

Agency Name and Address:

Clean Water State Revolving Fund
Department of Environmental Quality
602 North Fifth Street
Post Office Box 4303
Baton Rouge, Louisiana 70821-4303

Website: www.deq.louisiana.gov/portal/tabid/2148/Default.aspx

Solicitation Number: 13-8777

Type of Engagement: Audit

Contract Period: June 1, 2013 – January 31, 2016

Periods to be Examined: Years ending June 30, 2013; June 30, 2014; and June 30, 2015

Description of the State Agency:

- Clean Water State Revolving Fund (CWSRF) program was established pursuant to Title VI of the Clean Water Act, as amended in 1987. The CWSRF program operates under Louisiana Revised Statute (R.S.) 30:2301-2306. These statutes establish a state revolving loan fund capitalized by federal grants (Capitalization Grants for Clean Water State Revolving Funds, CFDA #66.458), by state funds when required or available, and by any other funds generated by the operation of the clean water revolving loan fund. The Department of Environmental Quality (DEQ) is authorized to engage in activities regarding the sums on deposit in, credited to, or to be received by the state revolving loan fund.
- The Business and Community Outreach Division and Financial Services Division and within DEQ are responsible for the operations of the CWSRF program. These divisions provide assistance to municipalities in developing, financing, and implementing wastewater treatment management plans and plants. Engineering oversight, design review, inspection services, and environmental assessment services are provided by the Business and Community Outreach Division. Grant management, program administration, and financial services are provided by the Financial Services Division on eligible wastewater treatment projects.
- The CWSRF does not have any full-time employees. Time spent on the CWSRF program by DEQ employees is captured and the CWSRF subsequently reimburses DEQ for salaries, benefits, and other operating expenses of the fund using the current indirect cost rate.
- All monies of the CWSRF are deposited with the State Treasurer's Office. Cash balances are held and controlled by the state treasurer.
- Operations of the CWSRF are primarily funded by federal grants. The CWSRF is engaged in business-type activities. The following activity/balances were reported as of and for the year ended June 30, 2011:

	Statement of Net Assets/ Statement of Revenues, <u>Expenses and Changes in Net Assets</u>
Total Assets	\$448,303,401
Total Liabilities	\$253,759
Net Assets	\$448,049,642
Revenues	\$54,020,049
Expenses	\$23,486,300

Accounting System: Integrated Statewide Information Systems (ISIS) and Loan and Grant Tracking System

Financial Statements: The CWSRF will provide financial statements, a general ledger, and a trail balance.

Estimated Start of Fieldwork: No later than December 1 following each period

Engagement Completion Date: No later than January 31 following each period

Special Notes:

- The CWSRF is to be audited in accordance with OMB Circular A-133 as specified by the *Environmental Protection Agency Audit Guide for Clean Water and Drinking Water State Revolving Fund Programs* for the Capitalization Grants for Clean Water State Revolving Funds (CFDA #66.458).
- The fund is **not** required to complete a Division of Administration, Office of Statewide Accounting and Reporting Policy's Annual Fiscal Report (AFR) packet.

Special Requirements:

- The successful ICPA will assist the CWSRF in compiling the financial statements in accordance with GAAP, to include appropriate note disclosures, for each period.

State Agency Assistance: The CWSRF will provide supporting schedules as required.

Last Engagement: Audit as of and for the period ended June 30, 2011 (The FYE June 30, 2012 audit has been completed by the Louisiana Legislative Auditor and the report is expected to be released in the next 6-8 weeks. Once it is issued, it will be available in the LLA's audit report library. The LLA anticipates that there will be no significant changes from the FYE June 30, 2011 report.)

Results of Last Engagement:

- Unqualified opinion
- No findings

Prior Auditor: Louisiana Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Prior Engagement Fee: Not applicable

Proposers' Conference:

- A proposers' conference will **not** be held.
- Any questions regarding the SFP or state agency should be sent to Nancy Clement at nclement@lla.la.gov.

Proposal Due Date and Time: Monday, May 6, 2013; 5:00 p.m.