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A Study of Bonds Executed by  
Treasurers and Depositories of  
Public School Districts in Kentucky,  
1935-1936 Through 1940-1941

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Superintendent of Public Instruction

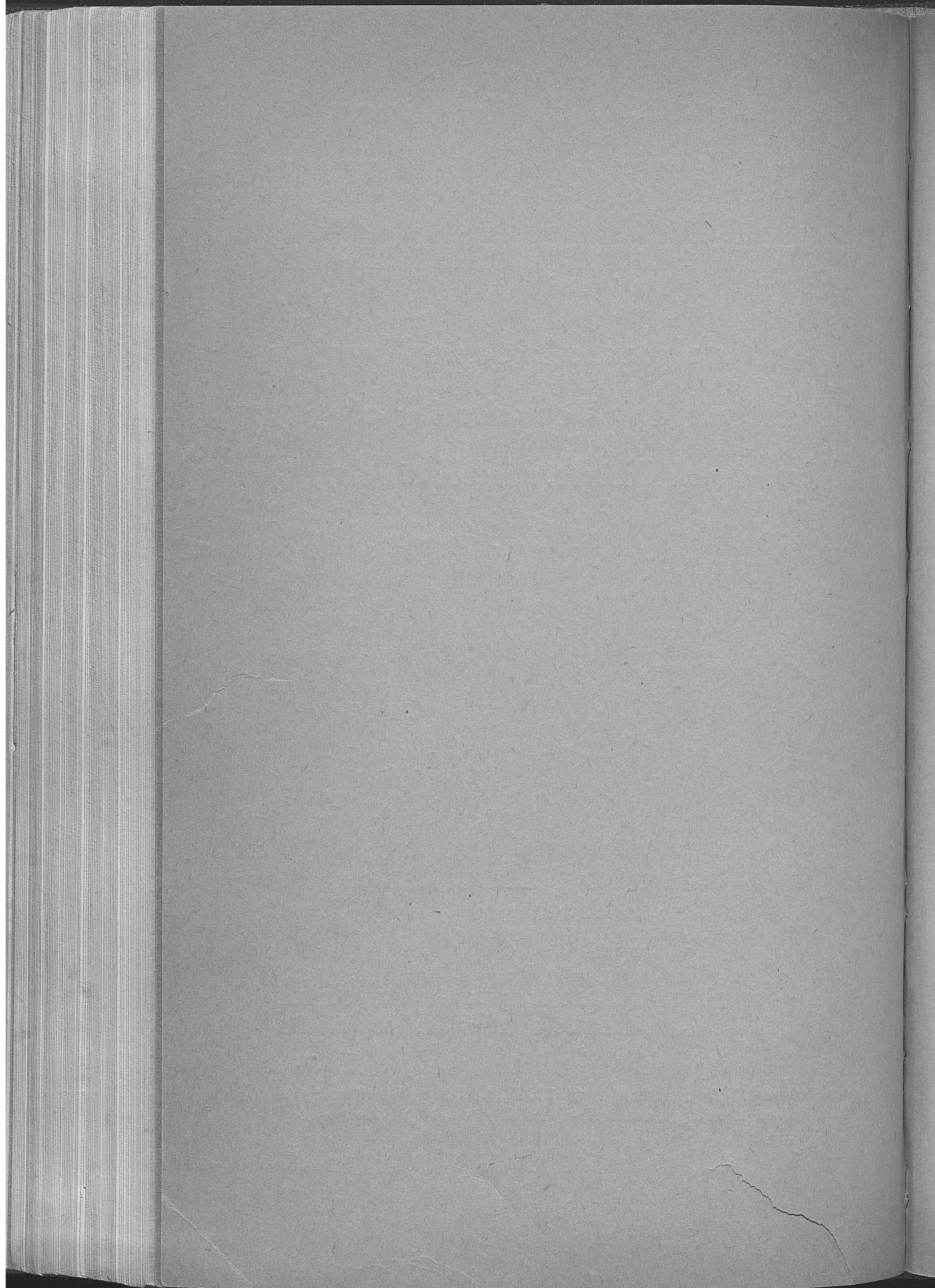
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A STUDY OF BONDS EXECUTED BY TREASURERS  
AND DEPOSITORIES OF PUBLIC SCHOOL  
DISTRICTS IN KENTUCKY, 1935-1936  
THROUGH 1940-1941

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THESIS

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A thesis submitted in partial fulfillment of the requirements  
for the degree of Master of Arts in Education  
at the University of Kentucky

By

RAY N. DRYDEN  
Mt. Olivet, Kentucky

Lexington, Kentucky  
1941

## FOREWORD

The information contained in this bulletin deals with the history of school fund protection in Kentucky school districts. Because of lack of assembled information and data on the subject in the past, this publication is particularly valuable at this time. Much study and effort has been put forth to secure adequate funds for educational expenditures but little information has been assembled on how these funds are protected.

This material was prepared by Mr. Ray N. Dryden of Mt. Olivet, Kentucky, in partial fulfillment of the requirements for the degree of Master of Arts in Education. Mr. Dryden has given his consent for publication and the school profession is duly grateful to him for this contribution.

Because of the importance of the information and facts contained in this publication, I am authorizing its release as a bulletin of the Department of Education and respectfully urge that it be studied carefully.

J. W. BROOKER  
Superintendent Public Instruction

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The writer desires to express his appreciation of the assistance rendered, in the preparation of this thesis, by Mr. George L. Evans, Director of Finance, Department of Education, Frankfort, Kentucky, without whose cooperation and counsel this study would have been impossible. He desires to express his obligations to Dr. Wellington Patrick and Dr. Leonard Meece, under whose direction this study was made, for interest and criticism during the course of the work.



## Chapter I

### INTRODUCTION

Occupational tendencies and pursuits in Kentucky are such as would indicate stability in school revenues. It should be kept in mind, however, that any deflation which may follow the present international crisis could exert such influence as to render securities and other protective factors insufficient to give proper protection to fully safeguard school funds.

It appears logical that the factors which are involved in protecting public school funds should be scrutinized while financial conditions are relatively stable. Too, it seems timely that a study be made of present legal provisions which pertain to the protection of public school funds handled by treasurers and depositories of the several school districts along with an inquiry into current protective practices of these districts.

**Purpose of Study.** This study proposes to examine the bonds of treasurers and depositories which are required by law, and to determine as far as possible the extent, through actual practice, of protection that is given to school funds in the hands of these agents under the School Code, our present law.

It is hoped that if loopholes exist, suitable remedies can be found, in order that money for schools, which in too many cases is insufficient, may not be lost to the cause for which it was intended.

**Scope of Study.** The major laws which had to do with protecting school funds which were handled by treasurers and depositories since Kentucky was admitted to statehood in 1792, will be reviewed briefly to serve as a historical background for our present protective system. The provisions of the 1934 School Code for bonding treasurers and depositories will be studied. The bonds of all school districts in the state will be examined in order to determine the actual practice under the law. For the purpose of comparison, a brief mention will be made of bonding provisions and practices in several other states.

**Limitations of Study.** This study is concerned only with protection of funds which are handled by the treasurers and

depositories of the several school districts of Kentucky during the years 1935-1936 through 1940-1941. The bonding of other officials is of no interest here. No other phase of public school finance will be considered.

**Source of Data.** The principal sources of data for this study are: Copies of the various school district bonds, approved by the state Board of Education, which are on file with the Division of Finance, Department of Education, Frankfort, Kentucky; Acts of the Kentucky Legislature; Bulletins of the Kentucky Department of Education; and Minutes of the Kentucky State Board of Education.

## Chapter II

### PROVISIONS OF SCHOOL LAW FOR BONDING OFFICIALS PRIOR TO 1934

In considering Kentucky school laws it should be kept in mind that legislation was largely special or local in nature until the adoption of the present constitution in 1891.

The precedent of bonding all public officials seemed to have been well established by the time Kentucky was admitted to statehood in 1792, and, naturally, as the school system evolved, attending provisions were written into the laws concerning bonding of those who handled school funds.

**The Seminary Acts of 1798.** The creation of county seminaries was authorized by the Seminary Acts of 1798. Following the enactment of these laws, schools came into being over the state. In the act for establishing The Bourbon County Academy, December 22, 1798, it was provided in Section 10<sup>1</sup> that the trustees elect a treasurer, but no bond was specified; however, Section 13<sup>2</sup> stated: "The trustees of the said academy shall at all times be accountable for their conduct in management of the business aforesaid, in such manner as the legislature shall by law direct."

The Acts of 1820, though, were more explicit, as is seen in Sections 1, 2, and 3, which are quoted:<sup>3</sup>

Sec. 1. Be it enacted by the General Assembly of the Commonwealth of Kentucky. That the trustees of the county seminaries, shall respectively, appoint from time to time, as the same may be necessary, and remove at pleasure, a treasurer, whose duty it shall be in the month of December annually, to demand and receive all fines and forfeitures from the clerks of the several courts held in the county in which such treasurer may reside; and the several attorneys for the commonwealth, shall prosecute to judgment, and collect all fines and forfeitures as heretofore, and pay the same over to the respective clerks of their courts; and in the event of a failure or refusal to pay on demand as aforesaid, the said treasurer may proceed by motion giving reasonable notice, or action in the circuit court where such clerk resides, in the name of the Commonwealth of Kentucky, for the use and benefit of the trustees of the seminary appointing such treasurer, to recover judgment against such clerk failing or refusing to pay any such fine or forfeiture as aforesaid, upon his bond of office.

<sup>1</sup> *Littell's Laws of Kentucky*, Chapter CLXXI, page 240

<sup>2</sup> *Ibid.*, page 240.

<sup>3</sup> *Acts of 1820*, Chapter 148, pages 181-83.

Section 2. Every treasurer appointed as aforesaid, shall, at the term of the county court of the county in which he is appointed, next ensuing such appointment, enter into, and execute bond with one or more sufficient securities in a reasonable penalty, to be prescribed by said court, payable to the Commonwealth of Kentucky, conditioned truly and faithfully to execute and perform all and every of the duties of the office of treasurer for the trustees of the seminary appointing him to that office; and for any failure or failures, on the part of such treasurer to comply with the conditions of said bond or any of them, the trustees who have appointed such treasurer, or their successors in office may, from time to time, sue and recover in the name of the Commonwealth of Kentucky, in any court of competent jurisdiction upon said bond against the obligors named therein, or any of them, their or any of their heirs, executors or administrators, such damages as may be sustained by reason of the violation of the conditions of said bond or any of them.

Section 3. It shall be the duty of every treasurer, appointed by virtue of this act, to pay to the order or orders of the trustees appointing him, or their successors in office, which order or orders, shall be certified by the clerk of the trustees without the corporate seal, any money or moneys, which he may collect as treasurer.

**The Acts of 1821.** The Literary Fund was established by the Acts of 1821. Taxes for school purposes were collected and went into this fund. After a period of three years, the Literary Fund lapsed into obscurity. Section 5, which provided for safety of funds, reads as follows:<sup>3</sup>

Section 5. Be it further enacted, that it shall be the duty of the respective commissioners of tax in the several counties in this state, to add one column in their books of taxable property in which they shall take down the number of all children within each school district, as established by the county courts, between the ages of four and fourteen, and the same shall be transmitted to the auditor's office with the books aforesaid; and it shall be the duty of the clerks of the several county courts, as soon as practicable after the districts are established, to deliver to the commissioners the boundaries of the school districts within the precinct allotted to each commissioner. . . .

**The School Code of 1830.** Establishment of a uniform system of public schools throughout the State of Kentucky was encouraged by the School Code of 1830.

Provisions were made whereby our county court could divide its county into districts, and taxes could be levied. Three public school commissioners, who were accountable for general administration of the schools, were to be elected by the qualified voters of the county. Since the matter of districting the county and levying of tax was discretionary, the public school system received slight impetus under this act. Two sections which pertain to collecting and accounting for money are cited:<sup>4</sup>

<sup>3</sup> *Acts of the General Assembly of Kentucky*, 1821, Chapter CCLXXIV, Section 5, page 352.

<sup>4</sup> *Acts of 1830*, Chapter CCCLXXXVII, Sections 16 and 17, pages 277-78

Section 16. Be it further enacted, That it be the duty of the collector of each district to collect and pay over to the public school commissioner of his district, or some of them all moneys which he shall be required by warrant to collect, within the time limited in such warrant, for its return, and to take the receipt of such public school commissioners for such payment; and he shall be allowed five cents on every dollar so collected and paid over by him.

Section 17. Be it further enacted, That every Collector of a school district shall, before receiving any warrants for the collection of moneys, execute a bond to the public school commissioners of his district, when required by them, in their corporate name with one or more sureties, to be approved of by one or more of the public school commissioners, in double the amount of moneys to be collected, conditioned for the due and faithful execution of the duties of his office; and if any collector should not execute such bond in the time allowed by the public school commissioners for that purpose which shall not be less than ten days, his office shall be vacated, and the public school commissioners may appoint any person residing in the district, as collector in his place.

**Education Acts of 1838.** It was during the administration of Reverend Joseph J. Bullock, the first Superintendent of Public Instruction, that the Acts of 1838 were passed. Under its provisions the first State Board of Education was organized, composed of the Superintendent of Public Instruction, the Attorney General, and the Secretary of State. This plan was followed until repealed by the School Code of 1934.

One can readily find the beginnings of the present school system in Kentucky by reading the Acts of 1838. Portions of the law, Sections 12 and 13, which are considered relevant, are quoted:<sup>5</sup>

Section 12. Be it further enacted, That the commissioners of common schools appointed under this act, shall be a body corporate politic, and by the name of the Commissioners of Common Schools, of the county for which they may be appointed, may sue and be sued, contract and be contracted with and may hold possession of, and enjoy to them and their successors, property, real and personal, to an amount not exceeding, at any one time, fifty thousand dollars, to be held to the use of common schools of the county, and for no other purpose whatever.

Thus was established with the county commissioners of education authority for holding property in the name of the public schools. Section 13, which held the commissioners responsible for funds in their custody reads:

Section 13. Be it further enacted, That when the share of school moneys apportioned to a county, or to any school district in said county, is lost by the neglect of the commissioners, the commissioners guilty of such neglect, shall forfeit to the county the full amount, with interest of the moneys so lost; and for the payment of such forfeitures shall be jointly and severally liable; and it shall be the duty of the attorney for the county, upon notice of such loss from the superintendent of public instruction, or clerk of the county court,

<sup>5</sup> Acts of the General Assembly of Kentucky, 1838, Chapter 898, page 277.

to prosecute without delay, in the name of the Commonwealth, for such forfeiture, and the moneys recovered, shall be distributed and paid by such county attorney, to the several districts in the same manner as it would have been the duty of the commissioners to have distributed and paid them, if received from the proper sources.

In addition to the five county commissioners provided for by this enactment, each district had five trustees, whose responsibilities in connection with local finances were set out in Section 24 and 25:<sup>6</sup>

Section 24. Be it further enacted, That the trustees of each school district shall, on the expiration of their offices, render to their successors in office, a just and true account, in writing, of all moneys received by them for the use of the district, and the manner in which the same shall have been expended; and any balance of such moneys which shall appear from such account, to remain in the hands of the trustees, or either of them, at the time of rendering the account, shall immediately be paid to some one or more of their successors in office.

Section 25. Be it further enacted, That every trustee who shall refuse, or neglect to render such account, or to pay over any balance so found in his hands, shall, for each offense, forfeit the sum of \$25.00; and it shall be the duty of his successors in office to prosecute, without delay, in their name of office for the recovery of such forfeiture, before any Justice of the Peace residing in the county; and the moneys recovered by them, shall be applied by them to the use of their district schools.

**County School Treasurer.** Financial affairs were handled by the County School Commissioners until the year of 1845, when the office of treasurer was created. Stipulation that the treasurer must furnish bond is noted in Section 20<sup>7</sup> of this act which reads as follows:

Section 20. That the School Commissioners in the several counties of this state, shall, in their corporate capacity, be vested with power, and they are hereby authorized and required to appoint a County School Treasurer, who shall be required, from time to time, to give bond and security, in such reasonable penalty as they may think proper, and to renew the same as often as they may think proper, who is hereby authorized to receive or sue for, in the name of the School Commissioners of the county, all money or other property which has heretofore, or shall hereafter be devised, or in any other manner may be given or acquired by private individuals or corporations, for the benefit of common schools, or any particular district or number of districts, in any county of this state, who shall also be required to loan the same on safe securities, with the advice of the School Commissioners, as often as the same may become due, not exceeding two years and to apply the interest of the same according to the directions of the donor or testator.

**The Third Constitution.** The public school system advanced considerably due to legislation subsequent to the adoption of the Third Constitution in 1850. Tuition fees were prevalent in the early county schools throughout the state.

<sup>6</sup> *Acts of the General Assembly of Kentucky*, 1838, Chapter 898, page 279-80.

<sup>7</sup> *Acts of 1844-45*, Chapter 213, pages 45-55.

Although the new Constitution abolished all tuition fees, local taxation was not required; and, as a result, an increase in the state fund was made necessary if free schools were to be maintained. As state funds, which were sent to the several districts, increased, the necessity for protecting public funds became more obvious. That the Legislature was aware of this is shown in many acts similar to an act for the benefit of the Pendleton County School Fund which was approved March 1, 1870, and is quoted here:<sup>8</sup>

Chapter 991. Whereas, Heretofore the Commonwealth of Kentucky donated certain funds to the County of Pendleton for educational purposes; and whereas, trustees were appointed to take charge of and manage said funds who had the power to perpetuate their own body, and without being responsible to anybody for the use of said trust funds; and whereas, it is desirable to the people of the county aforesaid to have a knowledge of the funds and their use and management; therefore,

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

Section 1. That the County Court of Pendleton County, a majority of the justices being present and concurring, be and they are hereby, empowered to elect five trustees on their County Court day in May, 1870, and every three years thereafter, to take charge and manage the funds and buildings now held by the trustees of the County School funds. Said trustees shall hold their office for three years, and until their successors shall have been elected and qualified.

Section 2. Before entering on the discharge of their duties, said trustees shall be qualified to faithfully discharge the duties of their said offices; and give bond in such sums and with such securities, conditioned upon the faithful discharge of their official duties; as the County Court may determine; and it shall be the duty of said trustees to make correct reports of their proceedings to the County Court every twelve months

Section 3. The Court shall annually, on the County Court day of May, appoint a committee to settle the accounts of said trustees, which settlement shall be spread on the records of said court.

Section 4. The County Court shall, on the County Court day of May, 1870, appoint a committee to settle with the old trustees, take charge of the property belonging to same, receipt for it and bring it into Court, to be receipted for by the new trustees before taking charge of same.

**The County Superintendent.** Since the chief school officer of the county, the county Superintendent, has had from time to time, various duties to perform in relation to school finances, and has been required to give bond, brief mention of the evolution of this office is thought necessary to a better understanding of this problem.

The early law, which gave the county court authority to appoint three county school commissioners for a term of two years, was

<sup>8</sup> *Laws of Kentucky*, Volume 2, Chapter 991, Sections 1, 2, 3, and 4, pages 695-96.

amended in the year of 1860.<sup>9</sup> The county court was directed to appoint one county commissioner to hold office for a term of two years, and specified that he: "... before acting shall give covenant and take oath as required by law of the commissioners." This procedure was followed until passage of the law, approved May 12, 1884,<sup>10</sup> creating the office of county superintendent of schools, who was to be elected by popular vote and was required to give bond with sufficient surety, approved by the County Court, for faithful discharge of his duties.

**Provisions for Bonding Treasurers and Depositories, 1891-1934.** With the adoption of the present constitution in 1891, school legislation ceased to be special or local in nature. Taxation for support of public schools became mandatory, and school funds from both local and state sources increased substantially. As people became more tax conscious, they became more aware of the necessity for protecting the school funds from careless management and malfeasance.

**Bonds of Treasurers and Business Managers.** Early provisions for bonds usually specified no definite amount, but the terms "proper", "sufficient", "good and sufficient", or "as may be required" were commonly used. In some instances, as in the Acts of 1893,<sup>11</sup> the provision was made that the treasurer give bond in a sum twice the amount of funds to be collected.

**County Superintendent as Treasurer.** A change in the treasurer of county systems was brought about by the Acts of 1908<sup>12</sup> which considered each county one school district, excepting cities and Special Independent Graded Districts. The County Superintendent of Schools was designated as treasurer of the County Board of Education, a policy which followed several years, and was directed to give a special bond which was to be approved by the County Court. A law passed in 1912 was somewhat more specific. Section 4 of this law reads as follows:<sup>13</sup>

Section 4. Before entering upon the discharge of his duties each county superintendent must enter a covenant before the County Court of the County to the Commonwealth of Kentucky, with sufficient sureties in not less than an amount of money that he shall receive at any installment from the State Treasury, as Common School Funds, for the faithful discharge of his duties and the said bond shall be renewed each year.

<sup>9</sup> *Kentucky Statutes of 1860*, Sections 5 and 6, pages 532-33.

<sup>10</sup> *Acts of the General Assembly, 1883-84*, Volume I, Article VI, Section 6, page 122.

<sup>11</sup> *Acts of 1893*, Article VIII, Section 79, page 1455.

<sup>12</sup> *Acts of 1908*, Chapter 561, Section 9, page 140.

<sup>13</sup> *Acts of 1912*, Chapter 117, Section 4, page 401.



The county superintendent continued to serve as treasurer of the board of education until prohibited by law in 1922<sup>14</sup> when the county boards were directed to elect a treasurer other than the county superintendent.

Earlier several instances had been found, in special acts, where city treasurers had been designated as treasurer of the City Boards of Education. In 1926<sup>15</sup> a law was passed which made the County Treasurer ex-officio treasurer of the County Board of Education; however, this law was repealed before it was ever made operative.

**Treasurers and Business Managers of Cities of the First and Second Classes.** The law of 1910<sup>16</sup> set out that the Secretary and treasurer of school boards in First Class Cities should give bond in an amount, not less than \$50,000, determined by the school board. The penal sum of the Business Director's bond was fixed at \$10,000.

It is interesting to note that bonds of both the Secretary-Treasurer and the Business Director were to be corporate bonds guaranteed by a surety company licensed to do business in the state of Kentucky. This is the first instance that was found where this particular type of bond was demanded.

The Law of 1912<sup>17</sup> regulating schools in Cities of the Second Class, required the Business Director to give sufficient bond, guaranteed by a surety company. Also the board of education was directed to advertise for bids for a treasurer and depository.

**Treasurers of Cities of the Third and Fourth Classes and Independent Graded Districts.** In each chapter of the Acts, which was read, pertaining to school systems in cities of the Third and Fourth Classes, and in Independent Graded Districts, although each had special provisions, some mention of bonding the treasurer was made. Occasionally it was found, as in the case of Owensboro as early as 1871,<sup>18</sup> the city treasurer served as treasurer of the school board.

**Bonding of Depositories.** Cammack found<sup>19</sup> in his study that during the period 1850-1890, there were few instances in which depositories that held public funds were required to furnish bond; he also found a few cases in which no bond was required when funds were placed in an incorporated bank.

<sup>14</sup> Acts of 1922, Chapter 39, Section 2a, pages 153-54.

<sup>15</sup> Acts of 1926, Chapter 172, Section 20.

<sup>16</sup> Acts of 1910, Chapter 2, Section 22, page 140.

<sup>17</sup> Acts of 1912, Chapter 137, Section 17, page 558.

<sup>18</sup> Acts of 1871, Chapter 1515, page 32.

<sup>19</sup> Cammack, James W., Jr. *Protecting Public School Funds in Kentucky*, Lexington, Ky., Bureau of School Service, College of Education, University of Kentucky, 1935, page 19.

The Law of 1910,<sup>20</sup> previously cited, applying to schools in First Class Cities, made definite provision that the board of education advertise for bids from banks and trust companies for acting as depository of the school board, and required of the depository a bond to be approved by the board as to the amount and type of surety.

At once it would seem inconsistent that numerous attempts be made to protect school funds through bonding school treasurers when so little was done about bonding the depositories where the funds were actually held.

In the face of precarious banking conditions, brought about by the depression, an act was passed in 1932<sup>21</sup> which provided for bonding of depositories; this action, however, was not enough to guarantee safety of funds, due to current financial conditions and the unsound principles involved in the evaluation of sureties.

**The State Department: Inspecting and Auditing.** Prior to 1912 the State Department of Education had assumed little supervision of the handling of funds by the local units, except in a very general way. The advisability of specific authority for such supervision became so apparent that the General Assembly passed a law in the year of 1912<sup>22</sup> which gave the State Superintendent powers and duties as State Inspector and Examiner of all schools in the state which were supported, in whole or in part, by State Funds. He was empowered to employ two assistants who were to inspect and audit the financial affairs of all public school units. In the event misconduct or mismanagement was found, the auditors and inspectors were to bring the matter to the attention of local courts,<sup>23</sup> and were to be assisted by the County Attorney or Commonwealth Attorney in the prosecution. The urgency with which this measure was viewed is pointed out in Section 3:<sup>24</sup>

The necessity for the immediate operation of the provisions of this act, is so plain that an emergency is hereby declared to exist and this act shall take effect from and after its passage and approval by the Governor.

The State Department operated under the law until 1924, when the Division of Inspection and Accounting was created,<sup>25</sup> with somewhat broader powers. This department was brought under the Division of Finance when the Department of Education was reorganized in 1933.

<sup>20</sup> *Acts of 1910*, Chapter 2, Section 22, page 14.

<sup>21</sup> *Acts of 1932*, Chapter 74, page 366.

<sup>22</sup> *Acts of 1912*, Chapter 13, Section 1, page 91.

<sup>23</sup> *Ibid.*, Section 2, page 91.

<sup>24</sup> *Ibid.*, Section 6, page 93.

<sup>25</sup> *Acts of 1924*, Chapter 58, Section 4396-6, page 106.

## State Board of Education in Relation to Treasurers and Depositories

There was evidently much confusion concerning laws providing for and regulating treasurers of the county boards of education from 1922 to 1930. The state of matters throughout the commonwealth prompted the State Board of Education, which heretofore had more or less taken a laissez faire attitude, to adopt, on September 4, 1930<sup>26</sup> a regulation which henceforth brought the State Department of Education into a much closer relationship with local boards of education. It is thought the resolution important enough to quote here:

Whereas, the time has arrived when the Superintendent of Public Instruction is ready to make the first distribution of the State Per Capita to the various school districts in Kentucky; and

Whereas, many boards of education have failed to certify the names of their treasurers to W. C. Bell, the Superintendent of Public Instruction, or to file with him for approval of the State Board of Education, certified copies of bonds of treasurers and depositories of school funds; and

Whereas, the Superintendent of Public Instruction has not been notified as to the names of the treasurers and depositories of school funds in many districts, and before distribution of the school funds to such districts can be made the names of the treasurers and depositories must be certified to him; and

Whereas, depositories of school funds have not executed bonds to the local boards of education to secure school funds deposited therein, and by reason of the failure in some instances of local boards of education heretofore to require depositories to execute bonds as such, many thousands of dollars of school funds have been "tied up" and probably lost; and

Whereas, it is the sense of the State Board of Education that solvent bonds should be required by the boards of education of treasurers and depositories of school funds before any public school funds shall be paid to them either by the Superintendent of Public Instruction or by the collector of local funds;

Therefore, be it Resolved, First, that W. C. Bell, Superintendent of Public Instruction, is hereby authorized and directed to notify each board of education in the Commonwealth of Kentucky that it must require of its treasurer and the depository of school funds the execution of a good and sufficient bond for the faithful performance of its duty, conditioned that it shall distribute the public school funds, whether State per capita or funds accruing from local taxes, according to law and to make settlement with the local board of all school funds as by law required.

Second, that said Superintendent of Public Instruction shall require of each board of education that the bonds executed by the treasurer and the depository shall be in triplicate and a copy of same to be lodged with the secretary of the local board, one copy to be filed with the treasurer or depository, and a certified copy filed with the Superintendent of Public Instruction, and that the said Superintendent of Public Instruction shall furnish local boards of education all forms necessary including bond forms to

<sup>26</sup> Minutes of the State Board of Education, Minute Book, January 1924 to May 1932, page 263-64.

be executed by treasurers and depositories and affidavit forms to be signed before a notary public by each personal surety on any bond before signing same;

Third, that said Superintendent of Public Instruction be and is hereby directed to defer distribution of the State school fund to any school district until the treasurer and depository of school funds shall have complied with the law and this resolution;

Fourth, that this Board recommend that the Superintendent of Public Instruction urge that instead of personal surety, each local board of education require its treasurer and depository to execute bonds guaranteed by a surety company authorized to do business in the Commonwealth of Kentucky;

Fifth, that a copy of this resolution be sent to the secretary of each board of education in the Commonwealth of Kentucky.

Strained financial conditions that were being felt over the nation caused more concern to be taken about the safety of public funds. The General Assembly passed a law in 1932<sup>27</sup> which touched on most of the phases in the before cited regulations of the State Board in 1930. Thus no longer the protection of public school funds was considered a local matter; but the State Department of Education from then on was to have a definite supervisory attitude.

The school code of 1934 made possible many needed changes necessary for progress of the public schools. Provisions of this law in reference to practices in bonding will be treated in the following chapter.

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<sup>27</sup> *Acts of 1932*, Chapter 74, Section 1, pages 365-66.

### Chapter III

#### THE SCHOOL CODE OF 1934

Although the school laws of Kentucky prior to 1934 had been recodified several times, complaints were numerous that confusion existing in various sections of the law was hampering progress of the schools. Not only school men lost their way in myriad passages of law, but legal minds were often in doubt, as was evidenced in a statement<sup>1</sup> made by Chief Justice Dietzman, in a case decided by the Court of Appeals in January, 1933:

We may say in conclusion that no body of our statutory law is in more confused state than our school laws. . . . The Legislature could do a great service in recodifying and clarifying these laws.

#### The Education Commission

The legislature of 1932 passed a law creating the Kentucky Educational Commission which was to study public education throughout the Commonwealth, and to report to the General Assembly and the Governor its findings, along with recommendations of measures and revisions of the school laws that would make for the greatest efficiency in public education.

The Committee appointed by Governor Laffoon made an extensive study of school conditions in the state, and recommended several measures which, in its opinion, should be written into law. One topic touched upon, which is of interest in this study, concerned protection of public funds:<sup>2</sup>

School boards should guard carefully their funds and should operate within their respective incomes.

Better protection for school funds in the hands of local school boards and stricter budgetary control of expenditures will make this possible. The floating school debt is a serious problem in many districts.

The Legislature of 1934 passed the New School Code which embodied, in the main, the measures recommended by the Educational Commission. Two provisions of the New School Code are of special interest here:

<sup>1</sup> *History of Education in Kentucky, 1915-1940*, Peters, H. W., Department of Education, page 92.

<sup>2</sup> *A Century of Education*, Bulletin, Department of Education, May, 1938, page 94.

1. Only two types of school districts are given legal recognition, County Districts and Independent Districts. Previously, a complicated system existed whereby county districts, independent graded districts, and districts for each of the following class cities, first, second, third, and fourth were recognized by law; each type of district had special laws setting forth powers, duties, and privileges of the respective boards of education.

2. In reorganizing the State Department of Education, the Division of Finance and the department of Inspecting and Accounting were made more functional. Closer check on revenues and their protection was made possible.

### **Laws Regulating Treasurers and Depositories**

The Acts of 1934 are definite in relation to the appointment and bonding of treasurers and depositories by boards of education.

**Appointment of Treasurer: Duties and Bond.** Major provisions contained in the section<sup>3</sup> which is quoted herein, applying to treasurers are:

1. The law applies to all boards of education in the State.
2. The treasurer must be an individual, since he must execute a public official bond.
3. The bond must be approved by the local board of education.
4. Nothing prohibits the superintendent from serving as treasurer.
5. Only two types of bonds may be executed; the bond must be guaranteed by at least three sureties or by a surety company.
6. Treasurer can only issue checks on the depository for items which have been approved by the board of education.
7. The bond forms are to be prepared by the State Superintendent of Public Instruction and approved by the State Board of Education.

Section 4399-43,<sup>4</sup> Kentucky Statutes reads in full:

Each board of education shall elect a treasurer for the board; provided that said board may elect the secretary of the board to serve as treasurer also. Said treasurer shall execute a public official bond for the faithful performance of the duties, said bond to be

<sup>3</sup> *Kentucky Common School Laws*, 1934, pages 87-89.

<sup>4</sup> *Kentucky Common School Laws*, 1934, pages 87-89.

approved by the local board and the State Board of Education. The bond shall be guaranteed by at least three solvent personal sureties, the solvency of whom must exceed the amount of the bond, or by a surety company authorized to do business in the Commonwealth and in an amount to be determined by the board of education. In case the treasurer is required to execute a surety company bond, premium on such bond shall be paid by the board of education. A copy of the bond shall be lodged in the files of the board of education and a copy lodged with the State Board of Education. The treasurer for the board shall receive all funds due the board, except as otherwise provided herein, and deposit them in the designated depository of the board. The bond shall provide that the treasurer of the board of education shall faithfully perform the duties of his office, receive all moneys to which the board is entitled by the Constitution of the Commonwealth or by the Statutes, except as herein provided, or which may in any way come into its possession, and deposit such funds in the properly designated depository; that such funds shall be withdrawn from the depository only upon proper order of the board as herein provided and that he will keep a full and complete account of all funds in such manner and make such reports concerning same as may be required by the board of education or by the State Board of Education, and that he will preserve all records relating to the transaction and duties of the office and turn over same to his successor along with all public funds in his hands and all accounts and records after due and proper audit made by a competent outside agent when he is required to do so by the board of education.

A copy of a list of all items and accounts which the board of education has ordered paid shall be certified to the treasurer by the board and shall be signed by the chairman and secretary of the board, and a certified copy of such list shall be furnished the depository by the secretary of the board. The treasurer shall issue his check on the depository for each item or account on the list certified by the chairman and secretary of the board.

The board of education may remove the treasurer from office at any time for cause by a vote of three members of the board. All treasurer's bond forms shall be prepared by the Superintendent of Public Instruction and approved by the State Board of Education.

**Selection of Depository: Duties and Bond.** The law governing selection and bonding of depositories provides that:

1. Application is made to all boards of education.
2. A bank or trust company must be appointed.
3. Two depositories may be selected if funds exceed \$100,000.
4. An individual is precluded from acting as depository. The treasurer, therefore, cannot also serve as depository.
5. The local board of education must approve the bond.
6. Only three types of bonds can be executed:
  - a. Personal bond guaranteed by five sureties.
  - b. Corporate bond guaranteed by a surety company.
  - c. Collateral, either sliding scale or escrow.

7. Bond forms to be prepared by Superintendent of Public Instruction and approved by the State Board of Education.

Section 4399-43 reads in full:<sup>5</sup>

Each board of education shall appoint a bank or trust company to serve as its depository; provided that any board of education whose yearly receipts from all sources exceed one hundred thousand dollars (\$100,000) per year may designate two depositories. The depository or depositories selected by a board of education shall execute good and sufficient bond for the safekeeping of the board's funds to be approved by the local board of education and the State Board of Education. Said bond shall be guaranteed by at least five solvent personal sureties, the solvency of whom must exceed the amount of the bond, or by a surety company authorized to do business in the Commonwealth or through execution of a collateral bond consistent with the general banking laws of the Commonwealth and the bonding laws applying to the safeguarding of state funds. The depository may be designated for a period not to exceed two years, and before entering upon its duties shall execute the bond required herein and shall agree with the board of education as to the rate of interest to be paid on average daily or average monthly balances. The penal sum of the depository bond shall be determined by the board of education in accordance with the rules and regulations of the State Board of Education. A board of education may enter into an agreement with its depository whereby the premium on a bond guaranteed by a surety company may be paid by either the board of education or by the bank or trust company acting as depository. In case the board of education pays the premium on the depository bond, the depository shall allow the board of education not less than two per cent (2%) interest on its average daily or average monthly balances. The bond of the depository shall provide that the duties of the office shall be faithfully performed; that all funds deposited by the treasurer of the board of education or its tax collector or its duly authorized agent shall be held by the depository; that all funds so deposited will be paid over to such person or persons and in such manner as the board may direct; that full and complete accounts of all the board's funds will be kept and turned over to the successor of its office along with all school funds in hand. The board of education may, at any time, require a due and proper audit of the depository's records of the funds of the board of education by a competent outside agent.

A board of education may designate as its depository the authorized and bonded depository of the governing authority of the territory which the school district embraces. In such cases, the bond of the depository shall be made to cover specifically the safekeeping of the school board's funds, and all conditions set out in this section shall be carried out. All depository bond forms shall be prepared by the Superintendent of Public Instruction and approved by the State Board of Education.

#### **Analysis of Bonds Executed by Treasurers and Depositories During Period 1935-1936 Through 1940-1941**

During the first six complete years that school boards have operated since the adoption of the School Code in 1934, we may say

<sup>5</sup> *Kentucky Common School Laws*, 1934, pages 89-90.



that Kentucky has been making progress toward adequate protection of school funds handled by the various school districts in the state. As Cammack<sup>6</sup> pointed out, the struggle to get ample bond protection has been difficult and the results have not always been satisfactory.

Each school district in the state has complied with the letter of the law, at least, requiring bond of the treasurer and the depository in each year of the five years mentioned above.

The extent of the protection and the type of bond service that has been offered is set out by tables contained herein. All information was taken directly from the bonds of the various districts which are in the files of the Division of Finance, Department of Education, Frankfort, Kentucky. All bonds had been approved by the State Board of Education. There was not a single bond missing for any district during the period considered here. Tables 1 through 6 concern the bonds of treasurers in county districts of Kentucky from July 1, 1935, through June 30, 1941; likewise tables 7 through 12 concern treasurers of independent districts for this period. Tables 13 through 18 concern the bonds of depositories in county districts of Kentucky from July 1, 1935 through June 30, 1941; similarly tables 19 through 24 concern depositories for independent districts for this period. Tables 25 and 26 give summary of the treasurers bonds by type of bond for the years 1935-36 through 1940-1941. Tables 27 and 28 give summary of depository bonds by type of bond for years 1935-1936 through 1940-1941. Table 29 compares the penal sums of the treasurers bond and the depository bonds of the county districts with the maximum bank balance had at any one time; and table 30 makes like comparison for the independent districts.

<sup>6</sup> Cammack, op. cit., page 53.

**Table 1**  
**TYPE AND AMOUNT OF TREASURER'S BONDS PROVIDED FOR**  
**EACH COUNTY SCHOOL DISTRICT IN KENTUCKY FOR 1940-1941**

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Adair	3	\$ 30,000	\$ 20,000	
Allen				\$2,000
Anderson	3	65,000	30,000	
Ballard				20,000
Barren	3	105,000	15,000	
Bath				7,000
Bell				10,000
Boone				20,000
Bourbon	5	250,000	50,000	
Boyd				15,000
Boyle				10,000
Bracken				10,000
Breathitt				15,000
Breckinridge				10,000
Bullitt				10,000
Butler	5	20,000	10,000	
Caldwell	5	115,000	10,000	
Calloway				10,000
Campbell				20,000
Carlisle	4	27,000	12,000	
Carroll				5,000
Carter				15,000
Casey				15,000
Christian				25,000
Clark	5	175,000	20,000	
Clay				15,000
Clinton	3	8,000	6,000	
Crittenden				7,500
Cumberland	3	15,000	5,000	
Daviess				20,000
Edmonson	5	20,000	10,000	
Elliott	5	25,000	25,000	
Estill				10,000
Fayette	3	275,000	60,000	
Fleming				20,000
Floyd				25,000
Franklin				10,000
Fulton				10,000
Gallatin	5	70,000	15,000	
Garrard				15,000
Grant	7	110,000	30,000	
Graves	4	900,000	100,000	
Grayson				10,000
Green	5	10,000	10,000	
Greenup				8,000

DED FOR  
1940-1941

Table 1—Continued

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Hancock				\$5,000
Hardin				20,000
Harlan	3	\$110,000	\$ 50,000	
Harrison				5,000
Hart	3	15,000	10,000	
Henderson				15,000
Henry				15,000
Hickman				5,000
Hopkins				25,000
Jackson				10,000
Jefferson				50,000
Jessamine	8	36,000	15,000	
Johnson				10,000
Kenton				20,000
Knott	4	110,000	50,000	
Knox				20,000
Larue	3	105,000	20,000	
Laurel	5	65,000	25,000	
Lawrence	5	150,000	25,000	
Lee				10,000
Leslie	3	48,000	15,000	
Letcher	5	40,000	30,000	
Lewis	3	60,000	30,000	
Lincoln				20,000
Livingston	7	85,000	5,000	
Logan				30,000
Lyon	3	32,000	10,000	
Madison				15,000
Magoffin	3	30,000	20,000	
Marion				25,000
Marshall				5,000
Martin	5	43,000	35,000	
Mason				10,000
McCracken				20,000
McCreary				10,000
McLean				10,000
Meade				15,000
Menifee				8,000
Mercer				10,000
Metcalfe	3	30,000	10,000	
Monroe	3	30,000	10,000	
Montgomery	5	178,000	10,000	
Morgan	3	80,000	15,000	
Muhlenberg	5	110,000	35,000	
Nelson				10,000

Table 1—Continued

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Nicholas				\$12,000
Ohio				20,000
Oldham				3,000
Owen	5	\$ 87,000	\$ 10,000	
Owsley	5	16,000	16,000	
Pendleton				10,000
Perry				20,000
Pike				50,000
Powell	5	27,000	10,000	
Pulaski	3	42,000	30,000	
Robertson	5	82,000	7,500	
Rockcastle				10,000
Rowan	4	56,000	30,000	
Russell	4	40,000	15,000	
Scott				15,000
Shelby				25,000
Simpson	7	50,000	10,000	
Spencer				7,000
Taylor				6,000
Todd				10,000
Trigg	4	35,000	10,000	
Trimble				5,000
Union				25,000
Warren				15,000
Washington				10,000
Wayne	3	60,000	8,000	
Webster				15,000
Whitley	6	50,000	25,000	
Wolfe	5	20,000	10,000	
Woodford	4	190,000	50,000	

**Table 2**  
**TYPE AND AMOUNT OF TREASURER'S BONDS PROVIDED FOR**  
**EACH COUNTY SCHOOL DISTRICT IN KENTUCKY FOR 1939-1940**

Corporate Penal Sum	Name of District	Type of Bonds			Corporate Penal Sum
		Personal Surety		Corporate Penal Sum	
		Number of Sureties	Aggregate Assets of Sureties		
\$12,000	Adair	3	\$ 30,000	\$ 20,000	\$ 2,000
20,000	Allen				
3,000	Anderson	3	50,000	9,000	20,000
	Ballard				
10,000	Barren	3	105,000	15,000	
20,000					7,000
50,000	Bath				10,000
	Bell				20,000
	Boone				
	Bourbon	5	194,000	25,000	15,000
	Boyd				
10,000	Boyle				10,000
	Bracken				10,000
15,000	Breathitt	4	45,000	20,000	
	Breckinridge				10,000
25,000	Bullitt				10,000
7,000	Butler	5	21,000	10,000	
6,000	Caldwell	4	41,000	10,000	
10,000	Calloway				10,000
	Campbell				30,000
	Carlisle	4	25,000	25,000	
5,000					
25,000	Carroll				5,000
15,000	Carter				20,000
10,000	Casey	3	35,000	15,000	
	Christian				25,000
	Clark	5	185,000	20,000	
15,000					
	Clay				15,000
	Clinton	3	80,000	60,000	
	Crittenden				7,500
	Cumberland	3	15,000	5,000	
	Daviess				20,000
	Edmonson	5	20,000	10,000	
	Elliott	5	25,000	25,000	
	Estill				10,000
	Fayette	3	225,000	60,000	
	Fleming				20,000
					40,000
	Floyd				
	Franklin	3	55,000	25,000	
	Fulton				10,000
	Gallatin	5	70,000	10,000	
	Garrard	7	87,500	20,000	
	Grant	6	130,000	30,000	
	Graves	4	925,000	100,000	
	Grayson				10,000
	Green	5	25,000	10,000	
	Greenup				8,000

Table 2—Continued

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Hancock				\$ 5,000
Hardin				20,000
Harlan	3	\$110,000	\$ 50,000	
Harrison				5,000
Hart	3	20,000	10,000	
Henderson				15,000
Henry				15,000
Hickman				5,000
Hopkins				25,000
Jackson				10,000
Jefferson				50,000
Jessamine	8	36,000	15,000	
Johnson				10,000
Kenton				20,000
Knott	4	110,000	50,000	
Knox				20,000
Larue	3	105,000	20,000	
Laurel	5	65,000	25,000	
Lawrence	5	135,000	25,000	
Lee				10,000
Leslie	4	30,000	15,000	
Letcher	5	54,000	30,000	
Lewis	5	255,000	30,000	
Lincoln				15,000
Livingston	7	85,000	5,000	
Logan				30,000
Lyon	3	42,000	10,000	
Madison				15,000
Magoffin	3	30,000	10,000	
Marion				18,000
Marshall				5,000
Martin	5	40,000	35,000	
Mason				10,000
McCracken				20,000
McCreary	4	30,000	10,000	
McLean				10,000
Meade				15,000
Menifee				8,000
Mercer				10,000
Metcalf	3	30,000	10,000	
Monroe	3	30,000	10,000	
Montgomery	5	240,000	15,000	
Morgan	4	95,000	15,000	
Muhlenberg	4	95,000	35,000	
Nelson				10,000

Table 2—Continued

Corporate Penal Sum	Name of District	Type of Bonds			Corporate Penal Sum
		Personal Surety			
		Number of Sureties	Aggregate Assets of Sureties	Penal Sum	
\$ 5,000	Nicholas				\$20,000
20,000	Ohio				20,000
	Oldham				3,000
5,000	Owen	4	\$ 47,000	\$ 10,000	
	Owsley	5	15,000	15,000	
15,000	Pendleton				10,000
15,000	Perry				20,000
5,000	Pike				35,000
25,000	Powell	5	27,000	10,000	
10,000	Pulaski	3	42,000	30,000	
50,000	Robertson	5	84,000	7,500	
	Rockcastle				10,000
10,000	Rowan	3	90,000	30,000	
20,000	Russell	5	38,000	25,000	
	Scott				15,000
20,000	Shelby				25,000
	Simpson	5	50,000	10,000	
	Spencer				7,000
	Taylor				6,000
10,000	Todd				10,000
	Trigg	5	80,000	10,000	
	Trimble			5,000	
15,000	Union	11	135,000	30,000	
	Warren				15,000
	Washington	5	85,000	10,000	
30,000	Wayne	3	57,000	10,000	
	Webster				15,000
15,000	Whitley	5	82,500	25,000	
	Wolfe	5	20,000	10,000	
18,000	Woodford	4	154,000	50,000	
5,000					
10,000					
20,000					
10,000					
15,000					
8,000					
10,000					
10,000					

**Table 3**  
**TYPE AND AMOUNT OF TREASURER'S BONDS PROVIDED FOR**  
**EACH COUNTY SCHOOL DISTRICT IN KENTUCKY FOR 1938-1939**

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Adair				\$15,000
Allen				2,000
Anderson	3	\$ 50,000	\$ 9,000	
Ballard				20,000
Barren	3	105,000	15,000	
Bath				7,000
Bell				10,000
Boone				20,000
Bourbon	6	290,000	25,000	
Boyd				15,000
Boyle				10,000
Bracken				10,000
Breathitt	4	35,000	20,000	
Breckinridge				10,000
Bullitt				10,000
Butler	5	20,000	10,000	
Caldwell	5	86,000	10,000	
Calloway				10,000
Campbell				30,000
Carlisle	4	25,000	25,000	
Carrol				5,000
Carter				20,000
Casey	3	35,000	15,000	
Christian				25,000
Clark	5	185,000	20,000	
Clay				15,000
Clinton	3	8,000	6,000	
Crittenden				7,500
Cumberland	3	15,000	5,000	
Daviess				20,000
Edmonson	5	20,000	10,000	
Elliott	5	25,000	25,000	
Estill				10,000
Fayette	3	250,000	60,000	
Fleming				20,000
Floyd				40,000
Franklin	4	58,000	25,000	
Fulton				10,000
Gallatin	5	70,000	10,000	
Garrard	6	127,500	20,000	
Grant	7	130,000	30,000	
Graves	4	925,000	100,000	
Grayson				10,000
Green	5	25,000	10,000	
Greenup				8,000



VIDED FOR  
3 1938-1939

Table 3—Continued

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
				\$ 5,000
				20,000
\$15,000	3	\$110,000	\$ 50,000	
2,000				5,000
				10,000
20,000				
				15,000
				15,000
7,000				5,000
10,000				25,000
20,000				10,000
				50,000
15,000	7	31,000	15,000	
10,000				10,000
10,000				20,000
	3	95,000	50,000	
10,000				
10,000				20,000
	3	85,000	20,000	
	4	35,000	25,000	
	5	155,000	25,000	
10,000				10,000
30,000				
	4	53,000	15,000	
	5	54,000	30,000	
5,000	5	255,000	30,000	
20,000				15,000
	7	83,000	5,000	
25,000				
				30,000
	3	42,000	10,000	
15,000				15,000
	3	30,000	10,000	
7,500				18,000
20,000				5,000
	5	44,500	35,000	
				10,000
10,000				20,000
	4	30,000	10,000	
20,000				
				7,500
40,000				15,000
				8,000
10,000				10,000
	3	30,000	10,000	
	3	30,000	10,000	
	5	240,000	15,000	
10,000	4	95,000	15,000	
	3	80,000	35,000	
8,000				10,000

Table 3—Continued

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Nicholas				\$50,000
Ohio				20,000
Oldham				3,000
Owen	3	\$ 41,000	\$10,000	
Owsley	5	14,000	12,000	
Pendleton				10,000
Perry				20,000
Pike				35,000
Powell	5	27,000	10,000	
Pulaski	3	42,000	30,000	
Robertson	5	84,000	7,500	
Rockcastle				10,000
Rowan	3	90,000	30,000	
Russell	5	38,000	25,000	
Scott				15,000
Shelby				25,000
Simpson	6	40,000	10,000	
Spencer				7,000
Taylor				6,000
Todd				10,000
Trigg	5	80,000	10,000	
Trimble				5,000
Union	11	145,000	30,000	
Warren				15,000
Washington	5	85,000	10,000	
Wayne	3	57,000	10,000	
Webster				15,000
Whitley	4	60,000	25,000	
Wolfe	4	30,000	10,000	
Woodford	4	158,000	60,000	

Table 4

**TYPE AND AMOUNT OF TREASURER'S BONDS PROVIDED FOR EACH COUNTY SCHOOL DISTRICT IN KENTUCKY FOR 1937-1938**

Corporate Penal Sum	Name of District	Type of Bonds			Corporate Penal Sum
		Personal Surety			
		Number of Sureties	Aggregate Assets of Sureties	Penal Sum	
\$50,000	Adair	5	\$ 30,000	\$ 10,000	
20,000	Allen				\$ 2,000
3,000	Anderson	3	50,000	9,000	
	Ballard				20,000
10,000	Barren	3	175,000	20,000	
20,000	Bath				7,000
35,000	Bell				10,000
	Boone				20,000
	Bourbon	4	210,000	25,000	
	Boyd				10,000
10,000	Boyle				10,000
	Bracken				10,000
15,000	Breathitt	4	45,000	20,000	
	Breckinridge				10,000
25,000	Bullitt	4	36,000	10,000	
7,000	Butler	5	19,000	10,000	
6,000	Caldwell	5	50,000	10,000	
10,000	Calloway				10,000
	Campbell	3	75,000	15,000	
	Carlisle	3	20,000	8,000	
5,000	Carroll				5,000
15,000	Carter	5	50,000	35,000	
	Casey	3	26,000	20,000	
	Christian				25,000
	Clark	5	150,000	20,000	
15,000	Clay				15,000
	Clinton	3	14,000	6,000	
	Crittenden				7,500
	Cumberland	3	22,500	5,000	
	Daviess				20,000
	Edmonson	5	25,000	10,000	
	Elliott	5	19,000	10,000	
	Estill				10,000
	Fayette	3	225,000	60,000	
	Fleming				20,000
	Floyd				75,000
	Franklin	5	26,000	10,000	
	Fulton				10,000
	Gallatin	5	70,000	20,000	
	Garrard	5	180,000	25,000	
	Grant	5	90,000	30,000	
	Graves	4	925,000	100,000	
	Grayson	4	29,000	10,000	
	Green	5	10,000	10,000	
	Greenup				8,000

Table 4—Continued

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Hancock	6	\$ 30,000	\$ 10,000	
Hardin				\$20,000
Harlan				50,000
Harrison				5,000
Hart	5	435,000	5,000	
Henderson				15,000
Henry				15,000
Hickman	5	51,000	20,000	
Hopkins				25,000
Jackson	3	15,000	15,000	
Jefferson				50,000
Jessamine	8	36,000	15,000	
Johnson				10,000
Kenton				20,000
Knott	3	75,000	40,000	
Knox				20,000
Larue	3	70,000	10,000	
Laurel	4	29,000	25,000	
Lawrence				25,000
Lee	5	28,000	15,000	
Leslie	3	38,000	15,000	
Letcher	5	31,000	30,000	
Lewis	5	255,000	30,000	
Lincoln				10,000
Livingston	7	81,500	10,000	
Logan				30,000
Lyon	3	42,000	12,000	
Madison				15,000
Magoffin	4	48,000	20,000	
Marion				18,000
Marshall				5,000
Martin	3	30,000	15,000	
Mason				10,000
McCracken				25,000
McCreary	5	40,000	10,000	
McLean				10,000
Meade				15,000
Menifee				10,000
Mercer	11	80,000	10,000	
Metcalfe	3	40,000	10,000	
Monroe	3	30,000	8,000	
Montgomery	5	210,000	20,000	
Morgan	4	95,000	15,000	
Muhlenberg	5	100,000	35,000	
Nelson				10,000

Table 4—Continued

Penal Sum	Corporate	Name of District	Type of Bonds			
			Personal Surety		Corporate	
			Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
\$20,000		Nicholas				\$5,000
50,000		Ohio				20,000
5,000		Oldham				3,000
		Owen	5	\$ 48,000	\$ 7,000	
		Owsley	5	14,000	12,000	
15,000		Pendleton				10,000
15,000		Perry				20,000
25,000		Pike				50,000
		Powell	5	27,000	10,000	
		Pulaski	4	40,000	30,000	
50,000		Robertson	4	71,500	7,500	
10,000		Rockcastle				10,000
20,000		Rowan	3	115,000	50,000	
		Russell	5	25,000	25,000	
20,000		Scott				15,000
		Shelby				25,000
25,000		Simpson	5	50,000	10,000	
		Spencer				7,000
		Taylor	3	590,000	10,000	
		Todd				10,000
		Trigg	5	80,000	10,000	
10,000		Trimble	5	5,000	5,000	
		Union	11	365,000	20,000	
		Warren				15,000
30,000		Washington	5	75,000	10,000	
15,000		Wayne	3	78,000	10,000	
		Webster				15,000
18,000		Whitley	3	40,000	25,000	
		Wolfe	3	29,000	15,000	
5,000		Woodford	5	188,000	50,000	
10,000						
25,000						
10,000						
15,000						
10,000						
10,000						

**Table 5**  
**TYPE AND AMOUNT OF TREASURER'S BONDS PROVIDED FOR**  
**EACH COUNTY SCHOOL DISTRICT IN KENTUCKY FOR 1936-1937**

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Adair	5	\$ 30,000	\$ 10,000	
Allen				\$ 2,000
Anderson	3	50,000	9,000	
Ballard				20,000
Barren	3	175,000	20,000	
Bath				7,000
Bell				10,000
Boone				20,000
Bourbon	4	210,000	25,000	
Boyd				15,000
Boyle				10,000
Bracken				10,000
Breathitt	3	45,000	20,000	
Breckinridge				10,000
Bullitt	4	36,000	10,000	
Butler	4	19,000	10,000	
Caldwell	5	50,000	10,000	
Calloway				10,000
Campbell	3	75,000	15,000	
Carlisle	3	20,000	8,000	
Carroll				5,000
Carter	5	50,000	35,000	
Casey	3	26,000	20,000	
Christian				25,000
Clark	5	250,000	20,000	
Clay				15,000
Clinton	3	14,000	5,000	
Crittenden	5	25,000	7,500	
Cumberland	3	22,500	5,000	
Daviess				20,000
Edmonson	5	25,000	10,000	
Elliott	5	19,000	10,000	
Estill	5	22,000	10,000	
Fayette	3	180,000	60,000	
Fleming				20,000
Floyd				7,500
Franklin	5	26,000	10,000	
Fulton				10,000
Gallatin	5	70,000	20,000	
Garrard	7	200,000	25,000	
Grant	5	90,000	30,000	
Graves	5	925,000	100,000	
Grayson	4	29,000	10,000	
Green	5	10,000	10,000	
Greenup				8,000

ROVIDED FOR  
FOR 1936-1937

Table 5—Continued

Corporate	Penal Sum	Name of District	Type of Bonds			
			Personal Surety		Corporate	
			Number of Sureties	Aggregate Assets of Sureties	Penal Sum	
		Hancock	6	\$ 30,000	\$ 10,000	
		Hardin				\$20,000
		Harlan				50,000
\$ 2,000		Harrison				5,000
	20,000	Hart	5	435,000	5,000	
		Henderson				15,000
	7,000	Henry				15,000
10,000		Hickman	7	71,000	20,000	
20,000		Hopkins				25,000
		Jackson	3	15,000	15,000	
	15,000	Jefferson				50,000
	10,000	Jessamine	6	30,000	15,000	
10,000		Johnson				10,000
	10,000	Kenton				20,000
	10,000	Knott	3	100,000	40,000	
		Knox				20,000
		Larue	3	25,000	10,000	
		Laurel	4	29,000	25,000	
10,000		Lawrence				20,000
		Lee	5	28,000	15,000	
		Leslie	3	38,000	15,000	
5,000		Letcher	5	31,000	30,000	
		Lewis	5	255,000	30,000	
		Lincoln				10,000
25,000		Livingston	7	81,500	10,000	
		Logan				30,000
15,000		Lyon	3	42,000	12,000	
		Madison				15,000
		Magoffin	4	48,000	20,000	
	20,000	Marion				18,000
		Marshall				5,000
		Martin	3	47,000	25,000	
		Mason	3			10,000
		McCracken				25,000
20,000		McCreary	5	40,000	10,000	
	7,500	McLean				10,000
		Meade				15,000
	10,000	Menifee				10,000
		Mercer	11	90,000	10,000	
		Metcalfe	3	40,000	10,000	
		Monroe	3	30,000	8,000	
		Montgomery	5	210,000	20,000	
		Morgan	4	95,000	15,000	
		Muhlenberg	5	100,000	35,000	
8,000		Nelson				6,000

Table 5—Continued

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Nicholas				\$ 5,000
Ohio				20,000
Oldham				3,000
Owen	5	\$ 48,000	\$ 7,000	
Owsley	5	15,000	12,000	
Pendleton				5,000
Perry				20,000
Pike				50,000
Powell	5	27,000	10,000	
Pulaski	3	31,000	30,000	
Robertson	4	71,500	7,500	
Rockcastle				10,000
Rowan	3	115,000	50,000	
Rusell	5	25,000	25,000	
Scott				15,000
Shelby				25,000
Simpson	5	50,000	10,000	
Spencer				7,000
Taylor	3	59,000	10,000	
Todd				10,000
Trigg	5	80,000	10,000	
Trimble	5	5,000	5,000	
Union	11	377,000	20,000	
Warren				15,000
Washington	5	75,000	10,000	
Wayne	3	78,000	10,000	
Webster				15,000
Whitley	3	40,000	25,000	
Wolfe	4	29,000	10,000	
Woodford	5	235,000	50,000	



Table 6

**TYPE AND AMOUNT OF TREASURER'S BONDS PROVIDED FOR EACH COUNTY SCHOOL DISTRICT IN KENTUCKY FOR 1935-1936**

Penal Sum	Name of District	Type of Bonds			Deposited Collateral	
		Personal Surety		Corporate	Sliding Scale	Escrow Agreement
		Number of Sureties	Aggregate Assets of Sureties	Penal Sum		
\$ 5,000	Adair	5	\$ 46,000	\$ 20,000		
20,000	Allen				\$ 2,000	
3,000	Anderson*					x
	Ballard	5	47,000	25,000		
	Barren	3	175,000	5,000		
5,000	Bath				7,000	
20,000	Bell				15,000	
50,000	Boone	5	225,000	20,000		
	Bourbon*	7	155,000	15,500		
	Boyd				10,000	
10,000	Boyle				7,500	
	Bracken	3	35,000	5,000		
15,000	Breathitt				15,000	
	Breckinridge				10,000	
25,000	Bullitt	4	25,000	15,000		
7,000	Butler*	5	6,500	5,000		
	Caldwell*	5	17,500	5,000		
10,000	Calloway				10,000	
	Campbell	5	15,000	3,000		
	Carlisle	3	20,000	8,000		
	Carroll				15,000	
15,000	Carter	5	45,000	15,000		
	Casey	3	50,000	20,000		
	Christian				20,000	
	Clark	5	285,000	35,000		
15,000	Clay	4	128,000	25,000		
	Clinton	3	14,000	5,000		
	Crittenden	3	15,000	7,500		
	Cumberland	3	25,000	5,000		
	Daviess				20,000	
	Edmonson	5	45,000	15,000		
	Elliott	3	115,000	50,000		
	Estill	3	15,000	5,000		
	Fayette	7	100,000	100,000		
	Fleming	3	22,500	7,000		
	Floyd	4	70,000	25,000		
	Franklin*	5	35,900	12,500		
	Fulton				5,000	
	Gallatin*	5	35,000	10,000		
	Garrard				17,500	
	Grant	7	185,000	25,000		
	Graves	5	850,000	100,000		
	Grayson	3	32,000	10,000		
	Green*	5	5,000	5,000		
	Greenup				8,000	

Table 6—Continued

Name of District	Type of Bonds				Deposited Collateral	
	Personal Surety			Corporate	Sliding Scale	Escrow Agreement
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum		
Hancock	3	\$ 29,000	\$ 3,000			
Hardin	3	15,000	5,000			
Harlan				\$50,000		
Harrison				5,000		
Hart	5	25,000	5,000			
Henderson				15,000		
Henry				15,000		
Hickman	6	51,000	10,000			
Hopkins				10,000		
Jackson	3	20,000	20,000			
Jefferson				25,000		
Jessamine					x	
Johnson				5,000		
Kenton				5,000		
Knott	5	120,000	37,500			
Knox				25,000		
Larue	3	25,000	10,000			
Laurel	4	61,500	15,000			
Lawrence	5	99,000	25,000			
Lee	5	41,000	25,000			
Leslie	4	60,000	25,000			
Letcher	5	22,000	5,000			
Lewis	5	130,000	7,500			
Lincoln				10,000		
Livingston	7	81,500	10,000			
Logan				30,000		
Lyon*	5	32,000	3,750			
Madison*						\$5,000
Magoffin	5	41,000	20,000			
Marion				18,000		
Marshall						3,000
Martin	3	30,000	15,000			
Mason*					x	
McCracken					x	
McCreary	5	25,000	5,000			
McLean				7,500		
Meade	4	32,000	5,000			
Menifee*	5	10,000	5,000			
Mercer*	9	41,250	6,000			
Metcalf	3	40,000	18,000			
Monroe	3	45,000	5,000			
Montgomery	5	125,000	25,000			
Morgan	5	130,000	30,000			
Muhlenberg	5	50,000	20,000			
Nelson				6,000		

Table 6—Continued

Deposited Collateral		Name of District	Type of Bonds			Deposited Collateral	
Sliding Scale	Escrow Agreement		Personal Surety		Corporate	Sliding Scale	Escrow Agreement
			Number of Sureties	Aggregate Assets of Sureties	Penal Sum		
		Nicholas				\$ 5,000	
		Ohio				20,000	
		Oldham				3,000	
		Owen	5	\$ 57,000	\$ 5,000		
		Owsley	3	12,000	12,000		
		Pendleton				5,000	
		Perry				15,000	
		Pike				35,000	
		Powell	5	22,000	6,000		
		Pulaski*	5	19,500	20,000		
		Robertson	5	171,500	15,000		
x		Rockcastle				10,000	
		Rowan	4	129,000	50,000		
		Russell	5	25,000	25,000		
		Scott				10,000	
		Shelby					x
		Simpson	6	30,000	5,000		
		Spencer				7,000	
		Taylor	5	356,000	10,000		
		Todd	3	21,500	10,000		
		Trigg	5	40,000	10,000		
		Trimble	4	14,000	5,000		
		Union*	11	44,500	20,000		
		Warren					x
		Washington	5	50,000	10,000		
		Wayne*	5	30,500	2,500		
	\$5,000	Webster				15,000	
		Whitley	3	40,000	25,000		
		Wolfe	5	39,000	15,000		
	3,000	Woodford	5	231,000	50,000		

\* Combined Treasurer-Depository. One-half total bond applied to each.

x  
x

### Bonds of Treasurers of County Districts

Table 1 shows quite an increase in the number of corporate treasurers bonds in county districts over the number shown in table 6.

The highest number of personal bonds for treasurers of county districts during the period under study was found in 1935-1936.

It will be seen in table 6 that eight county districts are indicated as having treasurer bonds secured by deposited collateral. These eight districts had given combined bonds for Treasurer-Depository which had been given under a previous law, when such was permissible, and had not yet expired. The year 1935-1936 marked the end of the combination Treasurer-Depository system.

There seems to have been a marked tendency during the past five years toward raising the penal sum of treasurer's bonds to more nearly approach the amount of funds handled by the treasurer.

When an independent district has reverted to the county district, the revenue of the county district has increased and has brought about a corresponding increase in the penal sum of the treasurer's bond.

**Table 7**  
**TYPE AND AMOUNT OF TREASURER'S BONDS PROVIDED FOR**  
**EACH INDEPENDENT SCHOOL DISTRICT IN KENTUCKY**  
**FOR 1940-1941**

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Albany	3	\$ 8,000	\$ 6,000	
Anchorage				\$75,000
Artemus				3,000
Ashland				50,000
Augusta	5	35,000	7,000	
Barbourville				2,000
Bardstown	3	65,000	10,000	
Beechwood				10,000
Bellevue				15,000
Benton				2,000
Berea				2,000
Bevier-Cleaton				2,000
Bloomfield	5	25,000	5,000	
Bowling Green				50,000
Brodhead				2,000
Burgin				2,000
Burkesville	3	85,000	5,000	
Burnside				2,500
Cadiz	3	65,000	5,000	
Campbellsville	5	54,000	18,000	
Carlisle	4	16,000	2,000	
Carrollton				10,000
Catlettsburg				10,000
Cave City				3,000
Central City				10,000
Clay				2,000
Cloverport	4	6,000	5,000	
Cold Spring				4,000
Columbia	3	30,000	12,000	
Corbin	3	30,000	10,000	
Covington				15,000
Crofton				3,000
Cynthiana	5	125,000	25,000	
Danville				10,000
Dawson Springs				5,000
Dayton				5,000
Earlington				5,000
East Bernstadt	3	17,000	5,000	
Eddyville	3	12,000	2,000	
Elizabethtown	3	20,000	10,000	
Eminence				2,500
Erlanger				10,000
Fairview				5,000
Falmouth				5,000
Ferguson	3	30,000	10,000	

Table 7—Continued

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Fort Thomas				\$25,000
Frankfort				25,000
Franklin	3	\$ 15,000	\$ 10,000	
Fredonia				2,500
Fulton				5,000
Gatliff				2,500
Georgetown				10,000
Glasgow	3	105,000	10,000	
Grand Rivers				2,500
Grayson	3	24,000	5,000	
Greensburg	5	5,000	5,000	
Greenup				5,000
Greenville				5,000
Guthrie				5,000
Harlan	3	57,000	30,000	
Harrodsburg	7	70,000	5,000	
Hazard				10,000
Henderson				25,000
Hickman				7,500
Hikes				10,000
Hodgenville				5,000
Hopkinsville				25,000
Horse Cave				2,000
Irvine				10,000
Jackson				6,000
Jenkins				25,000
Kings Mountain	6	94,000	10,000	
Kuttawa				1,000
Lancaster	3	15,000	10,000	
Lawrenceburg				5,000
Lebanon				5,000
Lebanon Junction				3,000
Leitchfield				5,000
Lexington				25,000
Liberty	3	12,000	4,000	
Livermore				1,500
Livington				2,000
London	3	6,000	5,000	
Lone Jack				5,000
Louisville				50,000
Ludlow				10,000
Lynch				20,000
Madisonville				10,000
Marion				7,500
Mayfield	6	975,000	25,000	
Maysville				10,000
McVeigh				5,000
Middleburg				2,000
Middlesboro				20,000

Table 7—Continued

Corporate Penal Sum	Name of District	Type of Bonds			Corporate Penal Sum
		Personal Surety			
		Number of Sureties	Aggregate Assets of Sureties	Penal Sum	
\$25,000	Midway				\$ 5,000
25,000	Monticello	3	\$ 22,500	\$ 6,000	
	Moreland				1,000
2,500	Mt. Sterling	4	148,000	15,000	
5,000	Mt. Vernon	4	4,000	4,000	
2,500	Munfordville	3	15,000	5,000	
10,000	Murray				10,000
	Newport				10,000
2,500	Nicholasville	3	15,000	10,000	
	Owensboro				10,000
	Owenton	5	77,000	5,000	
5,000	Paducah				40,000
5,000	Paintsville				5,000
5,000	Paris				20,000
	Pembroke				1,000
	Pikeville				10,000
10,000	Pineville				10,000
25,000	Prestonsburg	3	50,000	25,000	
7,500	Princeton				10,000
10,000	Providence				7,000
5,000	Raceland				15,000
25,000	Ravenna				5,000
2,000	Richmond				15,000
10,000	Russell				20,000
6,000	Russellville				7,500
25,000	Science Hill				1,000
	Scottsville				5,000
1,000	Sebree				4,000
	Sharpsburg	4	220,000	5,000	
5,000	Shelbyville	5	107,500	20,000	
5,000	Silver Grove				5,000
3,000	Somerset				5,000
5,000	Southgate				2,000
25,000	South Portsmouth				6,000
	Springfield				5,000
1,500	Stanford	3	60,000	10,000	
2,000	Stearns				2,500
	Trenton				2,000
5,000	Uniontown				2,500
50,000	Upton	3	15,000	5,000	
10,000	Vanceburg	4	50,000	5,000	
20,000	Van Lear				2,000
10,000	Versailles	3	30,000	10,000	
10,000	Walton-Verona				5,000
7,500	West Point				2,000
	Willamsburg	5	10,000	5,000	
10,000	Williamstown	5	120,000	15,000	
5,000	Winchester	5	120,000	20,000	
2,000					
20,000					

**Table 8**  
**TYPE AND AMOUNT OF TREASURER'S BONDS PROVIDED FOR**  
**EACH INDEPENDENT SCHOOL DISTRICT IN KENTUCKY**  
**FOR 1939-1940**

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Albany	3	\$ 8,000	\$ 6,000	
Anchorage				\$ 7,500
Artemus				3,000
Ashland				50,000
Augusta	6	49,000	7,000	
Barbourville				2,000
Bardstown	3	45,000	10,000	
Beechwood				10,000
Bellevue				15,000
Benton				2,000
Berea				2,000
Bevier-Cleaton				2,000
Bloomfield	5	25,000	5,000	
Bowling Green				50,000
Brodhead				2,000
Burgin				2,500
Burkesville	3	85,000	5,000	
Burnside				2,500
Cadiz	3	65,000	5,000	
Campbellsville	5	21,000	15,000	
Carlisle	4	16,000	2,000	
Carrollton				10,000
Catlettsburg				10,000
Cave City				3,000
Central City				10,000
Clay				2,000
Cloverport	5	5,000	5,000	
Cold Spring				4,000
Columbia	3	35,000	12,000	
Corbin	3	30,000	10,000	
Covington				15,000
Crofton				3,000
Cynthiana	5	125,000	25,000	
Danville	3	80,000	10,000	
Dawson Springs				5,000
Dayton				5,000
Earlington				10,000
East Bernstadt	3	17,000	5,000	
Eddyville	3	12,000	2,000	
Elizabethtown	3	30,000	10,000	
Eminence				2,500
Erlanger				10,000
Fairview				5,000
Falmouth				5,000
Ferguson	3	30,000	10,000	



PROVIDED FOR  
KENTUCKY

Table 8—Continued

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
				\$25,000
Ft. Thomas				25,000
Frankfort				
Franklin	3	\$ 15,000	\$ 6,000	
Fredonia				2,500
Fulton				5,000
Gatliff				2,500
Georgetown				10,000
Glasgow	3	105,000	10,000	
Grand Rivers				2,500
Grayson	3	35,000	10,000	
Greensburg	5	10,000	8,000	
Greenup				5,000
Greenville				5,000
Guthrie				5,000
Harlan	3	57,000	30,000	
Harrodsburg	5	45,000	5,000	
Hazard				10,000
Henderson				25,000
Hickman				7,500
Hikes				10,000
Hodgenville				5,000
Hopkinsville				25,000
Horse Cave				2,000
Irvine				10,000
Jackson	3	18,000	6,000	
Jenkins				25,000
Kings Mountain	5	90,000	10,000	
Kuttawa	3	12,000	1,000	
Lancaster	3	15,000	10,000	
Lawrenceburg				5,000
Lebanon				5,000
Lebanon Junction				3,000
Leitchfield				5,000
Lexington				25,000
Liberty	3	28,000	5,000	
Livermore				1,500
Livingston				2,000
London	3	15,000	5,000	
Lone Jack				5,000
Louisville				50,000
Ludlow				10,000
Lynch				20,000
Madisonville				10,000
Marion				7,500
Mayfield	5	975,000	25,000	
Maysville				10,000
McVeigh				5,000
Middleburg				2,000
Middlesboro				25,000

Table 8—Continued

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Midway				\$ 5,000
Monticello	3	\$ 23,500	\$ 6,000	
Moreland				1,000
Mt. Sterling	5	210,000	15,000	
Mt. Vernon	4	4,000	4,000	
Munfordville	3	15,000	5,000	
Murray				10,000
Newport				10,000
Nicholasville	3	25,000	10,000	
Owensboro				10,000
Owenton	5	48,000	5,000	
Paducah				40,000
Paintsville				5,000
Paris				20,000
Pembroke				1,000
Pikeville				10,000
Pineville				10,000
Prestonsburg	3	55,000	25,000	
Princeton				10,000
Providence				7,000
Raceland				15,000
Ravenna				5,000
Richmond				15,000
Russell				20,000
Russellville				7,500
Science Hill				1,000
Scottsville				5,000
Sebree	5	25,000	4,000	
Sharpsburg	4	210,000	5,000	
Shelbyville	5	135,000	20,000	
Silver Grove				5,000
Somerset				5,000
Southgate				2,000
South Portsmouth				6,000
Springfield				5,000
Stanford	3	60,000	10,000	
Stearns				2,500
Trenton				2,000
Uniontown				2,500
Upton	3	15,000	5,000	
Vanceburg	4	225,000	5,000	
Van Lear				2,000
Versailles	5	41,000	10,000	
Walton-Verona				5,000
West Point				2,000
Williamsburag	5	10,000	5,000	
Williamstown	5	120,000	15,000	
Winchester	5	175,000	20,000	

Table 9

**TYPE AND AMOUNT OF TREASURER'S BONDS PROVIDED FOR EACH INDEPENDENT SCHOOL DISTRICT IN KENTUCKY FOR 1938-1939**

Penal Sum	Corporate	Name of District	Type of Bonds			
			Personal Surety			Corporate
			Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
\$ 5,000		Albany	3	\$ 8,000	\$ 6,000	
1,000		Anchorage				\$ 7,500
		Artemus				2,000
10,000		Ashland				50,000
10,000		Augusta				11,000
10,000		Barbourville				5,000
		Bardstown	3	45,000	10,000	
		Beechwood				10,000
40,000		Bellevue				15,000
5,000		Benton				2,000
20,000		Berea				2,000
1,000		Bevier-Cleaton				2,000
10,000		Bloomfield	5	25,000	5,000	
10,000		Bowling Green				50,000
		Brodhead	3	44,000	1,000	
10,000		Brooksville				5,000
7,000		Burgin				2,500
15,000		Burkesville				5,000
5,000		Burnside				2,500
15,000		Cadiz	3	65,000	5,000	
20,000		Campbellsville	5	10,000	10,000	
7,500		Carlisle	4	16,000	2,000	
1,000		Carrollton				10,000
5,000		Catlettsburg				10,000
		Cave City				3,000
		Central City				5,000
		Clay				2,000
5,000		Cloverport	5	5,000	5,000	
5,000		Cold Spring				4,000
2,000		Columbia	3	35,000	12,000	
6,000		Corbin	3	30,000	10,000	
5,000		Covington				15,000
		Crofton				3,000
2,500		Cynthiana	4	100,000	25,000	
2,000		Danville	3	80,000	10,000	
2,500		Dawson Springs				5,000
		Dayton				5,000
2,000		Earlington				10,000
		East Bernstadt	3	17,000	5,000	
5,000		Eddyville	3	12,000	2,000	
2,000		Elizabethtown	3	29,000	10,000	
		Eminence				2,500
		Erlanger				10,000
		Fairview				5,000
		Falmouth				5,000

Table 9—Continued

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Ferguson	3	\$ 30,000	\$ 10,000	
Fort Thomas				\$25,000
Frankfort				25,000
Franklin	3	15,000	6,000	
Fredonia				2,500
Fulton				5,000
Gatliff				2,500
Georgetown				10,000
Glasgow	3	105,000	10,000	
Grand Rivers				2,500
Grayson	3	35,000	10,000	
Greensburg	5	8,000	8,000	
Greenup				5,000
Greenville				5,000
Guthrie				5,000
Harlan	3	57,000	30,000	
Harrodsburg	5	45,000	5,000	
Hazard				10,000
Henderson				25,000
Hickman				7,500
Hikes				10,000
Hodgenville				5,000
Hopkinsville				25,000
Horse Cave				2,000
Irvine				10,000
Jackson	3	18,000	6,000	
Jenkins				25,000
Kings Mountain	6	94,000	10,000	
Kuttawa	3	12,000	1,000	
Lawrenceburg				5,000
Lancaster	3	15,000	10,000	
Lebanon				5,000
Lebanon Junction				3,000
Leitchfield				5,000
Lexington				25,000
Liberty	3	28,000	5,000	
Livermore				1,500
Livingston				2,000
London	3	20,000	5,000	
Lone Jack				5,000
Louisville				50,000
Ludlow				50,000
Lynch				20,000
Madisonville				10,000
Marion				7,500
Mayfield	5	975,000	25,000	
Maysville				10,000
McVeigh				5,000
Middleburg				2,000

Table 9—Continued

Corporate	Name of District	Type of Bonds			Corporate
		Personal Surety			
		Number of Sureties	Aggregate Assets of Sureties	Penal Sum	
	Middlesboro				\$25,000
	Midway				5,000
\$25,000	Monticello	4	\$ 38,000	\$ 6,000	
25,000	Moreland				1,000
2,500	Mt. Sterling	4	210,000	15,000	
5,000	Mt. Vernon	4	4,000	4,000	
2,500	Munfordville	3	15,000	5,000	10,000
10,000	Murray				10,000
	Newport				
2,500	Nicholasville	3	25,000	10,000	
	Owensboro				10,000
	Owenton	5	48,000	5,000	
	Paducah				40,000
5,000	Paintsville				5,000
5,000	Paris				20,000
5,000	Pembroke				1,000
	Pikeville				10,000
	Pineville				10,000
10,000	Pine Knot	3	5,000	5,000	
25,000	Prestonsburg	3	55,000	25,000	
7,500	Princeton				10,000
	Providence				7,000
10,000	Raceland				15,000
5,000	Ravenna				5,000
25,000	Richmond				15,000
2,000	Russell				20,000
10,000	Russellville				7,500
	Science Hill				1,000
25,000	Scottsville				5,000
	Sebree				4,000
5,000	Sharpsburg	4	210,000	5,000	
	Shelbyville	5	150,000	20,000	
	Silver Grove				5,000
5,000	Somerset				5,000
3,000	Southgate				2,000
5,000	South Portsmouth				6,000
25,000	Springfield				1,750
	Stanford	3	55,000	5,000	
1,500	Stearns				2,500
2,000	Trenton				2,000
	Uniontown				5,000
5,000	Upton	3	15,000	5,000	
50,000	Vanceburg	4	225,000	5,000	
50,000	Van Lear				2,000
20,000	Versailles	5	81,000	10,000	
10,000	Walton-Verona				5,000
7,500	West Point				2,000
	Williamsburg	5	10,000	5,000	
	Williamstown	5	85,000	10,000	
10,000	Winchester	5	185,000	20,000	

**Table 10**  
**TYPE AND AMOUNT OF TREASURER'S BONDS PROVIDED FOR**  
**EACH INDEPENDENT SCHOOL DISTRICT IN KENTUCKY**  
**FOR 1937-1938**

Name of District	Type of Bonds			
	Personal Surety			Corporate,
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Albany	3	\$ 12,500	\$ 5,000	
Anchorage				\$ 7,500
Artemus				3,000
Ashland				50,000
Augusta				6,000
Barbourville				2,000
Bardstown	3	150,000	10,000	
Beechwood				10,000
Bellevue				15,000
Benton				2,500
Berea				2,000
Bevier-Cleaton				2,000
Bloomfield	3	15,000	3,000	
Bowling Green				50,000
Brodhead	3	44,000	1,000	
Brooksville				5,000
Buffalo	5	5,000	1,000	
Burgin				2,500
Burkesville				5,000
Burnside				2,500
Cadiz	3	65,000	5,000	
Campbellsville	3	310,000	12,500	
Campton	3	15,000	5,000	
Carlisle	4	16,000	2,000	
Carrollton				5,000
Catlettsburg				10,000
Cave City				3,000
Central City				5,000
Chaplin				2,000
Clarkson	5	19,000	5,000	
Clay				2,000
Cloverport	5	5,000	5,000	
Cold Spring				4,000
Columbia	3	55,000	12,000	
Corbin	3	30,000	10,000	
Covington				15,000
Crab Orchard				2,000
Crofton				3,000
Cynthiana	5	90,000	18,000	
Danville				10,000
Dayton				5,000
Dawson Springs				5,000
Earlington				10,000

Table 10—Continued

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
East Bernstadt	3	\$ 17,000	\$ 5,000	
Eddyville	3	12,000	2,000	
Elizabethtown	3	24,000	10,000	
Elkton				\$ 4,000
Eminence				2,500
Erlanger				10,000
Fairview				5,000
Falmouth				5,000
Ferguson	3	30,000	10,000	
Ft. Thomas				25,000
Frankfort				25,000
Franklin	3	15,000	6,000	
Fredonia				2,500
Fulton				5,000
Gatliff				1,500
Georgetown				10,000
Glasgow	3	175,000	20,000	
Grand Rivers				2,500
Grayson	4	33,000	10,000	
Greensburg	5	5,000	5,000	
Greenup				5,000
Greenville				5,000
Guthrie				5,000
Harlan	3	57,000	30,000	
Harrodsburg				5,000
Hazard				10,000
Henderson				25,000
Hickman				7,500
Hikes				10,000
Hodgenville				5,000
Hopkinsville				25,000
Horse Cave				2,000
Irvin				10,000
Jackson				6,000
Jenkins				25,000
Kings Mountain	5	69,000	10,000	
Kuttawa	3	17,000	1,000	
Lawrenceburg				5,000
Lancaster	4	49,000	7,000	
Lebanon				5,000
Lebanon Junction				2,000
Leitchfield				7,000
Lexington				25,000
Liberty	3	20,000	5,000	
Livermore				1,500

Table 10—Continued

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Livingston	3	\$ 5,000	\$ 2,000	
London	3	20,000	5,000	
Lone Jack				\$ 5,000
Louisville				50,000
Ludlow				10,000
Lynch				5,000
Madisonville				10,000
Marion				7,500
Mayfield	5	975,000	25,000	
Maysville				10,000
McVeigh				5,000
Middleburg				2,000
Middlesboro				5,000
Midway				5,000
Monticello	4	38,000	6,000	
Moreland				1,000
Morganfield				8,000
Mt. Sterling	5	210,000	15,000	
Mt. Vernon	4	4,000	4,000	
Munfordville	3	15,000	5,000	
Murray				10,000
Newport				10,000
Nicholasville	3	15,000	10,000	
Owensboro				10,000
Owenton	5	48,000	5,000	
Owingsville	3	30,000	4,000	
Paducah				40,000
Paintsville				5,000
Paris				10,000
Pembroke				1,000
Pikeville				10,000
Pineville				10,000
Pine Knot	3	5,000	5,000	
Prestonsburg	3	55,000	25,000	
Princeton				10,000
Providence				7,000
Raceland				15,000
Ravenna				5,000
Richmond				15,000
Russell				20,000
Russellville				7,500
Science Hill				1,000
Scottsville				10,000
Sebree				4,000
Sharpsburg	4	210,000	5,000	



Table 10—Continued

Corporate Penal Sum	Name of District	Type of Bonds			Corporate Penal Sum
		Personal Surety			
		Number of Sureties	Aggregate Assets of Sureties	Penal Sum	
	Shelbyville	4	\$215,000	\$ 20,000	
\$ 5,000	Silver Grove				\$ 5,000
50,000	Somerset				5,000
10,000	Southgate				2,000
	South Portsmouth				6,000
5,000					
10,000	Springfield				5,000
7,500	Stanford	3	55,000	5,000	
	Stearns				2,500
10,000	Trenton				2,000
	Uniontown				5,000
5,000					
2,000	Upton	3	15,000	5,000	
5,000	Vanceburg	4	225,000	5,000	
5,000	Van Lear				2,000
	Versailles	3	30,000	10,000	
	Walton-Verona				5,000
1,000					
8,000	West Point				2,000
	Williamsburg	5	10,000	5,000	
	Williamstown	5	85,000	10,000	
	Winchester	5	250,000	20,000	
10,000					
10,000					
10,000					
40,000					
5,000					
10,000					
1,000					
10,000					
10,000					
10,000					
7,000					
15,000					
5,000					
15,000					
20,000					
7,500					
1,000					
10,000					
4,000					

**Table 11**  
**TYPE AND AMOUNT OF TREASURER'S BONDS PROVIDED FOR**  
**EACH INDEPENDENT SCHOOL DISTRICT IN KENTUCKY**  
**FOR 1936-1937**

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Albany	3	\$ 14,500	\$ 5,000	
Anchorage				\$ 7,500
Artemus				5,000
Ashland				50,000
Augusta				6,000
Barbourville				2,000
Bardstown	3	150,000	10,000	
Beaver Dam				2,000
Beechwood				10,000
Bellevue				15,000
Benton				2,500
Berea				2,000
Bevier-Cleaton				2,000
Bloomfield	3	15,000	3,000	
Bowling Green				50,000
Brodhead	3	27,000	1,000	
Brooksville				5,000
Buffalo	3	6,000	1,000	
Burgin				2,500
Burkesville	4	8,000	2,000	
Burnside				2,500
Cadiz	3	65,000	5,000	
Campbellsville	3	310,000	12,500	
Campton	3	15,000	5,000	
Carlisle	4	16,000	2,000	
Carrollton				5,000
Catlettsburg				10,000
Cave City				3,000
Central City				5,000
Chaplin				1,000
Clarkson	5	13,600	5,000	
Clay				2,000
Cloverport	5	5,000	5,000	
Cold Spring				2,500
Columbia	3	55,000	12,000	
Corbin	3	30,000	10,000	
Covington				15,000
Crab Orchard	3	9,000	3,000	
Crofton				3,000
Cynthiana	5	90,000	18,000	
Danville				10,000
Dawson Springs				5,000
Dayton				5,000

DIVIDED FOR  
KENTUCKY

Table 11—Continued

Corporate Penal Sum	Name of District	Type of Bonds			
		Personal Surety			Corporate
		Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
	Dunnville	3	\$ 7,500	\$ 1,000	
	Earlington				\$10,000
	East Bernstadt	3	22,000	5,000	
	Eddyville	4	11,000	2,000	
\$ 7,500	Elizabethtown	3	35,000	10,000	
5,000	Elkton				4,000
50,000	Eminence				2,500
6,000	Erlanger				10,000
	Fairview				5,000
2,000	Falmouth				5,000
	Ferguson	3	30,000	10,000	
2,000	Ft. Thomas				25,000
10,000	Frankfort				25,000
15,000	Franklin	3	15,000	6,000	
	Fredonia				2,500
2,500	Fulton				5,000
2,000	Gatliff				1,500
50,000	Georgetown				10,000
	Glasgow	3	175,000	20,000	
5,000	Grand Rivers	3	7,500	2,500	
	Grays				5,000
2,500	Grayson	4	40,000	10,000	
	Greensburg	5	5,000	5,000	
2,500	Greenup				5,000
	Greenville				5,000
	Guthrie	5	5,000	5,000	
	Harlan	3	53,000	30,000	
	Harrodsburg				5,000
5,000	Hazard				10,000
10,000	Heidelberg				4,000
3,000	Henderson				25,000
5,000	Hickman				7,500
1,000	Hikes				10,000
	Hodgenville				5,000
2,000	Hopkinsville				25,000
	Horse Cave				2,000
2,500	Houstonville	3	9,000	3,000	
	Irvine				10,000
	Irvington	3	25,000	8,000	
15,000	Jackson	4	22,000	6,000	
	Jenkins				25,000
3,000	Kings Mountain	6	97,000	10,000	
	Kuttawa	3	12,000	1,000	
10,000	Lawrenceburg				5,000
5,000	Lancaster	4	49,000	7,000	
5,000					

Table 11—Continued

Name of District	Type of Bonds			
	Personal Surety			Corporate
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum
Lebanon				\$ 5,000
Lebanon Junction				3,000
Leitchfield				7,000
Lexington				25,000
Liberty	3	\$ 20,000	\$ 5,000	
Livermore				3,000
Livingston	3	5,000	2,000	
London	3	27,000	9,000	
Lone Jack				5,000
Louisville				50,000
Ludlow				10,000
Lynch				20,000
Madisonville				10,000
Marion				7,500
Mayfield	5	975,000	25,000	
Maysville				10,000
McVeigh				5,000
Middleburg	5	10,000	2,000	
Middlesboro				5,000
Midway				5,000
Monticello	4	37,000	6,000	
Moreland	3	5,500	1,500	
Morganfield				8,000
Mt. Sterling	5	210,000	15,000	
Mt. Vernon	5	5,000	4,000	
Munfordville	5	28,000	5,000	
Murray				10,000
Newport				5,000
Nicholasville				10,000
Owensboro				10,000
Owenton	5	48,000	5,000	
Owingsville	3	30,000	4,000	
Paducah				40,000
Paintsville				5,000
Paris				10,000
Pembroke				1,000
Pikeville				5,000
Pineville				10,000
Pine Knot	3	5,000	5,000	
Prestonsburg	3	55,000	25,000	
Princeton	5	85,000	20,000	
Providence				7,000
Raceland				15,000
Ravenna				10,000
Richmond				15,000

Table 11—Continued

Corporate Penal Sum	Name of District	Type of Bonds			Corporate Penal Sum
		Personal Surety			
		Number of Sureties	Aggregate Assets of Sureties	Penal Sum	
\$ 5,000	Russell				\$20,000
3,000	Russellville				7,500
7,000	St. Helens				5,000
25,000	Salt Lick	3	\$ 6,000	\$ 2,000	
3,000	Science Hill				1,000
	Scottsville				10,000
	Sebree				4,000
5,000	Sharpsburg	4	210,000	5,000	
50,000	Shelbyville	5	260,000	20,000	
10,000	Shepherdsville	3	15,000	5,000	
20,000	Silver Grove				5,000
	Somerset				5,000
10,000	Southgate				2,000
7,500	South Portsmouth				6,000
10,000	Springfield				1,750
5,000	Stanford				5,000
	Stearns				2,500
5,000	Sturgis				5,000
5,000	Tompkinsville	3	24,000	4,000	
	Trenton				2,000
	Uniontown				6,000
8,000	Upton	4	20,000	5,000	
	Vanceburg	4	225,000	5,000	
	Van Lear				1,500
	Versailles	3	30,000	10,000	
10,000	Walton				5,000
	West Point				2,000
5,000	Williamsburg	5	10,000	5,000	
10,000	Williamstown	5	85,000	10,000	
10,000	Winchester	5	250,000	20,000	
40,000					
5,000					
10,000					
1,000					
5,000					
10,000					
7,000					
15,000					
10,000					
15,000					

**Table 12**  
**TYPE AND AMOUNT OF TREASURER'S BONDS PROVIDED FOR**  
**EACH INDEPENDENT SCHOOL DISTRICT IN KENTUCKY**  
**FOR 1935-1936**

Name of District	Type of Bonds				Deposited Collateral	
	Personal Surety			Corporate	Sliding Scale	Escrow Agreement
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum		
Albany	3	\$ 14,500	\$ 5,000			
Anchorage				\$ 7,500		
Artemus				10,000		
Ashland				50,000		
Augusta				5,000		
Barbourville				2,000		
Bardstown	3	150,000	10,000			
Bardwell				2,000		
Beattyville				2,500		
Beaver Dam				2,000		
Beechwood				25,000		
Bellevue				15,000		
Benton*						\$1,000
Berea				2,000		
Bevier-Cleaton				2,000		
Bloomfield	3	30,000	2,000			
Bowling Green				50,000		
Brodhead	3	21,500	1,000			
Bromley				4,000		
Brooksville				5,000		
Buffalo	3	3,000	1,000			
Burgin				2,500		
Burkesville	4	8,000	2,500			
Burnside				4,500		
Cadiz	4	50,000	5,000			
Campbellsville	3	310,000	12,500			
Campton	4	12,500	2,000			
Carlisle	4	16,000	2,000			
Carrollton				5,000		
Catlettsburg				10,000		
Cave City*						5,000
Central City				5,000		
Chaplin				1,000		
Clarkson*						4,000
Clay				2,000		
Clifton	5	10,000	2,000			
Cloverport	3	3,000	2,500			
Cold Spring				5,000		
Columbia	4	48,000	15,000			
Corbin				5,000		
Cote Brilliante				3,000		
Covington				15,000		

Table 12—Continued

Name of District	Type of Bonds				Deposited Collateral	
	Personal Surety			Corporate	Sliding Scale	Escrow Agreement
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum		
Crab Orchard	3	\$ 3,600	\$ 1,000			
Crofton				\$ 3,000		
Cynthiana	5	255,000	30,000			
Danville	5	53,000	35,000			
Dawson Springs	2	4,000	1,500			
Dayton				5,000		
Dunnville	3	9,500	1,000			
Dwarf	3	15,000	5,000			
Earlington				10,000		
East Bernstadt	3	17,000	1,000			
Eddyville	4	11,000	2,000			
Elizabethtown	4	45,000	10,000			
Elizaville				3,000		
Elkton				2,000		
Eminence				2,500		
Erlanger				10,000		
Fairview				5,000		
Falmouth				5,000		
Ferguson				10,000		
Flemingsburg	3	9,000	9,000			
Ft. Thomas				5,000		
Frankfort				25,000		
Franklin	3	15,000	6,000			
Fredonia				2,500		
Fulton				5,000		
Gatliff				1,500		
Georgetown				10,000		
Ghent	3	19,000	3,000			
Glasgow	3	175,000	20,000			
Grand Rivers	4	10,000	2,500			
Grays	5	25,000	5,000			
Grayson	4	40,000	10,000			
Greensburg	5	5,000	5,000			
Greenup				10,000		
Greenville				5,000		
Guthrie	5	6,000	2,000			
Glencoe	4	16,000	4,000			
Harlan	3	53,000	30,000			
Harrodsburg				5,000		
Hazard				5,000		
Heidelberg				4,000		
Henderson				25,000		
Hickman				7,500		
Hikes				5,000		
Hodgenville				5,000		

Table 12—Continued

Name of District	Type of Bonds				Deposited Collateral	
	Personal Surety			Corporate	Sliding Scale	Escrow Agreement
	Number of Sureties	Aggregate Assets of Sureties	Penal Sum	Penal Sum		
Hopkinsville				\$25,000		
Horse Cave				2,000		
Houstonville	3	\$ 12,000	\$ 3,000			
Irvine				10,000		
Irvington	3	15,000	8,000			
Jackson				6,000		
Jenkins				5,000		
Kings Mountain	5	97,000	10,000			
Kuttawa	3	12,000	1,000			
Lawrenceburg				5,000		
Lancaster	5	45,000	10,000			
Lebanon				5,000		
Lebanon Junction				3,000		
Leitchfield				7,000		
Lexington				25,000		
Liberty	2	20,000	5,000			
Livermore*						1,000
Livingston	3	6,000	2,000			
London	3	27,000	9,000			
Lone Jack				5,000		
Louisville				50,000		
Ludlow				10,000		
Lynch				20,000		
Madisonville				5,000		
Marion				7,500		
Mayfield	3	350,000	100,000			
Maysville				10,000		
McVeigh				5,000		
Middleburg				2,000		
Middlesboro				5,000		
Midway				5,000		
Monticello	4	37,500	6,000			
Moreland	3	3,000	1,000			
Morganfield				5,000		
Mount Eden				2,000		
Mt. Sterling	5	255,000	15,000			
Mt. Vernon	5	5,000	2,000			
Munfordville	5	28,000	5,000			
Murray				10,000		
Newport				5,000		
Nicholasville				10,000		
Owensboro				10,000		
Owenton	5	57,000	5,000			
Owingsville	3	30,000	10,000			
Packard				2,000		



Table 12—Continued

Name of District	Type of Bonds			Deposited Collateral	
	Personal Surety		Penal Sum	Penal Sum	Escrow Agreement
	Number of Sureties	Aggregate Assets of Sureties			
Paducah*					\$35,000
Paintsville				\$ 5,000	
Paris				10,000	
Pembroke				1,000	
Pikeville				5,000	
Pineville				10,000	
Pine Knot	3	\$ 7,500	\$ 3,000		
Prestonsburg	4	65,000	25,000		
Princeton	5	85,000	20,000		
Providence	3	21,000	7,000		
Pulaski	3	23,000	2,000		
Raceland				15,000	
Ravenna				7,500	
Richmond*					15,000
Russell				20,000	
Russellville				7,500	
St. Helens				5,000	
Salt Lick	3	6,000	2,000		
Science Hill				1,000	
Scottsville				10,000	
Sebree	3	15,000	4,000		
Sharpsburg	3	140,000	4,000		
Shelbyville	5	129,000	20,000		
Shepherdsville	3	20,000	5,000		
Silver Grove				5,000	
Smithland	3	5,000	1,500		
Somerset				5,000	
Sonora	4	14,000	2,000		
South Carrollton				2,000	
Southgate				2,000	
South Portsmouth				6,000	
Sparta	5	15,000	3,000		
Springfield				7,500	
Stanford				5,000	
Stearns				2,500	
Sturgis	5	13,000	8,000		
Tolu				1,000	
Tompkinsville	3	12,000	4,000		
Trenton				2,000	
Uniontown				5,000	
Upton	4	23,000	5,000		
Vanceburg	5	250,000	5,000		
Van Lear				1,000	
Versailles	2	20,000	10,000		
Walton				5,000	

Table 13

**TYPE OF DEPOSITORY PROTECTION AND THE PENAL SUM OF BONDS FOR EACH COUNTY SCHOOL DISTRICT IN KENTUCKY FOR 1940-1941**

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Adair						\$ 20,000	Yes
Allen					x		Yes
Anderson					x		Yes
Ballard	6	\$125,000	\$ 30,000				Yes
Barren						10,000	Yes
Bath						10,000	Yes
Bell						10,000	Yes
Boone						5,000	Yes
Bourbon	7	250,000	50,000				Yes
Boyd						10,000	Yes
Boyle						15,000	Yes
Bracken					x		Yes
Breathitt						10,000	Yes
Breckinridge						5,000	Yes
Bullitt	5	21,000	5,000				Yes
Butler						5,000	Yes
Caldwell	5	125,000	5,000				Yes
Calloway						15,000	Yes
Campbell					x		Yes
Carlisle*							Yes
Carroll						5,000	Yes
Carter	5	65,000	35,000				Yes
Casey						5,000	Yes
Christian						50,000	Yes
Clark	5	175,000	25,000				Yes
Clay	5	87,500	10,000				Yes
Clinton	5	24,000	3,000				Yes
Crittenden						2,500	Yes
Cumberland*							Yes
Daviess						15,000	Yes
Edmonson	5	20,000	10,000				Yes
Elliott*							Yes
Estill	5	47,000	10,000				Yes
Fayette							Yes
Fleming					x	17,500	Yes
Floyd						35,000	No
Franklin						5,000	Yes
Fulton					x		Yes
Gallatin	5	70,000	10,000				Yes
Garrard	8	155,000	20,000				Yes
Grant	5	110,000	30,000				Yes
Graves	5	950,000	100,000				Yes
Grayson						10,000	Yes

Table 12—Continued

Name of District	Type of Bonds			Deposited Collateral		
	Personal Surety		Penal Sum	Corporate Penal Sum	Sliding Scale	Escrow Agreement
	Number of Sureties	Aggregate Assets of Sureties				
Weeksburg				\$10,000		
West Point				2,000		
Williamsburg	5	\$ 10,000	\$ 5,000			
Williamstown	5	85,000	10,000			
Winchester	5	90,000	20,000			
Wurtland				10,000		

\* Combined Treasurer-Depository. One-half total bond applied to each.

### Bonds of Treasurers in Independent Districts

Table 7 shows a decrease in the number of corporate bonds of treasurers of independent districts, which were in force in 1940-1941, when compared with the number of corporate bonds executed in 1935-1936. Actually there was a higher percentage of corporate bonds being used in 1940-1941 than was used in 1935-1936. This seeming discrepancy is due to the fact that there were 183 independent districts in 1935-1936, and only 142 districts in 1940-1941.

Table 12 shows that six independent districts had a combination treasurer-depository arrangement in 1935-1936. This system ended in independent districts with this year as it did in the county districts.

In comparing table 7 (1935-1936) with table 12 (1940-1941), a marked rise is noted in the penal sums of treasurers' bonds. The tendency to more adequately bond the treasurer was becoming more pronounced.

TYPE OF  
BO

Name  
District

Adair  
Allen  
Anderson  
Ballard  
Barren

Bath  
Bell  
Boone  
Bourbon  
Boyd

Boyle  
Bracken  
Breathitt  
Breckinrid  
Bullitt

Butler  
Caldwell  
Calloway  
Campbell  
Carlisle\*

Carroll  
Carter  
Casey  
Christian  
Clark

Clay  
Clinton  
Crittenden  
Cumberlan  
Davies

Edmonson  
Elliott\*  
Estill  
Fayette  
Fleming

Floyd  
Franklin  
Fulton  
Gallatin  
Garrard

Grant  
Graves  
Grayson

Table 13—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Green						\$ 5,000	Yes
Greenup					x		Yes
Hancock						5,000	Yes
Hardin						15,000	Yes
Harlan**					x	50,000	Yes
Harrison					x		Yes
Hart					x		Yes
Henderson						10,000	Yes
Henry						10,000	Yes
Hickman						5,000	Yes
Hopkins					x		Yes
Jackson						5,000	Yes
Jefferson						195,000	Yes
Jessamine					x		Yes
Johnson						15,000	Yes
Kenton						20,000	Yes
Knott						10,000	Yes
Knox**						30,000	Yes
Larue	5	\$108,000	\$ 10,000				Yes
Laurel	5	65,000	25,000				Yes
Lawrence						10,000	Yes
Lee						10,000	Yes
Leslie*							Yes
Letcher						25,000	Yes
Lewis						30,000	Yes
Lincoln**					x	18,000	Yes
Livingston	7	85,000	5,000				Yes
Logan	5	125,000	25,000				Yes
Lyon	5	72,000	10,000				Yes
Madison						15,000	Yes
Magoffin						10,000	Yes
Marion						29,000	Yes
Marshall						10,000	Yes
Martin	5	60,000	25,000				Yes
Mason					x		Yes
McCracken					x		Yes
McCreary						5,000	Yes
McLean						5,000	Yes
Meade					x		Yes
Menifee	5	10,000	2,000				No
Mercer						20,000	Yes
Metcalf*							Yes
Monroe						20,000	Yes
Montgomery	5	200,000	10,000				Yes
Morgan	5	115,000	15,000				Yes

Table 13—Continued

Escrow Agreement	Federal Deposit Ins.	Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
			No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
\$ 5,000	Yes	Muhlenberg	5	\$110,000	\$ 35,000			Yes	
	Yes	Nelson					\$20,000	Yes	
5,000	Yes	Nicholas					7,000	Yes	
15,000	Yes	Ohio					20,000	Yes	
50,000	Yes	Oldham					15,000	Yes	
	Yes	Owen					10,000	Yes	
	Yes	Owsley					5,000	Yes	
10,000	Yes	Pendleton					5,000	Yes	
10,000	Yes	Perry					20,500	Yes	
5,000	Yes	Pike					50,000	Yes	
	Yes	Powell	5	27,000	10,000			Yes	
5,000	Yes	Pulaski					20,000	Yes	
195,000	Yes	Robertson*						Yes	
	Yes	Rockcastle					10,000	Yes	
15,000	Yes	Rowan	5	85,000	30,000			Yes	
20,000	Yes	Russell	5	60,000	15,000			No	
10,000	Yes	Scott					22,400	Yes	
30,000	Yes	Shelby						Yes	
	Yes	Simpson				x		Yes	
	Yes	Spencer					10,000	Yes	
10,000	Yes	Taylor					7,000	Yes	
10,000	Yes	Todd				x	10,000	Yes	
	Yes	Trigg						Yes	
25,000	Yes	Trimble					10,000	Yes	
30,000	Yes	Union				x		Yes	
18,000	Yes	Warren					25,000	Yes	
	Yes	Washington					35,000	Yes	
	Yes	Wayne					5,000	Yes	
	Yes	Webster					8,000	Yes	
15,000	Yes	Whitley					10,000	Yes	
10,000	Yes	Wolfe	5	23,000	10,000		49,800	Yes	
29,000	Yes	Woodford	5	198,000	50,000			Yes	

\* Federal Deposit Insurance is sufficient to protect the funds on deposit.  
 \*\* Two Depositories.

**Table 14**  
**TYPE OF DEPOSITORY PROTECTION AND THE PENAL SUM OF**  
**BONDS FOR EACH COUNTY SCHOOL DISTRICT IN**  
**KENTUCKY FOR 1939-1940**

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Adair						\$ 20,000	Yes
Allen					x		Yes
Anderson					x		Yes
Ballard	5	\$ 98,000	\$ 35,000				Yes
Barren						10,000	Yes
Bath						10,000	Yes
Bell						10,000	Yes
Boone	5	125,000	15,000				Yes
Bourbon	7	390,000	25,000				Yes
Boyd						10,000	Yes
Boyle					x		Yes
Bracken					x		Yes
Breathitt					x		Yes
Breckinridge						5,000	Yes
Bullitt	5	35,000	5,000				Yes
Butler	5	21,000	5,000				Yes
Caldwell	5	70,000	15,000				Yes
Calloway						15,000	Yes
Campbell					x		Yes
Carlisle*							Yes
Carroll					x		Yes
Carter	5	62,000	25,000				Yes
Casey					x		Yes
Christian	5	125,000	25,000				Yes
Clark	5	185,000	25,000				Yes
Clay	5	77,000	10,000				Yes
Clinton	5	24,000	3,000				Yes
Crittenden						2,500	Yes
Cumberland*							Yes
Daviess						15,000	Yes
Edmonson	5	20,000	10,000				Yes
Elliott	5	39,500	25,000				Yes
Estill	5	47,000	10,000				Yes
Fayette					x		Yes
Fleming	5	100,000	25,000				Yes
Floyd					x		No
Franklin	5	45,000	25,000				Yes
Fulton					x		Yes
Gallatin	5	70,000	2,000				Yes
Garrard	7	87,500	20,000				Yes
Grant	5	120,000	30,000				Yes
Graves	5	975,000	100,000				Yes
Grayson						10,000	Yes



Table 14—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Muhlenberg	5	\$110,000	\$ 35,000				Yes
Nelson						\$20,000	Yes
Nicholas						7,000	Yes
Ohio	8	103,500	20,000				Yes
Oldham						10,000	Yes
Owen						10,000	Yes
Owsley						5,000	Yes
Pendleton						5,000	Yes
Perry						20,500	Yes
Pike					x		Yes
Powell	5	27,000	10,000				Yes
Pulaski					x		Yes
Robertson*							Yes
Rockcastle						10,000	Yes
Rowan	5	101,000	30,000				Yes
Russell	5	38,000	25,000				Yes
Scott					x		Yes
Shelby					x		Yes
Simpson*							Yes
Spencer					x		Yes
Taylor						10,000	Yes
Todd					x		Yes
Trigg						10,000	Yes
Trimble					x		Yes
Union						30,000	Yes
Warren						15,000	Yes
Washington						5,000	Yes
Wayne					x		Yes
Webster					x		Yes
Whitley						20,000	Yes
Wolfe	5	23,000	10,000				Yes
Woodford	5	148,000	50,000				Yes

\* Federal Deposit Insurance is sufficient to protect the funds on deposit.  
 \*\* Two Depositories.



Table 15

**TYPE OF DEPOSITORY PROTECTION AND THE PENAL SUM OF BONDS FOR EACH COUNTY SCHOOL DISTRICT IN KENTUCKY FOR 1938-1939**

Escrow Agreement	Federal Deposit Ins.	Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
			No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
10,000	Yes	Adair					\$ 13,000	No	
	Yes	Allen				x		Yes	
10,000	Yes	Anderson				x		Yes	
10,000	Yes	Ballard	5	\$ 99,100	\$ 35,000			Yes	
5,000	Yes	Barren					10,000	Yes	
5,000	Yes	Bath					10,000	No	
20,500	Yes	Bell					15,000	Yes	
	Yes	Boone	5	125,000	15,000			Yes	
	Yes	Bourbon	7	390,000	25,000			Yes	
	Yes	Boyd					10,000	Yes	
	Yes	Boyle				x		Yes	
10,000	Yes	Bracken				x		Yes	
	Yes	Breathitt				x		Yes	
	Yes	Breckinridge					10,000	Yes	
	Yes	Bullitt	5	35,000	5,000			Yes	
	Yes	Butler	5	19,000	5,000			Yes	
	Yes	Caldwell	5	106,000	15,000			Yes	
10,000	Yes	Calloway					15,000	Yes	
	Yes	Campbell				x		Yes	
	Yes	Carlisle	5	19,000	2,000			Yes	
10,000	Yes	Carroll				x		Yes	
	Yes	Carter	5	62,000	35,000			Yes	
30,000	Yes	Casey				x		Yes	
15,000	Yes	Christian	7	150,000	25,000			Yes	
5,000	Yes	Clark	5	185,000	25,000			Yes	
	Yes	Clay	5	77,000	10,000			Yes	
	Yes	Clinton	5	30,000	3,000			Yes	
20,000	Yes	Crittenden					2,500	Yes	
	Yes	Cumberland*						Yes	
	Yes	Daviess					15,000	Yes	
		Edmonson	5	20,000	10,000			Yes	
		Elliott	5	39,500	25,000			Yes	
		Estill	5	47,000	10,000			Yes	
		Fayette						Yes	
		Fleming	5	85,000	25,000	x		Yes	
		Floyd				x		No	
		Franklin	5	63,000	25,000			Yes	
		Fulton				x		Yes	
		Gallatin	5	70,000	2,000			Yes	
		Garrard	7	137,500	20,000			Yes	
		Grant	7	120,000	30,000			Yes	
		Graves	5	975,000	100,000			Yes	
		Grayson					10,000	Yes	

Table 15—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Green						\$ 5,000	Yes
Greenup					x		Yes
Hancock					x		Yes
Hardin						15,000	Yes
Harlan					x		Yes
Harrison					x		Yes
Hart					x		Yes
Henderson						10,000	Yes
Henry						10,000	Yes
Hickman						5,000	Yes
Hopkins					x		Yes
Jackson						5,000	Yes
Jefferson						190,000	Yes
Jessamine					x		Yes
Johnson						10,000	Yes
Kenton						20,000	Yes
Knott	5	\$ 78,000	\$ 50,000				Yes
Knox						15,000	Yes
Larue	5	82,000	10,000				Yes
Laurel	5	40,000	25,000				Yes
Lawrence					x		Yes
Lee						10,000	Yes
Leslie	5	40,000	5,000				Yes
Letcher						25,000	Yes
Lewis						30,000	Yes
Lincoln**	7	28,000	25,000			18,000	Yes
Livingston	7	83,000	5,000				Yes
Logan	5	125,000	25,000				Yes
Lyon	5	72,000	10,000				Yes
Madison					x		Yes
Magoffin						10,000	Yes
Marion	6	30,000	5,000				Yes
Marshall						10,000	Yes
Martin	5	70,000	25,000				Yes
Mason					x		Yes
McCracken					x		Yes
McCreary						5,000	Yes
McLean						5,000	Yes
Meade					x		Yes
Menifee	5	10,000	2,000				Yes
Mercer						20,000	Yes
Metcalfe*							Yes
Monroe	5	43,000	10,000				Yes
Montgomery	5	240,000	15,000				Yes
Morgan	5	110,000	15,000				Yes

Table 15—Continued

Federal Deposit Ins.	Escrow Agreement	Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
			No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
5,000	Yes	Muhlenberg	5	\$110,000	\$ 35,000			Yes	
	Yes	Nelson					\$20,000	No	
15,000	Yes	Nicholas	8	102,500	20,000		7,000	Yes	
	Yes	Ohio					10,000	Yes	
	Yes	Oldham					10,000	Yes	
	Yes	Owen					5,000	Yes	
	Yes	Owsley							
10,000	Yes	Pendleton					5,000	Yes	
10,000	Yes	Perry					20,500	Yes	
5,000	Yes	Pike				x		Yes	
	Yes	Powell	5	27,000	10,000			Yes	
5,000	Yes	Pulaski				x		Yes	
90,000	Yes	Robertson*						Yes	
	Yes	Rockcastle					10,000	Yes	
10,000	Yes	Rowan	5	101,000	30,000			Yes	
20,000	Yes	Russell	5	38,000	25,000			Yes	
	Yes	Scott				x		Yes	
15,000	Yes	Shelby	7	50,000	10,000	x		Yes	
	Yes	Simpson						Yes	
	Yes	Spencer				x		Yes	
	Yes	Taylor					10,000	Yes	
10,000	Yes	Todd				x		Yes	
	Yes	Trigg					10,000	Yes	
25,000	Yes	Trimble				x		Yes	
30,000	Yes	Union					30,000	Yes	
18,000	Yes	Warren					15,000	Yes	
	Yes	Washington					5,000	Yes	
	Yes	Wayne					6,000	Yes	
	Yes	Webster				x		Yes	
	Yes	Whitley	5	80,000	25,000			Yes	
10,000	Yes	Wolfe	5	34,000	5,000			Yes	
	Yes	Woodford	5	188,000	50,000			Yes	

\* Federal Deposit Insurance is sufficient to protect the funds on deposit.  
 \*\* Two Depositories.

**Table 16**  
**TYPE OF DEPOSITORY PROTECTION AND THE PENAL SUM OF**  
**BONDS FOR EACH COUNTY SCHOOL DISTRICT IN**  
**KENTUCKY FOR 1937-1938**

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Adair	5	\$ 30,000	\$ 10,000				Yes
Allen					x		Yes
Anderson					x		Yes
Ballard	5	110,000	25,000				Yes
Barren						\$ 15,000	Yes
Bath	5	25,000	12,000				No
Bell						10,000	Yes
Boone	5	225,000	15,000				Yes
Bourbon	5	285,000	25,000				Yes
Boyd						10,000	Yes
Boyle					x		Yes
Bracken					x		Yes
Breathitt					x		Yes
Breckinridge						10,000	Yes
Bullitt	5	46,000	5,000				Yes
Butler	5	19,000	5,000				Yes
Caldwell	5	25,000	5,000				Yes
Calloway						15,000	Yes
Campbell	5	115,000	15,000				Yes
Carlisle	5	19,000	2,000				Yes
Carroll					x		Yes
Carter	5	50,000	35,000				Yes
Casey					x		Yes
Christian						25,000	Yes
Clark	5	250,000	25,000				Yes
Clay	5	25,000	10,000				Yes
Clinton	5	30,000	5,000				Yes
Crittenden	5	25,000	7,500				Yes
Cumberland*							Yes
Daviess						15,000	Yes
Edmonson	5	25,000	7,000				Yes
Elliott	5	114,000	40,000				Yes
Estill	5	47,000	10,000				Yes
Fayette					x		Yes
Fleming	5	85,000	20,000				Yes
Floyd					x		Yes
Franklin	5	26,000	10,000				Yes
Fulton					x		Yes
Gallatin	5	70,000	15,000				Yes
Garrard	5	280,000	25,000				Yes
Grant	5	100,000	30,000				Yes
Graves	5	975,000	100,000				Yes

Table 16—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Grayson	5	\$ 32,000	\$ 10,000				Yes
Green	5	10,000	10,000				Yes
Greenup					x		Yes
Hancock						\$ 5,000	Yes
Hardin						15,000	Yes
Harlan					x		Yes
Harrison					x		Yes
Hart					x		Yes
Henderson						10,000	Yes
Henry	5	50,000	15,000				Yes
Hickman	5	51,000	20,000				Yes
Hopkins						20,300	Yes
Jackson	5	18,000	15,000				Yes
Jefferson						100,000	Yes
Jessamine					x		Yes
Johnson						10,000	Yes
Kenton						20,000	Yes
Knott	5	160,000	40,000				Yes
Knox						16,000	Yes
Larue	5	75,500	10,000				Yes
Laurel	5	34,000	25,000				Yes
Lawrence					x		Yes
Lee						10,000	No
Leslie	5	45,000	15,000				Yes
Letcher						25,000	Yes
Lewis	5	255,000	30,000				Yes
Lincoln	5	25,000	17,000				No
Livingston	7	81,500	15,000				Yes
Logan	5	122,000	25,000				Yes
Lyon	5	72,000	12,000				Yes
Madison					x		Yes
Magoffin	5	68,000	20,000				Yes
Marion	5	15,000	3,000				Yes
Marshall						5,000	Yes
Martin	5	90,000	25,000				Yes
Mason					x		Yes
McCracken					x		Yes
McCreary	5	43,000	5,000				Yes
McLean						5,500	Yes
Meade					x		Yes
Menifee	5	25,000	5,000				Yes
Mercer	12	90,000	20,000				Yes
Metcalfe	5	60,000	10,000				Yes
Monroe	5	41,000	10,000				Yes
Montgomery	5	210,000	20,000				Yes

Table 16—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Morgan	5	\$110,000	\$ 15,000				Yes
Muhlenberg	5	100,000	35,000				Yes
Nelson						\$20,000	No
Nicholas						7,000	Yes
Ohio	7	67,000	20,000				Yes
Oldham						10,000	Yes
Owen	5	48,000	2,000				Yes
Owsley	5	13,000	12,000				Yes
Pendleton						5,000	Yes
Perry						31,700	Yes
Pike					x		Yes
Powell	5	27,000	10,000				No
Pulaski					x		Yes
Robertson	5	80,500	7,500				Yes
Rockcastle						10,000	Yes
Rowan	5	160,000	50,000				Yes
Russell	5	25,000	25,000				Yes
Scott					x		Yes
Shelby					x		Yes
Simpson	5	50,000	10,000				No
Spencer					x		Yes
Taylor	5	30,000	10,000				Yes
Todd					x		Yes
Trigg	5	80,000	10,000				Yes
Trimble					x		Yes
Union	9	314,000	20,000				Yes
Warren						15,000	Yes
Washington	5	75,000	5,000				Yes
Wayne	5	119,000	5,000				No
Webster*							Yes
Whitley	5	55,000	25,000				Yes
Wolfe	5	34,000	5,000				Yes
Woodford	5	143,000	50,000				Yes

\* Federal Deposit Insurance is sufficient to protect the funds on deposit.

Table 17

**TYPE OF DEPOSITORY PROTECTION AND THE PENAL SUM OF BONDS FOR EACH COUNTY SCHOOL DISTRICT IN KENTUCKY FOR 1936-1937**

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Adair	5	\$ 30,000	\$ 10,000				Yes
Allen					x		Yes
Anderson					x		Yes
Ballard	5	111,000	35,000				Yes
Barren						\$15,000	Yes
Bath	5	50,000	12,000				Yes
Bell						10,000	Yes
Boone	5	225,000	15,000				Yes
Bourbon	5	285,000	25,000				Yes
Boyd						10,100	Yes
Boyle					x		Yes
Bracken					x		Yes
Breathitt					x		Yes
Breckinridge						10,000	Yes
Bullitt	5	46,000	5,000				Yes
Butler	5	19,000	5,000				Yes
Caldwell	5	25,000	5,000				Yes
Calloway						15,000	Yes
Campbell	5	115,000	15,000				Yes
Carlisle	5	25,000	2,000				Yes
Carroll					x		Yes
Carter	5	50,000	35,000				Yes
Casey					x		Yes
Christian						25,000	Yes
Clark	5	250,000	25,000				Yes
Clay	5	25,000	10,000				Yes
Clinton	5	30,000	5,000				Yes
Crittenden	5	25,000	7,500				Yes
Cumberland*							Yes
Daviess						15,000	Yes
Edmonson	5	25,000	7,000				Yes
Elliott	5	113,000	40,000				Yes
Estill	5	61,000	10,000				Yes
Fayette					x		Yes
Fleming	5	85,000	20,000				Yes
Floyd					x		Yes
Franklin	5	26,000	10,000				Yes
Fulton					x		Yes
Gallatin	5	70,000	15,000				Yes
Garrard	7	200,000	25,000				Yes
Grant	5	100,000	30,000				Yes
Graves	5	925,000	100,000				Yes

Table 17—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Grayson	5	\$ 22,000	\$ 10,000				Yes
Green	5	10,000	10,000				Yes
Greenup					x		Yes
Hancock						\$ 5,000	Yes
Hardin						15,000	Yes
Harlan					x		Yes
Harrison					x		Yes
Hart					x		Yes
Henderson						10,000	Yes
Henry	5	50,000	15,000				Yes
Hickman	7	71,000	20,000				Yes
Hopkins						20,000	Yes
Jackson	5	20,000	15,000				Yes
Jefferson						46,300	Yes
Jessamine					x		Yes
Johnson						10,000	Yes
Kenton						20,000	Yes
Knott	5	180,000	40,000				Yes
Knox						15,000	Yes
Larue	5	75,500	10,000				Yes
Laurel	5	34,000	25,000				No
Lawrence					x		Yes
Lee						10,000	Yes
Leslie	5	45,000	15,000				Yes
Letcher						25,000	Yes
Lewis	5	255,000	30,000				Yes
Lincoln	8	32,500	20,000				Yes
Livingston	7	81,500	15,000				Yes
Logan	5	122,000	25,000				Yes
Lyon	5	72,000	12,000				Yes
Madison					x		Yes
Magoffin	5	68,000	20,000				Yes
Marion	7	21,000	3,000				Yes
Marshall						5,000	Yes
Martin	5	68,000	15,000				Yes
Mason					x		Yes
McCracken					x		Yes
McCreary	5	43,000	10,000				Yes
McLean						5,000	Yes
Meade					x		Yes
Menifee	5	25,000	5,000				Yes
Mercer	11	80,000	20,000				Yes
Metcalfe	5	60,000	10,000				Yes
Monroe	5	41,000	10,000				Yes
Montgomery	5	210,000	20,000				Yes



Table 17—Continued

Federal Deposit Ins.	Escrow Agreement	Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
			No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Yes	Yes	Morgan	5	\$110,000	\$ 15,000			Yes	
Yes	Yes	Muhlenberg	5	110,000	35,000			Yes	
Yes	Yes	Nelson					\$20,000	No	
5,000	Yes	Nicholas					7,000	Yes	
15,000	Yes	Ohio	7	67,000	20,000			Yes	
Yes	Yes	Oldham					10,000	Yes	
Yes	Yes	Owen	5	48,000	2,000			Yes	
Yes	Yes	Owsley	5	13,000	12,000			Yes	
10,000	Yes	Pendleton					5,000	Yes	
Yes	Yes	Perry					25,000	Yes	
Yes	Yes	Pike				x		Yes	
20,000	Yes	Powell	5	27,000	10,000			No	
Yes	Yes	Pulaski				x		Yes	
46,300	Yes	Robertson	5	85,500	7,500			Yes	
Yes	Yes	Rockcastle					10,000	Yes	
10,000	Yes	Rowan	5	160,000	50,000			Yes	
20,000	Yes	Russell	5	25,000	25,000			Yes	
Yes	Yes	Scott				x		Yes	
15,000	Yes	Shelby				x		Yes	
Yes	Yes	Simpson	7	35,000	10,000			Yes	
No	No	Spencer				x		Yes	
Yes	Yes	Taylor	5	660,000	10,000			Yes	
10,000	Yes	Todd				x		Yes	
Yes	Yes	Trigg	5	80,000	10,000			Yes	
Yes	Yes	Trimble*						Yes	
Yes	Yes	Union	11	377,000	20,000			Yes	
Yes	Yes	Warren					15,000	Yes	
Yes	Yes	Washington	7	145,000	5,000			Yes	
Yes	Yes	Wayne	5	119,000	5,000			Yes	
Yes	Yes	Webster				x		Yes	
Yes	Yes	Whitley	5	75,000	25,000			Yes	
Yes	Yes	Wolfe*						Yes	
Yes	Yes	Woodford	5	235,000	50,000			Yes	

\* Federal Deposit Insurance is sufficient to protect the funds on deposit.

**Table 18**  
**TYPE OF DEPOSITORY PROTECTION AND THE PENAL SUM OF**  
**BONDS FOR EACH COUNTY SCHOOL DISTRICT IN**  
**KENTUCKY FOR 1935-1936**

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Adair	5	\$ 37,000	\$ 10,000				*
Allen					x		
Anderson**					x		
Ballard	5	47,000	25,000				
Barren						\$15,000	
Bath	5	60,000	12,000				
Bell						10,000	
Boone	5	225,000	20,000				
Bourbon**	7	155,000	15,500				
Boyd						5,000	
Boyle						7,500	
Bracken					x		
Breathitt						12,500	
Breckinridge						10,000	
Bullitt	5	28,000	15,000				
Butler**	5	6,500	5,000				
Caldwell **	5	17,500	5,000				
Calloway						15,000	
Campbell	5	15,000	3,000				
Carlisle	5	25,000	2,000				
Carroll						5,000	
Carter	5	45,000	15,000				
Casey	5	67,000	25,000				
Christian						25,000	
Clark	5	285,000	35,000				
Clay	5	136,000	25,000				
Clinton	5	30,000	5,000				
Crittenden	5	35,000	7,500				
Cumberland	5	40,000	10,000				
Daviess						15,000	
Edmonson	5	45,000	15,000				
Elliott	5	95,000	50,000				
Estill	5	43,000	10,000				
Fayette	5	100,000	100,000				
Fleming**	3	22,500	7,000				
Floyd	5	95,000	25,000				*
Franklin**	5	35,000	12,500				
Fulton						3,500	
Gallatin**	5	35,000	10,000				
Garrard	5	135,000	17,500				
Grant**	7	185,000	25,000				
Graves	8	1,150,000	100,000				

Table 18—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Grayson	5	\$ 32,000	\$ 10,000				
Green	5	5,000	5,000				
Greenup					x		
Hancock						\$ 5,000	
Hardin						10,000	
Harlan						93,000	
Harrison					x		
Hart	5	25,000	5,000				
Henderson						16,000	
Henry	6	30,000	15,000				
Hickman	6	51,000	10,000				
Hopkins						15,000	
Jackson	5	30,000	20,000				
Jefferson						86,700	
Jessamine					x		
Johnson						10,000	
Kenton						20,000	
Knott	5	120,000	37,500				
Knox						15,000	
Larue	5	42,000	10,000				
Laurel	5	66,500	40,000				
Lawrence	5	99,000	30,000				
Lee						25,000	
Leslie	5	62,000	25,000				
Letcher						25,000	
Lewis	5	130,000	7,500				
Lincoln	5	56,000	10,000				
Livingston	5	81,500	5,000				
Logan	5	34,500	30,000				*
Lyon**	5	32,000	3,750				
Madison**						5,000	
Magoffin	5	41,000	20,000				
Marion	5	40,000	8,000				
Marshall						3,000	
Martin	5	52,000	15,000				
Mason**					x		
McCracken					x		
McCreary	5	25,000	6,000				
McLean						5,000	
Meade					x		
Menifee**	5	10,000	5,000				
Mercer**	9	41,250	6,000				
Metcalfe	5	52,000	18,000				
Monroe	5	65,000	25,000				
Montgomery	5	125,000	25,000				

Table 18—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Morgan	5	\$130,000	\$ 30,000				
Muhlenberg	5	50,000	20,000				
Nelson							\$10,000
Nicholas							7,000
Ohio	6	50,000	20,000				
Oldham							10,000
Owen	5	57,000	8,000				
Owsley	5	20,000	15,000				
Pendleton							5,000
Perry							20,000
Pike					x		
Powell	5	22,000	6,000				
Pulaski**	5	19,500	20,000				
Robertson	5	171,500	15,000				
Rockcastle					x		
Rowan	5	179,000	50,000				
Russell	5	25,000	25,000				
Scott							20,000
Shelby					x		*
Simpson	8	40,000	5,000				
Spencer							2,000
Taylor	5	356,000	10,000				
Todd					x		
Trigg	5	40,000	10,000				
Trimble	5	21,000	5,000				
Union**	11	44,500	20,000				
Warren					x		
Washington	5	50,000	10,000				
Wayne**	5	30,500	2,500				
Webster							15,000
Whitley	5	52,000	25,000				
Wolfe	4	29,000	15,000				
Woodford	5	231,000	50,000				

\* Ruling of Attorney General precluded application of F.D.I.C. in lieu of bond.  
 \*\* Combined Treasurer-Depository. One-half of total bond applied to each.

### Bonds of Depositories in County Districts

Table 13 when compared with table 18 reveals that there has been a sharp decline in the number of depositories secured by personal bonds during the six-year period.

Tables 13 through 18 indicate that there is a growing tendency to increase the bonds of depositories so as to more fully protect the funds in custody.

Table 13 shows that in six county districts Federal Deposit Insurance was sufficient to protect depository funds.

It will be noted in reading table 18 (also table 24 for Independent districts) for the years 1935-1936 that although the Federal Deposit Insurance Law was in effect, its protection was not extended to school funds on deposit. That is, even though the funds in a depository did not exceed \$5,000, the depository, a member bank, was required to execute bond. This was due to an opinion handed down in a related instance by Assistant Attorney General Sam H. Brown which is given here:

**Copy of Attorney General's Opinion No. 5053**

July 30, 1942.

B. T. Brewer, Secretary  
Department of Public Welfare  
Frankfort, Kentucky

Dear Sir:

I am in receipt of your letter of July 26th, reading as follows:

"You will perhaps recall that about two years ago this Board adopted the policy of requiring banks in which the cash funds of the institution under our control are deposited to furnish collateral guaranteeing such deposits. You passed upon the question at that time.

Some of the banks deposited State Warrants with us. One of the banks has now taken the position that, because the Federal Deposit Insurance Law guarantees deposits up to \$5,000.00, we should allow them to withdraw their collateral. This question was presented to the Board at its last meeting and they declined to grant the request of the bank. I now have another letter from the bank, insisting that their Warrants be returned to them. It is our position that it is the intent of the law that all State deposits be guaranteed by the bond and that the Federal Deposit Insurance Law does not alter the situation."

In reply will say that I thoroughly agree with your position, and I think it entirely proper that the Department should insist upon all State Depositories giving bond for the protection of funds belonging to your Department deposited therein.

Yours very truly,

Assistant Attorney General.

COPY

SHB/EB

This condition was remedied by the Acts of 1936, and the State Board of Education set up appropriate regulations to secure protection offered deposited funds by Federal Deposit Insurance,

as will be noted in the following excerpt from Minutes of the Kentucky State Board of Education, June 23, 1936:

**Excerpt from Minutes of the Kentucky State Board of Education  
under Date of June 23, 1936**

Supt. Peters submitted for the Board's consideration the following letter of Mr. Maney, together with the form referred to therein:

"June 18, 1936  
Members, State Board of Education  
Frankfort, Kentucky

"Dear Members:

"I recommend the approval by the State Board of Form F-B-11 with certification of the insurance of a depository for a school board by the Federal Deposit Insurance Corporation up to \$5,000.

"The filing of this report form with the State Board of Education is necessary in order to meet the requirements of Section 4399-43, Kentucky Statutes, with respect to the bonding of depositories in situations where up to \$5,000 liability on school funds is covered by Federal Deposit Insurance protection.

"It is to be noted that an amendment to Section 579, Kentucky Statutes, recently enacted by the General Assembly, provides 'that any bank or trust company or combined bank and trust company which is a stockholder in the Federal Deposit Insurance Corporation, where the deposits in such bank or trust company or combined bank and trust company are insured according to the provisions of the national banking law, shall only be required to secure any government deposits or any other deposits required by law to be secured in excess of the amount insured by the Federal Deposit Insurance Corporation.'

"Very truly yours,

(Signed) Charles A. Maney  
Charles A. Maney  
Division of Finance  
CAM:j1"

This recommendation was adopted by the State Board of Education June 23, 1936.

Table 19

**TYPE OF DEPOSITORY PROTECTION AND THE PENAL SUM OF BONDS FOR EACH INDEPENDENT SCHOOL DISTRICT IN KENTUCKY FOR 1940-1941**

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Albany*							Yes
Anchorage					x		Yes
Artemus*							Yes
Ashland					x		Yes
Augusta						\$ 2,000	Yes
Barbourville						5,000	Yes
Bardstown						30,500	Yes
Beechwood	5	\$ 5,000	\$ 5,000				Yes
Bellevue						25,000	Yes
Benton*							Yes
Berea*							Yes
Bevier-Cleaton*							Yes
Bloomfield						5,000	No
Bowling Green						25,000	Yes
Brodhead*							Yes
Burgin*							Yes
Burkesville*							Yes
Burnside*							Yes
Cadiz*							Yes
Campbellsville						3,000	Yes
Carlisle						1,000	Yes
Carrollton						15,000	Yes
Catlettsburg						7,000	Yes
Cave City						5,000	No
Central City						8,600	Yes
Clay*							Yes
Cloverport*							Yes
Cold Spring*							Yes
Columbia*							Yes
Corbin						10,000	Yes
Covington						100,000	Yes
Crofton						3,500	No
Cynthiana	5	60,000	12,000				Yes
Danville						15,000	Yes
Dawson Springs*							Yes
Dayton						15,000	Yes
Earlington*							Yes
East Bernstadt*							Yes
Eddyville*							Yes
Elizabethtown						5,000	Yes
Eminence						5,000	Yes
Erlanger					x		Yes

Table 19—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Fairview						\$ 5,000	Yes
Falmouth						5,000	Yes
Ferguson	5	\$190,000	\$ 5,000				Yes
Ft. Thomas					x		Yes
Frankfort						47,200	Yes
Franklin						5,000	Yes
Fredonia*							Yes
Fulton				\$5,000			Yes
Gatliff*							Yes
Georgetown						10,000	Yes
Glasgow						10,000	Yes
Grand Rivers*							Yes
Grayson*							Yes
Greensburg*							Yes
Greenup					x		Yes
Greenville				5,000			Yes
Guthrie*							Yes
Harlan					x		Yes
Harrodsburg	7	65,000	15,000				Yes
Hazard						5,000	Yes
Henderson						45,000	Yes
Hickman						4,000	Yes
Hikes						5,000	Yes
Hodgenville*							Yes
Hopkinsville						35,000	Yes
Horse Cave*							Yes
Irvine	5	10,500	4,500				Yes
Jackson*							No
Jenkins						25,000	Yes
Kings Mountain	5	79,000	10,000				Yes
Kuttawa*							Yes
Lancaster						6,000	Yes
Lawrenceburg						5,000	Yes
Lebanon						5,000	Yes
Lebanon Junction*							Yes
Leitchfield						5,000	Yes
Lexington					x		Yes
Liberty*							Yes
Livermore*							Yes
Livingston*							Yes
London*							Yes
Lone Jack				3,000			Yes
Louisville						250,000	Yes
Ludlow					x		Yes
Lynch						50,000	Yes



Table 19—Continued

d l	Federal Deposit Ins.	Name of District	Personal Surety Bonds			Cor- porate Bonds	Deposited Collateral		Federal Deposit Ins.
			No. of Sure- ties	Aggre- gate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agree- ment	
5,000	Yes	Madisonville						Yes	
5,000	Yes	Marion*					x	Yes	
5,000	Yes	Mayfield	5	\$950,000	\$ 25,000			Yes	
7,200	Yes	Maysville					\$28,000	Yes	
5,000	Yes	McVeigh*						Yes	
	Yes	Middleburg*						Yes	
	Yes	Middlesboro					x	Yes	
	Yes	Midway					5,000	Yes	
0,000	Yes	Monticello*						Yes	
0,000	Yes	Moreland*						Yes	
	Yes	Mt. Sterling	5	172,000	15,000			Yes	
	Yes	Mt. Vernon*						Yes	
	Yes	Munfordville*						Yes	
	Yes	Murray					10,000	Yes	
	Yes	Newport					x	Yes	
	Yes	Nicholasville					x	Yes	
	Yes	Owensboro					x	Yes	
	Yes	Owenton*						Yes	
5,000	Yes	Paducah					80,000	Yes	
5,000	Yes	Paintsville					2,000	Yes	
4,000	Yes	Paris					20,000	Yes	
5,000	Yes	Pembroke*						Yes	
	Yes	Pikeville	5	170,000	10,000			Yes	
5,000	Yes	Pineville					10,000	Yes	
	Yes	Prestonsburg	5	40,000	15,000			No	
	Yes	Princeton					5,000	Yes	
	Yes	Providence*						Yes	
	No	Raceland					x	Yes	
5,000	Yes	Ravenna*						Yes	
	Yes	Richmond					20,000	Yes	
6,000	Yes	Russell					x	Yes	
5,000	Yes	Russellville	5	75,000	15,000			Yes	
	Yes	Science Hill*						Yes	
5,000	Yes	Scottsville*						Yes	
5,000	Yes	Sebree	5	25,000	4,000			No	
	Yes	Sharpsburg*						Yes	
	Yes	Shelbyville	5	107,500	20,000			Yes	
	Yes	Silver Grove					7,500	Yes	
	Yes	Somerset						Yes	
	Yes	Southgate*	5	80,000	30,000			Yes	
	Yes	South Portsmouth*						Yes	
50,000	Yes	Springfield*						Yes	
	Yes	Stanford					x	Yes	
50,000	Yes	Stearns*						Yes	
	Yes	Trenton*						Yes	

Table 19—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Uniontown*							Yes
Upton*							Yes
Vanceburg*							Yes
Van Lear*							Yes
Versailles						\$ 5,000	Yes
Walton-Verona*							Yes
West Point*							Yes
Williamsburg*							Yes
Williamstown	5	\$120,000	\$ 10,000				Yes
Winchester	5	185,000	25,000				Yes

\* Federal Deposit Insurance is sufficient to protect the funds on deposit.

Table 20

**TYPE OF DEPOSITORY PROTECTION AND THE PENAL SUM OF BONDS FOR EACH INDEPENDENT SCHOOL DISTRICT IN KENTUCKY FOR 1939-1940**

Federal Deposit Ins.	Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
		No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Yes	Albany*							Yes
Yes	Anchorage					x		Yes
Yes	Artemus*							Yes
Yes	Ashland					x		Yes
Yes	Augusta						\$ 2,000	Yes
	Barbourville						5,000	Yes
Yes	Bardstown						5,000	Yes
Yes	Beechwood	3	\$ 5,000	\$ 5,000				Yes
	Bellevue						20,000	Yes
	Benton*							Yes
	Berea*							Yes
	Bevier-Cleaton*							Yes
	Bloomfield						5,000	No
	Bowling Green						50,000	Yes
	Brodhead*							Yes
	Burgin*							Yes
	Burkesville*							Yes
	Burnside*							Yes
	Cadiz*							Yes
	Campbellsville*							Yes
	Carlisle						1,000	Yes
	Carrollton						5,000	Yes
	Catlettsburg						4,000	Yes
	Cave City						5,000	No
	Central City					x		Yes
	Clay*							Yes
	Cloverport*							Yes
	Cold Spring					x		Yes
	Columbia*							Yes
	Corbin						5,000	Yes
	Covington						100,000	Yes
	Crofton					x		Yes
	Cynthiana	5	60,000	12,000				Yes
	Danville						25,000	Yes
	Dawson Springs*							Yes
	Dayton					x		Yes
	Earlington*							Yes
	East Bernstadt*							Yes
	Eddyville*							Yes
	Elizabethtown						5,000	Yes
	Eminence*							Yes
	Erlanger					x		Yes

Table 20—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Fairview						\$ 5,000	Yes
Falmouth						5,000	Yes
Ferguson	5	\$165,000	\$ 5,000				Yes
Ft. Thomas					x		Yes
Frankfort						50,000	Yes
Franklin*							Yes
Fredonia*							Yes
Fulton				\$5,000			Yes
Gatliff*							Yes
Georgetown						10,000	Yes
Glasgow						10,000	Yes
Grand Rivers*							Yes
Grayson*							Yes
Greensburg*							Yes
Greenup*							Yes
Greenville				5,000			Yes
Guthrie*							Yes
Harlan					x		Yes
Harrodsburg	5	45,000	15,000				Yes
Hazard						5,000	Yes
Henderson						45,000	Yes
Hickman					x		Yes
Hikes						5,000	Yes
Hodgenville*							Yes
Hopkinsville	3	60,000	25,000				Yes
Horse Cave*							Yes
Irvine	5	15,500	4,500				Yes
Jackson*							Yes
Jenkins					x		Yes
Kings Mountain	5	79,000	10,000				Yes
Kuttawa*							Yes
Lancaster						5,500	Yes
Lawrenceburg*							Yes
Lebanon						5,000	Yes
Lebanon Junction*							Yes
Leitchfield						5,000	Yes
Lexington					x		Yes
Liberty*							Yes
Livermore*							Yes
Livingston*							Yes
London*							Yes
Lone Jack				5,000			Yes
Louisville						250,000	Yes
Ludlow					x		Yes
Lynch						70,000	Yes

Table 20—Continued

Federal Deposit Ins.	Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
		No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Yes	Madisonville					x		Yes
Yes	Marion*							Yes
Yes	Mayfield	5	\$975,000	\$ 25,000				Yes
Yes	Maysville					x		Yes
Yes	McVeigh*							Yes
Yes	Middleburg*							Yes
Yes	Middlesboro					x		Yes
Yes	Midway						\$ 5,000	Yes
Yes	Monticello*							Yes
Yes	Moreland*							Yes
Yes	Mt. Sterling	5	240,000	15,000				Yes
Yes	Mt. Vernon*							Yes
Yes	Munfordville*							Yes
Yes	Murray						10,000	Yes
Yes	Newport					x		Yes
Yes	Nicholasville					x		Yes
Yes	Owensboro					x		Yes
Yes	Owenton*							Yes
Yes	Paducah					x		Yes
Yes	Paintsville						2,000	Yes
Yes	Paris						20,000	Yes
Yes	Pembroke*							Yes
Yes	Pikeville	5	170,000	10,000				Yes
Yes	Pineville						10,000	Yes
Yes	Prestonsburg	5	40,000	15,000				No
Yes	Princeton						5,000	Yes
Yes	Providence*							Yes
Yes	Raceland					x		Yes
Yes	Ravenna*							Yes
Yes	Richmond						20,000	Yes
Yes	Russell					x		Yes
Yes	Russellville	5	75,000	15,000				Yes
Yes	Science Hill*							Yes
Yes	Scottsville*							Yes
Yes	Sebree	5	25,000	4,000				No
Yes	Sharpsburg*							Yes
Yes	Shelbyville	5	150,000	20,000				Yes
Yes	Silver Grove					x		Yes
Yes	Somerset	5	175,000	30,000				Yes
Yes	Southgate*							Yes
Yes	South Portsmouth*							Yes
Yes	Springfield*							Yes
Yes	Stanford					x		Yes
Yes	Stearns*							Yes
Yes	Trenton*							Yes

Table 20—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Uniontown*							Yes
Upton*							Yes
Vanceburg*							Yes
Van Lear*							Yes
Versailles						\$ 5,000	Yes
Walton-Verona*							Yes
West Point*							Yes
Williamsburg*							Yes
Williamstown	5	\$120,000	\$ 10,000				Yes
Winchester	5	175,000	25,000				Yes

\* Federal Deposit Insurance is sufficient to protect the funds on deposit.

Table 21

**TYPE OF DEPOSITORY PROTECTION AND THE PENAL SUM OF BONDS FOR EACH INDEPENDENT SCHOOL DISTRICT IN KENTUCKY FOR 1938-1939**

Federal Deposit Ins.	Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
		No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Yes	Albany*							Yes
Yes	Anchorage					\$10,000		Yes
Yes	Artemus*							Yes
Yes	Ashland					x		Yes
Yes	Augusta					6,000		Yes
Yes	Barbourville					5,000		Yes
Yes	Bardstown					10,000		Yes
Yes	Beechwood	5	\$ 5,000	\$ 5,000				Yes
Yes	Bellevue					20,000		Yes
Yes	Benton*							Yes
	Berea*							Yes
	Bevier-Cleaton*							Yes
	Bloomfield	5	25,000	5,000				No
	Bowling Green					50,000		Yes
	Brodhead*							Yes
	Brooksville*							Yes
	Burgin*							Yes
	Burkesville*							Yes
	Burnside*							Yes
	Cadiz*							Yes
	Campbellsville*							Yes
	Carlisle*							Yes
	Carrollton					15,000		Yes
	Catlettsburg					4,000		Yes
	Cave City					5,000		No
	Central City						x	Yes
	Clay*							Yes
	Cloverport*							Yes
	Cold Spring						x	Yes
	Columbia*							Yes
	Corbin					5,000		Yes
	Covington					100,000		Yes
	Crofton						x	No
	Cynthiana	5	60,000	12,000				Yes
	Danville					2,500		Yes
	Dawson Springs*							Yes
	Dayton						x	Yes
	Earlington	5	17,000	7,500				Yes
	East Bernstadt*							Yes
	Eddyville*							Yes
	Elizabethtown					4,000		Yes
	Eminence*							Yes

Table 21—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Erlanger					x		Yes
Fairview						\$ 5,000	Yes
Falmouth						5,000	Yes
Ferguson	5	\$165,000	\$ 5,000				Yes
Ft. Thomas					x		Yes
Frankfort						50,000	Yes
Franklin	5	25,000	5,000				Yes
Fredonia*							Yes
Fulton				\$5,000			Yes
Gatliff*							Yes
Georgetown						10,000	Yes
Glasgow						10,000	Yes
Grand Rivers*							Yes
Grayson*							Yes
Greensburg*							Yes
Greenup*							Yes
Greenville				5,000			Yes
Guthrie*							Yes
Harlan					x		Yes
Harrodsburg	5	45,000	15,000				Yes
Hazard						5,000	Yes
Henderson						25,000	Yes
Hickman					x		Yes
Hikes						9,000	Yes
Hodgenville*							Yes
Hopkinsville	5	135,000	25,000				Yes
Horse Cave*							Yes
Irvine	5	20,500	4,500				Yes
Jackson*							Yes
Jenkins					x		Yes
Kings Mountain*							Yes
Kuttawa*							Yes
Lancaster						5,500	Yes
Lawrenceburg						5,000	Yes
Lebanon	5	25,000	5,000				Yes
Lebanon Junction*							Yes
Leitchfield						5,000	Yes
Lexington					x		Yes
Liberty*							Yes
Livermore*							Yes
Livingston*							Yes
London*							Yes
Lone Jack				5,000			Yes
Louisville						250,000	Yes
Ludlow					x		Yes



Table 21—Continued

Federal Deposit Ins.	Name of District	Personal Surety Bonds			Corpor-ate Bonds	Deposited Collateral		Federal Deposit Ins.
		No. of Sure-ties	Aggre-gate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agree-ment	
Yes	Lynch					\$20,000	Yes	
Yes	Madisonville				x		Yes	
Yes	Marion*						Yes	
Yes	Mayfield	5	\$975,000	\$ 25,000			Yes	
Yes	Maysville				x		Yes	
Yes	McVeigh*						Yes	
Yes	Middleburg*						Yes	
Yes	Middlesboro				x		Yes	
Yes	Midway					5,000	Yes	
Yes	Monticello*						Yes	
Yes	Moreland*						Yes	
Yes	Mt. Sterling	5	240,000	15,000			Yes	
Yes	Mt. Vernon*						Yes	
Yes	Munfordville*						Yes	
Yes	Murray					10,000	Yes	
Yes	Newport				x		Yes	
Yes	Nicholasville				x		Yes	
Yes	Owensboro				x		Yes	
Yes	Owenton*						Yes	
Yes	Paducah				x		Yes	
Yes	Paintsville					2,000	Yes	
Yes	Paris					20,000	Yes	
Yes	Pembroke*						Yes	
Yes	Pikeville	5	195,000	5,000			Yes	
Yes	Pineville					10,000	Yes	
Yes	Pine Knot*						Yes	
Yes	Prestonsburg	5	37,000	15,000			No	
Yes	Princeton	5	32,500	10,000			Yes	
Yes	Providence*						Yes	
Yes	Raceland				x		Yes	
Yes	Revanna*						Yes	
Yes	Richmond					20,000	Yes	
Yes	Russell				x		Yes	
Yes	Russellville	5	50,000	10,000			Yes	
Yes	Science Hill*						Yes	
Yes	Scottsville*						Yes	
Yes	Sebree	5	25,000	4,000			No	
Yes	Sharpsburg*						Yes	
Yes	Shelbyville	5	150,000	20,000			Yes	
Yes	Silver Grove				x		Yes	
Yes	Somerset	5	175,000	30,000			Yes	
Yes	Southgate*						Yes	
Yes	South Portsmouth*						Yes	
Yes	Springfield*						Yes	
Yes	Stanford				x		Yes	

Table 21—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Stearns*							Yes
Trenton*							Yes
Uniontown*							Yes
Upton*							Yes
Vanceburg*							Yes
Van Lear*							Yes
Versailles						\$ 5,000	Yes
Walton-Verona*							Yes
West Point*							Yes
Williamsburg*							Yes
Williamstown	5	\$105,000	\$ 10,000				Yes
Winchester	5	185,000	25,000				Yes

\* Federal Deposit Insurance is sufficient to protect the funds on deposit.

Table 22

**TYPE OF DEPOSITORY PROTECTION AND THE PENAL SUM OF  
BONDS FOR EACH INDEPENDENT SCHOOL DISTRICT  
IN KENTUCKY FOR 1937-1938**

Federal Deposit Ins.	Name of District	Personal Surety Bonds			Cor- porate Bonds	Deposited Collateral		Federal Deposit Ins.
		No. of Sure- ties	Aggre- gate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agree- ment	
Yes	Albany*							Yes
Yes	Anchorage					\$10,000		Yes
Yes	Artemus*							Yes
Yes	Ashland					x		Yes
Yes	Augusta	5	\$ 5000	\$ 1,000				Yes
Yes	Barbourville					5,000		Yes
Yes	Bardstown	5	125,000	10,000				No
Yes	Beechwood	5	5,000	5,000				Yes
Yes	Bellevue					20,000		Yes
	Benton*							Yes
	Berea*							Yes
	Bevier-Cleaton*							Yes
	Bloomfield	5	25,000	5,000				No
	Bowling Green					50,000		Yes
	Brodhead*							Yes
	Brooksville*							Yes
	Buffalo*							Yes
	Burgin*							Yes
	Burkesville*							Yes
	Burnside*							Yes
	Cadiz*							Yes
	Campbellsville	5	24,000	15,000				No
	Campton*							Yes
	Carlisle					1,000		Yes
	Carrollton					12,500		Yes
	Catlettsburg					4,000		Yes
	Cave City					5,000		No
	Central City							Yes
	Chaplin	5	5,000	2,000				No
	Clarkson*							Yes
	Clay*							Yes
	Cloverport*							Yes
	Cold Spring							No
	Columbia*							Yes
	Corbin					10,000		Yes
	Covington					100,000		Yes
	Crab Orchard*							Yes
	Crofton							No
	Cynthiana	5	150,000	40,000				Yes
	Danville					25,000		Yes
	Dayton							Yes
	Dawson Springs*							Yes

Table 22—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Earlington	5	\$ 34,000	\$ 10,000				Yes
East Bernstadt*							Yes
Eddyville*							Yes
Elizabethtown						\$ 5,000	Yes
Elkton*							Yes
Eminence*							Yes
Erlanger						5,000	Yes
Fairview						5,000	Yes
Falmouth						5,000	Yes
Ferguson	4	165,000	5,000				Yes
Ft. Thomas						55,000	Yes
Frankfort						100,000	Yes
Franklin	5	25,000	5,000				Yes
Fredonia*							Yes
Fulton				\$5,000			Yes
Gatliff*							Yes
Georgetown						10,000	Yes
Glasgow						10,000	Yes
Grand Rivers*							Yes
Grayson	5	40,000	10,000				No
Greensburg*							Yes
Greenup*							Yes
Greenville				5,000			Yes
Guthrie*							Yes
Harlan					x		Yes
Harrodsburg	11	90,000	15,000			5,000	Yes
Hazard							Yes
Henderson					x		Yes
Hickman					x		Yes
Hikes						15,000	Yes
Hodgenville*							Yes
Hopkinsville						25,000	Yes
Horse Cave*							Yes
Irvine	5	16,000	16,000				Yes
Jackson*							Yes
Jenkins					x		Yes
Kings Mountain	5	69,000	10,000				Yes
Kuttawa*							Yes
Lawrenceburg						5,000	Yes
Lancaster						2,000	Yes
Lebanon*							Yes
Lebanon Junction*							Yes
Leitchfield						5,000	Yes
Lexington					x		Yes
Liberty*							Yes

Table 22—Continued

Federal Deposit Ins.	Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
		No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Yes	Livermore*							Yes
Yes	Livingston*							Yes
Yes	London*							Yes
Yes	Lone Jack				\$5,000			Yes
Yes	Louisville					\$250,000		Yes
Yes	Ludlow					x		Yes
Yes	Lynch					x		Yes
Yes	Madisonville					x		Yes
Yes	Marion*							Yes
Yes	Mayfield	5	\$975,000	\$ 25,000				Yes
Yes	Maysville					x		Yes
Yes	McVeigh*							Yes
Yes	Middleburg*							Yes
Yes	Middlesboro					x		Yes
Yes	Midway	5	25,000	5,000				No
Yes	Monticello*							Yes
Yes	Moreland*							Yes
Yes	Morganfield	5	185,000	3,000				Yes
Yes	Mt. Sterling	5	210,000	15,000				Yes
No	Mt. Vernon*							Yes
Yes	Munfordville*							Yes
Yes	Murray						10,000	Yes
Yes	Newport					x		Yes
Yes	Nicholasville					x		Yes
Yes	Owensboro					x		Yes
Yes	Owenton*							Yes
Yes	Owingsville	5	50,000	10,000				Yes
Yes	Paducah					x		Yes
Yes	Paintsville					x		Yes
Yes	Paris	5	100,000	20,000				Yes
Yes	Pembroke*							Yes
Yes	Pikeville	5	195,000	5,000				Yes
Yes	Pineville						10,000	Yes
Yes	Pine Knot*							Yes
Yes	Prestonsburg	5	37,000	15,000				No
Yes	Princeton	5	32,500	10,000				Yes
Yes	Providence*							Yes
Yes	Raceland					x		Yes
Yes	Ravenna*							Yes
Yes	Richmond						15,000	Yes
Yes	Russell					x		Yes
Yes	Russellville	5	50,000	10,000				Yes
Yes	Science Hill*							Yes
Yes	Scottsville						1,000	Yes
Yes	Sebree	5	20,000	4,000				Yes

Table 22—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Sharpsburg*							Yes
Shelbyville	5	\$235,000	\$ 20,000				Yes
Silver Grove					x		Yes
Somerset	5	175,000	25,000				Yes
Southgate*							Yes
South Portsmouth*							Yes
Springfield*							Yes
Stanford					x		Yes
Stearns	5	10,000	2,000				Yes
Trenton*							Yes
Uniontown*							Yes
Upton*							Yes
Vanceburg*							Yes
Van Lear						\$ 2,000	Yes
Versailles	5	50,000	10,000				Yes
Walton-Verona*							Yes
West Point*							Yes
Williamsburg	5	10,000	5,000				Yes
Williamstown	5	105,000	10,000				Yes
Winchester	5	250,000	25,000				Yes

\* Federal Deposit Insurance is sufficient to protect the funds on deposit.

Table 23

**TYPE OF DEPOSITORY PROTECTION AND THE PENAL SUM OF  
BONDS FOR EACH INDEPENDENT SCHOOL DISTRICT  
IN KENTUCKY FOR 1936-1937**

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Albany*							Yes
Anchorage						\$10,000	Yes
Artemus*							Yes
Ashland					x		Yes
Augusta	5	\$ 5,000	\$ 1,000				Yes
Barbourville*							Yes
Bardstown	5	125,000	10,000				No
Beaver Dam*							Yes
Beechwood	4	5,000	5,000				Yes
Bellevue						20,000	Yes
Benton*							Yes
Berea*							Yes
Bevier-Cleaton*							Yes
Bloomfield	5	25,000	4,000				No
Bowling Green					x		Yes
Brodhead					x		Yes
Brooksville*							Yes
Buffalo*							Yes
Burgin						2,000	Yes
Burkesville*							Yes
Burnside*							Yes
Cadiz*							Yes
Campbellsville	5	287,000	20,000				Yes
Campton*							Yes
Carlisle						1,000	Yes
Carrollton						12,500	Yes
Catlettsburg						4,000	Yes
Cave City						5,000	No
Central City					x		Yes
Chaplin	5	5,000	2,000				No
Clarkson*							Yes
Clay*							Yes
Cloverport					x		Yes
Cold Spring	5	23,000	7,000				No
Columbia*							Yes
Corbin						10,000	Yes
Covington						100,000	Yes
Crab Orchard*							Yes
Crofton					x		No
Cynthiana	5	150,000	40,000				Yes
Danville						25,000	Yes
Dawson Springs*							Yes

Table 23—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Dayton					x		Yes
Dunnville	5	\$ 12,000	\$ 1,000				Yes
Earlington	5	34,000	10,000				Yes
East Bernstadt*							Yes
Eddyville*							Yes
Elizabethtown						\$ 5,000	Yes
Elkton*							Yes
Eminence*							Yes
Erlanger						5,000	Yes
Fairview						10,000	Yes
Falmouth						5,000	No
Ferguson	5	165,000	5,000				Yes
Ft. Thomas						55,000	Yes
Frankfort						100,000	Yes
Franklin	7	35,000	5,000				Yes
Fredonia*							Yes
Fulton				5,000			Yes
Gatliff*							Yes
Georgetown						10,000	Yes
Glasgow						10,000	Yes
Grand Rivers*							Yes
Grays*							Yes
Grayson	5	45,000	10,000				No
Greensburg*							Yes
Greenup*							Yes
Greenville				5,000			Yes
Guthrie*							Yes
Harlan							No
Harrodsburg	11	90,000	15,000				No
Hazard						5,000	Yes
Heidelberg*							Yes
Henderson						25,000	No
Hickman							Yes
Hikes						20,000	Yes
Hodgenville*							Yes
Hopkinsville						25,000	Yes
Horse Cave*							Yes
Houstonville*							Yes
Irvine	5	60,000	10,000				Yes
Irvington	5	30,000	8,000				No
Jackson						2,650	Yes
Jenkins							Yes
Kings Mountain	6	97,000	10,000				Yes
Kuttawa*							Yes
Lawrenceburg						5,000	No



Table 23—Continued

Federal Deposit Ins.	Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
		No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Yes	Lancaster					\$2,000	Yes	
Yes	Lebanon*						Yes	
Yes	Lebanon Junction*						Yes	
Yes	Leitchfield					5,000	Yes	
Yes	Lexington					30,000	Yes	
Yes	Liberty*						Yes	
Yes	Livermore*						Yes	
Yes	Livingston*						Yes	
Yes	London					10,000	Yes	
Yes	Lone Jack				\$5,000		Yes	
No	Louisville					250,000	Yes	
Yes	Ludlow					20,000	No	
Yes	Lynch						x	
Yes	Madisonville						x	
Yes	Marion*						Yes	
Yes	Mayfield	5	\$975,000	\$ 20,000			Yes	
Yes	Maysville						x	
Yes	McVeigh						x	
Yes	Middleburg*						Yes	
Yes	Middlesboro						x	
Yes	Midway	5	30,000	5,000			Yes	
Yes	Monticello	5	65,000	2,000			No	
No	Moreland*						Yes	
Yes	Morganfield	5	185,000	3,000			Yes	
Yes	Mt. Sterling	5	210,000	15,000			Yes	
Yes	Mt. Vernon*						Yes	
Yes	Munfordville*						Yes	
No	Murray					10,000	Yes	
No	Newport						x	
Yes	Nicholasville						x	
Yes	Owensboro						x	
No	Owenton*						Yes	
Yes	Owingsville	5	50,000	10,000			Yes	
Yes	Paducah						x	
Yes	Paintsville						2,000	
Yes	Paris	5	100,000	20,000			Yes	
Yes	Pembroke*						Yes	
Yes	Pikeville	5	175,000	5,000			Yes	
Yes	Pineville						10,000	
No	Pine Knot*						Yes	
Yes	Prestonsburg	5	45,000	10,000			Yes	
Yes	Princeton	5	85,000	20,000			No	
Yes	Providence*						Yes	
Yes	Raceland						x	
No	Ravenna*						Yes	

Table 23—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Richmond						\$15,000	Yes
Russell					x		No
Russellville	5	\$ 50,000	\$ 10,000				Yes
St. Helens						7,500	Yes
Salt Lick*							Yes
Science Hill	5	5,000	1,000				Yes
Scottsville						1,000	Yes
Sebree	5	25,000	4,000				No
Sharpsburg*							Yes
Shelbyville	5	280,000	20,000				Yes
Shepherdsville*							Yes
Silver Grove					x		Yes
Somerset	5	175,000	25,000				Yes
Southgate						1,000	Yes
South Portsmouth*							Yes
Springfield*							Yes
Stanford					x		Yes
Stearns	5	10,000	2,000				Yes
Sturgis*							Yes
Tompkinsville*							Yes
Trenton*							Yes
Uniontown*							Yes
Upton*							Yes
Vanceburg*							Yes
Van Lear					x		Yes
Versailles	5	41,000	10,000				Yes
Walton						4,700	Yes
West Point*							Yes
Williamsburg	5	10,000	5,000				Yes
Williamstown	5	85,000	10,000				Yes
Winchester	5	250,000	25,000				Yes

\* Federal Deposit Insurance is sufficient to protect the funds on deposit.

TYPE

Albar  
Anch  
Arter  
Ashla  
Augu

Barbo  
Bards  
Bard  
Beatt  
Beav

Beech  
Belle  
Bent  
Bere  
Bevie

Bloor  
Bowl  
Brook  
Brom  
Brook

Buffa  
Burg  
Burk  
Burn  
Cadiz

Camp  
Camp  
Carli  
Carro  
Catle

Cave  
Cent  
Chap  
Clark  
Clay

Clift  
Clov  
Cold  
Colum  
Corb

Cote  
Covi

Table 24

**TYPE OF DEPOSITORY PROTECTION AND THE PENAL SUM OF  
BONDS FOR EACH INDEPENDENT SCHOOL DISTRICT  
IN KENTUCKY FOR 1935-1936**

Federal Deposit Ins.	Name of District	Personal Surety Bonds			Cor- porate Bonds	Deposited Collateral		Federal Deposit Ins.
		No. of Sure- ties	Aggre- gate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agree- ment	
Yes	Albany	5	\$ 23,000	\$ 5,000				*
Yes	Anchorage						\$10,000	
Yes	Artemus	5	85,500	2,000				
Yes	Ashland					x		
Yes	Augusta	5	50,000	10,000				
No	Barbourville						1,000	
Yes	Bardstown	5	203,500	10,000				
Yes	Bardwell	5	15,000	1,000				
Yes	Beattyville						2,500	
Yes	Beaver Dam						2,500	
Yes	Beechwood	5	15,000	15,000				
Yes	Bellevue						20,000	
Yes	Benton						1,000	
Yes	Berea	5	45,000	5,000				
Yes	Bevier-Cleaton					x		
Yes	Bloomfield	4	25,000	4,000				
Yes	Bowling Green					x		
Yes	Brodhead					x		
Yes	Bromley	5	10,000	4,000				
Yes	Brooksville					x		
Yes	Buffalo	5	5,000	1,000				
Yes	Burgin						2,000	
Yes	Burkesville	5	4,500	2,500				
Yes	Burnside	5	23,500	4,500				
Yes	Cadiz	5	52,500	3,000				
Yes	Campbellsville	5	62,000	20,000				
Yes	Campton	5	35,500	2,500				
Yes	Carlisle						1,000	
Yes	Carrollton						12,000	
Yes	Catlettsburg						4,000	
	Cave City						5,000	
	Central City					x		
	Chaplin	5	5,000	1,000				
	Clarkson						4,000	
	Clay	5	9,000	5,000				
	Clifton	5	10,000	2,000				*
	Cloverport					x		
	Cold Spring	5	29,000	7,000				
	Columbia	5	36,000	20,000				
	Corbin				\$5,000			
	Cote Brilliante						5,000	
	Covington	5	50,000	50,000				

Table 24—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Crab Orchard	5	\$ 10,000	\$ 2,000				
Crofton						\$3,000	
Cynthiana	5	255,000	30,000				
Danville	5	53,000	35,000				
Dayton	5	37,000	25,000				
Dawson Springs	2	4,000	1,500				
Dunnville	5	12,000	1,000				
Dwarf	5	53,000	4,000				
Earlington	5	48,000	7,500				
East Bernstadt	5	35,000	2,000				
Eddyville	5	31,000	2,000				
Elizabethtown						5,000	
Elizaville	5	65,000	3,000				
Elkton	5	247,000	4,000				
Eminence	5	10,000	5,000				
Erlanger						2,149	
Fairview						10,000	
Falmouth						5,000	
Ferguson	5	165,000	10,000				
Flemingsburg	5	25,000	5,000				
Ft. Thomas						55,000	
Frankfort	5	214,000	62,000				
Franklin	8	40,000	5,000				
Fredonia	5	3,500	1,000				
Fulton				5,000			
Gatliff	5	5,000	2,500				
Georgetown						10,000	
Ghent	5	32,000	1,000				
Glasgow						15,000	*
Grand Rivers	5	12,500	2,500				
Grays						1,000	
Grayson	5	45,000	10,000				
Greensburg	5	1,000	1,000				
Greenup							
Greenville				5,000	x		
Guthrie	5	82,000	2,000				
Glencoe	5	20,000	4,000				
Harlan						41,386	
Harrodsburg	9	87,500	5,000				
Hazard						10,000	
Heidelberg	5	45,000	5,000				
Henderson						25,000	
Hickman						1,444	
Hikes						20,000	
Hodgenville						5,000	

Table 24—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Hopkinsville						\$15,000	
Horse Cave	5	\$ 25,000	\$ 5,000				
Houstonville	5	18,000	3,000				
Irvine	5	39,500	2,000				
Irvington	5	20,000	8,000				
Jackson						2,659	
Jenkins						25,000	
Kings Mountain	5	97,000	10,000				
Kuttawa	5	5,000	1,000				
Lawrenceburg						7,382	
Lancaster	9	23,500	5,000				
Lebanon	5	42,500	2,000				
Lebanon Junction						5,000	
Leitchfield						5,000	
Lexington						33,685	
Liberty	5	39,000	1,000				
Livermore						1,000	
Livingston						1,000	
London						10,000	*
Lone Jack				\$5,000			
Louisville						250,000	
Ludlow						20,000	
Lynch						20,000	
Madisonville						15,000	
Marion	5	22,500	3,000				
Mayfield	5	515,000	100,000				
Maysville					x		
McVeigh					x		
Middleburg	5	12,000	1,500				
Middlesboro						8,000	
Midway	5	75,000	5,000				
Monticello	5	59,000	2,000				
Moreland	5	7,000	1,500				
Morganfield	5	185,000	5,000				
Mt. Eden					x		
Mt. Sterling	5	255,000	15,000				
Mt. Vernon						3,000	
Munfordville	5	25,000	5,000				
Murray					x		
Newport					x		
Nicholasville					x		
Owensboro					x		
Owenton	5	57,000	5,000				
Owingsville	5	50,000	10,000				
Packard	5	25,000	2,000				

Table 24—Continued

Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
	No. of Sureties	Aggregate Assets of Sureties	Penal Sum		Sliding Scale	Escrow Agreement	
Paducah						\$35,000	
Paintsville						2,000	
Paris	7	\$ 70,000	\$ 10,000				
Pembroke					x		
Pikeville	5	175,000	5,000				
Pineville						10,000	
Pine Knot	5	6,700	1,000				
Prestonsburg	5	45,000	10,000				
Princeton	5	85,000	20,000				*
Providence						2,000	
Pulaski	5	5,000	1,000				
Raceland					x		
Ravenna	5	44,000	8,000				
Richmond						15,000	
Russell					x		
Russellville	5	50,000	10,000				
St. Helens						7,500	
Salt Lick	5	10,000	2,000				
Science Hill	5	5,000	1,000				
Scottsville						1,000	
Sebree	5	20,000	4,000				
Sharpsburg	5	200,000	4,000				
Shelbyville	5	195,000	20,000				
Shepherdsville	5	3,000	1,000				
Silver Grove	5	35,000	10,000				
Somerset	5	175,000	30,000				
Sonora	5	16,000	2,000				
South Carrollton					x		
Southgate					x		
South Portsmouth						2,000	
Sparta	5	15,000	3,000				
Springfield						1,500	
Stanford	5	5,700	1,000				
Stearns	5	25,000	5,000				
Sturgis	5	13,000	8,000				
Tolu	5	5,000	1,000				
Tompkinsville	5	20,000	4,000				
Trenton	5	2,500	500				
Uniontown	5	25,000	6,000				
Upton						5,000	
Vanceburg	5	250,000	5,000				
Van Lear						2,000	
Versailles	5	61,000	10,000				*
Walton						4,700	
Weeksburly	5	20,000	5,000				

**Table 24—Continued**

Federal Deposit Ins.	Name of District	Personal Surety Bonds			Corporate Bonds	Deposited Collateral		Federal Deposit Ins.
		No. of Sureties	Aggregate Assets of Sureties	Per.al Sum		Sliding Scale	Escrow Agreement	
	West Point						\$ 2,000	
	Williamsburg	5	\$ 10,000	\$ 5,000				
	Williamstown	5	75,000	10,000				
	Winchester	5	90,000	20,000				
	Wurtland							x

\* Ruling of Attorney General precluded application of F.D.I. in lieu of bond.

**Table 25**

**BONDS OF KENTUCKY COUNTY SCHOOL DISTRICT TREASURERS ACCORDING TO TYPE OF BOND PROVIDED FOR THE YEARS BETWEEN JULY 1, 1935, AND JUNE 30, 1941**

Year	Personal		Corporate	
	Number	Per Cent	Number	Per Cent
1940-1941	49	40.8	71	59.2
1939-1940	57	47.5	63	52.5
1938-1939	54	45.0	66	55.0
1937-1938	65	54.2	55	45.8
1936-1937	67	55.8	53	44.2
1935-1936*	74	61.7	38	31.7
Total	366	50.8	346	48.0

\* Eight districts had sliding scale and escrow agreement bonds.

**Table 26**

**BONDS OF KENTUCKY INDEPENDENT SCHOOL DISTRICT TREASURERS ACCORDING TO TYPE OF BOND PROVIDED FOR THE YEARS BETWEEN JULY 1, 1935, AND JUNE 30, 1941**

Year	Personal		Corporate	
	Number	Per Cent	Number	Per Cent
1940-1941	43	30.3	99	69.7
1939-1940	47	33.1	95	66.9
1938-1939	46	31.9	98	68.1
1937-1938	48	31.6	104	68.4
1936-1937	60	36.8	103	63.2
1935-1936*	70	39.5	107	60.4
Total	314	34.1	606	65.8

\* Six districts had escrow agreement bonds.

## Comparison of Bonding Practices of County and Independent Districts

In comparing table 25 with table 26, it will be seen that the per cent of corporate bonds has been higher each year in independent districts than in county districts. Though the per cent of corporate bonds has increased in each type of district during the six-year period considered here, it seems that very few school districts ever change from the corporate type bond to the personal type surety bond.

**Table 27**

### BONDS OF KENTUCKY COUNTY SCHOOL DISTRICT DEPOSITORIES ACCORDING TO TYPE OF BOND PROVIDED FOR THE YEARS BETWEEN JULY 1, 1935, AND JUNE 30, 1941

Year	Personal		Corporate		Escrow Agreement		Sliding Scale		FDIC*	
	No.	Per Cent	No.	Per Cent	No.	Per Cent	No.	Per Cent	No.	Per Cent
1940-1941	29	24.2	0	0	67	55.8	18	15.0	6	5
1939-1940	38	31.7	0	0	45	37.5	32	26.7	5	4.2
1938-1939	44	36.7	0	0	42	35.0	31	25.8	3	2.5
1937-1938	65	54.2	0	0	26	21.7	27	22.5	2	1.7
1936-1937	64	53.3	0	0	26	21.7	27	22.5	3	2.5
1935-1936	73	60.8	0	0	33	27.5	14	11.6	0	0.0
<b>Total</b>	<b>313</b>	<b>43.4</b>	<b>0</b>	<b>0</b>	<b>239</b>	<b>33.1</b>	<b>149</b>	<b>20.6</b>	<b>19</b>	<b>2.6</b>

\* Districts in which Federal Deposit Insurance was ample protection.

**Table 28**

### BONDS OF KENTUCKY INDEPENDENT SCHOOL DISTRICT DEPOSITORIES ACCORDING TO TYPE OF BOND PROVIDED FOR THE YEARS BETWEEN JULY 1, 1935, AND JUNE 30, 1941

Year	Personal		Corporate		Escrow Agreement		Sliding Scale		FDIC*	
	No.	Per Cent	No.	Per Cent	No.	Per Cent	No.	Per Cent	No.	Per Cent
1940-1941	16	11.2	3	2.1	48	33.8	16	11.2	59	41.5
1939-1940	17	11.9	3	2.1	35	24.6	24	16.9	63	44.3
1938-1939	22	15.2	3	2.0	33	22.9	23	15.9	63	43.7
1937-1938	32	21.0	3	1.9	31	20.3	24	15.7	62	40.7
1936-1937	37	22.6	3	1.8	38	23.3	24	14.7	61	37.4
1935-1936	100	54.9	4	2.1	57	31.3	21	11.5		
<b>Total</b>	<b>224</b>	<b>24.2</b>	<b>19</b>	<b>2.0</b>	<b>242</b>	<b>26.1</b>	<b>132</b>	<b>14.2</b>	<b>308</b>	<b>33.2</b>

\* Districts in which Federal Deposit Insurance was ample protection.



## Comparison of Bonding Practices of County and Independent Districts

A comparison of table 27 with table 28 shows that over the period 1935-1936 through 1940-1941, a higher percentage of collateral bonds was found used by county districts than was used by independent districts. It should be taken into consideration that a higher percentage of independent districts found Federal Deposit Insurance sufficient depository protection. Actually, 43.4% of county district depository bonds were secured by personal surety, while only 24.3% of the independent districts used this type of protection for depositories.

Collateral bonds appear to be rapidly replacing personal bonds in bonding depositories. Three independent districts consistently used corporate bonds for bonding depositories during the period, but no county district employed corporate bonds for this purpose.

**Table 29**

### PENAL SUMS OF TREASURER AND DEPOSITORY BONDS OF KENTUCKY COUNTY SCHOOL DISTRICTS AS COMPARED WITH MAXIMUM BANK BALANCES FOR 1940-1941

Name of District	Bond of Treasurer	Maximum Bank Balance	Depository Bond
Adair	\$ 20,000	\$ 21,700	\$ 20,000
Allen	2,000	10,600	†
Anderson	30,000	13,100	†
Ballard	20,000	24,400	30,000
Barren	15,000	43,000	10,000
Bath	7,000	14,000	10,000
Bell	10,000	31,000	10,000
Boone	20,000	18,500	5,000
Bourbon	50,000	67,000	50,000
Boyd	15,000	15,000	10,000
Boyle	10,000	30,800	15,000
Bracken	10,000	23,000	†
Breathitt	15,000	5,400	10,000
Breckinridge	10,000	12,500	5,000
Bullitt	10,000	14,000	5,000
Butler	10,000	4,500	5,000
Caldwell	10,000	7,500	5,000
Calloway	10,000	19,700	15,000
Campbell	20,000	23,000	†
Carlisle	12,000	5,600	5,000*
Carroll	5,000	5,000	5,000
Carter	15,000	7,800	35,000
Casey	15,000	11,100	5,000
Christian	25,000	43,000	50,000
Clark	20,000	46,000	25,000

Table 29—Continued

Name of District	Bond of Treasurer	Maximum Bank Balance	Depository Bond	
Clay	\$ 15,000	\$ 14,000	\$ 10,000	Mars
Clinton	6,000	10,600	3,000	Mart
Crittenden	7,500	5,400	2,500	Masc
Cumberland	5,000	6,600	5,000*	McC
Daviess	20,000	33,900	15,000	McC
Edmonson	10,000	6,800	10,000	McL
Elliott	25,000	2,800	5,000*	Mea
Estill	10,000	11,600	10,000	Men
Fayette	60,000	97,000	†	Merc
Fleming	20,000	22,000	17,500	Met
Floyd**	25,000	46,000	35,000	Mon
Franklin	10,000	15,800	5,000	Mont
Fulton	10,000	9,600	†	Morg
Gallatin	15,000	19,900	10,000	Muhl
Garrard	15,000	17,400	20,000	Nels
Grant	30,000	10,800	30,000	Nich
Graves	100,000	26,000	100,000	Ohio
Grayson	10,000	11,700	10,000	Oldh
Green	10,000	8,500	5,000	Owe
Greenup	8,000	58,400	†	Owsl
Hancock	5,000	8,800	5,000	Pend
Hardin	20,000	24,000	15,000	Perr
Harlan	50,000	56,000	50,000	Pike
Harrison	5,000	28,000	†	Powe
Hart	10,000	11,000	†	Pulas
Henderson	15,000	18,000	10,000	Robe
Henry	15,000	37,500	10,000	Rock
Hickman	5,000	17,000	5,000	Rowe
Hopkins	25,000	14,700	†	Russ
Jackson	10,000	11,100	5,000	Scott
Jefferson	50,000	314,000	195,000	Shell
Jessamine	15,000	88,200	†	Simp
Johnson	10,000	25,000	15,000	Spen
Kenton	20,000	43,000	20,000	Tayl
Knott	50,000	16,000	10,000	Todd
Knox	20,000	8,600	30,000	Trigg
Larue	20,000	9,900	10,000	Trim
Laurel	25,000	14,600	25,000	Unio
Lawrence	25,000	20,000	10,000	Warr
Lee	10,000	14,700	10,000	Wash
Leslie	15,000	5,400	5,000*	Way
Letcher	30,000	37,000	25,000	Webs
Lewis	30,000	32,000	30,000	Whit
Lincoln	20,000	28,000	18,000	Wolf
Livingston	5,000	4,300	5,000	Wood
Logan	30,000	20,000	25,000	
Lyon	10,000	3,600	10,000	
Madison	15,000	64,000	15,000	
Magoffin	20,000	15,500	10,000	
Marion	25,000	35,000	29,000	

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Table 29—Continued

County and	Name of District	Bond of Treasurer	Maximum Bank Balance	Depository Bond
10,000	Marshall	\$ 5,000	\$ 22,000	\$ 10,000
3,000	Martin	35,000	17,000	25,000
2,500	Mason	10,000	39,000	†
5,000*	McCracken	20,000	8,700	†
15,000	McCreary	10,000	15,300	5,000
10,000	McLean	10,000	8,900	5,000
5,000*	Meade	15,000	18,600	†
10,000	Menifee	8,000	5,800	2,000
†	Mercer	10,000	30,000	20,000
17,500	Metcalfe	10,000	5,900	5,000
35,000	Monroe	10,000	11,300	20,000
5,000	Montgomery	10,000	10,500	10,000
†	Morgan	15,000	16,000	15,000
10,000	Muhlenberg	35,000	38,200	35,000
20,000	Nelson	10,000	47,000	20,000
30,000	Nicholas	12,000	12,300	7,000
00,000	Ohio	20,000	26,700	20,000
10,000	Oldham	3,000	28,000	15,000
5,000	Owen	10,000	1,900	10,000
†	Owsley	16,000	5,000	5,000
5,000	Pendleton	10,000	6,600	5,000
15,000	Perry	20,000	25,000	20,500
50,000	Pike	50,000	64,000	50,000
†	Powell	10,000	11,800	10,000
†	Pulaski	30,000	22,000	20,000
10,000	Robertson	7,500	4,100	5,000*
10,000	Rockcastle	10,000	14,900	10,000
5,000	Rowan	30,000	21,100	30,000
†	Russell	15,000	13,800	15,000
5,000	Scott	15,000	42,800	22,400
95,000	Shelby	25,000	35,800	†
†	Simpson	10,000	8,600	10,000
15,000	Spencer	7,000	9,400	7,000
20,000	Taylor	6,000	10,800	10,000
10,000	Todd	10,000	19,100	†
30,000	Trigg	10,000	6,300	10,000
10,000	Trimble	5,000	6,100	†
25,000	Union	25,000	16,000	25,000
10,000	Warren	15,000	39,100	35,000
10,000	Washington	10,000	6,100	5,000
5,000*	Wayne	8,000	8,400	8,000
25,000	Webster	15,000	18,800	10,000
30,000	Whitley	25,000	8,100	49,000
18,000	Wolfe	10,000	7,900	10,000
5,000	Woodford	50,000	25,000	50,000

† Sliding Scale.

\* \$5,000 Federal Deposit Insurance only.

Counties not marked by \* or by \*\* have \$5,000 additional protection under F.D.I.C.

Table 29 reveals that the penal sums of 59 county district treasurers, or 49.1 per cent, fail by considerable amounts to equal the maximum bank balance of the district funds; likewise, the bonds of 32 depositories, or 26.6 percent, are inadequate in this respect.

**Table 30**  
**PENAL SUMS OF TREASURER AND DEPOSITORY BONDS OF KENTUCKY INDEPENDENT SCHOOL DISTRICTS AS COMPARED WITH MAXIMUM BALANCES FOR 1940-1941**

Name of District	Bond of Treasurer	Maximum Bank Balance	Depository Bond
Albany	\$ 6,000	\$ 1,400	\$ 5,000*
Anchorage	75,000	11,600	†
Artemus	3,000	3,200	5,000*
Ashland	50,000	66,000	†
Augusta	7,000	5,700	2,000
Barbourville	2,000	5,500	50,000
Bardstown	10,000	38,800	30,500
Beechwood	10,000	12,300	5,000
Bellevue	15,000	20,900	25,000
Benton	2,000	3,200	5,000*
Berea	2,000	2,300	5,000*
Bevier-Cleaton	2,000	1,300	5,000*
Bloomfield**	5,000	43,000	5,000
Bowling Green	50,000	54,000	25,000
Brodhead	2,000	2,900	5,000*
Burgin	2,000	11,300	5,000*
Burkesville	5,000	2,100	5,000*
Burnside	2,500	550	5,000*
Cadiz	5,000	1,000	5,000*
Campbellsville	18,000	10,800	3,000
Carlisle	2,000	3,200	1,000
Carrollton	10,000	5,000	15,000
Catlettsburg	10,000	8,500	7,000
Cave City**	3,000	6,100	5,000
Central City	10,000	6,100	8,600
Clay	2,000	5,500	5,000*
Cloverport	5,000	5,200	5,000*
Cold Spring	4,000	4,000	5,000*
Columbia	12,000	5,000	5,000*
Corbin	10,000	13,400	10,000
Covington	15,000	125,000	100,000
Crofton**	3,000	2,500	3,500
Cynthiana	25,000	18,700	12,000
Danville	10,000	39,000	15,000
Dawson Springs	5,000	5,900	5,000*
Dayton	5,000	18,100	15,000
Earlington	5,000	4,700	5,000*
East Bernstadt	5,000	1,600	5,000*

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Table 30—Continued

Name of District	Bond of Treasurer	Maximum Bank Balance	Depository Bond
Eddyville	\$ 2,000	\$ 1,400	\$ 5,000*
Elizabethtown	10,000	10,200	5,000
Eminence	2,500	5,600	5,000
Erlanger	10,000	52,000	†
Fairview	5,000	9,200	5,000
Falmouth	5,000	3,100	5,000
Ferguson	10,000	11,800	5,000
Ft. Thomas	25,000	77,100	†
Frankfort	25,000	54,300	47,200
Franklin	10,000	12,000	5,000
Fredonia	2,500	1,900	5,000*
Fulton	5,000	6,300	5,000
Gatliff	2,500	2,000	5,000*
Georgetown	10,000	12,400	10,000
Glasgow	10,000	20,100	10,000
Grand Rivers	2,500	1,200	5,000*
Grayson	5,000	4,600	5,000*
Greensburg	5,000	1,200	5,000*
Greenup	5,000	11,900	†
Greenville	5,000	7,900	5,000
Guthrie	5,000	6,100	5,000*
Harlan	30,000	11,900	†
Harrodsburg	5,000	22,400	15,000
Hazard	10,000	18,600	5,000
Henderson	25,000	32,900	45,000
Hickman	7,500	4,000	4,000
Hikes	10,000	5,300	5,000
Hodgenville	5,000	6,500	5,000*
Hopkinsville	25,000	44,000	35,000
Horse Cave	2,000	3,800	5,000*
Irvine	10,000	6,300	4,500
Jackson	6,000	4,800	5,000*
Jenkins	25,000	26,000	25,000
Kings Mountain	10,000	3,800	10,000
Kuttawa	1,000	600	5,000*
Lancaster	10,000	11,500	6,000
Lawrenceburg	5,000	13,700	5,000
Lebanon	5,000	6,600	5,000
Lebanon Junction	3,000	3,900	5,000*
Leitchfield	5,000	5,100	5,000
Lexington	25,000	98,000	†
Liberty	4,000	3,000	5,000
Livermore	1,500	5,300	5,000*
Livingston	2,000	1,100	5,000*
London	5,000	6,500	5,000*
Lone Jack	5,000	13,600	3,000
Louisville	50,000	653,000	250,000

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Table 30—Continued

Name of District	Bond of Treasurer	Maximum Bank Balance	Depository Bond
Ludlow	\$ 10,000	\$ 11,000	†
Lynch	20,000	65,900	\$ 50,000
Madisonville	10,000	35,000	†
Marion	7,500	5,400	5,000*
Mayfield	25,000	31,400	25,000
Maysville	10,000	38,300	28,000
McVeigh	5,000	4,400	5,000*
Middleburg	2,000	1,900	5,000*
Middlesboro	20,000	29,000	†
Midway	5,000	6,400	5,000
Monticello	6,000	8,300	5,000*
Moreland	1,000	1,400	5,000*
Mt. Sterling	15,000	19,100	15,000
Mt. Vernon	4,000	3,200	5,000*
Munfordville	5,000	2,200	5,000*
Murray	10,000	15,700	10,000
Newport	10,000	26,400	†
Nicholasville	10,000	4,600	†
Owensboro	10,000	154,300	†
Owenton	5,000	4,700	5,000*
Paducah	40,000	66,300	80,000
Paintsville	5,000	12,500	2,000
Paris	20,000	32,400	20,000
Pembroke	10,000	4,600	5,000*
Pikeville	10,000	7,900	10,000
Pineville	10,000	10,200	10,000
Prestonsburg**	25,000	8,900	15,000
Princeton	10,000	8,900	5,000
Providence	7,000	9,100	5,000*
Raceland	15,000	10,200	†
Ravenna	5,000	6,200	5,000*
Richmond	15,000	26,400	20,000
Russell	20,000	20,500	†
Russellville	7,500	17,200	15,000
Science Hill	1,000	1,000	5,000*
Scottsville	5,000	7,700	5,000*
Sebree**	4,000	1,900	4,000
Sharpsburg	5,000	2,800	5,000*
Shelbyville	20,000	32,000	20,000
Silver Grove	5,000	14,900	7,500
Somerset	5,000	4,000	30,000
Southgate	2,000	10,000	5,000*
South Portsmouth	6,000	6,600	5,000*
Springfield	5,000	7,300	5,000*
Stanford	10,000	600	†
Stearns	2,500	5,000	5,000*
Trenton	2,000	2,300	5,000*

Table 30—Continued

Name of District	Bond of Treasurer	Maximum Bank Balance	Depository Bond
Uniontown	\$ 2,500	\$ 400	\$ 5,000 *
Upton	5,000	1,300	5,000*
Vanceburg	5,000	4,600	5,000*
Van Lear	2,000	5,200	5,000*
Versailles	10,000	13,500	5,000
Walton-Verona	5,000	4,300	5,000*
West Point	2,000	2,100	5,000*
Williamsburg	5,000	6,800	5,000*
Williamstown	15,000	7,900	10,000
Winchester	20,000	37,200	25,000

† Sliding Scale.

\* \$5,000 Federal Deposit Insurance only.

\*\* Depository is not protected by Federal Deposit Insurance.

Counties not marked by \* or by \*\* have \$5,000 additional protection under F.D.I.C.

Table 30 reveals that the penal sums of 69 independent district treasurers, or 46.4 per cent, fail to equal the maximum bank balance of the district funds by considerable amounts; likewise, the bonds of 17 depositories, or 11.3 per cent, are inadequate in this respect.

#### Analysis of the Types of Bonds Executed for Treasurers and Depositories 1935-1936 Through 1940-1941

As has been shown, Section 4399-42 and Section 4399-43 provide two types of bonds, personal and corporate, for treasurers of school districts, and three types of bonds, personal, corporate, and collateral, for depositories of school districts. A brief analysis of these different types of bonds is offered.

**Personal Bonds.** A personal bond is a bond wherein the penal sum is guaranteed by personal sureties. Under present law in Kentucky three sureties are required on treasurers bonds and five sureties are required on bonds for depositories. The sureties on sworn statements pledge that their aggregate unencumbered assets equal the penal sum set out in the bound. The fact that no cost is involved in executing a personal bond is frequently given as a distinct advantage of this type of bond. Too, it is claimed that most depositories will provide personal bond more readily than another form of bond. This, when used as an argument in favor of personal bonds, appears to be somewhat questionable.

Any advantages that personal bonds may have seem to be more than offset by the following disadvantages:

1. The sureties are self appraised, and may or may not indicate actual unencumbered assets; consequently, the bond may not be as sound as it is made to appear.

2. The sureties may become insolvent and the bond worthless without the knowledge of the board of education.

3. Boards of education would have more or less hesitancy in objecting to persons who sign as personal sureties.

4. According to Linn,<sup>1</sup> who has made a careful study of protection of school funds, the personal bond of a depository is little more worthless when guaranteed by sureties who are officers of the bank.

5. As will be pointed out, several states discriminate against personal bond by requiring twice the amount that would be required were corporate or collateral bonds provided, or as Ohio did, refusing to accept personal bond for a depository.

6. Juries are prone to be lenient with personal sureties after a loss. According to Linn:<sup>2</sup>

Personal sureties are favored by law and may be released from liability on the bonds they have signed after a loss has been incurred . . . Special legislative acts also have been passed in many states releasing personal sureties from their liability.

Regarding interpretation of surety bonds, Edwards says:<sup>3</sup>

It is a well-established rule that a voluntary or accommodation surety, one who from purely disinterested motives gives bond for another without pay, is a favorite of the law. In such a case the rule of strictissimi Juris applies, and all doubt is resolved in favor of the surety. But the rule is otherwise in the case of sureties engaged in business of making bonds for hire. "The old-time accommodation surety has the benefit of the rule, whilst the hireling has not." The courts almost without exception hold that in the case of a surety company, acting for compensation, the bond must be construed strictly.

**Corporate Bonds.** A corporate bond is a surety bond which is guaranteed by a corporation. It must be licensed to do business in Kentucky before it can underwrite bonds for treasurers and depositories.

In many respects, a corporate bond is very satisfactory. The bonding procedure is entirely business-like. In consideration of the premium, the company guarantees the bond. No element of favor enters into the transaction and no one has been embarrassed by

<sup>1</sup> Linn, Henry H., *Safeguarding School Funds*, N. Y. City Bureau of Publications, Teachers College, Columbia University, 1929, page 42.

<sup>2</sup> *Ibid.*, page 36.

<sup>3</sup> Edwards, Newton, *The Courts and the Public Schools*, page 333.



being asked to become a surety. If reasonable care is exercised in selecting a reliable surety company to do business with, no trouble will be experienced in case of loss. Surety companies are subject to governmental regulations as to amount of capital and operate under limitations regarding penal liabilities that they can incur. Courts would not be inclined toward leniency in the event of contest over loss of funds secured by corporate bond. According to Linn,<sup>4</sup> corporate bonds have a strong moral effect. It is rather well known that these companies are relentless in bringing defaulters to judgment. Under Kentucky laws, the cost of treasurer and depository bonds may be paid out of school funds. In this way the cost of protection would be shared by all taxpayers of the district and the burden would not be borne by three, five, or more individuals as in the case of personal surety bonds.

The principal disadvantage of corporate bonds is the cost of premium. The present rate is \$5.00 per \$1,000 on treasurers bonds, and \$16.00 per \$1,000 on depository bonds.

**Deposited Collateral Bonds.** Depository bonds which are guaranteed by defined and approved securities are known as deposited collateral bonds. Securities which are pledged as collateral must be approved by the Kentucky State Board of Education. At present the approved list includes only United States Government Bonds or instrumentalities thereof wherein the principal and interest are guaranteed by the Federal Government, Kentucky State Warrants, and Kentucky State Revenue Bridge Bonds. The system of deposited collateral bonds does not lend itself to bonding of treasurer of school districts, since the treasurer must be an individual and not many individuals wish to pledge collateral in order to serve as a treasurer. For bonding depositories, however, this type of bond is steadily replacing personal bonds. Some bank officials prefer to pledge collateral rather than embarrass officers of the bank by asking them to sign as sureties to a personal bond. There are two types of deposited collateral bonds in use at present, sliding scale and escrow agreement.

By the sliding scale arrangement, the depository places in the hands of a designated agent of the local board of education such securities of approved grade in an amount at least equal to the bank balance on hand. This form of bond has much to commend it. The collateral is gilt edge, and can be converted to cash at once, without litigation, in event of loss of funds. In an unforeseen and unusual circumstance, whereby receipts would become suddenly heavy, the

<sup>4</sup>Linn, op. cit., page 36.

depository, under this plan, would secure the deposits by more collateral. Responsibility to see that funds on deposit are at least matched by collateral, however, rests with the local school administration and requires alertness in this respect.

The escrow agreement bond has essentially the same features of the sliding scale bond, except that a definitely agreed amount of approved securities is placed in escrow with a third party, the escrow agent, mutually agreed upon by the depository and the local board of education. It would be very difficult to devise a safer system for depository protection than the collateral bond as long as the maximum bank balance is protected by collateral of the present approved grades. If the State Board of Education becomes derelict in evaluating and approving collateral, such bonds may become of doubtful value. One example of questionable security being offered as collateral was found in studying the files of treasurer and depository bonds for the year 1935-1936. In this instance two notes, totaling \$6,000 which were owed by the board to the depository bank were used by the bank as collateral to the board of education to secure the school funds that were held by the depository. Protection of funds through proper bonding of depositories has progressed much since then, and, too, the Department of Education has assumed a much more vigilant attitude.

## Chapter IV

### A BRIEF REVIEW OF PRACTICES IN SEVENTEEN OTHER STATES CONCERNING THE BONDS OF TREASURERS AND DEPOSITORIES OF SCHOOL DISTRICTS

In order to serve as a basis of comparison, the general practice of bonding treasurers and depositories of public school districts in seventeen other states has been reviewed. To attempt to make, herein, a critical analysis of the various factors involved in such practices of other states would be completely beyond the realm of this particular study.

**Sources of Information.** Available school laws of other states were read insofar as bonding of treasurers and depositories was concerned.

The findings of Beach<sup>1</sup> and of Linn,<sup>2</sup> who have made the most comprehensive of recent studies concerning safety of school funds, have been utilized.

Questionnaires were sent to the State Departments of Education of eighteen southern and border states. The questionnaire contained the following questions:

#### Treasurer

1. Must the treasurer be an individual?
2. Must the treasurer be a bank or trust company?
3. Otherwise? (Explain.)
4. How is the treasurer selected?
5. For what term may the treasurer be appointed? (Minimum and maximum period of time.)

#### Treasurer's Bond

1. May the treasurer's bond be personal surety in nature?
  - a) How many sureties are required?
2. Must the treasurer's bond be corporate in nature?
3. Must the treasurer's bond be collateral in nature?
  - a) Please state kind and grade of collateral accepted.

#### Depository

1. May the depository be an individual?
2. May the depository be a firm or partnership?
3. May the depository be a bank or trust company?
4. Please state the term for which the depository may be selected. (Minimum and maximum period of time.)

<sup>1</sup>Beach, Fred F., *The Custody of School Funds*.

<sup>2</sup>Linn, op. cit.

### Depository's Bond

1. May the depository bond be of personal surety in nature?
  - a) How many sureties are required?
2. May the depository bond be corporate in nature?
3. May the depository bond employ deposited collateral as surety?
  - a) State kind of securities accepted.

Are all bond forms prepared by the State Department of Education and approved by the State Board of Education?

After all bonds are prepared and executed by the local administrative unit, are they then presented to the State Board of Education for approval?

In connection with both the bond of the treasurer and the depository, what factors determine the penal sum of each?

**Systems of School Fund Custody.** According to Beach,<sup>3</sup> the systems of handling and caring for public school district funds may be grouped into four major divisions:

1. **The School Board Treasurer System.** The school board treasurer plan provides for a treasurer who is appointed by the board of education. The treasurer is responsible for the care and custody of school funds. In 1933, this plan was used in nineteen states.<sup>4</sup>
2. **The Clerk-Treasurer System.** In this arrangement the clerk of the board of education acts as treasurer and is responsible for receiving and disbursing of funds. The funds are kept in a depository. Five states used this system in 1933.<sup>5</sup>
3. **The Depository System.** In the depository system a treasurer is not used, but the depository takes on the functions of a treasurer. The depository accepts receipts and makes disbursements subject to provisions of the law.
4. **The Governmental Treasurer System.** The treasurer of the local governing unit acts as treasurer of the local district school funds under the Governmental Treasurer System. All funds are deposited in a bank which is designated by the treasurer or by the governmental unit. This plan has been in usage in over one-half of the states in the United States at some time.

**Methods of Selecting and of Bonding Treasurers and Depositories of Seventeen other States.** This information was secured from questionnaires received from state departments of education and from school laws of the different states, and is set forth in tables.

<sup>3</sup> Beach, op. cit., page 8.

<sup>4</sup> Beach, loc. cit.

<sup>5</sup> Ibid., page 9.

Table 31 shows methods of selecting school district treasurers. Table 32 shows type of treasurer's bond accepted. Table 33 shows methods of selecting depositories, and table 34 shows types of depository bonds.

**Table 31**  
**METHODS OF SELECTING PUBLIC SCHOOL DISTRICT TREASURERS IN SEVENTEEN STATES**

Name of State	Appointed by Local Board	Governmental Unit Treasurer	No Separate Treasurer Required
Alabama	X		
Arkansas		X	
Florida			X
Illinois	X		
Indiana	X		
Iowa	X		
Louisiana	X***		
Minnesota	X		
Mississippi	X	X	
North Dakota			X
Ohio	X		
Oklahoma		X	
Oregon	X		
Pennsylvania	X		
South Carolina		X	
Texas	X*	X**	
Virginia		X	

\* Independent districts only.

\*\* Districts other than independent.

\*\*\* County Superintendent is ex officio treasurer.

As shown in table 31, treasurers are appointed by local boards of education in Alabama,<sup>6</sup> Illinois,<sup>7</sup> Indiana,<sup>8</sup> Iowa (Independent districts only),<sup>9</sup> Louisiana,<sup>10</sup> Minnesota,<sup>11</sup> Ohio,<sup>12</sup> Oregon,<sup>13</sup> Pennsylvania,<sup>14</sup> and Texas (independent districts only).<sup>15</sup> Treasurers of local governmental units serve as treasurers of district school boards in Arkansas,<sup>16</sup> Mississippi,<sup>17</sup> Oklahoma,<sup>18</sup> South Carolina,<sup>19</sup> Texas

<sup>6</sup> Questionnaire received from Alabama State Department of Education, July, 1941.

<sup>7</sup> School Laws of Illinois, 1928, Section 67, page 26.

<sup>8</sup> School Laws of Indiana, 1935, Section 1212, page 473.

<sup>9</sup> School Laws of Iowa, 1935, Section 4222, page 189.

<sup>10</sup> Louisiana, 1936, Section 51, page 194.

<sup>11</sup> School Laws of Minnesota, 1939, Section 308, page 118.

<sup>12</sup> School Laws of Ohio, 1940, Section 4768, page 227.

<sup>13</sup> School Laws of Oregon, 1937, Section 35-1201, page 64.

<sup>14</sup> School Laws of Pennsylvania, 1939, Section 329, page 35.

<sup>15</sup> School Laws of Texas, 1939, Articles 2828-2829, pages 152-153.

<sup>16</sup> School Laws of Arkansas, 1937, Section 11580, page 86.

<sup>17</sup> Questionnaire received from the Mississippi State Department of Education, July 1941.

<sup>18</sup> School Laws of Oklahoma, 1939, Section 159, page 54.

<sup>19</sup> School Laws of South Carolina, 1936, Section 5396, page 55.

(districts other than independent),<sup>20</sup> and Virginia.<sup>21</sup> The states of Florida<sup>22</sup> and North Dakota<sup>23</sup> use a depository system and, therefore, do not have a treasurer.

**Table 32**  
**TYPES OF TREASURER'S BOND IN SEVENTEEN STATES**

Name of State	Personal Surety	Corporate	Collateral
Alabama		X	
Arkansas		X	
Florida*			
Illinois	X	X	
Indiana	X	X	
Iowa	X	X	
Louisiana	X	X	
Minnesota	X	X	
Mississippi**			
North Dakota		X	
Ohio		X	
Oklahoma**			
Oregon		X	
Pennsylvania	X	X	
South Carolina**			X
Texas	X	X	
Virginia	X	X	

\* Use the depository system.

\*\* Determined by local governmental unit.

Table 32 indicates that eight states, Illinois,<sup>24</sup> Indiana,<sup>25</sup> Iowa,<sup>26</sup> Louisiana,<sup>27</sup> Minnesota,<sup>28</sup> Pennsylvania,<sup>29</sup> Texas,<sup>30</sup> and Virginia<sup>31</sup> accept either corporate or personal surety for bonding treasurers. Laws of Alabama<sup>32</sup> and Arkansas<sup>33</sup> specify that a surety bond be executed for treasurers. In Mississippi,<sup>34</sup> Oklahoma,<sup>35</sup> and North Dakota<sup>36</sup> the governmental units determine the type of bond to be used.

<sup>20</sup> School Laws of Texas, 1939, Articles 2828-2829, pages 152-153.

<sup>21</sup> School Laws of Virginia, 1940, Section 700, page 60.

<sup>22</sup> School Laws of Florida, 1939, Section 1090, page 295.

<sup>23</sup> School Laws of North Dakota, 1935, Section 487, page 185.

<sup>24</sup> School Laws of Illinois, 1928, Section 68, page 26.

<sup>25</sup> School Laws of Indiana, 1935, Section 1212, page 473.

<sup>26</sup> School Laws of Iowa, 1935, Section 4305, page 233.

<sup>27</sup> School Laws of Louisiana, 1936, Section 51, page 194.

<sup>28</sup> School Laws of Minnesota, 1939, Section 329, page 130.

<sup>29</sup> School Laws of Pennsylvania, 1939, Section 329, page 35.

<sup>30</sup> School Laws of Texas, 1939, Articles 2828-2829, pages 152, 153.

<sup>31</sup> School Laws of Virginia, 1940, Section 700, page 60.

<sup>32</sup> Questionnaire received from the Alabama State Department of Education, July, 1941.

<sup>33</sup> School Laws of Arkansas, 1937, Section 11580, page 86.

<sup>34</sup> Questionnaire received from the Mississippi State Department of Education, July, 1941.

<sup>35</sup> School Laws of Oklahoma, 1939, Section 159, page 54.

<sup>36</sup> School Laws of North Dakota, 1935, Section 487, page 185.

In Minnesota,<sup>37</sup> if the bond of a treasurer is secured by personal surety, the penal sum is double in amount to the sum required of a corporate bond.

Table 33

**METHODS OF SELECTING PUBLIC SCHOOL DISTRICT DEPOSITORIES IN SEVENTEEN STATES**

Name of State	Appointed by Local Board	Designated of Governmental Unit	Designated by Treasurer
Alabama	X		
Arkansas	X		
Florida	X		
Illinois			X
Indiana			X
Iowa	X		
Louisiana	X		
Minnesota			X
Mississippi		X	
North Dakota	X		
Ohio		X	
Oklahoma	X		
Oregon			X
Pennsylvania	X		
South Carolina	X		
Texas		X	
Virginia			X

Table 33 indicates that in nine states, Alabama, Arkansas, Florida, Iowa, Louisiana, North Dakota, Oklahoma, Pennsylvania, and South Carolina, the depositories are selected by the local boards of education.

Each qualified depository in counties of Florida<sup>38</sup> is entitled to its pro rata share of the county school funds to be deposited. In the event that no depository in a county qualifies, the county board of education may designate a depository outside the county.

The treasurer designates the depository in Illinois, Indiana, Minnesota, Oregon, and Virginia. In these states the treasurer is charged with the actual custody of funds.

In Mississippi, Ohio, and Virginia, the public depositories serve as depositories of the district school funds.

<sup>37</sup> School Laws of Minnesota, loc. cit.

<sup>38</sup> School Laws of Florida, 1939, Section 1090, page 225.

**Table 34**  
**TYPES OF DEPOSITORY BOND IN SEVENTEEN STATES**

Name of State	Personal Surety	Corporate	Collateral
Alabama		X	X
Arkansas		X	X
Florida		X	X
Illinois*			
Indiana	X	X	
Iowa	X	X	X
Louisiana		X	X
Minnesota	X	X	
Mississippi**			
North Dakota		X	X
Ohio		X	X
Oklahoma		X	X
Oregon	X	X	
Pennsylvania		X	X
South Carolina**			
Texas	X	X	X
Virginia	X	X	

\* No bond required.

\*\* Determined by local governmental unit.

Table 34 reveals that eight states, Alabama,<sup>39</sup> Arkansas,<sup>40</sup> Florida,<sup>41</sup> Louisiana,<sup>42</sup> North Dakota,<sup>43</sup> Ohio,<sup>44</sup> Oklahoma,<sup>45</sup> and Pennsylvania,<sup>46</sup> accept only corporate or collateral bonds for depositories.

No bond is required of the depository in Illinois,<sup>47</sup> since the treasurer is the responsible agent.

In Mississippi and South Carolina, the local governmental unit determines the type of bond for depositories since the treasurer of the local political unit has custody of the local school district funds.

In Minnesota,<sup>48</sup> if the depository bond is secured by personal surety, the penal sum is double in amount to the sum which would be required of a corporate bond.

<sup>39</sup> Questionnaire received from the Alabama State Department of Education, July, 1941.

<sup>40</sup> School Laws of Arkansas, 1937, Section 11510, page 16.

<sup>41</sup> School Laws of Florida, 1939, Section 1090, page 295.

<sup>42</sup> School Laws of Louisiana, 1936, Section 5, page 272.

<sup>43</sup> School Laws of North Dakota, 1935, Section 491, page 187.

<sup>44</sup> School Laws of Ohio, 1940, Section 2296a, page 151.

<sup>45</sup> School Laws of Oklahoma, 1939, Section 151, page 50.

<sup>46</sup> School Laws of Pennsylvania, 1939, Section 509, page 57.

<sup>47</sup> School Laws of Illinois, 1928, Section 68, page 26.

<sup>48</sup> School Laws of Minnesota, 1939, Section 338, page 132.



**Summary.** The school laws of the states which were examined indicate that the safeguarding of school funds is generally considered to be highly important. Recognition of this is seen in the various provisions for bonding those who serve as custodians of funds.

Plans for custody of funds are found to differ widely among various states, but under each plan some form of bond is prescribed for the officials who are charged with the expending and the safe-keeping of public school funds.

Most states studied seem to favor the plan whereby the local board of education selects the treasurer and the depository.

The terms for which treasurers and depositories are selected in the various states vary from one to four years. Terms of one and two years are found in most frequent usage.

Personal surety bonds are not acceptable in some states, are acceptable in some states, and are frankly discriminated against in other states. All states seem to recognize merits of corporate and collateral bonds.

Penal sums of bonds are fixed by law in a few states, but are made discretionary in other states. In some states the penal sum is set at an amount equal to the highest bank balance of the previous year.

Practically all the states have legal provisions pertaining to utilization of the Federal Deposit Insurance Law for protecting school funds in depositories.

It should be kept in mind, however, that legal provisions in themselves give but little insight into actual practice. Much depends upon the vigilance of those charged with administering the laws. Stringent laws governing the bonding of custodial officials are meaningless unless surety of high type is provided in an amount which is adequate to protect funds in case of a loss.

## Chapter V

### SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The major purpose of this study has been to analyze the provisions of the present law which regulates the bonding of treasurers and depositories of school districts in Kentucky. Treasurer and depository bonds, ranging over a period of six years, from all districts in the state have been examined in view of determining actual practice under the law. It has been seen that all districts have been bonded; the amounts of penal sums of bonds have been shown; and the types of bonds in use have been indicated. It is not the purpose of this chapter to recite facts previously set forth, but rather to summarize and analyze the more important findings in order that certain recommendations can be made which would tend to correct what is seemingly bad practice.

**The Superintendent of Schools as Treasurer of the School District.** An examination of bonds of the treasurers of school districts in 1940-1941 revealed that sixteen Superintendents of County Districts or 13.3 per cent, and seven Superintendents of Independent Districts, or 4.97 per cent, were serving as treasurers of school districts. Some authorities on public school administration would class such arrangement as poor practice and would certainly prefer another plan. Beach<sup>1</sup> found that in 1930 only two states, Georgia and Maryland, designated the Superintendent as custodian of Public School Funds. Englehardt<sup>2</sup> has this to say concerning the school district treasurer:

The office of the treasurer is the only one in a school system in which the incumbent should be directly responsible to the board of education. Irrespective of the organization for conducting the business affairs, this basic relationship between the board and the officer in charge of funds should be continued. Under no circumstances should the superintendent of schools assume responsibility or accountability for the cash or the funds of the school district.

**Analysis of Bonds Executed by Treasurers and Depositories of School Districts from 1935-1936 to 1940-1941 inclusive.** All school districts in Kentucky have been complying with sections of the law which require bonds of treasurers and depositories. In most

<sup>1</sup> Beach, Fred F., *The Custody of School Funds*. Bureau of Publications, Teachers College, Columbia, page 20.

<sup>2</sup> Englehardt, Fred., *Public School Organization and Administration*, page 77.

instances the penal sums of the bonds are sufficient to cover amounts handled. A few districts appear to be somewhat underbonded in either the treasurer's bond or the depository's bond, or in both bonds. The few districts which appeared to be overbonded almost invariably used personal bond; consequently, there was no additional cost by the extra amount involved.

The Division of Finance of the State Department of Education insists that no member of a district board of education become a surety to the bond of a treasurer or a depository of the school district. The practice of board members acting as sureties to bonds is a very dubious one since, paradoxically, a board member could become both plaintiff and defendant in case of loss of school funds. The number of personal bonds executed has decreased each year. Corporate bonds seem to be replacing personal bonds for treasurers, and collateral bonds are replacing personal bonds for depositories. Since there is no way of determining the amount of care that is exerted by the local board of education in approving sureties of personal bonds, and in view of the other admittedly bad features of personal bonds, a wholesome tendency is seen in the swing toward corporate bonds and the more fluid collateral bonds.

Perhaps Linn<sup>3</sup> properly evaluates the worth of personal surety bonds by stating only two conditions under which they should be accepted: (1) when a bond is required by law where there exists no possibility of loss in funds or property; and (2) when bond is required in excess of possible loss, and then a corporate bond should be provided for personal sureties to the extent of any possible loss.

Considering the present relatively high premium charge for corporate depository bonds, the deposited collateral bond seems to be the most satisfactory form of depository protection.

In 1940-1941 the funds of one county district and five independent districts were placed in depositories which did not have Federal Deposit Insurance. In two of these instances, the depository bonds were guaranteed by personal sureties, a combination of conditions that does not measure up to approved standards of depository protection.

During the six year period 1935-1936 through 1940-1941, approximately twenty banks failed in Kentucky. Only five of these banks held public school district funds on deposit. In only one instance is there a possibility of loss of school funds; at present between \$2,000 and \$3,000 are frozen. This is a case where the penal amount of the depository bond was not ample to protect funds on deposit.

<sup>3</sup>Linn, op. cit., page 165.

When compared with the states previously mentioned, in most instances, Kentucky rates quite favorably in steps taken to safeguard public district school funds in the hands of treasurers and depositories.

It is noteworthy that the Kentucky State Board of Education and the State Department of Education now assume a much more circumspect attitude toward the methods of bonding custodians of public school funds than do other states previously mentioned, as evidenced by replies to questionnaires.

### Recommendations

The recommendations which follow are made in light of: (1) present school law and its application over the past six years; (2) practices in other states; and (3) what is regarded as sound principles by recognized authorities in the field of public school administration and public school finance. The recommendations are not all-inclusive and no attempt is made to rank them in order of importance.

1. Boards of education should select as depositories of public school funds only those banks that have Federal Deposit Insurance. Bonding would then be simplified to the extent that \$5,000 of the best possible protection would be provided without cost.
2. Section 4399-42, Kentucky Statutes, governing appointment of treasurer, duties and bonds, should be revised in the following respects:
  - (a) The superintendent of schools should be excluded from serving as treasurer. It is obvious why this should be done.
  - (b) A definite term for which a treasurer can be selected should be set out in the law. It is suggested that the term be for one or two years. Under present law a treasurer can be elected for any number of years since no term is specified.
  - (c) The provision for personal surety bond should be deleted from the law.
  - (d) The penal sum should be fixed at an amount equal to the highest balance of the previous year.
  - (e) Provision should be made for payment of the treasurer if, in the opinion of the local board of education, this

step is necessary in order that a satisfactory person may be secured to serve as treasurer. The salary should be nominal, commensurate with the duties, and should be determined by the local board of education, set out in the budget, and approved by the State Board of Education.

3. Section 4399-43, Kentucky Statutes, which governs appointment of depositories should be revised in these respects:
  - (a) The penal sum of the depository bond should be set at an amount equal to the highest bank balance of the previous year.
  - (b) Only corporate or collateral bonds should be acceptable as depository bonds.
4. Because of changing financial conditions, it is felt the depository should be selected for one year only.
5. The bonds of all treasurers and depositories in the state should be made adequate at once, in penal amounts to match the funds handled.

It is desirable that the State Board of Education, and the State Department of Education continue its present supervisory attitude toward safeguarding public school funds.

## Chapter VI

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Chapter VII

APPENDIX

Form F-B-11  
Page 1

Date....., 19.....  
month day year

TO THE STATE BOARD OF EDUCATION:

This is to state that .....  
bank of ....., Kentucky,  
is depository of the Board of Education of .....  
district in ..... County, for the fiscal year  
beginning July 1, 19....., and ending June 30, 19.....

Attached herewith is a true copy of the certificate held by this depository from the Federal Deposit Insurance Corporation.

By ..... District  
Board of Education  
....., Chairman  
....., Secretary

(NOTE: It is necessary to file both parts of this report annually even though the depository is selected for a two-year term.)

Form F-B-11  
Page 2

No. ....

FEDERAL DEPOSIT INSURANCE CORPORATION

Washington, D. C

Hereby Certifies That

.....  
located in .....  
in the state of .....  
is an insured bank under the permanent plan for the insurance of deposits by the Federal Deposit Insurance Corporation, with maximum insurance of \$5,000 for each depositor, as provided by Act of Congress.

In testimony whereof, witness my signature and the seal of the Corporation this ..... day of ....., 19.....

(SIGNED)

.....  
Chairman of the Board of Directors

Attest

(SIGNED)

.....  
Acting Secretary



State of .....  
County of .....

I, ....., a Notary Public for  
and in the state and county aforesaid, do hereby certify that on.....  
....., 19....., the above is a true and accurate  
copy of the certificate from the Federal Deposit Insurance Corporation  
to the ..... of .....  
(Name of Bank) (Location of Bank)  
which is now in effect.

.....  
Notary Public  
..... County, Kentucky

My commission expires .....

Form F-B-25  
Page 1  
(7/26/40)

DIVISION OF FINANCE  
DEPARTMENT OF EDUCATION  
COMMONWEALTH OF KENTUCKY

PUBLIC SCHOOL FUNDS

Sliding Scale Bond of Depository (To be executed in triplicate)  
Of the Board of Education of....., Kentucky.  
(Name of School District)

We, ..... Bank, of .....,  
do hereby acknowledge ourselves bound to the Commonwealth of Ken-  
tucky in the penal sum of .....  
Dollars (\$.....), that ..... Bank,  
of ....., as depository of the Board of  
Education of ....., Kentucky, shall well and  
truly discharge the duties of said office according to law, receive and  
deposit all funds offered to it for such purpose by the Board of Edu-  
cation of ....., Kentucky, or its treasurer or  
the legally authorized agent, or either, account for and pay over all  
moneys to parties legally entitled thereto on the properly drawn war-  
rant of the Board of Education of ....., Kentucky,  
and/or on the properly drawn check of the treasurer of said board of  
education, for a .....-year term beginning July 1, 19.....,  
and/or until its successor is duly appointed and qualified.

WITNESS our hands this the ..... day of ....., 19.....  
....., Depository

By ..... Cashier  
Approved ..... 19..... Approved ..... 19.....  
by the Board of Education of .....  
....., Kentucky by the State Board of Education  
(Name of School District)

....., Chairman  
....., Secretary

**TRUST AGREEMENT**

This agreement of trust by and between the .....  
Bank, of ....., hereinafter known as the party of  
the first part, and the Board of Education of ....., Kentucky,  
hereinafter known as party of the second part, made and entered into  
by the parties at ....., Kentucky, this .....  
day of ....., 19.....

Witnesseth, that whereas, the party of the first part has heretofore  
been duly designated by party of the second part as depository of funds  
of party of the second part; and,

Whereas, the party of the first part has accepted the said office as  
depository, as aforesaid, now therefore, on account of the financial con-  
ditions generally and of the difficulty in obtaining security and protection  
for the deposit of public funds, as required by law, by the execution of  
surety bonds either corporate or private;

Now, therefore, it is agreed and understood by and between the  
parties hereto that,

(1) For the collateral security of the deposit or deposits of all  
funds offered to party of first part by party of second part, and/or its  
duly authorized agent or either; and for security to party of second part,  
that party of first part shall well and truly discharge the duties of said  
office as depository, as hereinabove mentioned, according to law, pay  
over, and well and truly account for all funds so deposited with party  
of first part by party of second part as aforesaid, the party of first part  
hereby pledges to party of second part the following securities, which  
shall consist of United States Government bonds, Kentucky state war-  
rants, and/or Kentucky state revenue bridge bonds, said securities being  
a part of the assets of party of first part, and said party has full power  
to pledge same according to the law of this Commonwealth or of the  
United States, to wit:

Security	Date of Maturity	Value
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

(2) It is further agreed and understood by and between the parties  
hereto that said securities so pledged shall be first put in negotiable  
form and delivered to party of second part and then placed in escrow  
under the joint control of both parties hereto.

(3) It is further agreed and understood by and between the parties  
hereto that said securities hereinabove pledged and set forth may at any  
time be substituted by approved securities of equal value or worth,  
which shall consist of United States Government bonds, Kentucky state  
warrants, and/or Kentucky state revenue bridge bonds, upon due notice  
to and assent by the party of second part.

(4) It is further agreed and understood by and between the parties  
hereto that if and when any such public funds shall have been withdrawn  
upon legal order, check, or draft, the party of the first part may upon  
notice to party of second part withdraw from said trust or pledge escrow  
a corresponding amount of said securities, provided, however, items five  
and six hereof have been fully performed by said party of first part.

(5) It is further agreed and understood by and between the parties  
hereto that if and when the value of the collateral securities so pledged,  
as hereinabove provided, does not equal in value the amount of funds  
then on deposit, as hereinabove provided, then and in that event, the  
party of first part shall, upon written notice from party of second part,  
present such additional securities for placing in escrow, which shall

consist of United States Government bonds, Kentucky state warrants, and/or Kentucky state revenue bridge bonds, as herein above so provided, so that at all times the securities so pledged will equal at least the amount of the aggregate funds on deposit with the party of the first part to the use and benefit of party of second part; provided that Federal Deposit Insurance protection may be accepted in lieu of collateral securities to the extent of \$5,000.

It is further conditioned that liability on this bond is not to be effectual until Federal Deposit Insurance protection is exhausted.

(6) It is further agreed and understood by and between the parties hereto that this agreement shall continue in full force and effect until such time as the contract of deposit by and between the parties hereto shall have expired, and until such time as the party of first part shall have performed all its obligations according to law, and according to the contract of deposit by and between the parties hereto; then and in these events, this agreement shall be null and void and of no effect, and the party of first part shall receive from party of second part all such securities, as hereinabove provided, then remaining.

In witness whereof, the parties hereto have hereunto set their hands

this the \_\_\_\_\_ day of \_\_\_\_\_, 19.....

The Board of Education of \_\_\_\_\_, Kentucky  
(Name of School District)  
By \_\_\_\_\_, Chairman  
\_\_\_\_\_, Secretary

The \_\_\_\_\_ Bank  
of \_\_\_\_\_  
By \_\_\_\_\_, President  
\_\_\_\_\_, Cashier

Form F-B-15  
(7-10-41)

### BOND OF DEPOSITORY OF PUBLIC SCHOOL FUNDS

The undersigned, \_\_\_\_\_ Bank of \_\_\_\_\_, Kentucky, hereby acknowledges itself bound to the Commonwealth of Kentucky in the penal sum of \_\_\_\_\_ dollars (\$.....), that it, as depository of the \_\_\_\_\_ Board of Education, shall well and truly discharge the duties of said office according to law, account for, to the proper authorities, and pay over to all parties legally entitled thereto on proper warrants all funds that may come into its hands as depository of the board of education aforesaid for a period of \_\_\_\_\_ years, beginning July 1, 19....., or until its successor is duly elected and qualified.

As security for this undertaking the undersigned hereby pledges \_\_\_\_\_ in the prin-

(Kind of security)  
cipal sum of \_\_\_\_\_ dollars (\$.....), deposited in escrow with the \_\_\_\_\_ Bank of \_\_\_\_\_, evidenced by the receipt attached hereto and escrow agreement printed on the reverse side of this bond.

The undersigned, \_\_\_\_\_ Bank, of \_\_\_\_\_, Kentucky, hereby reserves the right unto itself (1) to detach and collect for its own use and benefit all coupons of said bonds as they mature; (2) to substitute for any of said bonds at any time, without notice, other United States Government bonds and/or state warrants and/or Kentucky state bridge revenue bonds of the same face or par value; (3) to terminate all liability under this bond and escrow deposit by giving thirty (30) days' notice, in writing, of its intention so to do to the chairman of the board of education of the \_\_\_\_\_ School District by registered mail, addressed to such chairman at

....., Kentucky, and to the chairman of the State Board of Education, by registered mail, addressed to such chairman at Frankfort, Kentucky. Within the thirty days, the depository shall make settlements with the board, pay over all funds in its hands to the board, and exhibit to the holder of securities in escrow a copy of the settlement, duly received by the secretary and chairman of the board.

It is further conditioned that liability on this bond is not to be effectual until Federal Deposit Insurance protection is exhausted.

IN WITNESS WHEREOF, the undersigned has caused its corporate name to be subscribed and its corporate seal to be affixed to triplicates hereof, this ..... day of ....., 19.....

..... Bank of .....  
by ....., Cashier

Approved by the  
State Board of Education

Approved ....., 19.....  
by the ..... Board  
of Education.

....., Chairman ..... 19.....  
....., Secretary ....., Chairman

We hereby certify to the Superintendent of Public Instruction that the bond and escrow agreement appearing above are true copies of the bond and escrow agreement executed and delivered by the depository of this board of education.

....., Chairman ..... Secretary  
Subscribed and sworn to before me this ..... day of ....., 19.....

.....  
Notary Public

My commission expires  
.....

**ESCROW AGREEMENT**

Form F-B-15  
Page 2

THIS AGREEMENT BETWEEN the ..... Bank of  
....., Kentucky, and ..... Bank of  
....., made and entered into this .....  
day of ....., 19.....;

**WITNESSETH,**

THAT, WHEREAS, Said ..... Bank of  
..... has deposited in escrow with the  
said ..... Bank of.....  
security listed below, receipt whereof is hereby acknowledged by the  
said ..... Bank,

NOW, THEREFORE, It is agreed that the conditions of said escrow deposit will and shall be as follows, to wit:

FIRST—Said bonds are deposited pursuant to the provisions of a certain depository bond executed by said ..... Bank, of  
....., to the board of education of the  
..... School District, a copy of which is printed on  
the reverse side and made a part of this agreement by reference.

SECOND—The said ..... Bank, of .....,  
shall have the right at any and all time, or times, to detach and collect for its own use and benefit all coupons of said bonds as they mature.

THIRD—The said ..... Bank, of ....., shall have the right to substitute for any of said bonds at any time, without notice, other United States Government bonds and/or state warrants and/or Kentucky state bridge revenue bonds of the same face or par value.

FOURTH—The said ..... Bank, of ....., shall have the right to terminate this agreement and withdraw any and all bonds deposited hereunder by giving thirty (30) days' notice, in writing, of its intention so to do by registered mail to the chairman of the board of education of the ..... School District, and to the chairman of the State Board of Education, by registered mail, addressed to such chairman at Frankfort, Kentucky, and registered receipt cards, signed by such chairman, together with a copy of the notices, shall be sufficient evidence of the giving and receipt of such notices; and upon delivery of such signed registered receipt cards and copy of notices to the said ..... Bank, all bonds which may be deposited hereunder shall be surrendered and returned to said ..... Bank, of ....., at the expiration of thirty (30) days from the date when said notices were received by said chairman, as shown by said registered receipt card; and the said ..... Bank shall be released and discharged from any and all liability hereunder upon surrender and delivery of said bonds to the said ..... Bank, of ....., in such event.

The bonds covered by this agreement, receipt of which is acknowledged as aforesaid, are listed as follows:

Issue	Number	Amount	Issue	Number	Amount
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

WITNESS our signature this day and year first above written to triplicates hereof.

..... Bank, of .....

By .....

..... Bank, of .....

By .....

Department of Education  
COMMONWEALTH OF KENTUCKY  
PUBLIC SCHOOL FUNDS

Bond of Treasurer (To be Executed in Triplicate)

Of the \_\_\_\_\_ Board of Education

We, \_\_\_\_\_, Principal, and \_\_\_\_\_,

\_\_\_\_\_, and \_\_\_\_\_, sureties, do hereby acknowledge ourselves jointly and severally indebted to the Commonwealth of Kentucky in the penal sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_), that \_\_\_\_\_ of \_\_\_\_\_ Kentucky, as Treasurer of \_\_\_\_\_ Board of Education, shall well and truly discharge the duties of said office according to law, account for, to the proper authorities, and pay over to all parties legally entitled thereto on the proper warrants only, any and all funds that may come into \_\_\_\_\_ hands as treasurer of the Board of Education aforesaid, for a \_\_\_\_\_ year term beginning July 1, 19\_\_\_\_\_, and/or until \_\_\_\_\_ successor is duly elected and qualified,

WITNESS our hands this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_,  
\_\_\_\_\_, TREASURER

\_\_\_\_\_, Surety By \_\_\_\_\_  
\_\_\_\_\_, Surety \_\_\_\_\_, Surety  
\_\_\_\_\_, Surety \_\_\_\_\_, Surety

Number of bond \_\_\_\_\_ Annual premium of bond \$ \_\_\_\_\_  
(To be used by surety company if desired.)

Approved \_\_\_\_\_, 19\_\_\_\_\_,  
by the \_\_\_\_\_ Board  
of Education.  
\_\_\_\_\_, Chairman  
\_\_\_\_\_, Secretary

Approved by the State Board of  
Education,  
\_\_\_\_\_, 19\_\_\_\_\_  
\_\_\_\_\_, Chairman

Note.—This bond should be executed in triplicate, and the three copies sent to the State Board of Education for its approval. Two copies will be returned to the local board after the bond has been approved.

(Over)

Read.—To see if all blanks are properly filled out before sending for approval.

**Affidavits to be Filled Out by Personal Sureties**

Commonwealth of Kentucky, ..... County.

I, ....., surety on the bond of .....  
Treasurer of the ..... Board of Education, assert  
that my unencumbered assets exceed my liabilities in the sum of .....  
..... dollars (\$.....).

Signed: .....

Commonwealth of Kentucky, ..... County.

I, ....., surety on the bond of .....  
Treasurer of the ..... Board of Education, assert  
that my unencumbered assets exceed my liabilities in the sum of .....  
..... dollars (\$.....).

Signed: .....

Commonwealth of Kentucky, ..... County.

I, ....., surety on the bond of .....  
Treasurer of the ..... Board of Education, assert  
that my unencumbered assets exceed my liabilities in the sum of .....  
..... dollars (\$.....)

Signed: .....

Commonwealth of Kentucky, ..... County.

I, ....., surety on the bond of .....  
Treasurer of the ..... Board of Education, assert  
that my unencumbered assets exceed my liabilities in the sum of .....  
..... dollars (\$.....)

Signed: .....

Commonwealth of Kentucky, ..... County.

I, ....., surety on the bond of .....  
Treasurer of the ..... Board of Education, assert  
that my unencumbered assets exceed my liabilities in the sum of .....  
..... dollars (\$.....).

Signed: .....

Subscribed and sworn to before me this ....., 19....., by

....., .....  
(Name of surety) (Name of surety)

....., .....  
(Name of surety) (Name of surety)

....., .....  
(Name of surety)  
sureties on the bond of ..... Treasurer.

....., Notary Public, ..... County, Kentucky.

My commission expires ....., 19.....

Department of Education  
COMMONWEALTH OF KENTUCKY  
PUBLIC SCHOOL FUNDS

Bond of Depository (To be Executed in Triplicate).

Of the ..... Board of Education

We, ....., Principal, and .....

....., and .....  
sureties, do hereby acknowledge ourselves jointly and severally indebted to the Commonwealth of Kentucky in the penal sum of ..... Dollars (\$.....), that ..... of ..... Kentucky, as Depository of ..... Board of Education, shall well and truly discharge the duties of said office according to law receive and deposit all funds offered it for such purpose by the..... Board of Education or its treasurer, or the legally authorized agent or either, account for and pay over all moneys to parties legally entitled thereto on the properly drawn warrant of the ..... Board of Education and/or on the properly drawn check of the treasurer of said Board of Education, for a ..... year term beginning July 1, 19....., and/or until its successor is duly appointed and qualified.

WITNESS our hands this ..... day of ....., 19.....  
....., DEPOSITORY

....., Surety By .....  
....., Surety .....  
....., Surety .....  
Number of bond ..... Annual premium of bond \$.....  
(To be used by surety company if desired.)

Approved ....., 19.....,  
by the ..... Board of Education. Approved by the  
of Education. State Board of Education.  
....., Chairman ..... 19.....  
....., Secretary ..... Chairman

Note.—This bond should be executed in triplicate, and the three copies sent to the State Board of Education for its approval. Two copies will be returned to the local board after the bond has been approved.

(Over)

Read.—To see if all blanks are properly filled out before sending for approval.



**Affidavit to be Filled Out by Personal Sureties**

Commonwealth of Kentucky, \_\_\_\_\_ County.

I, \_\_\_\_\_, surety on the bond of \_\_\_\_\_  
Depository of the \_\_\_\_\_ Board of Education, assert  
that my unencumbered assets exceed my liabilities in the sum of.....  
\_\_\_\_\_ Dollars (\$.....).

Signed:.....

Commonwealth of Kentucky, \_\_\_\_\_ County.

I, \_\_\_\_\_, surety on the bond of \_\_\_\_\_  
Depository of the \_\_\_\_\_ Board of Education, assert  
that my unencumbered assets exceed my liabilities in the sum of.....  
\_\_\_\_\_ Dollars (\$.....).

Signed:.....

Commonwealth of Kentucky, \_\_\_\_\_ County.

I, \_\_\_\_\_, surety on the bond of \_\_\_\_\_  
Depository of the \_\_\_\_\_ Board of Education, assert  
that my unencumbered assets exceed my liabilities in the sum of.....  
\_\_\_\_\_ Dollars (\$.....).

Signed:.....

Commonwealth of Kentucky, \_\_\_\_\_ County.

I, \_\_\_\_\_, surety on the bond of \_\_\_\_\_  
Depository of the \_\_\_\_\_ Board of Education, assert  
that my unencumbered assets exceed my liabilities in the sum of.....  
\_\_\_\_\_ Dollars (\$.....).

Signed:.....

Commonwealth of Kentucky, \_\_\_\_\_ County.

I, \_\_\_\_\_, surety on the bond of.....  
Depository of the \_\_\_\_\_ Board of Education, assert  
that my unencumbered assets exceed my liabilities in the sum of.....  
\_\_\_\_\_ Dollars (\$.....).

Signed:.....

Subscribed and sworn to before me \_\_\_\_\_, 19\_\_\_\_, by

\_\_\_\_\_  
(Name of surety)

\_\_\_\_\_  
(Name of surety)

\_\_\_\_\_  
(Name of surety)

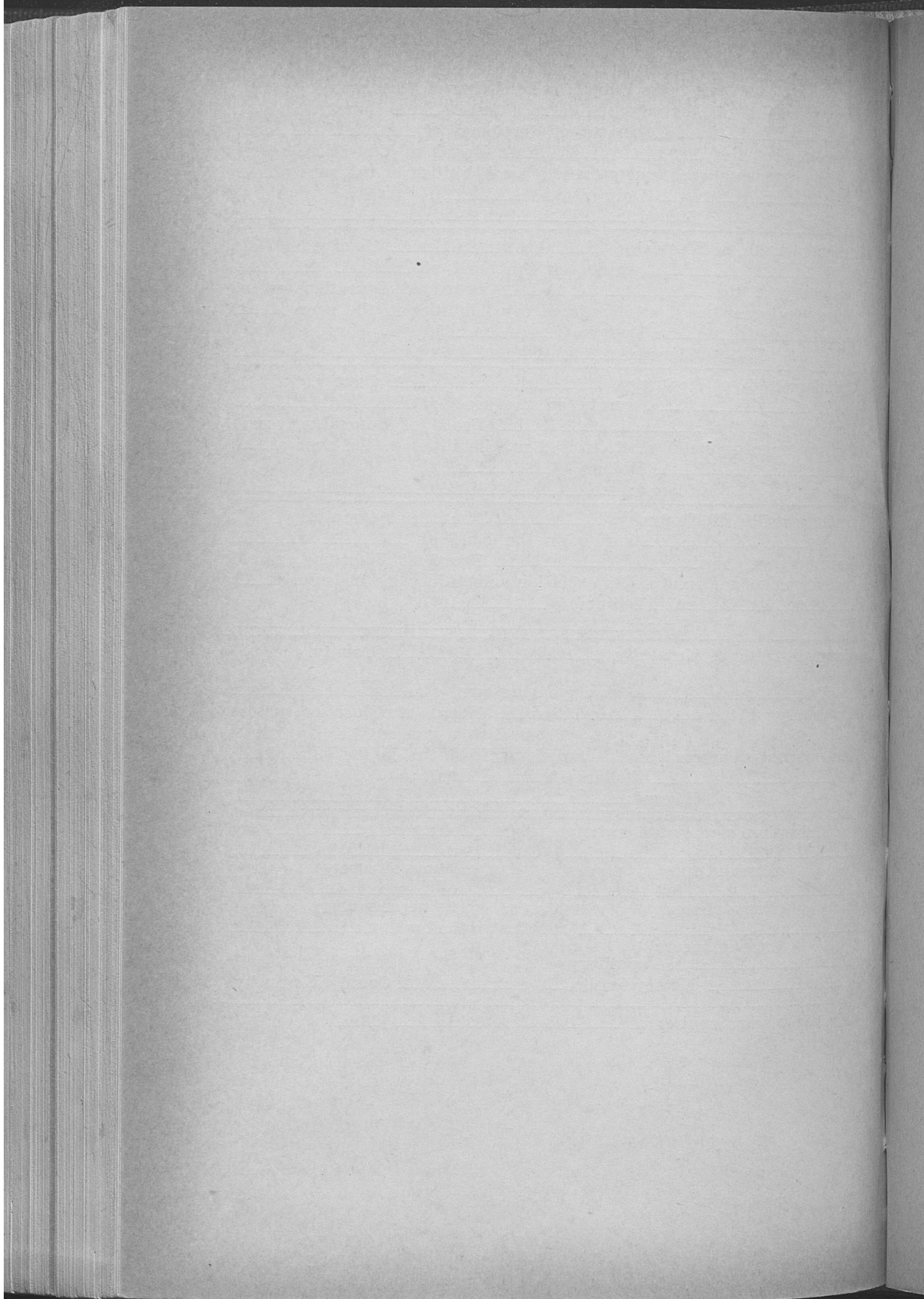
\_\_\_\_\_  
(Name of surety)

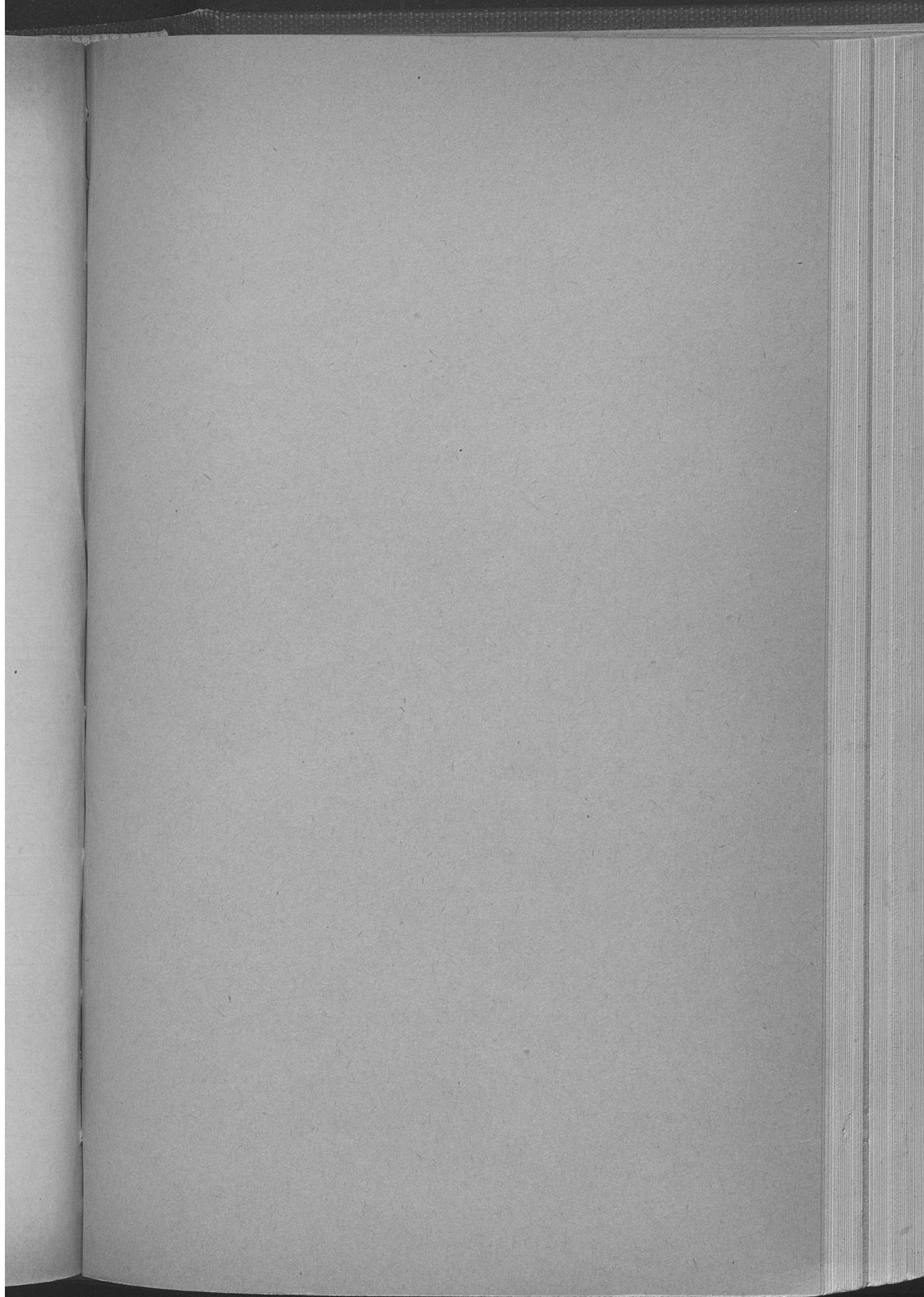
\_\_\_\_\_  
(Name of surety)

\_\_\_\_\_  
Depository

\_\_\_\_\_, Notary Public, \_\_\_\_\_ County, Kentucky.

My commission expires \_\_\_\_\_, 19\_\_\_\_\_.





Periodical Information