

**381.794 Financial records -- Financial report -- Standards for report.**

- (1) An association shall keep financial records sufficiently detailed to enable the association to prepare financial statements in accordance with generally accepted accounting principles.
- (2) No later than one hundred eighty (180) days after the end of the fiscal year, or annually on a date provided in the declaration or bylaws, the association shall have a financial report prepared for the preceding fiscal year. No later than thirty (30) days after the financial report is prepared and received by the board, the association shall make the financial report available electronically at no charge or provide a paper copy with payment of a reasonable fee to a lot owner.
- (3) The financial report shall be prepared in accordance with the following standards:
  - (a) An association with total annual revenues of less than one hundred twenty-five thousand dollars (\$125,000) shall prepare a statement of cash receipts and disbursements that discloses all sources of income and expenses by account and classification;
  - (b) An association with total annual revenues of at least one hundred twenty-five thousand dollars (\$125,000) but less than three hundred thousand dollars (\$300,000) shall prepare a financial report under the standards of a compilation by an accounting professional;
  - (c) An association with total annual revenues of at least three hundred thousand dollars (\$300,000) but less than one million dollars (\$1,000,000) shall prepare a financial report under the standards of review, to be prepared by a certified public accountant; and
  - (d) An association with total annual revenues of one million dollars (\$1,000,000) or greater shall have prepared a financial report under the standards of an audit prepared by a certified public accountant.

An association may elect to have the financial report required under this subsection prepared in accordance with a higher standard than required for the association's annual revenue level.

**Effective:** June 29, 2023

**History:** Created 2023 Ky. Acts ch. 23, sec. 10, effective June 29, 2023.