$ 8,662.50 | Outreach - Disadvantaged Communities | 205,557.50 |
| | | | | 3/31/2023 | \$ 3,255.00 | Outreach - Disadvantaged Communities | 202,302.50 |
| | | | | 6/29/2023 | \$ 20,170.00 | Outreach - Disadvantaged Communities | 182,132.50 |
| | | | | 6/29/2023 | \$ 2,205.25 | Outreach - Disadvantaged Communities | 179,927.25 |
| State Program Management | | 1,071,100.00 | 1,071,100.00 | 11/18/22 | \$ 23,700.00 | Lead Service Line Platform | 1,047,400.00 |
| | | | | 01/12/23 | \$ 64,035.00 | Lead Service Line Platform | 983,365.00 |
| | | | | 06/20/23 | \$ 44,500.00 | LSLI Funding Assistance Program | 938,865.00 |
| | | | | 06/29/23 | \$ 64,035.00 | Lead Service Line Platform | 874,830.00 |
| Local Assistance | | 1,606,650.00 | 1,606,650.00 | 01/19/23 | \$ 535,550.00 | Regional Water Planning in Clinton Co | 1,071,100.00 |
| | | | 06/20/23 | \$ 32,500.00 | LSLI Funding Assistance Program | 1,038,600.00 | |

| Capitalization Grant Year | Set-Aside | Award Amount | Balance on 6/30/2022 | ASAP Activity Date | Activity Amount | Description | Balance on 7/1/2023 |
|---|--------------------------|--------------|----------------------|--------------------|-----------------|--|----------------------|
| 2022 General Supplemental | Administrative | 1,100,080.00 | 1,100,080.00 | | | | 1,100,080.00 |
| | Technical Assistance | 550,040.00 | 550,040.00 | 3/31/2023 | \$ 69,519.67 | Outreach - Disadvantaged Communities | 480,520.33 |
| | | | | 6/29/2023 | \$ 15,795.02 | Outreach - Disadvantaged Communities | 464,725.31 |
| | Local Assistance | 2,750,200.00 | 2,750,200.00 | 1/12/2023 | \$ 120,084.63 | Regional Water Planning in Southeast Central | 2,630,115.37 |
| | | | | 1/19/2023 | \$ 486,735.00 | Regional Water Planning in Clinton Co | 2,143,380.37 |
| | | | | 06/20/23 | \$ 57,500.00 | LSLI Funding Assistance Program | 2,085,880.37 |
| | | | | 06/29/23 | \$ 98,366.32 | Regional Water Planning in Southeast Central | 1,987,514.05 |
| 2022 LSL Removal | Administrative | 1,733,360.00 | 1,733,360.00 | | - | | 1,733,360.00 |
| | Local Assistance | 4,333,400.00 | 4,333,400.00 | 6/29/2023 | \$ 70,260.13 | LSLI Funding Assistance Program | 4,263,139.87 |
| | State Program Management | 4,333,400.00 | 4,333,400.00 | 06/20/23 | \$ 56,547.00 | LSLI Funding Assistance Program | 4,276,853.00 |
| 2022 Emerging Contaminants | Administrative | 461,920.00 | 461,920.00 | | | | 461,920.00 |
| | Local Assistance | 200,000.00 | 200,000.00 | | | | 200,000.00 |
| Total Set-Aside Balance in active grants | | | | | | | 16,712,447.02 |
| | | | | | | | 7/1/2023: |

* - Not awarded as of July 2022

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

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

Exhibit Q

Summary of Activities Completed Under the Technical Assistance Set-Aside as of July 2023

1. **Name of program:** Technical Assistance Program. Outreach to Disadvantaged Communities
 - a. **Capitalization Grant in SFY 2023:** 2022 Base, and 2022 General Supplemental
 - b. **Purpose:** Assist Disadvantaged Communities to identify needs and access to funding.
 - c. **Agency Responsibilities:** The Authority will engage third party contractors to conduct community outreach and assistance with preliminary planning.
 - d. **Achievements:** The Authority engaged third-party contractors starting in March 2022. The Contractors have worked to assist in the creation of feasibility studies, regionalization strategies, applications and PER assistance, with ten Disadvantaged Communities. Two communities subject to this program have applied to the SRF Loan Programs for funding assistance.

Summary of Activities Completed Under the State Program Management Set-Aside as of July 2023

1. **Name of program:** Lead Sampling Program for Public Schools and Child Care Facilities
 - a. **Capitalization Grant in SFY 2023:** 2020 Base, and 2021 Base
 - b. **Purpose:** To help Indiana public schools and child care facilities assess if there is a presence of lead in drinking water within their facilities
 - c. **Agency Responsibilities:** Per the eligibility requirements of the WIIN Act Section 2107, *Lead Testing in School and Child Care Program Drinking Water Grant*, the Authority developed and initiated a lead sampling program for school and child care facilities. The Authority will work with IDEM to develop a sampling protocol and will engage a third-party contractor to help manage laboratory coordination and data management.

The Authority has also utilized \$1,168,000 from the WIIN Act Section 2107 for FY 2018 through FY 2020 for this program and \$543,928 from the WIIN Act's Section 2105 Reducing Lead in Drinking Water grant.
 - d. **Achievements:** Third party contractors were engaged August 2019. Sampling protocols developed. Application, guidance documents, and marketing materials prepared.

The IFA has been collecting applications on a rolling basis since November 2019. As of 6/30/2023, over 12,000 samples have been collected and 183 schools and 87 child care facilities have completed sampling. An estimated 109,000 children have been impacted by this project. As a result of the program, 91 schools and child care facilities have either remediated or replaced problematic fixtures.

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

2. **Name of program:** Indiana Validated Water Loss Audit Program
 - a. **Capitalization Grant in SFY 2023:** 2020 Base
 - b. **Purpose:** To help water utilities better understand the amount of non-revenue water in their systems and help address potential issues
 - c. **Agency Responsibilities:** The Authority engaged a third-party contractor to conduct trainings and aid utilities in completing a water audit. In addition, the Authority also engaged the same third-

party contractor to conduct trainings for validators, who aid utilities in completing a validated water audit. For more information see: <https://www.in.gov/ifa/water-loss-audits/>

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

In the Spring of 2022, the same third-party contractor was re-engaged to provide another round of trainings. Three audit training sessions and three validator training workshops were conducted between January and March of 2022, with 89 people attending the audit trainings and 36 people attending the validator workshops. In all, the State has certified 150 Water Audit Validators. All water audits were required to be submitted August 1, 2022. The 2022 Legislative Report summarizing the audits was completed and posted to the IFA website, The report can be reviewed at www.in.gov/ifa/files/2022-Water-Loss-Report.pdf.

3. **Name of program:** Regional Water Planning Meetings
 - a. **Capitalization Grant Year in SFY 2023:** 2021 Base
 - b. **Purpose:** The goal of the program is to increase communication and improve collaboration among utilities and other water users in local regions across the State. For more information see: <https://www.in.gov/ifa/regional-planning-meetings/>
 - c. **Agency Responsibilities:** The Authority has organized and conducted regional meetings, including setting the agendas and recruiting speakers, drafting region boundaries and invitation lists, and finding suitable regional locations for meetings. The Authority may engage a third-party contractor to assist with the implementation of this program.
 - d. **Achievements:** The IFA conducted twenty-nine Regional Water Planning Meetings in SFY 2023, representing participation of approximately 300 water and wastewater utilities.
4. **Name of program:** Central Indiana Water Study
 - a. **Capitalization Grant Year in SFY 2023:** 2020 Base
 - b. **Purpose:** The goal of the IFA’s Central Indiana Water Study is to provide the State and affected water utilities a better understanding of the supply and demand of water resources in the Central Indiana region. For more information see www.in.gov/ifa/regional-water-studies/central-indiana-water-study
 - c. **Agency Responsibilities:** The Authority lead the planning effort, including drafting study scopes, engaging third party contractors, reviewing all deliverables, conducting public meetings.
 - d. **Achievements:** Contractors were engaged in 2019. The IFA hosted a public meeting on April 29, 2019, to kick-off the study with elected officials, utility personnel, and other interested parties. Several presentations have been made to share the findings including a public meeting on August 9, 2021, to present the final results of the study.

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

[Fact Sheet](#)

[Executive Summary Report](#)

Regional Water Demand Forecast Report

Regional Supply Fact Sheet

Regional Water Availability Report

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

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

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

6. **Name of program:** Indiana Lead Service Line Platform
 - a. **Capitalization Grant Year in SFY 2023:** 2022 Base
 - b. **Purpose:** To create a platform to act as a central location for water systems to submit lead service line inventory data to comply with requirements and direct funding decisions.
 - c. **Agency Responsibilities:** The Authority will solicit and work with a third-party contractor to create a software platform that facilitates the submission and management of lead service line inventories.
 - d. **Achievements:** A third-party contractor was engaged December 2022. As of June 2023, the contractor has created a portal to house lead service line inventory data, created portal training materials, and conducted the initial training session for the use of the portal.

7. **Name of program:** Indiana Cyber Security Training Program
 - a. **Capitalization Grant Year in SFY 2023:** 2021 Base
 - b. **Purpose:** To provide no-cost, virtual cybersecurity training for the water utilities of Indiana
 - c. **Agency Responsibilities:** The Authority will work with a third-party contractor to administer the Cybersecurity training.
 - d. **Achievements:** The third-party contractor was engaged in April 2022. The first cybersecurity training was held August 2022. As of June 30, 2023, ten workshops have been held with approximately 300 people in attendance.

8. **Name of program:** Indiana Drinking Water Lead Service Line Inventory
 - a. **Capitalization Grant Year in SFY 2023:** 2022 Base, and 2022 LSL Replacement
 - b. **Purpose:** To provide funds and professional services to assist Indiana communities locate and report lead service lines in their drinking water systems in small and Disadvantaged Communities.
 - c. **Agency Responsibilities:** The Authority will grant funds for inventory projects in small and Disadvantaged Communities that identify service line materials through activities such as public outreach campaigns, inventory tools, site investigations, and predictive modeling.
 - d. **Achievements:** Preliminary coordination began with state agencies to begin the Lead Service Line Inventory program. The program was launched March 2023, and applications were received and prioritized. The program expects to fund the completion of Lead Service Line Inventories in 180 communities in the first year of the program. The program is expected to be funded with a combination of set-asides and state funds. More information on the assistance program can be found at: <https://www.in.gov/ifa/lead-service-line-inventory-funding/>

Summary of Activities Completed Under the Local Assistance as of July 2023

1. **Name of program:** Indiana Drinking Water Lead Service Line Inventory
 - a. **Capitalization Grant Year in SFY 2023:** 2022 Base, 2022 General Supplemental, and 2022 LSL Replacement
 - b. **Purpose:** To provide funds and professional services to assist Indiana communities locate and report lead service lines in their drinking water systems in small and Disadvantaged Communities.
 - c. **Agency Responsibilities:** The Authority will grant funds for inventory projects in small and Disadvantaged Communities that identify service line materials through activities such as public outreach campaigns, inventory tools, site investigations, and predictive modeling.
 - d. **Achievements:** Preliminary coordination began with state agencies to begin the Lead Service Line Inventory program. The program was launched March 2023, and applications were received and prioritized. The program expects to fund the completion of Lead Service Line Inventories in 180 communities in the first year of the program. The program is expected to be funded with a combination of set-asides and state funds. More information on the assistance program can be found at: <https://www.in.gov/ifa/lead-service-line-inventory-funding/>

2. **Name of program:** Regional Water Supply Planning in Clinton County, Indiana
 - a. **Capitalization Grant Year in SFY 2023:** 2022 Base, and 2022 General Supplemental
 - b. **Purpose:** To provide funds and professional services to investigate water availability in the area of Clinton County Indiana.
 - c. **Agency Responsibilities:** The Authority will work with a third-party contractor to administer investigation and planning projects.
 - d. **Achievements:** As of June 2023, the Authority has engaged a third-party contractor to complete groundwater models and yield analysis for the areas of concern in Clinton County.

3. **Name of program:** Regional Water Supply Planning in Southeast Central, Indiana
 - a. **Capitalization Grant Year in SFY 2023:** 2022 General Supplemental

- b. **Purpose:** To provide funds and professional services to investigate the 50-year demand and supply availability in the Driftwood Flatrock Haw and Upper East Fork White watersheds.
- c. **Agency Responsibilities:** The Authority will work with a third-party contractor to administer investigation and planning projects.
- d. **Achievements:** The third-party contractor was engaged in August 2022. Work commenced in August 2022 and is expected to conclude in May 2024. Besides the supply and demand study, the project will also include the upgrading of water monitoring equipment and the updating of Indiana's water utilities service territory map. More information is available here:
<https://www.in.gov/ifa/regional-water-studies/southeast-I74-water-study/>

Indiana DWSRF Loan Program
Exhibit R - Summary of All Associated Funds in SFY 2023

| Applicant Name | Closing Date | SRF Funding | Co Funding Federal Programs (ARP, RD, OCRA, etc.) | Fee Agreements | State Programs | Local Funds |
|----------------|--------------|-----------------------|---|---------------------|---------------------|---------------------|
| Columbus | 08/26/2022 | 22,200,000 | - | - | - | - |
| Maysville | 09/22/2022 | 590,000 | - | - | 2,137,000 | 95,000 |
| Attica | 11/18/2022 | 4,833,000 | - | - | - | - |
| Madison | 12/15/2022 | 12,000,000 | - | - | - | 1,000,000 |
| Cambridge City | 12/15/2022 | 5,335,000 | 700,000 | - | - | 188,000 |
| Rensselaer | 02/24/2023 | 5,877,000 | 600,000 | - | - | - |
| Rensselaer LSL | 02/24/2023 | 2,150,000 | - | - | - | - |
| Logansport | 03/15/2023 | 8,500,000 | - | - | - | - |
| Arcadia | 03/16/2023 | 3,965,000 | 577,800 | 2,000,000 | - | - |
| Poseyville | 03/22/2023 | 2,950,000 | 549,000 | - | - | - |
| BBP | 03/23/2023 | 5,365,600 | - | - | 93,929 | - |
| Monticello | 03/30/2023 | 5,855,000 | - | - | - | 1,303,489 |
| Monticello LSL | 03/30/2023 | 1,055,000 | - | - | - | - |
| Butler | 04/19/2023 | 2,663,748 | - | - | - | 195,447 |
| Butler LSL | 04/19/2023 | 904,252 | - | - | - | - |
| Chandler | 04/21/2023 | 17,621,000 | - | - | - | 2,293,891 |
| Bourbon | 4/25/2023 | 5,001,000 | - | - | - | 208,300 |
| Brown County a | 4/26/2023 | 2,400,000 | - | - | - | - |
| Brown County b | 4/26/2023 | 3,600,000 | - | - | - | - |
| Elkhart | 5/3/2023 | 818,195 | - | - | - | - |
| La Crosse | 5/15/2023 | 3,279,900 | - | - | - | 300,000 |
| Reelsville | 5/19/2023 | 1,143,000 | 2,000,000 | - | - | 145,000 |
| Fort Wayne | 6/21/2023 | 12,999,000 | - | - | - | - |
| Chalmers a | 6/26/2023 | 999,000 | - | - | - | - |
| Chalmers b | 6/26/2023 | 1,280,000 | 700,000 | - | - | 100,000 |
| Totals | | \$ 133,384,695 | \$ 5,126,800 | \$ 2,000,000 | \$ 2,230,929 | \$ 5,829,127 |

Indiana DW SRF Loan Program
Exhibit S - Summary of Drinking Water Projects with a Regional Solution SFY 2018 - 2023

| <u>Closing Date</u> | <u>Community</u> | <u>Loan Amount</u> | <u>Project</u> |
|---------------------|------------------|--------------------|--|
| 3/23/2023 | BBP Water Corp | \$ 5,365,600 | The project will extend water service to Lanes Addition, an area previously served by failing private wells. |
| 5/31/2022 | Grabill | \$ 3,727,000 | The project allowed the City of Fort Wayne to extend service to the Town of Grabill and allow the Town to decommission an existing WTP. |
| 5/25/2022 | Nashville | \$ 3,825,000 | The project extended service to Brown County State Park and allowed the Park to decommission an existing WTP. |
| 12/18/2019 | Lizton | \$ 1,400,000 | The Water Main extension project extended drinking water service from the existing Citizens Water Authority utility to the Town of Lizton and surrounding areas. |
| 8/16/2018 | Jackson County | \$ 6,680,000 | The Water Main extension project extended drinking water service from the existing Jackson County Water utility to approximate 573 households and businesses. |

Exhibit T
Summary of New Borrowers to the DWSRF Program in SRF 2023

| <u>Community</u> | <u>Closing Date</u> | <u>Loan Amount</u> |
|------------------|---------------------|--------------------|
| Columbus | 08/26/2022 | 22,200,000 |
| Maysville RWSD | 09/30/2022 | 590,000 |
| Attica | 11/18/2022 | 4,833,000 |
| Poseyville | 03/02/2023 | 2,950,000 |
| Butler | 04/19/2023 | 3,568,000 |
| Bourbon | 04/25/2023 | 5,001,000 |
| Elkhart | 05/03/2023 | 818,195 |
| LaCrosse | 05/15/2023 | 3,279,900 |

Exhibit U
Summary of Disadvantaged Community Financings
June 2018 - June 2023

| Borrower Name | State Tracking Number | MHI Lower than 80% of State MHI ¹ | Rates Greater than \$45 a month | 1% | Agreement Date | SRF Agreement Amount | Interest Rate | Term | Additional Subsidy Amount | Estimated Savings |
|------------------------------|-----------------------|--|---------------------------------|----|----------------|----------------------|---------------|------|---------------------------|--------------------|
| Jackson County Water Utility | DW18023603 | | | X | 08/16/2018 | 6,680,000 | 2.30 | 35 | - | 2,306,406 |
| Mishawaka | DW18077103 | X | | X | 10/29/2018 | 13,000,000 | 2.82 | 20 | - | 1,523,600 |
| North Judson | DW18017501 | X | | X | 12/11/2018 | 1,584,000 | 3.55 | 35 | - | 78,850 |
| Delphi | DW18170801 | X | | X | 12/12/2018 | 7,420,000 | 3.55 | 35 | - | 369,360 |
| Kirklin | DW18091202 | | X | X | 12/14/2018 | 3,718,000 | 2.00 | 20 | 2,555,000 | 3,928,596 |
| Walkerton | DW17097102 | X | X | X | 12/20/2018 | 7,184,000 | 2.00 | 20 | 2,850,000 | 5,038,450 |
| Evansville | DW18128201 | X | | X | 12/21/2018 | 77,220,000 | 3.25 | 20 | - | 4,916,155 |
| Lebanon | DW18130601 | | | X | 02/15/2019 | 3,360,000 | 2.00 | 20 | - | 838,799 |
| Holland | DW18051901 | X | | X | 03/29/2019 | 617,000 | 2.00 | 20 | 265,000 | 457,469 |
| Crown Point | DW18044501 | | X | | 11/01/2019 | 6,626,400 | 0.00 | 20 | - | 2,371,907 |
| Glenwood | DW18147002 | | X | X | 11/14/2019 | 235,000 | 2.00 | 20 | 165,000 | 252,602 |
| Huntingburg | DW18151902 | | | X | 12/17/2019 | 8,000,000 | 2.59 | 20 | - | 1,162,937 |
| Lizton | DW18063201 | | X | X | 12/18/2019 | 1,400,000 | 0.00 | 20 | 1,400,000 | 2,014,939 |
| Delphi | DW18170802 | | X | X | 12/20/2019 | 6,225,000 | 2.42 | 20 | 1,000,000 | 3,745,700 |
| Bluffton | DW19089001 | X | | X | 01/27/2020 | 13,789,000 | 2.44 | 20 | - | 1,813,791 |
| Peru (Grissom) | DW17065202 | X | | X | 05/14/2020 | 4,400,000 | 2.00 | 20 | - | 950,873 |
| Monroe | DW19010101 | | X | X | 09/29/2020 | 2,911,000 | 2.00 | 20 | 2,439,000 | 3,196,000 |
| Monroe | DW19010101 | | X | X | 09/29/2020 | 820,000 | 2.30 | 35 | - | - |
| Carlisle | DW19097701 | X | | X | 09/30/2020 | 3,140,000 | 2.00 | 20 | - | 197,000 |
| North Salem | DW19033201 | X | X | X | 10/28/2020 | 1,470,000 | 2.00 | 20 | 1,010,000 | 1,358,000 |
| Crown Point | DW18044503 | | X | | 11/24/2020 | 7,819,535 | 0.00 | 20 | - | 3,419,535 |
| La Crosse | DW20024601 | | X | X | 12/04/2020 | 4,214,458 | 0.00 | 20 | 1,500,000 | 3,216,218 |
| Galveston | DW19070901 | | X | X | 12/15/2020 | 5,965,080 | 0.00 | 35 | 4,250,000 | 7,382,000 |
| Fountain City Water Works | DW19118901 | | X | X | 12/15/2020 | 202,000 | 2.00 | 20 | - | 3,344,156 |
| Lewisville | DW20033302 | | X | X | 12/18/2020 | 433,000 | 2.00 | 20 | - | 1,101,044 |
| Universal | DW20058303 | X | X | X | 12/28/2020 | 238,000 | 2.25 | 20 | 72,000 | 126,947 |
| Frankfort | DW19141201 | X | | | 03/16/2021 | 10,835,000 | 2.00 | 20 | - | 1,134,872 |
| Frankfort | DW19141201 | X | | | 03/16/2021 | 2,795,000 | 2.30 | 35 | - | - |
| Topeka | DW20104401 | | X | X | 03/31/2021 | 4,392,000 | 2.00 | 20 | 667,000 | 850,700 |
| Northwest Jasper RWD | DW19173701 | | X | X | 05/27/2021 | 3,445,000 | 2.30 | 35 | - | - |
| Northwest Jasper RWD | DW19173701 | | X | X | 05/27/2021 | 2,685,000 | 2.00 | 20 | - | - |
| New Market | DW21075402 | | X | X | 09/16/2021 | 1,180,000 | 2.00 | 20 | - | 195,000 |
| Leavenworth | DW21091301 | X | X | X | 11/23/2021 | 1,149,000 | 0.02 | 20 | 500,000 | 972,348 |
| Lapel | DW21054802 | | X | X | 12/07/2021 | 2,735,000 | 0.00 | 20 | - | 3,867,296 |
| Lapel | DW21054802 | | X | X | 12/07/2021 | 3,790,000 | 0.00 | 35 | - | - |
| Dana | DW20048301 | | X | X | 12/15/2021 | 1,856,000 | 0.00 | 20 | 870,000 | 1,807,000 |
| Gibson | DW18082603 | | X | | 12/15/2021 | 1,205,000 | 0.02 | 20 | - | - |
| New Chicago | DW21064502 | X | X | X | 12/21/2021 | 3,345,000 | 0.02 | 20 | - | 421,149 |
| L&M RWD | DW21156801 | X | X | X | 04/11/2022 | 632,000 | 0.02 | 20 | 460,000 | 699,221 |
| Russellville | DW20186702 | | X | X | 04/29/2022 | 1,355,000 | 0.02 | 20 | 1,000,000 | 1,515,960 |
| Nashville | DW22030701 | X | X | X | 05/25/2022 | 3,825,000 | 0.00 | 20 | 3,825,000 | 5,625,000 |
| Wheatland | DW22014201 | X | X | X | 06/16/2022 | 3,969,000 | 0.00 | 35 | 2,575,000 | - |
| Edwardsville | DW20112201 | X | X | X | 06/22/2022 | 4,817,000 | 2.25 | 20 | - | - |
| Cromwell | DW21165702 | X | X | X | 06/28/2022 | 794,000 | 2.00 | 20 | - | - |
| Van Bibber | DW19106701 | X | X | X | 06/29/2022 | 4,113,000 | 0.00 | n/a | 4,113,000 | - |
| Jackson County | DW21033604 | | X | X | 06/30/2022 | 285,000 | 2.00 | 20 | - | - |
| Jackson County | DW21033604 | | X | X | 06/30/2022 | 4,015,000 | 1.60 | 35 | - | - |
| Columbus | DW21140301 | | X | X | 08/26/2022 | 22,200,000 | 2.73 | 20 | - | 3,566,520 |
| Maysville RWSD | DW22050201 | | X | X | 09/30/2022 | 590,000 | 0.00 | 0 | 590,000 | 5,828,989 |
| Cambridge City | DW22168902 | X | | X | 12/15/2022 | 5,335,000 | 2.12 | 20 | 2,300,000 | 4,095,833 |
| Madison | DW22093903 | X | | | 12/15/2022 | 12,000,000 | 4.01 | 35 | - | - |
| Rensselaer | DW22193702 | | X | X | 02/24/2023 | 7,994,000 | 0.00 | 20 | - | 5,770,250 |
| Logansport | DW23150901 | X | | X | 03/15/2023 | 8,500,000 | 0.00 | 0 | 7,200,000 | 11,208,898 |
| Arcadia | DW22292902 | | X | X | 03/16/2023 | 3,965,000 | 0.00 | 20 | 2,000,000 | 6,813,303 |
| Poseyville | DW23056501 | | X | X | 03/22/2023 | 2,950,000 | 0.00 | 20 | 1,000,000 | 2,391,323 |
| BBP Water Corporation | DW17106002 | X | X | X | 03/23/2023 | 5,365,600 | 2.49 | 35 | 726,600 | 3,057,145 |
| Monticello | DW21019102 | X | | | 03/30/2023 | 6,910,000 | 1.32 | 35 | 2,050,000 | 6,857,430 |
| Chandler | DW18198703 | X | | X | 4/21/2023 | 17,621,000 | 2.74 | 30 | - | 8,316,316 |
| Bourbon | DW22135001 | X | | X | 4/25/2023 | 5,001,000 | 3.59 | 35 | - | 1,826,986 |
| Brown County | DW20140703 | | X | X | 4/26/2023 | 2,400,000 | 3.51 | 20 | - | 471,256 |
| Brown County | DW20140703 | | X | X | 4/26/2023 | 3,600,000 | 3.51 | 35 | - | 1,386,370 |
| La Crosse | DW22444602 | | X | X | 05/15/2023 | 3,279,900 | 0.00 | 0 | 3,279,900 | 5,263,753 |
| Reelsville Water Authority | DW22116703 | | X | X | 05/19/2023 | 1,143,000 | 2.00 | 20 | - | 436,303 |
| Fort Wayne | DW22180206 | X | | X | 06/21/2023 | 12,999,000 | 0.00 | 35 | 11,000,000 | 25,786,489 |
| Chalmers | DW22082301 | | X | X | 6/26/2023 | 2,279,000 | 0.67 | 35 | - | 2,307,147 |
| TOTALS | | | | | | 376,020,973 | | | 61,662,500 | 167,584,191 |