

State Financial Services Division

Department of Administration

125 North Roberts

PO Box 200547

Helena, MT 59620-0547

Local Government Services Bureau

***MEMO***

**TO:**Independent Auditors and Other Users of the Compliance Supplement for Audits of Montana Local Government Entities

**FROM:** Local Government Services Bureau

**DATE:** December 13, 2017

**RE:** Additions/Revisions to the Compliance Supplement for Audits of Montana Local Government Entities – 2017 Legislature

Below is a schedule of our most recent revisions to the Compliance Supplement for Audits of Montana Local Government Entities (*Supplement)*. Many of these revisions reflect legislation passed by the 2017 Montana Legislature, including the November 2017 Special Session (only SB 2). Some of the revisions, however, reflect recent concerns and questions and do not necessarily result from recent legislation. We have also made changes in style and format that should not affect your audit programs. Revisions to the *Supplement* are highlighted in gray to assist you in updating your audit compliance programs.

The *Supplement* can be found on our website at <http://sfsd.mt.gov/LGSB/Audit-Financial-Review-Resources/4_ComplianceSupplement>.

If you have any questions or comments regarding the *Supplement,* please contact our office at any time.

Best Regards,

Local Government Services Bureau

| 2017 COMPLIANCE SUPPLEMENT UPDATE |
| --- |
|  **CURRENT REVISION** | **DESCRIPTION OF CHANGES** |
| **COUNTY (CO)** |  |
| **CO01 – General Topics** | **Legislative Change** – pg. 13 |
| **CO02 – Budgets/Tax Levies** | **Legislative Changes and Clarifications** – pgs. 9, 10, 14, 15, 20 & 23 |
| **CO03.1 – Revenues/ Receipts** | **Legislative Changes** – pgs. 7, 10, 11, 12, 18, 19, 20, 21, 22, 23, 29, 30, 35 & 36 |
| **CO03.2 – Motor Vehicle** | **No Changes** |
| **CO04 – Cash & Investments** | **No Changes** |
| **CO05 – Claims, Warrants, Expenditures/Expenses** | **Federal Rate Change** – pg. 5 |
| **CO06 – Procurement, Bid Letting & Contracts** | **Legislative Changes** – pgs. 5, 10, 11, 12, 13 & 14 |
| **CO07 – Payroll & Employee Benefits** | **Legislative Changes and Clarifications** – pgs. 3, 8, 11, 12, 20, 30, 31, 32, 33 & 34 |
| **CO08 – Long-Term Debt**  | **Clarification** – pg. 4 |
| **CO09 – Meetings of Governing Body** | **Legislative Change** – pg. 3 |
| **CO10 – Property Taxes** | **Legislative Changes** – pgs. 2, 5 & 6 |
| **CO11 – RSIDs** | **Legislative Change** – pg. 2 |
| **CO12 – BIDs** | **No Changes** |
| **CO13 – Multijurisdictional Service Districts** | **No Changes** |
| **CO14 – Offices/ Boards** | **Legislative Changes** – pgs. 14, 23, 33 & 34 |
| **CO15 – Tax Sales, Redemptions, Tax Deeds**  | **Legislative Changes** – pgs. 3, 4, 5, 6, 7, 8, 9, 10, 11 & 12 |
| **CO16 – Collection for State & Other Entities** | **No Changes** |
| **CO17 – Special Districts** | **Legislative Changes** – pgs. 6, 9, 15 & 16 |
| **CO18 – Tax Increment Financing (TIF)** | **New Section with Legislative Changes** – pgs. 2, 3, 4, 5, 7 & 8 |
| **CITIES/TOWNS (CT)**  |  |
| **CT01 - General Topics** | **Legislative Change** – pg. 13 |
| **CT02 – Budgets/Tax Levies** | **Legislative Changes** – pgs. 8, 9 & 16 |
| **CT03 – Revenues/ Receipts** | **Legislative Changes** – pg. 3, 4, 6, 8 & 13 |
| **CT04 – Cash and Investments** | **No Changes**  |
| **CT05 – Claims, Warrants, Expenditures/Expenses** | **Federal Rate Change** – pg. 5 |
| **CT06 – Procurement, Bid Letting & Contracts** | **Legislative Change** – pg. 13 |
| **CT07 – Payroll & Employee Benefits** | **Legislative Changes and Clarifications** – pgs. 10, 12, 13, 24, 25, 26 & 27 |
| **CT08 - Long-Term Debt** | **Legislative Change** – pg. 4 |
| **CT09 –Meetings of Governing Body** | **No Changes** |
| **CT10 – Property Taxes** | **Legislative Change** – pg. 5 |
| **CT11 – SIDs** | **Legislative Change** – pg. 23 |
| **CT12 – BIDs** | **No Changes** |
| **CT13 – Multijurisdictional Service Districts** | **No Changes** |
| **CT14 – Offices/Boards** | **Legislative Changes** – pgs. 2, 8, 9 & 10 |
| **CT15 Tax Sales, Redemptions & Tax Deeds** | **Legislative Changes** – pgs. 3 & 4 |
| **CT16 – Special Districts** | **Legislative Changes** – pgs. 9 & 15  |
| **CT17 – Tax Increment Financing (TIF)** | **New Section with Legislative Changes** – pgs. 5, 6, 7 & 9 |
| **SCHOOL DISTRICTS (SD)** |  |
| **SD01 - Budgets** | **Legislative Changes and Clarifications** – pgs. 6, 7, 9, 13, 20, 22, 24, 32, 33, 35, 43, 44, 45 & 46 |
| **SD02 – Revenues/Receipts** | **Legislative Changes** – pgs. 4, 5, 8, 9 & 10 |
| **SD03 – Cash & Investments** | **No Changes** |
| **SD04 - Expenditures** | **No Changes** |
| **SD05 – Payroll & Employee Benefits** | **Legislative Changes and Clarifications** – pgs. 4, 7, 10, 18, 19, 20, 21 & 23 |
| **SD06 – Long-Term Debt** | **Legislative Changes** – pgs. 11 & 12  |
| **SD07 –Meetings of the Board of Trustees** | **No Changes** |
| **SD08 - Miscellaneous** | **No Changes** |
| **SD09 – Extracurricular Funds** | **Legislative Change** – pg. 9 |
| **STATE AGENCIES – INDIVIDUAL PROGRAMS** |  |
| **ADM1 – Forest Reserve** | **No Changes** |
| **AUD1 – Insurance Premium Tax Apportionment** | **No Changes** |
| **COM3 – Hard Rock Mining Impact Trust Account** | **Legislative Change** – pg. 2 |
| **L&I1 – Building Code Enforcement Program** | **No Changes** |
| **REV1 – Oil & Natural Gas Production Tax Distribution** | **Legislative Changes** – pgs. 2 & 3 |
| **REV7 – Metalliferous Mines License Tax** | **Legislative Change** – pg. 2 |
| **TRA1 – Gas Tax Apportionment** | **Legislative Changes and Clarifications** – pgs. 2, 4, 5 & 6 |