

STATE OF OHIO  
WATER POLLUTION CONTROL LOAN FUND



ANNUAL REPORT  
FOR CALENDAR YEAR 2017

to U.S. EPA, REGION V

March 27, 2018

Prepared by:  
the OHIO ENVIRONMENTAL PROTECTION AGENCY  
Division of Environmental and Financial Assistance  
and the  
OHIO WATER DEVELOPMENT AUTHORITY

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**Cover photo – Tunnel boring machine named “Rosie” during the beginning of Akron’s Ohio Canal Interceptor Tunnel project.**

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**I. Introduction**

This annual report for the Water Pollution Control Loan Fund (WPCLF) is based on the 2017 Program Management Plan/Intended Use Plan (PMP/IUP), and the applications for previous year's federal capitalization grant funds.<sup>1</sup> This annual report will cover the time period from January 1, 2017 through December 31, 2017. All references in this report to calendar year (CY) 2017 will refer to this time period.

The Ohio EPA has streamlined the WPCLF annual reporting process by providing summary information in narrative form, which is supplemented by a spreadsheet which is provided electronically with this report. By providing the full spreadsheet file, U.S. EPA can both verify the summary information and perform additional analyses of the data to suit their needs. The electronic spreadsheet file that is being provided contains information on CY 2017 only; it is a subset of the database information that U.S. EPA receives on an annual basis for the SRF National database.

**II. Details of Fund Accomplishments**

During CY 2017, all pertinent long and short-term goals of the program were met. 167 binding commitments totaling \$913,934,835 were made in CY 2017, of which 164 were for direct loans. The 167 binding commitments funded a total of 167 projects. See Table 1 for a breakdown of the overall WPCLF activity during CY 2017. During the CY 2017, we made three supplemental loans to projects (Miamisburg, Ashtabula and Trumbull County).

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<sup>1</sup> This Annual Report covers the 2017 calendar year (January 1, 2017 – December 31, 2017). During that time, the WPCLF program was governed by the 2017 Program Management Plan (PMP).

**Table 1  
Calendar Year 2017 Water Pollution Control Loan Fund Activity**

<b>Project Type</b>	<b># Loans</b>	<b>Loan Type</b>	<b>Dollar Amount</b>
<b>Section 212 Projects</b>			
WPCLF Wastewater Construction <sup>2</sup>	85	Direct	\$856,188,326
WPCLF Wastewater Design	16	Direct	\$20,704,489
WPCLF Wastewater Planning	15	Direct	\$23,872,420
<b>Subtotal</b>	<b>116</b>		<b>\$900,765,235</b>
<b>Section 319 Projects<sup>3</sup></b>			
Linked Deposit – Agricultural BMPs	0	Linked	\$0
Linked Deposit – Household Sewage	0	Linked	\$0
NPS Direct - HSTS Principal Forgiveness	51	Direct	\$13,169,600
<b>Subtotal</b>	<b>51</b>		<b>\$13,169,600</b>
<b>Total</b>	<b>167</b>		<b>\$913,934,835</b>

Of the 167 binding commitments made during CY 2017, 116 were for Section 212 projects and 51 were for Section 319 projects. The Section 319 projects included 51 direct loans to entities for HSTS replacement programs. In addition, four (4) of the binding commitments for Section 212 WPCLF wastewater projects included funds for seven (7) Water Resource Restoration Sponsor Program (WRRSP) projects.<sup>4</sup> A further description of the WRRSP projects is provided later in this document.

Regarding direct loans, interest rates ranged from a low of 0.0% to a high of 2.33%. Four loans were awarded at a discounted interest rate because they included a Water Resource Restoration Sponsor Program project(s). No loans that included a discount for installing septage receiving facilities or for changing from a Class B to a Class A sludge production process were awarded during CY 2017. The overall rate of return for binding commitments during CY 2017 was 1.43% as illustrated in Table 2 below.<sup>5</sup>

<sup>2</sup> Four wastewater (Section 212) loans also included WRRSP projects (under Section 319). Seven WRRSP projects were funded through the four loans. The dollar amount in Table 1 for wastewater construction loans (\$856,188,326) doesn't include the costs associated with the 7 WRRSP projects (\$10,004,049). The total of Section 212, 319 and WRRSP construction loans for CY 2017 is (\$879,361,975).

<sup>3</sup> During CY 2017, the WPCLF financed a total of \$23,173,649 in eligible 319 projects, \$13,169,600 in direct NPS loans, and \$10,004,049 in WRRSP projects.

<sup>4</sup> All non-Section 212 projects were funded under Section 319 of the Clean Water Act. Since they are awarded as a single binding commitment, each WRRSP project is included as a component of the above totals for Section 212 projects. However, each of the loans awarded with a WRRSP component have both a Section 212 component and a Section 319 component.

**Table 2**  
**Interest Rates and Overall Rate of Return<sup>5</sup>**

Number of Loans	Loan Amount	Interest Rate	Total Interest
88	65,782,756.26	0.00%	\$0
1	65,198,791.04	0.24%	\$1,616,392.62
2	3,584,906.00	0.25%	\$92,609.11
1	1,952,517.00	0.26%	\$52,473.96
1	1,259,006.00	0.35%	\$45,680.12
1	14,793,523.70	0.76%	\$1,180,815.31
1	53,224,029.64	0.80%	\$4,477,569.59
1	24,466,453.00	0.86%	\$2,216,839.33
1	4,296,786.91	0.89%	\$403,281.15
11	7,129,845.02	1.00%	\$754,485.52
1	21,834,256.30	1.01%	\$2,334,351.95
1	26,769,639.00	1.10%	\$3,125,798.26
2	123,363,719.24	1.39%	\$18,366,495.41
1	2,833,231.03	1.48%	\$450,368.65
2	51,624,363.04	1.49%	\$8,264,156.39
6	58,694,085.91	1.55%	\$9,792,217.51
1	18,408,316.65	1.61%	\$3,195,879.75
1	4,640,202.00	1.70%	\$852,954.28
3	16,388,972.84	1.75%	\$3,105,908.11
1	400,441.68	1.76%	\$76,345.31
1	30,360.00	1.78%	\$5,857.54
1	6,173,811.55	1.81%	\$1,212,326.45
4	12,107,082.76	1.84%	\$2,419,015.38
1	3,815,700.00	1.88%	\$779,897.39
2	2,794,498.90	1.89%	\$574,383.60
1	142,320,000.00	1.98%	\$30,728,607.32
6	67,948,592.30	2.00%	\$14,828,008.11
1	3,589,110.66	2.03%	\$795,693.35
1	1,497,384.00	2.08%	\$340,650.52
2	45,414,400.00	2.10%	\$10,437,221.51
5	10,439,984.25	2.13%	\$2,435,792.48
1	487,314.61	2.23%	\$119,389.89
9	17,619,429.63	2.28%	\$4,420,018.13
5	33,051,325.21	2.33%	\$8,485,645.16
<b>167</b>	<b>913,934,835</b>	<b>1.43%</b>	<b>\$137,987,129</b>

There were no linked deposit loans made for the replacement of failed household sewage treatment systems (HSTS) during CY 2017.

<sup>5</sup> Totals reflect the weighted overall rate of return for direct loans over 20 years: excluding principal forgiveness amounts of WPCLF projects but includes HSTS principal forgiveness projects; linked deposit loans and WRRSP projects.

Of the \$913,934,835 in binding commitments, \$149,170,407 was awarded in the first quarter of 2017, \$182,070,991 in the second quarter, \$492,993,482 in the third quarter, and \$89,699,955 in the fourth quarter.

During CY 2017, Ohio EPA accepted the FY 2017 Appropriation (i.e. the 2017 capitalization grant). The 2017 appropriation allowed for additional subsidization of projects. Ohio EPA chose to provide additional subsidies through principal forgiveness awards to qualifying projects. Ohio EPA awarded \$30,007,511 in principal forgiveness funds through 64 binding commitments. The distribution of those funds was as follows: \$13,169,600 for HSTS replacement programs to 51 entities, and \$16,837,911 for 13 wastewater construction loans. A summary of the projects funded with principal forgiveness is shown in the table below.

**Table 3  
Principal Forgiveness Awards during Calendar Year 2017**

Entity	Project	# Awards	Activity	Loan Type	PF Amount	Population
51 Entities	HSTS Replacement Programs	51	NPS Public - HSTS	Construction	\$13,169,600	Range 21 to 300
Otway	Wastewater Improvements	1	Wastewater	Construction	\$510,359	79
Hicksville	Cornelia St. Sanitary & Storm Sewer Improvements	1	Wastewater	Construction	\$300,903	3,300
Manchester	Sewer Collection System Rehabilitation	1	Wastewater	Construction	\$50,000	2,127
Montpelier	CSO Phase V	1	Wastewater	Construction	\$1,661,512	4,049
Middleport	CSO/SSO Mine Drainage Flow Improvements	1	Wastewater	Construction	\$2,139,184	2,320
Piqua	Wastewater Plant Expansion (NRD) – Energy Efficiency	1	Wastewater	Construction	\$50,000	20,649
Montpelier	Wastewater Treatment Plant Improvements	1	Wastewater	Construction	\$2,835,190	4,049
West Unity	WWTP Improvements – Phase 2	1	Wastewater	Construction	\$2,679,850	1,783
Northwestern Water & Sewer District	Hoytville WWTP Improvements	1	Wastewater	Construction	\$364,650	303
New Boston	Combined Sewer Overflow Improvements – Phase 6	1	Wastewater	Construction	\$1,627,000	2,255
Noble County	Lashley Addition Wastewater System (NRD)	1	Wastewater	Construction	\$2,098,065	289
Youngstown	WWTP Secondary Treatment Improvements (CSO) – Energy efficiency	1	Wastewater	Construction	\$50,000	127,000
Perry County	Moore's Junction Sanitary Sewers	1	Wastewater	Construction	\$2,471,198	263
<b>64</b>					<b>\$30,007,511</b>	

During this reporting period, the WPCLF was governed by the 2017 PMP (see footnote 1). The 2017 PMP included the funds made available under the FY 2016 appropriation (i.e. 2016 capitalization grant), which required the establishment of a “green project reserve” with a minimum amount to be provided of \$7,521,700. The green projects which were awarded during CY 2017 are identified in the table below.

**Table 4  
Green Project Reserve Awards in CY 2017**

<b>Entity</b>	<b>Project</b>	<b>Project Type</b>	<b># Awards</b>	<b>Amount</b>
51 Entities	HSTS Replacement Programs	NPS Public - HSTS	51	\$13,169,600
Franklin Soil & Water Conservation District	Hellbranch Meadows Stream and Wetland Restoration	WRRSP	1	\$3,766,138
Appalachia Ohio Alliance	Cackley Swamp Kiser Property Acquisition and Restoration	WRRSP	1	\$565,000
Appalachia Ohio Alliance	Scioto River Preserve Phase 2	WRRSP	1	\$775,000
Williamsburg	Williamsburg Low-Head Dam Removal	WRRSP	1	\$674,911
Cleveland Museum of Natural History	Geneva Swamp Lake Plain Wetlands Protection	WRRSP	1	\$3,517,700
Metropolitan Park District of the Toledo Area	Oak Openings Flatwood Swamp	WRRSP	1	\$364,500
Natural Areas Land Conservancy	Beck Fen Expansion	WRRSP	1	\$340,800
			<b>58</b>	<b>\$23,173,649</b>

Of the 116 loans awarded under Section 212, 56 binding commitments were made to communities having a service area population of less than 5,000, 12 binding commitments were made to communities between 5,000 and 20,000, and 48 binding commitments were made to communities greater than 20,000.

Regarding performance certifications during CY 2017, seventy-two (72) affirmative certifications were accepted, which brings the total number of projects with completed affirmative certifications to 692 (since program inception).

CY 2017 was the eighteenth year in which the WPCLF offered WRRSP assistance. Seven (7) WRRSP projects were awarded funds totaling \$10,004,049 during CY 2017. Please see Table 5 for a listing of the WRRSP projects awarded in CY 2017.

The accompanying database file represents the projects funded during the reporting period.

**Table 5  
2017 WRRSP Project Awards**

Project	Implementer	Sponsor	Award Date	Purpose	Amount
Hellbranch Meadows Stream and Wetland Restoration	Franklin Soil & Water Conservation District	Board of County Commissioners of Hamilton County	4/28/2017	This project will include relocation of two reaches of stream outside of an existing AEP easement, re-connection of approximately 8 acres of active floodplain, and restoration of floodplain wetlands (1 acre). The project will also involve restoration of the existing Un-Named Tributary 2 channel, restoration (day-lighting) of a tiled portion of Un-Named Tributary 2, enhancement/expansion of two existing wetlands (Wetland 1: 3.7 acres and Wetland 2: 2.3 acres), and reforestation (22 acres).	\$3,766,138
Cackley Swamp Kiser Property Acquisition and Restoration	Appalachia Ohio Alliance	Akron	6/29/2017	Protection and restoration of the expansive, high-quality Cackley Swamp wetland system. A primary goal is to facilitate expansion of the wetland area to attain the historic wetland extent that existed prior to draining and filling activities associated with farming, mining and development. The removal of fill for roads and other improvements where possible is an important objective to reestablish unimpeded hydrology to this outstanding wetland system.	\$565,000
Scioto River Preserve – Phase 2	Appalachia Ohio Alliance	Akron	6/29/2017	The subject WRRSP property encompasses 152 acres of land in Pickaway County between South Bloomfield and Circleville. The property has 3,500 linear feet of Scioto River frontage, including over half of an island within the river that amounts to approximately 0.75 acre.	\$775,000
Williamsburg Low-Head Dam Removal	Williamsburg	Akron	6/29/2017	The project consists of the removal of the Williamsburg dam to improve the biological quality of the upstream site and also enhance the connectivity of the upper East Fork Little Miami River main stem, which could improve the recovery potential of impacted stream segments in the upper watershed.	\$674,911
Geneva Swamp Lake Plain Wetlands Protection	Cleveland Museum of Natural History	Northeast Ohio Regional Sewer District	8/30/2017	The Cleveland Museum of Natural History (CMNH) is requesting WRRSP funding to purchase 394 acres of property to be known as Geneva Swamp Lake Plain Wetlands Protection Property. The Property is located east of State Route 534, west of Austin Road and north of New London Road in Geneva Township and the Village of Geneva-on-the-Lake, Ashtabula County, Ohio.	\$3,517,700
Beck Fen Expansion	Natural Areas Land Conservancy	Northeast Ohio Regional Sewer District	8/30/2017	This project will preserve approximately 59.5 acres of high quality wetland habitat located in Streetsboro, Ohio directly adjacent to Beck Fen and north of State Route 303 across from the Gott Fen State Nature Preserve.	\$340,800
Oak Openings Flatwood Swamp	Metropolitan Park District of the Toledo Area	Toledo	8/30/2017	This Oak Openings Flatwoods Swamp project will permanently protect a 32-acre Oak Openings Region property located in Swanton Township, Lucas County, within Metroparks of the Toledo Area's 2,000-acre Oak Openings Corridor. The 32-acre site contains approximately 14 acres of Category 3 wetlands. The Oak Openings habitat is one of the rarest habitat types in Ohio.	\$364,500
<b>Total</b>					<b>\$10,004,049</b>



### III. WPCLF Financial Status

#### A. Revenues, expenses and disbursements

Revenue to the WPCLF during CY 2017 came from several sources: federal capitalization grant payments, repayments to the fund, interest earned on accounts, and the Water Quality Series and State Match Series bond proceeds. One Federal capitalization grant in the amount of \$74,638,000 was received in CY 2017. WPCLF loan repayments totaled \$368,932,738, and interest income earned on accounts totaled \$7,879,529 during program year 2017.

Expenses for the WPCLF during CY 2017 were for debt service payments on bonds and program administration. The total debt service payment on bonds during CY 2017 was \$259,087,386. The debt service payment was associated with the debt service on the State Match, Water Quality, and WPCLF Series obligations.

Disbursements to projects during CY 2017 totaled \$650,254,078. Of this amount, \$72,593,373 was from federal CWSRF capitalization grants, \$30,030,340 from State Match, and \$547,630,365 from the Other Project accounts.

#### B. 120% binding commitments made within 1 year of cap grant payments to ASAP.

The requirement that WPCLF binding commitments be made for at least 120% of the amount of the increases to the ASAP one year after the increases were made was satisfied during PY 2017. At the end of the fourth quarter of CY 2017, the cumulative ASAP increases totaled \$2,206,871,197 and the cumulative binding commitments at the end of PY 2017 were \$8,677,871,534, resulting in a commitment percent of 393.22%.

#### C. Percentage of ASAP disbursements to total disbursements has remained within the 83.33% limit.

The proportionality of ASAP draws to total disbursements was maintained below the maximum percentage of 83.33% in all four quarters of this reporting period. At the end of the fourth quarter of calendar year 2017, this proportion was 81.98%.

#### D. 20% state match provided for federal capitalization grants.

The State of Ohio is required to match all federal capitalization grants with a state match of at least 20%. Through the end of calendar year 2017, the total amount of capitalization grant funds paid to the WPCLF was \$2,206,871,197 which was matched by deposits to the WPCLF totaling \$463,516,943 from state match bond funds and an initial cash contribution.<sup>6</sup> Thus, the State has matched the capitalization grants received by 21.00%, easily meeting the requirement. As of January 1, 2018, this banked overmatch was sufficient to meet the WPCLF's state match requirement for an additional \$110 million in capitalization grants, with no further state match contribution.

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<sup>6</sup> The \$463,516,943 includes \$27,879,395 interest earned on state match accounts.

Please see the attached balance sheets prepared by the Ohio Water Development Authority for more information.

#### **IV. Provisions of the Operating Agreement/Conditions of Capitalization Grants.**

The Ohio EPA agreed to administer the WPCLF in accordance with conditions outlined in previous Grant Agreements and the Operating Agreement. The following conditions have been met as described in the operating agreement or the capitalization grant agreement and will not be described further:

- Agreement to accept payments
- State laws and procedures
- State accounting and auditing procedures
- Recipient accounting procedures using GAAP and auditing procedures using GAGAS
- Use of the ASAP
- Ohio Attorney General Certification
- Preparation of Project Priority List and Intended Use Plan annually
- Through the Ohio Water Development Authority, establish and maintain WPCLF accounts

Other conditions, requirements or regulations which were met during CY 2017 include matching ASAP increases at the 20% level; the expeditious and timely expenditure of funds; providing SRF funds only for eligible activities (including the prevention of double benefits); compliance of Title II requirements for all section 212 projects receiving binding commitments; the MBE/WBE requirements; compliance with other federal authorities; compliance with the State Environmental Review Process (SERP); compliance with the ASAP cash draw procedures and rules established by U.S. EPA; and the performance of an annual audit and annual review.

#### **V. Future Directions for the WPCLF Program**

Ohio EPA approved the 2018 Program Management Plan on December 15, 2017. Funding will be made available for 2018 that will meet the wet weather system improvement requests of large communities, as well as administering a principal forgiveness program which will be sensitive to the economic needs of smaller communities. Approximately, \$1.7 billion will be made available by Ohio EPA for all eligible projects on the IPL that meet program requirements during PY 2018.

Changes to the Clean Water Act required Ohio EPA to develop and use "affordability criteria," as a primary determiner in the distribution of principal forgiveness. The maximum amount of principal forgiveness that Ohio is permitted to offer for PY2018 is approximately \$29.8 million. Approximately \$13.3 million will be reserved for replacement or repair of failing household sewage treatment systems (HSTS) or for connecting abandoned HSTS to existing sewers. Ohio EPA is setting aside up to \$500,000 to fund energy efficiency upgrades (i.e. efficient pumps, variable frequency drives, etc.) and up to \$500,000 to fund backup power facilities. The remaining funds will be allocated to eligible municipal wastewater collection and treatment projects.

The Water Resources Reform and Development Act of 2014 (P.L. 113-121), better known as WRRDA, was signed into Law on June 10, 2014. Among many other items, WRRDA amends Title VI of the Clean Water Act and creates several changes to the administration of the Clean Water Act and creates several changes to the administration of the Clean Water State Revolving Funds. Ohio

EPA has revised the Ohio Revised Code to enable direct 30-year loans and has obtained U.S. EPA's approval to do 45-year loans utilizing the bond purchase vehicle. At this time Ohio EPA has implemented the following WRRDA changes into the program: fiscal sustainability; affordability criteria; A/E procurement – (in which the State of Ohio law meets or exceeds this federal requirement determined by Ohio's Attorney General's office (Section 602(b) (14)).

Starting in PY 2018, Ohio EPA is making \$50 million available at 0% interest rate for regionalization projects. Regionalization is defined as at least two independent entities working together to share the responsibility of providing services to their residential, commercial, and industrial customers by physically connecting their sewage collection systems or by using a centralized waste water treatment system. The focus of this interest rate discount is 1) to reduce the number of incapable/failing waste water treatment plants that have a permitted discharge or 2) to eliminate community-wide failing unsewered systems. In either case, the incapable system or community-wide unsewered systems must be decommissioned.

Starting in PY 2018, all planning and design loans with terms of five years or less will receive a 0% interest rate. Furthermore, all planning and design nominations will be accepted throughout the program year as part of an "open" cycle.

In PY 2018, Ohio EPA will make \$50,000 of principal forgiveness available per project to facilitate the procurement and installation of back-up power for wastewater treatment facilities. Ohio EPA is setting aside a total of \$500,000 of principal forgiveness funds for this discount.

In PY 2018, Ohio EPA will make up to \$50,000 of principal forgiveness available per project to install energy efficient upgrades at wastewater treatment facilities. Ohio EPA is setting aside a total of \$500,000 of principal forgiveness funds for this discount.

In response to harmful algal blooms (HABs) and their potential effect on drinking water systems, Ohio EPA made \$100 million available at a 0% interest rate in PY 2015, PY 2016, and PY 2017 for equipment to reduce phosphorus and other nutrients. In PY 2018, Ohio EPA is offering \$50 million at a 0% interest rate for these types of projects. The discounted rate will be available for the portion of the project directly attributed to the nutrient reduction. Standard, below-market interest rate loan funds will be offered for the balance of a proposed project.

For PY 2018, Ohio EPA will accept Nutrient Reduction Discount (NRD) project nominations for planning, design or construction projects throughout the program year. Applicants who nominated projects for NRD funding in PY 2017, but did not proceed with projects, and subsequently provided updated schedules during the nomination period to Ohio EPA, will be grandfathered into PY 2018.

In PY 2017 and extending to PY 2019, Ohio EPA is committing a total of \$300 million at 0% interest for that three-year timeframe for CSO projects. On November 1, 2016, we issued a special one-time "call for nominations" to CSO communities for their CSO projects that are expected in calendar years 2017, 2018, and 2019. CSO communities that submitted a nomination in August 2016 and that wanted to take advantage of this discount re-submitted a nomination along with a one-page addendum. To give communities enough time to perform a thorough assessment of their projects, we offered a one-time 60-day nomination period.

The Ohio EPA will *make available* \$15.0 million during PY 2018-2019 for Water Resource Restoration Sponsorship Program projects. Projects funded as WRRSP projects will count toward meeting the green project requirements of federal capitalization grants. During PY 2017, the WRRSP program has undergone a process review to measure its effectiveness at achieving the program's objectives and appropriate levels of future funding. The goal of the process review was to improve the program and map its direction for the upcoming years.

The PY 2018 Program Management Plan (PMP) stated that Ohio EPA would identify projects to satisfy U.S. EPA's requirement of federal equivalency. These projects equal an amount made directly by the 2017 CWSRF capitalization grant amount of (\$74,638,000). Equivalency projects must comply with the Federal Funding Accountability and Transparency Act (FFATA), the Single Audit Act, Federal Crosscutters, Disadvantage Business Enterprise, and 40 USC Chapter 11 Procurement for A/E contracts.<sup>8</sup> At the time of the Final 2018 PY PMP, Ohio EPA identified: (Northeast Ohio Regional Sewer District – Westerly Storage Tunnel (February 2018 loan); and Northeast Ohio Regional Sewer District – Easterly Chemical Enhanced HRT Facility (February 2018 loan).

U.S. EPA produced a document titled Guidelines for Enhancing Public Awareness of State Revolving Fund (SRF) Assistance Agreements (dated June 3, 2015), which outlined the requirement for increased awareness of federal funding through the CWSRF and DWSR. These guidelines included options for project "signage". Ohio EPA has satisfied this requirement by agreeing to modify our Notice of Application of Loan Agreement public notice language to include that the project is wholly or partially funded with joint funding from Ohio EPA and U.S. EPA. This language will only be used for projects which Ohio EPA counts toward meeting the federal equivalency requirement.

## **VI. Environmental Benefits of the WPCLF**

Ohio EPA has completed its commitment to collect measures data for entry in CBR, providing data for loans from July 2004 forward. We will continue to enter data for new loans as they are awarded. Ohio EPA utilizes its database program (Assistance Information Management System or AIMS) that assists and ensures that CBR information is compiled at the time of loan award.

<sup>8</sup>The equivalent of which is under R.C. 153.65-153.73 apply to all "public authorities" as defined in section 33.45.011 of the Revised Code.

## WATER POLLUTION CONTROL LOAN FUND

Balance Sheet

December 31, 2017

### Assets

Noncurrent assets:

Restricted grant, bond, and note covenant assets:

Cash and cash equivalents	92,347,611
Investments	1,143,944,252
Loan receivables	4,090,683,845
Total restricted assets	<u>5,326,975,708</u>

Other receivables	702,922
Total noncurrent assets	<u>702,922</u>

Total assets	<u>5,327,678,630</u>
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Deferred outflows of resources

Loss on Refunding	27,952,631
Advance of loan interest	73,887,877
Total deferred outflows of resources	<u>101,840,508</u>

Total assets and deferred outflows of resources	<u>5,429,519,138</u>
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### Liabilities

Current liabilities payable from restricted assets:

Accounts payable	74,481,978
Accrued interest	8,734,289
Revenue bonds and notes payable	145,987,415
Total current liabilities payable from restricted assets	<u>229,203,682</u>

Noncurrent liabilities:

Revenue bonds and notes payable (net of premiums, discounts, and deferred losses)	<u>2,532,232,754</u>
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Total liabilities	<u>2,761,436,436</u>
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### Net Assets

Restricted for debt and grant covenants	2,668,082,702
Unrestricted	-
Total net assets	<u>2,668,082,702</u>

Total liabilities and net assets	<u>5,429,519,138</u>
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## WATER POLLUTION CONTROL LOAN FUND

Statement of Revenues, Expenses and Changes in Net Assets

Year ended December 31, 2017

Operating revenues:	
Loan income	94,766,909
Investment income	<u>7,879,529</u>
Total operating revenues	<u>102,646,438</u>
Operating expenses:	
Interest on bonds and notes	73,755,128
Bond and note issuance expense	7,522,140
Loan principal forgiveness expense	21,350,715
State revolving fund administration	6,964,240
Professional services	1,000,880
Loan interest rate buy-down	<u>8,814,242</u>
Total operating expenses	<u>119,407,345</u>
Operating income (loss)	<u>(16,760,907)</u>
Nonoperating other revenues (expenses)	
	-
Income (loss) before contributions	<u>(16,760,907)</u>
Contribution from U.S. EPA	75,026,747
Federal Subsidy Income	6,688,808
Change in net assets	64,954,648
Net assets at beginning of year	<u>2,603,128,054</u>
Net assets at end of year	<u>2,668,082,702</u>

# WATER POLLUTION CONTROL LOAN FUND

## Statement of Cash Flows

Year ended December 31, 2017

Operating activities:	
State revolving fund administration	(6,964,240)
Professional services	(942,924)
Net cash provided (used) by operating activities	<u>(7,907,164)</u>
Investing activities:	
Proceeds from maturity or sale of investments	1,469,745,159
Purchase of investments	(1,789,987,651)
Interest received on investments, net of purchased interest	12,477,219
Interest received on projects	87,725,540
Principal collected on projects	281,207,198
Payment for construction of projects	(650,254,078)
Net cash provided (used) by investing activities	<u>(589,086,613)</u>
Noncapital financing activities:	
Interest paid on bonds and notes, net of purchased interest	(96,142,386)
Proceeds of bonds	793,989,700
Bond and note issuance expense	(6,775,196)
Redemption of bonds and notes	(162,945,000)
Other	75,026,747
Contribution from U.S. EPA	6,545,819
Net cash provided (used) by noncapital financing activities	<u>609,699,684</u>
Net increase (decrease) in cash and cash equivalents	12,705,907
Cash and cash equivalents at beginning of period	<u>79,593,065</u>
Cash and cash equivalents at end of period	<u><u>92,298,972</u></u>
Reconciling items:	
Excess (deficiency) of revenues over expenses before operating transfer	(16,760,907)
Adjustments:	
Investment income	(7,879,529)
Operating expenses	30,164,957
Interest on bonds and notes	73,755,128
Loan and loan fee income	(94,766,909)
Bond and note issuance expense	7,522,140
Net change in other assets and other liabilities	57,956
Net cash provided (used) by operating activities	<u><u>(7,907,164)</u></u>

WPCLF Loan Disbursements  
January 1, 2017 - December 31, 2017

Type	Total
Capitalization Grant	72,593,373
State Match	30,030,340
Other Projects accounts	<u>547,630,365</u>
	650,254,078



WPCLF Debt Service Payments  
January 1, 2017 - December 31, 2017

Type	Interest	Principal	Total
State Match Series	62,442	30,000,000	30,062,442
Water Quality & WPCLF Series	<u>96,079,944</u>	<u>132,945,000</u>	<u>229,024,944</u>
	96,142,386	162,945,000	259,087,386

WPCLF Investment Income  
January 1, 2017 - December 31, 2017

Type	Total
Capitalization Grant	899
Repayment accounts	291,780
Other Projects accounts	6,138,594
Water Quality accounts	<u>1,448,256</u>
	7,879,529