

FINANCIAL AUDIT
State of Montana

For the Fiscal Year Ended June 30, 2013

MARCH 2014

13-01A

REPORT SUMMARY

This set of financial statements provides legislators and taxpayers with a summary of the state’s overall financial position. All operations and activities of the state government are summarized in these statements. At the end of fiscal year 2013, Montana had approximately \$538 million of unassigned fund balance in the General Fund. This represents an increase of \$86 million from June 30, 2012. The Schedule of Expenditures of Federal Awards summarizes the state’s \$2.7 billion in federal funds by grant and is also included in this report.

Context

The basic financial statements include all of the state’s financial activity for the fiscal year. The General Fund and Federal Special Revenue Fund amount to approximately 80 percent of the state’s governmental revenue and expenditure activity. The Health & Human Services and Education categories account for approximately 65 percent of the state’s governmental expenditures.

The Schedule of Expenditures of Federal Awards reports total federal expenditures, including noncash assistance, in fiscal year 2013 in excess of \$2.7 billion.

Results

In fiscal year 2013, Department of Administration management reported the Old Fund liabilities as part of Montana State Fund. However, the Old Fund liabilities have not been part of the Montana State Fund since June 2011 when the General Fund provided the resources to pay the remaining Old Fund liabilities. As a result, we issued modified opinions on the state’s financial statements.

The audit report also includes a disclosure issue related to estimated Old Fund liabilities.

In fiscal year 2013, the Sheriffs’, Game Wardens’ and Peace Officers’, and Highway Patrol Officers’ retirement plans were not adequately funded. The information was disclosed in the Public Employees’ Retirement System (PERS) audit and is considered material noncompliance with the Montana Constitution and state law.

This audit report also contains one recommendation related to a material weakness in internal control over the preparation of the state’s Schedule of Expenditures of Federal Awards.

Recommendation Concurrence	
Concur	0
Partially Concur	1
Do Not Concur	0
Source: State audit responses included in final report.	

For a complete copy of the report (13-01A) 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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