

Municipalities; Thresholds Triggering Certain Accounting Requirements; SB 247

SB 247 increases thresholds that trigger certain requirements related to municipal accounting and changes certain related requirements, as follows.

- Prior law stated the governing body of any municipality with aggregate annual gross receipts of less than \$275,000, and does not operate a utility, is not required to maintain fixed asset records. The bill increases this amount to \$500,000.
- The bill changes the dollar amount above which an annual audit is triggered. The governing body of any municipality either having aggregate annual gross receipts of \$500,000 (increased from \$275,000 except for recreation commissions, for which the amount is \$150,000) or general obligation or revenue bonds outstanding in excess of \$500,000 (increased from \$275,000) must receive an audit at least once annually.
- For those municipalities, except for unified school districts (for which annual audits are required), for which either annual gross receipts or general obligation or revenue bond outstanding debt is in excess of \$275,000 but not more than \$500,000, the bill adds a requirement that the municipality have its accounts examined by a licensed certified public accountant or accountants using agreed-upon procedures at least once each year, and by using enhanced agreed-upon procedures at least once every three years.
- The bill adds a requirement that a copy of each report resulting from a municipal account review be filed electronically with the Secretary of Administration within one year of the end of the municipality's fiscal year for which the review is performed, unless the Secretary grants an extension. The bill states the municipality is not required to submit the report to any other State agency, office, or official. Final payment to the accountant(s) performing an examination using agreed-upon procedures is prohibited until the report has been filed as required.
- The bill makes clarifying and conforming changes.

The provisions revised are contained in KSA 75-1117 *et seq.*, related to the Municipal Accounting Board. In that act, "municipality" is defined as "county, township, city, municipal university, unified school district, library district, improvement district, drainage district, cemetery district, industrial district, irrigation district, park and recreation district, conservation district, extension council, airport or building authority, fire district, lighting district, park district, sewer district, watershed district, community junior college, groundwater management district, rural water district, zoning board, municipal energy agency or intergovernmental or joint agency, including all boards, commissions, committees, bureaus and departments of such municipalities charged with the management or administration of recreation activities, parks, hospitals, libraries, cemeteries, pensions, public improvements or any other public activities maintained or subsidized with public funds and any municipally owned or operated utility, firemen's relief association, or public or quasi-public corporation entitled to receive and hold public moneys pursuant to any provision of state law authorizing such public or quasi-public corporation to collect or receive such public moneys."