

March 9, 2005

Madam President:

Your EDUCATION COMMITTEE, to whom has been referred

SENATE BILL 1034

has had it under consideration and reports same with recommendation that it DO PASS, amended as follows:

1. On page 1, lines 11 and 12, strike "RAISING THE AMOUNT OF GROSS ANNUAL INCOME REQUIRING AUDITS;".
2. On page 1, line 13, strike "SCHOOL-RELATED".
3. On page 1, line 13, after "ORGANIZATIONS", insert "DONATING TO AN AGENCY".
4. On page 3, line 21, through page 4, line 17, strike Paragraph (4) in its entirety and insert in lieu thereof the following new paragraphs:
 - "(4) provisions defining the extent to which the organization may complement and support functions that are the statutory responsibility of the agency;
 - (5) if the organization is considered a component unit of the agency, a provision requiring the organization to be audited annually in accordance with generally accepted auditing standards;
 - (6) if the organization is not considered a component unit of the agency and has a gross annual income exceeding one hundred fifty thousand dollars (\$150,000), a provision requiring the organization to be reviewed annually in accordance with standards for attestation engagements;
 - (7) if the organization is not considered a component unit of the agency and has a gross annual income not exceeding one

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hundred fifty thousand dollars (\$150,000), a provision requiring the organization to annually file with the agency a statement in the form of a balance sheet showing its assets, liabilities, income classified by general sources and expenditures classified by object;

(8) provisions requiring the organization to furnish to the agency copies of any annual audit or review required pursuant to this section, which except for lists of donors or donations shall be a public record, and requiring the organization to make available to the agency for its review, for a period of three years following an audit or review, the working papers associated with the audit or review;".

5. Renumber the succeeding paragraphs accordingly.

6. On page 5, line 20, after "audit" insert ", review or statement".,

and thence referred to the FINANCE COMMITTEE.

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Respectfully submit ted,

Cynthi a Nava, Chai rman

Adopted _____ Not Adopted _____
(Chi ef Clerk) (Chi ef Clerk)

Date _____

The roll call vote was 4 For 1 Against

Yes: 4

No: Sanchez, M

Excused: Boi tano, Kernan, Nava, Sanchez, B.

Absent: None

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