**Agency Name and Address:**

Drinking Water Revolving Loan Fund

LDH-Office of Public Health

628 North 4th Street

Baton Rouge, Louisiana 70802

P.O. Box 4489

Baton Rouge, LA 70821-4489

Website: <https://ldh.la.gov/page/drinking-water-revolving-loan-fund-program-dwrlf>

**Solicitation Number:** 25-3402

**Type of Engagement:** Audit

**Contract Period:** June 30, 2025 – January 31, 2028

**Periods to be Examined:** Years ending June 30, 2025; June 30, 2026; and June 30, 2027

**Description of the State Agency:**

* The Drinking Water Revolving Loan Fund (DWRLF) program was established in 1997 in accordance with the Safe Drinking Water Act Amendments (42 U.S.C. 300f et seq.) for the purpose of providing below-market interest loans to public water systems to assist them in complying with Federal and State regulations. The DWRLF program operates under Louisiana Revised Statute (R.S.) 40:2821-2826. These statues establish a state revolving loan fund capitalized by federal grants (Capitalization Grants for Drinking Water Revolving Loan Funds, CFDA #66.468), by state funds when required or available, and by any other funds generated by the operation of the DWRLF. The Louisiana Department of Health (LDH), Office of Public Health (OPH) 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 LDH-OPH, Bureau of Engineering Services is where the DWRLF is located and is responsible for the operations and oversight of the program. The intent is to provide assistance to public water systems in developing, financing, and implementing water system improvement projects. There are two main functions of the DWRLF: Engineering Oversight and Financial Services. The engineering oversight includes engineering reviews of applications, system improvement plans, environmental assessments, design, inspection services, and federal requirement oversight. The financial services provides grant management, and program and financial administration on eligible projects.
* The DWRLF does not have any full-time employees. Time spent on the DWRLF program by LDH-OPH employees is captured and the DWRLF subsequently reimburses LDH-OPH for salaries, benefits, and other operating expenses of the fund using the current indirect cost rate. The DWRLF contracts for the following: *Foley & Judell, LLP for bond attorney services. No contracted accounting services contracts. The Needs Survey will be a professional services contract, but is not in effect yet.*
* All monies of the DWRLF are deposited with the State Treasurer’s Office. Cash balances are held and controlled by the state treasurer.
* Operations of the DWRLF are primarily funded by federal grants. The DWRLF is engaged in business-type activities. The following activity/balances as of and for the year ended June 30, 2024:

 Statement of Net Position / Statement of Activities:

Total Assets $362,127,192

Total Liabilities $906,622

Net Position $361,220,570

Revenues $26,140,840

Expenses $11,707,055

**Accounting System:** LaGov

**Financial Statements:** The DWRLF will provide the annual financial report (AFR) submitted to the Office of Statewide Reporting and Accounting Policy.

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

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

**Special Requirements:**

* The DWRLF is to be audited in accordance with Uniform Guidance as specified by the *Environmental Protection Agency Audit Guide for Clean Water and Drinking Water State Revolving Fund Programs* for the Capitalization Grants for Drinking Water State Revolving Funds (CFDA #66.468).
* The agency will prepare the financial statements and note disclosures.
* The fund is required to complete a Division of Administration, Office of Statewide Accounting and Reporting Policy’s Annual Fiscal Report (AFR) packet via the online portal, and an Annual Report for EPA including financials, and appropriate note disclosures, for each period. The agency does not require assistance with these reports and the ICPA is not required to give an in relation opinion for the AFR.

**State Agency Assistance:** The OPH Financial Reporting staff will provide supporting schedules as required.

**Last Engagement:** Audit as of and for the period ended June 30, 2024.

**Results of Last Engagement:**

* Findings:
	+ Weakness in Controls over the Drinking Water Revolving Loan Fund Financial Report
	+ Noncompliance with Federal Matching Requirement

**Prior ICPA:** LLA

**Proposers’ Conference:**

* A proposers’ conference will **not** be held.
* Any questions regarding the SFP or state agency should be sent to StateContracts@lla.la.gov.

**Proposal Due Date and Time:** August 7, 2025 by 5:00 p.m.