

2019 CWSRF Financial Overview

The Clean Water Act requires an annual financial audit of the state CWSRF programs. Each state and Puerto Rico conduct these audits according to the Generally Accepted Accounting Standards (GAAP) established by the Governmental Accounting Standards Board (GASB). States often define their CWSRF programs as ongoing enterprise funds under the GASB definitions of funds.

2019 Financial Highlights

- The 51 CWSRF programs provided over \$6.2 billion in funding for high priority water infrastructure and other water quality projects. Cumulatively, since the program's inception, CWSRF programs have provided over \$138 billion in assistance, mainly in the form of low-cost financing, to a wide range of eligible borrowers.
- Since 2009, approximately \$5.1 billion has been provided as additional subsidy in the form of direct grants and principal forgiveness. Over \$260 million was provided in 2019 alone.
- Total assets are approximately \$74 billion. This is a \$2 billion increase from the previous year.
- Net assets have exceeded \$53 billion. This is a \$2 billion increase from the previous year.
- Federal capitalization in 2019 was nearly \$1.9 billion.
- Operating revenues exceeded operating expenses by over \$230 million.
- Annual earnings from loans and investments exceeded \$1.4 billion.
- The CWSRF issued over \$1.8 billion in leveraged bonds to provide additional funding for projects.

National aggregate financial statements were developed using data entered in EPA's National Information Management System between July 1, 2018 and June 30, 2019. Because the 51 CWSRF programs are independent state-level entities, no nationally audited CWSRF program financial reports are available. The financial statements are non-audited, cash-based financial reports. The four statements are described below.

Statement of Fund Activity (Page 2)

Provides an overview of major indicators of fund activity, including capitalization grant levels, project commitments, project disbursements, and subsidies provided. Both annual and cumulative data are given.

Statement of Revenues, Expenses, and Earnings (Page 3)

Describes the overall performance of the CWSRF fund over the reporting period that is reflected in the increase or decrease in net assets.

Statement of Cash Flows (Page 4)

Provides a detailed accounting of the actual flow of cash into and out of the CWSRF fund.

Statement of Net Assets (Page 5)

Describes CWSRF assets and liabilities through the end of the fiscal year. Assets include financial assets and capital assets. Liabilities include both current and long-term liabilities. CWSRF assets include grant funds that have been drawn from the federal treasury to date, but do not include total grant awards. CWSRF assets also include state matching contributions that have been deposited in the fund.

Statement of Fund Activity (Millions of Dollars)

Annual Fund Activity	FY 2018	FY 2019
Federal Capitalization Grants	\$1,364.5	\$1,869.9
State Matching Funds	\$538.4	\$300.7
New Funds Available for Assistance	\$6,561.8	\$7,549.5
Executed Assistance Agreements	\$6,727.9	6,241.8
Project Disbursements	\$6,255.6	\$6,535.0
Cash Draws from Federal Capitalization Grants	\$1,225.7	\$1,585.4
Total Annual Subsidy	\$257.2	\$264.1
Grants	\$20.0	\$12.4
Negative Interest	0.0	0.00
Principal Forgiveness	\$237.3	\$251.6
Cumulative Fund Activity		
Federal Capitalization Grants	\$43,343.2	\$45,213.2
State Matching Funds	\$8,585.8	\$8,886.5
Funds Available for Assistance	\$134,397.9	\$142,947.3
Executed Assistance Agreements	132,208.8	138,450.6
Project Disbursements	\$116,444.7	\$122,979.7
Cash Draws from Federal Capitalization Grants	\$41,734.6	\$43,319.9
Total Cumulative Subsidy	\$4,849.8	\$5,123.9
Grants	\$655.2	\$667.6
Negative Interest	0.0	0.0
Principal Forgiveness	\$4,204.6	\$4,456.2



Statement of Revenues, Expenses, and Earnings (Millions of Dollars)

Operating Revenues	FY 2018	FY 2019
Interest on Investments	\$343.5	\$471.9
Interest on Loans	\$1,002.6	\$991.3
<i>Total Operating Revenues</i>	<i>\$1,346.1</i>	<i>\$1,463.2</i>
Operating Expenses		
Bond Interest Expense	\$913.8	\$894.1
Amortized Bond Issuance Expense	\$27.0	\$19.6
Administrative Expenses	\$49.0	\$53.8
Additional Subsidy Provided	\$257.2	\$264.1
<i>Total Expenses</i>	<i>\$1,247.1</i>	<i>\$1,231.6</i>
Nonoperating Revenues and Expenses		
Federal Contribution (Cash Draws)	\$1,225.7	\$1,585.4
State Contributions	\$145.7	\$175.5
Transfers from (to) DWSRF	(\$61.4)	\$2.0
<i>Total Nonoperating Revenues (Expenses)</i>	<i>\$1,310.0</i>	<i>\$1,762.9</i>
Increase (Decrease) in Net Assets	\$1,409.0	\$1,994.5
Net Assets		
Beginning of Year	\$49,887.1	\$51,296.1
End of Year	\$51,296.1	\$53,290.6



Statement of Cash Flows (Millions of Dollars)

Operating Activities	FY 2018	FY 2019
Cash Draws from Federal Capitalization Grants	\$1,225.7	\$1,585.4
Contributions from States	\$145.7	\$175.5
Loan Disbursements (Including Additional Subsidy)	(\$6,255.6)	(\$6,535.0)
Loan Principal Repayments	\$4,109.5	\$4,124.5
Interest Received on Loans	\$1,002.6	\$991.3
Administrative Expenses	(\$49.0)	(\$53.8)
<i>Total Cash Flows from Operating Activities</i>	\$178.9	\$287.8
Noncapital Financing Activities		
Gross Leveraged Bond Proceeds	\$1,926.8	\$1,827.1
Bond Issuance Expense	(\$13.3)	(\$10.9)
State Match Bond Proceeds	\$392.8	\$125.3
Cash Received from Transfers with DWSRF	(\$61.4)	\$2.0
Interest Paid on Leveraged and State Match Bonds	(\$913.8)	(\$894.1)
CWSRF Funds Used for Refunding	0.0	(\$151.2)
Principal Repayment of Leveraged Bonds	(\$2,102.4)	(\$1,618.1)
Principal Repayment of State Match Bonds	(\$133.4)	(\$90.2)
<i>Net Cash Provided by Noncapital Financing Activities</i>	(\$868.6)	(\$810.1)
Investing Activities		
Interest Received on Investments	\$343.5	\$471.9
Release (Deposit) of Leveraged Bond Debt Service Reserve	\$273.5	\$464.3
<i>Net Cash Provided by Investing Activities</i>	\$617.0	\$936.3
Net Increase (Decrease) in Cash and Cash Equivalents	(\$72.8)	\$414.0
Cash and Cash Equivalents		
Beginning of Year	\$13,978.9	\$13,906.1
End of Year	\$13,906.1	\$14,320.1



Statement of Net Assets (Millions of Dollars)

Assets	FY 2018	FY 2019
Cash and Cash Equivalents	\$13,906.1	\$14,320.1
Debt Service Reserve - Leveraged Bonds	\$3,218.4	\$2,754.1
Loans Outstanding	\$54,772.4	\$56,918.9
Unamortized Bond Issuance Expenses*	\$243.0	\$234.2
<i>Total Assets</i>	<i>\$72,139.9</i>	<i>\$74,227.3</i>
Liabilities		
Match Bonds Outstanding	\$861.6	\$896.7
Leveraged Bonds Outstanding	\$19,982.2	\$20,040.0
<i>Total Liabilities</i>	<i>\$20,843.8</i>	<i>\$20,936.7</i>
Net Assets		
Federal Contributions (Cash Draws)	\$41,734.6	\$43,319.9
State Contributions	\$5,973.2	\$6,148.6
Transfers - Other SRF Funds	(\$590.2)	(\$588.2)
Other Net Assets	\$4,178.6	\$4,410.2
<i>Total Net Assets</i>	<i>\$51,296.1</i>	<i>53,290.6</i>
Total Liabilities and Net Assets	\$72,139.9	\$74,227.3

* Unamortized Bond Issuance Expenses are costs that have been incurred but have not been fully recognized (amortized). These costs will be recognized (amortized) over time over the remaining life of the bonds outstanding, similar to a pre-paid expense, and consistent with GAAP.



State Agencies That Manage CWSRF Programs

EPA Region 1

Connecticut Department of Environmental Protection
Connecticut Office of the Treasurer
Maine Municipal Bond Bank
Maine Department of Environmental Protection
Massachusetts Water Pollution Abatement Trust
Massachusetts Department of Environmental Protection
New Hampshire Department of Environmental Services
Rhode Island Clean Water Finance Agency
Rhode Island Department of Environmental Management
Vermont Department of Environmental Conservation
Vermont Municipal Bond Bank

EPA Region 2

New Jersey Department of Environmental Protection
New Jersey Environmental Infrastructure Trust
New York State Environmental Facilities Corporation
New York Department of Environmental Conservation
Puerto Rico Environmental Quality Board
Puerto Rico Infrastructure Financing Authority

EPA Region 3

Delaware Department of Natural Resources and Environmental Control
Maryland Department of the Environment
Pennsylvania Infrastructure Investment Authority
Pennsylvania Department of Environmental Protection
Virginia Department of Environmental Quality
Virginia Resources Authority
West Virginia Development Authority
West Virginia Department of Environmental Protection
West Virginia Infrastructure and Jobs Development Council

EPA Region 4

Alabama Department of Environmental Management
Florida Department of Environmental Protection
Georgia Environmental Facilities Authority
Georgia Environmental Protection Division
Kentucky Infrastructure Authority
Kentucky Division of Water
Mississippi Department of Environmental Quality
North Carolina Department of Environmental and Natural Resources
South Carolina Department of Health and Environmental Control
South Carolina Budget and Control Board
Tennessee Department of Environment and Conservation
Tennessee Comptroller of the Treasury

EPA Region 5

Illinois Environmental Protection Agency
Indiana Department of Environmental Management
Indiana Finance Authority
Indiana State Budget Agency
Michigan Department of Environmental Quality
Michigan Municipal Bond Authority
Minnesota Pollution Control Agency
Minnesota Public Facilities Authority
Minnesota Department of Agriculture
Ohio Environmental Protection Agency
Ohio Water Development Authority
Wisconsin Department of Natural Resources
Wisconsin Department of Administration

EPA Region 6

Arkansas Natural Resources Commission
Arkansas Development Finance Authority
Louisiana Department of Environmental Quality
New Mexico Environment Department
Oklahoma Water Resources Board
Texas Water Development Board

EPA Region 7

Iowa Department of Natural Resources
Iowa Finance Authority
Kansas Department of Health and Environment
Kansas Department of Administration
Kansas Development Finance Authority
Missouri Department of Natural Resources
Missouri Environmental Improvement and Energy Resources Authority
Nebraska Department of Environmental Quality
Nebraska Investment Finance Authority

EPA Region 8

Colorado Water Resources and Power Development Authority
Colorado Department of Public Health and Environment
Colorado Department of Local Affairs
Montana Department of Environmental Quality
Montana Department of Natural Resources and Conservation
North Dakota Department of Health

North Dakota Public Finance Authority
South Dakota Department of Environment and Natural Resources
Utah Department of Environmental Quality
Wyoming Department of Environmental Quality
Wyoming Office of State Lands and Investments

EPA Region 9

Arizona Water Infrastructure Finance Authority
California State Water Resources Control Board
Hawaii Department of Health
Nevada Department of Conservation and Natural Resources

EPA Region 10

Alaska Department of Environmental Conservation
Idaho Department of Environmental Quality
Oregon Department of Environmental Quality
Washington Department of Ecology

For more information about the Clean Water State Revolving Fund:

Please contact us at:

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To access state program websites, visit:

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