



MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL AUDIT

The University of Montana

For the Fiscal Year Ended June 30, 2010

JANUARY 2011

09-10B

REPORT SUMMARY

The University of Montana (university) is comprised of The University of Montana – Missoula in Missoula, which includes the Montana Forest and Conservation Experiment Station; The University of Montana – Western in Dillon; The University of Montana – Helena College of Technology in Helena; and Montana Tech of The University of Montana in Butte, which includes the Montana Bureau of Mines and Geology. The four campuses are accredited by the Commission on Colleges of the Northwest Association of Schools and Colleges and provide a diversity of undergraduate and graduate academic and two-year vocational/technical programs to students.

Context

This annual financial audit was performed to provide timely audited financial statements to interested parties. Financial audits determine whether the university's financial statements are fairly presented, and the university complied with laws and regulations that have a direct and material impact on its financial presentation.

This audit report includes student FTE enrollment and employee FTE information from fiscal year 2004-05 through fiscal year 2009-10. During fiscal year 2009-10, student FTE enrollment totaled 18,099, of which 14,090 were Montana students and 13,181 were undergraduate students. Total student FTE enrollment increased by 1,169, or 6.9 percent, in fiscal year 2009-10. Total employee FTE increased by 82, or 2.3 percent, to 3,643 in fiscal year 2009-10.

Tuition and fee revenue increased \$10.0 million, to \$117.5 million, in fiscal year 2009-10, due primarily to enrollment growth. State appropriations increased \$3.1 million, to \$83.1 million, in fiscal year 2009-10. The source of those state appropriations changed due to the allocation of \$17.4 million from the federal American Recovery and Reinvestment Act of 2009 to the university. Revenue from federal financial aid grants and contracts increased \$8.7 million, to \$27.2 million, and revenue from capital grants and gifts decreased \$12.1 million, to \$21.3 million, in fiscal year 2009-10.

Operating expenses increased \$19.4 million during fiscal year 2009-10. Nearly half of this increase (\$9.2 million) was in compensation and employee benefits.

Scholarships and fellowships expenses increased \$5.3 million during fiscal year 2009-10.

The university's total net assets increased \$22.5 million during fiscal year 2009-10, to \$255.4 million at June 30, 2010, primarily due to increases in capital assets (\$18.4 million) and investment values (\$8.0 million) and decreases in long-term obligations (\$5.8 million). These increases in net assets were offset by an \$8.9 million increase in the liability for other post-employment benefits.

The financial statements in this report also contain information regarding the university's component units. These component units had net assets of \$160.5 million at June 30, 2010.

Results

Report readers can rely on financial information included in our audit report as a basis for financial decisions. The audit report does not contain any recommendations.

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 or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to lad@mt.gov; or check the website at <http://leg.mt.gov/audit>. Report Fraud, Waste, and Abuse to the Legislative Auditor's FRAUD HOTLINE Call toll-free 1-800-222-4446, or e-mail lad@mt.gov.