

**MONTANA DEPARTMENT OF LIVESTOCK
Deferred Revenue Brand Fund FY 2014**

	Fund Impact
Fund 02425 (Brands) Required Deferrals and Cash/Investments Achieved	
Required Deferrals:	
Rerecord	\$ (3,252,929)
New Brands and Transfers	\$ (547,764)
Mortgage Renewal	\$ (119,918)
Total Deferrals required In Brands Fund	\$ (3,920,611)
Invested Deferrals (STIP Investment) as of: 7/8/14	<u>\$ 3,091,460</u>
 Difference Between Required and Invested Deferrals:	 \$ (829,151)
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Brand Fund Cash Available to Meet Required Deferral	\$ 730,055
Remaining 02425 Brand Fund Authority in FY 2014	\$ (38,799)
 Required Deferred Revenue Net of STIP and Available Cash	 <u>\$ (137,895)</u>

MCA 17-8-107 (2) provides "no agency, including any unit of the university system, may expend deferred revenue for current fiscal year operations." The amount of deferrals required in the Brands Division is \$3,920,611, which is the sum of the rerecord, new brands and transfers and mortgage renewals listed in the chart. As of 7/12/14 the STIP Investments recorded in SABHRS was \$3,091,460. The difference between the required deferral and investment is \$(829,151). As of 7/12/14, the Brand Fund cash available recorded on SABHRS was \$730,055. The Division has \$38,799 of authority left in the 02425 fund that will be spent by FYE14. Per the MCA above, STIP and Cash must match the required deferral amount. At present the Cash and STIP is deficient by **\$137,895**.

Economic Affairs Interim Committee
July 14, 2014
EXHIBIT 5