

FINANCIAL AUDIT
State of Montana

For the Fiscal Year Ended June 30, 2014

JUNE 2015

13-01B

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. We issued adverse and qualified opinions on some of the financial information included in this report so readers should use caution when relying on the data. At the end of fiscal year 2014, Montana had approximately \$344 million of unassigned fund balance in the General Fund. The Schedule of Expenditures of Federal Awards summarizes the state’s \$2.7 billion in federal spending, 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 60 percent of the state’s governmental expenditures.

The Schedule of Expenditures of Federal Awards reports total federal grant expenditures, including noncash assistance, in fiscal year 2014 in excess of \$2.7 billion.

including testing adjustments and corrections to the accounting records, and reviewed the financial statements and notes to determine whether they are adequately supported by the accounting records.

In fiscal year 2014, 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 audit (14-08A) report and is considered material noncompliance with the Montana Constitution and state law.

Results

This report includes a recommendation related to internal controls over the preparation, review, and timely issuance of the state’s basic financial statements.

Our audit work included obtaining and evaluating the results of completed agency audits. Also, we analyzed financial data,

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

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