

May 5, 1981

LB 529

CLERK: Senator Clark voting aye.

SENATOR CLARK: Have you all voted? The Schmit amendment to the committee amendments. Record the vote.

CLERK: 14 ayes, 0 nays, Mr. President, on the adoption of the Schmit amendment.

SENATOR CLARK: The amendment is adopted. Next amendment.

CLERK: Mr. President, Senators Kahle, Maresh and Sieck move to amend the committee amendments and that is found on page 1595 of the Journal.

SENATOR CLARK: Senator Kahle, are you going to handle this?

SENATOR KAHLE: Mr. President, I will attempt to. The amendments that we have are actually numbered as you are looking at I believe it is 1595 in the Journal and it may possibly be that you will want to divide these questions as we discuss them but I would like to present them and then perhaps we can see how things go. The first one deals with the financial statement that elevators would be required to provide and we have had some discussion on this, and some of the private elevators I am sure have contacted many of you and I think as most of you know the coop elevators, for instance, have to have an internal audit by the very nature of their business and some of the private elevators were concerned that the cost to them would be considerable if they had to have an internal audit. So we in this amendment have tried to water that down somewhat and still make it palatable and still have some meaning to it. But in the first part of the amendment "compiled" is the key word. In accounting term this means that the CPA will make the financial statement from the books supplied to him. He would not make an audit. We had CPAs come in and visit with us and most of the elevators now that have a...also as Senator Schmit had mentioned in his part of the bill that it would have to be a corporate bonding rather than an individual bonding which now is permissible. What would happen if you had a corporate bond you would have to have some sort of a financial statement anyhow. So we do not think that this is a great drawback and would be that expensive. We found out there could be a cost of say \$500 or maybe as much as \$1,000 for this type of a financial statement, but if a warehouse is required by private enterprise to conduct an unqualified audit before the bond is issued, the inclusion of this financial statement would be necessary anyhow. It should be noted that what is required now is that the warehouse must submit a certified