

Local Government Services

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***Memorandum***

**TO:** Clerks, Treasurers, Finance Directors

**FROM:** Local Government Services – Accounting & Financial Reporting Section

**DATE:** Originally distributed January 3, 2019

**RE:** Annual Financial Report Submissions

There may be some misunderstandings of what is required when submitting your local government’s annual financial report to the Department of Administration Local Government Services Section.

The required pieces of the annual financial report submission include: a complete annual financial report (AFR) in PDF or excel format, the filing fee form with your revenues and a database ledger load (DLL) in excel or .csv format. Please complete and submit the filing fee form even if your entity is not required to pay a filing fee. This form is used to input your revenues and determines if an audit is necessary.

**Audit-in-Lieu of AFR:** For those local governments that would like to submit their finalized audit in place of the AFR the LGS section offers an Audit-in-Lieu of AFR format on our website. The audit does not include all the required schedules of an annual financial report. It is missing the balance sheet and budget- to-actual revenue & expenditure schedules for non-major funds, the schedule of intergovernmental revenues, an elected officials page, cash receipts & disbursements by fund and the general information page. A filing fee form should be completed as well as a database ledger load. It is acceptable to submit your software-generated reports in place of the schedules if they provide equivalent information. Ensure the major special revenue funds reported on your audit are not also reported with the non-major special revenue funds.

**Combination of Unaudited Statements & Software-generated schedules:** For governments that do not have their audit finalized but want to submit schedules supplied by their auditor including the government-wide statements and other major fund governmental and proprietary fund schedules, reconciliations, cash flow statements and trust and agency fund schedules, you can submit these pages with the additional required pages and notes to the financial statements. See the Unaudited Statements In Lieu of AFR checklist. Use the LGS blank excel AFR as a guideline of necessary pieces: cover page, filing fee form, elected officials page, transmittal letter, MD&A, notes to the financial statement, required general & major fund budget to actual revenues, expenditures & changes in fund balance schedules. Other Supplementary Information includes non-major fund balance sheets by fund type, budget-to-actual revenues, expenditures & changes in fund balance schedules by fund type, intergovernmental revenues schedule, cash receipts and disbursements, cash reconciliation statement and general information page. Complete the stand-alone database ledger load on the LGS website or provide a software-generated dll in .csv format.

**LGS Excel Annual Financial Report:** The blank excel-format annual financial report provided on the LGS website includes all the required schedules. Complete those that are applicable to your local government. The filing fee form auto-calculates. The database ledger load file is embedded in the excel AFR. If you submit the report in PDF format also include the excel version. The dll file can be extracted. Before converting the file to PDF format please hide the columns and pages that are not applicable to your government. If you need to incorporate files in formats other than excel it is best to convert each type into PDF and combine the files. See below for instructions.

**Submission of AFR & required components to LGS:** The final report should be submitted in PDF format through the LG portal with the filing fee form and database ledger load. If you are consolidating different reports in varying software formats it is beneficial to use Adobe Acrobat Pro software to edit PDF Files. Excel and word files can be saved as PDF format rather than printing and scanning the report. Scanned reports typically are large and vary in quality. The annual financial report file size should be less than 10 mb. These files are posted in the LGE portal for public viewing and large files are hard to open. Poor quality scans are difficult to view. If you do not have Adobe Acrobat Pro and need assistance compiling your reports into the annual report format, please let one of the LGS accountants know and they would be happy to assist you.

**Other Information:** Montana Code Annotated states all local governments will submit an annual financial report to the Department of Administration every year within six months of their fiscal year end. LGS establishes the uniform format to meet the requirements for financial reporting. Once reviewed and accepted, the annual financial reports are available for public viewing in the Local Government Entity Portal. The information from the database ledger load files are loaded into a database and will be available on the Montana Transparency in Government website. The information can be used by your stakeholders such as taxpayers, lending and granting agencies.

If you need assistance or have questions, please contact the Local Government Services Accountant that provides technical assistance and training to your area. A region map is available on our website: <http://sfsd.mt.gov/LGSB>