

Senate File 475

H-8014

1 Amend the amendment, H-8001, to Senate File 475, as amended,
2 passed, and reprinted by the Senate, as follows:

3 1. Page 1, after line 6 by inserting:

4 <Section 1. Section 11.6, subsection 1, paragraph a,
5 subparagraph (1), Code 2018, is amended to read as follows:

6 (1) Except for entities organized under [chapter 28E](#) having
7 gross receipts of one hundred thousand dollars or less in a
8 fiscal year, the financial condition and transactions of all
9 government subdivisions shall be audited annually, except
10 that cities having a population of less than two thousand
11 and budgeted gross expenditures of one million dollars or
12 more in a fiscal year shall be subject to a required fiscal
13 year examination for that fiscal year according to procedures
14 established by the office of auditor of state, and cities
15 having a population of less than two thousand and budgeted
16 gross expenditures of less than one million dollars in a fiscal
17 year shall be subject to periodic examination by the auditor
18 of state according to procedures established by the auditor
19 of state, and may be examined as otherwise provided in this
20 section. However, a city having a population of less than two
21 thousand and budgeted gross expenditures of one million dollars
22 or more in a fiscal year shall not be subject to a required
23 fiscal year examination until the city has two consecutive
24 years of budgeted gross expenditures of one million dollars
25 or more in both fiscal years, and such examination shall be
26 conducted during the second of such fiscal years. A city
27 meeting the requirements for a periodic examination shall be
28 subject to an examination under [this section](#) at least once
29 during an eight-year period at a time determined by the auditor
30 of state. The audit of school districts shall include an audit
31 of all school funds including categorical funding provided by
32 the state, the certified annual financial report, the certified
33 enrollment as provided in [section 257.6](#), supplementary
34 weighting as provided in [section 257.11](#), the revenues and
35 expenditures of any nonprofit school organization established

1 pursuant to [section 279.62](#), and entrepreneurial education
2 funds established pursuant to [section 298A.15](#). Differences in
3 certified enrollment shall be reported to the department of
4 management. The audit of school districts shall include at a
5 minimum a determination that the laws of the state are being
6 followed, that categorical funding is not used to supplant
7 other funding except as otherwise provided, that supplementary
8 weighting is pursuant to an eligible sharing condition, and
9 that postsecondary courses provided in accordance with section
10 257.11 and [chapter 261E](#) supplement, rather than supplant,
11 school district courses. If a school district enters into
12 a contract with a private provider to provide educational
13 courses or curriculum developed by the private provider and
14 delivered primarily over the internet, the private provider
15 shall be subject to the same audit requirements under this
16 section as the school district and the audit of the private
17 provider shall include but not be limited to analysis of how
18 school district money received by the private provider during
19 the school calendar were expended on administrative costs,
20 advertising costs, practitioner salaries, and nonpersonnel
21 education-related costs. The audit of a city that owns or
22 operates a municipal utility providing local exchange services
23 pursuant to [chapter 476](#) shall include performing tests of
24 the city's compliance with [section 388.10](#). The audit of a
25 city that owns or operates a municipal utility providing
26 telecommunications services pursuant to [section 388.10](#) shall
27 include performing tests of the city's compliance with section
28 388.10.>

29 2. By renumbering as necessary.

MASCHER of Johnson