



State Financial Services Division

Greg Gianforte, Governor
Misty Ann Giles, Director

Memorandum – Annual Financial Report Requirements

TO: All Montana Counties, Cities, Towns, and Special Purpose Districts
FROM: Local Government Services Bureau
DATE: November 1, 2022
RE: **Annual Financial Report**

Financial Reporting Requirements:

The Montana Single Audit Act ([MCA-2-7-503](#)) requires all local governments, regardless of the type of entity, to file an annual financial report (AFR) with the Department of Administration within six months of the end of the local government’s fiscal year. The table below identifies the AFR due dates based on the entity’s fiscal year-end.

AFRs submitted after the due date may be subject to [penalties and publication fees](#).

| Fiscal Year End Date | Annual Financial Report is Due |
|----------------------|--------------------------------|
| March 31 | September 30 |
| April 30 | October 31 |
| May 31 | November 30 |
| June 30 | December 31 |
| August 31 | February 28 |
| September 30 | March 31 |
| October 31 | April 30 |
| December 31 | June 30 |

Forms

The AFR forms and templates are available on the [Local Government Services Bureau](#) (LGSB) website. If a printed copy is needed, contact the Help Desk for LGSB.

The forms that are entity specific:

1. [Counties, Cities, and Towns](#)
2. [Fire Department Relief Associations](#)
3. [Special Purpose Districts](#) (SPDs) - These are local government entities that are not county, city, town, or fire department relief associations.

The AFR may also be submitted on a different form when it includes **the same information and level of detail as the LGSB templates, and a cover page with the entity's name and the fiscal year for the submission.**

Reporting Package:

The reporting package is considered complete and ready for finalization when the AFR, Filing Fee Form, and Database Ledger Load (DLL) have been submitted to the LGSB.

1. Annual Financial Report (AFR) (PDF should not exceed 10 MB in size)
2. [Filing Fee Form](#) and the calculated fee payment, if applicable.
 - Do not submit the filing fee form using estimated revenues – wait until the annual financial report is complete. **Submitting the filing fee form before the annual financial report will not prevent a delinquent fee.**
3. [Database Ledger Load \(DLL\)](#) - This must be in excel or .csv format
 - The DLL is specific for counties, cities, and towns only.

How to Submit the AFR

The **complete** AFR package may be submitted **once** by PDF through **one** of the following methods:

- Via the LGS portal — the portal link and instructions are located at [LGS Portal](#). Please note, counties, cities, and towns must also submit the DLL in Excel or .csv format. For assistance, contact the Help Desk at (406) 444-9101 or by LGSBHelp@mt.gov.
1. By e-mail — to LGSPortalRegistration@mt.gov.
 2. By postal mail (not available to counties, cities, or towns) — mail the original hardcopy to:

Local Government Services
P.O. Box 200547
Helena, MT 59620-0547
 4. Montana File Transfer Service — is the only option if the submission exceeds 8 MB but is available to all users. Instructions are available at [Montana File Transfer Service](#).

Filing Fee

State law requires local governments subject to audit to pay a report filing fee when they submit their AFR. This fee is based on each local government's reported revenue amount. The filing fee form should not be submitted using estimated revenues – submit this once the AFR is complete. Submitting the filing fee form **before** the annual financial report **will not** prevent a delinquent fee.

An entity has two filing fee form submission options:

1. The form within the AFR. This form will automatically calculate the fee when information is entered in the AFR (and balanced).
2. A separate form is located under [AFR Forms](#) on the LGS webpage.

Database Ledger Load (DLL)

Counties, cities, and towns are required to complete a DLL.

1. When using the LGSB's AFR form, the DLL will automatically complete once the data input is balanced. If any portion of the DLL workbook is modified, it will not balance. An electronic copy of the completed AFR will be required in Excel format to meet this DLL requirement.
2. When using an alternative reporting format, the entity is required to complete and submit a balanced [DLL Excel spreadsheet](#). The accepted formats of the DLL spreadsheet are as an Excel or .CSV file.

Audit Requirements:

State law ([MCA-2-7-503](#)) (3) requires all local governments, regardless of type, to be audited when the total annual revenues are more than \$750,000 in a fiscal year. Local governments that do not meet the audit threshold *may* be required by LGSB to have a financial review conducted at least once every four years. **Upon receipt of the AFR submission, LGSB will notify the entity of any audit or financial review requirements and provide additional details related to such requirements.**

A Reminder of Audit Requirements:

- Local governments must have audits conducted by a firm on the [Department's Auditor Roster](#).
 - A [Standard Audit Contract](#) must be used and must be approved by the Department **before the start of the audit**.
 - An audit report is due to the Department of Administration within one year of the closing of the fiscal year. **Unless** an audit requirement is to comply with federal Single Audit requirements, then the report is due within nine months from the close of the fiscal year.
 - An audit report may be submitted instead of using the Department's AFR format. To avoid penalties, the report must be submitted by the due date of the AFR. Additional supplemental information will be required with the audit report.
 1. Use the [Audit Report Submittal In-Lieu-Of-AFR – Recommended Format](#).
 2. Also submit the audit report separately to meet the audit reporting requirements.
 - A local government submitting the Annual Comprehensive Financial Reports (ACFR) must submit in **two** locations on the Portal to meet **both reporting requirements**.
 1. The Audits & Financial Reviews portal and
 2. The Annual Financial Reports portal
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Penalties for Delinquent Reports and Filing Fees

Any annual financial reports, database ledger loads, and/or filing fees that have not been received by the first day of the month following the due date may be subject to a monthly 10% Late Penalty. The penalty will be calculated at 10% of the prior year's filing fee if applicable; if not, the minimum amount of \$55 will be charged monthly, until the annual financial report, database ledger load, and filing fee have been received and accepted by our department. This penalty is used to enforce timely reporting, and it applies to every entity, regardless of whether a filing fee is owed.

State law allows for a monetary penalty for annual financial reports and audit reports that are not submitted within 180 days of the due dates noted above. This penalty will be used to provide public notice of delinquent annual financial reports, database ledger loads, filing fees, and audit reports.

Help Desk

For assistance with general questions or to speak with a region-specific accountant, contact the Help Desk:

- (406) 444-9101
- LGSBHelp@mt.gov