



MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL AUDIT Montana Water Pollution Control and Drinking Water State Revolving Fund Programs

For the Fiscal Year Ended June 30, 2012

FEBRUARY 2013

11-25B

REPORT SUMMARY

As of June 30, 2012, the Water Pollution Control State Revolving Fund (WPCSRF) and the Drinking Water State Revolving Fund (DWSRF) programs had authorized loans to public entities of the State of Montana that in the aggregate exceeded \$350.8 and \$198.7 million, respectively. The net outstanding balance of these loans are approximately \$192 million (WPCSRF) and \$109.5 million (DWSRF).

Context

The State Revolving Fund includes the WPCSRF and the DWSRF which provide low interest loans for the planning, design, and construction of water pollution control and drinking water projects. 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 (EPA).

The WPCSRF program works to maintain, restore, and enhance the chemical, physical, and biological integrity of the state's waters for the benefit of the overall environment and the protection of public health. The Water Pollution Control program is funded 83.33 percent by Federal EPA capitalization grants and 16.67 percent by state match.

The DWSRF program provides financial and technical assistance to help public water supplies achieve and maintain compliance with federal and state drinking water laws and standards for the protection and enhancement of Montana's public drinking water. The Drinking Water

program is approximately funded 80 percent by Federal EPA capitalization grants and 20 percent by state match.

The State of Montana has issued General Obligation (GO) bonds, Revenue Anticipation Notes (RANs), and Bond Anticipation Notes (BANs) totaling approximately \$33.6 million for use as state matching funds for the WPCSRF program and \$22.6 million for the DWSRF program since the inception of the programs.

Results

This report contains no recommendations and an unqualified opinion. Financial statement users can rely on the information in the financial statements and notes. We would like to commend the departments for this accomplishment.

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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 (11-25B) 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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