

Senate Engrossed

**FILED**  
**KEN BENNETT**  
**SECRETARY OF STATE**

State of Arizona  
Senate  
Fifty-first Legislature  
Second Regular Session  
2014

CHAPTER 221

# **SENATE BILL 1272**

AN ACT

AMENDING SECTION 35-181.03, ARIZONA REVISED STATUTES; RELATING TO STATE  
CONTRACTS WITH NONPROFIT CORPORATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 35-181.03, Arizona Revised Statutes, is amended to  
3 read:

4 35-181.03. Audit of nonprofit corporations receiving state  
5 monies; definition

6 A. All state contracts with nonprofit corporations for assistance  
7 shall include requirements concerning financial and compliance audits.

8 B. Each nonprofit corporation that receives in excess of ~~one~~ TWO  
9 hundred FIFTY thousand dollars in state assistance in any fiscal year shall  
10 file for each such fiscal year at the corporation's expense with the grantor  
11 agency either audited financial statements prepared in accordance with  
12 federal single audit regulations or financial statements prepared in  
13 accordance with generally accepted accounting principles and audited by an  
14 independent certified public accountant.

15 ~~C. Each nonprofit corporation receiving fifty thousand dollars to one~~  
16 ~~hundred thousand dollars in state assistance in any fiscal year shall file~~  
17 ~~biennially at the corporation's expense with the grantor agency either an~~  
18 ~~audited annual financial statement for the most recently completed~~  
19 ~~even-numbered year prepared in accordance with federal single audit~~  
20 ~~regulations or a financial statement for the most recently completed~~  
21 ~~even-numbered year prepared in accordance with generally accepted accounting~~  
22 ~~principles and audited by an independent certified public accountant.~~

23 ~~D.~~ C. Each nonprofit corporation receiving ~~less than~~ TWO HUNDRED  
24 fifty thousand dollars OR LESS in state assistance in any fiscal year shall  
25 comply with contract requirements concerning financial and compliance audits  
26 contained in contract agreements governing such programs.

27 ~~E.~~ D. For the purposes of this section, "nonprofit corporation" means  
28 a corporation as defined in section 10-3140.

APPROVED BY THE GOVERNOR APRIL 24, 2014.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 24, 2014.

Passed the House April 22, 2014,

by the following vote: 58 Ayes,

0 Nays, 2 Not Voting

[Signature]  
Speaker of the House

[Signature]  
Chief Clerk of the House

Passed the Senate February 13, 2014,

by the following vote: 30 Ayes,

0 Nays, 0 Not Voting

[Signature]  
President of the Senate

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

23rd day of April, 2014,

at 12:45 o'clock P M.

[Signature]  
Secretary to the Governor

Approved this 24th day of

April, 2014,

at 3:01 o'clock P M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 24th day of April, 2014,

at 5:31 o'clock P M.

[Signature]  
Secretary of State

S.B. 1272