

Example scenario:

\$2,000,000 Approved SRF funding

\$1,200,000 is a loan and \$800,000 is principal forgiveness (\$1,000,000 ARRA, \$1,000,000 non-ARRA)

The Principal forgiveness is ARRA

Entity's Fiscal year end 12-31

1st draw 10-30-09 \$1,000,000

2nd draw 2-10-10 \$1,000,000

2009 and 2010 Financial Reports:

Statement of Net Assets

Construction in progress \$1,000,000

Loans payable \$600,000

Net Assets 400,000

Operating Statement

Capital Contributions \$400,000

Schedule of Expenditures of Federal Award

Federal/Pass-through Grantor	CFDA#	Contract #	Balance 12-31-08	Receipts	Expenditures	Balance 12-31-09
EPA/TN Dept of Environment and Conservation:						
CAPITALIZATION GRANTS FOR CLEAN WATER STATE REVOLVING FUNDS	66.458	xxxxx	-	\$416,650	\$416,650	
Loan (ARRA)	66.458	xxxxx	-	100,000	100,000	
Principal Forgiveness (ARRA)	66.458	xxxxx	-	400,000	400,000	

The non-ARRA portion of the loan is funded with 83.33% non-ARRA Federal dollars and 16.33% State dollars.