



MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL AUDIT

Montana Water Pollution Control and Drinking Water State Revolving Fund Programs

For the Fiscal Year Ended June 30, 2011

JANUARY 2012

11-25A

REPORT SUMMARY

At June 30, 2011, the total outstanding loan principle for the Montana Water Pollution Control and Drinking Water State Revolving Fund programs exceeded \$322 million. Water pollution control loans are funded 83.33 percent by federal Environmental Protection Agency (EPA) capitalization grants, and 16.67 percent by state match. Drinking Water Programs are funded approximately 80 percent by federal EPA capitalization grants, and 20 percent by state match.

Context

The State Revolving Fund (SRF) programs provide reduced interest rate loans for the construction of waste water pollution treatment facilities and drinking water treatment facilities. The programs are jointly administered by the Department of Natural Resources and Conservation and the Department of Environmental Quality. The Department of Natural Resources and Conservation has requested an annual financial audit as required by the federal Environmental Protection Agency.

The SRF programs have loaned funds to many public entities across the state. The five largest borrowers are Billings, Bozeman, Big Sky, Kallispell, and Great Falls. The total outstanding loan principal for these borrowers for the two programs equaled \$98.3 million at June 30, 2011.

Results

This report contains no recommendations and contains an unqualified opinion. Financial statement users can rely on the information in the financial statements and notes.

Recommendation Concurrence	
Concur	0
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	

For a complete copy of the report (11-25A) or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to lad@mt.gov; or check the web site at <http://leg.mt.gov/audit>

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