

FINANCIAL AUDIT

The University of Montana

For the Two Fiscal Years Ended June 30, 2011

JANUARY 2012

11-10A

REPORT SUMMARY

The University of Montana (university) is comprised of The University of Montana – Missoula, Montana Tech of The University of Montana, The University of Montana – Western, and The University of Montana – Helena College of Technology. Enrollment of full-time equivalent students between fiscal years 2010 and 2011 increased from 18,099 to 19,043. Employment of full-time equivalent workers between fiscal years 2010 and 2011 increased from 3,643 to 3,774.

Context

The annual financial statement audit of the university is performed to supply relevant and timely audited financial statements to interested parties. A biennial compliance audit (11-12) covering fiscal years 2011 and 2010 was released in October 2011.

During December 2010, the university issued, with Board of Regents approval, approximately \$48.4 million of taxable and tax-exempt revenue bonds. The proceeds were used to buy back all of one series of bonds and a portion of another series.

Between fiscal years 2011 and 2010, the university operating revenues and operating expenses increased \$8.7 million and \$15.2 million, respectively. The rise in operating revenue is attributable mainly to increased tuition and fees revenue resulting from higher enrollment numbers. Largely, operating expenses grew in three main classifications; compensation and employee benefits, scholarships and fellowships, and supplies and other services.

State appropriations, including American Recovery and Reinvestment Act (ARRA) appropriations, totaled \$82.5 million for fiscal year 2011, a decrease of \$0.57 million from fiscal year 2010. Federal financial aid grants and contracts increased \$6.6 million between fiscal years 2011 and 2010. State appropriations and federal financial aid are considered nonoperating revenues and are classified as such on the financial statements.

Results

The audit report does not contain any recommendations. We issued an unqualified opinion on the university’s financial statements. The reader can rely on the audited financial information included in our audit report.

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 (11-10A) or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to lad@mt.gov; or check the web site at <http://leg.mt.gov/audit>
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