



MONTANA DEPARTMENT OF ADMINISTRATION

State Financial
Services Division
Cheryl Grey, Administrator

Statewide Accounting & Financial Systems • 406.444.3092
Local Government Services • 406.444.9101
sfsd.mt.gov

TO: All Montana Counties, Cities, Towns, and Special Purpose Districts
FROM: Local Government Services Bureau
DATE: December 18, 2025
RE: **Annual 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 (DOA or department) Local Government Services Bureau (LGSB) within six months of the end of the local government's fiscal year. The DOA may grant a 3-month extension for the submittal of an audit in lieu of a financial report. The table below identifies the AFR due dates based on the entity's fiscal year-end.

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

AFR Reporting Package:

The reporting package is considered complete and ready for finalization when the AFR, Filing Fee Form, and Trial Balance (counties, cities and towns only) have been submitted to the LGSB. Late reporting fees may be assessed if the reporting package is not complete and submitted per the statutory deadlines (or extended deadlines from DOA).

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.**



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3. Trial Balance - must be in Excel format and follow BARS.
 - Trial Balances are only required of counties, cities and towns.

AFR Templates and Forms

The AFR templates and forms are available on the [Local Government Services Bureau](#) (LGSB) website. If a printed copy is needed (for special purpose districts only), contact the LGSB Help Desk at 406-444-9101.

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.**

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. Checks received without the complete reporting package will be returned to the entity.

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 LGSB webpage.

Trial Balance Reports Required with Annual Financial Report Submissions:

Effective for Counties, Cities, and Towns beginning with the fiscal year ending 2024, a detailed (not consolidated by the fund or account groups) closing Trial Balance report must be included in the AFR package. The AFR will not be considered completely submitted or accepted without all the following documents:

- Annual financial report (using the DOA template or other format that is acceptable to the department)
- Detailed closing trial balance report (the trial balance should include the closing entries)
 - The trial balance must be in an Excel format and follow BARS.
- Filing Fee form



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Beginning with fiscal year 2024, **the DLL form is no longer required for AFRs**. However, reports for previous fiscal years that have not yet been submitted still require a DLL form (but not a trial balance).

You can find a [trial balance submission guide](#) on the LGSB website.

Data from the trial balance reports is forwarded to the Legislative Fiscal Division for display on the local government dashboard (found [here](#)). The [LFD local government dashboard update schedule](#) is also available on the LGSB website.

How to Submit the AFR (not an audit in lieu)

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 that counties, cities, and towns must also submit the Trial Balance in Excel 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 Bureau
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](#).

Submitting an AIL 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.

- Use the [Audit Report Submittal In-Lieu-Of-AFR – Recommended Format](#).
- Also submit the audit report separately to meet the audit reporting requirements.

A local government *submitting the Annual Comprehensive Financial Reports (ACFR)* must submit it in **two** locations on the Portal to meet **both reporting requirements**.



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- The Audits & Financial Reviews portal and
- The Annual Financial Reports portal

Audit in Lieu (AIL) of AFR Option

AIL Option – Counties, Cities and Towns

The DOA allows counties, cities, and towns to submit an Audit in Lieu (AIL) of the AFR Report. There are additional documents that must be submitted by the normal AFR deadline (**December 31st**) if approved for an AIL extension.

- Detailed closing trial balance report
 - Filing Fee Form
 - [Trial Balance Certification](#) (only needed if submitting the AIL after the normal 6-month deadline of the AFR).
- If an entity submits its audit report (or ACFR) by the normal AFR deadline (December 31st), there is no pre-approval needed from LGSB. However, the report needs to be submitted via the portal twice.
 - A local government registered portal user submits the audit report through the LGSB portal (in the AFR section). Please contact LGSB at LGSBHELP@mt.gov if you need help registering for the portal access or submitting the report.
 - The auditor submits the audit report through the LGSB portal in the audit section.

Remember that detailed, closing trial balance reports are now required with all AFR or AIL submissions.

- Three-month extension option for an AIL. If an entity intends to submit its audit in place of the AFR but doesn't expect it to be submitted by the AFR 6-month deadline (December 31st), an extension request form is required. It's encouraged that your entity submits the extension request as soon as possible.
- The submitted extension request should clearly state that the entity wants to submit an AIL by March 31st, and the auditor under contract must also attest to this date by signature on the extension form.



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- If both parties agree to the new report date, a contract amendment must be submitted reflecting the new expected submission date.
- Generally, the extension is limited to March 31st (the federal audit deadline). However, if the entity can document reasons beyond its control that the audit can't be submitted by that date, a longer time frame will be considered. The extension will not be longer than one year.
- Late report fees will not occur during the approved extension time frame. However, late report fees will be charged at the start of the following month if the report is not received by the extension deadline. For example, if the entity expects to submit an AIL on March 31st but doesn't do so, late reporting fees will be charged beginning in April and will continue to be assessed each month until the report is received.

To receive the extension request form, contact the Local Government Services Bureau by calling the main line number (406) 444-9101 or emailing LGSBHelp@mt.gov.

AIL – Special Purpose Districts

Special purpose districts (SPDs), local government entities that are not counties, cities, towns, or fire department relief associations, that are required to have an audit may also request the option to submit an AIL instead of the AFR report. SPDs must submit an extension request form if the audit cannot be completed and submitted as an AFR within 6 months of the end of the previous fiscal year end. If an AIL extension is approved, the SPD will submit the audit as the annual report and the filing fee form and payment at the same time. Auditors submit the audit report to LGSB.

Audit Requirements:

State law ([MCA-2-7-503](#)) (3) requires all local governments, regardless of type, to be audited when their total annual revenues are more than \$1,000,000 in a fiscal year. The department may require local governments that do not meet the audit threshold 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.**

Help Desk

For assistance with general questions, contact the Help Desk between the hours of 8:00 am and 5:00 pm, Monday through Friday at (406) 444-9101 or email LGSB at LGSBHelp@mt.gov