
DRINKING WATER STATE REVOLVING FUND

ANNUAL REPORT
SFY2022-2023

BASE PROGRAM CAPITALIZATION GRANT AND
BIPARTISAN INFRASTRUCTURE LAW GENERAL
SUPPLEMENTAL FUNDING

Submitted to the



**U.S. Environmental Protection Agency
Region IV**

By the



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EXECUTIVE SUMMARY

The Florida Department of Environmental Protection (DEP) administers the Drinking Water State Revolving Fund (DWSRF) program in Florida in accordance with the Safe Drinking Water Act (SDWA), as amended in 1996, and Section 403.8532, Florida Statutes. The DEP’s State Revolving Fund (SRF) Program carries out the daily program activities associated with this program.

A total of 17 new projects met the “readiness to proceed” requirements for construction assistance and executed assistance agreements during this reporting period. These projects are listed in **Table 1**. An additional 13 projects received increases to their construction agreements for projects that were phased or incompletely funded in past years. In addition, 6 projects received preconstruction assistance. Preconstruction assistance provides funds for planning and design activities. Binding commitments during the period totaled \$129,702,812. Net commitments during the period, including decreases to binding commitments from prior years, totaled \$100,496,866.

We assisted 14 small drinking water systems during this reporting period. Eight small community sponsors received construction assistance in the form of a new construction loan. Two small community sponsors received an increase to an existing agreement and 4 received awards for preconstruction activities. The total funding provided to small communities during the period was \$29,263,924, or 29 percent of the net binding commitments. All of the small communities that requested funding received the maximum amount they were eligible to receive.

The total revenue received by the DWSRF during SFY 2023 was \$168,333,977. State funds deposited into the DWSRF fund totaled \$12,599,900. Principal and interest repayments of \$50,644,235 were received during this period and \$6,812,297 came from interest earned on state funds deposited into the SRF account. The Federal Fiscal Year’s (FFY) 2022 capitalization grant totaling \$27,448,545 was received on September 22, 2022 and a General Supplemental Funding award from the Bipartisan Infrastructure Law (BIL), totaling \$70,829,000, on September 29, 2022.

Set-aside funding for all programs for SFY 2023 was \$5,874,793. For SFY 2023, the cost of administering the DWSRF program was about \$1,296,241. Since program inception, the total cost of administering the DWSRF has been \$22,079,214. Florida did not receive an administrative set-aside in SFY 2023. Instead, the program charged service fees to cover administrative expenses.

OVERVIEW OF FLORIDA’S DWSRF PROGRAM FOR SFY 2022

Total Investment: \$168.3 million

New Construction Projects (Executed Assistance Agreements): 17

Net Project Funding (Executed Assistance Agreements): \$100.5 million

Total Population Served (New Construction Projects): 281,507

Weighted Average Loan Interest Rate: 1.157 percent

Repayment Period for Standard Planning and Design Loans: 10 years

Repayment Period for Standard Construction Loans: 20 years

Repayment Period for Disadvantaged Assistance Loans: 30 years

Small Systems Funded: 13 awards for a total of \$29.2 million

Disadvantaged Community Funding: 27 systems for a total of \$106.3 million

Set-Aside Assistance: \$5.87 million

Cumulative assistance as a percentage of funds available: 94 percent

Cumulative Assistance Provided as a Percentage of Federal Grant (for projects): 199 percent

I. INTRODUCTION

The State of Florida is pleased to submit the Annual Report on the DWSRF for State Fiscal Year (SFY) 2023. This report addresses operation of the DWSRF from July 1, 2022 through June 30, 2023. Florida received a capitalization grant award for the Federal Fiscal Year (FFY) 2022, totaling \$27,448,545, on September 22, 2022 and a General Supplemental Funding award from the Bipartisan Infrastructure Law (BIL), totaling \$70,829,000, on September 29, 2022.

The Florida Department of Environmental Protection (DEP) provides this comprehensive report to the public and the U.S. Environmental Protection Agency (EPA) Region IV to detail the activities undertaken to reach the goals and objectives set forth in the Intended Use Plan (IUP) developed for SFY 2023. The report documents the status of the program by describing the progress made toward short- and long-term program goals, the sources (e.g., federal grants) and uses (e.g., loans and grants) of the funds, the financial status of the DWSRF and compliance with federal DWSRF requirements.

The report is presented in five major sections. Section I of this report provides highlights of the program. Section II reports on the progress made toward reaching short- and long-term goals of the program. Section III and **Appendix A** report details on loan, grants and set-aside activities. Section IV provides an overview of financial conditions of the program. Finally, Section V reports on our compliance with provisions of the federal capitalization grant agreement and the operating agreement. Additionally, Section V addresses comments from the Program Evaluation Report, dated March 29, 2023, for the period of July 1, 2021 through June 30, 2022 as submitted by the EPA Region IV. **Appendix B** is a copy of the unaudited DWSRF financial statement.

II. GOALS AND ACCOMPLISHMENTS

DEP developed the following goals as part of the 2023 IUP. The short-term goals support the implementation of the program's long-term goals. The long-term goals provide a framework that guides management decisions for the DWSRF program.

A. Short Term Goals

A description of the Program's short-term goals that were included in the 2022 IUP and the success in fulfilling the goals are as follows:

1. [Coordinate completion of set-aside work plans for each set-aside activity.](#)

This task has been completed for this reporting period and is progressing for SFY 2024. See Section III.B.2. of this report for details.

2. [Support the continuation of source water protection programs.](#)

This task has been completed for this reporting period and is progressing for SFY 2024. See Section III.B.2. of this report for details.

3. [Coordinate implementation of capacity development strategy with Public Water System Supervision \(PWSS\) staff.](#)

This task has been completed for this reporting period and is progressing for SFY 2024. See Section III.B.2. of this report for details.

4. Coordinate with Drinking Water Regulatory on assisting with the Lead and Copper Rule requirements for Florida's Community Water Systems (CWS) by developing a joint Lead Service Line (LSL) Inventory Program.

During the SFY the DWSRF applied for Federal funding for LSL inventories and prepared to receive and use the funds. This fiscal year, the DWSRF had public meetings to allocate funds for LSL inventories in July and August.

5. Continue the outreach activities to ensure that systems are aware of and understand DWSRF assistance options and the application process by presenting an annual statewide workshop to publicize the DWSRF program.

The DWSRF Program participated in a Funders Meeting on March 29, 2023 sponsored by Florida DEP's DWRA to discuss projects and updates among the various funding agencies and programs. These meetings provide an opportunity for the agencies to strengthen partnerships, share information and discuss ways to mutually assist communities in need. Representatives from the CWSRF Program, DWSRF Program, DEP's Nonpoint Source Management Program, Department of Economic Opportunity, Florida Rural Water Association, the five regional water management districts, the Southeast Rural Community Assistance Project and USDA Rural Development Rural Utilities Services. This activity will continue in SFY 2024.

DWSRF and CWSRF Programs held quarterly joint public meetings in August, November, February, and May. The meeting in August was to present the corresponding State Fiscal Year (SFY) 2023 Intended Use Plans for the SRF Capitalization Grants as well as Priority Lists of DWSRF and CWSRF projects. The other three quarterly priority list meetings were to commit project funding.

SRF staff members gave the following presentations during SFY 2023:

- "Florida's State Revolving Fund Forecast" at the FL/AL Rural Water Association joint conference in May 2023.
- "Water Restoration Assistance Funding" at the Florida Water Resources Conference in June 2023.

6. Target funding for infrastructure projects that make water systems more resilient to all threats – whether it is natural disasters, climate change, or threats such as bioterrorism and cyber-attacks – through presenting at Southeast Florida Utility Council (SEFLUC), Florida Water Resources Conference (FWRC) and other forums where Florida's resiliency projects are discussed as well as coordinate with Florida's Resiliency Funding Program on possibly co-funding of projects.

Due to staff turnover this SFY, limited progress was made on this item, but DWSRF hopes to revisit it in SFY 2024.

7. Maintain and improve a database that integrates drinking water project data with the program management data.

SRF completed a transition to a new database called ENABLE™ this year and has successfully abandoned the previous database with minimal disruption.

8. Assure that all funds in the program are expended in an expeditious and timely manner by executing binding agreements in an amount equal to not less than 120 percent of the amount of each capitalization grant payment within 1 year after the receipt of such capitalization grant payment.

This task is progressing. The DWSRF program has made a concerted effort to assist project sponsors in successfully applying for their DWSRF loan once they have been obligated funding at the public priority list meeting and entering into a loan agreement in an expeditious manner.

9. Assure the fiscal, technical and managerial integrity of the SRF program by preventing waste, fraud and abuse.

This task is ongoing. All DWSRF project management staff have attended or renewed their Florida Certified Contract Manager certification. Additionally, scheduled for SFY 2024 is a Division training on fraud prevention and detection is scheduled for SFY 2024.

10. Use the Federal DWSRF Database to track drinking water projects.

The DWSRF Program is now using the new EPA database to track all projects and compliance with the capitalization grant conditions concerning additional subsidization, equivalency, emerging contaminants, and lead service lines. As indicated in the database, the DWSRF has complied with the subsidization and equivalency requirements for FFY 2021. The Program has also obligated funding for projects at public meetings in a manner that complies with the subsidization and equivalency requirements for FFY 2022 for both the Base and BIL cap grants. The projects will be reflected in the EPA database after the agreements from the obligations are executed. As final amendments for these loan agreements are executed, the database is updated to reflect the final disbursed amount of funding provided.

B. Long-Term DWSRF Goals and Accomplishments

There are 10 long-term goals described in the 2023 IUP. These goals are being addressed as follows:

1. It is a priority of the State to ensure a safe and adequate water supply for the small communities in Florida. Therefore, the DWSRF program has the goal of maximizing the small community participation in the DWSRF program.

As required by the SDWA, 15 percent of the funds available are reserved for small communities. To facilitate their participation, small financially disadvantaged communities are eligible to receive grant funds in the form of principal forgiveness. After the small communities have been funded, large financially disadvantaged communities can compete for the remaining grant funds. The large financially disadvantaged communities can only qualify for up to 20 percent grant funding for construction projects. The DWSRF rule includes extra priority points for small communities, based on population and median household income.

2. Provide assistance for projects that will facilitate compliance with national primary drinking water regulations under Section 1412 of the SDWA or otherwise significantly further the health protection objectives of the Act (Section 1452(a)(2)).

The DWSRF priority system is structured to fund acute public health risk projects first and then the chronic public health risk projects. Projects correcting compliance issues are the next priority and all then followed by other projects are funded if funds are available.

All projects require the publication of environmental review documents in the Florida Administrative Register and must be submitted for State Clearinghouse review before they can go to construction. Projects that meet certain conditions, and that are not environmentally controversial, may be exempt from the clearinghouse review. A Categorical Exclusion Notice is published for such projects. The environmental and clearinghouse reviews assure that other agencies' concerns are addressed.

3. Encourage systems that are not in compliance with the SDWA, projects that provide the greatest protection to public health and projects which assist systems most in need on a per household basis to participate in the DWSRF program.

Projects that correct public health risks receive the highest priority. For sponsors that meet certain financially disadvantaged criteria, up to 90 percent grants and 30-year loans are available.

4. Administer the program so that its revolving nature is assured in perpetuity. We will maintain the long-term financial integrity of the DWSRF by judicious use and management of its assets and by realizing an adequate rate of return. Also, assure the fiscal, technical and managerial integrity of the SRF program by preventing waste, fraud and abuse.

When the capitalization grants end, all set-asides will end. Program administration costs will be funded by service fees, which can be up to 4 percent of the loan amount. Repayments are assured through security measures built into the loan agreements.

In addition to low interest loans, the DWSRF rules allow up to 15 percent of the funds allocated each year to be used for grants to financially disadvantaged communities. These grants, however, are limited to a maximum of 35 percent of the capitalization grant for the year in which the funds are obligated. Loan repayments are assured through security measures contained in each agreement.

To assure the technical and managerial integrity of the program, the DEP continues to maintain a highly trained technical and administrative staff. As of June 30, 2023, the SRF Program had 17 employees assigned at least part time to the DWSRF program. This staff included three Professional Engineers, all of whom are assigned full time to the program and one part time Professional Engineer. Staff reviewed project activities to assure compliance with the various program requirements.

All projects are monitored to ensure that the funds disbursed are being spent on the planning, administration, design or construction that is appropriate for the project. Interim and closeout inspections are conducted at the project sponsor's facility to ensure that record keeping is adequate and that construction is within the scope of the facilities plan and approved plans and specifications.

5. Use the DWSRF set-aside funds strategically and in coordination with the program loans to maximize the DWSRF loan account's impact on achieving affordable compliance and public health protection.

The DWSRF program, the Source Water Protection (SWP) program and the Public Water System Supervision (PWSS) program work closely together to maximize the efforts of each program. The SWP and the PWSS programs both fund circuit riders with the Florida Rural Water Association. These circuit riders freely exchange information with staff from all three programs and encourage potential project sponsors to participate in funding opportunities with the DWSRF, Rural Development and the Department of Economic Opportunity. In addition, much of the capacity development and compliance work is funded through the PWSS set-aside.

6. Facilitate allocation of program resources to address the most significant public health and compliance problems by actively working with these systems and the drinking water regulatory staff.

Projects that correct a public health risk problem receive the highest priority score and those that are financially disadvantaged may receive a grant to correct the problem. In addition, staff from the PWSS program have received training on the DWSRF and frequently refer projects to us for assistance. These projects often get very personal attention from PWSS and DWSRF staff and generally overcome the many obstacles that these systems normally encounter.

7. Promote the development of the technical, managerial and financial capability of all public water systems to maintain or come into compliance with state drinking water and federal SDWA requirements.

The submission of a business plan is required from all project sponsors prior to receiving assistance from the DWSRF. This plan ensures that the system stays in compliance or, if it is out of compliance, that the project will bring the system into compliance.

8. Encourage the consolidation and/or regionalization of public water systems that lack the capability to operate and maintain systems in a cost-effective manner, thus allowing them to take advantage of the economics of scale available to larger water systems.

Projects involving consolidation or regionalization receive extra priority points by being included in the Compliance-2 category of the priority point system. The point system was described in the SFY 2023 IUP and can be found in Rule 62-552, Florida Administrative Code. All potential project sponsors are also strongly encouraged to look at options outside their current service area. Program staff strive to bring all potential partners to the table in the planning stages to ensure that regionalization has an adequate chance to come to fruition.

9. Provide drinking water assistance in an orderly and environmentally sound manner.

The priority list is based upon specific procedures that can be found in Rule 62-552, Florida Administrative Code. This rule specifies which projects can be funded from each appropriation and for what type of funding they are eligible. In addition, all projects undergo the State Clearinghouse's review process that includes other agencies and the general public.

10. Assure that all new water systems demonstrate technical, managerial and financial capability with respect to each national primary drinking water regulation in effect.

Rules have now been adopted that require all new systems to demonstrate technical, managerial, and financial capacity before they are permitted. These rules have been implemented by the PWSS Program.

III. STATE REVOLVING FUND FINANCIAL INFORMATION

In this section together with **Appendix A**, we provide a detailed discussion of the DWSRF assistance activities during SFY 2023. We provide details on the sources of funding in our program, the status of loan and grant activities, and the status of set-aside activities.

A. Sources of DWSRF Funds

Current revenues for the reporting period, as shown in **Table 2**, are \$168,333,977. Funding sources included the State match of \$12,599,900, repayments of \$50,644,235, DWSRF investment earnings on state funds deposited into the SRF account of \$6,812,297 and \$98,277,545 in federal cap grant funds.

In addition, \$68,533,818 was available as a result of decreases to previously funded projects, as shown in **Table 5a**. Also, the DWSRF started the fiscal year with a balance of \$38,278,181, as shown in **Table 5b**.

B. Uses of DWSRF Funds

The set-asides utilized by Florida fund technical assistance to small public water systems, State and Local Assistance (includes Source Water Protection) and State Program Management (includes Public Water System Supervision). Details of each of these uses are provided in Section III.B.2 below.

The total funds available for projects were \$269,271,183. This amount is based on total current year revenues of \$168,333,977, plus decreases to previous agreements of \$68,533,818, plus the balance from the previous year of \$38,278,181, minus the set-aside funds of \$5,874,793.

1. Binding Commitments for Projects

Table 1 provides details on the projects receiving assistance during SFY 2023.

As of June 30, 2023, 17 construction assistance agreements had been executed with 17 project sponsors. In addition, 13 existing construction agreements were amended to provide increases for projects that were phased or completely funded in previous years, and 6 project sponsor executed agreements during this period for preconstruction assistance.

Net assistance provided to public water systems for new projects, increases to existing projects, and preconstruction activities in SFY 2023 was \$100,496,866. The net assistance provided as loans totaled approximately \$63.7 million and the total provided as principal forgiveness (grants) to financially disadvantaged communities was \$36.7 million. **Table 2** provides the cumulative totals for revenues and commitments since the inception of the program.

Project Bypassing

To date, no project has been bypassed after being placed on the fundable list, and all projects that have completed the readiness to proceed requirements have been placed on the fundable list.

Small Systems

Fifteen percent of the funds available for obligation to projects in each funding cycle is reserved for small community water systems, or those serving less than 10,000 people. For this reporting period, the reserved funds totaled \$47,331,818. The sum of the binding commitments made to small systems (including decreases to prior year projects) during this reporting period was \$29,263,924 or 29 percent of the net binding commitments. All the small communities that requested funding received the maximum amount they were eligible to receive.

Financially Disadvantaged Systems

Florida allows up to 15 percent of the funds obligated to be used for assistance to financially disadvantaged communities with a further cap of 49 percent of the part of the capitalization grant available for projects, as required by the SDWA. The DWSRF program provides up to 90 percent principal forgiveness and 30-year loans to qualifying community water systems. Assistance provided during the reporting period to financially disadvantaged communities was \$106,378,193, or 40 percent of the funds available. The funds available include the total revenue available for projects, loan/grant decreases during the fiscal year and the balance of funds unencumbered from the previous fiscal year. The net

assistance provided in the form of principal forgiveness, including decreases to prior agreements, during this period was \$36,731,759.41.

2. Set-Asides

Administration (4 Percent of each Capitalization Grant)

The DWSRF had taken a total of \$7,264,529 in administrative set-asides through SFY 2010; however, with the exception of \$490,225 in American Recovery and Reinvestment Act (ARRA) administration set-aside, the DWSRF has not taken an administrative set-aside since SFY 2003, but instead has reserved the right to take the set-asides from future capitalization grants, if needed. Florida is currently charging a service fee that covers the administrative expenses. As of June 30, 2023 the DWSRF made \$22,089,598.48 in administration charges from the service fee account, as shown in **Table 4b**. Charging the service fee throughout the life of the program will minimize the service fees that must be assessed after the capitalization grants end. For loans executed in the first funding year, service fees were included in the loan and deposited directly into the service fee account. Fees deposited directly total \$520,398. After the first year, the service fee was no longer included in the loan. It is now a separate fee, and is paid when the repayments begin. During the reporting period, \$2,772,704 was collected from project sponsors in service fees and interest on service fees. The total collected to date is \$20,949,032. In addition, interest earned on funds in the service fee account during the reporting period was \$135,116 and the total interest earned on fees in the account to date is \$3,452,164. The cumulative balance in the service fee account at the end of this reporting period was \$10,096,525. See **Table 3** for details on the use of administration funds.

The majority of the aforementioned funds paid salaries and associated expenses of personnel administering the DWSRF program. See **Table 3** for a detailed breakdown of the administrative expenses.

The remaining set-aside information is included in Appendix A of this report.

IV. FINANCIAL SUMMARY

The following discussion provides additional details on the financial management activities in the DWSRF.

A. Status of Loans

As of June 30, 2023, the DWSRF had closed a net of \$1,792,392,895 in loans and grants with a net amount of \$100,496,866 closed during SFY 2023. **Tables 5b and 5c** provides a summary of the source and use of the DWSRF project funds since program inception. **Table 1** shows the status of all DWSRF project assistance provided during this reporting period. Information provided includes the following: loan or grant amount, interest rate for loans and loan terms.

B. Loan Disbursements/Cash Draw Proportionality

Table 4a lists revolving fund end-of-year disbursements, cash draw totals and fund balances since the inception of the DWSRF program. During SFY 2023, \$69,878,906 were disbursed to project sponsors for payment of project costs pursuant to assistance agreements. Approximately \$25 million in capitalization grant moneys were drawn from the Automated Clearing House (ACH) during SFY 2023 to pay the Federal share of project cost disbursements.

The ACH draws reimburse the DWSRF for the Federal share of disbursements for project costs and are distinguished from other funds. In past years, a uniform percentage was drawn through the ACH process for project cost disbursements; however, during SFY 2015 the process changed and the state match portion (20%) was drawn first, then after those funds were exhausted, 100% of the disbursements were drawn through the ACH.

C. Set-Aside Disbursements (Excluding DWSRF Administration)

Table 6 provides a listing for each set-aside related expense during the reporting period. *The remaining set-aside information is included in Appendix A of this report.*

D. Annual Repayment/Aging of Accounts

The DWSRF program has received \$761,992,344 in loan repayments (principal and interest only) through the end of SFY 2023, of which \$50,644,235 was received in SFY 2023 (**Table 5b**).

E. Loan Portfolio Analysis

Florida assesses the financial condition of each project sponsor before agreements are signed. Sponsors that are pose a potential risk are carefully tracked throughout the year to ensure that conditions are not deteriorating.

F. Investments

Interest accrued in the DWSRF project fund through the end of SFY 2023 totals \$70,678,299, of which \$6,812,297 was received in SFY 2023. Interest accrued is shown on **Table 2**. The Department of Insurance, Office of the Treasurer manages these funds in compliance with state investment practices. The DEP monitors the DWSRF account quarterly to confirm that the Treasurer credits interest to the DWSRF account in a timely fashion. Management reports from the statewide financial system that document the DWSRF investment earnings are on file in our offices.

G. Financial Statements

The DEP's Finance and Accounting office maintains the official accounting system. The Bureau of Budget and Planning and SRF work closely with each other and Finance and Accounting to assure that accounting records are complete and accurate. The Office of Budget and Grants will prepare the financial statements for SFY 2023 and submit them to EPA.

V. OPERATING AGREEMENT PROVISIONS AND CAPITALIZATION GRANT CONDITIONS

The State made a number of assurances in the Intended Use Plan and Operating Agreement. The State also accepted certain conditions in the capitalization grant agreement. Some of the more important assurances are discussed below.

A. Provide a State Match

State matching funds in the amount of \$12,599,900 were deposited into the SRF fund in SFY 2023. To date, Florida has received \$891,084,850 in capitalization grants from EPA, not including the American Recovery and Reinvestment Act (ARRA; these funds did not require match). The total amount of state match required for these funds is \$171,434,070 . As of June 30, 2023, \$171,193,429 of State funds were deposited in the fund, as shown in **Table 2**. Any shortages will be addressed in future appropriations from the State Legislature.

B. Binding Commitments within One Year

Federal regulations require the State to make binding commitments in an amount equal to 120 percent of each quarterly capitalization grant payment within one year of the payment. **Table 7** lists Federal payments to the letter of credit (LOC) by quarter and the cumulative binding commitments. Cumulative payments to the LOC at the beginning of the reporting period totaled \$924,443,490, including ARRA, and binding commitments by the end of the reporting period totaled \$ 1,792,392,895, which satisfies the 120 percent binding commitment requirement of \$ 1,109,332,188.

C. Equivalency and Cap Grant Projects

"Equivalency" Projects refer to drinking water projects that meet certain Title II requirements of the federal SDWA. The cumulative equivalency requirement is \$897,531,963; that is, the sum of the portion of the capitalization grants allocated to projects that have been received since FFY 1997. For SFY 2023, the DEP designated 13 new construction projects as "cap grant" projects, including Base capitalization grant and BIL projects. All equivalency projects are required to have annual audits conducted under the Federal Single Audit Act. The "cap grant" projects are identified on **Table 1**, including which projects are Base capitalization grant projects and which are BIL projects, and the FFY associated with the project. As indicated in the reports from the Federal database formally known as Project Benefits Reporting (PBR), Florida's DWSRF program has achieved compliance with the additional subsidization requirements and equivalency requirements through FFY 2021. Also, the DWSRF program is on track to achieve compliance with these requirements through FFY 2022, once the agreements for the project listed at the SRF public meetings through August 2023 are executed.

D. Expeditious Construction and Timely Disbursements

When a loan is executed, the date is set for the first repayment based on the scheduled completion date for project planning, design, or construction. The fixed repayment date is rarely revised to accommodate project delays and serves as incentive for timely construction of the project.

The DEP generally authorizes disbursement requests within two to five calendar days of receipt. The State Comptroller typically issues checks within seven calendar days of the DEP's authorization.

E. MBE/WBE Participation

The State agreed to an overall fair share goal of 10 percent minority business entity/women business entity (MBE/WBE) participation (5 percent MBE and 5 percent WBE) for the capitalization grant used for making loans during the reporting period. Steps to encourage MBE/WBE participation were required for all the equivalency projects identified in **Table 1**. For SFY 2023, DWSRF had a total of \$67,824,047 in procurement for capitalization grant monies. Of that amount, a total of \$1,754,468 (4.15 percent) was MBE and \$1,373,273 (2.15 percent) was WBE.

F. Assurances of Compliance

Each recipient of DWSRF assistance has made the required assurances of compliance with applicable Federal requirements. Loan agreements include local government assurances of compliance as covenants that are subject to audit.

All loan and grant recipients must conduct annual audits for DEP review. Such audits must be conducted in accordance with the Federal Single Audit Act. After project completion, the loan recipient must have a separate project specific audit conducted. In addition, the DEP has the option to conduct its own audit within three years of project closeout.

G. State Environmental Review Process

Environmental reviews, similar to reviews required for projects under the National Environmental Protection Act (NEPA), were conducted for all construction projects in accordance with the Rule 62-552.700(3), Florida Administrative Code. A finding of no significant impact or categorical exclusion notice was published for each construction project. No Environmental Impact Statements were necessary.

H. EPA’s Annual Evaluation Comments

The recommendations provided by EPA Region IV (R4) in the most recent Program Evaluation Report (PER) are listed below with an update on the DWSRF Program’s response to the recommendations.

1. “EPA R4 recommends FDEP continue in its effort to minimize unliquidated obligations (ULOs) within the set-aside program. At the time of this report, FDEP’s set-aside balances totaled \$5,520,916.68 for FY18-FY21 cap grants with a spending rate of 74 percent.”

The DWSRF has communicated with the Division of Water Resource Management (DWRM) concerning the issue of unliquidated obligations (ULOs). DWRM has agreed to work towards using the funds available in a more timely manner and has agreed to reduce requests for future set-aside funding until the balance of ULO is reduced to an acceptable level.

2. “EPA recommends that the state update its DWSRF Operating Agreement to reflect updates to the SRF program and to incorporate new changes introduced by the BIL, such as the Build America, Buy America Act and enhancing public awareness BIL SRF signage requirement.”

The DWSRF has made it a priority to update the Operating Agreement pursuant to EPA’s recommendation. A draft update has been started and we expect to complete the update sometime this state fiscal year.

3. “EPA recommends that FDEP require SRF assistance recipients to determine whether their proposed projects will be in or affect a floodplain, using one of the approaches defined in the Federal Flood Risk Management Standard (FFRMS) (Executive Order No. 11988, as amended by Executive Order No. 13690). If a proposed project will involve new construction or substantial improvements that affect a floodplain, the FFRMS requires both the SRF agency (FDEP) and the assistance recipient to undertake additional actions.”

All the DWSRF Project Managers were made aware of this recommendation and received a copy of the EPA memorandum concerning “Re-Instatement of Federal Flood Risk Management Standard for State Revolving Fund Programs” and the attachment to the memo, and are using the information while reviewing DWSRF project documents, including planning documents.

4. “EPA recommends the DWSRF loan agreements be updated to require the assistance recipient to comply with the Equal Employment Opportunity requirements (Executive Order 11246), the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973.”

As of late March 2023, the DWSRF now includes Civil Rights language in all new agreements and in updates to existing agreements when amendments to the agreements are executed. The language is usually in Section 8.15 in construction agreements and Section 8.12 in planning/design agreements. Here is an example of the language used:

8.15. CIVIL RIGHTS.

The Project Sponsor shall comply with all Title VI requirements of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Equal Employment Opportunity requirements (Executive Order 11246, as amended) which prohibit activities that are intentionally discriminatory and/or have a discriminatory effect based on race, color, national origin (including limited English proficiency), age, disability, or sex.

Tables

Table 1: Projects Funded in SFY 2023

Funding Number	Project Sponsor	Grant Amount	Loan Amount	Agreement or Amendment Date	Agree Type	Type of Funding	Small Comm.	Financially Disadvantage Assistance	Interest Rate	Number of Payments	Popul.	Additional Subsid. Year (FFY)	Equivalency Year (FFY)
150520	Big Bend WA	\$0	\$36,000	8/23/2022	I	L/G	Yes	Yes	1.51	20	3,000	N/A	N/A
150521	Big Bend WA	\$4,145,216	\$1,126,584	4/10/2023	C	L/G	Yes	Yes	1	40	3,000	2023 (Bil)	2023 (Bil)
510412	Dade City	\$0	\$250,000	5/2/2023	I	L/G	No	Yes	1.02	40	14,373	N/A	2021 (Base)
061230	Dania Beach	\$0	\$4,600,000	6/20/2023	C	L	No	Yes	1.56	40	17,132	N/A	2022 (Bil)
640990	Daytona Beach	\$0	\$4,596,456	2/10/2023	I	L/G	No	Yes	0	40	76,700	N/A	2021 (Base)
460121	Users, Inc.	\$0	\$2,080,000	5/17/2023	I	L	No	No	0.62	40	31,049	N/A	N/A
530911	Eagle Lake	\$143,293	\$143,293	12/13/2022	P	L/G	Yes	Yes	1.69	20	2,600	2022 (Base)	2022 (Base)
310310	Fellsmere	\$545,383	\$60,598	7/22/2022	C	L/G	Yes	Yes	0.86	40	4,465	2022 (Base)	2021 (Base)
590341	FGUA (Arredondo)	\$2,227,750	\$272,250	5/4/2023	C	L/G	Yes	Yes	1.06	40	738	2022 (Bil)	2022 (Bil)
230220	Gulf County	\$393,625	\$538,575	8/8/2022	C	L/G	Yes	Yes	0.63	40	5,257	2022 (Base)	2021 (Base)
530451	Haines City	\$315,971	\$3,925,894	7/25/2022	C	L/G	No	Yes	0.15	40	30,545	2022 (Base)	2021 (Base)
460320	Holt Water Works	\$262,500	\$262,500	5/11/2023	P	L/G	Yes	Yes	1.75	20	3,042	2022 (Base)	2022 (Base)
0604D0	Hollywood	\$0	\$25,000,000	3/21/2023	I	L	No	Yes	0.13	40	147,566	N/A	N/A
0604D0	Hollywood	\$7,801,501	\$6,206,006	4/19/2023	I	L	No	Yes	0.13	40	147,566	N/A	N/A
5303B0	Lake Wales	\$0	\$3,670,000	1/13/2023	C	L	No	Yes	1.15	40	18,722	N/A	N/A
530370	Lake Wales	\$501,630	\$2,047,470	9/12/2022	C	L/G	No	Yes	0.51	40	18,722	2021 (Base)	2021 (Base)
400411	Madison	\$4,737,510	\$526,390	3/16/2023	C	L/G	No	Yes	0.22	40	30,642	2022 (Bil)	2022 (Bil)
351211	Mascotte	\$878,900	\$878,900	2/23/2023	P	L/G	Yes	Yes	1.62	20	8,862	2021 (Base)	2021 (Base)
010810	Newberry	\$0	\$150,000	10/3/2022	C	L	No	Yes	2	40	3,885	N/A	N/A
010810	Newberry	\$0	\$26,500	5/29/2023	I	L	No	Yes	2	40	3,885	N/A	N/A
642050	Orange City	\$0	\$3,810,476	3/16/2023	I	L	No	Yes	0	40	12,335	N/A	N/A
540250	Palatka	\$0	\$1,954,200	12/7/2022	I	L	No	Yes	0	40	12,000	N/A	N/A
030721	Parker	\$993,245	\$1,958,196	1/5/2023	C	L/G	Yes	Yes	0.25	40	3,817	2021 (Base)	2021 (Base)
620261	Perry	\$2,752,578	\$528,597	5/29/2023	C	L/G	No	Yes	1.57	40	30,642	2022 (Bil)	2022 (Bil)
532002	Polk RWC	\$0	\$14,370,666	3/1/2023	P	L	No	No	1.78	20	39,209	N/A	N/A
532001	Polk RWC	\$0	\$14,859,774	8/9/2022	P	L	No	No	1.64	20	39,209	N/A	N/A
532001	Polk RWC	\$0	\$7,046,516	1/24/2023	I	L	No	No	1.64	20	39,209	N/A	N/A
532000	Polk RWC	\$0	\$3,710,050	4/19/2023	I	L	No	No	1.89	20	39,209	N/A	N/A
062480	Pompano Beach	\$0	\$9,200,000	10/5/2022	C	L	No	No	1.64	40	84,000	N/A	N/A
030513	Springfield	\$4,955,002	\$2,574,252	5/9/2023	C	L/G	Yes	Yes	0.47	40	8,118	2022 (Bil)	2022 (Bil)
040210	Starke	\$92,500	\$92,500	8/23/2022	P	L/G	Yes	Yes	0.96	20	6,812	2022 (Base)	2021 (Base)
620301	WSD	\$3,068,300	\$340,922	5/10/2023	C	L/G	Yes	Yes	0.9	40	1,322	2022 (Bil)	2022 (Bil)
502700	Tequesta	\$0	\$2,631,932	10/11/2022	C	L	No	No	1.19	40	15,500	N/A	N/A
210111	Trenton	\$0	\$861,210	2/1/2023	I	L/G	Yes	Yes	0	20	9,000	N/A	N/A
580480	Venice	\$0	\$8,789,553	11/30/2022	I	L	No	No	0.22	20	31,358	N/A	N/A
250151	Wauchula	\$5,512,968	\$612,552	3/16/2023	C	L/G	Yes	Yes	0.89	60	5,000	2022 (Base)	2022 (Base)
Totals		\$39,327,872	\$129,702,812										

Total Funding for Grants and Loans \$169,030,684

Net Funding for Grants and Loans \$100,496,866

(includes decrease to project listed in Table 5a)

Table 1: Projects Funded in SFY 2023 (continued)

Total Funding for Financially Disadvantaged Communities (loans)	\$67,050,321	
Total Funding for Financially Disadvantaged Communities (Grants)	\$39,327,872	
Total for Financially Disadvantaged Communities (Grants and Loans)	\$106,378,193	
Disadvantaged Community Assistance as a percentage of funds available	40%	
Disadvantaged Community Assistance as a percentage of Cap Grant	108%	
Total Funding for Small Communities (Grants and Loans)	\$29,263,924	(includes decrease to small community project in Table 5a)
Funds for Small Communities as a % of net binding commitments	29%	

** Codes for Assistance Type: C - new construction agreement; I - increase to construction agreement; P - new planning/design agreement; PI - increase to planning/design agreement.

Table 2 - Summary of Revenue and Commitments

Fiscal Year	Cap Grant Totals	Admin. (B)	Small Systems Technical Assist. (E)	Total State Programs (F)	Source Water Assessment and Delineation (G)	Total Set Asides	Funds in Cap Grant for Projects	Interest Income	Repayments (principal and interest only)	State Match	Total Project Revenue	Net Assistance Agreements	Total Program Revenues
1998	0	0	0	0	0	0	0	90,881	0	7,000,000	7,090,881	0	7,090,881
1999	65,775,400	2,631,016	1,315,508	2,986,167	2,933,619	9,866,310	56,187,960	670,610	0	11,000,000	67,858,570	28,560,434	77,446,010
2000	21,635,700	865,428	432,714	45,666	0	1,343,808	20,013,022	809,968	0	5,000,000	25,822,990	76,361,440	27,445,668
2001	45,064,400	1,798,856	899,428	2,361,000	0	5,059,284	40,005,116	976,583	545,168	5,000,000	46,526,867	38,935,145	51,586,151
2002	18,841,300	753,652	376,826	333,491	0	1,463,969	17,377,331	699,075	3,356,696	5,000,000	26,433,102	27,090,056	27,897,071
2003	18,728,100	725,352	348,526	1,667,416	0	2,741,294	15,986,806	624,020	8,021,205	5,000,000	29,632,031	31,939,030	32,373,325
2004	*	*	*	*	0	*	*	514,456	13,068,814	5,000,000	18,583,270	32,743,357	18,583,270
2005	38,814,100	0	764,526	3,440,501	0	4,205,027	34,609,073	492,542	12,723,021	5,000,000	52,824,636	27,799,547	57,029,663
2006	*	*	*	*	0	*	*	721,717	14,771,367	5,000,000	20,493,084	35,161,741	20,493,084
2007	37,168,500	0	743,370	3,345,165	0	4,088,535	33,079,965	1,507,922	16,018,926	1,000,000	51,606,813	35,439,386	55,695,348
2008	37,169,000	0	746,932	3,361,194	0	4,108,126	33,060,874	1,794,025	17,632,319	10,073,000	62,560,218	61,821,056	66,668,344
2009	42,097,220	0	735,840	3,311,280	0	4,047,120	38,050,100	932,221	23,356,809	2,840,700	65,179,830	51,596,449	69,226,950
2010	124,866,000	490,225	885,840	4,467,626	0	5,843,691	119,022,309	1,093,117	23,719,840	5,920,000	149,755,266	129,781,223	155,598,957
2011	44,316,000	0	886,320	4,431,600	0	5,317,920	38,998,080	1,507,698	30,672,489	2,240,000	73,418,267	45,446,925	78,736,187
2012	30,751,000	0	615,020	1,859,487	0	2,474,507	28,276,493	2,462,235	34,210,475	10,361,614	75,310,817	91,852,039	77,785,324
2013	29,306,000	0	0	0	0	0	29,306,000	2,437,737	33,099,400	7,888,498	72,731,635	69,285,315	72,731,635
2014	27,496,000	0	549,920	2,849,600	0	3,399,520	24,096,480	1,809,062	41,244,171	5,499,200	72,648,913	51,281,864	76,048,433
2015	32,350,000	0	647,000	2,588,000	0	3,235,000	29,115,000	3,100,844	47,541,897	5,499,200	85,256,941	7,410,497	88,491,941
2016	32,138,000	0	642,760	321,380	0	964,140	31,173,860	3,675,044	44,826,721	7,440,800	87,116,425	36,573,069	88,080,565
2017	30,403,000	0	608,060	554,030	0	1,162,090	29,240,910	4,428,590	90,142,459	6,038,200	129,850,159	157,188,285	131,012,249
2018	30,143,000	0	608,060	2,107,528	0	2,715,588	27,427,412	6,401,671	36,366,047	6,028,600	76,223,730	141,284,170	78,939,318
2019	43,725,000	0	874,500	1,780,714	0	2,655,214	41,069,786	8,153,667	37,970,631	6,400,000	93,594,084	107,009,749	96,249,298
2020	43,187,400	0	866,320	3,942,915	0	4,809,235	38,378,165	10,951,552	43,531,065	10,982,480	103,843,262	150,948,594	108,652,497
2021	43,344,000	0	866,880	2,462,021	0	3,328,901	40,015,099	5,733,608	85,355,768	8,668,800	139,773,275	105,131,639	143,102,176
2022	43,562,185	0	866,080	2,056,735	0	2,922,815	40,639,370	2,368,042	53,260,903	8,712,437	104,980,752	151,255,020	107,903,567
2023	98,277,545	0	551,700	5,323,093	0	5,874,793	92,402,752	6,812,297	50,644,235	12,599,900	162,459,184	100,496,866	168,333,977
Totals	979,158,850	7,264,529	15,832,130	55,596,609	2,933,619	81,626,887	897,531,963	70,769,184	762,080,426	171,193,429	1,901,575,002	1,792,392,896	1,983,201,889

Cumulative Available for Projects \$1,901,575,002

Cumulative Obligations for Projects \$1,792,392,896

Balance \$109,182,106

* 2004 and 2006 Cap Grants were not received in the State Fiscal Year (SFY)

Table 3: Administrative Expenses in SFY 2023

Direct Salaries	Fringe	OPS Salaries	Total Salaries	Other	Indirect	Total Expenditures
\$498,973.90	\$380,517.50	\$0.00	\$879,491.40	\$6,203.99	\$410,546.57	\$1,296,241.96

Table 4a: Disbursement and Cash Balances

DWSRF Fund Balance by Fiscal Year

Fiscal Year	Deposits Of State Money	ACH Draw Proj	Disbursed Proj	Int. Earned On Account	Repayment Deposits	Balance	Cum. Balance
1999	11,000,000.00	3,912,040.00	(4,832,660.00)	670,609.54	0.00	10,749,989.54	10,749,989.54
2000	5,000,000.00	18,066,747.00	(22,318,403.00)	809,967.67	0.00	1,558,311.67	12,308,301.21
2001	5,000,000.00	32,603,716.00	(40,276,364.00)	976,582.91	545,168.35	(1,150,896.74)	11,157,404.47
2002	5,000,000.00	53,125,875.00	(65,307,576.00)	699,074.75	3,356,695.83	(3,125,930.42)	8,031,474.05
2003	5,000,000.00	25,046,582.00	(35,548,170.00)	624,020.38	8,041,574.13	3,164,006.51	11,195,480.56
2004	5,000,000.00	16,815,276.00	(49,703,746.00)	514,455.69	13,068,813.52	(14,305,200.79)	(3,109,720.23)
2005	5,000,000.00	17,355,058.00	(29,279,275.00)	492,541.86	12,723,021.49	6,291,346.35	3,181,626.12
2006	5,000,000.00	17,254,015.00	(29,479,903.00)	721,716.79	14,771,366.72	8,267,195.51	11,448,821.63
2007	1,000,000.00	18,332,105.00	(37,245,768.00)	1,507,922.35	16,018,926.00	(386,814.65)	11,062,006.98
2008	10,073,000.00	28,580,978.00	(48,197,211.00)	1,794,024.70	17,632,319.07	9,883,110.77	20,945,117.75
2009	2,840,700.00	28,032,312.00	(50,188,363.36)	932,220.84	23,356,809.37	4,973,678.85	25,918,796.60
2010	5,920,000.00	53,041,135.00	(66,601,403.00)	1,093,116.50	23,719,840.12	17,172,688.62	43,091,485.22
2011	2,240,000.00	63,278,498.00	(74,212,103.00)	1,507,697.96	30,673,844.30	23,487,937.26	66,579,422.48
2012	10,361,614.00	58,167,995.00	(61,867,142.00)	2,462,234.66	34,210,474.68	43,335,176.34	109,914,598.82
2013	7,888,498.00	22,407,828.00	(26,860,295.00)	2,437,736.57	33,099,400.12	38,973,167.69	148,887,766.51
2014	5,499,200.00	58,267,111.00	(76,995,223.00)	1,809,062.10	41,244,170.90	29,824,321.00	178,712,087.51
2015	5,499,200.00	21,260,451.27	(47,455,324.00)	3,100,843.52	47,217,166.21	29,622,337.00	208,334,424.51
2016	7,440,800.00	38,462,641.53	(19,931,261.00)	3,675,044.10	44,826,720.89	74,473,945.52	282,808,370.03
2017	6,038,200.00	22,447,152.69	(51,487,979.00)	4,428,590.48	90,142,459.17	71,568,423.34	354,376,793.37
2018	6,028,600.00	23,208,505.80	(52,549,352.00)	6,401,670.69	36,580,972.00	19,670,396.49	374,047,189.86
2019	6,400,000.00	29,344,786.00	(131,800,820.00)	8,153,666.62	37,970,631.01	(49,931,736.37)	324,115,453.49
2020	10,982,480.00	31,615,974.00	(138,180,148.00)	10,951,551.70	43,531,064.82	(41,099,077.48)	283,016,376.01
2021	8,668,800.00	25,252,709.00	(133,865,733.00)	5,733,607.75	85,355,767.66	(8,854,848.59)	274,161,527.42
2022	8,712,437.00	25,547,909.00	(81,329,103.00)	2,368,042.36	53,260,903.09	8,560,188.45	282,721,715.87
2023	11,243,200.00	25,000,000.00	(69,878,906.00)	6,812,297.00	50,644,235.00	23,820,826.00	306,542,541.87
Totals:	162,836,729.00	756,427,400.29	(1,375,513,325.36)	70,678,299.49	761,992,344.45	306,542,541.87	

Table 4b: Disbursement and Cash Balances

DWSRF Service Fee Sub-Account by Fiscal Year

Fiscal Year	Admin Draw	Disb SFs	Pmt SFs	Interest	Adm Chgs	Balance	Cum Bal
1997	0.00	0.00	0.00	0.00	(66,213.65)	(66,213.65)	(66,213.65)
1998	0.00	0.00	0.00	0.00	(535,986.07)	(535,986.07)	(602,199.72)
1999	1,330,099.00	0.00	0.00	0.00	(891,260.36)	438,838.64	(163,361.08)
2000	869,247.00	520,398.00	0.00	20,160.84	(838,034.62)	571,771.22	408,410.14
2001	839,636.00	0.00	97,776.74	32,343.11	(831,975.17)	137,780.68	546,190.82
2002	717,374.00	0.00	1,275,347.24	57,067.78	(703,187.55)	1,346,601.47	1,892,792.29
2003	811,045.00	0.00	982,433.18	123,713.88	(842,237.69)	1,074,954.37	2,967,746.66
2004	900,452.00	0.00	473,847.03	94,427.63	(903,092.40)	565,634.26	3,533,380.92
2005	731,133.00	0.00	1,063,929.37	175,865.14	(857,113.86)	1,113,813.65	4,647,194.57
2006	575,317.00	0.00	534,421.06	151,968.70	(782,289.62)	479,417.14	5,126,611.71
2007	0.00	0.00	342,013.59	234,482.98	(606,649.49)	(30,152.92)	5,096,458.79
2008	0.00	0.00	740,117.47	266,444.05	(584,232.06)	422,329.46	5,518,788.25
2009	0.00	0.00	1,169,118.81	148,504.18	(513,635.87)	803,987.12	6,322,775.37
2010	0.00	0.00	898,395.50	173,904.12	(560,492.40)	511,807.22	6,834,582.59
2011	0.00	0.00	741,637.70	172,112.68	(623,628.85)	290,121.53	7,124,704.12
2012	490,225.00	0.00	636,228.64	166,724.45	(793,373.29)	499,804.80	7,624,508.92
2013	0.00	0.00	1,179,286.33	133,929.82	(806,105.91)	507,110.24	8,131,619.16
2014	0.00	0.00	1,616,078.22	90,217.43	(566,650.36)	1,139,645.29	9,271,264.45
2015	0.00	0.00	313,588.25	136,369.90	(623,549.73)	(173,591.58)	9,097,672.87
2016	0.00	0.00	430,186.02	138,571.05	(738,206.40)	(169,449.33)	8,928,223.54
2017	0.00	0.00	811,563.31	139,496.02	(795,853.63)	155,205.70	9,083,429.24
2018	0.00	0.00	686,068.60	183,491.99	(876,755.47)	(7,194.88)	9,076,234.36
2019	0.00	0.00	993,083.13	263,996.43	(1,424,659.91)	(167,580.35)	8,908,654.01
2020	0.00	0.00	88,431.81	237,777.76	(1,287,059.83)	(960,850.26)	7,947,803.75
2021	0.00	0.00	1,071,392.77	117,819.90	(1,377,203.08)	(187,990.41)	7,759,813.34
2022	0.00	0.00	2,031,383.91	57,658.70	(1,353,526.46)	735,516.15	8,495,329.49
2023	0.00	0.00	2,772,704.26	135,116.00	(1,306,624.75)	1,601,195.51	10,096,525.00
Totals:	7,264,528.00	520,398.00	20,949,032.94	3,452,164.54	(22,089,598.48)	10,096,525.00	

TABLE 5a: Loan Decreases for SFY 2023

Project Sponsor	Project Number	Small Comm.	Disadvantaged Community	Amendment Date	Loan Amount	Grant Amount	Total Decrease
American Beach	450510	Yes	Yes	9/12/2022	(\$26,540)	(\$26,540)	(\$53,079)
Cape Coral	360130	No	No	10/18/2022	(\$45,429,140)	\$0	(\$45,429,140)
Fairpoint	570101	No	No	3/16/2023	(\$152,331)	\$0	(\$152,331)
FGUA (Arredondo Estates)	590340	Yes	No	1/19/2023	(\$43,769)	\$0	(\$43,769)
Fort Myers Beach	360800	Yes	No	7/14/2022	(\$1,424,081)	\$0	(\$1,424,081)
Gasparilla Island	360810	Yes	No	8/30/2022	(\$125,229)	\$0	(\$125,229)
Haines City	530450	No	Yes	7/14/2022	(\$315,971)	(\$1,963,303)	(\$2,279,274)
Hawthorne	010411	Yes	Yes	6/9/2023	(\$7,879)	(\$22,019)	(\$29,898)
Hillsboro Beach	062600	Yes	No	7/28/2022	(\$885,068)	\$0	(\$885,068)
Homosassa	090202	Yes	Yes	6/27/2023	(\$211,061)	(\$227,596)	(\$438,657)
Indiantown	430340	Yes	Yes	12/8/2022	(\$17,335)	(\$17,335)	(\$34,669)
Lakeland	530661	No	No	12/13/2022	(\$660,007)	\$0	(\$660,007)
Miami-Dade	130230	No	Yes	7/29/2022	(\$5,113,041)	\$0	(\$5,113,041)
Miami-Dade	130260	No	Yes	12/2/2022	(\$5,813,958)	\$0	(\$5,813,958)
Miramar	060820	No	No	1/19/2023	(\$532,479)	\$0	(\$532,479)
Mount Dora	3514A0	No	No	3/9/2023	(\$41,047)	\$0	(\$41,047)
North Bay Village	130420	No	No	11/18/2022	(\$1,725,390)	\$0	(\$1,725,390)
Opa-Locka	130331	No	Yes	8/29/2022	(\$2,461,686)	\$0	(\$2,461,686)
Orange City	642040	Yes	Yes	6/28/2023	(\$53,370)	(\$53,370)	(\$106,739)
Sarasota	580240	No	No	5/4/2023	(\$543,194)	\$0	(\$543,194)
St. Johns County	550130	No	No	3/1/2023	(\$69,181)	\$0	(\$69,181)
Suwannee County	610410	Yes	Yes	5/21/2023	\$0	(\$1)	(\$1)
Wauchula	250150	Yes	Yes	1/13/2023	(\$285,950)	(\$285,950)	(\$571,900)
TOTAL DECREASES					(\$65,937,705.41)	(\$2,596,112.59)	(\$68,533,818.00)

Table 5b: Source and Use of Funds

DWSRF Funds by Fiscal Year

Fiscal Year	Balance Forward	Federal Capital*	State Approps.	Interest On Fund	Principal & Int Repaid	Decreases	Awards	Cumulative Net Awards	Balance
1997	---	0	0	0	0	0	0	0	0
1998	0	56,187,960	7,000,000	90,881	0	0	0	0	63,278,841
1999	63,278,841	18,390,345	11,000,000	670,610	0	0	28,560,434	28,560,434	64,779,362
2000	64,779,362	21,220,819	5,000,000	809,968	0	-29,149	76,390,589	104,921,874	15,448,709
2001	15,448,709	20,479,416	5,000,000	976,583	545,168	-17,850	38,952,995	143,857,019	3,514,731
2002	3,514,731	17,377,331	5,000,000	699,075	3,356,696	-4,161,655	31,251,711	170,947,075	2,857,777
2003	2,857,777	15,986,806	5,000,000	624,020	8,041,574	-1,998,909	33,937,939	202,886,105	571,147
2004	571,147	17,355,058	5,000,000	514,456	13,068,814	-560,282	33,303,639	235,629,462	3,766,118
2005	3,766,118	17,254,015	5,000,000	492,542	12,723,021	-4,038,550	31,838,097	263,429,009	11,436,149
2006	11,436,149	33,079,965	5,000,000	721,717	14,771,367	-2,070,254	37,231,995	298,590,750	29,847,457
2007	29,847,457	33,060,874	1,000,000	1,507,922	16,018,926	-374,770	35,814,156	334,030,136	45,995,793
2008	45,995,793	38,050,100	10,073,000	1,794,025	17,632,319	-722,783	62,543,839	395,851,192	51,724,181
2009	51,724,181	119,022,309	2,840,700	932,221	23,356,809	-388,917	51,985,366	447,447,641	146,279,771
2010	146,279,771	0	5,920,000	1,093,117	23,719,840	-16,022,394	145,803,617	577,228,864	47,231,505
2011	47,231,505	38,998,080	2,240,000	1,507,698	30,673,844	-14,524,344	59,971,269	622,675,789	75,204,202
2012	75,204,202	0	10,361,614	2,462,235	34,210,475	-5,091,232	96,943,271	714,527,828	30,386,487
2013	30,386,487	56,816,900	7,888,498	2,437,737	33,099,400	-7,961,193	77,246,508	783,813,143	61,343,707
2014	61,343,707	27,839,022	5,499,200	1,809,062	41,244,171	-14,000,315	65,282,179	835,095,007	86,453,298
2015	86,453,298	29,115,000	5,499,200	3,100,844	47,217,166	-730,974	8,141,471	842,505,504	163,975,011
2016	163,975,011	31,173,860	7,440,800	3,675,044	44,826,721	-9,620,332	46,193,401	879,078,573	214,518,367
2017	214,518,367	31,543,093	6,038,200	4,428,590	90,142,459	-6,474,653	163,662,938	1,036,266,858	189,482,424
2018	189,482,424	27,427,412	6,028,600	6,401,671	36,580,972	-11,078,769	152,362,939	1,177,551,028	124,636,909
2019	124,636,909	41,069,786	6,400,000	8,153,667	37,970,631	-4,171,594	111,181,343	1,284,560,777	111,221,244
2020	111,221,244	38,378,165	10,982,480	10,951,552	43,531,065	-8,334,671	159,283,265	1,435,509,371	47,446,570
2021	64,115,912	3,955,999	8,668,800	5,733,608	85,355,768	-26,370,723	131,502,362	1,540,641,010	84,552,448
2022	84,552,448	40,639,370	8,712,437	2,368,042	53,260,903	-18,165,290	169,420,309	1,691,896,029	38,278,181
2023	38,278,181	50,000,000	11,243,200	139,752	50,644,235	-68,533,818	169,030,684	1,792,392,895	49,808,502
Totals:		824,421,685	149,881,092	61,588,845	658,087,206	-138,744,313	1,848,805,632		

*Federal Capital is based on the fiscal year in which ACH/ASAP deposit was made and is the project portion only, not the actual cap grant amount.

Table 5c: Source and Use of Funds

DWSRF Grants and Loans by Fiscal Year

Fiscal Year	Grant Amount	Grant Decrease	Loan Amount	Loan Decrease	Total Amount	No. Of Grants	No. Of Loans	No. Of Gt/Lns	Total Number
1999	1,136,982	0	27,423,452	0	28,560,434	9	5	3	17
2000	9,474,091	0	66,916,498	-29,149	76,390,589	6	17	4	27
2001	6,784,320	-17,850	32,168,675	0	38,952,995	8	14	5	27
2002	2,803,572	-1,514	28,448,139	-4,160,141	31,251,711	7	14	4	25
2003	4,226,401	-169,562	29,711,538	-1,829,347	33,937,939	4	11	6	21
2004	2,707,072	-166,220	30,596,567	-394,062	33,303,639	10	18	2	30
2005	3,383,085	0	28,455,012	-4,038,550	31,838,097	6	10	6	22
2006	1,324,963	-3,524	35,907,032	-2,066,730	37,231,995	2	11	2	15
2007	323,930	-72,684	35,490,226	-302,086	35,814,156	0	14	1	15
2008	10,872,248	-113,723	51,671,591	-609,060	62,543,839	5	21	3	29
2009	5,460,461	0	46,524,905	-388,917	51,985,366	0	16	3	19
2010	66,428,278	-3,822,773	79,375,339	-12,199,621	145,803,617	0	28	40	68
2011	14,475,262	-2,520,734	45,496,007	-12,003,610	59,971,269	4	28	8	40
2012	6,884,370	-307,377	90,058,901	-4,783,855	96,943,271	2	14	8	24
2013	6,897,723	-97,844	70,348,785	-7,863,349	77,246,508	9	13	6	28
2014	8,244,495	-719,508	57,037,684	-13,280,807	65,282,179	4	10	5	19
2015	530,472	-174,729	7,610,999	-556,245	8,141,471	1	10	1	12
2016	13,551,290	-214,717	32,642,111	-9,405,615	46,193,401	4	8	5	17
2017	4,799,389	-49,570	158,863,549	-6,425,083	163,662,938	2	24	1	27
2018	13,685,219	-900,577	138,677,720	-10,178,192	152,362,939	3	14	14	31
2019	14,423,688	-212,282	96,757,655	-3,959,313	111,181,343	2	21	20	43
2020	11,429,453	-478,035	147,853,812	-7,856,636	159,283,265	6	16	18	40
2021	15,564,059	-3,541,027	115,938,303	-22,829,696	131,502,362	3	20	19	42
2022	24,745,376	-2,129,555	144,674,933	-16,035,735	169,420,309	0	16	19	35
2023	39,327,872	-2,596,113	129,702,812	-65,937,705	100,496,866	0	7	16	23
Totals:	289,484,071	-18,309,918	1,728,352,245	-207,133,504	1,949,302,498	97	380	219	696

*Federal Capital is based on the fiscal year in which ACH/ ASAP deposit was made and is the project portion only, not the actual cap grant amount.

Table 6: DWSRF Set-Aside Expenses for SFY 2023

CATEGORY	Tech Asst to Pub Water Sys (TAPWS)	Pub Water Sys Suprvsn (PWSS)	Source Water Protection (SWP)	Total State Programs (PWSS+SWP)	Source Water Assess & Delin (SSWAD)	TOTAL
Personnel		0	99,356	99,356	0	99,356
Fringe		0	48,782	48,782	0	48,782
OPS	0	0	0	0	0	0
Contracts	625,140	0	0	0	0	625,140
Other	0	1,555,368	352,790	1,908,158	0	1,908,158
Total Direct:	625,140	1,555,368	500,928	2,056,296	0	2,681,436
Total Indirect:	0	0	0	0	0	0
Totals:	625,140	1,555,368	500,928	2,056,296	0	2,681,436

Table 7: Binding Commitments and Federal Payments to the LOC

		Deposits into LOC by Capitalization Grant				Cumulative Deposits into LOC	Required Binding Commitments	Actual Binding Commitments
Federal Fiscal Year	Quarter	SFY2020	SFY2021	SFY2022	SFY2023			
1998 to 2017						750,787,720		1,177,551,028
2018	1					750,787,720	900,945,264	
	2					750,787,720	900,945,264	
	3					750,787,720	900,945,264	1,284,560,777
	4	43,187,400				793,975,120	952,770,144	
2019	1					793,975,120	952,770,144	
	2					793,975,120	952,770,144	
	3					793,975,120	952,770,144	1,435,509,371
	4		43,344,000			837,319,120	1,004,782,944	
2020	1					837,319,120	1,004,782,944	
	2					837,319,120	1,004,782,944	
	3					837,319,120	1,004,782,944	1,540,641,010
	4			43,562,185		880,881,305	1,057,057,566	
2021	1					880,881,305	1,057,057,566	
	2					880,881,305	1,057,057,566	
	3					880,881,305	1,057,057,566	1,691,896,029
	4				43,562,185	924,443,490	1,109,332,188	
2022	1					924,443,490	1,109,332,188	
	2					924,443,490	1,109,332,188	
	3					924,443,490	1,109,332,188	1,792,392,895
	4					924,443,490	1,109,332,188	
Totals		43,187,400	43,344,000	43,562,185	43,562,185			

Appendix A: DWSRF Set-Aside Annual Report

Appendix B: Unaudited DWSRF Financial Report

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Financial Statements

Florida Department of Environmental Protection Clean Water and Drinking Water Revolving Fund Program

*Year ended June 30, 2023
(Unaudited)*

 **Thomas Howell
Ferguson P.A.**
Certified Public Accountants

Florida Department of Environmental Protection
Clean Water and Drinking Water Revolving Fund Program

Financial Statements

Year ended June 30, 2023
(Unaudited)

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Department of Environmental Protection
Clean Water and Drinking Water Revolving Fund Program
MANAGEMENT'S DISCUSSION AND ANALYSIS

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The management's discussion & analysis (MD&A) provides an overview of the financial position and activities of the Clean Water (CWSRF) and Drinking Water (DWSRF) Revolving Fund (SRF) for the fiscal year ended June 30, 2023. This overview is required by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion & Analysis – for State and Local Governments*. It should be read in conjunction with the financial statements and supporting notes.

Financial Highlights: The SRF Program's Total Net Position of the program increased by \$120 million over the prior year from \$3.812 billion to \$3.932 billion. Operating Revenue for the SRF Program decreased \$22.5 million over the prior year. Total Operating Revenue was \$111.6 million and included \$90 million in USEPA Grants. Grants received were split between CWSRF (\$52.8 million) and DWSRF (\$37.2 million). All of the SRF Net Position is restricted to the purposes of the SRF Program.

Debt Management: At June 30, 2023, the Water Pollution Control Bonds, Taxable Series 2019A had an Outstanding Bonds Payable Balance of \$137.1 million with of range of interest from 2.10% - 2.60%.

OVERVIEW OF 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. Activities are reported as enterprise fund activity for those of a business-type nature and as governmental funds for the remainder of activity. The basic combined financial statements do not represent a comprehensive annual financial report of the Department of Environmental Protection and represent only activities related to the SRF Program. The Report is required by the United States Environmental Protection Agency (USEPA) and has been prepared in accordance with the USEPA SRF Fund Management Handbook and the USEPA Audit Guide.

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 financial statements include a Statement of Net Position, Statement of Activities, Statement of Cash Flows, and the Notes to the Financial Statements. These financial statements can be found on pages 5-13 of this report and are summarized below:

- The *Statement of Net Position* presents information on all of the SRF Programs' assets, deferred outflows of resources, and liabilities, with the difference reported as net position.
- The *Statement of Activities* presents information showing how the SRF Programs' net position changed during the 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.

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- In contrast, the *Statement 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 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 financial statements can be found on pages 14-22 of this report.

CONDENSED STATEMENT OF NET POSITION

The Statement of Net Position reflects the assets and liabilities of the SRF, using the accrual basis of accounting, and presents the financial position of the SRF as of June 30, 2023. The difference between total assets, total liabilities, and net position, is one significant indicator of the SRF's current financial condition. The changes in net position that occur over time indicate enhancement or deterioration in the SRF's financial condition. The Total Net Position of the program increased by \$120.1 million over the prior year. This is due to an increase in Total Assets of \$93.3 million with a decrease in Total Liabilities and deferred inflows and resources of \$26.7 million. The following table summarizes the SRF's assets, liabilities, and net position at June 30:

	<u>2023</u>	<u>2022</u>
Assets		
Current assets	\$ 1,579,354,510	\$ 1,492,611,858
Other noncurrent assets	<u>2,492,244,651</u>	<u>2,485,605,425</u>
Total assets	<u>4,071,599,161</u>	<u>3,978,217,283</u>
Liabilities		
Current liabilities	26,252,958	28,090,740
Noncurrent liabilities	<u>112,367,087</u>	<u>137,067,491</u>
Total liabilities	<u>138,620,045</u>	<u>165,158,231</u>
Deferred inflows of resources	<u>895,828</u>	<u>1,048,478</u>
Net position		
Restricted	<u>3,932,083,288</u>	<u>3,812,010,574</u>
Total net position	<u>\$ 3,932,083,288</u>	<u>\$ 3,812,010,574</u>

Department of Environmental Protection
Clean Water and Drinking Water Revolving Fund Program
MANAGEMENT'S DISCUSSION AND ANALYSIS

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Total assets of the SRF Program continue to increase as the program matures and additional grant funds are received. New grant funds received in the current statements total \$ 90 million.

CONDENSED STATEMENT OF ACTIVITIES

The Statement of Activities depicts the SRF's revenue and expense activity. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. The programs Operating Revenue decreased by \$ 22.4 million over the prior year and Operating Expenses decreased \$ 17.5 Million from the prior year.

The following activity for is for the fiscal year ended June 30:

	2023	2022
Operating revenues	\$ 111,649,285	\$ 134,062,557
Less operating expenses	<u>(43,564,292)</u>	<u>(61,122,574)</u>
Operating income	68,084,993	72,939,983
Nonoperating income	<u>51,987,721</u>	<u>34,153,714</u>
Net change in net position	120,072,714	107,093,697
Net position, beginning of year	<u>3,812,010,574</u>	<u>3,704,916,877</u>
Net position, end of year	<u>\$ 3,932,083,288</u>	<u>\$ 3,812,010,574</u>

DEBT ADMINISTRATION

Long-term Debt: At the end of the current fiscal year, the SRF Programs' debt, net of premium/discount, was \$ 137,077,087. The amount due represents bonds issued solely for the state Revolving Fund Loan Programs.

State Revolving Fund Loan Programs' Outstanding Debt

	June 30	
	2023	2022
Net bond indebtedness	<u>\$ 137,077,087</u>	<u>\$ 162,517,491</u>

During the current fiscal year, the SRF programs' debt decreased by \$ 25,440,404. The primary decrease in debt is a result of Current and Advance funding of Florida Water Pollution Control Financing Corporation Water Pollution Control Revenue Refunding Bonds, Taxable Series 2019A.

Additional information on the SRF Programs' long-term debt can be found in Note 4 and Note 5 to the Financial Statements on pages 20-21 of this report.

Department of Environmental Protection
Clean Water and Drinking Water Revolving Fund Program
MANAGEMENT'S DISCUSSION AND ANALYSIS

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STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides additional information about the SRF's financial results by reporting the major sources and uses of cash. This statement assists in evaluating the SRF's ability to generate net cash flows, and its ability to meet its obligations when they come due. The statement of cash flows reconciles the SRF's cash transactions.

ECONOMIC CONDITIONS AND OUTLOOK

Total Net Position continued to increase for the fiscal year ended June 30, 2023 from the previous year. Total Net Position increased by \$ 120.1 million over the prior year. This continued trend is a result of growth in the natural course of business as the program matures and provides more resources for local governments. The financial outlook for the 2024 fiscal year should continue this trend of growth in the program and the resulting Total Net Position. The program's financial position is adequate for the SRF Program to continue the mission of providing funding to local governments for Clean Water and Drinking Water projects.

REQUEST FOR INFORMATION

Questions concerning information provided in the MD&A or elsewhere in the June 30, 2023 financial statements and supporting notes thereto should be addressed to John Fortier (850) 245-2458.

Florida Department of Environmental Protection
Clean Water and Drinking Water Revolving Fund Program

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Statement of Net Position

June 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ -	\$ 36,093,295	\$ 36,093,295
Pooled investments with State Treasury	87,387,626	813,352,615	900,740,241
Investments with U.S. Bank	281,908,578	-	281,908,578
Loans receivable	73,314,780	157,418,719	230,733,499
Due from State funds within department	-	90,583	90,583
Due from U.S. grants receivable	-	126,960,028	126,960,028
Investment interest receivable	1,309,577	1,515,013	2,824,590
Receivables - other governmental units	-	3,696	3,696
Total current assets	<u>443,920,561</u>	<u>1,135,433,949</u>	<u>1,579,354,510</u>
Noncurrent assets:			
Loans receivable - long term	581,036,755	1,911,207,896	2,492,244,651
Total noncurrent assets	<u>581,036,755</u>	<u>1,911,207,896</u>	<u>2,492,244,651</u>
Total assets	<u>1,024,957,316</u>	<u>3,046,641,845</u>	<u>4,071,599,161</u>
Liabilities			
Current liabilities:			
Accounts payable	365	-	365
Due to other departments	-	78,524	78,524
Bonds payable - short term	24,710,000	-	24,710,000
Interest on bonds payable	1,464,069	-	1,464,069
Total current liabilities	<u>26,174,434</u>	<u>78,524</u>	<u>26,252,958</u>
Noncurrent liabilities:			
Bonds payable - long-term	112,430,000	-	112,430,000
Bond discount	(62,913)	-	(62,913)
Total noncurrent liabilities	<u>112,367,087</u>	<u>-</u>	<u>112,367,087</u>
Total liabilities	<u>138,541,521</u>	<u>78,524</u>	<u>138,620,045</u>
Deferred Inflows of Resources			
Amount deferred on refunding	1,378,609	-	1,378,609
Accumulated amortization on deferred amount on refunding	(482,781)	-	(482,781)
Total deferred inflows of resources	<u>895,828</u>	<u>-</u>	<u>895,828</u>
Net position			
Restricted for:			
Creditors	137,140,000	-	137,140,000
Water pollution and drinking water projects	657,845,705	-	657,845,705
Federal grants	90,534,262	3,046,563,321	3,137,097,583
Total net position	<u>\$ 885,519,967</u>	<u>\$ 3,046,563,321</u>	<u>\$ 3,932,083,288</u>

The accompanying notes are an integral part of these financial statements.

No assurance is provided.

Florida Department of Environmental Protection
Clean Water and Drinking Water Revolving Fund Program

Statement of Activities
Year ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating (Noncapital Grants & Contributions)	Capital Grants & Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
Primary Government:							
Governmental Activities:							
Service fees and charges - loan administration	\$ 4,595,848	\$ 7,500,165	\$ -	\$ -	\$ 2,904,317	\$ -	\$ 2,904,317
Administration costs - set asides	3,678,134	-	-	3,678,134	-	-	-
Grants to small disadvantaged communities	229,899	10,390,993	-	-	10,161,094	-	10,161,094
Bond issuance costs	4,348	-	-	-	(4,348)	-	(4,348)
State Treasurer service charges	3,326,988	-	-	-	(3,326,988)	-	(3,326,988)
Interest on long-term debt	11,835,217	17,891,158	-	3,678,134	9,734,075	-	9,734,075
Total governmental activities	<u>17,829,212</u>	<u>25,782,316</u>	<u>37,203,214</u>	<u>3,678,134</u>	<u>9,734,075</u>	<u>58,402,320</u>	<u>68,136,395</u>
Business-Type Activities:							
Drinking water facility construction	11,614,744	500	37,203,214	-	-	19,374,502	19,374,502
Wastewater treatment	2,233,717	179	52,876,100	-	-	41,261,535	41,261,535
Grants to small disadvantaged communities	31,677,673	679	90,079,314	-	-	(2,233,717)	(2,233,717)
Total business-type activities	<u>43,512,890</u>	<u>17,891,837</u>	<u>90,079,314</u>	<u>3,678,134</u>	<u>9,734,075</u>	<u>58,402,320</u>	<u>58,402,320</u>
Total primary government	<u>\$ 43,512,890</u>	<u>\$ 17,891,837</u>	<u>\$ 90,079,314</u>	<u>\$ 3,678,134</u>	<u>\$ 9,734,075</u>	<u>\$ 58,402,320</u>	<u>\$ 68,136,395</u>
General Revenues							
Interest and investment earnings					11,637,873	13,399,145	25,037,018
Interest earnings on loan repayments					6,582,796	20,367,907	26,950,703
Transfers					(2,233,717)	2,233,717	-
Total general revenues and transfers					15,986,952	36,000,769	51,987,721
Change in net position					25,771,027	94,403,089	120,174,116
Net position - beginning					859,850,342	2,952,160,232	3,812,010,574
Net position - ending					<u>\$ 885,571,369</u>	<u>\$ 3,046,563,321</u>	<u>\$ 3,932,188,690</u>

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Florida Department of Environmental Protection
Clean Water and Drinking Water Revolving Fund Program

Balance Sheet - Governmental Funds

June 30, 2023

	<u>WPCFC</u>	<u>FGTF</u>	<u>Total</u>
Assets			
Current assets:			
Pooled investments with State Treasury	\$ 3,653,404	\$ 83,734,222	\$ 87,387,626
Investments with U.S. Bank	281,908,578	-	281,908,578
Due from other funds	-	2,682,356	2,682,356
Loans receivable	69,355,737	3,959,043	73,314,780
Investment interest receivable	1,150,936	158,641	1,309,577
Total current assets	<u>356,068,655</u>	<u>90,534,262</u>	<u>446,602,917</u>
Noncurrent assets:			
Loans receivable, net of short term	581,036,755	-	581,036,755
Total noncurrent assets	<u>581,036,755</u>	<u>-</u>	<u>581,036,755</u>
Total assets	<u>\$ 937,105,410</u>	<u>\$ 90,534,262</u>	<u>\$ 1,027,639,672</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 365	\$ -	\$ 365
Due to other funds	2,682,356	-	2,682,356
Total liabilities	<u>2,682,721</u>	<u>-</u>	<u>2,682,721</u>
Fund balance			
Restricted	934,422,689	90,534,262	1,024,956,951
Total fund balance	<u>934,422,689</u>	<u>90,534,262</u>	<u>1,024,956,951</u>
Total liabilities and fund balance	<u>\$ 937,105,410</u>	<u>\$ 90,534,262</u>	<u>\$ 1,027,639,672</u>

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Florida Department of Environmental Protection
Clean Water and Drinking Water Revolving Fund Program

Reconciliation of Balance Sheet - Governmental Funds
to Statement of Net Position

June 30, 2023

Total fund balance – governmental funds	\$ 1,024,956,951
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Long term liabilities, including notes payable, are not due and payable in the current period, and therefore, are not reported in the governmental funds.

Bonds payable	(137,140,000)	
Bond discount	62,913	
Bond interest payable	(1,464,069)	
Deferred inflow from the difference in carrying value between old and new debt	(1,378,609)	
Current year amortization	<u>482,781</u>	
		<u>(139,436,984)</u>
 Net position of governmental activities		 <u><u>\$ 885,519,967</u></u>

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Florida Department of Environmental Protection
Clean Water and Drinking Water Revolving Fund Program

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Statement of Revenues, Expenditures, and Changes in Fund Balances
- Governmental Funds

Year ended June 30, 2023

	<u>WPCFC</u>	<u>FGTF</u>	<u>Total</u>
Revenues			
Service fees and charges	\$ -	\$ 17,839,756	\$ 17,839,756
Grants and donations:			
EPA capitalization grant	-	3,678,134	3,678,134
Interest earnings:			
Investments	10,252,777	1,385,096	11,637,873
Loan repayments	6,582,796	-	6,582,796
Total revenues	<u>16,835,573</u>	<u>22,902,986</u>	<u>39,738,559</u>
Expenditures			
Current:			
Grants to disadvantaged local governments	-	229,899	229,899
Administrative costs for:			
DWSRF	-	1,296,242	1,296,242
DWLP1	-	10,384	10,384
Set-asides	-	3,678,134	3,678,134
Grant CWWQO	-	3,289,222	3,289,222
Debt Service:			
Principal	25,450,000	-	25,450,000
Bond issuance cost	-	-	-
Interest and service charges	3,707,682	-	3,707,682
Total expenditures	<u>29,157,682</u>	<u>8,503,881</u>	<u>37,661,563</u>
Other financing sources (uses)			
Transfers out	-	(2,233,717)	(2,233,717)
Total other financing sources	<u>-</u>	<u>(2,233,717)</u>	<u>(2,233,717)</u>
Net change in fund balance	(12,322,109)	12,165,388	(156,721)
Fund balance - beginning	946,744,798	78,368,874	1,025,113,672
Fund balance - ending	<u>\$ 934,422,689</u>	<u>\$ 90,534,262</u>	<u>\$ 1,024,956,951</u>

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Florida Department of Environmental Protection
Clean Water and Drinking Water Revolving Fund Program

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Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds to the Statement of Activities

Year ended June 30, 2023

Net change in fund balances - total governmental funds	\$	(156,721)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Repayment of long-term debt is reported as an expenditure in governmental funds, but as a reduction in long-term liabilities in the Statement of Net Position		25,450,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore are not reported as expenditures in the governmental funds		
Change in accrued interest liability	233,292	
Amortization of bond premium	(9,596)	
Amortization of deferred amount on refunding	152,650	
		376,346
Change in net position of governmental activities	\$	25,669,625

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Florida Department of Environmental Protection
Clean Water and Drinking Water Revolving Fund Program

Statement of Net Position - Enterprise Funds

June 30, 2023

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 23,955,466	\$ 12,137,829	\$ 36,093,295
Pooled investments with State Treasury	418,236,160	395,116,455	813,352,615
Loans receivable	107,605,077	49,813,642	157,418,719
Due from State funds within department	90,583	-	90,583
Due from U.S. grants receivable	53,749,128	73,210,900	126,960,028
Investment interest receivable	764,665	750,348	1,515,013
Receivables - other governmental units	3,696	-	3,696
Total current assets	<u>604,404,775</u>	<u>531,029,174</u>	<u>1,135,433,949</u>
Noncurrent assets:			
Loans receivable	<u>1,297,007,838</u>	<u>614,200,058</u>	<u>1,911,207,896</u>
Total noncurrent assets	<u>1,297,007,838</u>	<u>614,200,058</u>	<u>1,911,207,896</u>
Total assets	<u>\$ 1,901,412,613</u>	<u>\$ 1,145,229,232</u>	<u>\$ 3,046,641,845</u>
Liabilities			
Current liabilities:			
Due to other departments	<u>\$ 39,633</u>	<u>\$ 38,891</u>	<u>\$ 78,524</u>
Total liabilities	<u>39,633</u>	<u>38,891</u>	<u>78,524</u>
Net position			
Restricted by federal government	<u>1,901,372,980</u>	<u>1,145,190,341</u>	<u>3,046,563,321</u>
Total net position	<u>1,901,372,980</u>	<u>1,145,190,341</u>	<u>3,046,563,321</u>
Total liabilities and net position	<u>\$ 1,901,412,613</u>	<u>\$ 1,145,229,232</u>	<u>\$ 3,046,641,845</u>

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Florida Department of Environmental Protection
Clean Water and Drinking Water Revolving Fund Program

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Statement of Revenues, Expenses and Changes in Net Position – Enterprise Funds

Year ended June 30, 2023

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
Revenues			
Operating revenues			
Grants - USEPA noncapital grants	\$ 39,057,000	\$ 24,573,751	\$ 63,630,751
Grants - USEPA noncapital grants (state match)	13,819,100	12,629,463	26,448,563
Total operating revenues	<u>52,876,100</u>	<u>37,203,214</u>	<u>90,079,314</u>
Operating expenses			
State revolving loans - wastewater treatment	11,614,744	-	11,614,744
State revolving loans - drinking water facility construction	-	17,829,212	17,829,212
Grants to disadvantaged local governments	2,233,717	-	2,233,717
Total operating expenses	<u>13,848,461</u>	<u>17,829,212</u>	<u>31,677,673</u>
Net operating income	39,027,639	19,374,002	58,401,641
Nonoperating revenues			
Interest earnings on loan repayments	11,444,967	8,922,940	20,367,907
Interest earnings on Investments	6,586,847	6,812,298	13,399,145
Miscellaneous revenue	179	500	679
Total nonoperating revenues	<u>18,031,993</u>	<u>15,735,738</u>	<u>33,767,731</u>
Income before transfers	57,059,632	35,109,740	92,169,372
Transfers in	<u>2,233,717</u>	<u>-</u>	<u>2,233,717</u>
Change in net position	59,293,349	35,109,740	94,403,089
Total net position - beginning	<u>1,842,079,631</u>	<u>1,110,080,601</u>	<u>2,952,160,232</u>
Total net position - ending	<u>\$ 1,901,372,980</u>	<u>\$ 1,145,190,341</u>	<u>\$ 3,046,563,321</u>

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Florida Department of Environmental Protection
Clean Water and Drinking Water Revolving Fund Program

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Statement of Cash Flows

Year ended June 30, 2023

	CWSRF	DWSRF	Total
Cash flows from operating activities:			
Receipts from grants and donations	\$ 72,890,260	\$ 52,299,699	\$ 125,189,959
Loan disbursements	(15,667,176)	(36,112,469)	(51,779,645)
Other receipts	-	-	-
Net cash provided by operating activities	<u>57,223,084</u>	<u>16,187,230</u>	<u>73,410,314</u>
Cash flows from noncapital financing activities:			
Transfers	2,233,717	-	2,233,717
Net cash provided by noncapital financing activities	<u>2,233,717</u>	<u>-</u>	<u>2,233,717</u>
Cash Flows from capital financing activities:			
Interest on notes	11,445,146	8,923,440	20,368,586
Net cash provided by capital financing activities	<u>11,445,146</u>	<u>8,923,440</u>	<u>20,368,586</u>
Cash flows from investing activities:			
Purchase of investments	(162,449,169)	(86,950,612)	(249,399,781)
Proceeds from sale of investments	100,853,032	60,825,982	161,679,014
Interest	6,586,847	6,375,613	12,962,460
Net cash used in investing activities	<u>(55,009,290)</u>	<u>(19,749,017)</u>	<u>(74,758,307)</u>
Net increase in cash and cash equivalents	15,892,657	5,361,653	21,254,310
Cash and cash equivalents at beginning of year	8,062,809	6,776,176	14,838,985
Cash and cash equivalents at end of year	<u>\$ 23,955,466</u>	<u>\$ 12,137,829</u>	<u>\$ 36,093,295</u>
Reconciliation of net operating income to net cash provided by operating activities:			
Net operating income	\$ 39,027,639	\$ 19,374,002	\$ 58,401,641
Adjustment to reconcile net operating income to net cash provided by operating activities:			
Changes in assets and liabilities:			
Loans receivable	(1,823,129)	(18,285,568)	(20,108,697)
Due from State funds within department	-	4,997	4,997
Due from U.S. grants receivable	20,014,160	15,091,488	35,105,648
Due to other governments	-	-	-
Due to other departments	4,414	2,311	6,725
Net cash provided by operating activities	<u>\$ 57,223,084</u>	<u>\$ 16,187,230</u>	<u>\$ 73,410,314</u>

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Notes to Financial Statements

Year ended June 30, 2023

No assurance is provided

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Florida Department of Environmental Protection (the Department) is an agency within the State reporting entity, which consists of the State's legislative agencies, the Governor, and Cabinet; the State departments, commissions, and boards of the executive branch; and the various offices relating to the judicial branch of State government. Component units, legally separate organizations for which the State is financially accountable, are also included in the State's reporting entity.

The State Wastewater Treatment and Stormwater Management Revolving Loan Fund (CWSRF) was created to be used in the operation of the State Revolving Fund Loan program administered by the Department to accelerate construction of sewage treatment facilities by local government agencies. Title VI of the Water Quality Act, as amended by the Water Quality Act of 1987, provided for federal capitalization grants to establish permanent state revolving loan programs to replace the USEPA's Construction Grants program. The State's Revolving Fund Loan program is authorized by Section 403.1835, Florida Statutes. Chapter 62-503 of the Florida Administrative Code sets forth the detailed state revolving fund program requirements.

The Drinking Water Revolving Loan Fund (DWSRF) was created for use in the operation of the program administered by the Department to provide financial assistance to eligible public water systems for construction of drinking water systems. Section 130, Public Law 104-182, of the Safe Drinking Water Act (SDWA) Amendments of 1996 provided for federal capitalization grants to establish permanent state drinking water revolving loan programs which will provide a long-term source of financing for the costs of infrastructure needed to achieve or maintain compliance with SDWA requirements, and to protect public health. The DWSRF program is authorized by Section 403.8532, Florida Statutes. Chapter 62-552 of the Florida Administrative Code sets forth the detailed DWSRF program requirements.

Local government loan recipients are assessed loan administration service fees, which are incorporated within their loan receivable balances, to cover the costs of administering the CWSRF and DWSRF programs. These fees are deposited, recorded, and reported in the Federal Grants Trust Fund (FGTF).

Notes to Financial Statements
No assurance is provided

Note 1. Summary of Significant Accounting Policies (continued)

Reporting Entity (continued)

The Water Pollution Control Financing Corporation Fund (WPCFC) was created pursuant to Section 403.1837, Florida Statutes during fiscal year 2000-2001 as a nonprofit public-benefit corporation for the purpose of financing or refinancing loans for the costs of water pollution control projects and activities described in Section 403.1835, Florida Statutes. The Department has the option to assign additional loans to the WPCFC at a future date, at which point the loans would become pledged loans. The WPCFC is administered by the U.S. Bank National Association (the Trustee) pursuant to a Master Trust Indenture dated June 1, 2001. Under accounting principles generally accepted in the United States of America, the WPCFC will be presented as a component unit of the State reporting entity by the State Board of Administration (SBA).

The financial presentations herein are for the Department's Clean Water and Drinking Water Revolving Fund Program which includes DWSRF, CWSRF, FGTF, and WPCFC funds (the Program).

The financial presentations for the Program have been prepared for use by the United States Environmental Protection Agency (USEPA). These financial presentations are presented to comply with the provisions of a grant agreement between the Department and the USEPA and do not constitute complete financial statements of the Department in accordance with accounting principles generally accepted in the United States of America. The Department is part of the reporting entity of the State of Florida (State) and its financial position and operations are included in the State of Florida Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023.

State and Federal legislation enables the Program to assist local governments in financing facilities for wastewater treatment and public water systems.

The significant accounting policies followed by the Program are described below to enhance the usefulness of these financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Program's accounting policies conform to accounting principles generally accepted in the United States of America for State and local governmental units and are structured in accordance with the requirements of the Governmental Accounting Standards Board (GASB). These principles require the use of fund accounting. A fund is a separate fiscal and accounting entity having a self-balancing set of accounts. Fund accounting is designed to segregate transactions related to certain functions or activities to ensure management that resources are applied to finance the activities and objectives for which the resources are received and to demonstrate compliance with legal and contractual obligations.

Notes to Financial Statements
No assurance is provided

Note 1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The information in these financial presentations relates to all components of the program and includes the following:

- CWSRF and DWSRF Funds, which are used to record activity related to program loans and projects. Each of these funds is categorized as an enterprise fund and classified as a proprietary fund type. Proprietary funds are used to account for any activity that charges a fee for goods or service to external users.
- Federal Grants Trust Fund, which accounts for administrative and set-asides elements of the SRF programs, is a special revenue trust fund classified as a governmental fund type; and the Water Pollution Control Financing Corporation Fund is a nonprofit public benefit corporation which is classified as a component unit of the State of Florida reporting entity.

These financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the GASB. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, considered to be sixty days. The measurement focus of the WPCFC and FGTF funds is the current resources measurement focus that emphasizes the determination of financial position and changes in financial position, rather than net income determination.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues for CWSRF and DWSRF funds include federal grants. Operating expenses for the above proprietary funds include disbursements to certain eligible recipients for construction of drinking water systems, wastewater treatment, and stormwater management projects.

Notes to Financial Statements
No assurance is provided

Note 1. Summary of Significant Accounting Policies (continued)

Restrictions of Fund Balance and Net Position

Restrictions are established to indicate that a portion of fund balance or net position is not appropriable or is legally segregated for specific future use. The types of restrictions of the CWSRF and DWSRF fund balances and WPCFC and FGTF net positions are described as follows:

Restricted by Federal Government – represents fund assets that have restrictions applied by the provisional Federal Government Agency.

Restricted by Creditors – represents fund assets that have restrictions applied by the creditors for bond issuance.

Restricted for Water Pollution and Drinking Water Projects and Other Related Program Purposes – represents fund assets that are restricted by enabling legislation.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

Long-Term Debt

In the government-wide financial statements, outstanding debts are reported as liabilities. The governmental fund financial statements recognize the proceeds of debt as other financial sources of the current period. Issuance costs are reported as expenditures.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that future time.

Management Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Notes to Financial Statements

No assurance is provided

Note 2. Cash and Investments

Unless specifically excluded by statute, all cash of the State must be deposited in the State Treasury. The State Treasury, in turn, keeps the funds fully invested to maximize interest earnings. Authorized investment types are set forth in Section 215.47, Florida Statutes, and include certificates of deposit, direct obligations of the United States Treasury, obligations of Federal agencies, asset-backed or mortgage-backed securities, commercial paper, bankers' acceptances, intermediate-term corporate obligations, repurchase agreements, no-load commingled and mutual funds, and derivatives. All investments of the CWSRF, FGTF, and DWSRF are pooled investments with the State Treasury and are carried at cost. The investments held by the WPCFC include both pooled investments with the State Treasury and investments managed by the Trustee.

As the CWSRF, FGTF, and DWSRF investments are pooled in the State Treasury, records are not maintained that identify the specific investment securities comprising the CWSRF, FGTF, and DWSRF portion of the pool. Accordingly, CWSRF, FGTF, and DWSRF investments do not have to be disclosed by credit risk category as the investments are not evidenced by specific investment securities.

With regard to funds maintained in the Treasury investment pool, the State Treasurer is responsible for investing funds of the Treasury/Trust Portfolio and managing the credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency credit risk of the Portfolio. Refer to the State's Pooled Investments disclosure in the ACFR for disclosure related to the risks applicable to the portfolio.

With regard to investments in the WPCFC, the SBA accounts for funds held both inside and outside of the State Treasury. Funds held inside of the State Treasury are reported at amortized cost. Investments outside of the State Treasury are held with the Trustee Bank. These investments are carried at amortized cost.

The WPCFC limits its credit risk by limiting investments with the Trustee Bank to highly liquid money market funds with a credit rating of AAAM. The Department believes that based on the nature of its investment with the Trustee bank that there is no exposure to custodial credit risk.

Notes to Financial Statements
No assurance is provided

Note 2. Cash and Investments (continued)

At June 30, 2023 the CWSRF and the DWSRF cash deposits had a carrying balance of \$23,955,466 and \$12,137,829, respectively.

**Investments with State Treasury Reporting Period
July 1, 2022 through June 30, 2023**

Fund	Investments (as of June 30, 2023)	Net Earnings*	Net Rate of Return
CWSRF	\$418,236,160	\$6,586,847	High .2090 – Low .0858
DWSRF	\$395,116,455	\$6,812,298	High .2090 – Low .0858
FGTF	\$83,734,222	\$1,385,096	High .2090 – Low .0858

*Net Earnings represent investment earnings less administrative assessments.

Note 3. State Revolving Fund Loan Program Activity

Due to the nature of the loan program, the disbursing of funds for loans does not result in the expenditure of funds. Rather, such disbursements result in the establishment of receivables. Similarly, the repayment of loans does not result in revenues. Funds received as payment on outstanding receivables are used to reduce the outstanding receivable balances and subsequently make additional loans; therefore, the funds are never expended. The Department is authorized to make grants from the CWSRF to certain eligible public water systems for construction of wastewater systems and these disbursements for grants are reported as expenditures.

During the reporting period of July 1, 2022 through June 30, 2023, the Department incurred CWSRF program administration costs of \$3,289,222 which were funded 100% from loan service fees.

DWSRF capitalization grants allows up to 4% of the grant amount for program administration costs. During the reporting period of July 1, 2022 through June 30, 2023 the Department incurred \$4,984,760 for DWSRF program administration costs, of which \$1,306,626 were funded from loan service fees and \$3,678,134 were funded from the DWSRF capitalization grant.

A portion of each CWSRF loan repayment made after June 30, 1997, is designated as a grant allocation assessment to be used solely for the purpose of making wastewater grants to financially disadvantaged small communities. The grant allocation assessments are accounted for in a grant allocation assessment sub-account in the FGTF.

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Florida Department of Environmental Protection
Clean Water and Drinking Water Revolving Fund Program

Notes to Financial Statements
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Note 3. State Revolving Fund Loan Program Activity (continued)

State Revolving Fund Loan Program Activity for July 1, 2022 thru June 30, 2023:

Fund	Disbursements for Loans	Loan Repayments/ Grant Allocations	Disbursements for Grants/Principal Forgiveness	Service Fees Assessed
CWSRF	\$ 96,393,385	\$ 118,854,903	\$ 10,612,227	\$ 1,985,451
DWSRF	\$ 53,783,428	\$ 51,760,556	\$ 16,095,478	\$ 2,772,704
FGTF	\$ –	\$ –	\$ 2,463,616	\$ –
WPCFC	\$ 35,077,754	\$ 72,637,720	\$ –	\$ 2,742,010

Note 4. Changes in Long-Term Liabilities

The following table presents the changes in the long-term liabilities during the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due within one year (current)
Bonds payable:					
Water pollution control bonds	\$ 162,590,000	\$ –	\$ 25,450,000	\$ 137,140,000	\$ 24,710,000
Unamortized bond premiums (discounts)	(72,509)	–	(9,596)	(62,913)	–
Total	\$ 162,517,491	\$ –	\$ 25,440,404	\$ 137,077,087	\$ 24,710,000

Notes to Financial Statements
No assurance is provided

Note 5. Bonds Payable

Florida Water Pollution Control Bonds are issued by the Florida Water Pollution Control Financing Corporation (a blended component unit of state of Florida) to fund loans to local governments to finance or refinance the cost of wastewater treatment and storm water management projects. The bonds, serial and term, are secured by a pledge of the loan payments from local governments.

Bonds payable at June 30, 2023, are as follows:

Bond type:	Original Amount	Amount Outstanding	Range of Interest Rates Outstanding	Annual Maturity
Water pollution control bonds				
Series 2019A	\$ 214,220,000	137,140,000	2.10% - 2.60%	1/15/2030
Unamortized premiums (discounts) on bonds payable	(103,123)	(62,913)		
Total bonds payable	<u>\$ 214,116,877</u>	<u>\$ 137,007,087</u>		

The following schedule illustrates the principal and interest due for debt service on the Series 2019A Bonds. The following table is created by the Department as summary information extracted from the WPCFC working papers submitted by SBA.

Annual debt service requirements to amortize bonds at June 30, 2023, are as follows:

Year ending June 30	Principal	Interest	Total
2024	\$ 24,710,000	\$ 3,194,333	\$ 27,904,333
2025	23,930,000	2,675,423	26,605,423
2026	23,720,000	2,160,927	25,880,927
2024	20,890,000	1,615,367	22,505,367
2028-2031	43,890,000	1,977,320	45,867,320
	<u>137,140,000</u>	<u>11,623,370</u>	<u>148,763,370</u>
Unamortized premiums (discounts)	(62,913)	-	(62,913)
Total bonds payable and interest	<u>\$ 137,077,087</u>	<u>\$ 11,623,370</u>	<u>\$ 148,700,457</u>

Notes to Financial Statements
No assurance is provided

Note 6. Net Positions

Governmental Accounting Standards Board Statement provides for three components of net position: net investment in capital assets, restricted and unrestricted. As of June 30, 2023 and 2022, the Fund had no net position invested in capital assets or unrestricted net position.

Restricted net position includes net position that is restricted for use, either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. At June 30, 2023 and 2022, the Fund had restricted net position of \$3,932,083,288 and \$3,812,010,574, respectively. As of June 30, 2023 and 2022 pledged loans restricted for future bond debt service payments were \$137,140,000 and \$162,590,000, respectively, representing loans receivable pledged as security for the revenue bonds (see Note 5).

Note 7. Interfund Balances

Interfund balances represent payments due from other funds responsible for particular expenditures to the funds that initially paid for them. Interfund balances are due and payable within one year. At June 30, 2023 there was \$2,682,356 of funds payable from WPCFC to FGTF.

Note 8. Interfund Transfers

Each fund has a discrete purpose. However, often, there is a need for one fund to support a portion of another fund's activities. To accomplish this, monies are moved between funds through a process called interfund transfers. Interfund transfers for the year ended June 30, 2023 consisted of funds transferred from the FGTF to the CWSRF for grants to disadvantaged communities. The amounts transferred from FGTF to the CWSRF totaled \$2,233,717 for the year ended June 30, 2023.

Note 9. Grants

The Program participates in several state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended June 30, 2023, have not yet been accepted/approved by the grantors. Accordingly, the final determination of compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined, although the Program expects such amounts, if any, to be immaterial.

Notes to Financial Statements
No assurance is provided

Note 10. Subsequent Events

On July 17, 2023, the long-term debt related to the Water Pollution Control Bonds Series 2019A, referenced in Note 5, was defeased via an escrow deposit agreement. This agreement resulted in the creation of an escrow deposit trust fund into which the WPCFC deposited \$130,303,316 concurrently with the date of the agreement. Based on the agreement and the deposit of funds, the WPCFC believes that the bonds are no longer outstanding as of July 17, 2023.