

381.9197 Association records -- Financial report.

- (1) The association shall keep financial records sufficiently detailed to enable the association to comply with KRS 381.9203 and, except for the statement of cash receipts and disbursements which shall be kept on a cash basis, all financial statements shall be prepared in accordance with generally accepted accounting principles. All financial and other records shall be made reasonably available for examination by any unit owner and his or her authorized agents.
- (2) Not later than one hundred fifty (150) days after the end of the fiscal year, or annually on a date provided in the declaration or bylaws, the association shall cause to be prepared by an independent accountant or certified public accountant a financial report for the preceding fiscal year. No later than thirty (30) days after the financial report is prepared and received by the executive board, the association shall make it available for examination by any unit owner and, upon request and payment of a reasonable fee, shall provide a unit owner with a copy of the financial report.
- (3) The type of financial report the association shall have prepared under this section shall be determined as follows:
 - (a) An association with total annual revenues of less than one hundred thousand dollars (\$100,000) shall have prepared a financial statement of cash receipts and disbursements that disclose all sources of income and expenses by account and classification;
 - (b) An association with total annual revenues of at least one hundred thousand dollars (\$100,000) but less than two hundred fifty thousand dollars (\$250,000) shall have prepared a financial report under the standards of a compilation by a certified public accountant;
 - (c) An association with total annual revenues of at least two hundred fifty thousand dollars (\$250,000) but less than five hundred thousand dollars (\$500,000) shall have prepared a financial report under the standards of a review by a certified public accountant; and
 - (d) An association with total annual revenues of five hundred thousand dollars (\$500,000) or greater shall have prepared a financial report under the standards of an audit by a certified public accountant.

The executive board of an association, in its sole discretion, may elect to have the financial report required by this subsection prepared in accordance with a higher standard of care than required for that association's annual revenue level.

Effective: April 11, 2012

History: Amended 2012 Ky. Acts ch. 99, sec. 8, effective April 11, 2012. -- Created 2010 Ky. Acts ch. 97, sec. 49, effective January 1, 2011.