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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 342 Session of  
2007

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INTRODUCED BY BARRAR, CALTAGIRONE, CAPPELLI, CLYMER AND  
HENNESSEY, FEBRUARY 9, 2007

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REFERRED TO COMMITTEE ON EDUCATION, FEBRUARY 9, 2007

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AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
2 act relating to the public school system, including certain  
3 provisions applicable as well to private and parochial  
4 schools; amending, revising, consolidating and changing the  
5 laws relating thereto," further providing for reports to  
6 Department of Education and for financial reports.

7 The General Assembly of the Commonwealth of Pennsylvania  
8 hereby enacts as follows:

9 Section 1. Section 218 of the act of March 10, 1949 (P.L.30,  
10 No.14), known as the Public School Code of 1949, added May 10,  
11 2000 (P.L.44, No.16), is amended to read:

12 Section 218. Reports to Department of Education.--All  
13 financial accounting and reporting by school districts to the  
14 Department of Education shall be in accordance with generally  
15 accepted accounting and reporting standards[.], except for the  
16 annual financial report. The Department of Education shall  
17 establish a reporting standard for the annual financial report.  
18 The standard shall conform to fund level reporting criteria  
19 only, and will be an allowed other comprehensive basis of

1 accounting. For purposes of this section, an "other  
2 comprehensive basis of accounting" shall mean a basis of  
3 accounting, other than generally accepted accounting principles,  
4 that an entity uses to report its assets, liabilities, equity,  
5 revenues and expenses.

6 Section 2. Section 921-A of the act, amended July 11, 2006  
7 (P.L.1092, No.114), is amended to read:

8 Section 921-A. Financial Reports.--An annual financial  
9 report shall be submitted to the Secretary of Education by each  
10 intermediate unit not later than the 31st day of October,  
11 together with an auditor's report prepared by an independent  
12 auditor who shall be a certified public accountant or other  
13 competent public accountant. All financial accounting and  
14 reporting by intermediate units to the Department of Education  
15 shall be in accordance with generally accepted accounting and  
16 reporting standards[.], except for the annual financial report.  
17 The Department of Education shall establish a reporting standard  
18 for the annual financial report. The standard shall conform to  
19 fund level reporting criteria only, and will be an allowed other  
20 comprehensive basis of accounting. For purposes of this section,  
21 an "other comprehensive basis of accounting" shall mean a basis  
22 of accounting, other than generally accepted accounting  
23 principles, that an entity uses to report its assets,  
24 liabilities, equity, revenues and expenses.

25 Section 3. This act shall take effect July 1, 2007, or  
26 immediately, whichever is later.