

Introduction



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I have been with the office almost ten years. I have an accounting degree from Carroll College.

Financial Audit of the State
of Montana

Department of Administration and the Governor's Office of Budget and Program Planning





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Audit Opinion

In the audit of the state of Montana, we give our opinion on the information presented in the state's Basic Financial Statements. We also give an in relation to opinion on the state's Schedule of Expenditures of Federal Awards. In addition, we report on any compliance or control issues we became aware of during the audit. This is where the findings in this report stem from.

Basic Financial Statements

The statements start out presenting the overall activity of the state and then show specific activity like the General Fund's revenues and expenditures. See p. 2 for the table to the right.

Related Opinion Units	Description	Statements Starting on Page
Governmental Activities	In general, activities are those supported by fees, taxes, and intergovernmental revenues. For example, the General Fund, State Special Revenue Fund, and Federal Special Revenue Fund activities are all a portion of the Governmental Activities opinion unit.	A-20
Business Type Activities	Activities supported by fees and charges for services. For example, the Unemployment Insurance enterprise fund activities are a portion of the Business-Type Activities opinion unit.	A-20
Discretely Presented Component Units	Montana State Fund, Montana State University, University of Montana, Facility Finance Authority, the Board of Housing, and the Montana Reinsurance Association.	A-20
General Fund	Presented as individual columns in the Governmental Fund Financial Statements.	A-24
State Special Revenue Fund		
Federal Special Revenue Fund		
Land Grant Permanent Fund		
Coal Tax Permanent Fund		
Unemployment Insurance Enterprise Fund	Presented as individual columns in the Proprietary Fund Financial Statements.	A-31
Municipal Finance Program Enterprise Fund		
Remaining Fund Information	The Fiduciary Fund Financial Statements and the nonmajor columns in the Governmental and Proprietary Fund Financial Statements	A-36 A-24

Management's Discussion and Analysis (MD&A)

- Starts on A-9
- How the state did in fiscal year 2022 as compared to the prior year.
- Thoughts on the future.

Notes

- Start on p. A-39
- Gives more detail on information presented in the Basic Financial Statements

The MD&A and Notes discuss Important Happenings in Fiscal Year 2022.

- GASB 87
- MRA Component Unit
- Large General Fund Balance



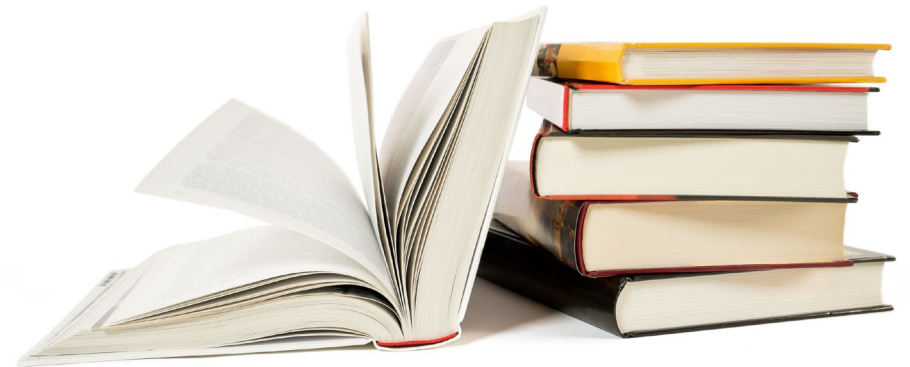
SEFA

The Schedule of Expenditures of Federal Awards starts on page A-193.

The SEFA shows the types and amounts of federal awards Montana received from the federal government, totaling over \$5 billion.

Yellow Book Report

Our Yellow Book report on page A-1 reports internal control and compliance issues that are important to the state of Montana's Basic Financial Statements or SEFA.



Recommendation #1

We recommend the Department of Natural Resources and Conservation implement controls to ensure lease calculations are complete in accordance with Generally Accepted Accounting Principles.

Recommendation #2

We recommend that the Department of Labor and Industry should enhance internal controls and maintain documentation to support amounts on the accounting record in the Unemployment Insurance Fund.

Recommendation #3

We recommend Department of Corrections strengthen internal controls related to room and board expenditures.

Recommendation #4

We recommend the Governor's Office, and its Office of Budget and Program Planning should strengthen internal controls to ensure the completeness of federal expenditures on the SEFA.

Recommendation #5

We recommend the Department of Public Health and Human Services enhance internal controls over financial reporting to ensure prior year adjustments are fully reflected in the SEFA submitted to the Office of Budget and Program Planning.

CONCLUSION

In summary, although we had recommendations to various agencies about internal controls, you can rely on the information in the state's Basic Financial Statements, notes, and the state's SEFA.