

BOOK-ENTRY ONLY

NEW ISSUE
Ratings: Moody's: "___"
S&P: "___"
Fitch: "___"
See "RATINGS" herein.

In the opinion of Ice Miller LLP, Indianapolis, Indiana, bond counsel, under existing federal statutes, decisions, regulations and rulings, interest on the Series 2015B Bonds (as defined herein) is excludable from gross income for federal income tax purposes under Section 103 of the Code (as defined herein), is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations. This opinion is conditioned on the continuing compliance of the Finance Authority and the Participants (each as defined herein) with the Tax Covenants (as defined herein). In the opinion of Ice Miller LLP, Indianapolis, Indiana, bond counsel, under existing statutes, decisions, regulations and rulings, interest on the Series 2015B Bonds is exempt from income taxation in the State of Indiana. See "TAX MATTERS" herein and Appendix C hereto.



\$136,990,000*
INDIANA FINANCE AUTHORITY
State Revolving Fund Program Refunding Bonds
Series 2015B (Green Bonds)

Dated: Date of Delivery

Due: February 1, as shown on inside cover page

The Indiana Finance Authority (the "Finance Authority") is issuing its State Revolving Fund Program Refunding Bonds, Series 2015B (Green Bonds) (the "Series 2015B Bonds"), to use the proceeds thereof to refund and/or legally defease certain outstanding bonds of the SRF Programs (as defined herein) and to pay associated costs of issuance. The Series 2015B Bonds are being issued pursuant to the Bond Indenture (as defined herein) between the Finance Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Bond Trustee"). The Bond Trustee will also serve as Paying Agent and Bond Registrar for the Series 2015B Bonds. See "SRF PROGRAMS FINANCING PLAN."

Interest on the Series 2015B Bonds will accrue from the date of delivery thereof, at the rates per annum set forth on the inside cover page hereof, and is payable on each February 1 and August 1, commencing August 1, 2015. The Series 2015B Bonds will be issued as fully registered bonds, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 2015B Bonds will be made in book-entry only form, in the denomination of \$5,000 and any integral multiple thereof. See "DESCRIPTION OF SERIES 2015B BONDS—Book-Entry Only System."

The Series 2015B Bonds are subject to optional redemption and mandatory sinking fund redemption, as provided herein. See "DESCRIPTION OF SERIES 2015B BONDS—Redemption."

The Series 2015B Bonds are payable solely from and are secured exclusively by the Trust Estate (as defined herein) pledged thereto under the Bond Indenture, including primarily the Pledged Participant Loan Payments (as defined herein) and the investment earnings on certain accounts, all as described herein. THE SERIES 2015B BONDS DO NOT CONSTITUTE A GENERAL OR MORAL OBLIGATION OF THE FINANCE AUTHORITY OR THE STATE OF INDIANA (the "State"). The Series 2015B Bonds do not constitute a debt, liability or loan of the credit of the State or any political subdivision thereof, including any Participant, under the constitution or laws of the State or a pledge of the faith, credit or taxing power of the State or any political subdivision thereof, including any Participant. The sources of payment of and security for the Series 2015B Bonds are more fully described herein. The Finance Authority has no taxing power. See "SECURITY AND SOURCES OF PAYMENT OF BONDS."

This cover page contains certain information for quick reference only. It is not a summary of this issue. Prospective investors must read the entire Official Statement, including the appendices, to obtain information essential to the making of an informed investment decision.

The Series 2015B Bonds are being offered by the Underwriters when, as and if issued by the Finance Authority and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Ice Miller LLP, Indianapolis, Indiana, bond counsel. Certain legal matters will be passed on for the Finance Authority by the SRF Program counsel, Bingham Greenebaum Doll LLP, Indianapolis, Indiana, and for the Underwriters by their co-counsel, Bose McKinney & Evans LLP, Indianapolis, Indiana, and Gonzalez, Saggio & Harlan LLP, Indianapolis, Indiana. Public Financial Management, Inc. has served as financial advisor to the Finance Authority with respect to the SRF Programs. The Series 2015B Bonds are expected to be available in definitive form for delivery to DTC in New York, New York, on or about March 3, 2015.*

Citigroup **BofA Merrill Lynch**
George K. Baum & Company **J.J.B. Hilliard, W. L. Lyons, LLC** **Ramirez & Co., Inc.**

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. The securities described herein may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

\$136,990,000*

INDIANA FINANCE AUTHORITY

State Revolving Fund Program Refunding Bonds, Series 2015B (Green Bonds)

Maturities, Amounts, Interest Rates, and Yields

<u>Maturity (February 1)*</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP</u> [†]
2016	\$3,470,000				
2017	1,630,000				
2018	3,540,000				
2019	6,935,000				
2020	3,860,000				
2021	9,155,000				
2022	16,165,000				
2023	30,575,000				
2024	33,975,000				
2025	27,685,000				

* Preliminary, subject to change.

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STATE OF INDIANA

MICHAEL R. PENCE
Governor of the State of Indiana

SUE ELLSPERMANN
Lieutenant Governor of the State of Indiana

INDIANA FINANCE AUTHORITY

CHRISTOPHER D. ATKINS
Director of Indiana's Office of Management and Budget
Chairman

DANIEL J. HUGO
Public Finance Director of the State of Indiana

JAMES P. MCGOFF
Director of Environmental Programs
Program Representative

No dealer, broker, salesman or other person has been authorized by the Finance Authority or by the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2015B Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Finance Authority and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and it is not to be construed as a representation by the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Finance Authority since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2015B BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Series 2015B Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended. The Bond Indenture and the SRF Indentures (each as defined herein) have not been registered with the Securities and Exchange Commission under the Trust Indenture Act of 1939, as amended. In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

TABLE OF CONTENTS

	Page
INTRODUCTION	1
SRF Programs	1
Outstanding Bonds	1
SRF Indentures	2
Security and Sources of Payment for Bonds	2
Plan of Finance	3
Official Statement	4
SRF PROGRAMS FINANCING PLAN	4
Use of Proceeds	4
Estimated Sources and Uses of Funds	4
PROJECTED CASH FLOW	5
DEBT SERVICE, SERIES RESERVES AND COVERAGE SCHEDULE	6
Projected Sufficiency of Revenues and Projected Coverage Ratio	7
SECURITY AND SOURCES OF PAYMENT OF BONDS	8
Trust Estate	8
Nonrecourse	8
Flow of Funds	9
Series Reserve Earnings Account	10
Pledged Participant Loan Payments	10
Series Reserve	10
Deficiency Fund	11
Series Purchase Account	12
Equity	12
Allocations	12
Cross-Collateralization between SRF Funds	13
Investments	13
Additional Bonds	13
DESCRIPTION OF SERIES 2015B BONDS	14
General Description	14
Redemption	14
Transfer and Exchange	15
Book-Entry Only System	16
INDIANA FINANCE AUTHORITY	17
General	17
Organization; Membership	17
SRF Programs Management	18
SRF PROGRAMS	19
Establishment of State Revolving Funds	19
Funding SRF Programs	19
Eligibility and Project Evaluation	20
Eligible Participants	20
Participant Loans	20
Funding Participant Loans and Future Capitalization	22
Federal Regulation	23
SERIES 2015B BONDS AS LEGAL INVESTMENTS	23
LITIGATION	23
TAX MATTERS	23
ORIGINAL ISSUE DISCOUNT	24
AMORTIZABLE BOND PREMIUM	25
LEGAL AND OTHER MATTERS AND ENFORCEABILITY OF REMEDIES	25
RATINGS	26

UNDERWRITING	26
FINANCIAL ADVISOR	27
VERIFICATION OF MATHEMATICAL COMPUTATIONS	27
FINANCIAL STATEMENTS	27
CONTINUING DISCLOSURE	28
MISCELLANEOUS	29
General	29
Authorization	30
APPENDIX A: PARTICIPANTS	A-1
APPENDIX B: SRF PROGRAMS FINANCIAL STATEMENTS	B-1
APPENDIX C: FORM OF BOND COUNSEL OPINION	C-1
APPENDIX D: SUMMARY OF CERTAIN OPERATIONS OF FUNDS AND ACCOUNTS	D-1
APPENDIX E: SUMMARY OF CERTAIN PROVISIONS OF BOND INDENTURE	E-1
APPENDIX F: SUMMARY OF CERTAIN PROVISIONS OF SRF INDENTURES	F-1
APPENDIX G: DEFINITIONS	G-1
APPENDIX H: DEFEASED BONDS	H-1

\$136,990,000*
INDIANA FINANCE AUTHORITY
State Revolving Fund Program Refunding Bonds
Series 2015B (Green Bonds)

INTRODUCTION

This Official Statement, including the cover page, inside cover page, preliminary pages and appendices hereto, is provided for the purpose of presenting certain information concerning the issuance and sale by the Indiana Finance Authority (the “Finance Authority”) of its State Revolving Fund Program Refunding Bonds, Series 2015B (Green Bonds) (the “Series 2015B Bonds”). The Series 2015B Bonds will be issued pursuant to Indiana Code 4-4-10.9 and 4-4-11 (collectively, the “Finance Authority Act”) and a Fifth Amended and Restated Indenture of Trust between the Finance Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Bond Trustee”), dated as of April 1, 2007, as supplemented and amended (the “Fifth Amended and Restated Bond Indenture”). In addition, the Series 2015B Bonds will be issued pursuant to a Series 2015B Supplemental Indenture of Trust between the Finance Authority and the Bond Trustee, dated as of February 1, 2015 (the “Series 2015B Supplemental Indenture,” and together with the Fifth Amended and Restated Bond Indenture, collectively, the “Bond Indenture”). The Bond Trustee will also serve as Paying Agent and Bond Registrar for the Series 2015B Bonds.

The Finance Authority, a public body politic and corporate, not a state agency, but an independent public instrumentality of the State of Indiana (the “State”), is authorized by the Finance Authority Act, Indiana Code 13-18-13 (the “Wastewater SRF Act”) and Indiana Code 13-18-21 (the “Drinking Water SRF Act,” and together with the Wastewater SRF Act, the “SRF Acts”) to finance, manage and administer the SRF Programs (as hereinafter defined). See “—SRF Programs” below and “INDIANA FINANCE AUTHORITY.”

SRF Programs

The federal Water Quality Act of 1987, as amended and supplemented (the “Water Quality Act”), and the 1996 amendments to the federal Safe Drinking Water Act, as amended and supplemented (the “Safe Drinking Water Act”), authorize the United States Environmental Protection Agency (“EPA”) to award capitalization grants to the states for water pollution control revolving fund programs and public drinking water system programs (the “Capitalization Grants”). Under each state loan program, a state revolving loan fund is created to accept the Capitalization Grants and required state matching funds (the “State Match”), currently equal to at least 20% of the Capitalization Grants. See “SRF PROGRAMS.”

The water pollution control revolving fund program administered under the Wastewater SRF Act (the “Wastewater Program”) and the public drinking water program administered under the Drinking Water SRF Act (the “Drinking Water Program,” and together with the Wastewater Program, the “SRF Programs”) are the principal means by which the State provides loans to or purchases obligations of (any such provision or purchase, a “Loan”) certain political subdivisions and other entities (the “Participants”) for eligible wastewater treatment projects, eligible storm water projects, eligible non-point source projects and eligible drinking water projects, as described herein (collectively, “Eligible Projects”). While operated separately, the Wastewater Program and the Drinking Water Program are similarly structured and administered and are cross-collateralized. Under the SRF Acts, the Finance Authority is responsible for the administration and management of the SRF Programs. See “INDIANA FINANCE AUTHORITY—SRF Programs Management” and “SRF PROGRAMS.”

Outstanding Bonds

To finance the SRF Programs, the Finance Authority and its predecessor have issued bonds under the Bond Indenture (such bonds, as currently outstanding, the “Outstanding Bonds”) (the Outstanding Bonds, together with the Series 2015B Bonds and any additional bonds hereafter issued under the Bond Indenture, but excluding any Subordinate Bonds (as hereinafter defined), the “Bonds”). As of the date of this Official Statement, the Outstanding Bonds (which do not include the Series 2015B Bonds) were outstanding in the aggregate principal amount of \$1,462,900,000. The proceeds from the sale of the Series 2015B Bonds will be used to refund and/or legally defease certain Outstanding Bonds. See “—Plan of Finance” below and Appendix H hereto.

* Preliminary, subject to change.

SRF Indentures

The Sixth Amended and Restated Wastewater SRF Trust Indenture dated as of April 1, 2007, between the Finance Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “SRF Trustee”), as supplemented and amended (the “Wastewater Indenture”), and the Third Amended and Restated Drinking Water SRF Trust Indenture dated as of April 1, 2007, between the Finance Authority and the SRF Trustee, as supplemented and amended (the “Drinking Water Indenture,” and together with the Wastewater Indenture, the “SRF Indentures”), created a State wastewater revolving loan fund (the “Wastewater Fund”) and a State drinking water revolving loan fund (the “Drinking Water Fund,” and together with the Wastewater Fund, the “SRF Funds”), and govern the use of certain proceeds of the Bonds, certain Loan repayments, the Capitalization Grants authorized by the Water Quality Act and Safe Drinking Water Act, and the earnings thereon. Pursuant to the Bond Indenture, the Finance Authority has pledged certain moneys, cash, investments and securities (“Assets”) under the SRF Indentures to the Bond Trustee to be held for the payment of (a) the principal of and interest on the Bonds and (b) any fees, charges, expenses or other obligations owed to a Credit Provider (as hereinafter defined) and any payments owed by the Finance Authority with respect to a Derivative Agreement (as hereinafter defined) executed with respect to any Bonds, other than any payments due upon the termination of the Derivative Agreement (collectively, “Bond Administrative Expenses”). As of the date of this Official Statement, no Derivative Agreements were outstanding and no obligations were owed to Credit Providers. See “SECURITY AND SOURCES OF PAYMENT OF BONDS.”

Security and Sources of Payment for Bonds

General. The Bonds of each series authorized by an indenture supplemental to the Bond Indenture (each such indenture, a “Series Supplemental Indenture”) to be issued at substantially the same time (each such series, a “Series”) are limited obligations of the Finance Authority, payable solely from and secured exclusively by:

(a) the Assets pledged to all of the Bonds under the Bond Indenture (such Assets, the “Master Trust Estate”), including:

(i) the principal and interest payments made by Participants on loans funded from the Wastewater Purchase Account and the Drinking Water Purchase Account held by the SRF Trustee under the respective SRF Indentures (such payments, the “Pledged Participant Loan Payments”), and any investment earnings thereon, except to the extent such Assets may be transferred to other Accounts in accordance with the SRF Indentures; and

(ii) the Wastewater Deficiency Account held by the SRF Trustee under the Wastewater Indenture and the Drinking Water Deficiency Account held by the SRF Trustee under the Drinking Water Indenture (such Wastewater Deficiency Account and Drinking Water Deficiency Account, collectively, the “Deficiency Fund”), except to the extent such Assets may be transferred in accordance with the Bond Indenture; and

(b) the Assets pledged to the Bonds of such Series under the Series Supplemental Indenture authorizing the Bonds of such Series (such Assets, the “Series Trust Estate”)

(the Master Trust Estate and, with respect to the Bonds of each Series, the Series Trust Estate pledged thereto, collectively, the “Trust Estate”). See “SECURITY AND SOURCES OF PAYMENT OF BONDS—Trust Estate.”

The SRF Programs also include Assets held under the SRF Indentures that are not included in the Trust Estate and are not pledged to the payment of any Bonds (“Equity”). The Program Representative may, but is not required to, direct the SRF Trustee to disburse Equity to pay the principal, interest and Bond Administrative Expenses with respect to any Bonds. See “SECURITY AND SOURCES OF PAYMENT OF BONDS—Equity” and “—Investments.”

Series 2015B Bonds. The Series 2015B Bonds are limited obligations of the Finance Authority. In addition to the pledge of the Master Trust Estate (see “—General” above), the Series 2015B Bonds are payable solely from and secured exclusively by the Assets pledged to the Series 2015B Bonds under the Series 2015B Supplemental Indenture (such Assets, the “Series 2015B Trust Estate”), including:

(a) the Bond Account for the Series 2015B Bonds under the Bond Indenture (such Bond Account, the “Series 2015B Bond Account”), except to the extent such Assets may be disbursed in accordance with the Bond Indenture; and

(b) the subaccounts for the Series 2015B Bonds in (A) the Wastewater Reserve Earnings Account and the Wastewater Reserve Grant Account held by the SRF Trustee under the Wastewater Indenture and (B) the Drinking Water Reserve Earnings Account and the Drinking Water Reserve Grant Account held by the SRF Trustee under the Drinking Water Indenture (such subaccounts, collectively, the “Series 2015B Reserve”), except to the extent such Assets may be disbursed in accordance with the Bond Indenture and the SRF Indentures.

See “SECURITY AND SOURCES OF PAYMENT OF BONDS—Trust Estate.”

Cash Flow Certificate. Upon issuance of the Series 2015B Bonds, the Program Representative will deliver to the Bond Trustee a certificate (a “Cash Flow Certificate”) to the effect that the Finance Authority reasonably expects that the expected cash flow to be received by the Bond Trustee under the Bond Indenture, including projected Pledged Participant Loan Payments, projected investment earnings on Assets in the Trust Estate, and available Support Account funds, in the judgment of the Program Representative, will be sufficient to pay when due the debt service on and Bond Administrative Expenses with respect to all Bonds outstanding. Such expected cash flow may include the Series Reserve (as hereinafter defined) for any Series, to the extent the Program Representative elects. The Program Representative’s expectations will be based on various assumptions. See “PROJECTED CASH FLOW—Projected Sufficiency of Revenues and Projected Coverage Ratio.”

Any Cash Flow Certificate may establish a required amount of Assets (such amount, as amended from time to time, the “Series Reserve Requirement”) to be held in a reserve (the “Series Reserve”) for any Series of Bonds. The Series Reserve for any Series of Bonds consists of the subaccounts for such Series of Bonds in (a) the Wastewater Reserve Earnings Account and the Wastewater Reserve Grant Account held by the SRF Trustee under the Wastewater Indenture and (b) the Drinking Water Reserve Earnings Account and the Drinking Water Reserve Grant Account held by the SRF Trustee under the Drinking Water Indenture. The Series Reserve for the Bonds of each Series will be available to pay the principal of and interest on, and Bond Administrative Expenses with respect to, only the Bonds of such Series, and will not be available to pay the principal of or interest on, or Bond Administrative Expenses with respect to, the Bonds of any other Series. The Series 2015B Supplemental Indenture creates a separate Series Reserve for the Series 2015B Bonds; however, there is currently no Series Reserve Requirement for the Series 2015B Bonds.

Although the Cash Flow Certificate to be delivered upon issuance of the Series 2015B Bonds will not provide for a Series Reserve Requirement for the Series 2015B Bonds, such Cash Flow Certificate will evidence that the Series Reserve Requirement, as may be amended, for each other Series of Outstanding Bonds has been satisfied. Such Cash Flow Certificate will also set forth the dates on and amounts by which the Series Reserve Requirement for each Series of Outstanding Bonds will decrease over time as such Series of Outstanding Bonds is paid. The Series Reserve Requirement for the Bonds of any Series may be amended from time to time upon delivery of a new Cash Flow Certificate. The Assets in all of the Series Reserves may be commingled and invested in, among other obligations, certain long-term investment agreements. See “SECURITY AND SOURCES OF PAYMENT OF BONDS—Series Reserve” and “—Investments.”

Plan of Finance

The proceeds from the sale of the Series 2015B Bonds will be used to refund and/or legally defease certain Outstanding Bonds of the Finance Authority, currently expected to be the Outstanding Bonds identified in Appendix H hereto (the “Defeased Bonds”), and to pay costs of issuing the Series 2015B Bonds. See “SRF PROGRAMS FINANCING PLAN.”

The proceeds of the Series 2015B Bonds (after payment of costs of issuance and Underwriters’ discount) will be deposited in one or more escrow accounts (collectively, the “Escrow Accounts”) established under an Escrow Deposit Agreement to be entered into between the Finance Authority and The Bank of New York Mellon Trust Company, N.A., as escrow trustee (the “Escrow Agreement”), and will be used to purchase Governmental Obligations (as defined in Appendix G hereto) (the “Escrow Securities”) which, together with the interest thereon, will be sufficient to pay when due the principal of and redemption premium, if any, and interest on the Defeased Bonds to and including the date of payment or redemption of the Defeased Bonds, as shown in Appendix H hereto. Upon the deposit of such funds in the Escrow Accounts, the Defeased Bonds will be defeased and will no longer be outstanding under the Bond Indenture. Neither the principal of nor the interest on the Escrow Securities will secure or be available to pay the principal of or interest on the Series 2015B Bonds. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

Official Statement

The summaries of and references to all documents, statutes and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the full text of each such document, statute or instrument. Definitions of certain capitalized words and terms used in this Official Statement are set forth in Appendix G hereto. Other terms not defined herein have the same meaning as set forth in the Bond Indenture or the SRF Indentures.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Each of the Appendices to this Official Statement is an integral part of this Official Statement and should be read in its entirety by any and all owners or prospective owners of the Series 2015B Bonds.

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, the inside cover page and all appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2015B Bonds to potential investors is made only by means of the entire Official Statement.

SRF PROGRAMS FINANCING PLAN

Use of Proceeds

The proceeds from the sale of the Series 2015B Bonds will be used to refund and/or legally defease the Defeased Bonds identified in Appendix H hereto and to pay the costs of issuing the Series 2015B Bonds. See “—Estimated Sources and Uses of Funds” below.

The Finance Authority has designated the Series 2015B Bonds as “Green Bonds” because the Eligible Projects financed under the SRF Programs are environmentally beneficial. Eligible Projects are designed to improve the quality of the State’s drinking water and/or reduce pollution in the State’s water supply according to state and federal standards, which may include environmental remediation activities, pursuant to the SRF Acts and Federal Environmental Law (as defined in Appendix G hereto). The purpose of this labeling as Green Bonds is to allow investment in a program that restricts funding to environmentally beneficial projects. See “SRF PROGRAMS.”

Estimated Sources and Uses of Funds

As provided in the Bond Indenture, the proceeds from the sale of the Series 2015B Bonds are estimated to be used as follows:

Sources:

Principal Amount	\$	
Original Issue Premium/Discount		_____
TOTAL SOURCES	\$	=====

Uses:

Deposit to Escrow Accounts	\$	
Deposit to Costs of Issuance Fund		
Underwriters’ Discount		_____
TOTAL USES	\$	=====

PROJECTED CASH FLOW

The information in the following table is based on the Cash Flow Certificate to be delivered upon the issuance of the Series 2015B Bonds. The table includes the debt service requirements for each Bond Year for the currently Outstanding Bonds (excluding the Defeased Bonds) and the Series 2015B Bonds, and scheduled amounts of all of the Series Reserve Requirements, on the first day of each Bond Year. The table further sets forth the projected revenues available for debt service on the Bonds (based on scheduled Loan repayments, investment earnings on Series Reserves, the Series Support Accounts and the release of Assets in excess Series Reserve Requirements), together with the projected debt service coverage ratio of revenues available for debt service and total debt service due on the Outstanding Bonds (the “Projected Coverage Ratio”).

The preparation of the Projected Coverage Ratio does not constitute a representation by the Finance Authority that projected revenues and/or future debt service on Bonds will be realized or occur during any such Bond Year in the amounts shown. The Finance Authority has not covenanted to maintain any level of coverage. Further, failure to maintain any level of coverage is not a default under the Bond Indenture. The actual debt service on Bonds is subject to various factors including future defeasances and early redemptions of any Outstanding Bonds and the issuance of any additional Bonds hereafter issued under the Bond Indenture. The actual cash flow received by the Bond Trustee under the Bond Indenture is subject to various factors including as described below under “—Projected Sufficiency of Revenues and Projected Coverage Ratio.” Due to such factors, such actual cash flow and the actual coverage ratio for any Bond Year are anticipated to differ from the projected cash flows and coverage shown in this table, and the differences may be substantial (for among other reasons in the event of substantial prepayments of Pledged Participant Loan Payments which would result in actual results that would produce a combination of both negative and positive deviations to the Projected Coverage Ratio shown depending upon the Bond Year referenced). See “—Projected Sufficiency of Revenues and Projected Coverage Ratio” below.

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DEBT SERVICE, SERIES RESERVES AND COVERAGE SCHEDULE*

Debt Service on Outstanding Bonds ¹								
Bond Year Ending Feb. 1	Principal	Interest	Total Debt Service on all Bonds	Scheduled Series Reserve Requirements (at February 1) ^{2,3,4}	Scheduled Series Reserve Deallocations ⁵	Loan Repayments, Series Support Accounts and Series Reserve Investment Earnings ⁶	Total Revenues Available for Debt Service	Projected Coverage Ratio ⁷
2016	\$ 115,415,000	\$69,455,963	\$ 184,938,613	\$221,948,066	\$ 35,858,835	\$ 164,146,002	\$ 200,004,837	108%
2017	114,640,000	64,948,994	179,663,244	186,089,231	19,318,479	174,715,437	194,033,916	108%
2018	119,865,000	59,293,944	179,233,194	166,770,752	21,444,218	174,533,490	195,977,708	109%
2019	119,145,000	53,420,231	172,639,481	145,326,534	13,613,740	175,067,199	188,680,939	109%
2020	113,705,000	47,533,256	167,307,506	131,712,794	32,856,089	172,732,481	205,588,570	128%
2021	121,035,000	41,997,281	176,801,781	98,856,705	38,899,310	172,966,986	211,866,296	130%
2022	91,020,000	36,401,531	146,626,281	59,957,395	26,519,468	168,522,429	195,041,897	153%
2023	96,610,000	32,000,481	111,303,731	33,437,927	15,005,605	160,795,536	175,801,141	137%
2024	87,280,000	27,252,931	97,594,931	18,432,322	2,929,068	160,666,231	163,595,299	143%
2025	70,055,000	22,975,981	85,171,731	15,503,254	2,723,911	164,473,460	167,197,371	180%
2026	49,215,000	19,487,131	68,702,131	12,779,343	2,821,296	155,054,175	157,875,471	230%
2027	56,470,000	17,115,581	73,585,581	9,958,047	3,444,396	141,907,082	145,351,478	198%
2028	60,095,000	14,423,631	74,518,631	6,513,651	6,513,651	125,575,895	132,089,546	177%
2029	62,145,000	11,572,656	73,717,656	-	-	110,243,220	110,243,220	150%
2030	56,260,000	8,540,406	64,800,406	-	-	101,067,879	101,067,879	156%
2031	52,675,000	5,734,344	58,409,344	-	-	91,190,023	91,190,023	156%
2032	39,675,000	3,217,500	42,892,500	-	-	73,956,239	73,956,239	172%
2033	7,970,000	1,256,250	9,226,250	-	-	50,044,329	50,044,329	542%
2034	8,370,000	857,750	9,227,750	-	-	36,572,055	36,572,055	396%
2035	8,785,000	439,250	9,224,250	-	-	23,960,330	23,960,330	260%
TOTAL ⁸	\$1,450,430,000	\$537,925,095	\$1,988,355,095		\$221,948,066	\$2,598,190,479	\$2,820,138,545	

¹ Includes debt service on the Series 2015B Bonds and excludes debt service on the Defeased Bonds.

² Based on the Cash Flow Certificate to be delivered upon the issuance of the Series 2015B Bonds. The Series Reserve Requirement and/or the Series Support Account requirement for any Series may be amended from time to time upon delivery of a new Cash Flow Certificate.

³ There is no Series Reserve Requirement for the Series 2015B Bonds. The Series Reserve for the Bonds of each other Series, in an amount equal to the Series Reserve Requirement for the Bonds of such Series, to the extent such Series Reserve has been funded with Assets, is available to pay principal of and interest on only the Bonds of such Series, and is not available to pay principal of or interest on the Bonds of any other Series, except to the extent Assets in excess of the applicable Series Reserve Requirement are released to the Deficiency Fund. See "SECURITY AND SOURCES OF PAYMENT OF BONDS—Series Reserve" and "—Deficiency Fund." Amounts listed correspond to the par (stated) principal amounts of SRF Investments reflected in the Cash Flow Certificate to be delivered upon issuance of the Series 2015B Bonds, and do not reflect the original invested principal sum or the market value of any SRF Investments comprising such Series Reserve Requirement. Certain SRF Investments have been (and may continue to be) purchased at discounts and premiums. Such par amounts do not reflect the current market value of any SRF Investments, and the differences may be substantial.

⁴ All Series Reserves are currently invested in Cash Equivalents, Money Market Funds, Open Market Portfolios and SLGs Portfolios. As of the date of the issuance of the Series 2015B Bonds, the following Series of Bonds will have associated Series Reserves: the Series 2005A Bonds, the Series 2006A Bonds, the Series 2007B Bonds, the Series 2009A Bonds and the Series 2010A Bonds.

⁵ On each Payment Date (as hereinafter defined), if the Series Reserve for the Bonds of any Series has on deposit Assets in excess of the Series Reserve Requirement for the Bonds of such Series, such excess will be released (a) first, to the Deficiency Fund, to pay principal of and interest on all Bonds, (b) second, from the Deficiency Fund to Series Reserves to the extent the Series Reserve for any Series is less than the Series Reserve Requirement for such Series, (c) third, from the Deficiency Fund to the Series Support Accounts to the extent of any unscheduled use of the Series Support Account for any Series, and (d) fourth, from the Deficiency Fund to Equity. See "SECURITY AND SOURCES OF PAYMENT OF BONDS—Series Reserve" and "—Deficiency Fund."

⁶ Includes scheduled Loan repayments and investment earnings of the Series Reserves invested in fixed rate, interest-bearing securities. As of the date of the issuance of the Series 2015B Bonds, there will be no SRF Investments in any Series Support Account; however, the Finance Authority (a) has directed that payments on certain Participant Loans, not funded from Bond proceeds, be deposited in a Series Support Account to pay debt service on the Series 2011 Bonds on the next succeeding Payment Date, and (b) may in the future deposit SRF Investments or other Assets in Series Support Accounts for one or more Series of Bonds.

⁷ The Projected Coverage Ratios in this column are only as of the date of the issuance of the Series 2015B Bonds, and are not intended to imply that such Projected Coverage Ratios will remain static. To the contrary, such Projected Coverage Ratios will most likely change due to a variety of factors as described under this heading "PROJECTED CASH FLOW."

⁸ Numbers may not add due to rounding.

* Preliminary, subject to change.

Projected Sufficiency of Revenues and Projected Coverage Ratio

Upon issuance of the Series 2015B Bonds, the Program Representative will deliver to the Bond Trustee a Cash Flow Certificate, to the effect that the Finance Authority reasonably expects that the expected cash flow to be received by the Bond Trustee under the Bond Indenture, including projected Pledged Participant Loan Payments, projected investment earnings on Assets in the Trust Estate, and available Support Account funds, will, in the judgment of the Program Representative, be sufficient to pay when due the debt service on and Bond Administrative Expenses with respect to all Bonds Outstanding, including the Series 2015B Bonds. Such expected cash flow may include the Series Reserve for any Series, to the extent the Program Representative elects.

The Program Representative will deliver a Cash Flow Certificate upon the issuance of any additional Bonds, and may deliver a Cash Flow Certificate at any other time. Any Cash Flow Certificate may modify the Series Reserve Requirement or the Series Support Account for any Series of Bonds, including, without limitation, by transferring SRF Investments held in Series Reserves or Series Support Accounts to Equity. Such modifications may impact the Projected Coverage Ratio, and such impact may be substantial. See “SECURITY AND SOURCES OF PAYMENT OF BONDS—Flow of Funds.”

In delivering a Cash Flow Certificate, the Program Representative may use and rely upon any assumptions the Program Representative deems reasonable under then existing circumstances, including, but not limited to, assumptions concerning:

- (i) making of Loans to Participants from the SRF Funds at projected times and interest rates and in projected amounts;
- (ii) realization of Pledged Participant Loan Payments at projected times and in projected amounts; and
- (iii) realization of earnings from the investment of projected amounts in the Trust Estate at projected times and interest rates.

The actual cash flow received by the Bond Trustee under the Bond Indenture, including the actual Pledged Participant Loan Payments and actual investment earnings on Assets in the Trust Estate, is subject to various factors, including general economic conditions, the demand for Loans, the credit of the Participants, the credit of the issuers of investment securities in which moneys are invested, the availability of investment securities in which to invest moneys at sufficient rates, possible early termination of investments, and prepayments of Participant Loans. As a result of these and other factors, the actual cash flow received by the Bond Trustee under the Bond Indenture, including the actual Pledged Participant Loan Payments and actual investment earnings on Assets in the Trust Estate, and the resulting debt service coverage ratio may differ from the assumed cash flow and the Projected Coverage Ratio, and these differences may be substantial. Consequently, the Pledged Participant Loan Payments and investment earnings on Assets in the Trust Estate, as well as the other Assets in the Trust Estate, may not be sufficient to pay debt service on the Bonds, together with Bond Administrative Expenses, when due.

The Finance Authority is not restricted from taking actions inconsistent with its assumptions in the Cash Flow Certificate. Accordingly, expectations included in the Cash Flow Certificate may prove incorrect and actual operations of the SRF Programs could result in deficiencies requiring the use of all or some portion of the other Assets held in the Trust Estate to provide for the payment of the principal of and interest on the Bonds of any Series, together with Bond Administrative Expenses attributable thereto. In the event the Trust Estate is not sufficient to pay debt service and Bond Administrative Expenses when due, the Finance Authority may use Equity, which is not a part of the Trust Estate, to pay debt service and Bond Administrative Expenses. However, the Finance Authority is not obligated to do so. Any use of Equity to pay debt service may impact the Projected Coverage Ratio, and such impact may be substantial. See “SECURITY AND SOURCES OF PAYMENT OF BONDS—Equity.”

SECURITY AND SOURCES OF PAYMENT OF BONDS

Trust Estate

General. The Bonds of each Series are limited obligations of the Finance Authority, payable solely from and secured exclusively by the Trust Estate pledged thereto, including certain Assets transferred to the Bond Indenture from the SRF Indentures.

In the Bond Indenture, the Finance Authority, to secure the payment of the principal of and interest on all of the Bonds and the performance by the Finance Authority of its covenants in the Bond Indenture, pledges and grants a security interest in the Master Trust Estate to the Bond Trustee. The Master Trust Estate includes:

(a) all Assets held in (i) the Participant Loan Interest Account under the SRF Indentures (the “Participant Loan Interest Account”) and (ii) the Participant Loan Principal Account under the SRF Indentures (the “Participant Loan Principal Account”), and all investment earnings thereon, except to the extent such Assets may be transferred to other Accounts in accordance with the SRF Indentures (see “—Pledged Participant Loan Payments” below); and

(b) any Assets held in the Deficiency Fund, except to the extent such Assets may be transferred in accordance with the Bond Indenture. Any Assets held in the Deficiency Fund will be disbursed therefrom on the last business day preceding each interest payment date, principal payment date or date on which the Bonds are to be redeemed (each such date, a “Payment Date”) and to fund Series Reserves to the extent the Series Reserve for any Series is less than the Series Reserve Requirement for such Series. See “—Deficiency Fund” below.

In addition, in the Series Supplemental Indenture authorizing the Bonds of each Series, the Finance Authority will pledge and grant a security interest in the Series Trust Estate for the Bonds of such Series.

The SRF Programs include Assets under the SRF Indentures that are not pledged to the payment of the Bonds. See “—Equity” below.

Series 2015B Bonds. In the Series 2015B Supplemental Indenture, the Finance Authority, to secure the payment of the principal of and interest on the Series 2015B Bonds and the performance by the Finance Authority of its covenants in the Series 2015B Supplemental Indenture, pledges and grants a security interest in the Series 2015B Trust Estate to the Bond Trustee. The Series 2015B Trust Estate includes:

(a) all Assets held in the Series 2015B Bond Account, except to the extent such Assets may be disbursed in accordance with the Bond Indenture (see “—Flow of Funds” below); and

(b) all Assets held in the Series 2015B Reserve, if any, except to the extent such Assets may be disbursed in accordance with the Bond Indenture and the SRF Indentures (see “—Series Reserve” below).

Nonrecourse

THE BONDS DO NOT CONSTITUTE A GENERAL OR MORAL OBLIGATION OF THE FINANCE AUTHORITY OR THE STATE. The Bonds do not constitute a debt, liability or loan of the credit of the State or any political subdivision thereof, including any Participant, under the constitution or laws of the State or a pledge of the faith, credit or taxing power of the State or any political subdivision thereof, including any Participant. The Finance Authority has no taxing power.

No Series Reserve or other Account is a “reserve fund” for purposes of Indiana Code 4-4-11-15. Accordingly, neither the Finance Authority nor any officer or employee thereof is or may be required to certify any deficiency in any Series Reserve or other Account to the Indiana General Assembly, nor will the State be morally obligated to consider appropriations as a source of payment in the event of such deficiency. Consequently, any determination to purchase the Series 2015B Bonds should not be based upon any expectation that State appropriations would be available at any time or under any circumstances.

Flow of Funds

On the last business day next preceding each Payment Date (each such day, a “Funding Date”), after providing for the payments owed with respect to the Rebate Fund and making certain transfers required by the SRF Indentures (see Appendix D: “SUMMARY OF CERTAIN OPERATIONS OF FUNDS AND ACCOUNTS—Operation of SRF Indentures Funds and Accounts—*Deposits*”), to the extent needed to pay the interest and principal due on, and Bond Administrative Expenses with respect to, each Series of Bonds on the next succeeding Payment Date, the SRF Trustee will transfer to the Bond Trustee, for deposit into the Series Bond Account (as hereinafter defined) for such Series of Bonds, in the following order of priority and in accordance with the EPA Payment Restriction (as defined in Appendix G hereto), the Assets held in the following:

- (1) the investment earnings deposited into the subaccount for such Series of Bonds of the Wastewater Reserve Earnings Account and the Drinking Water Reserve Earnings Account held by the SRF Trustee under the SRF Indentures (such Wastewater Reserve Earnings Account and Drinking Water Reserve Earnings Account, collectively, the “Series Reserve Earnings Account”), to the extent scheduled to be received since the last Funding Date in the most recent Cash Flow Certificate;
- (2) the Participant Loan Interest Account and the Participant Loan Principal Account, which will be transferred to the Accounts of the Bond Fund for all Series of Bonds (each such Account, a “Series Bond Account”), ratably (except to the extent that the Series Supplemental Indenture for any Series of Bonds provides for (a) a subordinate claim on such Assets or (b) with respect to new Assets, if any, pledged in connection with the issuance of a new Series of Bonds, an exclusive claim on such Assets), for payment of all remaining unpaid principal and interest due on, and Bond Administrative Expenses with respect to, all Outstanding Bonds (as determined after application of clause (1) above);
- (3) the Series Reserve, if any, for such Series of Bonds;
- (4) the Deficiency Fund, which will be transferred to the Series Bond Accounts for all Series of Bonds, ratably, for payment of all remaining unpaid principal and interest due on, and Bond Administrative Expenses with respect to, all Outstanding Bonds (as determined after application of clauses (1) through (3) above); and
- (5) the subaccounts for such Series of Bonds in (a) the Wastewater Purchase Account held by the SRF Trustee under the Wastewater Indenture and (b) the Drinking Water Purchase Account held by the SRF Trustee under the Drinking Water Indenture (such subaccounts, collectively, the “Series Purchase Account”).

The Series Supplemental Indenture for certain Series of Outstanding Bonds pledges to the payment of such Series the subaccounts for such Series in the Wastewater Support Account and the Drinking Water Support Account held by the SRF Trustee under the SRF Indentures (such subaccounts, collectively, the “Series Support Account”). It is anticipated that no Series Support Account will be created for the Series 2015B Bonds as of the date of issuance of the Series 2015B Bonds; however, the Finance Authority may at any time direct the SRF Trustee to create a Series Support Account for the Series 2015B Bonds and to transfer Assets to such Series Support Account pursuant to the provisions of the SRF Indentures and the Bond Indenture. For a description of the operation of the Series Support Account, if any, for the Bonds of each Series, including its application in the flow of funds described above to pay debt service on the Bonds of such Series, see Appendix D: “SUMMARY OF CERTAIN OPERATIONS OF FUNDS AND ACCOUNTS—Operation of SRF Indentures Funds and Accounts—*Payment to Bond Trustee*” and “—*Support Account*.”

The Program Representative may direct the SRF Trustee to disburse the Assets held in Equity to the Bond Trustee that are needed to pay the interest and principal due on, and Bond Administrative Expenses with respect to, the Outstanding Bonds on the next succeeding Payment Date. However, the Finance Authority is not obligated to do so, and such direction is not expected to occur.

Notwithstanding the payment priority described above, the Program Representative is authorized to administer the moneys held in the Trust Estate in a manner different from that described above to the extent (i) in the judgment of the Program Representative, such alternative manner is necessary to best provide for the timely payment of the interest and principal due on, and Bond Administrative Expenses with respect to, all Series of Bonds on the next succeeding Payment Date, and (ii) such manner of administration does not cause Assets held in any Fund, Account or subaccount established

and available exclusively for any Series of Bonds to be used to provide for the payment of the interest and principal due on, or Bond Administrative Expenses with respect to, any other Series of Bonds.

Series Reserve Earnings Account

Earnings on Assets, if any, in the Series Reserve and the Series Purchase Account, if any, for the Bonds of each Series will be transferred to the Series Reserve Earnings Account for the Bonds of such Series.

On each Funding Date, after providing for payment to the Rebate Fund to the extent required by the Bond Indenture, to the extent needed to pay the principal and interest due on and Bond Administrative Expenses with respect to the Bonds of each Series on the next succeeding Payment Date, the SRF Trustee will transfer investment earnings deposited into the Series Reserve Earnings Account for the Bonds of such Series, to the extent scheduled to be received since the last Funding Date in the most recent Cash Flow Certificate, to the Bond Trustee, for deposit in the Series Bond Account for the Bonds of such Series. See “—Flow of Funds” above.

Pledged Participant Loan Payments

The Bonds are secured on a parity basis (except to the extent that the Series Supplemental Indenture for any Series of Bonds provides for a subordinate claim on such Assets) with respect to, among other things, the Pledged Participant Loan Payments and any earnings thereon. Pursuant to the SRF Indentures, the Pledged Participant Loan Payments are deposited to the Participant Loan Principal Account and the Participant Loan Interest Account. Currently, there are no Bonds with a subordinate claim on such Assets.

On each Funding Date, to the extent needed to pay the interest and principal due on and Bond Administrative Expenses with respect to the Bonds on the next succeeding Payment Date, the SRF Trustee will transfer Assets on deposit in the Participant Loan Interest Account and the Participant Loan Principal Account to the Bond Trustee, for deposit in the Series Bond Accounts for all Series of Bonds, ratably, for payment of principal and interest due on, and Bond Administrative Expenses with respect to, all Outstanding Bonds. See “—Flow of Funds” above.

In addition to Participant Loans funded from proceeds of Bonds that result in Pledged Participant Loan Payments, certain payments on Participant Loans not funded from proceeds of Bonds are directed by the SRF Program Representative to either be deposited to (a) the Participant Loan Principal Account or the Participant Loan Interest Account (which is available to pay all Bonds in the same manner as Pledged Participant Loan Payments) or (b) a particular Series Reserve or Series Support Account (which is available only to pay such related Series of Bonds).

Loan repayments, as and if pledged to an Alternative Bond Issuer (as defined in Appendix G hereto) or made from sources other than proceeds of Bonds, are not pledged to the payment of the Bonds. See Appendix D: “SUMMARY OF CERTAIN OPERATIONS OF FUNDS AND ACCOUNTS.” Currently, there is no Alternative Bond Issuer.

Series Reserve

The Series Reserve for the Bonds of each Series will be funded to the Series Reserve Requirement for the Bonds of such Series. The Series Reserve Requirement for the Bonds of each Series is the required amount of Assets to be held in the Series Reserve for the Bonds of such Series established by a Cash Flow Certificate of the Program Representative delivered to the Bond Trustee. The Series 2015B Reserve will not contain any Assets as of the date of issuance of the Series 2015B Bonds; however, the Finance Authority may direct the SRF Trustee to transfer Assets to the Series 2015B Reserve by delivering written notice to the SRF Trustee. Although the Cash Flow Certificate to be delivered upon issuance of the Series 2015B Bonds will not provide for a Series Reserve Requirement for the Series 2015B Bonds, such Cash Flow Certificate will evidence that the Series Reserve Requirement for each other Series of Outstanding Bonds has been satisfied. Such Cash Flow Certificate will also set forth the dates on and amounts by which the Series Reserve Requirement for each Series of Outstanding Bonds will decrease over time as such Series of Outstanding Bonds is paid. The Series Reserve Requirement for the Bonds of any Series may be amended from time to time upon delivery of a new Cash Flow Certificate.

If, on any Funding Date, the amounts in the Participant Loan Interest Account and the Participant Loan Principal Account, together with certain scheduled amounts in the Series Reserve Earnings Account therefor, are not sufficient to pay the principal and interest due on and Bond Administrative Expenses with respect to the Bonds of each Series on the next succeeding Payment Date, the SRF Trustee will transfer the Assets, if any, in the Series Reserve for the Bonds of

such Series to the Bond Trustee, for deposit in the Series Bond Account for the Bonds of such Series, to pay the remaining unpaid principal, interest and Bond Administrative Expenses of the Bonds of such Series on such Payment Date. See “—Flow of Funds” above.

As of the date of the issuance of the Series 2015B Bonds, the total combined Series Reserve Requirements is approximately \$221,948,066*. (Such amount of the Series Reserve Requirements corresponds to the par (stated) principal amounts of SRF Investments reflected in the most recent Cash Flow Certificate, and does not reflect the original invested principal sum or the market value of the SRF Investments comprising such approximate amounts. Certain SRF Investments have been (and may continue to be) purchased at discounts and premiums. Such par amount does not reflect the current market value of any SRF Investments, and the differences may be substantial.)

The Cash Flow Certificate to be delivered by the Program Representative to the Bond Trustee upon the issuance of the Series 2015B Bonds will set forth the dates on and amounts by which the Series Reserve Requirement, if any, and the Series Support Account, if any, for each Series is to decrease over time as the Bonds of such Series are paid. The Series Reserve Requirement and/or the Series Support Account requirement for any Series may be amended from time to time upon delivery of a new Cash Flow Certificate. The Finance Authority is not restricted from changing the invested Assets held in the Series Reserve or any Series Support Account for any Series, so long as such invested Assets constitute permitted SRF Investments. There can be no assurance that investments of Assets will provide cash flow sufficiency. See “—Investments” below.

Deficiency Fund

At least annually, after the Assets held in the Participant Loan Interest Account and the Participant Loan Principal Account are disbursed to the Rebate Fund to the extent required by the Bond Indenture and to pay the principal of and interest on and Bond Administrative Expenses with respect to the Bonds on any Payment Date, the remaining Assets held in the Participant Loan Interest Account and the Participant Loan Principal Account will be transferred to the Deficiency Fund. In addition, if, on any Principal Payment Date, (i) the Series Reserve for the Bonds of any Series has on deposit Assets in excess of the Series Reserve Requirement for the Bonds of such Series or (ii) the Series Support Account for the Bonds of any Series has on deposit Assets in excess of the amount required for the Bonds of such Series, as set forth in the Cash Flow Certificate, then the SRF Trustee will transfer such excess to the Deficiency Fund.

If, on any Funding Date, the amounts in the Participant Loan Interest Account and the Participant Loan Principal Account, together with certain scheduled amounts in the Series Reserve Earnings Account therefor and the Series Support Account therefor, and any amounts in the Series Reserve therefor, are not sufficient to pay the principal and interest due on and Bond Administrative Expenses with respect to the Bonds of each Series on the next succeeding Payment Date, the SRF Trustee will transfer Assets in the Deficiency Fund to the Bond Trustee, for deposit in the Series Bond Accounts for all Series of Bonds, ratably, for payment of principal and interest due on and Bond Administrative Expenses with respect to all Outstanding Bonds. See “—Flow of Funds” above.

Amounts remaining on deposit in the Deficiency Fund on any Payment Date after payment of the Bonds as provided in the Bond Indenture will:

- (1) First, be transferred, as directed by the Program Representative or the Bond Trustee, ratably, to the Series Reserves to the extent the Series Reserve for any Series is less than the Series Reserve Requirement for such Series;
- (2) Second, be transferred, as directed by the Program Representative or by the Bond Trustee, ratably, to the Series Support Account for each Series of Bonds, to the extent of any unscheduled use of such Series Support Account; and
- (3) Third, be transferred to Equity, as directed by the Program Representative.

* Preliminary, subject to change.

Series Purchase Account

The Bond Trustee will deposit the net proceeds (after payment of the underwriters' discount and other costs of issuance) from the sale of any Series of Bonds (other than Refunding Bonds or Subordinate Bonds) into the Series Purchase Account for such Series or any other Account or Fund as directed by the Program Representative, in the manner and amount specified by the Program Representative.

If, on any Funding Date, the amounts in the Participant Loan Interest Account and the Participant Loan Principal Account, together with certain scheduled amounts in the Series Reserve Earnings Account therefor and any Series Support Account therefor, and any amounts in the Series Reserve therefor and the Deficiency Fund, are not sufficient to pay the principal and interest due on and Bond Administrative Expenses with respect to the Bonds of each Series on the next succeeding Payment Date, the SRF Trustee will transfer any Assets remaining in the Series Purchase Account for the Bonds of such Series to the Bond Trustee, for deposit in the Series Bond Account for the Bonds of such Series, to pay the remaining unpaid principal, interest and Bond Administrative Expenses of the Bonds of such Series on such Payment Date. See “—Flow of Funds” above.

Equity

The Assets of the Wastewater SRF Program held in the Wastewater Administration Account, the Wastewater Equity Earnings Account, the Wastewater Program Fund and the Wastewater Equity Grant Account (collectively, “Wastewater Equity”) and the Drinking Water SRF Program held in the Drinking Water Equity Earnings Account, the Drinking Water Program Fund and the Drinking Water Equity Grant Account (collectively, “Drinking Water Equity,” and together with Wastewater Equity, “Equity”) are not pledged to the payment of the Bonds.

The Bond Trustee is required to deposit any Program Fees received by the Finance Authority, SRF Trustee or Bond Trustee in the manner provided in the SRF Indentures.

The Program Representative may, but is not required to, use Assets held in Equity to pay the principal of and interest on the Bonds and Bond Administrative Expenses. Equity may be transferred by the SRF Trustee from time to time, as directed by the Program Representative, for any purpose, provided such purpose is permitted by State Environmental Law and Federal Environmental Law. In addition, Equity may be used or pledged in any manner that the Program Representative determines to support Subordinate Bonds or obligations issued by an Alternative Bond Issuer. See Appendix D: “SUMMARY OF CERTAIN OPERATIONS OF FUNDS AND ACCOUNTS.”

Allocations

Designated allocations of the proceeds of Bonds are made between SRF Programs by the Program Representative based, in part, upon the current and projected loan demand of Participants and upon the amount and timing of any desired State Match for each respective SRF Program. Once Bond proceeds are allocated, each SRF Program operates separately for financial purposes, subject to permitted cross-collateralization and permitted transfers between SRF Programs.

The SRF Indentures include, consistent with Federal Environmental Law, certain restrictions on sources of payment for Bonds attributable to the State Match (the “State Match Allocation”). The State Match Allocation represents that portion of the proceeds of the Bonds which satisfies the State Match required under Federal Environmental Law.

Generally, under Federal Environmental Law, earnings on amounts held in either SRF Fund, together with payments of interest on Participant Loans from such SRF Fund, may be used to pay debt service on the State Match Allocation for such SRF Fund. However, generally, under Federal Environmental Law, Bond proceeds, principal payments on Participant Loans and Capitalization Grant proceeds may not be used to pay debt service on the State Match Allocation. Accordingly, the State Match Allocation does not benefit from cross-collateralization. See “—Cross-Collateralization between SRF Funds” below. The Bonds not attributable to the State Match Allocation may be payable from any portion of the Trust Estate. To provide for payment of the State Match Allocation for each SRF Fund, the Finance Authority expects to pay first the State Match Allocation for such SRF Fund from earnings on Bond proceeds and earnings on the Series Reserves of such SRF Fund, together with payments of interest on Participant Loans from such SRF Fund, which are anticipated to be sufficient for such purpose. See “PROJECTED CASH FLOW—Projected Sufficiency of Revenues and Projected Coverage Ratio.” However, as a result of allocations by the Program Representative and requirements of Federal Environmental Law, the operation of the SRF Programs could result in deficiencies from time to

time in amounts available to pay debt service related to the State Match Allocation and, potentially, cause a default on payment of the Bonds of any Series. The Series Reserves are not available to pay debt service on the State Match Allocation.

Cross-Collateralization between SRF Funds

The SRF Programs are structured to provide cross-collateralization in accordance with Federal Environmental Law, the Bond Indenture and the SRF Indentures, generally by providing a mechanism for pledged funds from either of the SRF Programs to be made available to the other. To effect such cross-collateralization, the SRF Indentures allow the SRF Trustee to disburse certain Assets in the Trust Estate from either SRF Program at the written direction of the Program Representative to collateralize, fund or secure the other SRF Program, including transfers between the Drinking Water Fund and the Wastewater Fund, subject to provisions of State Environmental Law and Federal Environmental Law.

However, under Federal Environmental Law, cross-collateralization may not be used to provide for payment of debt service on Bonds attributable to the State Match. Further, under the Bond Indenture and SRF Indentures, cross-collateralization may not be used to provide for payment of debt service on Bonds of any Series from the Series Trust Estate for the Bonds of any other Series. See “—Trust Estate,” “—Flow of Funds” and “—Allocations” above.

Investments

General. All Assets pledged under the Trust Estate will be invested in SRF Investments. The SRF Trustee, at the direction of the Program Representative, will invest Assets held in any SRF Accounts under the SRF Indentures that are not pledged under the Trust Estate in any manner directed by the Program Representative. See Appendix D: “SUMMARY OF CERTAIN OPERATIONS OF FUNDS AND ACCOUNTS—Operation of SRF Indentures Funds and Accounts—*Investment of Funds*” and “—Operation of Bond Indenture Funds and Accounts—*Investment of Funds*.”

Each SRF Investment or other investment of any Assets will evidence the issuer’s obligation to pay principal of and interest on such Assets at certain times. There can be no assurance that the issuer of any SRF Investment or other investment will be able to pay any such principal or interest on a timely basis. To the extent the issuer of any SRF Investment or other investment fails to pay principal of or interest on any such investment on a timely basis, the Finance Authority may be unable to pay the principal of and interest on the Bonds.

Investment Agreements. Assets held in all of the Series Reserves may be commingled and invested in, among other obligations, long-term investment agreements. As of the date of issuance of the Series 2015B Bonds, no Assets held in the Series Reserves are invested in long-term investment agreements. See “—Series Reserve” above.

Additional Bonds

Issuance of Additional Bonds. Under the Bond Indenture, one or more Series of additional Bonds may be issued on parity (with respect to the Master Trust Estate) with the outstanding Bonds (including the Series 2015B Bonds) at any time upon meeting certain conditions and without limitation as to amount. See Appendix E: “SUMMARY OF CERTAIN PROVISIONS OF BOND INDENTURE—Provisions for Issuance of Bonds.” In connection with the issuance of any such additional Bonds, the Program Representative must deliver to the Bond Trustee a Cash Flow Certificate to the effect that the Finance Authority reasonably expects that the expected cash flow to be received by the Bond Trustee under the Bond Indenture will, in the judgment of the Program Representative, be sufficient to pay the debt service on and Bond Administrative Expenses with respect to all Outstanding Bonds when due, including debt service on and Bond Administrative Expenses with respect to such additional Bonds. Such expected cash flow may include the Series Reserve for any Series, to the extent the Program Representative elects. In delivering any such Cash Flow Certificate, the Program Representative may use and rely upon any assumptions as the Program Representative deems reasonable under then-existing circumstances. The proceeds of any additional Bonds will be applied as provided in the Series Supplemental Indenture authorizing such additional Bonds. See “PROJECTED CASH FLOW—Projected Sufficiency of Revenues and Projected Coverage Ratio.”

Issuance of Subordinate Bonds. Under the Bond Indenture, the Finance Authority may issue one or more series of bonds secured by a lien of the Bond Indenture that is junior and subordinate to the lien that secures the Bonds (any such bonds, “Subordinate Bonds”), without satisfying the conditions described under “—*Issuance of Additional Bonds*” above. See Appendix E: “SUMMARY OF CERTAIN PROVISIONS OF BOND INDENTURE—Provisions for Issuance of Subordinate Obligations.”

Issuance of Additional Obligations Other than Bonds and Subordinate Bonds. The Bond Indenture permits the issuance of bonds or other obligations under indentures (other than the Bond Indenture) by the Finance Authority or another issuer. Such bonds or other obligations may be entitled equally to the benefits of the SRF Indentures, without priority or privilege, subject to the application of all Assets in the SRF Funds strictly in accordance with Federal Environmental Law and subject to the express provisions of the Bond Indenture or such other indenture pursuant to which such bonds or obligations are issued, provided that the Finance Authority delivers a Cash Flow Certificate giving effect to such issuance. The Finance Authority may also issue or may permit another issuer to issue other bonds or obligations under separate bond indentures that are payable from the SRF Funds and from sources other than the Trust Estate in the manner provided in the SRF Indentures. The Trust Estate does not include and has no claim to or security interest in Equity and payment of bonds or obligations of another issuer may be made from Equity. See Appendix E: “SUMMARY OF CERTAIN PROVISIONS OF BOND INDENTURE—Provisions for Obligations of Alternative Bond Issuer.”

DESCRIPTION OF SERIES 2015B BONDS

General Description

The Series 2015B Bonds are issuable as fully registered bonds in denominations of \$5,000 and any integral multiple thereof. The Series 2015B Bonds will be dated the date of delivery, and will be lettered and numbered consecutively from R-1 upward.

Interest on the Series 2015B Bonds will be payable on February 1 and August 1 of each year (each an “Interest Payment Date”), commencing August 1, 2015. The Series 2015B Bonds will bear interest (computed on the basis of a 360-day year comprised of twelve 30-day months) at the rates and will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement.

For so long as the Series 2015B Bonds are registered in the name of DTC or its nominee, payment of principal of and redemption premium, if any, and interest on the Series 2015B Bonds will be paid by the Bond Trustee only to DTC or its nominee. Neither the Finance Authority nor the Bond Trustee will have any responsibility for a Beneficial Owner’s receipt from DTC or its nominee, or from any DTC Participant or Indirect Participant, of any payments of principal of or redemption premium, if any, or interest on any Series 2015B Bonds. See “—Book-Entry Only System” below.

In the event the Series 2015B Bonds are no longer registered in the name of DTC or its nominee, or any other clearing agency, interest on the Series 2015B Bonds will be paid by check of the Bond Trustee mailed on or before the business day prior to each Interest Payment Date to the registered owners or registered assigns appearing on the registration books maintained by the Bond Trustee as of the close of business on the fifteenth day of the month prior to such Interest Payment Date (a “Record Date”). However, a registered owner of at least \$5,000,000 aggregate principal amount of Series 2015B Bonds may request to receive payment of interest on any Interest Payment Date by wire transfer or by such other method as is acceptable to the Bond Trustee and the registered owner, upon written instructions to the Bond Trustee not less than five business days prior to the Record Date immediately preceding such Interest Payment Date, which instructions will remain in effect until revoked by such owner. In the event the Series 2015B Bonds are no longer registered in the name of DTC or its nominee, or any other clearing agency, the principal of the Series 2015B Bonds will be payable at the designated corporate trust operations office of the Bond Trustee, upon presentation of such Series 2015B Bonds.

Redemption

Optional Redemption of Series 2015B Bonds. The Series 2015B Bonds maturing on or before February 1, 20__ are not subject to optional redemption prior to their stated maturity or maturities. The Series 2015B Bonds maturing on or after February 1, 20__ are subject to optional redemption prior to maturity in the principal amount and maturity or maturities selected by the Program Representative, and within any single maturity by lot in such manner as may be determined by the Bond Trustee, in whole or in part at any time on or after _____, at a redemption price of 100% of the principal amount of the Series 2015B Bonds to be redeemed, plus accrued and unpaid interest to the redemption date.

Mandatory Sinking Fund Redemption of Series 2015B Bonds. The Series 2015B Bonds maturing on February 1, 20__ are subject to mandatory sinking fund redemption by lot prior to maturity on the dates and in amounts set forth below, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, without premium:

February 1

Amount

(1)

⁽¹⁾ Final Maturity

Not less than 45 days prior to the dates set forth above, the Trustee will select the Series 2015B Bonds of the respective maturity to be so redeemed and will promptly give notice of redemption as set forth below, which notice will state that such Series 2015B Bonds are being redeemed by mandatory sinking fund redemption.

Selection of Bonds; Partial Redemption. If fewer than all of the Series 2015B Bonds are called for redemption prior to maturity, the principal amount and maturity of the particular Series 2015B Bonds to be redeemed will be selected by the Program Representative and the Bond Trustee will select the particular Series 2015B Bonds by lot within a maturity in such a manner as the Bond Trustee may determine. The Series 2015B Bonds will be redeemed only in whole multiples of \$5,000. For purposes of redemption, each \$5,000 of principal will be considered a Series 2015B Bond.

For so long as the Series 2015B Bonds are registered in the name of DTC or its nominee, the Bond Trustee will select for redemption only Series 2015B Bonds or portions thereof registered in the name of DTC or its nominee, in accordance with the preceding paragraph. Neither the Finance Authority nor the Bond Trustee will have any responsibility for selecting for redemption any Beneficial Owners' interest in the Series 2015B Bonds. See "—Book-Entry Only System" below.

Notice of Redemption. In the event that any Series 2015B Bonds are called for redemption, the Bond Trustee will give notice not less than 30 and not more than 60 days prior to the date fixed for any such redemption to the owners of the Series 2015B Bonds or portions thereof to be redeemed by sending a copy of the redemption notice required by the Bond Indenture, by first class mail, to such owners at their last address appearing on the registration books maintained by the Bond Trustee as of a date prior thereto selected by the Bond Trustee. Any failure to give any notice, or any defect therein, will not affect the validity of the redemption proceedings for those Series 2015B Bonds for which notice was properly given. Any notice may provide for cancellation of the redemption of the Series 2015B Bonds to the extent that the Program Representative provides in the form of the notice.

For so long as the Series 2015B Bonds are registered in the name of DTC or its nominee, the Bond Trustee will send notices of redemption of Series 2015B Bonds only to DTC or its nominee, in accordance with the preceding paragraph. Neither the Finance Authority nor the Bond Trustee will have any responsibility for any Beneficial Owners' receipt from DTC or its nominee, or from any DTC Participant or Indirect Participant, of any notices of redemption. See "—Book-Entry Only System" below.

Redemption Payments. Prior to the date fixed for redemption of any Series 2015B Bonds, there must be on deposit with the Bond Trustee sufficient funds to pay the redemption price of the Series 2015B Bonds or portions thereof called, together with accrued interest thereon to the redemption date. After the redemption date, if proper notice of redemption by mailing has been given and sufficient funds have been deposited with the Bond Trustee, interest will cease to accrue on the Series 2015B Bonds or portions thereof that have been called.

For so long as the Series 2015B Bonds are registered in the name of DTC or its nominee, redemption payments on the Series 2015B Bonds will be paid by the Bond Trustee only to DTC or its nominee, in accordance with the preceding paragraph. Neither the Finance Authority nor the Bond Trustee will have any responsibility for any Beneficial Owners' receipt from DTC or its nominee, or from any DTC Participant or Indirect Participant, of any redemption payments on any Series 2015B Bonds. See "—Book-Entry Only System" below.

Transfer and Exchange

The Series 2015B Bonds may be transferred or exchanged by any Bondholder or any Bondholder's duly authorized attorney at the corporate trust operations office of the Bond Trustee, to the extent and upon the conditions set forth in the Bond Indenture, including the payment of a sum sufficient to cover any tax, fee or other governmental charge for any such transfer or exchange that may be imposed upon the Finance Authority or the Bond Trustee. The Bond Trustee will not be required to (a) transfer or exchange any Series 2015B Bond during a period of 15 days preceding mailing of a notice of redemption of any Series 2015B Bonds or (b) transfer or exchange any Series 2015B Bonds selected, called or being called for redemption in whole or in part after mailing notice of such call has been made.

For so long as the Series 2015B Bonds are registered in the name of DTC or its nominee, the Bond Trustee will transfer and exchange Series 2015B Bonds only on behalf of DTC or its nominee, in accordance with the preceding paragraph. Neither the Finance Authority nor the Bond Trustee will have any responsibility for transferring or exchanging any Beneficial Owners' interests in the Series 2015B Bonds. See "—Book-Entry Only System" below.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2015B Bonds. The Series 2015B Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each series of the Series 2015B Bonds, each in the aggregate principal amount of such series, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2015B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2015B Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2015B Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2015B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2015B Bonds, except in the event that use of the book-entry system for the Series 2015B Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015B Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2015B Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2015B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2015B Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to such Series 2015B Bonds, such as redemptions, tenders, defaults and proposed amendments to the documents securing such Series 2015B Bonds. For example, Beneficial Owners of Series 2015B Bonds may wish to ascertain that the nominee holding such Series 2015B Bonds for their benefit has agreed to obtain and

transmit notices to Beneficial Owners; in the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Trustee and request that copies of the notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2015B Bonds within a maturity of a particular series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2015B Bonds, unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Finance Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2015B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the Series 2015B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Finance Authority or the Bond Trustee, on the payment dates in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct and Indirect Participant and not of DTC (nor its nominee), the Bond Trustee or the Finance Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Finance Authority or the Bond Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2015B Bonds at any time by giving reasonable notice to the Finance Authority or the Bond Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2015B Bond certificates are required to be printed and delivered.

The Finance Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2015B Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Finance Authority believes to be reliable, but the Finance Authority takes no responsibility for the accuracy thereof, including, without limitation, the information concerning DTC and DTC's book entry system contained in DTC's website referenced above.

INDIANA FINANCE AUTHORITY

General

The Finance Authority is a public body politic and corporate, not a state agency, but an independent public instrumentality under the Finance Authority Act. Though separate from the State, the exercise by the Finance Authority of its powers constitutes an essential governmental function. The Finance Authority has no taxing power, and any indebtedness incurred by the Finance Authority does not constitute an indebtedness of the State within the meaning or application of any constitutional provision or limitation.

Organization; Membership

The Finance Authority's board of directors consists of the State Budget Director (or the State Budget Director's designee), who serves as Chairman of the Finance Authority, the Treasurer of State (or the Treasurer of State's designee), and three members appointed by the Governor. No more than two of the Governor's appointees may be members of the same political party. In addition, the Governor's appointees must be residents of the State, serve for terms of four years and until their successors are appointed and qualified, and may be reappointed by the Governor. The members of the Finance Authority elect one of the members to serve as Vice Chairman and other officers as they may determine.

Members are entitled to reimbursement for travel expenses and other expenses actually incurred in connection with their duties as provided by law, but are not entitled to any salary *per diem* while performing their duties.

Any three members of the Finance Authority constitute a quorum and the affirmative votes of at least three members are necessary for action to be taken by the Finance Authority.

The following persons comprise the Finance Authority:

Christopher D. Atkins, Director of Indiana's Office of Management and Budget, Chairman of the Finance Authority. Residence: McCordsville, Indiana. Principal occupation: Director of State's Office of Management and Budget.

Kelly Mitchell, Treasurer of State. Residence: Indianapolis, Indiana. Principal occupation: Treasurer of State.

Harry F. McNaught, Jr., appointed member; term expired May 15, 2011[†]. Residence: Carmel, Indiana. Principal occupation: President and CEO of Denison Properties Inc.

Owen B. Melton, Jr., appointed member; term expired May 15, 2014[†]. Residence: Carmel, Indiana. Principal occupation: Retired (former Chief Executive Officer of First Indiana Bank, N.A.).

Kerry M. Stemler, appointed member; term expires May 15, 2016. Residence: Sellersburg, Indiana. Principal occupation: President and CEO, KM Stemler Co. Inc. and KM Stemler Trucking Inc.

The financial affairs of the Finance Authority, including the issuance of bonds, and employees of the Finance Authority are managed by the Public Finance Director of the State. *Daniel J. Hugel* is the Public Finance Director of the State.

SRF Programs Management

The SRF Programs are administered and managed by the Finance Authority in accordance with the SRF Acts and the Finance Authority's Operating Agreements with EPA (the "Operating Agreements").

The financial affairs of the SRF Programs, including the issuance of Bonds, and employees of the Finance Authority are managed by the Public Finance Director of the State.

Daniel J. Hugel, Public Finance Director of the State and Chief Financial Officer of the Finance Authority. Mr. Hugel became Public Finance Director of the State effective January 31, 2015, upon the resignation of his predecessor. Mr. Hugel also became the Chief Financial Officer of the Finance Authority in August 2013 and has so served other than for about a 3-month period during which he served as interim Treasurer of State of Indiana. Prior to his employment at the Finance Authority, Mr. Hugel served as Chief Financial Officer of the Capital Improvement Board of Marion County, Indiana since 2010.

The ongoing operations of the SRF Programs are administered by the Director of Environmental Programs and a staff comprised of employees of the Finance Authority and the Department of Environmental Management. The Director of Environmental Programs is authorized to act on behalf of the Finance Authority as "Program Representative," as such term is defined and described in the SRF Indentures, the Bond Indenture and this Official Statement.

James P. McGoff, Director of Environmental Programs. Mr. McGoff was appointed as the Director of Environmental Programs and has served in this role or its predecessor role, the Executive Director, since 2003. As Director of Environmental Programs, he serves as the Program Representative on behalf of the Finance Authority for the SRF Programs and is responsible for the supervision and

[†] Pursuant to the Finance Authority Act, a Finance Authority board member continues to serve in such capacity until a successor member is appointed.

operation of all aspects of the SRF Programs. Prior to his appointment, Mr. McGoff was a partner in the Indianapolis law firm formerly known as Bingham McHale LLP, where he was a member of the firm's public finance practice group. Mr. McGoff is a member of the Indiana State and American Bar Associations and is a Certified Public Accountant (inactive). He received his undergraduate degree in accounting and J.D. from Indiana University, Bloomington, Indiana.

Matthew D. Martin, Finance Manager. Mr. Martin has served in the role of SRF Finance Manager since 1998. Mr. Martin is responsible for all financial aspects of the SRF Programs. He received his undergraduate degree in finance from Indiana University's Kelley School of Business, Bloomington, Indiana.

Deborah S. Wright, General Counsel, Indiana State Revolving Fund Loan Program. Mrs. Wright became General Counsel for the SRF Programs in September 2006. Prior to assuming such position, Mrs. Wright served as an attorney with the Indiana Department of Environmental Management's Office of Legal Counsel, where she practiced environmental law primarily for the Office of Land Quality, Remediation Services Branch. From 1994 to 2000, Mrs. Wright was Corporate Counsel and Compliance Officer for Hillenbrand Industries, Inc. Mrs. Wright received her undergraduate degree in Psychology with an emphasis in Business Administration from DePauw University in 1989 and J.D. from Valparaiso University School of Law in 1992.

SRF PROGRAMS

Establishment of State Revolving Funds

Wastewater Program. The Water Quality Act authorizes the EPA to award capitalization grants to the states for water pollution control revolving fund programs (the "Wastewater Capitalization Grants"). Under each state loan program, a state revolving loan fund is created to accept Wastewater Capitalization Grants and required state matching funds, currently equal to at least 20% of the Wastewater Capitalization Grants. Pursuant to the Wastewater SRF Act, the State established the Wastewater Program to provide financial assistance to Participants for Eligible Projects for Wastewater Program purposes.

The Wastewater Indenture created the Wastewater Fund and governs the use of certain of the proceeds of the Bonds, certain Loan repayments, the Wastewater Capitalization Grants under the Water Quality Act and the Wastewater SRF Act, and the earnings thereon. See Appendix B for financial information relating to the Wastewater Fund.

Drinking Water Program. The Safe Drinking Water Act authorizes the EPA to award capitalization grants to the states for public drinking water system programs (the "Drinking Water Capitalization Grants"). Under each state loan program, a state revolving loan fund is created to accept Drinking Water Capitalization Grants and required state matching funds, currently equal to at least 20% of the Drinking Water Capitalization Grants. Pursuant to the Drinking Water SRF Act, the State established the Drinking Water Program to provide financial assistance to Participants for Eligible Projects for Drinking Water Program purposes.

The Drinking Water Indenture created the Drinking Water Fund and governs the use of certain of the proceeds of the Bonds, certain Loan repayments, the Drinking Water Capitalization Grants under the Safe Drinking Water Act and the Drinking Water SRF Act, and the earnings thereon. See Appendix B for financial information relating to the Drinking Water Fund.

Funding SRF Programs

The Finance Authority and its predecessors have capitalized, and the Finance Authority expects to continue to capitalize, the SRF Funds with (i) payments under Capitalization Grants authorized by the Water Quality Act and the Safe Drinking Water Act, (ii) State Matches, in amounts equaling at least 20% of the amount of each Capitalization Grant, and (iii) the proceeds of Bonds.

Capitalization Grants. From federal fiscal year ("FFY") 1989 through 2014, EPA has awarded Capitalization Grants to the State to capitalize the Wastewater Fund, the cash proceeds of which grants allocated for deposit in the Wastewater Fund have been received and deposited in the Wastewater Fund, other than any undrawn portion of any

Wastewater Capitalization Grants designated and available to pay Wastewater Program administrative expenses or other qualified non-loan related purposes.

From FFY 1997 through 2014, EPA has awarded Capitalization Grants to the State to capitalize the Drinking Water Fund, the cash proceeds of which grants allocated for deposit in the Drinking Water Fund have been received and deposited in the Drinking Water Fund (or, with respect to the FFY 2014 Capitalization Grants, is expected to be received and deposited in the Drinking Water Fund following the issuance of the Series 2015B Bonds), other than any undrawn portions of the FFY 2012 Drinking Water Capitalization Grants expected to be used to provide additional subsidization to eligible recipients (in the form of Loans with no interest and which provide forgiveness of principal) and any undrawn portion of any Drinking Water Capitalization Grants designated and available to pay Drinking Water Program administrative expenses or other qualified non-loan related purposes.

State Match. The Finance Authority and its predecessors have satisfied all State Matches for both SRF Programs through and including the State's FFY 2014 Capitalization Grants. Pursuant to Federal Environmental Law, the Finance Authority may, but is not required to, fund the State Match for any portion of a Capitalization Grant prior to receiving the cash proceeds of such portion.

Eligibility and Project Evaluation

Under Federal Environmental Law, the Finance Authority must prepare an annual Intended Use Plan ("IUP") for each SRF Fund, which describes the intended uses for each such SRF Fund and how such uses support the goals of the respective SRF Fund. Each IUP identifies projects determined to be eligible for assistance, establishes an order of priority for such projects on the basis of environmental or public health significance and other factors, and establishes the basis of funding commitments by the Finance Authority.

The Participants listed on the IUP are anticipated to be eligible to participate in the SRF Programs. However, some Participants may be unable to meet all requirements for the issuance of obligations or may be unwilling or unable to complete their Loans with the Finance Authority. Accordingly, the actual Participants in the SRF Programs will include Participants not listed in Appendix A and may include participation by a Participant listed in Appendix A to a greater or lesser extent than indicated therein.

Eligible Participants

A variety of eligible Participants may receive Loans from the SRF Funds, including municipal water, sewage and storm water works, sanitary districts, regional water and sewer districts, conservancy districts, nonprofit corporations and other entities that own and operate a public drinking water system.

Participant Loans

The Finance Authority will enter into a financial assistance agreement with each Participant to which it makes a Loan, setting forth the terms and conditions of this assistance, including compliance with Federal Environmental Law. The SRF Acts provide that Loans from the SRF Funds must be supported by all the legal papers and opinions required by the Finance Authority. Such entities are subject to a variety of applicable laws which in certain instances limit the type and nature of bonds or other evidences of indebtedness that such Participants may issue to provide for the payment of, and security for, their Loans.

Security and Source of Payment for Participant Loans. Under the SRF Programs, the Finance Authority purchases bonds or other evidences of indebtedness issued by Participants evidencing their Loans as they may approve. The Finance Authority approves the type of obligation each Participant uses to finance its project. Such obligations are generally, but not always, secured by a pledge of system revenues, for which the fiscal body is required by State law to enact just and equitable rates and charges that are sufficient to, among other things, pay debt service on bonds and operate and maintain the system. Certain political subdivisions and other entities may structure their Loans under a general obligation structure (certain of which are payable from property taxes), lease rental revenue bond structure (payable from property taxes, local income taxes or other sources), tax increment financing bond structure, barrett bond structure, bond anticipation note borrowing structure, grant anticipation borrowing structure or other structures permitted under State law. There can be no assurance that the Participants will realize sufficient rates, charges or other revenues or taxes, as applicable, to make required Loan payments. The realization of any such revenues or taxes by any Participant is subject

to, among other things, future economic and demographic conditions and other conditions which are variable and may not be predicted with certainty.

Evaluation of Participant Loans. The Finance Authority generally employs a consistent set of criteria for evaluating all Participant Loans, irrespective of the SRF Program under which such Participant Loans may be purchased, based on a range of factors, including the environmental goals of the SRF Programs, the creditworthiness of the Participant, and social, economic and demographic factors, among others. For Participant Loans secured by a pledge of revenues from operations of a wastewater, storm water or drinking water system, the two primary credit quality requirements are: (i) debt service coverage of at least 1.25 times pro forma net revenues divided by annual average debt service over the course of the loan term, and (ii) establishment of a debt service reserve fund to be funded within five years of the issuance of the Participant Loans or operation of the financed improvements, whichever is later, subject to limitations of federal tax law. Notwithstanding the foregoing, the Finance Authority may permit certain Participants to participate in the SRF Programs without meeting the credit criteria.

Interest Rate. The interest rate or parameters for establishing the interest rate on Loans from the SRF Funds are established by the Finance Authority and are subject to change from time to time. Interest rates on Loans vary depending on market interest rates at the time of origination, a community's median household income, expected user rates, the weighted average maturity of the Loan and other factors.

Loan Term. Federal Environmental Law regulates the terms of Loans under the Wastewater SRF Act and the Drinking Water SRF Act, and generally requires that annual principal payments on each Loan commence within one year after substantial completion of the project and final payment occur not later than 20 years after substantial completion of the project. However, Federal Environmental Law does permit Loan repayments over an additional ten year period for certain communities. As of the date of this Official Statement, the Finance Authority has not made any Loans under the SRF Programs with a repayment term longer than 20 years after substantial completion of the project. Each Participant proposes its debt service amortization schedule to the Finance Authority for approval prior to Loan closing, which may include level annual debt service payments or other amortization structures.

Participant Loan Prepayment, Restructuring. Loans to Participants under the SRF Programs generally include a period (often ten years) during which the Loans may not be prepaid, followed by a period during which a prepayment premium is charged based upon the principal amount of the Loans. However, the Finance Authority has previously permitted, and may hereafter permit, prepayment of Loans, in whole or in part, without payment of a stated premium.

Further, for a variety of reasons, including, among others, circumstances of lower than expected ratepayer collections, delays in the commencement in initial operation of a project, and collections of unanticipated revenues such as grant proceeds, Participants have in the past and may in the future seek to restructure an existing Loan's amortization schedule. In appropriate circumstances, the Finance Authority has permitted and may in the future permit such a restructuring of a Participant's Loan amortization schedule. In any such restructuring, the Finance Authority has restructured and would generally expect in the future to restructure Loan payment terms to be consistent with amortization terms applicable to new Loans.

Loans to Private Utilities. Federal Environmental Law permits financial assistance to be made available from the SRF Programs to or for the benefit of a wastewater, storm water or public drinking water system owned or operated by a private entity. As of June 30, 2014, outstanding Loans have been made to twelve Participants operating privately-owned drinking water systems. The maximum loan balance after payments as of June 30, 2014, for such Drinking Water Loans aggregated approximately \$24.5 million. As of the date of this Official Statement, there are no outstanding Loans made to any Participants operating privately-owned wastewater or storm water systems. See Appendix A: "PARTICIPANTS." The Finance Authority anticipates that future Loans will be made from the Drinking Water Fund to privately-owned drinking water systems for Eligible Projects, and that such Loans will be structured on a case-by-case basis. The Finance Authority may make Loans from the Wastewater Fund to privately-owned wastewater or storm water systems for Eligible Projects, and anticipates that, if made, such Loans will be structured on a case-by-case basis. While such Loans may be made on terms and subject to reviews similar to those used for Loans to political subdivisions, the Finance Authority anticipates that additional factors, such as creditworthiness reviews, restrictions on the use of tax-exempt bond proceeds, reasonableness of rates of return and others, will result in differences from Loans made to political subdivisions.

Funding Participant Loans and Future Capitalization

As of June 30, 2014, outstanding Loans have been made under the Wastewater Program to 212 Participants, including cities, regional sewer, sanitary and conservancy districts, local authorities and towns, situated throughout Indiana. The maximum loan balance after payments as of June 30, 2014, for such Wastewater Loans aggregated approximately \$1.714 billion. As of June 30, 2014, outstanding Loans have been made under the Drinking Water Program to 131 Participants, including cities, towns, regional sewer districts, local authorities and for profit water utilities, situated throughout Indiana. The maximum loan balance after payments as of June 30, 2014, for such Drinking Water Loans aggregated approximately \$357.9 million. See Appendix A: "PARTICIPANTS."

Under the SRF Indentures, funds in the Series Purchase Accounts are applied to make Loans for Eligible Projects by disbursing funds for the payment of Eligible Project costs as incurred. Because the Finance Authority makes Loans as Participant's project costs are incurred, funds available to disburse from the Series Purchase Accounts at any time may be less than the amount of committed funds (representing the undrawn portion of closed Loans to Participants).

In addition to funding Loans from the Purchase Account, the Finance Authority also funds Loan disbursements to Participants on a "cash flow" basis by periodically disbursing funds from Equity as costs are incurred for Eligible Projects in connection with a closed Loan commitment. Bonds are issued periodically to meet the demand for periodic Loan disbursements from the Purchase Account, including to reimburse Equity for any periodic Loan disbursements made from Equity. When a disbursement from the Series Purchase Accounts or Equity (or from a Participant's dedicated project account) is made for payment of incurred costs of Eligible Projects in connection with a closed Loan commitment, the cash proceeds of a portion of a Capitalization Grant, to the extent undrawn and available, will be drawn and deposited into the applicable SRF Fund. See Appendix D: "SUMMARY OF CERTAIN OPERATIONS OF FUNDS AND ACCOUNTS."

As of June 30, 2014, all Purchase Account funds of the Wastewater Fund and Drinking Water Fund had been disbursed. The Finance Authority has elected at this time to fund current Loan commitments to Participants from Equity while retaining the flexibility to reimburse all or a portion of such Equity funding by the allocation of proceeds of future Bonds. As of June 30, 2014, the Wastewater Fund had Equity in the amount of \$363.6 million to fund \$64.6 million of its unfunded closed Loan commitments. As of June 30, 2014, the Drinking Water Fund had Equity in the amount of \$147.4 million to fund \$4.4 million of its unfunded closed Loan commitments. Additional closed Loan commitments have been and are expected to be entered into after June 30, 2014. With the issuance of its State Revolving Fund Program Bonds, Series 2015A (Green Bonds) on February 11, 2015 (the "Series 2015A Bonds"), the Authority anticipates that it will cause (i) a portion of such Equity funding to be reimbursed by allocating proceeds of such Series 2015A Bonds in the amount of approximately \$111.7 million to its Wastewater Equity Fund and approximately \$4.4 million to its Drinking Water Equity Fund and (ii) fund approximately \$7.0 million to its Drinking Water Purchase Account to provide Drinking Water Loans. The relative amount of available funds versus committed but undrawn funds may vary significantly over time depending on several factors, including whether Loans are funded in full in advance of incurred costs (typically at their closing) or as costs are incurred; the amount and timing of disbursements of Loans; additional Loan closings; and Bonds issued to fund undrawn Loan commitments. See Appendix A: "PARTICIPANTS."

The Finance Authority intends to fund additional Loans for Eligible Projects through its continued operation of the SRF Programs and through additional Capitalization Grants, if any, and additional financings. Subject to the SRF Acts, the Finance Authority intends to issue bonds and other obligations (including additional Bonds) at such times, in such amounts and on such terms as and when required to provide funds for disbursement to Participants for Eligible Projects so as to fund closed Loans and reimburse Equity disbursements. Such Loan disbursements applied to incurred costs may be identified by the Finance Authority to allow it to draw the cash proceeds of Capitalization Grants for deposit in the SRF Funds. However, there can be no assurance that the Finance Authority will be able to issue additional Bonds at such times and in such amounts as may be needed to fund the cash flow demands of the closed Loans or that those additional Bonds will bear interest at rates that may not adversely impact cash flow for the SRF Programs. See "SECURITY AND SOURCES OF PAYMENT OF BONDS—Additional Bonds." In addition, the SRF Programs may also finance Participant Loans for either SRF Program with proceeds of Capitalization Grants or other available amounts in an SRF Fund, including Equity. Repayment of any such loan may be designated by the Finance Authority as security for the Bonds or may be re-deposited into Equity. Repayment of a loan made from a Series Reserve is pledged to the Series of Bonds to which such Series Reserve is pledged. Assets may be released from any Series Reserve from time to time to fund any Loans upon the delivery of a Cash Flow Certificate by the Program Representative.

Although Congress may authorize additional federal capitalization grants for state revolving fund programs under the Water Quality Act and the Safe Drinking Water Act, there is no assurance that Congress will do so or that EPA will award such grants, or any portion thereof, to the State. EPA exercises broad discretionary power with regard to the award of capitalization grants. Even if capitalization grants are authorized, there can be no assurance that federal appropriations will be made to fund such grants.

Federal Regulation

EPA exercises broad discretionary powers with respect to the SRF Programs, pursuant to Federal Environmental Law. The Finance Authority (as the successor to the State) has entered into an Operating Agreement with EPA relating to the management of each SRF Program. Federal Environmental Law, together with grant agreements with EPA, govern the circumstances under which the Finance Authority can receive Capitalization Grants, the requirements for providing the State Matches and the use thereof, and the appropriate sources for funding administrative costs of the SRF Programs, among other things.

Federal Environmental Law provides a process by which disputes between EPA and the Finance Authority may be resolved. Under these regulations, in the event that EPA determines that the Finance Authority is not in compliance with Federal Environmental Law, a Capitalization Grant or the Operating Agreements, EPA gives notice to the Finance Authority and prescribes corrective actions. If the Finance Authority fails to take such action or provide to EPA an acceptable plan to take such action within 60 days of receipt of such notice, EPA may withhold payments under the Capitalization Grants until the Finance Authority takes such action. Ultimately, EPA could deobligate that portion of the Capitalization Grant representing such payments.

SERIES 2015B BONDS AS LEGAL INVESTMENTS

Under the Finance Authority Act, all bonds issued by the Finance Authority, including the Series 2015B Bonds, are declared to be legal investments in which all public officers or public bodies of the State, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on insurance business, all banks, bankers, banking associations, trust companies, savings associations, including savings and loan associations, building and loan associations, investment companies, and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are now or may later be authorized to invest in bonds or in other obligations of the State, may invest funds, including capital, in their control or belonging to them.

LITIGATION

There is not now pending or, to the Finance Authority's knowledge, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the Series 2015B Bonds or in any way contesting or affecting the validity of the Series 2015B Bonds, any proceedings of the Finance Authority taken with respect to the issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the Series 2015B Bonds. Neither the creation, organization or existence of the Finance Authority nor the title of any of the present members or other officers of the Finance Authority to their respective offices is being contested.

TAX MATTERS

In the opinion of Ice Miller LLP, Indianapolis, Indiana, bond counsel, under existing federal statutes, decisions, regulations and rulings, interest on the Series 2015B Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the Series 2015B Bonds (the "Code"), is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. The opinion of Ice Miller LLP is based on certain certifications, covenants and representations of the Finance Authority and the Participants (collectively, "Tax Covenants") and is conditioned on continuing compliance therewith. See Appendix C hereto for the form of the opinion of bond counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2015B Bonds as a condition to the exclusion from gross income of interest on the Series 2015B Bonds for federal income tax purposes. Noncompliance with such requirements may cause interest on the Series 2015B Bonds to be included in gross

income for federal income tax purposes retroactive to their date of issue, irrespective of the date on which such noncompliance occurs. Should the Series 2015B Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of such Series 2015B Bonds would be materially and adversely affected. The Tax Covenants include covenants that (i) the Finance Authority and the Participants will not take or fail to take any action with respect to the Series 2015B Bonds or the Participant Loans, respectively, if such action or omission would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Series 2015B Bonds or the Participant Loans, respectively, under Section 103 of the Code, and neither the Finance Authority nor the Participants will act in any other manner which would adversely affect such exclusion; (ii) the Finance Authority and the Participants will not make any investment or do any other act or thing during the period that the Series 2015B Bonds or the Participant Loans, respectively, are outstanding which would cause the Series 2015B Bonds or the Participant Loans, respectively, to be “arbitrage bonds” within the meaning of Section 148 of the Code; and (iii) the Finance Authority and the Participants will, if required by the Code, rebate any necessary amounts to the United States of America. It is not an event of default under the Bond Indenture if interest on the Series 2015B Bonds is not excludable from gross income for federal income tax purposes or otherwise pursuant to any provision of the Code which is not in effect on the respective dates of issuance of the Series 2015B Bonds or the Participant Loans.

In the opinion of Ice Miller LLP, Indianapolis, Indiana, bond counsel, under existing statutes, decisions, regulations and rulings, interest on the Series 2015B Bonds is exempt from income taxation in Indiana. This opinion relates only to the exemption of interest on the Series 2015B Bonds for State income purposes. See Appendix C hereto for the form of the opinion of bond counsel.

Indiana Code 6-5.5 imposes a franchise tax on certain taxpayers (as defined in Indiana Code 6-5.5) which, in general, includes all corporations which transact the business of a financial institution in Indiana. The franchise tax will be measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code. Taxpayers should consult their own tax advisors regarding the impact of this statute on their ownership of the Series 2015B Bonds.

Although bond counsel has rendered an opinion that interest on the Series 2015B Bonds is excludable from federal gross income and exempt from State income tax, the accrual or receipt of interest on the Series 2015B Bonds may otherwise affect a bondholder’s federal income tax or state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder’s particular tax status and a bondholder’s other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, individuals, financial institutions, certain insurance companies, “S” corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2015B Bonds. Bond counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Series 2015B Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Series 2015B Bonds.

Legislation affecting municipal bonds is considered from time to time by the United States Congress, including some proposed changes under consideration at the time of issuance of the Series 2015B Bonds. Bond Counsel’s opinion is based upon the law in existence on the date of issuance of the Series 2015B Bonds. It is possible that legislation enacted after the date of issuance of the Series 2015B Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the Series 2015B Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the Series 2015B Bonds.

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the Series 2015B Bonds maturing on _____ (collectively, the “Discount Bonds”), are less than the principal amounts payable at maturity, and as a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering prices of the Discount Bonds as set forth on the inside cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the “Issue Price” for such maturity), and the amounts payable at maturity of the Discount Bonds will be treated as “original issue discount.” A taxpayer who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity and who holds such Discount Bond to maturity may treat the full amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes and will not, under present federal income tax law, realize taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount Bonds on the basis of the yield to maturity determined on the basis of compounding at the end of each six month period (or shorter period from the date of the original issue) ending February 1 and August 1 (with straight line interpolation between compounding dates).

Section 1288 of the Code provides, with respect to tax exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner's tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of the Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors as to the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

As described under "TAX MATTERS," the original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

Owners who purchase Discount Bonds in the initial public offering but at a price different from the Issue Price for such maturity should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial public offering should consult their own tax advisors with regard to the other tax consequences of owning the Discount Bonds.

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning Discount Bonds. It is possible under the applicable provisions governing the determination of state and local income taxes that accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

AMORTIZABLE BOND PREMIUM

The initial offering prices of the Series 2015B Bonds maturing on _____ (collectively, the "Premium Bonds"), are greater than the principal amounts payable at maturity. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the "Bond Premium"). An owner who acquires a Premium Bond in the initial offering will be required to adjust the owner's basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale, redemption or payment at maturity). The amount of amortizable Bond Premium will be computed on the basis of the taxpayer's yield to maturity with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of Premium Bonds and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax exempt securities are found at Section 75 of the Code. Dealers in tax exempt securities are urged to consult their own tax advisors concerning treatment of Bond Premium.

LEGAL AND OTHER MATTERS AND ENFORCEABILITY OF REMEDIES

The enforceability of the rights and remedies of the Bond Trustee or the registered owners of the Series 2015B Bonds under the Bond Indenture and the availability of remedies to any party seeking to enforce the lien on the Trust Estate are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under

existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the enforceability of the rights and remedies under the Bond Indenture and the availability of remedies to any party seeking to enforce the lien on the Trust Estate may be limited.

The various legal opinions to be delivered concurrently with the delivery of the Series 2015B Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Those exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the Finance Authority and the State), in a manner consistent with the public health and welfare. The enforceability of the Bond Indenture and the availability of remedies to a party seeking to enforce the lien on the Trust Estate in a situation where such enforcement or availability may adversely affect the public health and welfare may be subject to those police powers.

RATINGS

Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies ("Standard & Poor's"), and Fitch Ratings ("Fitch") have given the Series 2015B Bonds a rating of "____," "____" and "____," respectively (each, a "Rating" and, collectively, the "Ratings"). A further explanation of each Rating may be obtained, respectively, from Moody's at 250 Greenwich Street, New York, New York 10007; from Standard & Poor's at 55 Water Street, 38th Floor, New York, New York 10041; and from Fitch at One State Street Plaza, New York, New York 10004. Certain information was supplied to the Rating Agencies by the Finance Authority to be considered in evaluating the Series 2015B Bonds. Each Rating reflects only the view of the applicable Rating Agency, and is not a recommendation to buy, sell or hold the Series 2015B Bonds. There is no assurance that any or all of the Ratings will continue for any given period of time or that any or all of the Ratings will not be revised downward or withdrawn entirely if, in the judgment of the applicable Rating Agency, circumstances so warrant. Any such downward revision or withdrawal of any Rating may have an adverse effect upon the market price or marketability of the Series 2015B Bonds.

UNDERWRITING

The Series 2015B Bonds are being purchased pursuant to a bond purchase contract (the "Bond Purchase Contract") entered into by and between the Finance Authority and Citigroup Global Markets Inc., acting as representatives of themselves and the other underwriters of the Series 2015B Bonds listed on the front cover page of this Official Statement (collectively, the "Underwriters"). Each Underwriter has jointly and severally agreed to purchase the Series 2015B Bonds at an aggregate purchase price of \$_____ pursuant to the Bond Purchase Contract. Such purchase price of the Series 2015B Bonds reflects aggregate Underwriters' discount of \$_____ from the initial public offering prices set forth on the inside cover page of this Official Statement, and additionally reflects net original issue premium/discount in the amount of \$_____.

The Bond Purchase Contract provides that the Underwriters will purchase all of the Series 2015B Bonds if any are purchased. The obligations of the Finance Authority to deliver the Series 2015B Bonds and of the Underwriters to accept delivery of the Series 2015B Bonds are subject to various conditions contained in the Bond Purchase Contract. The Underwriters have agreed to make a bona fide public offering of all of the Series 2015B Bonds at prices not in excess of the initial public offering prices reflected on the inside cover page of this Official Statement. The Underwriters may offer and sell the Series 2015B Bonds to certain dealers (including dealers depositing the Series 2015B Bonds into investment trusts) at prices lower than the public offering price. The offering of the Series 2015B Bonds by the Underwriters is subject to receipt and acceptance and subject to the Underwriters' right to reject any order in whole or in part.

The Series 2015B Bonds are a new issue of securities with no established trading market. The Finance Authority has been advised by the Underwriters that the Underwriters intend to make a market in the Series 2015B Bonds but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Series 2015B Bonds.

In connection with this offering, the Underwriters may overallocate or effect transactions which stabilize or maintain the market price of the Series 2015B Bonds at a level above that which might otherwise prevail in the open market. Such stabilization, if commenced, may be discontinued at any time.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Finance Authority for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Finance Authority.

Citigroup Global Markets Inc., an underwriter of the Series 2015B Bonds, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. (“TMC”) and UBS Financial Services Inc. (“UBSFS”). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Series 2015B Bonds.

George K. Baum & Company and Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation, have a distribution agreement enabling Pershing LLC to obtain and distribute certain municipal securities underwritten by or allocated to George K. Baum & Company. Under the distribution agreement, George K. Baum & Company will allocate a portion of received takedowns, fees or commissions to Pershing for Series 2015B Bonds sold under the agreement.

FINANCIAL ADVISOR

Public Financial Management, Inc., Minneapolis, Minnesota (“Public Financial Management”) served as financial advisor to the Finance Authority with respect to the sale of the Series 2015B Bonds and has prepared cash flow analyses related to the Loans, earnings on the Series Reserves, the Outstanding Bonds and the Series 2015B Bonds. As the Finance Authority’s financial advisor, Public Financial Management has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, rating and issuance of the Series 2015B Bonds. In its role as financial advisor to the Finance Authority, Public Financial Management has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in this Official Statement and the appendices hereto. Public Financial Management is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing tax-exempt securities or other public securities.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules relating to computation of amounts deposited in the Escrow Accounts and the forecasted payments of principal, interest and premium, if any, to redeem the Defeased Bonds in the manner described in “INTRODUCTION—Plan of Finance” and “SRF PROGRAMS FINANCING PLAN” and the arithmetical calculations supporting the conclusions that the Series 2015B Bonds are not “arbitrage bonds” under Section 148 of the Code, reflected in the legal opinion of bond counsel, will be verified by Causey Demgen & Moore Inc. (the “Verification Agent”) as a condition precedent to the delivery of the Series 2015B Bonds. Such computation will be based upon information, assumptions and calculations supplied to the Verification Agent by Public Financial Management.

FINANCIAL STATEMENTS

The combined statements of net assets of the Wastewater Program and the Drinking Water Program for the fiscal years ended June 30, 2014 and 2013, and the related combined statements of revenues, expenses and changes in net assets for the years then ended, appended hereto as part of this Official Statement (Appendix B), which financial statements are the most recent available, have been audited by Katz, Sapper & Miller, LLP, independent certified public accountants, as stated in their report dated September 25, 2014, appearing in Appendix B hereto.

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the “Rule”), the Finance Authority and The Bank of New York Mellon Trust Company, N.A. (the “Counterparty”), will enter into a Continuing Disclosure Undertaking Agreement (the “Undertaking”) for the sole benefit of the holders and Beneficial Owners of the Series 2015B Bonds. Pursuant to the terms of the Undertaking, the Finance Authority will provide the following information while the Series 2015B Bonds are outstanding:

(1) Audited Financial Statements. To the Municipal Securities Rulemaking Board (the “MSRB”), when and if available, (A) the audited financial statements of the SRF Programs for each fiscal year of the SRF Programs, beginning with the fiscal year ending June 30, 2015, together with the auditor’s report and all notes thereto, and (B) the audited financial statements of each other Obligated Person (as hereinafter defined) for each fiscal year of such Obligated Person, together with the independent auditor’s report and all notes thereto;

(2) Financial Information in Official Statement. To the MSRB, (A) within 210 days of the close of each fiscal year of the SRF Programs, beginning with the fiscal year ending June 30, 2015, annual financial information for the SRF Programs for such fiscal year, other than the audited financial statements described in (1)(A) above, including (i) unaudited financial statements of the SRF Programs if audited financial statements are not then available and (ii) operating data (excluding any demographic information or forecasts) of the general type included under “PROJECTED CASH FLOW—Debt Service, Series Reserves and Coverage Schedule” and “APPENDIX A: PARTICIPANTS” in this Official Statement; and (B) within 210 days of the close of each fiscal year of each other Obligated Person, annual financial information for such other Obligated Person for such fiscal year, other than the audited financial statements described in (1)(B) above, including (i) unaudited financial statements of such other Obligated Person if audited financial statements are not then available and (ii) operating data (excluding any demographic information or forecasts) of the following type: customer and volume information (the annual financial information described in (A) and (B), the “Annual Information”); and

(3) Event Notices. To the MSRB, notice of the occurrence of any of the following events with respect to the Series 2015B Bonds, in a timely manner, not in excess of ten (10) business days after the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) non payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2015B Bonds, or other material events affecting the tax status of the Series 2015B Bonds;
- (vii) modifications to the rights of owners of the Series 2015B Bonds, if material;
- (viii) Series 2015B Bond calls (other than scheduled mandatory sinking fund redemptions for which notice is given in accordance with the Bond Indenture), if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Series 2015B Bonds, if material;
- (xi) rating changes;

- (xii) bankruptcy, insolvency, receivership or similar event of the Finance Authority or any other Obligated Person;
- (xiii) consummation of a merger, consolidation or acquisition involving the Finance Authority or any other Obligated Person or the sale of all or substantially all of the assets of the Finance Authority or any other Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The sole remedy against the Finance Authority for any failure to carry out any provision of the Undertaking will be for specific performance of the Finance Authority's disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or for any other remedy. The Finance Authority's failure to honor its covenants under the Undertaking will not constitute a breach or default of the Series 2015B Bonds, the Bond Indenture, the SRF Indentures or any other agreement to which the Finance Authority is a party.

The Finance Authority and the Counterparty may, from time to time, amend or modify the Undertaking, without the consent of or notice to the owners of the Series 2015B Bonds, if: (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Finance Authority, or type of business conducted; (ii) the Undertaking, as so amended or modified, would have complied with the requirements of the Rule on the date of the Undertaking, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) such amendment or modification does not materially impair the interests of the holders of the Series 2015B Bonds, as determined either by (A) any person selected by the Finance Authority that is unaffiliated with the Finance Authority or (B) an approving vote of the holders of the requisite percentage of outstanding Series 2015B Bonds as required under the Bond Indenture at the time of such amendment or modification; or (b) such amendment or modification is permitted by law.

In addition, each Participant will agree in its financial assistance agreement with the Finance Authority, entered into at or prior to the closing of its Loan, to provide such periodic financial reports as the Finance Authority may require from time to time. Such reports will contain or incorporate the most recently available financial information of such Participant and will be submitted not later than 210 days after the close of each Participant's fiscal year during any period during which such Participant is an obligated person ("Obligated Person"). In accordance with the standard specified in the Undertaking pursuant to the Rule, a Participant will be deemed to be an Obligated Person with respect to the Series 2015B Bonds if the aggregate drawn principal balance of all its SRF Programs loans, outstanding as of the end of any fiscal year, constitutes 20% or more of the outstanding aggregate drawn principal balance on all closed Participant Loans under the SRF Programs required to be deposited under the SRF Indentures. As of the date of this Official Statement, no Participant is an Obligated Person pursuant to the Undertaking.

The Finance Authority and its predecessors have been in compliance with all of their continuing disclosure contracts in all material respects during the last five years, except to the extent that the following is deemed to be material. The Finance Authority filed its most recent annual financial information with the MSRB, through the EMMA system, as required by applicable continuing disclosure undertakings in a timely fashion on January 23, 2015. However, in a single isolated instance in 2014, the financial information was inadvertently not posted on the EMMA system to certain CUSIP numbers associated with a single bond issue, the Finance Authority's Tax-Exempt Private Activity Bonds (Ohio River Bridges East Crossing Project (Series 2013 A and B). As a result, although the required financial information was generally available with respect to the Finance Authority, it was not available on the EMMA system under the links for such CUSIP numbers. The Finance Authority caused such financial information to be posted to those CUSIP numbers through an EMMA filing on April 15, 2014, by adding the necessary bonds and their CUSIP numbers to the prior annual disclosure filing. The Finance Authority has taken appropriate steps to prevent this from occurring in the future.

MISCELLANEOUS

General

All quotations from, and summaries and explanations of, the Finance Authority Act, the Bond Indenture and the SRF Indentures contained in this Official Statement do not purport to be complete, and reference is made to each such document or instrument for full and complete statements of its provisions. The attached appendices are an integral part of

this Official Statement and must be read together with all of the foregoing statements. Copies of the Finance Authority Act, the Bond Indenture, the SRF Indentures, the most current financial statements of the Finance Authority and the supplemental materials furnished to the Finance Authority by the Participants are available upon request and payment to the Finance Authority of a charge for copying, mailing and handling.

Any request and payment for copies of the documents described above may be directed to the Indiana Finance Authority, One North Capitol Street, Suite 900, Indianapolis, Indiana 46204; telephone (317) 233-4332.

Neither any advertisement of the Series 2015B Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2015B Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

Authorization

This Official Statement has been duly approved, executed and delivered by the Finance Authority. The Finance Authority will provide copies of this Official Statement to the Underwriters to be distributed to the purchasers of the Series 2015B Bonds.

INDIANA FINANCE AUTHORITY

By: _____
Chairman

Public Finance Director of the State of Indiana

PARTICIPANTS

General

The proceeds of the Outstanding Bonds have been and are anticipated to be primarily used to make Participant Loans to Participants. Set forth in tabular form in this Appendix A are the Participants which, as of the date of this Official Statement, have Participant Loans with the SRF Programs or have scheduled to close their Loans with the SRF Programs. The Finance Authority may make Loans to other Participants not listed in this Appendix A. Accordingly, the actual participating Participants in the SRF Programs may include Participants not listed below and may include participation by any Participant listed below to a greater or lesser extent than listed.

Certain of the information contained in this Appendix A has been obtained from information provided to the Finance Authority by representatives of the Participants listed below, and has not been verified by independent investigation. The material set forth in this Appendix A is for informational and background purposes only and is not intended and should not be deemed to be a presentation of financial and economic information which may be pertinent to a Participant.

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CLOSED LOANS¹
(as of June 30, 2014)

Participant²	Maximum Loan Balance After Payments³	Loan Rate⁴	Number of SRF Loans⁵	First Loan Closing Date	Nature of Pledge⁶
<u>Wastewater Loans</u>					
Indianapolis SD	\$ 274,576,250	2.58 to 4.40%	8	06/30/04	Revenue ⁷
Terre Haute, City of	152,571,000	2.14 to 2.87%	2	03/25/11	Revenue
Evansville, City of	105,541,498	2.10 to 3.33%	10	04/10/07	Revenue ¹³
Fort Wayne, City of	98,423,711	0.16 to 4.16%	6	01/01/09	Revenue ¹³
Hammond SD	82,230,000	0.00 to 4.14%	7	05/29/97	GO ¹⁴
Columbus, City of	70,831,000	0.00 to 4.12%	4	12/15/06	Revenue or TIF
Jeffersonville, City of	66,129,382	0.00 to 3.62%	7	12/30/99	Revenue
Huntington, City of	41,104,000	1.50 to 3.50%	5	01/10/01	Revenue
Mishawaka, City of	36,761,637	0.00 to 3.69%	3	12/23/99	Revenue
New Albany, City of	35,835,000	1.73 to 3.95%	3	12/30/02	Revenue ^{10, 14}
Elkhart, City of	30,992,033	2.00 to 3.62%	3	09/15/09	Revenue
Goshen, City of	30,965,000	0.00 to 2.33%	2	10/15/09	Revenue
Anderson, City of	26,455,000	2.000 to 3.746%	3	10/15/09	Revenue
West Lafayette, City of	24,830,000	1.50 to 3.64%	3	12/29/04	Revenue ^{13, 14}
Columbia City, City of	20,875,000	2.04 to 3.15%	4	09/29/05	Revenue
Richmond SD	20,317,894	0.00 to 3.37%	5	10/19/98	Revenue
Speedway, Town of	18,046,474	3.06 to 3.12%	2	12/03/09	Revenue
Greensburg, City of	17,632,900	0.00 to 4.39%	2	05/30/07	Revenue or TIF
Auburn, City of	16,590,000	2.47 to 3.40%	3	07/10/95	Revenue
Vincennes, City of	15,725,879	3.30%	1	05/24/02	Revenue
Chesterton, Town of	15,330,000	1.75 to 3.90%	3	06/29/01	Revenue
Newburgh, Town of	15,198,000	3.12%	1	08/04/09	Revenue
Washington, City of	13,557,000	2.42%	1	05/19/10	Revenue
Middlebury, Town of	13,078,000	1.50%	1	04/26/13	Revenue
Muncie SD	12,835,000	2.97%	1	12/30/05	GO/Revenue ¹³
Lowell, Town of	12,340,000	2.54 to 3.44%	2	05/09/05	Revenue
Bloomington, City of	11,757,182	3.33 to 3.44%	3	12/31/04	Revenue
Decatur, City of	11,387,000	3.58 to 4.03%	2	06/28/04	Revenue
Montgomery Co. RSD	10,960,000	1.54%	1	02/24/12	Revenue
Mt. Vernon, City of	10,459,245	2.62 to 3.88%	4	06/04/01	Revenue
Logansport, City of	9,986,979	0.00 to 3.30%	3	07/09/98	Revenue ¹³
Chesterfield, Town of	9,384,000	2.87 to 2.92%	2	12/21/07	Revenue
Seymour, City of	9,370,000	3.37%	1	03/15/11	Revenue
Delaware Co. RSD	9,245,145	2.00 to 2.56%	2	12/28/09	Revenue
Plainfield, Town of	9,237,000	0.00 to 2.70%	2	12/30/09	Revenue

See Footnotes on Pages A-12 to A-13

Michigan City, City of	9,017,400	0.00%	3	06/14/13	Revenue
Allen County RWSB	8,758,194	0.00 to 2.93%	3	12/27/07	Revenue
Tell City, City of	8,598,000	2.81 to 3.45%	2	08/17/06	Revenue
New Haven, City of	8,480,000	3.33 to 3.44%	2	02/28/05	Revenue ¹⁰
Mooreville, Town of	8,131,000	2.92%	1	08/24/10	Revenue ¹⁰
Madison, City of	7,493,760	2.67 to 3.30%	2	01/31/03	Revenue ¹³
Portland, City of	7,170,000	1.50%	2	06/27/12	Revenue
Westville, Town of	6,617,000	2.10%	1	06/12/14	Revenue
Brownsburg, Town of	6,533,000	3.87 to 3.90%	2	12/30/98	Revenue
Greentown, Town of	6,530,000	0.00 to 3.50%	2	08/30/99	Revenue
Schererville, Town of	6,345,000	3.87 to 3.90%	2	06/29/01	Revenue
Martinsville, City of	5,971,000	2.83 to 3.44%	3	03/28/05	Revenue
Jennings NW Reg. Utility Dist.	5,762,000	2.06%	1	02/25/10	Revenue
Rushville, City of	5,287,000	2.11%	1	12/18/13	Revenue
Fortville, Town of	5,271,968	0.00 to 3.50%	5	06/04/99	Revenue
Sullivan, City of	5,191,154	2.83%	1	04/12/06	Revenue
Gas City, City of	5,179,234	3.17%	1	08/28/07	Revenue
Crown Point, City of	4,690,000	1.570 to 3.746%	3	12/27/94	Revenue ¹⁴
Carmel, City of	4,626,003	0.42%	1	10/02/09	Revenue
Boonville, City of	4,521,000	2.23%	1	12/30/10	Revenue
Spencer, Town of	4,504,337	0.00 to 3.33%	4	01/26/98	Revenue
Peru, City of	4,502,000	3.63%	1	05/12/09	Revenue
Alexandria, City of	4,470,000	2.90 to 3.06%	2	11/17/06	Revenue
Liberty, Town of	4,117,000	2.65%	1	11/27/06	Revenue
Edinburgh, Town of	4,100,342	3.26%	1	12/30/03	Revenue
Whitestown, Town of	4,034,000	2.90 to 3.38%	2	12/29/05	Revenue ¹³
Hobart, City of	3,962,000	1.50%	1	11/07/12	Revenue
East Chicago SD	3,920,000	0.00 to 2.90%	1	12/27/96	GO
Rensselaer, City of	3,776,000	3.246 to 3.880%	2	05/15/09	Revenue
Portage, City of	3,749,999	3.90%	1	12/16/96	Revenue
LaPorte, City of	3,747,238	0.00 to 3.50%	2	08/29/00	Revenue
New Castle, City of	3,700,000	0.00 to 2.90%	1	05/30/00	Revenue ¹⁴
Chandler, Town of	3,610,000	0.00 to 3.12%	2	03/01/99	Revenue
Linton, Town of	3,533,000	2.00%	1	02/07/13	Revenue
Connersville, City of	3,504,000	2.06%	1	12/29/09	Revenue
Fort Branch, Town of	3,498,000	3.17%	1	11/07/07	Revenue
Rockville, Town of	3,490,561	0.00 to 2.90%	2	06/01/00	Revenue
Avilla, Town of	3,398,815	0.00 to 3.50%	2	05/01/00	Revenue ¹⁰
Liberty RWD	3,273,000	2.67 to 3.70%	3	06/29/01	Revenue
South Whitley, Town of	3,202,000	2.00%	1	12/14/11	Revenue
Taylor RSD	3,182,405	2.69%	1	12/13/04	Revenue ⁸
Sweetser, Town of	3,087,000	2.44%	1	01/03/14	Revenue
North Manchester, Town of	3,082,000	2.00%	1	03/26/13	Revenue
Aurora, City of	3,011,000	2.65%	1	12/29/06	Revenue
Bicknell, City of	3,001,357	2.58%	1	06/27/06	Revenue

Centerville, Town of	2,997,000	2.17 to 2.65%	2	12/15/06	Revenue
Cloverdale, Town of	2,953,000	3.33 to 4.00%	3	06/13/03	Revenue
Thralls Station RSD	2,847,000	2.62%	1	06/09/11	Revenue
Lawrence, City of	2,833,348	0.91%	1	09/15/09	Revenue
Angola, City of	2,800,000	0.00%	1	09/15/09	Revenue
St. Joseph Co. RWSD	2,784,000	2.04%	1	12/13/11	Revenue
Battle Ground, Town of	2,766,000	1.77%	1	06/21/12	Revenue
South Bend, City of	2,742,336	2.81%	1	12/11/09	Revenue
Middletown, Town of	2,740,000	2.00%	1	02/06/14	Revenue
Tipton, City of	2,722,000	2.00 to 2.90%	2	06/18/01	Revenue ¹³
Nappanee, City of	2,638,000	3.37%	1	09/04/09	Revenue
Huntingburg, City of	2,567,000	0.00 to 2.90%	2	05/15/00	Revenue
Berne, City of	2,250,000	4.03%	1	06/30/08	Revenue ¹³
Woodburn, City of	2,220,000	2.67%	1	06/30/10	Revenue
Jonesboro, City of	2,200,000	2.00%	1	01/29/14	Revenue
Ligonier, City of	2,086,000	1.50%	1	05/10/12	Revenue
Bremen, Town of	2,079,000	2.67%	1	06/30/10	Revenue
Bedford, City of	2,070,000	0.00 to 2.90%	2	08/16/99	Revenue
Ellettsville, Town of	1,999,373	0.00 to 3.50%	1	07/30/96	Revenue
Luce Township RSD	1,864,000	2.00%	1	12/13/10	Revenue
Hamilton Lakes CD	1,834,000	3.50 to 3.80%	2	06/29/01	Revenue
Rockport, City of	1,803,803	0.00 to 3.30%	2	06/30/00	Revenue ¹¹
Culver, Town of	1,796,875	2.65%	1	12/15/05	Revenue
Crawfordsville, City of	1,700,864	0.00 to 2.90%	1	10/23/98	Revenue
Cumberland, Town of	1,693,499	3.12%	1	03/25/11	Revenue
Demotte, Town of	1,675,000	0.00 to 2.90%	1	07/24/00	Revenue
Union City, City of	1,659,000	2.85%	1	12/15/06	Revenue
Haubstadt, Town of	1,580,000	0.00 to 3.50%	1	11/29/99	Revenue
Jasonville, City of	1,576,067	2.94%	1	10/05/04	Revenue
Elberfeld, Town of	1,536,000	0.00 to 3.50%	3	12/31/99	Revenue
Bass Lake CD	1,536,000	0.00 to 2.00%	1	01/18/96	Revenue
Remington, Town of	1,529,000	3.51%	1	11/26/03	Revenue
Marion, City of	1,472,861	0.00 to 2.90%	1	02/08/99	Revenue
Brookston, Town of	1,445,000	3.08%	1	06/30/04	Revenue
Monticello, City of	1,440,000	0.00 to 2.90%	1	04/20/98	Revenue
Flora, Town of	1,403,000	0.00 to 2.90%	1	11/15/99	Revenue
Valparaiso, City of	1,392,000	3.37%	1	04/21/11	Revenue
Hartford City, City of	1,346,000	0.00 to 3.10%	2	04/01/98	Revenue ¹⁰
Dale, Town of	1,320,000	3.80%	1	12/30/02	Revenue
Lafayette, City of	1,287,000	3.62%	1	09/15/09	Revenue
Bloomfield, Town of	1,276,711	3.50%	1	06/29/01	Revenue
Poseyville, Town of	1,275,000	3.19%	1	02/24/05	Revenue
Turkey Creek RSD	1,256,022	3.90%	1	03/19/97	Revenue
Parker City, Town of	1,248,000	2.00 to 3.00%	2	08/19/94	Revenue
Winamac, Town of	1,243,000	2.00%	1	10/29/10	Revenue

See Footnotes on Pages A-12 to A-13

Beech Grove, City of	1,221,298	3.69%	1	10/05/04	Revenue
Howard County Drainage Board	1,216,100	3.16%	1	04/28/11	Revenue
Clinton, City of	1,167,558	0.00 to 2.90%	1	06/29/00	Revenue
Converse, Town of	1,156,000	3.80%	1	05/21/03	Revenue
Milan, Town of	1,139,000	3.10%	1	09/05/02	Revenue
Ossian, Town of	1,071,000	0.00 to 3.50%	1	03/13/00	Revenue
Hymera, Town of	1,022,000	2.58%	1	04/06/06	Revenue
Zionsville, Town of	1,020,330	2.81%	1	01/29/10	Revenue ¹⁰
LaGrange County RSD	1,008,000	0.00 to 3.50%	1	06/23/98	Revenue ⁸
Russiaville, Town of	999,000	1.750%	1	12/28/12	Revenue
Blue Lake CD	964,382	0.00 to 3.50%	1	12/23/99	Revenue ⁸
Maysville RWSD	923,000	3.33%	1	06/30/06	Revenue
Scott County RSD	911,000	2.25%	1	10/08/10	Revenue
Lafontaine, Town of	905,118	3.15%	1	11/23/05	Revenue
Peru Muni. Bldg. Corp.	895,000	0.00 to 2.90%	1	08/10/99	Lease
Grabill, Town of	889,000	3.33%	1	06/30/06	Revenue
Hanover, Town of	834,800	3.10%	1	01/30/03	Revenue
Petersburg, City of	803,000	0.00 to 3.30%	3	06/23/00	Revenue
South-West Lake Max. CD	785,000	3.12%	1	06/27/11	Revenue
Patoka Lake RWSD	780,000	0.00 to 3.50%	1	06/29/00	Revenue
Waterloo, Town of	741,000	0.00 to 3.50%	1	10/05/98	Revenue
Lake George RSD	739,999	0.00 to 2.00%	1	12/22/93	Revenue
Royal Center, Town of	669,000	2.00%	1	12/10/12	Revenue
Chalmers, Town of	666,946	4.30%	1	03/17/03	Revenue
Montpelier, City of	660,000	3.10%	1	09/28/01	Revenue
Dunkirk, Town of	651,000	0.00 to 2.90%	1	09/27/99	Revenue
Walton, Town of	650,445	3.38%	1	06/01/09	Revenue
Campbell Township RSD	621,000	1.90%	1	07/29/05	Revenue
Leavenworth, Town of	611,000	0.00 to 2.90%	1	06/29/00	Revenue
Riley, Town of	610,669	0.00 to 2.90%	3	01/31/95	Revenue
Monroeville, Town of	604,000	3.43%	1	12/30/08	Revenue
Van Bibber CD	602,484	0.00 to 3.80%	2	06/30/00	Revenue
New Harmony, Town of	591,000	3.10%	1	09/22/03	Revenue
Churubusco, Town of	573,000	3.70%	1	07/31/06	Revenue
Orestes, Town of	562,000	3.10%	1	04/01/02	Revenue
Edwardsport, Town of	556,000	2.19%	1	01/31/14	Revenue
Owensville, Town of	553,000	3.10%	1	01/30/03	Revenue
Otterbein, Town of	550,183	0.00 to 3.50%	2	10/29/98	Revenue
Wolcott, Town of	541,000	4.39%	1	05/30/07	Revenue
Jasper, City of	470,000	3.50%	1	06/29/01	Revenue
Shipshewana, Town of	460,000	0.00 to 2.90%	1	08/29/00	Revenue
Paoli, Town of	454,000	2.42%	1	05/25/10	Revenue
Lynnville, Town of	450,719	2.92%	1	09/14/07	Revenue
Waynetown, Town of	442,000	0.00 to 2.90%	1	06/30/00	Revenue
Argos, Town of	431,000	2.90%	1	06/29/01	Revenue

See Footnotes on Pages A-12 to A-13

Morgan County RSD	426,000	2.56%	1	05/08/08	Revenue
Linden, Town of	425,000	0.00 to 3.50%	1	03/23/00	Revenue
New Paris CD	415,000	0.00 to 2.00%	1	06/09/94	GO/Revenue
Ft. Branch, Town of	401,000	4.00%	1	05/27/03	Revenue
Borden, Town of	390,000	0.00 to 2.90%	1	08/31/99	Revenue
Darlington, Town of	382,092	2.87%	1	07/20/09	Revenue
Summitville, Town of	379,000	2.00%	1	05/20/13	Revenue
Mulberry, Town of	377,713	3.90%	1	03/20/00	Revenue
Reynolds, Town of	364,000	1.50%	1	05/01/13	Revenue
Milton, Town of	358,000	2.31%	1	03/31/10	Revenue
New Palestine, Town of	323,000	0.00 to 3.50%	1	06/29/00	Revenue
Shirley, Town of	319,000	3.21%	1	06/28/04	Revenue
Santa Claus, Town of	315,000	4.30%	1	12/28/01	Revenue ¹⁰
Galveston, Town of	303,000	4.26%	1	12/01/03	Revenue
Hartsville, Town of	299,000	3.15%	1	10/09/06	Revenue
Oxford, Town of	296,000	3.93%	1	12/02/08	Revenue
Attica, City of	286,000	0.00 to 2.90%	1	06/30/97	Revenue
Jamestown, Town of	285,000	0.00 to 3.50%	1	04/03/98	Revenue
LaCrosse, Town of	281,000	0.00 to 2.00%	1	09/15/94	Revenue
Roann, Town of	271,000	2.90%	1	07/25/05	Revenue
Camden, Town of	262,000	4.18%	1	12/01/08	Revenue
Swayzee, Town of	258,288	3.00%	1	05/07/96	Revenue
Fulda RSD	258,071	2.69%	1	10/01/04	Revenue
Kirklin, Town of	234,000	2.31%	1	12/22/09	Revenue
Lake County	217,387	0.00 to 3.50%	1	06/30/00	Revenue
Teleg. Hill Rykers Ridge RSD	215,400	3.80%	1	02/28/03	Revenue
Lake Dalecarlia RWD	214,000	3.90%	1	05/21/01	Revenue
Dugger, Town of	185,000	2.87%	1	07/31/09	Revenue
Ladoga, Town of	185,000	3.38%	1	05/21/09	Revenue
Windfall, Town of	184,000	0.00 to 2.90%	1	06/29/00	Revenue
Ashley, Town of	177,000	3.50%	1	05/07/96	Revenue
Clayton, Town of	165,000	3.90%	1	09/30/98	Revenue
Roachdale, Town of	157,000	0.00 to 2.90%	1	08/27/99	Revenue
Kouts, Town of	141,194	3.00 to 3.40%	2	04/15/94	Revenue
St. Joe/Spencerville RSD	102,998	0.00 to 2.00%	1	09/22/94	Revenue
Elwood, City of	102,000	1.90%	1	12/01/05	Revenue
Elizabethtown, Town of	91,000	0.00 to 2.90%	1	10/29/97	Revenue
Medaryville, Town of	80,000	0.00 to 2.00%	1	12/28/94	Revenue ¹⁴
Clay City, Town of	77,016	0.00 to 2.90%	1	07/10/98	Revenue
Millersburg, Town of	66,000	3.83%	1	06/27/06	Revenue
Farmland, Town of	45,000	3.50%	1	12/07/94	Revenue
Arlington RWD	38,000	4.10%	<u>1</u>	12/31/01	Revenue ¹⁴

Subtotal Wastewater Loans

\$ 1,714,192,924

339

Participant ²	Maximum Loan Balance After Payments ³	Loan Rate ⁴	Number of SRF Loans ⁵	First Loan Closing Date	Nature of Pledge ⁶
<i>Drinking Water Loans</i>					
Fort Wayne, City of	\$47,550,000	2.967 to 3.950%	3	12/13/06	Revenue
East Chicago, City of	36,125,000	2.81 to 4.44%	3	06/17/02	Revenue
Bloomington, City of	19,621,000	0.000 to 3.746%	4	06/23/00	Revenue
Bargersville, Town of	18,395,000	1.79 to 2.87%	2	06/27/11	Revenue
Greensburg, City of	13,687,100	0.00%	2	07/19/07	Revenue or TIF
Lake Station, City of	11,697,000	1.98 to 2.00%	2	12/13/12	Revenue
Ind. Amer. Water Co.	9,805,171	1.79 to 2.90%	5	01/05/01	General Credit
Huntington, City of	9,653,000	3.37%	1	06/29/11	Revenue
Martinsville, City of	8,083,000	3.67%	1	12/28/07	Revenue
Whitestown, Town of	7,760,000	2.00 to 3.38%	4	12/29/05	Revenue
Michigan City, City of	5,919,916	0.00 to 2.90%	1	06/30/00	Revenue ¹⁴
Speedway, Town of	5,857,000	1.560 to 3.746%	2	10/26/11	Revenue
New Chicago, Town of	5,760,000	2.12%	1	12/13/12	Revenue
Brownsburg, Town of	5,396,000	3.04 to 3.246%	2	10/26/11	Revenue
Santa Claus, Town of	5,046,000	3.68%	1	10/30/08	Revenue
Syracuse, Town of	4,584,568	3.19%	1	11/29/04	Revenue
Brazil, City of	4,436,000	2.92%	1	06/21/10	Revenue
Middlebury, Town of	4,359,000	3.95%	1	08/28/06	Revenue
Rensselaer, City of	4,280,000	1.79%	1	12/14/11	Revenue
Patriot, Town of	4,018,056	3.20%	1	08/04/06	Revenue
Huntingburg, City of	3,992,000	0.00 to 2.90%	1	08/29/00	Revenue
Gas City, City of	3,979,940	0.00 to 2.90%	2	06/30/00	Revenue
Beverly Shores Bldg. Corp.	3,712,000	3.51%	1	12/30/03	Lease ⁹
Long Beach, Town of	3,570,000	2.90%	1	12/30/05	Revenue
Cedar Lake, Town of	3,548,000	2.69 to 3.15%	3	07/22/05	Revenue
LaPorte, City of	3,365,000	3.62%	1	06/30/11	Revenue
North Manchester, Town of	3,223,824	0.00 to 3.88%	2	06/01/00	Revenue
Chandler, Town of	3,123,000	2.92%	1	05/26/10	Revenue
Danville, Town of	3,068,174	3.76 to 3.90%	3	11/30/01	Revenue
N. Lawrence Water Authority	3,028,643	2.00 to 3.80%	2	12/09/02	Revenue ⁹
Madison, City of	3,023,500	0.00 to 3.88%	2	04/21/00	Revenue
Reelsville Water Auth.	2,795,000	1.00%	1	05/29/13	Revenue ⁹
Ingalls, Town of	2,586,000	2.90 to 4.44%	4	08/09/01	Revenue
Princeton, City of	2,515,000	2.31%	1	03/31/10	Revenue
Vincennes, City of	2,492,104	3.30%	1	03/27/03	Revenue
Upland, Town of	2,468,212	3.15%	1	09/29/05	Revenue
Plainfield, Town of	2,227,000	3.87%	1	09/08/09	Revenue
Bedford, City of	2,220,000	0.00 to 2.90%	1	04/14/99	Revenue

See Footnotes on Pages A-12 to A-13

Dunkirk, City of	2,132,000	0.00 to 2.92%	2	06/30/00	Revenue
Petersburg, City of	2,054,000	0.00 to 2.90%	2	06/23/00	Revenue
Mt. Vernon, City of	2,005,000	3.50%	1	06/04/01	Revenue
Fortville, Town of	1,927,278	3.31%	1	10/15/09	Revenue
Dupont Water Co.	1,869,000	3.17%	1	09/05/07	Revenue ⁹
Logansport, City of	1,696,000	3.30%	1	10/15/01	Revenue
Monticello, City of	1,644,444	2.90%	1	01/29/01	Revenue
Boonville, City of	1,489,500	3.38%	1	05/01/09	Revenue
Rockville, Town of	1,477,000	3.52%	1	01/08/04	Revenue
Hebron, Town of	1,416,000	3.90%	1	06/18/01	Revenue
South Bend, City of	1,410,112	0.00 to 3.37%	2	06/12/00	Revenue
Cambridge City, Town of	1,371,556	2.32%	1	10/13/10	Revenue
Jackson Co. Water Utility, Inc.	1,371,000	3.38%	1	06/01/09	Revenue ⁹
Brookston, Town of	1,366,000	4.39%	1	05/30/07	Revenue
Scottsburg, City of	1,361,000	0.00 to 3.44%	2	08/29/00	Revenue
Aberdeen-Pate Water Co., Inc.	1,341,000	4.50%	1	04/25/06	Revenue ⁹
Greenville, Town of	1,245,000	2.03%	1	09/24/12	Revenue
Greentown, Town of	1,229,000	4.50%	1	07/24/03	Revenue
Walkerton, Town of	1,212,000	0.00 to 2.90%	1	06/22/00	Revenue
Edwardsville Water Corp.	1,183,000	3.31%	1	01/15/08	Revenue ⁹
Elwood, Town of	1,172,000	3.37%	1	07/24/09	Revenue
Clinton, City of	1,157,000	3.44%	1	10/05/04	Revenue
Brown County Water Co.	1,153,260	3.50%	1	03/22/02	Revenue ⁹
Liberty, Town of	1,132,477	0.00 to 3.63%	2	03/27/00	Revenue
Goshen, City of	1,095,411	3.06%	1	10/15/09	Revenue
Churubusco, Town of	1,090,000	3.38%	1	06/23/09	Revenue
Jonesboro, City of	1,090,000	3.19%	1	03/30/05	Revenue
Peru Muni. Bldg. Corp.	1,080,000	0.00 to 2.90%	1	08/10/99	Lease
Owensville, Town of	1,050,000	1.50%	1	02/28/13	Revenue
Elnora, Town of	1,038,000	2.36%	1	12/16/13	Revenue
North Vernon, City of	1,033,000	2.67%	1	04/28/10	Revenue
Arcadia, Town of	975,000	2.10%	1	05/08/14	Revenue
Palmyra, Town of	967,000	3.10%	1	02/28/03	Revenue
Brooklyn, Town of	947,000	1.75%	1	05/16/13	Revenue
Russiaville, Town of	927,690	3.19%	1	10/05/04	Revenue
Cumberland, Town of	900,000	3.37%	1	06/08/11	Revenue
Bruceville, Town of	887,000	2.00%	1	05/28/14	Revenue
Linton, City of	873,000	2.60%	1	05/28/14	Revenue
Centerville, Town of	841,828	2.42 to 3.3%	2	10/10/02	Revenue
Rockport, City of	815,000	0.00 to 2.90%	1	06/30/00	Revenue ¹¹
Georgetown, Town of	777,933	3.90%	1	12/20/01	Revenue
Cataract Lake Water Corp.	760,000	2.17%	1	08/04/10	Revenue ⁹
Tell City, City of	755,000	0.00 to 2.90%	1	06/26/00	Revenue
Fowler, Town of	746,980	3.50%	1	05/24/02	Revenue
Wolcottville, Town of	712,000	2.90%	1	12/15/05	Revenue

See Footnotes on Pages A-12 to A-13

Royal Center, Town of	703,281	2.90%	1	03/22/02	Revenue
North Dearborn Water Corp.	677,000	2.81%	1	10/15/09	Revenue ⁹
Walton, Town of	665,000	2.87%	1	01/31/11	Revenue
Williamsport, Town of	638,865	2.90%	1	12/28/01	Revenue
Patoka, Town of	589,688	0.00 to 2.90%	2	08/29/00	Revenue
Linden, Town of	579,251	2.90%	1	10/30/06	Revenue
LaFontaine, Town of	578,000	2.81%	1	11/04/09	Revenue
Converse, Town of	559,000	3.18%	1	12/30/08	Revenue
Oxford, Town of	545,000	0.00 to 2.90%	2	06/12/00	Revenue
Flora, Town of	518,000	0.00 to 2.90%	1	02/24/00	Revenue
Cicero, Town of	510,000	3.90%	1	12/20/99	Revenue
Sharpsville, Town of	487,000	3.44%	1	11/29/04	Revenue
Clay City, Town of	476,000	0.00 to 2.90%	1	06/30/00	Revenue
Spiceland, Town of	450,000	2.00%	1	06/11/13	Revenue
Van Buren, Town of	429,000	0.00 to 3.50%	1	06/30/00	Revenue ¹⁰
St. Paul, Town of	425,320	4.00%	1	10/21/02	Revenue
Atlanta, Town of	404,000	3.15%	1	09/08/05	Revenue
Bloomington, Town of	371,000	2.25%	1	06/28/13	Revenue
Perrysville, Town of	361,000	3.50%	1	04/23/02	Revenue
Gospport, Town of	342,000	0.00 to 2.90%	1	08/29/00	Revenue
Hope, Town of	336,000	3.15%	1	09/29/05	Revenue
Odon, Town of	327,000	3.69%	1	12/29/04	Revenue
Shipshewana, Town of	312,495	0.00 to 2.90%	1	08/29/00	Revenue
And-Tro Water Authority	302,000	3.12 to 3.60%	2	07/10/03	Revenue
Grabill, Town of	290,000	3.90%	1	04/10/00	Revenue
Fremont, Town of	284,000	0.00 to 3.50%	1	06/28/00	Revenue
New Market, Town of	270,000	3.50%	1	04/09/01	Revenue
Lewisville, Town of	258,000	0.00 to 3.50%	2	08/29/00	Revenue
Pittsboro, Town of	257,423	3.65%	1	10/31/05	Revenue
Rosedale, Town of	251,949	3.42%	1	12/28/07	Revenue
Chalmers, Town of	243,626	4.39%	1	05/30/07	Revenue
Mitchell, City of	241,100	2.06%	1	12/22/09	Revenue
Glenwood, Town of	235,000	2.00%	1	10/13/10	Revenue
Sugar Creek Water Utility Co, Inc.	231,000	2.48%	1	10/29/10	Revenue ⁹
Union City, City of	230,000	3.37%	1	07/20/09	Revenue
Marshall, Town of	224,000	2.65%	1	12/29/06	Revenue
Cannelton, City of	189,315	0.00 to 2.90%	1	08/28/00	Revenue
Mt. Summit, Town of	180,000	0.00 to 2.90%	2	06/19/00	Revenue
Camden, Town of	171,739	0.00 to 3.50%	1	04/19/99	Revenue
Kouts, Town of	158,585	0.00 to 3.50%	1	08/29/00	Revenue
LaGro, Town of	147,865	3.77%	1	02/27/04	Revenue
Cromwell, Town of	131,000	0.00 to 3.50%	1	06/30/00	Revenue
St. Joe, Town of	124,700	0.00 to 3.50%	1	06/28/00	Revenue
Fairways RWD	122,000	3.90%	1	12/27/99	Revenue
Earl Park, Town of	108,000	2.37%	1	06/22/11	Revenue

See Footnotes on Pages A-12 to A-13

Waldron CD	88,650	3.58%	1	06/28/04	Revenue
Universal, Town of	77,846	3.64%	1	12/30/04	Revenue
Arlington RWD	<u>47,000</u>	3.90%	<u>1</u>	12/31/01	Revenue ¹⁴
<i>Subtotal Drinking Water Loans</i>	<u>\$ 357,895,375</u>		<u>172</u>		
<i>TOTAL SRF LOANS</i>	<u>\$2,072,088,299</u>		<u>511</u>		

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ADDITIONAL LOANS¹²

<u>Participant²</u>	<u>Maximum Loan Amount</u>	<u>Loan Rate</u>	<u>Loan Closing Date</u>	<u>Nature of Pledge⁶</u>
<i><u>Wastewater Loans made or scheduled to be made</u></i>				
Whitestown, Town of	\$14,210,000	2.00%	07/09/14	Revenue ¹³
Fort Wayne, City of	17,000,000	2.35%	07/17/14	Revenue ¹³
Berne, City of	7,930,000	2.17%	07/24/14	Revenue ¹³
Monticello, City of	3,862,000	2.00%	08/15/14	Revenue
Madison, City of	5,886,000	2.00%	09/29/14	Revenue ¹³
Tipton, City of	7,277,000	2.00%	09/30/14	Revenue ¹³
Ligonier, City of	4,965,000	3.02%	11/20/14	Revenue/TIF
Fort Wayne, City of	65,887,000	3.074%	11/20/14	Revenue ¹³
Bluffton, City of	5,718,000	3.02%	11/25/14	Revenue
Elwood, City of	8,000,000	2.00%	12/15/14	Revenue
West Lafayette, City of	2,610,000	2.10%	12/15/14	Revenue ¹³
Logansport, City of	6,700,000	2.00%	12/15/14	Revenue ¹³
Evansville, City of	35,415,000	2.00%	12/15/14	Revenue ¹³
Newburgh, Town of	4,815,000	2.25%	12/31/14	Revenue ¹³
<i>Subtotal Wastewater Loans</i>	<u>\$190,275,000</u>			
<i><u>Drinking Water Loans made or scheduled to be made</u></i>				
Washington Township Water Authority	\$1,500,000	2.00%	09/26/14	Revenue
Schneider, Town of	229,000	2.05%	10/16/14	Revenue
Yorktown, Town of	1,200,000	2.35%	12/02/14	Revenue
Greencastle, City of	2,900,000	2.00%	12/15/14	Revenue
Gentryville, Town of	295,000	2.00%	12/15/14	Revenue
Colfax, Town of	600,000	2.10%	12/15/14	Revenue
Jackson County Water Utility, Inc.	4,960,000	2.00%	12/15/14	Revenue ⁹
<i>Subtotal Drinking Water Loans</i>	<u>\$ 11,684,000</u>			
<i>Total Additional Loans</i>	<u>\$201,959,000</u>			

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Footnotes to Appendix A

- 1 Prior to November 6, 1998, all Loans were Wastewater Program Loans. Wastewater Program Loans and Drinking Water Program Loans are separately captioned. Loans closed (and Loan payments made) after June 30, 2014, are not reflected in this table. However, certain closed Loans (and other scheduled Loan closings) are shown under the caption “ADDITIONAL LOANS.” See “SRF PROGRAMS—Participant Loans.”
- 2 As of June 30, 2014, Loans have been made to these Participants for Eligible Projects. “CD” means Conservancy District, “RSD,” “RWD” or “RWSD” means Regional Water and/or Sewer District, and “SD” means Sanitary District.
- 3 As of June 30, 2014, the maximum amount (in \$) of outstanding Loans represents the remainder of (a) principal amount of each outstanding Loan when made or the amount committed to be loaned, as applicable, less (b) principal repayments made by the Participants to the SRF Trustee as payments on the Loan as of June 30, 2014.

As of June 30, 2014, the original maximum amounts of outstanding Loans aggregated approximately \$2.659 billion. As of June 30, 2014, amounts disbursed on outstanding Loans by the SRF Trustee (inclusive of disbursement requests submitted to the Finance Authority and in process for disbursement by the SRF Trustee), aggregated approximately \$2.589 billion. As of June 30, 2014, principal repayments on outstanding Loans made by the Participants to the SRF Trustee aggregated approximately \$587 million. The “amounts disbursed” less “principal payments” represents the outstanding principal balance of closed Loans outstanding as of June 30, 2014.

To the extent a project has been completed without the need to borrow the original maximum Loan amount, the maximum Loan amount has been adjusted downward to reflect a final Loan amount. Additionally, the maximum Loan amount may from time to time be reduced after a Loan closing upon agreement of the Participant and the Finance Authority.
- 4 Interest rate per annum on Loans. For Participants with multiple Loans, the range of interest rates on those Loans is shown. Loans listed with 0% interest received interest free treatment for a period ranging 1 to 3 years after the listed Loan closing date (each of which 0% interest periods expired by August 29, 2002) and thereafter are charged interest at the other interest rate listed if the Participant has only one Loan or at an interest rate up to the other interest rate listed if the Participant has multiple Loans. See “SRF PROGRAMS—Participant Loans—*Interest Rate.*”
- 5 Certain Participants have closed more than one Loan, and in such circumstances only the date of their initial Loan closing has been listed under “first loan closing date.”
- 6 “GO” means the Participant Loans for each such Participant are secured by pledges of property tax revenues. “Revenue” means the Participant Loans for each such Participant are secured by pledges of net revenue (defined as gross revenues after deduction for the payment of the reasonable expenses of operation, repair and maintenance) from the wastewater utility, storm water utility or water utility. “Lease” means the Participant Loans for such Participant are secured by a pledge of lease rental payments to be made from local economic development income taxes, property taxes or other sources. “EDIT” means the Participant Loans for such Participant are secured by a pledge of local economic development income taxes. “General Credit” means the Loan is payable from and secured by the general credit of the Participant. With respect to GO and General Credit Loans, the remedies and property taxes available to the holder of GO or General Credit indebtedness may be necessarily limited by applicable constitutional, state and case law attributes applicable to such indebtedness. See “SRF PROGRAMS—Participant Loans.”
- 7 On August 26, 2011, the City of Indianapolis Sanitary District, acting through The Indianapolis Local Public Improvement Bond Bank, caused all obligations evidencing the SRF Program Loans for such Participant (collectively, the “Defeased Indianapolis SRF Loans”), as then held by the SRF Program, to be redeemed or defeased in their entirety pursuant to an escrow deposit agreement. Such escrow deposit agreement evidences a deposit of money and State and Local Government Series (SLGS) (the “Indianapolis Escrow Funds”) to various

subaccounts of the escrow account created by such escrow deposit agreement. Accordingly, the Defeased Indianapolis SRF Loans are payable solely from the Indianapolis Escrow Funds. Subject to the right of the Finance Authority to cause any escrow subaccount held under such escrow deposit agreement to be terminated early in exchange for the simultaneous cancellation of the related Defeased Indianapolis SRF Loans, each of the Defeased Indianapolis SRF Loans will be paid according to their original terms, except for the early redemption fixed to occur pursuant to such escrow deposit agreement. Scheduled redemptions occurred pursuant to such escrow deposit agreement at the following redemption prices (together with any accrued and unpaid interest not included at the following amounts): \$5,148,960 on July 1, 2014; and \$14,823,660 on January 1, 2015. See “INTRODUCTION—Plan of Finance.”

- 8 As requested by the Participant, the Finance Authority made the Loan using up to a 30-year amortization with a balloon payment 20 years after the estimated substantial completion of the project. See “SRF PROGRAMS—Participant Loans.”
- 9 In addition to being secured by a pledge of net revenues, the Participant Loans for each such Participant are secured by certain mortgage interests in real property and, in some cases, security interests in personal property. Such Participant is either (a) using a lease structure or (b) a nonprofit or for-profit water utility or a nonprofit water utility that has elected to be reconstituted as a water authority, rather than a traditional political subdivision which under Indiana law may not grant mortgage interests.
- 10 In addition to being secured by a pledge of net revenues, the Participant Loans for each such Participant are secured by pledges of tax increment (pursuant to Indiana Code 36-7-14 et. seq.), local economic development income taxes, property taxes or other tax sources.
- 11 In addition to being secured by a pledge of net revenues, the Participant Loans for each such Participant are secured by pledges of certain contractual payments (which are unrelated to the operation of the utility improved with its Loan) pursuant to Indiana Code 5-1-14-4.
- 12 Reflects (a) Loans closed after June 30, 2014, but prior to the date of this Official Statement and (b) Loans that are currently scheduled to be closed during the period ending 45 days after the date of this Official Statement. “CD” means Conservancy District, “RSD,” “RWD” or “RWSD” means Regional Water and/or Sewer District, and “SD” means Sanitary District.
- 13 See “ADDITIONAL LOANS” in this Appendix A for additional Loans closed with this Participant after June 30, 2014 (or for additional Loans currently scheduled to be closed with this Participant during the period ending 30 days after the date of this Official Statement), which additional Loans are not reflected in this table. This notation has only been made in this table for Participants with aggregate maximum Loan amounts for their Wastewater Program Loans or Drinking Water Program Loans, respectively, in excess of \$10 million.
- 14 Such Participant has caused one or more of its Loans to be prepaid (or has given notice of optional redemption for one or more its Loans) after June 30, 2014 and prior to the date of this Official Statement. The following prepayments of Loan principal have been noted for the designated Participants: City of New Albany prepaid principal in the amount of \$28,191,000 (Wastewater SRF Program); Hammond Sanitary District prepaid principal in the amount of \$11,895,000 (Wastewater SRF Program); City of Michigan City prepaid principal in the amount of \$5,919,916 (Drinking Water SRF Program); Arlington Regional Waste District prepaid principal in the amount of \$85,000 (Wastewater and Drinking Water SRF Programs); City of Crown Point prepaid principal in the amount of \$1,475,000 (Wastewater SRF Program); City of New Castle prepaid principal in the amount of \$3,280,000 (Wastewater SRF Program); City of West Lafayette prepaid principal in the amount of \$12,340,000 (Wastewater SRF Program); City of Huntingburg prepaid principal in the amount of \$3,542,000 (Drinking Water SRF Program); Town of DeMotte prepaid principal in the amount of \$1,485,000 (Wastewater SRF Program); Town of Dale prepaid principal in the amount of \$1,320,000 (Wastewater SRF Program); and Town of Medaryville prepaid principal in the amount of \$40,000 (Wastewater SRF Program). Because such prepayments occurred after June 30, 2014, such prepaid principal amounts have not applied to reduce the amounts shown in the Maximum Loan Balance After Payment column in this Appendix A.

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APPENDIX B

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

**COMBINED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

June 30, 2014 and 2013

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

COMBINED FINANCIAL STATEMENTS

June 30, 2014 and 2013

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

CONTENTS

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	4
COMBINED FINANCIAL STATEMENTS	
COMBINED STATEMENTS OF NET POSITION	9
COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	10
COMBINED STATEMENTS OF CASH FLOWS	11
NOTES TO COMBINED FINANCIAL STATEMENTS	12
OTHER SUPPLEMENTARY INFORMATION	
COMBINING SCHEDULES - STATEMENTS OF NET POSITION INFORMATION	36
COMBINING SCHEDULES - STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INFORMATION	37
COMBINING SCHEDULES - STATEMENTS OF CASH FLOWS INFORMATION	38

Independent Auditors' Report

Members of the Indiana Finance Authority
State Revolving Fund Loan Programs

Report on the Financial Statements

We have audited the accompanying combined financial statements of the State Revolving Fund Loan Programs, an enterprise fund of the Indiana Finance Authority, which comprise the combined statements of net position as of June 30, 2014 and 2013, and the related combined statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the State Revolving Fund Loan Programs at June 30, 2014 and 2013, and the changes in their net position and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Change in Accounting Principle

As discussed in Note 1 to the combined financial statements, in fiscal year 2014, the State Revolving Fund Loan Programs adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic combined financial statements. Such information, although not a part of the basic combined financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic combined financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic combined financial statements, and other knowledge we obtained during our audit of the basic combined financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Other Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2014, on our consideration of the State Revolving Fund Loan Programs' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State Revolving Fund Loan Programs' internal control over financial reporting and compliance.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
September 25, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (UNAUDITED)
June 30, 2014

As management of the State Revolving Fund Loan Programs (SRF Programs), we offer readers of the SRF Programs' combined financial statements this narrative overview (Management's Discussion and Analysis (MD&A)) of the financial activities of the SRF Programs for the fiscal year ended June 30, 2014. All amounts, unless otherwise indicated, are expressed in thousands of dollars and are approximate.

Financial Highlights: The SRF Programs' total net position increased by \$36.4 million during the current fiscal year from \$1,208.9 million to \$1,245.3 million. Non operating revenues consisted of \$58.5 million of capital contributions (grants) from the U.S. Environmental Protection Agency (EPA) during fiscal year 2014. SRF Program's net position is restricted for water pollution and drinking water projects and related SRF Program purposes.

During the current fiscal year, the SRF Programs' debt decreased by \$322.6 million. The net decrease in debt is the result of the partial defeasance of Series 2006A, 2006B, 2007A and 2007B bonds, the partial cash defeasance of the Series 2004B, 2004C, 2005A, 2006A, 2006B, 2007A, and 2007B bonds totaling \$308 million, scheduled principal payments on outstanding debt totaling \$101.6 million and the issuance of \$87 million in new bonds.

The SRF Programs disbursed \$127.7 million to participants during the current year to fund wastewater and drinking water infrastructure project expenses. Loan receivables can be found in Note 3 to the combined financial statements on page 19 of this report.

BASIC COMBINED FINANCIAL STATEMENTS

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

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

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (UNAUDITED)
June 30, 2014

The SRF Programs' basic combined financial statements include statements of net position, statements of revenues, expenses and changes in net position, statements of cash flows, and the notes to the combined financial statements. These combined financial statements can be found on pages 9-11 of this report and are summarized below:

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

The notes to the combined financial statements provide additional information that is essential to a full understanding of the data provided in the combined financial statements. The notes to the combined financial statements can be found on pages 12-35 of this report.

In addition to the basic combined financial statements and accompanying notes, this Report also presents other supplementary information on pages 36-38. These combining schedules are not a required part of the basic combined financial statements, but they provide detailed financial statement information for each individual program. The combining schedules are included to provide other useful information for the readers of the basic combined financial statements.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (UNAUDITED)
June 30, 2014

FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the government enterprise's financial position. In the case of the SRF Programs, net position is \$1,245.3 million at the close of the most recent fiscal year.

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

	2014	June 30, Restated 2013	Restated 2012
Current assets	\$ 747,747	\$ 666,022	\$ 822,691
Noncurrent assets	<u>2,106,753</u>	<u>2,488,404</u>	<u>2,142,616</u>
Total Assets	<u>2,854,500</u>	<u>3,154,426</u>	<u>2,965,307</u>
 Deferred Outflows of Resources	 <u>38,508</u>	 <u>34,427</u>	 <u>34,008</u>
 Current liabilities	 153,408	 139,302	 150,978
Long-term liabilities	<u>1,494,318</u>	<u>1,840,694</u>	<u>1,690,722</u>
Total Liabilities	<u>1,647,726</u>	<u>1,979,996</u>	<u>1,841,700</u>
 Net Position			
Restricted	<u>1,245,282</u>	<u>1,208,857</u>	<u>1,157,615</u>
Total Net Position	<u>\$ 1,245,282</u>	<u>\$ 1,208,857</u>	<u>\$ 1,157,615</u>

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

In fiscal year 2014, participant needs were met with EPA grants, new bond issuances, and funds on hand.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (UNAUDITED)
June 30, 2014

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

	Years Ended June 30,		
	2014	Restated 2013	Restated 2012
Operating Revenues			
Interest-investments	\$ 11,276	\$ 27,274	\$ 56,123
Interest-participants	58,597	63,056	62,991
Other	382	412	457
Total operating revenues	<u>70,255</u>	<u>90,742</u>	<u>119,571</u>
Operating Expenses			
Interest	79,825	75,028	77,595
Bond issuance costs	963	2,593	1,312
Trustee fees	51	368	34
Other program and administrative	342	3,151	2,629
Total operating expenses	<u>81,181</u>	<u>81,140</u>	<u>81,570</u>
Operating Income (Loss)	(10,926)	9,602	38,001
Nonoperating Revenues and (Expenses)			
Capital contributions (EPA Grants)	58,515	45,058	64,720
Loan forgiveness	(11,164)	(3,418)	(19,632)
Total nonoperating revenues	<u>47,351</u>	<u>41,640</u>	<u>45,088</u>
Increase in Net Position	36,425	51,242	83,089
Net Position:			
Beginning of Year	<u>1,208,857</u>	<u>1,157,615</u>	<u>1,074,526</u>
End of Year	<u>\$1,245,282</u>	<u>\$1,208,857</u>	<u>\$1,157,615</u>

The SRF Programs' net position increased by \$36.4 million during the current fiscal year. Key elements of this increase are as follows:

- The SRF Programs received \$58.5 million in capital contributions (grants) from the EPA for qualified wastewater and drinking water projects and related program purposes.
- Operating expenses exceeded interest income on investments and loans by \$10.9 million.
- The majority of the ARRA grants were loaned to communities and are forgivable under the terms of the Act and offset the increases mentioned above.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A") (UNAUDITED)
June 30, 2014

DEBT ADMINISTRATION

Long-term Debt: At the end of the current fiscal year, the SRF Programs' debt, net of premium/discount was \$1.62 billion. The amount due represents bonds issued solely for the State Revolving Fund Loan Programs.

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

	2014	Restated 2013	Restated 2012
Net Bond Indebtedness	<u>\$ 1,618,472</u>	<u>\$ 1,941,041</u>	<u>\$ 1,805,572</u>

During the current fiscal year, the SRF Programs' debt decreased by \$322.6 million. The net decrease in debt is the result of the partial defeasance of Series 2006A, 2006B, 2007A, and 2007B bonds, the partial cash defeasance of the Series 2004B, 2004C, 2005A, 2006A, 2006B, 2007A and 2007B bonds totaling \$308 million, scheduled principal payments on outstanding debt totaling \$101.6 million and the issuance of \$87 million in new bonds.

Additional information on the SRF Programs' long-term debt can be found in Notes 6 and 7 to the combined financial statements on pages 22-34 of this report.

REQUESTS OF INFORMATION

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

COMBINED FINANCIAL STATEMENTS

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
COMBINED STATEMENTS OF NET POSITION
June 30, 2014 and 2013

	2014	Restated 2013
ASSETS		
Current Assets:		
Cash and equivalents	\$ 549,025,069	\$ 493,861,893
Interest receivable	24,316,900	26,425,118
Due from EPA	46,993,853	40,474,294
Accounts receivable	2,000	-
Loans receivable, net	127,408,955	105,260,264
Total Current Assets	<u>747,746,777</u>	<u>666,021,569</u>
Noncurrent Assets:		
Investments	231,884,055	518,226,287
Loans receivable, net	1,874,482,032	1,969,812,523
Equipment, net	386,900	365,214
Total Noncurrent Assets	<u>2,106,752,987</u>	<u>2,488,404,024</u>
Total Assets	<u>2,854,499,764</u>	<u>3,154,425,593</u>
DEFERRED OUTFLOWS OF RESOURCES		
Loss on debt refunding	38,507,781	34,426,617
Total Deferred Outflows of Resources	<u>38,507,781</u>	<u>34,426,617</u>
LIABILITIES		
Current Liabilities:		
Interest payable	28,808,203	35,849,456
Accounts payable	445,279	277,035
Amount due to federal government	-	1,610,500
Bonds payable-current, net	124,155,000	101,565,000
Total Current Liabilities	<u>153,408,482</u>	<u>139,301,991</u>
Long-term Liabilities:		
Amount due to federal government	-	1,217,727
Bonds payable, net	1,494,317,475	1,839,475,821
Total Long-term Liabilities	<u>1,494,317,475</u>	<u>1,840,693,548</u>
Total Liabilities	<u>1,647,725,957</u>	<u>1,979,995,539</u>
NET POSITION		
Restricted for water pollution and drinking water projects and other related program purposes	<u>\$ 1,245,281,588</u>	<u>\$ 1,208,856,671</u>

See accompanying notes.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended June 30, 2014 and 2013

	2014	Restated 2013
OPERATING REVENUE		
Interest income-investments	\$ 11,275,204	\$ 27,273,918
Interest income-loan participants	58,597,140	63,056,024
Administration and premium fees	20,000	37,000
Other	362,393	375,530
Total Operating Revenue	70,254,737	90,742,472
OPERATING EXPENSES		
Interest	79,824,910	75,028,394
Bond issuance costs	962,963	2,593,194
Trustee fees	51,351	367,612
Other program and administrative	341,636	3,151,680
Total Operating Expenses	81,180,860	81,140,880
OPERATING INCOME (LOSS)	(10,926,123)	9,601,592
NONOPERATING REVENUES AND (EXPENSES)		
Capital contributions	58,515,340	45,058,614
Loan forgiveness	(11,164,300)	(3,418,300)
Total Nonoperating Revenues and (Expenses)	47,351,040	41,640,314
INCREASE IN NET POSITION	36,424,917	51,241,906
NET POSITION		
Beginning of Year	1,208,856,671	1,157,614,765
End of Year	\$ 1,245,281,588	\$ 1,208,856,671

See accompanying notes.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
COMBINED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2014 and 2013

	2014	Restated 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash payments for salaries, administrative and other expenses	\$ (2,692,577)	\$ (2,163,114)
Administration fee	20,000	37,000
Net Cash Used by Operating Activities	<u>(2,672,577)</u>	<u>(2,126,114)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Maturities of loans to participants	200,910,491	265,575,279
Issuance of loans to participants	(127,728,691)	(400,128,598)
Change in investments	286,342,232	(193,860,775)
Interest received on loans and investments	71,980,562	81,696,082
Purchase of capital assets	(21,686)	(101,000)
Net Cash Provided (Used) by Investing Activities	<u>431,482,908</u>	<u>(246,819,012)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Proceeds from debt issuance	86,925,000	349,126,533
Principal payments to reduce indebtedness including refunding	(413,574,510)	(214,076,535)
Payment of debt issuance costs, net of refunding	(962,963)	(2,593,194)
Interest paid on debt	(86,866,163)	(73,182,198)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(414,478,636)</u>	<u>59,274,606</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital contributions (EPA grants)	51,995,781	47,845,989
Issuance of forgivable loans to participants	(11,164,300)	(3,418,300)
Net Cash Provided by Capital Financing Activities	<u>40,831,481</u>	<u>44,427,689</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	55,163,176	(145,242,831)
CASH AND EQUIVALENTS		
Beginning of Year	<u>493,861,893</u>	<u>639,104,724</u>
End of Year	<u>\$ 549,025,069</u>	<u>\$ 493,861,893</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (10,926,123)	\$ 9,601,592
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Interest income	(69,872,344)	(90,329,942)
Interest expense	79,824,910	75,028,394
Bond issuance costs	962,963	2,593,194
Changes in assets and liabilities:		
Accounts receivable	(2,000)	-
Accounts payable	168,244	(18,061)
Amount due to federal government	(2,828,227)	998,709
Net Cash Used by Operating Activities	<u>\$ (2,672,577)</u>	<u>\$ (2,126,114)</u>

See accompanying notes.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The SRF Programs follow GASB pronouncements as codified under GASB Statement No. 62.

The SRF Programs adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The application of GASB Statement No. 65 required a restatement of previously presented net position.

The following is a reconciliation of the beginning net position:

Net position at June 30, 2012, as previously reported	\$ 1,165,910,992
Adoption of GASB No. 65	<u>(8,296,227)</u>
Net position at June 30, 2012, as restated	1,157,614,765
Increase in net position during June 30, 2013, as previously reported	52,424,499
Decrease in change in net position during June 30, 2013 due to Adoption of GASB No. 65	<u>(1,182,593)</u>
Net position at June 30, 2013, as restated	<u>\$ 1,208,856,671</u>

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Indiana Bond Bank, on behalf of the SRF Programs, issued Series 2001A, 2002A, 2002B, 2004B, and 2004C Bonds, which by operation of law effective May 15, 2005, such liabilities of the SRF Programs became the liabilities of the Authority instead of the Indiana Bond Bank. Additionally, the Authority issued Series 2005A, 2006A, 2006B, 2007A, 2007B, 2009A, 2010A, 2010B, 2010C, 2011A, 2012A, 2012B, 2012C, 2013A, 2014A and 2014B Bonds in respect of the SRF Programs. Such liabilities are summarized in Note 6 and are secured by a common trust estate supported in part by participant loan repayments.

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

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

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

Investments: Investments are recorded at fair value, based on quoted market prices of the investment or similar investments. For investments at June 30, 2014 and 2013, fair value approximates cost. Changes in the fair value of investments are included in the combined statements of revenues, expenses and changes in net position.

Allowance for Doubtful Accounts: Management's estimate of the allowance for doubtful accounts is determined through a review of individual loan balances' collectability, as well as the forgivable loans disbursed pursuant to the American Recovery and Reinvestment Act. The allowance for doubtful accounts was \$24,092,658 and \$35,289,254 at June 30, 2014 and 2013, respectively.

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Subsequent Events: The Authority has evaluated the combined financial statements for subsequent events occurring through September 25, 2014, the date the combined financial statements were available to be issued.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013

NOTE 2 - CASH AND EQUIVALENTS AND INVESTMENTS

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

A summary of cash and equivalents and investments as of June 30, 2014 and 2013 follows:

	<u>2014</u>		
	<u>Wastewater</u>	<u>Drinking Water</u>	<u>Total</u>
Cash	\$ 83,099	\$ 55,940	\$ 139,039
Bank deposits	11,979,253	-	11,979,253
Money market funds	382,803,473	85,191,230	467,994,703
Government obligations	<u>214,114,890</u>	<u>86,681,239</u>	<u>300,796,129</u>
	<u>\$ 608,980,715</u>	<u>\$ 171,928,409</u>	<u>\$ 780,909,124</u>
	<u>2013</u>		
	<u>Wastewater</u>	<u>Drinking Water</u>	<u>Total</u>
Cash	\$ 721	\$ 742	\$ 1,463
Bank deposits	13,669,528	-	13,669,528
Money market funds	418,440,174	63,825,284	482,265,458
Government obligations	<u>394,874,205</u>	<u>121,277,526</u>	<u>516,151,731</u>
	<u>\$ 826,984,628</u>	<u>\$ 185,103,552</u>	<u>\$1,012,088,180</u>

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 2 - CASH AND EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investment Type and Interest Rate Risk Disclosure: As of June 30, 2014, the SRF Programs had the following investments and maturities (amounts are in thousands):

	Wastewater				
	Investment Maturities (in years)				
	Fair Value	< 1	1 - < 5	5 - < 10	> 10
Bank deposits	\$ 11,979	\$ 2,241	\$ 9,738	\$ -	\$ -
Money market funds	382,804	382,804	-	-	-
Government obligations	<u>214,115</u>	<u>72,327</u>	<u>40,575</u>	<u>88,626</u>	<u>12,587</u>
	<u>\$ 608,898</u>	<u>\$ 457,372</u>	<u>\$ 50,313</u>	<u>\$ 88,626</u>	<u>\$ 12,587</u>

	Drinking Water				
	Investment Maturities (in years)				
	Fair Value	< 1	1 - < 5	5 - < 10	> 10
Money market funds	\$ 85,191	\$ 85,191	\$ -	\$ -	\$ -
Government obligations	<u>86,681</u>	<u>6,323</u>	<u>52,327</u>	<u>23,996</u>	<u>4,035</u>
	<u>\$ 171,872</u>	<u>\$ 91,514</u>	<u>\$ 52,327</u>	<u>\$ 23,996</u>	<u>\$ 4,035</u>

Credit Risk Disclosure: The following table (in thousands of dollars) provides information on the credit ratings associated with the SRF Programs' investments in debt securities at June 30, 2014:

	S&P	Fitch	Moody's	Fair Value
Bank deposits	AA+	AAA	Aaa	\$ 11,979
Money market funds	AAAm	unrated	Aaa-mf	210,899
	AAAm	AAAmmf	Aaa-mf	257,096
Government obligations	AA+	AAA	Aaa	<u>300,796</u>
Total Rated Investments				<u>\$ 780,770</u>

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013

NOTE 2 - CASH AND EQUIVALENTS AND INVESTMENTS (CONTINUED)

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

Concentration of Credit Risk: The SRF Programs place no limit on the amount that may be invested in any one issuer. The following table shows investments in issuers that represent 5% or more of the total investments at June 30, 2014:

BlackRock MMF	27%
US Treasury	19%
Federal Government Agency Debt	19%
Goldman Financial Square MM (FSMXX)	16%
Dreyfus Cash Management CI A Fd 288	12%

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 3 - LOANS RECEIVABLE

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

The loans receivable balance at June 30, 2014 and 2013 includes actual advances for construction and related costs on eligible projects net of principal payments from participants as follows:

	Loans Receivable as of June 30, 2014	Loans Receivable as of June 30, 2013	Actual Loan Available Less Principal Repayments as of June 30, 2014
Wastewater Fund	\$1,649,154,320	\$1,697,961,974	\$1,727,063,624
Drinking Water Fund	<u>352,736,667</u>	<u>377,110,813</u>	<u>368,795,988</u>
Total All Loans	<u>\$2,001,890,987</u>	<u>\$2,075,072,787</u>	<u>\$2,095,859,612</u>

These amounts represent projects that have been submitted and approved by the SRF Programs, and the loans have been closed. Loans receivable includes current portions of \$127,408,955 at June 30, 2014 and \$105,260,264 at June 30, 2013.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013

NOTE 3 - LOANS RECEIVABLE (CONTINUED)

As of June 30, 2014, the outstanding balances of closed loans exceeding 50 percent of the total loans receivable and representing the Programs' largest borrowers are summarized below:

Name of Participant	Loans Receivable as of June 30, 2014	Loans Receivable as of June 30, 2013	Actual Loan Available Less Principal Repayments as of June 30, 2014
Wastewater Fund			
City of Indianapolis	\$ 274,576,250	\$ 291,260,500	\$ 274,576,250
City of Terre Haute	152,571,000	153,037,938	152,571,000
City of Evansville	104,705,744	93,376,719	105,541,498
City of Fort Wayne	97,732,676	95,055,325	98,423,711
City of Hammond	82,500,000	84,265,000	82,500,000
City of Columbus	70,276,000	74,045,000	70,276,000
City of Jeffersonville	42,604,549	64,138,487	43,050,000
Drinking Water Fund			
City of Fort Wayne	\$ 47,550,000	\$ 50,843,000	\$ 47,550,000
City of East Chicago	36,125,000	38,120,000	36,125,000
City of Bloomington	19,621,000	21,341,000	19,621,000
Town of Bargersville	18,395,000	18,553,910	18,395,000
City of Greensburg	13,687,100	14,040,450	13,687,100
City of Lake Station	10,908,843	10,098,756	11,697,000
City of Huntington	9,653,000	10,024,000	9,653,000
Indiana American Water Co., Inc	8,122,171	1,545,244	8,122,171
City of Martinsville	8,083,000	8,489,000	8,083,000
City of Michigan City	5,919,916	5,949,916	5,919,916

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013

NOTE 4 - INTEREST RECEIVABLE

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

Interest receivable at June 30, 2014:

	Investments	Loans	Total
Wastewater	\$ 687,036	\$ 19,864,502	\$ 20,551,538
Drinking Water	<u>169,461</u>	<u>3,595,901</u>	<u>3,765,362</u>
	<u>\$ 856,497</u>	<u>\$ 23,460,403</u>	<u>\$ 24,316,900</u>

Interest receivable at June 30, 2013:

	Investments	Loans	Total
Wastewater	\$ 2,204,206	\$ 20,276,288	\$ 22,480,494
Drinking Water	<u>216,124</u>	<u>3,728,500</u>	<u>3,944,624</u>
	<u>\$ 2,420,330</u>	<u>\$ 24,004,788</u>	<u>\$ 26,425,118</u>

NOTE 5 - ARBITRAGE REBATE AND YIELD REDUCTION PAYMENTS TO U.S. TREASURY

Several series of bonds issued by the Indiana Bond Bank, succeeded by the Authority, in connection with the SRF Programs were the subject of legal opinions as of the date of their issuance to the effect that interest on such bonds was excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended ("Code"). Under the Code, such exclusion is conditioned on continuing compliance with certain tax covenants including payment of certain earnings in excess of the bond yield to the U.S. Treasury as rebate or yield reduction payments. Any estimated liabilities, which were calculated as of January 31, 2014, are recorded in both the general short-term debt group for the current portion and the general long-term debt account group for the long-term portion. With respect to such bonds, as of June 30, 2014, the SRF Programs had no liabilities.

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 6 - BONDS PAYABLE

Bonds payable at June 30, 2014 and 2013 for bonds issued on behalf of the SRF Programs are summarized as follows:

	2014	2013
<u>Wastewater Fund:</u>		
Series 2014B Refunding Bonds issued April 24, 2014 for the aggregate amount of \$68,350,000 to refund the callable portion of Series 2006B, 2007A, and 2007B Bonds, maturing from February 1, 2015 to February 1, 2022 at interest rates ranging from 2.00% to 5.00%. Of this, \$53,790,822 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.	\$ 53,790,822	\$ -
Series 2014A Bonds issued April 24, 2014 for the aggregate amount of \$18,575,000 maturing on February 1, 2015 at an interest rate of 2.00%. Of this, \$13,055,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	13,055,000	-
Series 2013A Refunding Bonds issued February 26, 2013 for the aggregate amount of \$45,090,000 to refund the callable portion of Series 2004B, 2004C, 2005A, 2006A, and 2006B Bonds, maturing from February 1, 2015 to February 1, 2027 at interest rates ranging from 3.00% to 5.00%. Of this, \$32,210,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.	32,210,000	32,210,000
Series 2012C Bonds issued December 13, 2012 for the aggregate amount of \$109,595,000, maturing from February 1, 2020 to February 1, 2032 at interest rates ranging from 3.00% to 5.00%. Of this, \$99,415,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program	99,415,000	99,415,000

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 6 - BONDS PAYABLE (CONTINUED)

	2014	2013
Series 2012B Bonds issued August 30, 2012 for the aggregate amount of \$139,255,000, maturing from February 1, 2013 to February 1, 2031 at interest rates ranging from 1.50% to 5.00%. Of this, \$122,110,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	\$ 117,805,000	\$ 117,805,000
Series 2012A Refunding Bonds issued February 8, 2012 for the aggregate amount of \$137,945,000 to refund the callable portion of Series 2001A, 2004B, and 2004C Bonds, maturing from August 1, 2013 to February 1, 2022 at interest rates ranging from 4.75% to 5.375%. Of this, \$126,070,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.	110,740,000	125,130,000
Series 2011A Bonds issued October 26, 2011 for the aggregate amount of \$191,385,000, maturing from February 1, 2012 to February 1, 2030 at interest rates ranging from 1.00% to 5.00%. Of this, \$140,515,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	57,215,000	57,215,000
Series 2010C Refunding Bonds issued October 20, 2010 for the aggregate amount of \$64,925,000 to refund the callable portion of Series 2001A, 2002B, and 2004B Bonds, maturing from February 1, 2020 to February 1, 2023 at an interest rate of 5.00%. Of this, \$57,370,000 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.	57,370,000	57,370,000
Series 2010B Bonds issued October 20, 2010 for the aggregate amount of \$100,000,000, maturing from February 1, 2011 to February 1, 2030 at interest rates ranging from 1.50% to 5.00%. Of this, \$80,000,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	63,055,000	68,740,000

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 6 - BONDS PAYABLE (CONTINUED)

	2014	2013
<p>Series 2010A Refunding Bonds issued February 2, 2010 for the aggregate amount of \$288,970,000 to refund the callable portion of Series 2000B, 2001A, 2002B, 2004B and 2004C Bonds, maturing from February 1, 2011 to February 1, 2024 at interest rates ranging from 2.00% to 5.00%. Of this, \$246,735,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.</p>	\$ 236,445,000	\$ 245,080,000
<p>Series 2009A Bonds issued November 24, 2009 for the aggregate amount of \$138,990,000, maturing from February 1, 2011 to February 1, 2028 at interest rates ranging from 2.00% to 5.00%. Of this, \$121,235,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.</p>	118,830,000	120,955,000
<p>Series 2007B Bonds issued December 13, 2007 for the aggregate amount of \$94,530,000, maturing from February 1, 2010 to February 1, 2028 at interest rates ranging from 4.00% to 5.50%. Of this, \$66,305,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program. In April 2014, \$3,640,000 was refunded and \$29,855,000 was cash defeased.</p>	25,670,000	60,795,000
<p>Series 2007A Bonds issued May 30, 2007 for the aggregate amount of \$71,230,000, maturing from February 1, 2008 to February 1, 2027 at interest rates ranging from 4.00% to 5.00%. Of this, \$61,255,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program. In April 2014, \$28,670,000 was refunded and \$5,465,000 was cash defeased.</p>	27,120,000	61,255,000

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 6 - BONDS PAYABLE (CONTINUED)

	2014	2013
<p>Series 2006B Bonds issued December 13, 2006 for the aggregate amount of \$142,930,000, maturing from February 1, 2008 to February 1, 2028 at interest rates ranging from 3.50% to 5.50%. Of this, \$112,745,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program. In February 2013, \$7,680,000 was refunded. In April 2014, \$22,960,000 was refunded and \$32,865,000 was cash defeased.</p>	\$ 28,130,000	\$ 89,085,000
<p>Series 2006A Bonds issued April 25, 2006 for the aggregate amounts of \$221,355,000, maturing from February 1, 2007 to February 1, 2027 at interest rates ranging from 3.60% to 5.25%. Of this, \$203,760,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program. In February 2013, \$24,945,000 was refunded and \$3,265,000 was cash defeased. In April 2014, \$1,750,000 was refunded and \$50,180,000 was cash defeased.</p>	59,420,000	119,635,000
<p>Series 2005A Refunding Bonds issued December 7, 2005 for the aggregate amount of \$277,930,000 to refund the callable portion of Series 1997A, 1998A, 2000A, 2000B, 2001A, and 2002B Bonds, maturing from February 1, 2006 to February 1, 2029 at interest rates ranging from 3.30% to 5.25%. Of this, \$197,950,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program. In February 2013, \$13,100,000 was cash defeased. In April 2014, \$46,260,000 was cash defeased.</p>	86,590,000	148,495,000
<p>Series 2004C Bonds issued June 23, 2004 for the aggregate amount of \$200,000,000, maturing serially through February 1, 2027 at interest rates ranging from 5.00% to 5.25%. In February 2010, \$31,640,000 was refunded. In February 2012, \$82,335,000 was refunded and in February 2013 \$6,650,000 was cash defeased. In April 2014, \$6,200,000 was cash defeased.</p>	16,400,000	30,210,000

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 6 - BONDS PAYABLE (CONTINUED)

	2014	2013
Series 2004B Bonds issued April 7, 2004 for the aggregate amounts of \$200,000,000, maturing from February 1, 2005 to February 1, 2025 at interest rates ranging from 2.00% to 5.00%. Of this amount, \$167,480,000 was the final allocation to the WSRF Program based upon the percentage of original bond proceeds allocated to each program. In February 2010, \$13,549,109 was refunded. In October 2010, \$6,528,667 was refunded. In February 2012, \$38,610,798 was refunded and in February 2013, \$4,260,000 was cash defeased. In April 2014, \$13,312,319 was cash defeased.	<u>\$ 26,785,274</u>	<u>\$ 57,059,785</u>
Subtotal-Wastewater	<u>1,230,046,096</u>	<u>1,490,454,785</u>
<u>Drinking Water Fund:</u>		
Series 2014B Refunding Bonds issued April 24, 2014 for the aggregate amount of \$68,350,000 to refund the callable portion of Series 2006B, 2007A, and 2007B Bonds, maturing from February 1, 2015 to February 1, 2022 at interest rates ranging from 2.00% to 5.00%. Of this, \$14,559,178 was allocated to the WSRF Program based upon the percentage of the original bond proceeds allocated to each program.	14,559,178	-
Series 2014A Bonds issued April 24, 2014 for the aggregate amount of \$18,575,000 maturing on February 1, 2015 at an interest rate of 2.00%. Of this, \$5,520,000 was allocated to the WSRF Program based upon the percentage of original bond proceeds allocated to each program.	5,520,000	-
Series 2013A Refunding Bonds issued February 26, 2013 for the aggregate amount of \$45,090,000 to refund the callable portion of Series 2005A, 2006A, and 2006B Bonds, maturing from February 1, 2019 to February 1, 2029 at interest rates ranging from 3.00% to 5.00%. Of this, \$12,880,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.	12,880,000	12,880,000

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 6 - BONDS PAYABLE (CONTINUED)

	2014	2013
<p>Series 2012C Bonds issued December 13, 2012 for the aggregate amount of \$109,595,000, maturing from February 1, 2021 to February 1, 2032 at interest rates ranging from 4.00% to 5.00%. Of this, \$10,180,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.</p>	\$ 10,180,000	\$ 10,180,000
<p>Series 2012B Bonds issued August 30, 2012 for the aggregate amount of \$139,255,000, maturing from February 1, 2013 to February 1, 2031 at interest rates ranging from 1.50% to 5.00%. Of this, \$17,145,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.</p>	16,375,000	17,005,000
<p>Series 2012A Refunding Bonds issued February 8, 2012 for the aggregate amount of \$137,945,000 to refund the callable portion of Series 2001A, 2004B, and 2004C Bonds, maturing from August 1, 2013 to February 1, 2022 at interest rates ranging from 4.75% to 5.375%. Of this, \$11,875,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p>	7,550,000	11,720,000
<p>Series 2011A Bonds issued October 26, 2011 for the aggregate amount of \$191,385,000, maturing from February 1, 2012 to February 1, 2030 at interest rates ranging from 1.00% to 5.00%. Of this, \$50,870,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.</p>	49,870,000	49,870,000

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 6 - BONDS PAYABLE (CONTINUED)

	2014	2013
<p>Series 2010C Refunding Bonds issued October 20, 2010 for the aggregate amount of \$64,925,000 to refund the callable portion of Series 2001A, 2002B and 2004B Bonds, maturing from February 1, 2020 to February 1, 2023 at an interest rate of 5.00%. Of this, \$7,555,000 was allocated to the DWSRF Program based upon the percentage of the original bond proceeds allocated to each program.</p>	\$ 7,555,000	\$ 7,555,000
<p>Series 2010B Bonds issued October 20, 2010 for the aggregate amount of \$100,000,000, maturing from February 1, 2011 to February 1, 2030 at interest rates ranging from 1.50% to 5.00%. Of this, \$20,000,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.</p>	16,475,000	17,200,000
<p>Series 2010A Refunding Bonds issued February 2, 2010 for the aggregate amount of \$288,970,000 to refund the callable portion of Series 2000B, 2001A, 2002B, 2004B and 2004C bonds, maturing from February 1, 2011 to February 1, 2024 at interest rates ranging from 2.00% to 5.00%. Of this, \$42,235,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.</p>	41,535,000	42,015,000
<p>Series 2009A Bonds issued November 24, 2009 for the aggregate amount of \$138,990,000, maturing from February 1, 2011 to February 1, 2028 at interest rates ranging from 2.00% to 5.00%. Of this, \$17,755,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program.</p>	15,360,000	15,775,000
<p>Series 2007B Bonds issued December 13, 2007 for the aggregate amount of \$94,530,000, maturing from February 1, 2010 to February 1, 2028 at interest rates ranging from 4.00% to 5.50%. Of this, \$28,225,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program. In April 2014, \$1,695,000 was refunded and \$7,295,000 was cash defeased.</p>	13,770,000	23,985,000

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 6 - BONDS PAYABLE (CONTINUED)

	2014	2013
<p>Series 2007A Bonds issued May 30, 2007 for the aggregate amount of \$71,230,000, maturing from February 1, 2008 to February 1, 2027 at interest rates ranging from 4.00% to 5.00%. Of this, \$9,975,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program. In April 2014, \$3,500,000 was refunded and \$1,040,000 was cash defeased.</p>	\$ 3,630,000	\$ 8,565,000
<p>Series 2006B Bonds issued December 13, 2006 for the aggregate amount of \$142,930,000, maturing from February 1, 2008 to February 1, 2028 at interest rates ranging from 3.50% to 5.50%. Of this, \$30,185,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program. In February 2013, \$2,745,000 was refunded. In April 2014, \$9,740,000 was refunded.</p>	6,155,000	17,770,000
<p>Series 2006A Bonds issued April 25, 2006 for the aggregate amounts of \$221,355,000, maturing from February 1, 2007 to February 1, 2027 at interest rates ranging from 3.60% to 5.25%. Of this, \$17,595,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program. In February 2013, \$4,405,000 was refunded. In April 2014, \$85,000 was cash defeased.</p>	7,145,000	8,155,000
<p>Series 2005A Refunding Bonds issued December 7, 2005 for the aggregate amount of \$277,930,000 to refund the callable portion of Series 1997A, 1998A, 2000A, 2000B, 2001A, and 2002B Bonds, maturing from February 1, 2006 to February 1, 2029 at interest rates ranging from 3.30% to 5.25%. Of this, \$77,535,000 was allocated to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program. In February 2013, \$5,920,000 was refunded. In April 2014, \$22,300,000 was cash defeased.</p>	23,250,000	46,885,000

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 6 - BONDS PAYABLE (CONTINUED)

	2014	2013
Series 2004B Bonds issued April 7, 2004 for the aggregate amount of \$200,000,000, maturing from February 1, 2005 to February 1, 2025 at interest rates ranging from 2.00% to 5.00%. Of this amount, \$32,520,000 was the final allocation to the DWSRF Program based upon the percentage of original bond proceeds allocated to each program. In February 2010, \$2,310,891 was refunded. In October 2010, \$1,201,333 was refunded. In February 2012, \$7,669,202 was refunded. In April 2014, \$3,622,681 was cash defeased.	<u>\$ 5,199,726</u>	<u>\$ 12,115,215</u>
Subtotal-Drinking Water	<u>257,008,904</u>	<u>301,675,215</u>
Total Principal	1,487,055,000	1,792,130,000
Net premium on bonds payable	<u>131,417,475</u>	<u>148,910,821</u>
Total Bonds Payable	1,618,472,475	1,941,040,821
Less: Current portion	<u>124,155,000</u>	<u>101,565,000</u>
Long-term Portion	<u>\$1,494,317,475</u>	<u>\$1,839,475,821</u>

In April 2014, the Authority issued \$68,350,000 2014B Refunding Bonds. The bonds were sold at a premium and refunded \$70,205,000 par amount of prior debt. The refunding debt was used to refund in advance of their stated maturity dates portions of the Series 2006B, 2007A, and 2007B Bonds. Net present value savings were \$3,053,593.

In coordination with the 2014B Refunding Bonds, the Authority cash defeased in advance of their stated maturity dated portions of the 2004B, 2004C, 2006A, 2006B, 2007A, and 2007B Bonds. Cash and securities in a sufficient amount were deposited into an escrow fund, which will pay principal and interest on \$331,036,450 worth of prior debt service if the bonds were held to maturity.

In February 2013, the Authority issued Series 2013A Refunding Bonds for the aggregate amount of \$45,090,000. The bonds were sold at a premium and refunded \$45,695,000 of prior debt. The refunding debt was used to refund in advance of their stated maturity dates portions of the Series 2005A, 2006A, and 2006B Bonds. Debt service payments on the new bonds are \$4,420,613 less than on the refunded bonds and the economic gain was \$3,727,079.

In coordination with the 2013A Refunding Bonds, the Authority cash defeased in advance of their stated maturity dates portions of Series 2004B, 2004C, 2005A, and 2006A Bonds. A cash deposit of \$30,654,563 was made to an escrow fund, which will pay principal and interest for the defeased debt totaling \$36,885,813.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013

NOTE 6 - BONDS PAYABLE (CONTINUED)

The bonds referred to above are considered to have been defeased and have been removed from the combined financial statements and in total have remaining outstanding balances of \$547,250,000 and \$256,815,000 as of June 30, 2014 and 2013, respectively.

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013

NOTE 6 - BONDS PAYABLE (CONTINUED)

The aggregate debt service requirements for all bonds allocable to the SRF Programs as of June 30, 2014, are as follows:

	<u>Principal</u>			<u>Interest</u>			<u>Debt Service Total</u>
	<u>Wastewater Fund</u>	<u>Drinking Water Fund</u>	<u>Total</u>	<u>Wastewater Fund</u>	<u>Drinking Water Fund</u>	<u>Total</u>	
2015	\$ 103,293,305	\$ 20,861,695	\$ 124,155,000	\$ 58,112,889	\$ 11,934,809	\$ 70,047,698	\$ 194,202,698
2016	92,680,000	19,265,000	111,945,000	54,409,708	11,341,548	65,751,256	177,696,256
2017	92,326,233	20,683,767	113,010,000	50,167,271	10,444,148	60,611,419	173,621,419
2018	94,006,506	22,318,494	116,325,000	45,612,284	9,409,285	55,021,569	171,346,569
2019	96,280,123	19,579,877	115,860,000	41,011,421	8,278,035	49,289,456	165,149,456
2020-2024	377,524,929	91,210,071	468,735,000	141,968,998	27,428,733	169,397,731	638,132,731
2025-2029	265,680,000	44,440,000	310,120,000	63,349,331	11,203,300	74,552,631	384,672,631
2030-2032	<u>108,255,000</u>	<u>18,650,000</u>	<u>126,905,000</u>	<u>9,858,750</u>	<u>1,659,000</u>	<u>11,517,750</u>	<u>138,422,750</u>
	1,230,046,096	257,008,904	1,487,055,000	464,490,652	91,698,858	556,189,510	2,043,244,510
Premium	<u>110,536,425</u>	<u>20,881,050</u>	<u>131,417,475</u>	-	-	-	<u>131,417,475</u>
Total	<u>\$1,340,582,521</u>	<u>\$277,889,954</u>	<u>\$1,618,472,475</u>	<u>\$464,490,652</u>	<u>\$91,698,858</u>	<u>\$556,189,510</u>	<u>\$2,174,661,985</u>

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 6 - BONDS PAYABLE (CONTINUED)

The following is a summary of total debt service:

	Interest Rates Ranges	Maturity Range	Annual Payment Range	Principal
Wastewater Fund	2.00% - 5.50%	2015-2032	\$ 28,285,000 - \$103,293,305	\$1,230,046,096
Drinking Water Fund	2.00% - 5.50%	2015-2032	3,800,000 - 22,318,495	<u>257,008,904</u>
Combined Programs	2.00% - 5.50%	2015-2032	32,085,000 - 124,155,000	1,487,055,000
Less: Current Portion				<u>(124,155,000)</u>
Total Long-term Portion				<u>\$1,362,900,000</u>

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 7 - LONG-TERM LIABILITIES

Long-term liability activity for the years ended June 30, 2014 and 2013 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Amounts Due Within One Year	Amounts Due Thereafter
June 30, 2014:						
Amount due to federal government	\$ 2,828,227	\$ -	\$ (2,828,227)	\$ -	\$ -	\$ -
Bonds payable	1,792,130,000	86,925,000	(392,000,000)	1,487,055,000	124,155,000	1,362,900,000
Net premium on bonds payable	<u>148,910,821</u>	<u>11,890,479</u>	<u>(29,383,825)</u>	<u>131,417,475</u>	<u>-</u>	<u>131,417,475</u>
	<u>\$1,943,869,048</u>	<u>\$98,815,479</u>	<u>\$(424,212,052)</u>	<u>\$1,618,472,475</u>	<u>\$124,155,000</u>	<u>\$1,494,317,475</u>
June 30, 2013:						
Amount due to federal government	\$ 1,829,518	\$ 998,709	\$ -	\$ 2,828,227	\$ 1,610,500	\$ 1,217,727
Bonds payable	1,692,285,000	293,940,000	(194,095,000)	1,792,130,000	101,565,000	1,690,565,000
Net premium on bonds payable	<u>113,287,088</u>	<u>55,186,533</u>	<u>(19,562,800)</u>	<u>148,910,821</u>	<u>-</u>	<u>148,910,821</u>
	<u>\$1,807,401,606</u>	<u>\$350,125,242</u>	<u>\$(213,657,800)</u>	<u>\$1,943,869,048</u>	<u>\$103,175,500</u>	<u>\$1,840,693,548</u>

**STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
NOTES TO COMBINED FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013**

NOTE 8 - FUND TRANSFERS

Consistent with its Intended Use Plans and EPA's related Policy Statement, the Authority is required to report on transfers between the DWSRF and the WSRF in its combined financial statements. In its Intended Use Plans, the SRF Programs retained the flexibility to make transfers of grants (and other funds) held in or allocable to such funds to the extent permitted by the Clean Water Act and the Safe Drinking Water Act. As of June 30, 2014, an amount up to 33% of the Safe Drinking Water Act grants for Federal Fiscal Years (FFY) 1997 through 2014 could be so transferred on a net cumulative basis between the two SRF Programs funds.

Based on the State's award of Safe Drinking Water Act related funds for FFY 1997 through 2014, to date, the following transfers were made:

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

NOTE 9 - PROGRAM REVENUE

For the years ended June 30, 2014 and 2013, program revenues consisted of the following:

	2014	2013
Interest and other income	\$ 70,254,737	\$ 90,742,472
Capital grants and contributions	<u>58,515,340</u>	<u>45,058,614</u>
	<u>\$128,770,077</u>	<u>\$135,801,086</u>

OTHER SUPPLEMENTARY INFORMATION

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
COMBINING SCHEDULES - STATEMENTS OF NET POSITION INFORMATION
June 30, 2014 and 2013

	Wastewater Program		Drinking Water Program		Combined	
	2014	Restated 2013	2014	Restated 2013	2014	Restated 2013
ASSETS						
Current Assets:						
Cash and equivalents	\$ 457,454,985	\$ 428,339,178	\$ 91,570,084	\$ 65,522,715	\$ 549,025,069	\$ 493,861,893
Interest receivable-investments	687,036	2,204,206	169,461	216,124	856,497	2,420,330
Interest receivable-loans	19,864,502	20,276,288	3,595,901	3,728,500	23,460,403	24,004,788
Due from EPA	33,790,000	29,976,000	13,203,853	10,498,294	46,993,853	40,474,294
Accounts receivable	2,000	-	-	-	2,000	-
Loans receivable, net	100,226,903	84,709,996	27,182,052	20,550,268	127,408,955	105,260,264
Total Current Assets	<u>612,025,426</u>	<u>565,505,668</u>	<u>135,721,351</u>	<u>100,515,901</u>	<u>747,746,777</u>	<u>666,021,569</u>
Noncurrent Assets:						
Investments	151,525,730	398,645,450	80,358,325	119,580,837	231,884,055	518,226,287
Loans receivable, net	1,548,927,417	1,613,251,978	325,554,615	356,560,545	1,874,482,032	1,969,812,523
Equipment, net	319,150	294,464	67,750	70,750	386,900	365,214
Total Noncurrent Assets	<u>1,700,772,297</u>	<u>2,012,191,892</u>	<u>405,980,690</u>	<u>476,212,132</u>	<u>2,106,752,987</u>	<u>2,488,404,024</u>
Total Assets	<u>2,312,797,723</u>	<u>2,577,697,560</u>	<u>541,702,041</u>	<u>576,728,033</u>	<u>2,854,499,764</u>	<u>3,154,425,593</u>
DEFERRED OUTFLOWS OF RESOURCES						
Loss on debt refunding	32,693,341	29,584,917	5,814,440	4,841,700	38,507,781	34,426,617
Total Deferred Outflows of Resources	<u>32,693,341</u>	<u>29,584,917</u>	<u>5,814,440</u>	<u>4,841,700</u>	<u>38,507,781</u>	<u>34,426,617</u>
LIABILITIES						
Current Liabilities:						
Interest payable	23,952,175	29,865,529	4,856,028	5,983,927	28,808,203	35,849,456
Accounts payable	283,080	262,900	162,199	14,135	445,279	277,035
Amount due to federal government	-	1,328,439	-	282,061	-	1,610,500
Bonds payable-current, net	103,293,305	86,097,192	20,861,695	15,467,808	124,155,000	101,565,000
Total Current Liabilities	<u>127,528,560</u>	<u>117,554,060</u>	<u>25,879,922</u>	<u>21,747,931</u>	<u>153,408,482</u>	<u>139,301,991</u>
Long-term Liabilities:						
Amount due to federal government	-	977,726	-	240,001	-	1,217,727
Bonds payable, net	1,237,289,216	1,530,030,609	257,028,259	309,445,212	1,494,317,475	1,839,475,821
Total Long-term Liabilities	<u>1,237,289,216</u>	<u>1,531,008,335</u>	<u>257,028,259</u>	<u>309,685,213</u>	<u>1,494,317,475</u>	<u>1,840,693,548</u>
Total Liabilities	<u>1,364,817,776</u>	<u>1,648,562,395</u>	<u>282,908,181</u>	<u>331,433,144</u>	<u>1,647,725,957</u>	<u>1,979,995,539</u>
NET POSITION						
Restricted for water pollution and drinking water projects and other related program purposes	<u>\$ 980,673,288</u>	<u>\$ 958,720,082</u>	<u>\$ 264,608,300</u>	<u>\$250,136,589</u>	<u>\$1,245,281,588</u>	<u>\$1,208,856,671</u>

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
COMBINING SCHEDULES - STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INFORMATION
Years Ended June 30, 2014 and 2013

	Wastewater Program		Drinking Water Program		Combined	
	2014	Restated 2013	2014	Restated 2013	2014	Restated 2013
OPERATING REVENUE						
Interest income-investments	\$ 8,554,183	\$ 27,272,324	\$ 2,721,021	\$ 1,594	\$ 11,275,204	\$ 27,273,918
Interest income-loan participants	47,834,453	51,797,355	10,762,687	11,258,669	58,597,140	63,056,024
Other	14,000	24,000	368,393	388,530	382,393	412,530
Total Operating Revenue	<u>56,402,636</u>	<u>79,093,679</u>	<u>13,852,101</u>	<u>11,648,793</u>	<u>70,254,737</u>	<u>90,742,472</u>
OPERATING EXPENSES						
Interest	67,233,441	62,683,257	12,591,469	12,345,137	79,824,910	75,028,394
Bond issuance costs	735,484	2,212,427	227,479	380,767	962,963	2,593,194
Trustee fees	51,351	362,402	-	5,210	51,351	367,612
Other program and administrative	369,154	2,589,217	(27,518)	562,463	341,636	3,151,680
Total Operating Expenses	<u>68,389,430</u>	<u>67,847,303</u>	<u>12,791,430</u>	<u>13,293,577</u>	<u>81,180,860</u>	<u>81,140,880</u>
OPERATING INCOME (LOSS)	(11,986,794)	11,246,376	1,060,671	(1,644,784)	(10,926,123)	9,601,592
NONOPERATING REVENUES AND (EXPENSES)						
Capital contributions	37,003,474	34,435,304	21,511,866	10,623,310	58,515,340	45,058,614
Loan forgiveness	(3,063,474)	(3,291,149)	(8,100,826)	(127,151)	(11,164,300)	(3,418,300)
Total Nonoperating Revenues and (Expenses)	<u>33,940,000</u>	<u>31,144,155</u>	<u>13,411,040</u>	<u>10,496,159</u>	<u>47,351,040</u>	<u>41,640,314</u>
INCREASE IN NET POSITION	21,953,206	42,390,531	14,471,711	8,851,375	36,424,917	51,241,906
NET POSITION						
Beginning of Year	<u>958,720,082</u>	<u>916,329,551</u>	<u>250,136,589</u>	<u>241,285,214</u>	<u>1,208,856,671</u>	<u>1,157,614,765</u>
End of Year	<u>\$ 980,673,288</u>	<u>\$ 958,720,082</u>	<u>\$ 264,608,300</u>	<u>\$ 250,136,589</u>	<u>\$ 1,245,281,588</u>	<u>\$ 1,208,856,671</u>

STATE REVOLVING FUND LOAN PROGRAMS
(ENTERPRISE FUND OF THE INDIANA FINANCE AUTHORITY)
COMBINING SCHEDULES - STATEMENTS OF CASH FLOWS INFORMATION
Years Ended June 30, 2014 and 2013

	Wastewater Program		Drinking Water Program		Combined	
	2014	Restated 2013	2014	Restated 2013	2014	Restated 2013
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash payments for salaries, administrative and other expenses	\$ (2,708,490)	\$ (2,165,751)	\$ 15,913	\$ 2,637	\$ (2,692,577)	\$ (2,163,114)
Administration fee	14,000	24,000	6,000	13,000	20,000	37,000
Net Cash Provided (Used) by Operating Activities	<u>(2,694,490)</u>	<u>(2,141,751)</u>	<u>21,913</u>	<u>15,637</u>	<u>(2,672,577)</u>	<u>(2,126,114)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Maturities of loans to participants	161,880,975	246,086,549	39,029,516	19,488,730	200,910,491	265,575,279
Issuance of loans to participants	(113,073,321)	(359,171,742)	(14,655,370)	(40,956,856)	(127,728,691)	(400,128,598)
Change in investments	247,119,721	(144,222,590)	39,222,512	(49,638,185)	286,342,232	(193,860,775)
Interest received on loans and investments	58,317,592	72,435,684	13,662,970	9,260,398	71,980,562	81,696,082
Purchase of capital assets	(24,686)	(92,417)	3,000	(8,583)	(21,686)	(101,000)
Net Cash Provided (Used) by Investing Activities	<u>354,220,281</u>	<u>(184,964,516)</u>	<u>77,262,628</u>	<u>(61,854,496)</u>	<u>431,482,908</u>	<u>(246,819,012)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Proceeds from debt issuance	66,845,822	301,398,041	20,079,178	47,728,492	86,925,000	349,126,533
Principal payments to reduce indebtedness including refunding	(345,499,526)	(181,728,820)	(68,074,984)	(32,347,715)	(413,574,510)	(214,076,535)
Payment of debt issuance costs, net of refunding	(735,484)	(2,212,427)	(227,479)	(380,767)	(962,963)	(2,593,194)
Interest paid on debt	(73,146,795)	(61,006,628)	(13,719,368)	(12,175,570)	(86,866,163)	(73,182,198)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(352,535,983)</u>	<u>57,237,564</u>	<u>(61,942,653)</u>	<u>3,035,751</u>	<u>(414,478,636)</u>	<u>59,274,606</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES						
Capital Contributions (EPA Grants)	33,189,474	35,720,304	18,806,307	12,125,685	51,995,781	47,845,989
Issuance of forgivable loans to participants	(3,063,474)	(3,291,149)	(8,100,826)	(127,151)	(11,164,300)	(3,418,300)
Net Cash Provided by Capital Financing Activities	<u>30,126,000</u>	<u>32,429,155</u>	<u>10,705,481</u>	<u>11,998,534</u>	<u>40,831,481</u>	<u>44,427,689</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	29,115,808	(98,226,946)	26,047,369	(47,015,885)	55,163,176	(145,242,831)
CASH AND EQUIVALENTS						
Beginning of Year	428,339,178	526,566,124	65,522,715	112,538,600	493,861,893	639,104,724
End of Year	<u>\$ 457,454,986</u>	<u>\$ 428,339,178</u>	<u>\$ 91,570,084</u>	<u>\$ 65,522,715</u>	<u>\$ 549,025,069</u>	<u>\$ 493,861,893</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (11,986,794)	\$ 11,246,376	\$ 1,060,671	\$ (1,644,784)	\$ (10,926,123)	\$ 9,601,592
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Interest income	(56,388,636)	(79,069,679)	(13,483,708)	(11,260,263)	(69,872,344)	(90,329,942)
Interest expense	67,233,441	62,683,257	12,591,469	12,345,137	79,824,910	75,028,394
Bond issuance costs	735,484	2,212,427	227,479	380,767	962,963	2,593,194
Changes in assets and liabilities:						
Accounts receivable	(2,000)	-	-	-	(2,000)	-
Accounts payable	20,180	(1,530)	148,064	(16,531)	168,244	(18,061)
Amount due to federal government	(2,306,165)	787,398	(522,062)	211,311	(2,828,227)	998,709
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,694,490)</u>	<u>\$ (2,141,751)</u>	<u>\$ 21,913</u>	<u>\$ 15,637</u>	<u>\$ (2,672,577)</u>	<u>\$ (2,126,114)</u>

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FORM OF BOND COUNSEL OPINION

_____, 2015

Indiana Finance Authority
Indianapolis, Indiana

The Bank of New York Mellon Trust Company, N.A.,
as Bond Trustee,
Indianapolis, Indiana

Re: Indiana Finance Authority State Revolving Fund Program Refunding Bonds, Series 2015B (Green Bonds) (the "Series 2015B Bonds"), dated the date hereof, in the aggregate principal amount of \$_____.

Ladies and Gentlemen:

We have acted as bond counsel to the Indiana Finance Authority (the "Issuer") with respect to the State Wastewater Revolving Loan Program and the State Drinking Water Revolving Loan Program in connection with the issuance of the Series 2015B Bonds by the Issuer pursuant to (i) the Fifth Amended and Restated Indenture of Trust dated as of April 1, 2007 (the "Fifth Restatement"), as amended and supplemented, and (ii) the Series 2015B Supplemental Indenture of Trust, dated as of February 1, 2015 (the "Series Supplemental Indenture" and, together with the Fifth Restatement, the "Bond Indenture"), each between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Bond Trustee (the "Bond Trustee"). We have examined the law and a certified transcript of proceedings of the Issuer relating to the authorization, issuance and sale of the Series 2015B Bonds and such other papers as we deem necessary to render this opinion letter, including the Issuer's tax covenants and representations made in the Bond Indenture and tax certificates made on the date of this opinion letter (collectively, the "Tax Representations and Covenants"). (Capitalized terms not defined in this opinion letter shall have the respective definitions ascribed thereto in the Bond Indenture.)

We have relied upon the certified transcript of proceedings and other certificates of public officials, including the Tax Representations and Covenants, and have not undertaken to verify the same by independent investigation.

Based upon our examination, we are of the opinion, on the date of this opinion letter, that:

1. The Series 2015B Bonds are the valid and binding limited obligations of the Issuer, enforceable in accordance with their terms. The 2015 Bonds are payable from, and secured only by, the Trust Estate on a parity with the previously issued and currently outstanding Bonds, as more fully described in the Bond Indenture.

2. The Bond Indenture is a valid and binding agreement of the Issuer, enforceable in accordance with its terms. The Bond Indenture creates the valid pledge, which it purports to create, of the Trust Estate, subject to the application thereof to the purposes, and on the conditions, permitted by the Bond Indenture.

3. Under statutes, decisions, regulations and rulings existing on the date of this opinion letter, interest on the Series 2015B Bonds is exempt from income taxation in the State of Indiana (the "State"). This opinion relates only to the tax exemption of interest on the Series 2015B Bonds from State income taxation.

4. Under federal statutes, decisions, regulations and rulings existing on the date of this opinion letter, interest on the Series 2015B Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of this opinion letter (the "Code"), is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. This opinion is conditioned upon continuing compliance by the Issuer with the Tax Representations and Covenants. Failure to comply with the Tax Representations and Covenants could

cause interest on the Series 2015B Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to their date of issue.

It is to be understood that the proceeds of the Series 2015B Bonds are to be used to refund bonds originally issued to fund Participant Loans. Any failure by any Participant (as defined in the Bond Indenture) to comply with any federal or State tax law requirements could cause interest on the Series 2015B Bonds to be taxable for federal or State income tax purposes. We have not been engaged or undertaken to review any compliance by any Participant with any such requirements, and we express no opinion relating thereto.

It is also to be understood that the rights of the owners of the Series 2015B Bonds and the enforceability of the Series 2015B Bonds and the Bond Indenture may be subject to the valid exercise of the constitutional powers of the United States of America and the State. It is to be further understood that the rights of the owners of the Series 2015B Bonds and the enforceability of the Series 2015B Bonds and the Bond Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Very truly yours,

SUMMARY OF CERTAIN OPERATIONS OF FUNDS AND ACCOUNTS

The following is a summary of certain operations of the funds and accounts under the Bond Indenture and the SRF Indentures. This summary is qualified in its entirety by reference to the SRF Indentures and the Bond Indenture. Certain terms used in this Appendix D are defined in Appendix G.

Creation of Bond Indenture Funds and Accounts

The Bond Indenture creates and establishes the following funds to be held by the Bond Trustee, all of which will constitute a part of the Trust Estate with respect to the Series 2015B Bonds (except for the Rebate Fund):

- (1) Bond Fund;
- (2) Costs of Issuance Fund; and
- (3) Rebate Fund.

Creation of SRF Indentures Funds and Accounts

Each of the SRF Indentures creates the following accounts, all of which constitute a part of the respective SRF Fund:

- (1) Accounts for all Series of Bonds:
 - (a) Participant Loan Interest Account;
 - (b) Participant Loan Principal Account; and
 - (c) Deficiency Account.
- (2) Accounts in Equity:
 - (a) Equity Grant Account;
 - (b) Equity Earnings Account; and
 - (c) Administration Account (Wastewater Indenture only).
- (3) Accounts for which a subaccount may be pledged to a Series of Bonds:
 - (a) Reserve Earnings Account;
 - (b) Reserve Grant Account;
 - (c) Purchase Account; and
 - (d) Support Account.

Each of the SRF Indentures also creates a Program Fund, which is not part of the SRF Fund and is free from any claim by the holders of the Bonds.

Each of the SRF Indentures also hold Equity, which consists of the Assets held in the Administration Account, the Equity Earnings Account, the Program Fund and the Equity Grant Account. Amounts in Equity are not pledged as security for the Bonds.

Each of the SRF Indentures creates a Series Reserve for each Series of Bonds, which is pledged as security for payment of such Series of Bonds. The Series Reserve under each SRF Indenture includes all Assets held in the subaccounts of the Reserve Grant Account and the Reserve Earnings Account.

Operation of SRF Indentures Funds and Accounts

Purchase Account. Each SRF Trustee will, if and as directed by the Program Representative, disburse moneys held in the respective Purchase Account:

- (1) to purchase and make advances with respect to Participant Loans in accordance with the provisions of the respective SRF Indenture;
- (2) to reimburse Equity for advances made to finance Participant Loans; or
- (3) as directed by the Program Representative, to transfer such funds for the payment or redemption of Bonds (with direction to be confirmed in writing).

Deposits. Unless the Program Representative directs otherwise, and unless the provisions of each SRF Indenture require otherwise, the SRF Trustees will make the following deposits:

- (1) all Participant Loan Interest Payments on Participant Loans will be deposited into the Participant Loan Interest Account (unless the Program Representative has directed otherwise after delivering a Cash Flow Certificate);
- (2) all Participant Loan Principal Payments will be deposited into the Participant Loan Principal Account (except as otherwise directed by the Program Representative after delivering a Cash Flow Certificate);
- (3) all interest, income and earnings derived from the investment of Assets held in a subaccount of the Series Reserve or Support Account for a Series of Bonds will be deposited into the subaccount of the Reserve Earnings Account for such Series of Bonds;
- (4) all interest, income and earnings derived from the investment of proceeds of each Series of Bonds held in the Purchase Account will be deposited into the subaccount of the Reserve Earnings Account for such Series;
- (5) all interest, income and earnings derived from the investment of Assets held in the Participant Loan Interest Account or the Participant Loan Principal Account will be deposited into the Participant Loan Interest Account;
- (6) all interest, income and earnings derived from the investment of moneys held in any other Account will be deposited into the Equity Earnings Account;
- (7) all Program Fees will be deposited into the Program Fund;
- (8) all moneys received by the Finance Authority for deposit into the applicable SRF Fund pursuant to the Federal Environmental Law will be deposited into either the Reserve Grant Account or the Equity Grant Account as directed by the Program Representative;
- (9) any appropriations received by the SRF Trustee will be deposited into the Program Fund;
- (10) proceeds of Bonds will be deposited into the Administration Account or the Purchase Account as directed by the Program Representative in the manner provided in the Bond Indenture;
- (11) proceeds of obligations of an Alternative Bond Issuer will be deposited into such Account as the Program Representative provides;

(12) the payments of principal and interest on any loan to or obligations of a Participant financed from the proceeds of obligations of an Alternative Bond Issuer described in the SRF Indentures will be deposited as directed by the Program Representative in any Account established for the benefit of the holders of those obligations;

(13) the Participant Loan Payments with respect to Participant Loans described in the SRF Indentures allocable to the obligations of an Alternative Bond Issuer shall be deposited as directed by the Program Representative in any Account established for the benefit of the holders of those obligations; and

(14) Assets will be deposited to the Deficiency Fund in the manner provided in the Bond Indenture.

Payment to Bond Trustee. On each Funding Date, after providing for the payments owed with respect to the Rebate Fund and making the deposits required by the SRF Indentures (see “—*Deposits*” above), to the extent needed to pay the interest and principal due on, and Bond Administrative Expenses with respect to, each Series of Bonds on the next succeeding Payment Date, the SRF Trustee will transfer to the Bond Trustee, at the direction of the Bond Trustee or the Program Representative, for deposit into the Series Bond Account for such Series of Bonds, in the following order of priority and in accordance with the EPA Payment Restriction, the Assets held in the following:

(1) the investment earnings deposited into the subaccount for such Series of Bonds of the Reserve Earnings Account, to the extent scheduled to be received since the last Funding Date in the most recent Cash Flow Certificate;

(2) the subaccount for such Series of Bonds in the Support Account, to the extent scheduled for payment of such Series on such Payment Date in the most recent Cash Flow Certificate filed with the Bond Trustee;

(3) the Participant Loan Interest Account and Participant Loan Principal Account, which will be disbursed to the Series Bond Accounts for all Series of Bonds, ratably (except to the extent that the Series Supplemental Indenture for any Series of Bonds provides for a subordinate claim on such Assets), for payment of all remaining unpaid principal and interest due on, and Bond Administrative Expenses with respect to, all outstanding Bonds (as determined after application of clauses (1) and (2) above);

(4) the Series Reserve for such Series of Bonds;

(5) the Deficiency Fund, which will be transferred to the Series Bond Accounts for all Series of Bonds, ratably, for payment of all remaining unpaid principal and interest due on, and Bond Administrative Expenses with respect to, all outstanding Bonds (as determined after application of clauses (1) through (4) above);

(6) the balance in the subaccount of the Support Account remaining after application of clause (2) above; and

(7) the subaccounts of the Purchase Account for such Series of Bonds.

The Program Representative may, but is not required to, direct the SRF Trustee to disburse the Assets held in the Equity to the Bond Trustee that are needed to pay the interest and principal due on, and Bond Administrative Expenses with respect to, the outstanding Bonds on the next succeeding Payment Date.

Notwithstanding the payment priority described above, the Program Representative is authorized to administer the moneys held in the Trust Estate in a manner different from that described above to the extent (i) in the judgment of the Program Representative, such alternative manner is necessary to best provide for the timely payment of the interest and principal due on, and Bond Administrative Expenses with respect to, the Bonds on the next succeeding Payment Date, and (ii) such manner of administration does not cause Assets in any Fund, Account or subaccount established and available exclusively for any Series of Bonds to be used to provide for the payment of the interest and principal due on, or Bond Administrative Expenses with respect to, any other Series of Bonds.

The Bond Trustee is required to deposit any Program Fees received by the Finance Authority, SRF Trustees or Bond Trustee in the manner provided in the SRF Indentures.

Operation of Participant Loan Interest Account and Participant Loan Principal Account. On each Funding Date, the SRF Trustee will (i) disburse the Assets in the Participant Loan Interest Account and the Participant Loan Principal Account to the Rebate Fund to the extent required by the Bond Indenture and (ii) disburse the Assets held in the Participant Loan Interest Account and the Participant Loan Principal Account, at the direction of the Program Representative or the Bond Trustee, to the extent required by the Bond Indenture (see “—Payment to Bond Trustee” above). In addition, at least annually after making the disbursements described above, the Finance Authority, as determined by the Program Representative or as directed by the Bond Trustee, will direct that the Assets held in the Participant Loan Interest Account and the Participant Loan Principal Account will be transferred to the Deficiency Fund.

In addition, the Program Representative may direct the SRF Trustees to disburse Assets held in the Participant Loan Interest Account and the Participant Loan Principal Account to the Bond Fund of the Bond Indenture for the redemption of Bonds.

Deficiency Fund. The Bond Trustee will cause the SRF Trustee to deposit into the Deficiency Fund monies received from the SRF Trustee pursuant to SRF Indentures.

The Bond Trustee will direct the SRF Trustee to disburse the Assets in the Deficiency Fund as provided in the Bond Indenture (see “—Payment to Bond Trustee” above). Thereafter, Assets in the Deficiency Fund will:

- (1) First, be transferred, as directed by the Program Representative or the Bond Trustee, ratably, to the Series Reserves to the extent the Series Reserve for any Series is less than the Series Reserve Requirement for such Series;
- (2) Second, be transferred, as directed by the Program Representative or the Bond Trustee, ratably, to the subaccounts for such Series of Bonds in the Support Account, to the extent of any unscheduled use of any such subaccount in the Support Account as described under subparagraph (6) under “—Payment to Bond Trustee” above; and
- (3) Third, be transferred to Equity, as directed by the Program Representative.

Operation of Series Reserve. In connection with the issuance of each Series of Bonds, the Program Representative may transfer Assets to the subaccount of the Series Reserve for such Series in the manner provided in the Series Supplemental Indenture authorizing such Series, for the purpose of satisfying the Series Reserve Requirement for such Series of Bonds.

The SRF Trustee will, as directed by the Bond Trustee, transfer the Assets held in the subaccounts of the Series Reserve for each Series of Bonds in the manner provided in the Bond Indenture (see “—Payment to Bond Trustee” above) and in the Series Supplemental Indenture authorizing such Series. To the extent that there are Assets in the Series Reserve for any Series of Bonds in excess of the Series Reserve Requirement for such Series, the excess Assets will be transferred by the SRF Trustee to the Deficiency Fund in accordance with the Bond Indenture.

Support Account. For a Series of Bonds, to the extent provided for in the most recent Cash Flow Certificate and the applicable Series Supplemental Indenture, the Program Representative will direct the SRF Trustee to transfer Assets into the appropriate subaccount of the Support Account for that Series and to disburse such Assets from the subaccount of the Support Account for the payment of that Series of Bonds in the manner provided in the Bond Indenture as contemplated by the most recent Cash Flow Certificate. To the extent that there are excess Assets in the Support Account for any Series of Bonds in excess of the required amount contemplated in the most recent Cash Flow Certificate, the excess Assets will be transferred by the SRF Trustee to the Deficiency Fund in accordance with the Bond Indenture.

Operation of Equity. The SRF Trustees will, if and as directed by the Program Representative, disburse or transfer moneys held in Equity for any purpose permitted by the State Environmental Law and Federal Environmental Law. These purposes include transfers to the other SRF Fund.

Notwithstanding anything in the SRF Indentures to the contrary, any Assets of the Equity may be used or pledged in any manner that the Program Representative determines to support Subordinate Bonds or obligations issued by an Alternative Bond Issuer so long as such manner of use complies with the terms of the SRF Indentures.

Notwithstanding anything in the SRF Indentures or the Bond Indenture to the contrary, to fund the SRF Programs, to the extent permitted by law, including the Federal Environmental Law, the SRF Trustees will invest Assets in the Equity in any obligation of any kind or description, at the written direction of the Program Representative.

Subject to the State Environmental Law and Federal Environmental Law, and notwithstanding anything in the SRF Indentures to the contrary, but subject to the obligations set forth in the Bond Indenture, the Program Representative may direct the SRF Trustee for either SRF Program to disburse Assets of the SRF Fund for such SRF Program to collateralize, fund or secure the other SRF Program, including through transfers between the SRF Funds.

Program Funds. There has been established with each SRF Trustee the Program Funds, for each SRF Program that will be held by the SRF Trustees outside of the SRF Accounts. The SRF Trustee will deposit into the Program Funds all Program Fees. The SRF Trustees will disburse any moneys in the Program Funds as directed by the Program Representative for any purpose that supports or enhances the SRF Programs.

Investment of Funds. Subject to certain other provisions of the SRF Indentures or the Bond Indenture (see “—Operation of Bond Indenture Funds and Accounts—*Investment of Funds*” below), any moneys held as part of any Account will be invested or reinvested by the SRF Trustees as continuously as reasonably possible in any manner as may be directed by the Program Representative (such direction to be confirmed in writing). All such investments will at all times be a part of the SRF Program Account in which the moneys used to acquire such investments had been deposited. The SRF Trustees may make any and all such investments through its own investment department or that of its affiliates or subsidiaries. The SRF Trustees will have no responsibility with respect to the compliance by the Finance Authority or the Program Representative with respect to any covenant regarding investments made in accordance with this direction, other than to use its best reasonable efforts to comply with instructions from the Finance Authority or Program Representative regarding such investments. Since investments have been included at the request of the Finance Authority and the making of investments will be subject to the Finance Authority’s or the Program Representative’s direction, the SRF Trustees specifically disclaim any obligation to the Finance Authority or the Program Representative for any loss arising from, or tax consequences of, investments pursuant to the SRF Indentures.

Moneys in separate SRF Program Accounts may be commingled for the purpose of investment or deposit. Any investment income or gains will be credited as described under “—*Deposits*” above, and all losses will be charged to the SRF Indentures Account from which such investment is made.

Operation of Bond Indenture Funds and Accounts

Deposit from SRF Indentures and other Receipts. On each Funding Date, after providing for the payments owed with respect to the Rebate Fund and making certain transfers required by the SRF Indentures (see “—Operation of SRF Indentures Funds and Accounts—*Deposits*” above), the Bond Trustee will receive, to the extent needed to pay the interest and principal due on, and Bond Administrative Expenses with respect to, each Series of Bonds on the next succeeding Payment Date, the amounts disbursed by the SRF Trustees, in the priority as described under “—Operation of SRF Indentures Funds and Accounts—*Deposits*” and “—*Payment to Bond Trustee*” above, and will deposit such amounts to the Account of the Bond Fund for such Series of Bonds, the amount needed to pay the principal and interest due on, and Bond Administrative Expenses with respect to, such Series of Bonds on the next succeeding Payment Date.

After making the deposits to the Bond Fund, the Bond Trustee will deposit any Program Fees received by the Finance Authority, the SRF Trustees or the Bond Trustee in the manner provided in the SRF Indentures.

Bond Fund. From the deposits transferred to the Bond Trustee as provided in the Bond Indenture (see “—Operation of SRF Indentures Funds and Accounts—*Payment to Bond Trustee*” above), the Bond Trustee will, as directed by the Program Representative, deposit into the Series Bond Account for each Series of Bonds the amount needed to pay the interest and principal due on, and Bond Administrative Expenses with respect to, such Series of Bonds on the next succeeding Payment Date for such Series of Bonds. The Bond Trustee will disburse moneys held in the Series Bond Account for each Series of Bonds for the payment of the interest and principal due (or to reimburse any Credit Provider for having paid interest) on, and Bond Administrative Expenses with respect to, such Series of Bonds on each Payment Date.

The Bond Trustee will deposit in the Series Bond Account for any Series of Bonds all moneys received for the optional redemption prior to maturity of such Series of Bonds and will disburse the funds held in the Series Bond Account for any Series of Bonds: (i) to redeem such Series of Bonds of such maturity or maturities as directed by the Program Representative if such Bonds are then subject to redemption or (ii) to purchase such Series of Bonds of such maturity or maturities as directed by the Program Representative at the most advantageous price obtainable with reasonable diligence, whether or not such Bonds are then subject to redemption. Such price may not, however, exceed the redemption price which would be payable on the next ensuing date on which the Bonds of the Series so purchased are redeemable according to their terms. No such purchase will be made by the Bond Trustee within the period of 45 days next preceding an Interest Payment Date or a date on which such Bonds are subject to redemption under the provisions of the Series Supplemental Indenture authorizing the issuance thereof.

Rebate Fund. The Bond Trustee will make information regarding the Tax-Exempt Bonds and investments under the Bond Indenture available to the Finance Authority, will make deposits and disbursements from the Rebate Fund as directed by the Finance Authority, will invest the Rebate Fund as directed by the Finance Authority and will deposit income from such investments immediately upon receipt thereof in the Rebate Fund.

If a deposit to the Rebate Fund is required as a result of the computations made by the Finance Authority, the Bond Trustee will upon receipt of direction from the Finance Authority accept such payment for the benefit of the Finance Authority and cause the Finance Authority to make transfers of moneys from the SRF Funds to the Rebate Fund to comply with such direction. If amounts in excess of that required to be rebated to the United States of America accumulate in the Rebate Fund, the Bond Trustee will upon direction from the Finance Authority transfer such amount to the SRF Funds.

Not later than 60 days after each computation date specified in each Supplemental Indenture authorizing a Series of Tax-Exempt Bonds and every five years thereafter, the Finance Authority will pay to the United States of America the amount required to be paid as of such payment date pursuant to Section 148(f) of the Code to maintain the exempt status of such Tax-Exempt Bonds. Not later than 30 days after the final retirement of each Series of Tax-Exempt Bonds, the Finance Authority will pay to the United States of America the balance remaining to be paid to the United States of America pursuant to Section 148(f) of the Code.

Alternatively, the Bond Trustee is authorized upon the written direction of the Program Representative to use the moneys on deposit in the Rebate Fund to make yield reduction payments to the United States of America pursuant to Treasury Regulation Section 1.148-5(c).

Costs of Issuance Fund. The Bond Trustee will disburse the funds held in the Costs of Issuance Fund as follows:

- (1) Upon receipt of requisitions, to pay or reimburse the Finance Authority for the Costs of Issuance of the Bonds and such Program Expenses as are approved by the Program Representative for payment from the Costs of Issuance Fund; and
- (2) Except as directed by the Program Representative, on the date which is 90 days after the date of issuance of each Series of Bonds, any funds remaining in the Costs of Issuance Fund will be transferred to the Purchase Account.

Investment of Funds. Any Assets held as part of the Trust Estate and the Rebate Fund will be invested or reinvested by the Bond Trustee as continuously as reasonably possible in such SRF Investments as may be directed by the Program Representative (such direction to be confirmed in writing). In the event the Bond Trustee does not receive such direction from the Program Representative, the Bond Trustee will invest such Assets in the SRF Investments consisting of shares of a money market mutual fund meeting the requirements set forth therein. All such investments will at all times be a part of the Fund or Account in which the moneys used to acquire such investments had been deposited. The Bond Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries. The Bond Trustee will have no responsibility with respect to the compliance by the Finance Authority with respect to any covenant regarding investments made in SRF Investments, other than to use its best reasonable efforts to comply with instructions from the Finance Authority regarding such investments. Since SRF Investments have been included at the request of the Finance Authority and the making of investments in SRF Investments will be subject to the Program Representative's direction, the Bond Trustee specifically disclaims any obligation to the Finance Authority for any loss arising from, or tax consequences of, investments pursuant to the Bond Indenture.

Moneys in separate Bond Indenture Funds and Accounts may be commingled for the purpose of investment or deposit. Any investment income, gains or losses will be charged to the Fund or Account in which moneys used to purchase such investment had been deposited.

Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Bond Trustee for the account of any Fund or Account established under the Bond Indenture will be held by the Bond Trustee in trust and applied in accordance with the Bond Indenture, except for moneys held pursuant to the Rebate Fund and except for moneys deposited with or paid to the Bond Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, and will, while held by the Bond Trustee, constitute part of the Trust Estate and be subject to the security interest created by the Bond Indenture and will not be subject to any lien or attachment by any creditor of the Finance Authority, other than as provided in the SRF Indentures.

Amounts Remaining in Funds or Accounts. Any amounts remaining in any Fund or Account after full payment of the Bonds and the fees, charges (including any required rebate to the United States of America) and expenses of the Bond Trustee and the Finance Authority will be distributed consistent with the Finance Authority Act except as provided in the Bond Indenture. See Appendix E: “SUMMARY OF CERTAIN PROVISIONS OF BOND INDENTURE—Nonpresentment of Bonds.”

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SUMMARY OF CERTAIN PROVISIONS OF BOND INDENTURE

The following is a summary of certain provisions of the Bond Indenture not otherwise described in this Official Statement. This summary is qualified in its entirety by reference to the Bond Indenture. Certain terms used in this Appendix E are defined in Appendix G.

In connection with the Finance Authority’s taking responsibility for the administration, management and financing of the SRF Programs, the Finance Authority executed and delivered the Fifth Amended and Restated Bond Indenture (see “INTRODUCTION”), with the consent of the holders of a majority in principal amount of Outstanding Bonds. As a condition to their purchase, the holders of the Series 2015B Bonds are deemed to have accepted the provisions of the Bond Indenture.

Provisions for Issuance of Bonds

Bonds may be issued in one or more series. The issuance of each Series of Bonds will be authorized by a Series Supplemental Indenture. Each Series Supplemental Indenture will specify:

- (1) The authorized principal amount of such Series of Bonds;
- (2) The purposes for which such Series of Bonds are being issued;
- (3) The date or dates of issue, Principal Payment Date or Dates, and amounts of each maturity of the Bonds of such Series or the method of computing the same;
- (4) The interest rate or rates, or the manner of determining such rate or rates of the Bonds of such Series, and the Interest Payment Dates therefor;
- (5) The denomination or denominations of, and the manner of numbering and lettering, the Bonds of such Series;
- (6) The Redemption Price or Redemption Prices, if any, and, subject to the Bond Indenture, the redemption terms, if any, for the Bonds of such Series;
- (7) If so determined by the Finance Authority, provisions for the sale of the Bonds of such Series;
- (8) The form or forms of the Bonds of such Series (including all required legends to appear on the face of the Bonds) and of the Bond Trustee’s certificate of authentication;
- (9) The manner of execution of the Bonds of such Series;
- (10) The creation of any subaccounts or Accounts specifically for such Series;
- (11) The creation of the Series Trust Estate for such Series of Bonds;
- (12) The extent to which the Bonds of such Series are secured by and the priority of the claim and lien in favor of such Bonds on the Master Trust Estate; and
- (13) Any other provisions deemed advisable by the Finance Authority, not in conflict with the Bond Indenture.

The Bonds of each Series will be issued only upon the receipt by the Bond Trustee of:

- (1) Subject to usual and customary qualifications and assumptions, an opinion of Counsel to the Finance Authority to the effect that: (i) the Finance Authority is duly organized and validly existing under the provisions of the Finance Authority Act with the right and power to execute and deliver the Bond

Indenture and the SRF Indentures, and to perform its obligations under the Bond Indenture, the SRF Indentures and the Bonds of such Series; (ii) the Bond Indenture and the SRF Indentures, and performance by the Finance Authority of its obligations thereunder, have been duly authorized, and such documents have been duly executed and delivered by the Finance Authority and each constitutes the legal, valid and binding agreement of the Finance Authority, enforceable against the Finance Authority in accordance with its terms; (iii) the Bonds of such Series have been duly authorized, executed and delivered by the Finance Authority, and are valid and binding obligations of the Finance Authority, enforceable against the Finance Authority in accordance with their terms; and (iv) the adoption of resolutions by the members of the Finance Authority constitute all approvals or other actions required to be obtained or taken by the Finance Authority under the Finance Authority Act to duly authorize, execute and deliver the Bond Indenture, the SRF Indentures and the Bonds of such Series and comply with all rules and regulations of the Finance Authority;

- (2) A written order as to the delivery of such Bonds, signed by an Authorized Finance Authority Officer;
- (3) A copy of the resolution adopted and approved by the Finance Authority, authorizing the execution and delivery of the Supplemental Indenture and the issuance and sale of such Bonds, certified by an Authorized Finance Authority Officer;
- (4) An Opinion of Bond Counsel dated as of the date of delivery thereof to the effect that: (i) the Bond Indenture, and the performance by the Finance Authority of its obligations thereunder, have been duly authorized, and the Bond Indenture has been duly executed and delivered by the Finance Authority and constitutes the legal, valid and binding agreement of the Finance Authority, enforceable in accordance with its terms; (ii) the Bonds have been duly authorized, sold, executed and delivered by the Finance Authority, and are valid and binding obligations of the Finance Authority enforceable in accordance with their terms; (iii) all resolutions and actions of the Finance Authority relating to the documents in question and all related proceedings comply with all rules and regulations of the Finance Authority and all approvals or other actions required to be obtained or taken by the Finance Authority under the Finance Authority Act have been obtained or taken as required; and (iv) with respect to any Series of Tax-Exempt Bonds, that the interest on the Tax-Exempt Bonds is excludable from gross income for federal income tax purposes;
- (5) A Cash Flow Certificate, which includes evidence satisfactory to the Bond Trustee that the Series Reserve Requirements have been satisfied for all Series of Bonds outstanding, after taking into account the issuance of the Series of Bonds being issued; and
- (6) Such further documents, moneys and securities as are required by the Bond Indenture.

Provisions for Issuance of Refunding Bonds

All or any part of one or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all outstanding Bonds or all or any part of one or more Series of outstanding Bonds.

Provisions for Issuance of Subordinate Obligations

Notwithstanding anything in the Bond Indenture to the contrary, the Finance Authority may issue one or more Series of bonds, notes or other obligations secured by a lien of such Bond Indenture that is junior and subordinate in all respects to the lien of the Bond Indenture with respect to the Master Trust Estate. Such subordinate obligations may be issued pursuant to one or more supplemental indentures with such terms and under such conditions as the Finance Authority may determine. However, the provisions of the Bond Indenture relating to the authorization and issuance of bonds, and general terms and provisions of bonds, will govern to the extent applicable, in the judgment of the Finance Authority and the Program Representative, the issuance, sale and terms of such subordinate obligations.

Provisions for Obligations of Alternative Bond Issuer

The Finance Authority may issue or may permit an Alternative Bond Issuer to issue other bonds or obligations under separate indentures that are payable, in whole or in part, from the Trust Estate in the manner provided in the SRF Indentures, so long as a Cash Flow Certificate is provided to the Bond Trustee. The Finance Authority may also issue or

may permit an Alternative Bond Issuer to issue other bonds or obligations under separate indentures that are payable from sources other than the Trust Estate in the manner provided in the SRF Indentures. Bonds issued by an Alternative Bond Issuer may be secured by the Equity if so determined by the Finance Authority.

Payment of Principal and Interest

The Finance Authority covenants and agrees in the Bond Indenture that it will promptly pay the principal of and interest on every Bond issued under the Bond Indenture at the place, on the dates and in the manner provided therein and in such Bonds according to the true intent and meaning thereof. However, the principal, premium, if any, and interest are payable by the Finance Authority solely from the Trust Estate.

Mutilated, Lost, Stolen or Destroyed Bonds

If any Bond is mutilated, lost, stolen or destroyed, the Finance Authority will execute and the Bond Trustee will authenticate a new Bond or Bonds of the same maturity and denomination as that mutilated, lost, stolen or destroyed. However, in the case of any mutilated Bond, such mutilated Bond must first be surrendered to the Bond Trustee and, in the case of any lost, stolen or destroyed Bond, there must be first furnished to the Bond Trustee evidence of such loss, theft or destruction satisfactory to the Bond Trustee, together with indemnity satisfactory to it. In the event any such Bond has matured or been called for redemption, instead of issuing and authenticating a duplicate Bond, the Bond Trustee may pay the same without surrender thereof. However, in the case of a lost, stolen or destroyed Bond, there must be first furnished to the Bond Trustee evidence of such loss, theft or destruction satisfactory to the Bond Trustee, together with indemnity satisfactory to it. The Bond Trustee may charge the owner of such Bond with its reasonable fees and expenses in connection with replacing any Bonds mutilated, lost, stolen or destroyed.

Registration and Exchange Bonds; Persons Treated as Owners

The Finance Authority will cause books for the registration and transfer of the Bonds to be kept by the Bond Trustee at its corporate trust operations office. At reasonable times and under reasonable regulations established by the Bond Trustee, such books may be inspected and copied by any owner (or a designated representative thereof) of 5% or more in aggregate principal amount of the Bonds then outstanding who so requests.

Upon surrender for transfer of any Bond at the corporate trust operations office of the Bond Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Trustee and duly executed by, the registered owner or his attorney duly authorized in writing, the Finance Authority will execute and the Bond Trustee will authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of the same maturity for a like aggregate principal amount. The Bonds may be transferred or exchanged without cost to the Bondholders, except for any tax or governmental charge required to be paid with respect to the transfer or exchange.

The Bond Trustee is not required (a) to register, transfer or exchange any Bond during a period of 15 days next preceding mailing of a notice of redemption of any Bonds, or (b) to register, transfer or exchange any Bonds selected, called or being called for redemption in whole or in part after mailing notice of such call has been made.

The person in whose name a Bond is registered will be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal and interest thereon will be made only to or upon the order of the registered owner thereof or his legal representative.

Nonpresentation of Bonds

In the event any Bond is not presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, if funds sufficient to pay such Bond will have been made available to the Bond Trustee for the benefit of the owner thereof, all liability of the Finance Authority to the owner thereof for the payment of such Bond will cease, terminate and be completely discharged, and the Bond Trustee will hold such funds uninvested for four years, for the benefit of the owner of such Bond, without liability for interest thereon to such owner, who will thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under the Bond Indenture or on, or with respect to, such Bond.

Any money so deposited with and held by the Bond Trustee not so applied to the payment of Bonds within four years after the date on which the same became due will be repaid by the Bond Trustee to the Finance Authority upon its

written direction, and thereafter the Bondholders will be entitled to look only to the Finance Authority for payment, and then only to the extent of the amount so repaid, and the Finance Authority will not be liable for any interest thereon to the Bondholders and will not be regarded as a trustee of such money.

Other Obligations Payable from Trust Estate

Except for Subordinate Bonds or bonds of an Alternative Bond Issuer, the Finance Authority may grant no liens or encumbrances on or security interests in (other than those created by the Bond Indenture), and, except for the Bonds, may issue no bonds or other evidences of indebtedness payable from the Trust Estate, unless such liens, encumbrances, bonds or other evidences of indebtedness are junior and subordinate to the lien of the Bonds. The Finance Authority may issue other bonds or obligations under separate indentures that are payable on a parity with the Bonds from the SRF Funds and may issue other bonds or other evidences of indebtedness payable from sources other than the Trust Estate. See “—Provisions for Obligations of Alternative Bond Issuer” above. The Finance Authority and Bondholders agree that payment of the other bonds or obligations from moneys in the SRF Accounts may be on a parity with payment of the Bonds, subject to the further provisions of such separate indentures or the Bond Indenture.

Covenants Concerning Finance Authority Program

The Finance Authority will from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Finance Authority Act, the Bond Indenture and sound banking practices and principles, to the extent necessary to provide for the payment of the Bonds, use and apply the proceeds of the Bonds, as directed by the Program Representative, to finance Participant Loans pursuant to the Finance Authority Act, the SRF Acts and rules and regulations promulgated thereunder, the SRF Indentures and the Bond Indenture.

Whenever necessary to provide for the payment of the principal of, premium, if any, and interest on the Bonds and Program Expenses, the Finance Authority will, as directed by the Program Representative: (i) do all such acts and things as are necessary to receive and collect the Trust Estate; (ii) enforce the prompt collection of all arrears on Participant Loans; (iii) comply with the provisions of the SRF Indentures; (iv) diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Finance Authority to protect its rights with respect to or to maintain any insurance on Participant Loans; and (v) enforce all terms, covenants and conditions of Participant Loans, including the collection, custody and prompt application of all escrow payments required by the terms of a Participant Loan for the purposes for which they were made and to enforce the SRF Indentures.

Accounts and Reports

The Finance Authority will keep proper books of record and accounts (separate from all other records and accounts) in which complete and correct entries will be made of its transactions relating to the SRF Programs and the Funds and Accounts established by the Bond Indenture. Such books, and all other books and papers of the Finance Authority, and such Funds and Accounts will at all reasonable times be subject to the inspection of the Bond Trustee, the Program Representative and any owner of the Bonds or their representatives duly authorized in writing.

Finance Authority Covenants with Respect to Participant Loans

The Finance Authority will pursue the remedies set forth in the Finance Authority Act for collection of deficiencies in Participant Loan Payments by collection of such deficiencies out of certain State funds payable but not yet paid to a defaulting Participant, but only to the extent that such action will not adversely affect the validity of the Participant Loan or other obligations of the Participant, or cause such Participant Loans to be considered debt of the Participant in contravention of any constitutional provision.

The Finance Authority will, upon the request of the Program Representative, enforce or authorize the enforcement of all remedies available to owners or holders of Participant Loans.

Monitoring Investments

The Finance Authority covenants and agrees to regularly review the investments held by the Bond Trustee in the Funds and Accounts under the Bond Indenture for the purpose of assuring that the Trust Estate is sufficient to pay the debt service on outstanding Bonds, and to report to the Program Representative concerning the investment of the Funds and Accounts under the Bond Indenture.

Covenants Concerning Preservation of Tax Exemption

The Finance Authority covenants and agrees in the Bond Indenture to take all qualifying actions and to not fail to take any qualifying actions which are necessary to protect and preserve the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt Bonds.

The Finance Authority covenants that it will not sell or dispose of any of the Participant Loans without first receiving an opinion from Bond Counsel stating that such sale or disposition will not cause the interest on any Tax-Exempt Bonds to become taxable under the Code.

Discharge of Bond Indenture

Except as provided in an applicable Series Supplemental Indenture or the Bond Indenture, if payment or provision for payment is made to the Bond Trustee of the principal of and interest due and to become due on the Bonds at the times and in the manner stipulated therein, and there is paid or caused to be paid to the Bond Trustee all sums of money due and to become due according to the provisions of the Bond Indenture, including, but not limited to, any arbitrage rebate obligations to the United States of America, then all rights granted by the Bond Indenture, including all rights of the Trust Estate, will cease, determine and be void, whereupon the Bond Trustee will cancel and discharge the lien of the Bond Indenture, and execute and deliver to the Finance Authority such instruments in writing as are requisite to cancel and discharge the lien of the Bond Indenture, and release, assign and deliver to the Finance Authority, as directed by the Program Representative, any and all estate, right, title and interest in and to any and all rights assigned or pledged to the Bond Trustee by the Bond Indenture or otherwise subject to the lien of the Bond Indenture, except moneys or securities held by the Bond Trustee for the payment of the principal of and interest on the Bonds.

Except as otherwise provided in an applicable Series Supplemental Indenture or the Bond Indenture, if payment or provision for payment is made, to the Bond Trustee, of the principal and interest due and to become due on the Bonds of any Series at the times and in the manner stipulated therein, and there is paid or caused to be paid to the Bond Trustee all sums of money due and to become due according to the provisions of the Bond Indenture pertaining to such Series, then the Bond Indenture, to the extent it pertains to such Series, and the Series Trust Estate and rights granted by the Bond Indenture will cease, determine and be void.

Any Bond will be deemed to be paid within the meaning of the Bond Indenture when (a) payment of the principal of such Bond and interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Bond Indenture or otherwise), either (i) has been made or caused to be made in accordance with the terms thereof, or (ii) has been provided for by irrevocably depositing with the Bond Trustee, in trust and exclusively for such payment, (1) moneys sufficient to make such payment or (2) Governmental Obligations maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will insure the availability of sufficient moneys to make such payment, or (3) a combination of such moneys and Governmental Obligations, and (b) all necessary and proper fees and expenses of the Bond Trustee pertaining to the Bonds, including the amount, if any, required to be rebated to the United States of America, with respect to which such deposit is made has been paid or deposited with the Bond Trustee.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph will be deemed a payment of such Bonds as aforesaid until the Finance Authority has given the Bond Trustee, in form satisfactory to the Bond Trustee, irrevocable instructions:

- (1) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date;
- (2) to call for redemption pursuant to the Bond Indenture any Bonds to be redeemed prior to maturity pursuant to clause (1) above; and
- (3) to mail, as soon as practicable, in the manner prescribed by the Bond Indenture, a notice to the owners of such Bonds that the deposit required by clause (a)(ii) of the preceding paragraph has been made with the Bond Trustee and that such Bonds are deemed to have been paid in accordance with the Bond Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of or redemption price, if applicable, on such Bonds as specified in clause (1) above.

Any Assets so deposited with the Bond Trustee for payment of Bonds may at the direction of the Program Representative also be invested and reinvested in Governmental Obligations, maturing in the amounts and times as described above, and all income from all Governmental Obligations in the hands of the Bond Trustee for payment of Bonds, which is not required for the payment of the Bonds and interest thereon with respect to which such moneys have been so deposited, will be transmitted to the Finance Authority, as directed by the Program Representative, as and when realized and collected for use and application in accordance with the SRF Indentures.

No such deposit for payment of Bonds will be made or accepted under the Bond Indenture and no use made of any such deposit unless the Bond Trustee has received an Opinion of Bond Counsel to the effect that such deposit and use would not cause any of the Tax-Exempt Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Code. Moreover, no such deposit will be deemed a payment of the Bonds unless the Bond Trustee has received a verification from an accountant or firm of accountants appointed by the Finance Authority and acceptable to the Bond Trustee verifying the sufficiency of the deposit to pay the principal of and premium, if any, and interest on the Bonds to the due date, whether such due date be by reason of maturity or upon redemption.

Notwithstanding any provision of the Bond Indenture to the contrary, all moneys or Governmental Obligations set aside and held in trust for the payment of Bonds (including interest thereon but excluding any amounts set aside for rebate to the United States of America) will be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or obligations have been so set aside in trust.

Upon the deposit with the Bond Trustee, in trust, at or before maturity, of money or Governmental Obligations in the necessary amount to pay or redeem all outstanding Bonds as described above (whether upon or prior to their maturity or the redemption date of such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption has been given as described above, or provisions satisfactory to the Bond Trustee has been made for the giving of such notice, and upon compliance with the other payment requirements of the Bond Indenture, the Bond Indenture may be discharged in accordance with the provisions thereof. Thereafter, the limited liability of the Finance Authority in respect of such Bonds will continue, but the owners thereof will be entitled to payment only out of the moneys or Governmental Obligations deposited with the Bond Trustee as described above.

Supplemental Bond Indentures

Supplemental Bond Indentures Not Requiring Consent of Bondholders. The Finance Authority and the Bond Trustee may, without the consent of, or notice to, any of the Bondholders enter into an indenture or indentures supplemental to the Bond Indenture for any one or more of the following purposes:

- (1) To cure any ambiguity or formal defect or omission in the Bond Indenture;
- (2) To grant to or confer upon the Bond Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Bond Trustee;
- (3) To make any change in or amend any provisions of the Bond Indenture which, in the judgment of the Finance Authority, does not materially and adversely affect the Trust Estate and does not require unanimous consent of the Bondholders as described below (see “—*Supplemental Bond Indentures Requiring Consent of Bondholders*” below);
- (4) To add to the Trust Estate additional revenues, properties or collateral;
- (5) To modify, amend or supplement the Bond Indenture or any Supplemental Indenture in such manner as to permit the qualification thereof under the Trust Indenture Act of 1939 or any similar federal statute or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the Bond Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939 or similar federal statute;
- (6) To secure and add provisions for the issuance of each Series of Bonds;

- (7) To evidence the appointment of a separate or co-trustee or the succession of a new Bond Trustee under the Bond Indenture or the succession of a new registrar and/or paying agent;
- (8) In connection with issuance of Refunding Bonds, Subordinate Bonds or obligations of an Alternative Bond Issuer; and
- (9) To make any change or amend any provisions of the Bond Indenture if, in the judgment of the Program Representative, the rating then in effect from each Rating Agency on Outstanding Bonds immediately preceding the time such Supplemental Indenture becomes effective will be maintained or improved when such Supplemental Indenture becomes effective. For the purposes of this subsection, the Program Representative must certify its judgment to the Bond Trustee, and such judgment will be based upon the written ratings report or other written evidence provided by each Rating Agency. In addition, each rating will be defined by reference only to the major letter category and any plus (+) or minus (-) designation or similar numerical designation (and without any further designation within a rating category whether now or hereafter used by a Rating Agency).

Supplemental Bond Indentures Requiring Consent of Bondholders. Exclusive of Supplemental Indentures described above (see “—*Supplemental Bond Indentures Not Requiring Consent of Bondholders*” above) and subject to the terms and provisions described below, the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding (exclusive of Bonds held by the Finance Authority) and the Program Representative have the right, from time to time, anything contained in the Bond Indenture to the contrary notwithstanding, to consent to and approve the effectiveness of such Supplemental Indenture or Supplemental Indentures as is deemed necessary and desirable by the Finance Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Bond Indenture or in any Supplemental Indenture. However, this does not permit, without the consent of the owners of all then outstanding Bonds: (a) an extension of the maturity of the principal of or the interest or redemption date on any Bond issued under the Bond Indenture, (b) a reduction in the principal amount of any Bond or change in the rate of interest or redemption premium, (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds (other than a Series of Bonds to be issued pursuant and subject to a Supplemental Indenture all the provisions of which are not, or not yet, effective against the outstanding Bonds), (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, (e) the creation of any lien securing any Bonds other than a lien ratably securing all of the Bonds at any time outstanding under the Bond Indenture, or (f) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Bond Trustee without the written consent of the Bond Trustee.

If at any time the Finance Authority requests the Bond Trustee to enter into any such Supplemental Indenture for any of the purposes described above, the Bond Trustee will, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by certified mail to the Program Representative and each owner of a Bond at the address shown on the registration books maintained by the Bond Trustee. Such notice will briefly set forth the nature of the proposed Supplemental Indenture and will state that copies thereof are on file at the principal corporate trust office of the Bond Trustee for inspection by all Bondholders. If, within 60 days, or such longer period as is prescribed by the Finance Authority, following the mailing of such notice, the Program Representative and the owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the execution of any such Supplemental Indenture (exclusive of Bonds held by the Finance Authority) have consented to and approved the effectiveness of such Supplemental Indenture, no owner of any Bond will have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Bond Trustee or the Finance Authority from effecting the same or from taking any action pursuant to the provisions thereof. Upon the effectiveness of any such Supplemental Indenture as described above, the Bond Indenture will be and be deemed to be modified and amended in accordance therewith. Notwithstanding anything in the Bond Indenture to the contrary, the Finance Authority and the Bond Trustee, in connection with the issuance of a Series of Bonds, may enter into a Supplemental Indenture containing whatever terms and conditions affecting only such Series of Bonds and subsequent Series of Bonds, as the Finance Authority may desire and, by the terms of such Supplemental Indenture, deem the original purchaser or original purchasers of such Bonds to have consented thereto and waived any notice of such Supplemental Indenture that might otherwise be required under the Bond Indenture, which consent and waiver will be binding upon each and every subsequent purchaser and holder of such Bonds. If the Finance Authority and the Bond Trustee enter into a Supplemental Indenture pursuant to the previous sentence, such Supplemental Indenture will be effective against the purchasers and holders or owners of such Bonds as of the date of such Supplemental Indenture.

Defaults; Events of Default

Any of the following events is an “Event of Default” under the Bond Indenture:

- (1) Default in the due and punctual payment of any interest on any Bond;
- (2) Default in the due and punctual payment of the principal of any Bond whether at the stated maturity thereof or on any date fixed for redemption;
- (3) Failure of the Finance Authority or the SRF Trustees to remit to the Bond Trustee, within the time limits prescribed in the Bond Indenture, any moneys which are required by the Bond Indenture or the SRF Indentures to be so remitted;
- (4) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Finance Authority contained in the Bond Indenture or in the Bonds, and failure to remedy the same within the time and after the notice described below (see “—Remedies—*Notice of Certain Defaults; Opportunity to Cure Such Defaults*” below);
- (5) Any warranty, representation or other statement by or on behalf of the Finance Authority contained in the Bond Indenture or in any instrument furnished in compliance with or in reference to the Bond Indenture is false or misleading, when made, in any material respect, and failure to remedy the same within the time and after the notice described below (see “—Remedies—*Notice of Certain Defaults; Opportunity to Cure Such Defaults*” below);
- (6) A petition is filed against the Finance Authority under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction and is not dismissed within 60 days after such filing;
- (7) The Finance Authority files a petition in voluntary bankruptcy or seeking relief under any provisions of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, or consents to the filing of any petition against it under such law; or
- (8) The Finance Authority is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a liquidator or trustee of the Finance Authority or any of its property is appointed by court order or takes possession of such property and such order remains in effect or such possession continues for more than 60 days.

Remedies

General. Upon the occurrence of an Event of Default, the Bond Trustee must notify the owners of all Bonds then outstanding of such Event of Default by registered or certified mail, and will have the following rights and remedies:

- (1) The Bond Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on the Bonds then outstanding, including enforcement of any rights of the Finance Authority or the Bond Trustee under the Participant Loans and enforcement of the SRF Indentures.
- (2) The Bond Trustee may by action or suit in equity require the Finance Authority to account as if it were the trustee of an express trust for the holders of the Bonds and may take such action with respect to the Participant Loans and the SRF Indentures as the Bond Trustee deems necessary or appropriate and in the best interest of the Bondholders, subject to the terms of the Participant Loans and the SRF Indentures.
- (3) Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Bond Trustee and of the Bondholders under the Bond Indenture, the Bond Trustee will be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate, pending such proceedings, with such powers as the court making such appointment confers.

- (4) Use the Assets of the Series Trust Estate for any Series of Bonds solely for payment of the principal and interest due on such Series of Bonds.

If an Event of Default has occurred, if requested to do so by the holders of 25% or more in aggregate principal amount of all Bonds then outstanding and if satisfactorily indemnified, the Bond Trustee will be obligated to exercise such one or more of the rights, remedies and powers described above as the Bond Trustee, being advised by Counsel, deems most expedient in the interests of the Bondholders.

The Bond Indenture provides that no right or remedy by the terms thereof conferred upon or reserved to the Bond Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right or remedy is cumulative and is in addition to any other right or remedy given to the Bond Trustee or to the Bondholders thereunder or existing at law or in equity or by statute.

Rights of Bondholders to Direct Proceedings. Anything in the Bond Indenture to the contrary notwithstanding, the owners of a majority in aggregate principal amount of Bonds then outstanding have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Bond Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Bond Indenture, or for the appointment of a receiver or any other proceedings under the Bond Indenture, as long as such direction is not otherwise than in accordance with the provisions of law and of the Bond Indenture.

Appointment of Receivers. The Bond Indenture provides that, upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Bond Trustee and of the Bondholders under the Bond Indenture, the Bond Trustee will be entitled to the appointment of a receiver or receivers of the Trust Estate, pending such proceedings, with such powers as the court making such appointment confers.

Application of Moneys. All moneys received by the Bond Trustee pursuant to any right or remedy given or action taken under the provisions of the Bond Indenture described above (including moneys received by virtue of action taken under provisions of any Participant Loan) will, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by Bond Trustee and any other moneys owed to Bond Trustee under the Bond Indenture, be applied in accordance with the provisions of the Bond Indenture governing deposits of Assets. See Appendix D: "SUMMARY OF CERTAIN OPERATIONS OF FUNDS AND ACCOUNTS."

Whenever the Bond Trustee applies such funds, it will fix the date (which will be an interest payment date unless the Bond Trustee deems another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates will cease to accrue. The Bond Trustee will give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and will not be required to make payment of principal to the owner of any Bond until such Bond is presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid.

Rights and Remedies of Bondholders. No owner of any Bond has any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Bond Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy thereunder, unless: (a) a Default has occurred, (b) such Default has become an Event of Default and the owners of not less than 25% in aggregate principal amount of Bonds then outstanding have made written request to the Bond Trustee and have offered it reasonable opportunity either to proceed to exercise the remedies granted by the Bond Indenture or to institute such action, suit or proceeding in its own name, (c) such owners of Bonds have offered to the Bond Trustee satisfactory indemnity and (d) the Bond Trustee has refused, or for 60 days after receipt of such request and offer of indemnification has failed to exercise the remedies granted by the Bond Indenture, or to institute such action, suit or proceeding in its own name.

Termination of Proceedings. In case the Bond Trustee or any owner of any Bonds has proceeded to enforce any right under the Bond Indenture by the appointment of a receiver or otherwise, and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely, then the Finance Authority, the Bond Trustee and the Bondholders will be restored to their former positions and rights under the Bond Indenture, respectively, and all rights, remedies and powers of the Bond Trustee and the owners of Bonds will continue as if no such proceedings had been taken.

Waivers of Events of Default. The Bond Trustee may, at its discretion, waive any Event of Default under the Bond Indenture and its consequences, and must do so upon the written request of the owners of (a) more than 66-2/3% in aggregate principal amount of all the Bonds then outstanding in respect of which an Event of Default in the payment of principal or interest exists or (b) more than 50% in aggregate principal amount of all Bonds then Outstanding in the case of any other Event of Default. However, the Bond Trustee may not waive (x) any Event of Default in the payment of the principal of any outstanding Bond at the date of maturity specified therein or (y) any Event of Default in the payment when due of the interest on any outstanding Bond, unless prior to such waiver all arrearages of interest or all arrearages of payments of principal when due, as the case may be, with interest on overdue principal at the rate borne by such Bond, and all expenses of the Bond Trustee in connection with such Event of Default, have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Bond Trustee on account of any such Event of Default has been discontinued or abandoned or determined adversely, then and in every such case the Finance Authority, the Bond Trustee and the Bondholders will be restored to their former positions and rights under the Bond Indenture, respectively.

Notice of Certain Defaults; Opportunity to Cure Such Defaults. Anything in the Bond Indenture to the contrary notwithstanding, no Default under clause (4) or (5) of the definition of “Event of Default” (see “—Defaults; Events of Default” above) will constitute an Event of Default until actual notice of such Default by registered or certified mail is given to the Finance Authority and the Program Representative by the Bond Trustee or the owners of not less than 25% in aggregate principal amount of all Bonds then outstanding and the Finance Authority and the Program Representative have had 60 days after receipt of such notice to correct the Default or cause the Default to be corrected, and have not corrected the Default or caused the Default to be corrected within the applicable period. However, if the Default is such that it is correctable but cannot be corrected within the applicable period, it will not constitute an Event of Default if corrective action is instituted by the Finance Authority or the Program Representative within the applicable period and diligently pursued until the Default is corrected. If a Default is so cured, then it will not constitute an Event of Default.

SUMMARY OF CERTAIN PROVISIONS OF SRF INDENTURES

The following is a summary of certain additional provisions of the SRF Indentures not otherwise described in the Official Statement. This summary is qualified in its entirety by reference to the SRF Indentures. Certain terms used in this Appendix F are defined in Appendix G.

In connection with the Finance Authority's taking responsibility for the administration, management and financing of the SRF Programs, the Finance Authority executed and delivered the Sixth Amended and Restated Wastewater SRF Trust Indenture and the Third Amended and Restated Drinking Water SRF Trust Indenture (see "INTRODUCTION—SRF Indentures"), all as described herein, with the consent of the holders of a majority in principal amount of Outstanding Bonds. As a condition to their purchase, the holders of the Series 2015B Bonds are deemed to have accepted the provisions of the Wastewater Indenture and the Drinking Water Indenture.

Covenants Concerning SRF Programs

The Finance Authority will diligently record the date and amount of each advance on a Participant Loan. The Finance Authority will report to the SRF Trustees the date and amount of such advances.

Prior to a Payment Date, the Program Representative and the SRF Trustees will determine the amount which will be disbursed out of each of the SRF Accounts on the next succeeding Payment Date.

Possession and Inspection of Participant Loans

The SRF Trustees will retain possession of each Participant Loan and a copy of the transcript or documents related thereto and release them only in accordance with the provisions of the SRF Indentures.

Accounts and Reports

The SRF Trustees will keep proper books of record and accounts (separate from all other records and accounts) in which complete and correct entries will be made of its transactions relating to the SRF Programs and the SRF Indentures Funds and Accounts. Such books and such SRF Indentures Funds and Accounts will at all reasonable times be subject to the inspection of the Bond Trustee, the Program Representative and any owner of the Bonds then outstanding or their representatives duly authorized in writing.

The SRF Trustees will provide to the Program Representative prior to the twentieth day of each month a statement of the amount on deposit in each SRF Indentures Account as of the last day of the preceding month and of the total deposits to and withdrawals from each SRF Indentures Account during the preceding month. The Program Representative may provide for less frequent statements so long as such statements are supplied no less frequently than quarterly.

The reports, statements and other documents required to be furnished to or by the SRF Trustees pursuant to any provision of the SRF Indentures will be provided to any owner of the Bonds then outstanding who files or has filed a written request therefor with the Bond Trustee.

Supplemental SRF Indentures

Except to the extent provided in the Bond Indenture, the Finance Authority and the SRF Trustees may from time to time execute one or more indentures supplemental to the SRF Indentures amending, modifying, supplementing, restating or terminating the SRF Indentures, provided that (i) the supplemental indenture is in the judgment of the Program Representative not prohibited by Federal Environmental Law or State Environmental Law and (ii) either (a) the supplemental indenture would not affect any SRF Account (excluding any Account in Equity) in any manner which, in the judgment of the Program Representative, would materially adversely affect any Bondholders or (b) in the judgment of the Program Representative, the rating then in effect from each Rating Agency on outstanding Bonds immediately preceding the time the supplemental indenture becomes effective, will be maintained or improved when the supplemental indenture becomes effective.

The SRF Trustees are required to promptly give written notice, to the Bond Trustee and owners of all outstanding Bonds, of the execution of any indenture or indentures supplemental to the SRF Indentures amending, restating, modifying, supplementing or terminating the SRF Indentures.

DEFINITIONS

The following are definitions of certain terms used in this Official Statement, including its appendices.

“*Accounts*” means the accounts created pursuant to the Bond Indenture.

“*Administration Account*” means the Wastewater Administration Account.

“*Alternative Bond Issuer*” means an agency, instrumentality, commission, authority or other entity authorized by Indiana law to issue bonds for the purpose of either SRF Fund, including the Finance Authority.

“*Assets*” means, with respect to any Fund or Account, the moneys, cash, investments and securities held in such Fund or Account.

“*Authorized Finance Authority Officer*” means the Chairman or Vice Chairman of the Finance Authority, the Public Finance Director or such other person or persons who are duly authorized to act on behalf of the Finance Authority.

“*Bankruptcy Code*” means the Bankruptcy Reform Act of 1978, as amended from time to time.

“*Bond Administrative Expenses*” means any fees, charges, expenses or other obligations owed to a Credit Provider and any payments owed by the Finance Authority with respect to a Derivative Agreement executed with respect to any Bonds, other than any payments due upon the termination of the Derivative Agreement.

“*Bond Counsel*” means an attorney or firm of attorneys that is: (i) approved by the Program Representative; and (ii) nationally recognized in the area of municipal law and matters relating to the exclusion of interest on state and local government bonds from gross income under federal tax law. Such attorney or firm may also be counsel to the Finance Authority, any Participant, the Bond Trustee, the State or the owners of the Bonds.

“*Bond Fund*” means the fund by that name created by the Bond Indenture, consisting of Accounts into which payments will be made as provided in the Bond Indenture to pay interest, principal and redemption price on a specific Series of Bonds and Bond Administrative Expenses with respect thereto.

“*Bondholder*” or “*holder of Bonds*” or “*owner of Bonds*” or any similar term means the registered owner of any Bond.

“*Bond Indenture*” means the Fifth Amended and Restated Bond Indenture, as the same may be supplemented, amended and restated from time to time, including the Series 2015B Supplemental Indenture.

“*Bond Rating*” means the rating in effect from time to time on the outstanding Bonds which are not secured or supported by a Credit Facility, as assigned by a Nationally Recognized Rating Agency. This rating requirement takes into account qualifiers of a rating category by symbols such as “+” or “-” or numerical notation.

“*Bonds*” means any Bonds issued pursuant to the Bond Indenture and any Supplemental Indenture, but excluding any Subordinate Bonds.

“*Bond Trustee*” means The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized, existing and authorized to accept and exercise trusts of the character set out under the laws of the United States of America, as trustee under the Bond Indenture, and any successor thereto.

“*Bond Year*” means, for each Series of Bonds, the periods described as follows: (i) initially, the period from the dated date of a Series of Bonds to the next succeeding January 31; and (ii) thereafter each period from February 1 until the next succeeding January 31.

“*Cash Flow Certificate*” means a certificate executed by the Program Representative to the effect that, taking into account the events or transactions pertaining to the delivery of the certificate, the Finance Authority reasonably

expects that the expected cash flow received by the Bond Trustee under the Bond Indenture, including the Assets in the Support Account and, to the extent the Program Representative elects, any Series Reserve, will, in the judgment of the Program Representative, be sufficient to pay when due the debt service on, and Bond Administrative Expenses with respect to, all Bonds outstanding. The Cash Flow Certificate may also establish the Series Reserve Requirement and/or any Series Support Account for each Series of Bonds outstanding. In delivering such certificate, the Program Representative may use and rely upon such assumptions as the Program Representative deems reasonable under then existing circumstances.

“*Clearing Agency*” means initially The Depository Trust Company, and its successors and assigns, including any surviving, resulting or transferee corporation, or any successor corporation that may be appointed in a manner consistent with the Bond Indenture, and includes any direct or indirect participants of The Depository Trust Company.

“*Code*” means the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the Series of Bonds to which such reference applies, and the applicable regulations or rulings promulgated or proposed thereunder, and any successor thereto.

“*Costs of Issuance*” means: (i) items of expense payable or reimbursable directly or indirectly by the Finance Authority and related to the authorization, sale and issuance of Bonds, which items of expense include, but are not limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Bond Trustee and SRF Trustees, underwriters’ discounts, legal fees and charges, professional consultants’ fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Bonds, bond or reserve fund insurance premiums, credit enhancements, Credit Facility or liquidity facility fees, and other costs, charges and fees in connection with the foregoing; and (ii) Program Expenses incurred in anticipation of the issuance of Bonds.

“*Costs of Issuance Fund*” means the fund of that name established under the Bond Indenture into which the proceeds of Bonds are deposited to provide for payment of the Costs of Issuance and certain Program Expenses. All Bond proceeds so deposited must be allocated by the Program Representative between the Wastewater Bonds and Drinking Water Bonds.

“*Counsel*” means an attorney (i) duly admitted to practice law before the highest court of any state and (ii) approved by the Finance Authority or the Program Representative. Such attorney may be the Attorney General of the State of Indiana or counsel to the Finance Authority, any Participant, the Bond Trustee or the owners of the Bonds.

“*Credit Facility*” means any letter of credit, line of credit, standby bond purchase agreement, revolving credit agreement, surety bond, insurance policy, or other agreement or instrument.

“*Credit Provider*” means the issuer of any Credit Facility and its successor in such capacity and their assigns. To qualify under an SRF Indenture or the Bond Indenture, the Credit Provider providing such Credit Facility must be:

- (i) an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in a rating category that is at least as high as the rating assigned to the Bonds;
- (ii) a bank or trust company which at the time of issuance of such Credit Facility has an outstanding, unsecured, uninsured and unguaranteed debt issue rated in a rating category that is at least as high as the rating assigned to the Bonds by the rating agency or agencies rating the Bonds; or
- (iii) any entity having the qualifications set forth in a Supplemental Indenture authorizing the issuance of a Series of Bonds.

“*Default*” means an event or condition the occurrence of which, with the lapse of time or the giving of notice or both, would become an Event of Default.

“*Defeased Bonds*” means the Bonds identified in Appendix H.

“*Deficiency Fund*” means the Wastewater Deficiency Account and the Drinking Water Deficiency Account.

“*Derivative Agreement*” means any interest rate swap, interest rate cap, swaption or other similar agreement the Finance Authority is authorized to execute with respect to the Bonds in order to hedge its interest rate exposure with respect to the Bonds.

“*Drinking Water Accounts*” means the Drinking Water Fund and all of the accounts created pursuant to the Drinking Water Indenture, but does not include the Drinking Water Program Fund.

“*Drinking Water Bonds*” means Bonds allocated to the Drinking Water Program by the Program Representative from time to time by notice to the Bond Trustee and the SRF Trustees.

“*Drinking Water Deficiency Account*” means the account by that name held by the Drinking Water Trustee under the Drinking Water Indenture.

“*Drinking Water EPA Regulations*” means those regulations relating to state drinking water pollution control revolving funds contained in 40 C.F.R. §§ 35.3500 - .3585 (2000), as amended and supplemented from time to time.

“*Drinking Water Equity*” means the Assets held in the Drinking Water Equity Earnings Account, the Drinking Water Program Fund and the Drinking Water Equity Grant Account.

“*Drinking Water Equity Earnings Account*” means the account by that name held by the Drinking Water Trustee under the Drinking Water Indenture and in which Assets are held that are not subject to the EPA Payment Restriction.

“*Drinking Water Equity Grant Account*” means the account by that name held by the Drinking Water Trustee under the Drinking Water Indenture and in which Assets are held that are subject to the EPA Payment Restriction.

“*Drinking Water Fund*” means the fund created by the State pursuant to the Drinking Water SRF Act and held by the Finance Authority pursuant to the Drinking Water Indenture.

“*Drinking Water Indenture*” means the Third Amended and Restated Drinking Water SRF Trust Indenture dated as of April 1, 2007, entered into by the Finance Authority with the Drinking Water Trustee, as further amended, restated and supplemented.

“*Drinking Water Participant Loan Interest Account*” means the account by that name held by the Drinking Water Trustee under the Drinking Water Indenture, in which the Drinking Water Participant Loan Interest Payments are deposited or allocated by the Program Representative and from which payments are made on the Drinking Water Bonds and in which Assets are held that are not subject to the EPA Payment Restriction.

“*Drinking Water Participant Loan Interest Payment*” means that portion of a Drinking Water Participant Loan Payment which represents the interest due or to become due on a Drinking Water Participant Loan.

“*Drinking Water Participant Loan Payment*” means a Drinking Water Participant Loan Interest Payment or a Drinking Water Participant Loan Principal Payment.

“*Drinking Water Participant Loan Principal Account*” means the account by that name held by the Drinking Water Trustee under the Drinking Water Indenture, in which the Drinking Water Participant Loan Principal Payments are deposited or allocated by the Program Representative and from which payments are made on the Drinking Water Bonds and in which Assets are held that are subject to the EPA Payment Restrictions.

“*Drinking Water Participant Loan Principal Payment*” means that portion of a Drinking Water Participant Loan Payment which represents the principal due or to become due on a Drinking Water Participant Loan.

“*Drinking Water Participant Loans*” means, collectively, the obligations issued by or loans made to Participants that have been approved by the Program Representative for inclusion in the Drinking Water Program for purchase from moneys held in the Drinking Water Purchase Account and, to the extent the Program Representative so elects by written notice to the Drinking Water Trustee and the Bond Trustee, any loan made to or obligation of a Participant from any other Drinking Water Account.

“*Drinking Water Program*” means the program established and administered by the Finance Authority pursuant to the Drinking Water SRF Act and the Safe Drinking Water Act.

“*Drinking Water Program Expenses*” means any fee or expenses incurred by or on behalf of the Finance Authority in the establishment, operation and administration of the Drinking Water Program and the Drinking Water Indenture, including any fees, expenses and costs incurred by the Finance Authority under the Bond Indenture and the Drinking Water Indenture and any rebate payments due to the United States of America pursuant to the Bond Indenture and the costs of determining the amount so payable.

“*Drinking Water Program Fees*” means the fees imposed by the Finance Authority and payable by a Participant for its share of the costs of administering the Drinking Water Program, which will be deposited into the Drinking Water Program Fund.

“*Drinking Water Program Fund*” means the fund by that name held by the Drinking Water Trustee outside of the Drinking Water Fund.

“*Drinking Water Purchase Account*” means the account by that name held by the Drinking Water Trustee under the Drinking Water Indenture and funded from the proceeds of Bonds and in which Assets are held that are subject to the EPA Payment Restriction.

“*Drinking Water Reserve Earnings Account*” means the account by that name held by the Drinking Water Trustee under the Drinking Water Indenture, each subaccount of which is pledged to an individual Series of Bonds and in which Assets are held that are not subject to the EPA Payment Restriction.

“*Drinking Water Reserve Grant Account*” means the account by that name held by the Drinking Water Trustee under the Drinking Water Indenture, each subaccount of which is pledged to an individual Series of Bonds and in which Assets are held that are subject to the EPA Payment Restriction.

“*Drinking Water Series Reserve*” means, with respect to a Series of Bonds, all of the Assets held in the subaccounts of the Drinking Water Reserve Grant Account and the Drinking Water Reserve Earnings Account pledged to secure that Series in the manner provided in the Bond Indenture and the Series Supplemental Indenture.

“*Drinking Water SRF Act*” means Indiana Code 13-18-21 *et seq.*, as amended from time to time.

“*Drinking Water State Match*” means the amount needed to fulfill the state match requirements under the Federal Environmental Law.

“*Drinking Water Support Account*” means the account by that name held by the Drinking Water Trustee under the Drinking Water Indenture, into a subaccount of which the Finance Authority will direct the Drinking Water Trustee to deposit Assets for payment of a specific Series of Bonds in the manner contemplated by the most recent Cash Flow Certificate.

“*Drinking Water Trustee*” means The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana, a national banking association, as trustee under the Drinking Water Indenture, or any successor thereto.

“*EPA*” means the United States Environmental Protection Agency and its successors or assigns.

“*EPA Payment Restriction*” means a restriction set forth in the Federal Environmental Law prohibiting the use of certain moneys for the payment of principal of and interest on that portion of Bonds allocable to the State Match.

“*Equity*” means the Wastewater Equity and the Drinking Water Equity.

“*Equity Earnings Account*” means, collectively, the Wastewater Equity Earnings Account and the Drinking Water Equity Earnings Account.

“*Equity Grant Account*” means, collectively, the Wastewater Equity Grant Account and the Drinking Water Equity Grant Account.

“*Escrow Accounts*” means one or more accounts by that name established under the Escrow Agreement.

“*Escrow Agreement*” means the Escrow Deposit Agreement to be entered into between the Finance Authority and The Bank of New York Mellon Trust Company, N.A., as escrow trustee.

“*Event of Default*” means any occurrence or event specified as such in the Bond Indenture. See Appendix E: “SUMMARY OF CERTAIN PROVISIONS OF BOND INDENTURE—Defaults; Events of Default.”

“*Federal Environmental Law*” means the Clean Water Act and the Safe Drinking Water Act, each as amended, and any other federal statute related or supplemental thereto, as well as any written advice, guidelines, instructions, interpretations, letters (including letters from the Program Representative confirming advice given telephonically), policies, procedures, questions and answers, regulations (including the Wastewater and Drinking Water EPA Regulations) and rules of the United States Environmental Protection Agency, including any regional office thereof, or any officer thereof, relating to such acts, other statutes or the SRF Programs.

“*Fifth Amended and Restated Bond Indenture*” means the Fifth Amended and Restated Indenture of Trust, dated as of April 1, 2007, between the Finance Authority and the Bond Trustee, as supplemented and amended from time to time.

“*Finance Authority*” means the Indiana Finance Authority, a public body politic and corporate, not a state agency, but an independent public instrumentality of the State exercising essential public functions.

“*Finance Authority Act*” means Indiana Code 4-4-11, as amended from time to time.

“*Financial Assistance Agreement*” means each financial assistance agreement entered into with a Participant with respect to which a Participant Loan has been made pursuant to the SRF Programs.

“*Fiscal Year*” means the 12 month period from July 1 through the following June 30 or such other fiscal year established by the Finance Authority with the approval of the Program Representative.

“*Fitch*” means FitchRatings, and its successors and assigns.

“*Funding Date*” means the last Business Day next preceding each Payment Date or any earlier date selected by the Program Representative.

“*Funds*” means the funds created pursuant to the Bond Indenture (other than the Rebate Fund).

“*Governmental Obligations*,” except with respect to any Series of Bonds, as provided in the Series Supplemental Indenture authorizing such Series, means and includes only:

- (i) any direct and general obligations of, or any obligations unconditionally guaranteed by, the United States of America, which obligations are not redeemable prior to maturity other than at the option of the holder thereof;
- (ii) obligations of, or unconditionally guaranteed as to payment of principal and interest by, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Financing Bank, the Federal Intermediate Credit Bank, Federal Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks, Farmers Home Administration and Federal Home Loan Mortgage Corporation, or of any other agency or corporation which has been or is hereafter created pursuant to an act of the Congress of the United States as an agency or instrumentality thereof, which obligations are not redeemable prior to maturity other than at the option of the holder thereof;
- (iii) any obligations of any state or political subdivision of a state that are rated at least the Bond Rating (collectively, “Municipal Bonds”) that (a) are fully secured as to principal and interest by an irrevocable pledge of moneys or direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America, which moneys or obligations are

segregated in trust and pledged for the benefit of the owners of the Municipal Bonds, and (b) are not redeemable prior to maturity other than at the option of the holder thereof;

- (iv) certificates of ownership of the principal of or interest on direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America, which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System, which certificates of ownership are not redeemable prior to maturity other than at the option of the holder thereof;
- (v) the interest component of obligations issued by the Resolution Trust Corporation, which are not redeemable prior to maturity other than at the option of the holder thereof; and
- (vi) securities evidencing ownership interests in open-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, whose investments are limited to the obligations described in clauses (i) and (ii) of the definition of “SRF Investments” and to repurchase agreements fully collateralized by such obligations, the average maturity of which obligations does not exceed 90 days.

“*Master Trust Estate*” means:

- (i) all Assets held in the Participant Loan Interest Account and the Participant Loan Principal Account (*except* to the extent such Assets may be transferred to other SRF Fund and Accounts in accordance with the provisions of the SRF Indentures); and
- (ii) all Assets held in the Deficiency Fund (*except* to the extent such Assets may be transferred from the Deficiency Fund in accordance with the Bond Indenture).

“*Moody’s*” means Moody’s Investors Service, Inc., and its successors and assigns.

“*Nationally Recognized Rating Agency*” means Fitch, Moody’s or Standard & Poor’s, and the successors and assigns of each of the foregoing, or in the event that any of the foregoing are dissolved or liquidated or the Program Representative determines that such entity no longer performs the function of a securities rating agency or that another rating agency performs a substantially similar function, such other national recognized securities rating agency or agencies as the Program Representative may from time to time designate.

“*Operating Agreement*” means the agreement between the United States Environmental Protection Agency and the Finance Authority (as successor to the State), with respect to the Wastewater Program, as amended and supplemented from time to time, and with respect to the Drinking Water Program, as amended and supplemented from time to time.

“*Opinion of Bond Counsel*” means a written opinion of Bond Counsel addressed to the Finance Authority, the Bond Trustee and the SRF Trustees, as applicable.

“*Opinion of Counsel*” means a written opinion of Counsel addressed to the Finance Authority, the Bond Trustee and the SRF Trustees, as applicable.

“*Outstanding*” or “*Bonds Outstanding*” means all Bonds which have been authenticated and delivered by the Bond Trustee under the Bond Indenture, including Bonds held by the Finance Authority (subject to the Bond Indenture) except:

- (i) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (ii) Bonds deemed paid under the Bond Indenture; and
- (iii) Bonds in lieu of which other Bonds have been authenticated under the Bond Indenture.

“*Participant*” means any entity defined in Indiana Code 13-11-2-151.1, as amended from time to time, and any entity which sold its obligations to the Finance Authority or its predecessor with respect to the SRF Indentures.

“*Participant Loan Interest Account*” means, collectively, the Wastewater Participant Loan Interest Account and the Drinking Water Participant Loan Interest Account.

“*Participant Loan Interest Payment*” means a Wastewater Participant Loan Interest Payment or a Drinking Water Participant Loan Interest Payment.

“*Participant Loan Payment*” means a Wastewater Participant Loan Payment or Drinking Water Participant Loan Payment.

“*Participant Loan Principal Account*” means, collectively, the Wastewater Participant Loan Principal Account and the Drinking Water Participant Loan Principal Account.

“*Participant Loan Principal Payment*” means that portion of a Participant Loan Payment which represents the principal due or to become due on a Participant Loan.

“*Participant Loans*” means the Wastewater Participant Loans and the Drinking Water Participant Loans.

“*Payment Date*” means any interest payment date, principal payment date or date upon which the Bonds are to be redeemed.

“*Pledged Participant Loan Payments*” means the principal and interest payments made by Participants on loans funded from proceeds of the Bonds.

“*Program Counsel*” means the Counsel retained by the Finance Authority for the SRF Programs.

“*Program Expenses*” means the Wastewater Program Expenses and the Drinking Water Program Expenses.

“*Program Fees*” means the Wastewater Program Fees and the Drinking Water Program Fees.

“*Program Funds*” means the Wastewater Program Fund and the Drinking Water Program Fund.

“*Program Representative*” means the person or persons designated in writing by the Public Finance Director or a resolution of the Finance Authority’s board as authorized to act as the Program Representative for purposes of the SRF Indentures and the Bond Indenture, and absent further designation will mean the person serving from time to time as the Finance Authority’s Director of the Environmental Programs.

“*Public Finance Director*” means the person appointed to the position with that name pursuant to the provisions of Indiana Code 4-4-11-9.

“*Purchase Account*” means, collectively, the Wastewater Purchase Account and the Drinking Water Purchase Account.

“*Rating Agency*” means each Nationally Recognized Rating Agency, but only to the extent such entity has been requested in writing to issue a rating on the most recently issued Series of Bonds (i) by the Finance Authority or (ii) by the Program Representative.

“*Rating Category*” means, with respect to long-term debt obligations, any full rating category, without regard to qualification of such rating by symbols such as “+” or “-” or numerical notation, and with respect to short-term debt obligations, any rating category, with regard to qualification of such rating by symbols such as “+” or “-” or numerical notation.

“*Rebate Fund*” means the fund by that name created by the Bond Indenture.

“*Record Date*” means, with respect to any interest payment date for a Series of Bonds, the date specified in the Supplemental Indenture authorizing such Series as the date for determining the registered owner of the Bonds for such interest payment date.

“*Redemption Price*” means, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption prior to maturity.

“*Refunding Bonds*” means Bonds issued pursuant to the Bond Indenture and any Supplemental Indenture to refund any outstanding Bonds.

“*Required Rating*,” with respect to any security, instrument or other obligation used as an investment of amounts held in the Trust Estate (each, an “Obligation”) or with respect to the issuer, provider or guarantor (each, an “Obligor”) of any Obligation, (i) if the Obligation or the Obligor is rated on a long term basis by a Nationally Recognized Rating Agency, means that its rating is at least in the “AA-/AA3” long term Rating Category by such Nationally Recognized Rating Agency; or (ii) if the Obligation or the Obligor is rated on a short term basis by a Nationally Recognized Rating Agency, means that its rating is in the highest short term Rating Category by such Nationally Recognized Rating Agency.

“*Reserve Earnings Account*” means, collectively, the Wastewater Reserve Earnings Account and the Drinking Water Reserve Earnings Account.

“*Reserve Grant Account*” means, collectively, the Wastewater Reserve Grant Account and the Drinking Water Reserve Grant Account.

“*Rule*” means SEC Rule 15c2-12, as amended, promulgated under the Securities Exchange Act of 1934.

“*Safe Drinking Water Act*” means the federal Safe Drinking Water Act and any amendments or supplements thereto, contained in 42 U.S.C. 300f *et seq.*

“*Series 2015B Bonds*” means the Indiana Finance Authority State Revolving Fund Program Refunding Bonds, Series 2015B (Green Bonds), issued under the Bond Indenture.

“*Series 2015B Supplemental Indenture*” means the Series 2015B Supplemental Indenture of Trust dated as of February 1, 2015, between the Finance Authority and the Bond Trustee.

“*Series Bond Account*” means, with respect to any Series of Bonds, the Account of the Bond Fund established for such Series.

“*Series of Bonds*” or “*Bonds of a Series*” or “*Series*” or words of similar meaning mean any series of Bonds authorized by a Series Supplemental Indenture to be issued at substantially the same time.

“*Series Reserve*” means, with respect to a Series of Bonds, the Wastewater Series Reserve and the Drinking Water Series Reserve established for such Series of Bonds in the manner provided in the Series Supplemental Indenture authorizing such Series and in the Bond Indenture.

“*Series Reserve Requirement*” means, with respect to a Series of Bonds, the required amount of Assets to be held in the Series Reserve established for such Series of Bonds by the Program Representative by the Cash Flow Certificate most recently delivered to the Bond Trustee, as the same may be amended from time to time upon delivery of a new Cash Flow Certificate.

“*Series Supplemental Indenture*” means each Supplemental Indenture entered into that authorizes the issuance of a Series of Bonds.

“*Series Trust Estate*” means the property, rights, and amounts pledged and assigned to the Bond Trustee for a Series of Bonds pursuant to the Series Supplemental Indenture authorizing such Series of Bonds.

“*SRF Accounts*” means the Wastewater Accounts and the Drinking Water Accounts.

“*SRF Acts*” or “*State Environmental Law*” means the Wastewater SRF Act and the Drinking Water SRF Act.

“*SRF Funds*” means the Wastewater Fund and the Drinking Water Fund.

“*SRF Indentures*” means the Wastewater Indenture and the Drinking Water Indenture, as the same may be further amended and supplemented from time to time.

“*SRF Indentures Accounts*” or “*SRF Accounts*” means the SRF Funds and each of the accounts thereof held by the SRF Trustees pursuant to the SRF Indentures.

“*SRF Investments*” means any of the following securities, if and to the extent the same are at the time legal for investment of the funds pursuant to the State Environmental Law or Federal Environmental Law, as applicable, and as determined by the Program Representative in writing:

- (i) Any bonds or other obligations which the timely payment of principal and interest constitutes direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any of the federal agencies set forth in clause (iii) of this definition to the extent unconditionally guaranteed by the United States of America.
- (ii) Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) of this definition, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, and (c) as to which the principal of and interest on bonds or other obligations of the character described in clause (i) of this definition which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate; and that are rated at the date of purchase at least the Required Rating.
- (iii) Bonds, debentures or other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an act of Congress as an agency or instrumentality of the United States of America.
- (iv) The interest component of obligations issued by the Resolution Trust Corporation, which are not redeemable prior to maturity other than at the option of the holder thereof.
- (v) Direct and general obligations of any state of the United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, provided that at the time of their purchase hereunder such obligations are rated at least the Required Rating.
- (vi) Obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision which are rated at least the Required Rating.
- (vii) Certificates or other instruments that evidence ownership of the right to payments of principal of or interest on obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision, if (a) such obligations are held in trust by a commercial bank which is a member of the Federal Reserve System and meets the requirements for a successor Bond Trustee under the Bond

Indenture, and (b) payment of all principal of and interest on such certificates or such obligations is fully insured or unconditionally guaranteed by, or unconditionally payable pursuant to a credit support arrangement provided by, one or more financial institutions or insurance companies or associations which are rated at least the Required Rating, or, in the case of an insurer providing municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bonds, such insurance policy results in such municipal bonds being rated at least the Required Rating.

- (viii) Certificates that evidence ownership of the right to payments of principal of or interest on obligations described in clause (i) of this definition, provided that such obligations are held in trust by a commercial bank which is a member of the Federal Reserve System and meets the requirements for a successor Bond Trustee under the Bond Indenture.
- (ix) Certificates of deposit, whether negotiable or non-negotiable, and banker's acceptances of any bank in the United States of America which is rated at least the Required Rating.
- (x) Commercial paper, other than that issued by bank holding companies, rated at least the Required Rating.
- (xi) Written repurchase contracts, reverse repurchase contracts or securities lending agreements (collateralized by cash or securities) that satisfy the criteria for being rated at least the Required Rating.
- (xii) Shares of an investment company organized under or a money market fund regulated under the Investment Company Act of 1940, as amended, or units of a common trust fund which invests their assets exclusively in obligations of the type described in clause (i), (vii), (x) or (xii) of this definition, the average maturity of which obligations does not exceed 90 days.
- (xiii) Any agreement for an investment of money with a Qualified Institution (an "Investment Agreement"), provided that such Investment Agreement (or the debt of the Qualified Institution) must (1) be rated at least the Required Rating at the time such Investment Agreement is entered into or (2) be collateralized with cash or securities in such manner as required for a Required Rating. "Qualified Institution" means any entity, the unsecured or uncollateralized long-term debt obligations of which are rated at least the Required Rating, or obligations secured or supported by a letter of credit, contract, guaranty, agreement or surety bond issued by an entity the obligations of which are rated at least the Required Rating.
- (xiv) Notwithstanding anything in the Bond Indenture to the contrary, any agreements, contracts or obligations rated at least the Required Rating or any other investment approved by any Rating Agency.

For the investment of Assets in a Series Reserve for a specific Series of Bonds, the Series Supplemental Indenture authorizing such Series may authorize that other investments be included in the definition of SRF Investments for that Series Reserve.

"*SRF Programs*" means the Wastewater Program and the Drinking Water Program.

"*SRF Trustee*" means, collectively, the Wastewater Trustee and the Drinking Water Trustee.

"*Standard & Poor's*" means Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, and its successors and assigns.

"*State*" means the State of Indiana.

"*State Match*" means the Wastewater State Match or the Drinking Water State Match.

“*State Match Allocation*” means the portion of the proceeds of any Series of Bonds which is allocated by the Program Representative and used primarily to fund the State Match.

“*State Match Revenue Bonds*” means Bonds issued to fund the State Match Allocation.

“*Supplemental Indenture*” means an indenture supplemental to or amendatory of the Bond Indenture, executed by the Finance Authority and the Bond Trustee in accordance with the Bond Indenture.

“*Support Account*” means, collectively, the Wastewater Support Account and the Drinking Water Support Account.

“*Taxable Bonds*” means Bonds the interest on which is not excludable from gross income for federal income tax purposes.

“*Tax-Exempt Bonds*” means Bonds the interest on which is intended to be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code.

“*Trust Estate*” means, collectively, the Master Trust Estate and, with respect to each specific Series of Bonds, the Series Trust Estate pledged to secure such Series in the manner and to the extent provided in the Series Supplemental Indenture with respect thereto.

“*Wastewater Accounts*” means the Wastewater Fund and all of the accounts created pursuant to the Wastewater Indenture, but does not include the Wastewater Program Fund.

“*Wastewater Administration Account*” means the account by that name held by the Wastewater Trustee under the Wastewater Indenture, for the purpose of paying the Wastewater Program Expenses and in which Assets are held that are subject to the EPA Payment Restriction.

“*Wastewater Bonds*” means Bonds allocated to the Wastewater Program by the Program Representative from time to time and certified to the Bond Trustee and the Wastewater Trustee.

“*Wastewater Deficiency Account*” means the account by that name held by the Wastewater Trustee under the Wastewater Indenture.

“*Wastewater EPA Regulations*” means those regulations relating to state water pollution control revolving funds contained in 40 C.F.R. §§ 35.3100-.3170 (1991), as amended and supplemented from time to time.

“*Wastewater Equity*” means the Assets held in the Wastewater Administration Account, the Wastewater Equity Earnings Account, the Wastewater Program Fund and the Wastewater Equity Grant Account.

“*Wastewater Equity Earnings Account*” means the account by that name held by the Wastewater Trustee under the Wastewater Indenture and in which Assets are held that are not subject to the EPA Payment Restriction.

“*Wastewater Equity Grant Account*” means the account by that name held by the Wastewater Trustee under the Wastewater Indenture and in which Assets are held that are subject to the EPA Payment Restriction.

“*Wastewater Fund*” means the fund created by the State pursuant to the Wastewater SRF Act and held by the Finance Authority pursuant to the Wastewater Indenture.

“*Wastewater Indenture*” means the Sixth Amended and Restated Wastewater SRF Trust Indenture dated as of April 1, 2007, between the Finance Authority and the Wastewater Trustee, as amended, restated and supplemented.

“*Wastewater Participant Loan Interest Account*” means the account by that name held by the Wastewater Trustee under the Wastewater Indenture, in which the Wastewater Participant Loan Interest Payments are deposited or allocated by the Program Representative and from which payments are made on the Wastewater Bonds and in which Assets are held that are not subject to the EPA Payment Restriction.

“*Wastewater Participant Loan Interest Payment*” means that portion of a Wastewater Participant Loan Payment which represents the interest due or to become due on a Wastewater Participant Loan.

“*Wastewater Participant Loan Payment*” means a Wastewater Participant Loan Interest Payment or a Wastewater Participant Loan Principal Payment.

“*Wastewater Participant Loan Principal Account*” means the account by that name held by the Wastewater Trustee under the Wastewater Indenture, in which the Wastewater Participant Loan Principal Payments are deposited or allocated by the Program Representative and from which payments are made on the Wastewater Bonds and in which Assets are held that are subject to the EPA Payment Restrictions.

“*Wastewater Participant Loan Principal Payment*” means that portion of a Wastewater Participant Loan Payment which represents the principal due or to become due on a Wastewater Participant Loan.

“*Wastewater Participant Loans*” means, collectively, the obligations issued by or loans made to Participants that have been approved by the Program Representative for inclusion in the Wastewater Program for purchase from moneys held in the Wastewater Purchase Account, including loans made by the Finance Authority or its predecessor through the purchase of obligations with respect to the Wastewater Indenture, and, to the extent the Program Representative so elects by written notice to the Wastewater Trustee and the Bond Trustee, any loan made to or obligation of a Participant from any other Wastewater Account.

“*Wastewater Program*” means the program administered pursuant to the Wastewater SRF Act.

“*Wastewater Program Expenses*” means any fee or expenses incurred by or on behalf of the Finance Authority in the establishment, operation and administration of the Wastewater Program and the Wastewater Indenture, including any fees, expenses and costs incurred by the Finance Authority under the Bond Indenture and the Wastewater Indenture and any rebate payments due to the United States of America pursuant to the Bond Indenture and the costs of determining the amount so payable.

“*Wastewater Program Fees*” means the fees imposed by the Finance Authority and payable by a Participant for its share of the costs of administering the Wastewater Program, which will be deposited into the Wastewater Program Fund.

“*Wastewater Program Fund*” means the fund by that name held by the Wastewater Trustee outside of the Wastewater Fund.

“*Wastewater Purchase Account*” means the account by that name held by the Wastewater Trustee under the Wastewater Indenture and funded from the proceeds of Bonds and in which Assets are held that are subject to the EPA Payment Restriction.

“*Wastewater Reserve Earnings Account*” means the account by that name held by the Wastewater Trustee under the Wastewater Indenture, each subaccount of which is pledged to an individual Series of Bonds and in which Assets are held that are not subject to the EPA Payment Restriction.

“*Wastewater Reserve Grant Account*” means the account by that name held by the Wastewater Trustee under the Wastewater Indenture, each subaccount of which is pledged to an individual Series of Bonds and in which Assets are held that are subject to the EPA Payment Restriction.

“*Wastewater Series Reserve*” means, with respect to a Series of Bonds, all of the Assets held in the subaccounts of the Wastewater Reserve Grant Account and the Wastewater Reserve Earnings Account pledged to secure that Series in the manner provided in the Bond Indenture and the Series Supplemental Indenture.

“*Wastewater SRF Act*” means Indiana Code 13-18-13 *et seq.*, as amended and supplemented from time to time.

“*Wastewater State Match*” means the amount needed to fulfill the state match requirements under the Federal Environmental Law.

“*Wastewater Support Account*” means the account by that name held by the Wastewater Trustee under the Wastewater Indenture, into a subaccount of which the Finance Authority will direct the Wastewater Trustee to deposit Assets for payment of a specific Series of Bonds in the manner contemplated by the most recent Cash Flow Certificate.

“*Wastewater Trustee*” means The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana, a national banking association, as trustee under the Wastewater Indenture, or any successor thereto.

“*Water Quality Act*” means the federal Water Quality Act of 1987 and any amendments or supplements thereto.

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DEFEASED BONDS

At this time, the Finance Authority expects that all or a portion of the Bonds listed below will be among the Bonds being refunded and/or legally defeased. This list of Bonds expected to be defeased is subject to change and may not be a complete list of all the Bonds to be defeased in this transaction. Other Bonds of the Finance Authority that are not listed below may also be defeased with proceeds of the Series 2015B Bonds, and some of the Bonds listed here may not be defeased. The final Official Statement relating to the Series 2015B Bonds will contain the definitive list of Bonds to be defeased.

<u>Series*</u>	<u>Maturity Date*</u>	<u>Interest Rate*</u>	<u>Principal Amount*</u>	<u>Redemption Date*</u>	<u>Call Price*</u>
2007A	2/1/2023	4.750%	\$7,350,000	2/1/2017	100.00%
2007A	2/1/2024	4.750	6,980,000	2/1/2017	100.00
2007A	2/1/2026	4.000	5,800,000	2/1/2017	100.00
2007A	2/1/2027	4.000	9,245,000	2/1/2017	100.00
2007B	2/1/2019	5.000	3,650,000	2/1/2018	100.00
2007B	2/1/2021	5.000	5,505,000	2/1/2018	100.00
2007B	2/1/2022	5.000	5,725,000	2/1/2018	100.00
2007B	2/1/2023	5.000	5,865,000	2/1/2018	100.00
2007B	2/1/2024	5.000	5,535,000	2/1/2018	100.00
2009A	2/1/2023	5.000	8,780,000	2/1/2019	100.00
2009A	2/1/2024	5.000	10,305,000	2/1/2019	100.00
2009A	2/1/2025	5.000	13,915,000	2/1/2019	100.00
2009A	2/1/2026	5.000	14,590,000	2/1/2019	100.00
2009A	2/1/2027	5.000	16,535,000	2/1/2019	100.00
2012B	2/1/2022	5.000	7,255,000	8/1/2018	100.00
2012B	2/1/2023	5.000	5,245,000	8/1/2018	100.00
2012B	2/1/2024	5.000	7,630,000	8/1/2018	100.00
2012B	2/1/2025	5.000	9,550,000	8/1/2018	100.00

*Preliminary, subject to change.

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