

1 AN ACT relating to school financial statements.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 424.220 is amended to read as follows:

4 (1) Excepting officers of a city of the first class or a consolidated local government, a  
5 county containing such a city or consolidated local government, a public agency of  
6 such a city, consolidated local government, or county, or a joint agency of such a  
7 city, consolidated local government, and county, or of a school district of such a  
8 city, consolidated local government, or county, and excepting officers of a city with  
9 a population equal to or greater than twenty thousand (20,000) based upon the most  
10 recent federal decennial census or an urban-county government, every public officer  
11 of any school district, city, consolidated local government, county, or subdivision,  
12 or district less than a county, whose duty it is to collect, receive, have the custody,  
13 control, or disbursement of public funds, and every officer of any board or  
14 commission of a city, consolidated local government, county, or district whose duty  
15 it is to collect, receive, have the custody, control, or disbursement of funds collected  
16 from the public in the form of rates, charges, or assessments for services or benefits,  
17 shall at the expiration of each fiscal year prepare an itemized, sworn statement of  
18 the funds collected, received, held, or disbursed by him during the fiscal year just  
19 closed, unless he has complied with KRS 424.230. Pursuant to subsections (2) and  
20 (3) of KRS 91A.040, each city with a population of less than one thousand (1,000)  
21 based upon the most recent federal decennial census shall prepare an itemized,  
22 sworn statement of the funds collected, received, held, or disbursed by the city  
23 which complies with the provisions of this section.

24 (2) The statement shall show:

25 (a) The total amount of funds collected and received during the fiscal year from  
26 each individual source; and

27 (b) The total amount of funds disbursed during the fiscal year to each individual

1           payee. The list shall include only aggregate amounts to vendors exceeding one  
2           thousand dollars (\$1,000).

3 (3) Only the totals of amounts paid to each individual as salary or commission and  
4           public utility bills shall be shown. The amount of salaries paid to all nonelected  
5           county employees shall be shown as lump-sum expenditures by category, including  
6           but not limited to road department, jails, solid waste, public safety, and  
7           administrative personnel.

8 (4) The amount of salaries paid to all teachers shall be shown as a lump-sum  
9           instructional expenditure for the school district and not by amount paid to  
10          individual teachers. The amount of salaries paid to all other employees of the board  
11          shall be shown as lump-sum expenditures by category, including but not limited to  
12          administrative, maintenance, transportation, and food service. The local board of  
13          education and the fiscal court shall have accessible a factual list of individual  
14          salaries for public scrutiny and the local board and the fiscal court shall furnish by  
15          mail a factual list of individual salaries of its employees to a newspaper qualified  
16          under KRS 424.120 to publish advertisements for the district, which newspaper  
17          may then publish as a news item the individual salaries of school or county  
18          employees.

19 (5) The officer shall procure and include in or attach to the financial statement, as a part  
20          thereof, a certificate from the cashier or other proper officer of the banks in which  
21          the funds are or have been deposited during the past year, showing the balance, if  
22          any, of funds to the credit of the officer making the statement.

23 (6) (a) The officer shall, except in a city publishing its audit in accordance with KRS  
24          91A.040(6), within sixty (60) days after the close of the fiscal year cause the  
25          financial statement to be published in full in a newspaper qualified under KRS  
26          424.120 to publish advertisements for the city, county, or district, as the case  
27          may be. Promptly after the publication is made, the officer shall file a written

1 or printed copy of the advertisement with proof of publication, in the office of  
2 the county clerk of the county and with the Auditor of Public Accounts.

3 (b) The appropriate officer of a city that has not conducted an annual audit under  
4 the provisions of KRS 91A.040(2) or (3) may publish a legal display  
5 advertisement meeting the requirements of subsection (7)(b) of this section  
6 which shall satisfy the publication requirements set out in paragraph (a) of this  
7 subsection.

8 (7) In lieu of the publication requirements of subsection (6) of this section, the  
9 appropriate officer of a city, including the appropriate officer of any municipally  
10 owned electric, gas, or water system, shall elect to satisfy the requirements of  
11 subsection (6) of this section by:

12 (a) Publishing an audit report in accordance with KRS 91A.040(6); and

13 (b) Publishing a legal display advertisement of not less than six (6) column inches  
14 in a newspaper qualified under KRS 424.120 that the statement required by  
15 subsection (1) of this section has been prepared and that copies have been  
16 provided to each local newspaper of general circulation, each news service,  
17 and each local radio and television station which has on file with the city a  
18 written request to be provided a statement. The advertisement shall be  
19 published within ninety (90) days after the close of the fiscal year.

20 (8) The appropriate officer of a county shall satisfy the requirements of subsection (6)  
21 of this section by publishing the county's audit, prepared in accordance with KRS  
22 43.070 or 64.810, in the same manner that city audits are published in accordance  
23 with KRS 91A.040(6).

24 **(9) In lieu of the publication requirements of subsection (6) of this section, the**  
25 **appropriate officer of a school district may satisfy the requirements of subsection**  
26 **(6) of this section by publishing, within ninety (90) days after the close of the**  
27 **fiscal year:**

1 (a) The statement required by subsection (1) of this section prominently on the  
 2 district's Web site for not less than ninety (90) days; and

3 (b) A legal display advertisement of not less than six (6) column inches in a  
 4 newspaper qualified under KRS 424.120 which:

5 1. Announces that the statement required by subsection (1) of this  
 6 section has been prepared and published on the district's Web site;

7 2. Includes the electronic address of the Web site on the Internet where  
 8 the statement may be viewed; and

9 3. Notifies that copies of the statement have been provided to each local  
 10 newspaper of general circulation, each news service, and each local  
 11 radio and television station which has on file with the district a written  
 12 request to be provided a statement.

13 ➔Section 2. KRS 160.463 is amended to read as follows:

14 (1) The school board of each public school system in any county having 300,000 or  
 15 more inhabitants shall direct its superintendent to publish, in full, annually, ~~in the~~  
 16 ~~newspaper of the largest general circulation in the county,~~ the annual financial  
 17 statements of the school system audited by certified public accountants or an  
 18 accountant approved by the State Department of Education. Each system's financial  
 19 statements shall be prepared and presented on a basis consistent with that of the  
 20 other systems.

21 (2) The superintendent shall publish the financial statements by either:

22 (a) Publishing the statements in the newspaper of largest general circulation in  
 23 the county; or

24 (b) Publishing the statements according to the publication and advertisement  
 25 provisions found in subsection (9) of Section 1. of this Act