

FEB 13 1998  
STATE GOVERNMENT

HOUSE FILE 2265  
BY CHURCHILL and HOLVECK

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to annual reports, audits, and board of director  
2 composition of nonprofit corporations created by or in  
3 association with the Iowa finance authority and providing  
4 effective dates.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2265

1 Section 1. Section 16.5, Code Supplement 1997, is amended  
2 by adding the following new subsections:

3 NEW SUBSECTION. 18. Require any nonprofit corporation  
4 created by or in association with the authority since January  
5 1, 1989, to include two representatives of nonprofit housing  
6 organizations as voting members on the board of directors of  
7 any such corporation.

8 NEW SUBSECTION. 19. Require any nonprofit corporation  
9 created by or in association with the authority since January  
10 1, 1989, to file a detailed report by January 15 of each year  
11 with the chairpersons and ranking members of the appropriate  
12 appropriations subcommittees of the general assembly which  
13 shall include, at a minimum, all of the following:

14 a. An annual report of the corporation.

15 b. An itemized list of projects assisted, project  
16 locations, types and amounts of assistance provided, and  
17 contact persons for each project.

18 c. A list of fixed assets of the corporation, including  
19 the date the fixed assets were acquired and the cost.

20 d. An itemized list of types and amounts of financial  
21 assistance provided to the corporation by outside sources.

22 e. A list, by position, of all compensation, salaries, and  
23 benefits paid to corporation employees and board members.

24 Sec. 2. By January 15, 1999, the auditor of state shall  
25 conduct an audit of any nonprofit corporation in existence  
26 which has been incorporated since January 1, 1989, by or in  
27 association with the Iowa finance authority. An audit  
28 conducted pursuant to this section shall include an audit of  
29 the entire time period since the corporation was incorporated.  
30 The auditor shall make or cause to be made a written report  
31 consistent with and similar to the type of report required  
32 under section 11.4.

33 Sec. 3. EFFECTIVE DATE PROVISIONS. Section 1 of this Act  
34 takes effect August 1, 1998. Section 2 of this Act, being  
35 deemed of immediate importance, takes effect upon enactment.

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## EXPLANATION

2 This bill requires any nonprofit corporation created by or  
3 in association with the Iowa finance authority since January  
4 1, 1989, to include two representatives of nonprofit housing  
5 organizations as voting members on the board of directors of  
6 any such corporation. The bill requires such corporations to  
7 file a report annually with the chairpersons and ranking  
8 members of the appropriate appropriations subcommittees, which  
9 includes an annual report, information related to projects,  
10 information related to the assets of the corporation,  
11 information on financial assistance provided to the  
12 corporation by outside sources, and information on  
13 compensation, salaries, and benefits paid to corporation  
14 employees and board members.

15 The bill requires the auditor of state, by January 1, 1999,  
16 to conduct an audit of any nonprofit corporation in existence  
17 which has been incorporated since January 1, 1989, by or in  
18 association with the Iowa finance authority. The audit shall  
19 cover the entire time period since the corporation was  
20 incorporated. The bill requires the auditor of state to make  
21 a written report consistent with and similar to the type of  
22 report required under Code section 11.4. Code section 11.4  
23 requires findings regarding the condition of the entity, the  
24 expenditure of moneys, the efficiency of the entity, illegal  
25 or unbusinesslike practices, recommendations for simplicity,  
26 accuracy, and efficiency, contract comparisons for goods and  
27 services, and any other information which may be of value.

28 The bill provides an effective date upon enactment for the  
29 provisions of the bill relating to an audit by the state  
30 auditor and an effective date of August 1, 1998, for the  
31 provisions of the bill relating to the composition of the  
32 board of directors and annual reports.

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