



MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL AUDIT

State of Montana

For the Fiscal Year Ended June 30, 2010

JANUARY 2011

10-01

REPORT SUMMARY

The basic financial statements provide legislators and taxpayers with a summary of the state's financial health. All operations and activities of the state are summarized in these statements. The Schedule of Expenditures of Federal Awards summarizes the state's use of federal funds.

Context

The state of Montana made changes to the basic financial statements in fiscal year 2009-10. Governmental fund balances are now presented in a manner that more clearly identifies the extent to which Montana is bound to honor constraints on available funds. A governmental fund balance labeled as nonspendable, restricted, committed or assigned indicates a type of constraint exists, limiting the legislature's ability to use those funds for general operations. Unassigned fund balance is free of constraints. At June 30, 2010, the General Fund unassigned fund balance was \$239,047,000. In addition, governmental fund expenditures are now aggregated into categories similar to those used for the state's adopted budget.

The Management's Discussion and Analysis provides the user of the basic financial statements with an analysis of the state's financial position at June 30, 2010, and summarizes changes that have occurred since June 30, 2009.

The Schedule of Expenditures of Federal Awards reports total federal assistance in fiscal year 2009-10 in excess of \$2.9 billion.

Results

In fiscal year 2009-10, the retirement systems' audits disclosed material noncompliance with the Montana Constitution and state law requiring those systems to be adequately funded for future periods. As of July 1, 2010, four retirement systems were not adequately funded. Additional information is available in the recent audits of the Public Employees' Retirement Board (10-08A) and the Teachers' Retirement System (10-09A).

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.