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LB 529

SENATOR KAHLE: Senator Hefner, if you would like, I will yield to Senator Sieck who has those figures.

SENATOR HAFNER: Okay.

SENATOR CLARK: Senator Sieck.

SENATOR SIECK: Yes, Mr. President, members of the body, I did check with the public accountant this noon and he feels that the way we have got it written that the cost could vary from \$250 to \$1,000. It depends on the size and the amounts of exchanges that takes place. So I personally don't feel that this will be burdensome and there are three different stages as far as accountants. The first is the corporate surety bond audit and, of course, that is a complete audit and that could be quite expensive but once this is acquired then you have that as a basis and the CPA then will come in and look at the audit and then look at your financial statement and is able to certify without a great deal of cost. So as I see it at the present time and with the corporate surety bond as a part of the requirement, I don't think we are going to have the difficulty we would have if we would just ask a compilation of a financial statement if we would of not had an audit. But by requiring an audit, I feel this will correct it.

SENATOR HEFNER: Okay, thank you, Senator Sieck. I think I can support the amendment because of the explanation. One more question, how often would they have to be audited? Would that be once a year?

SENATOR SIECK: As I understand to get a corporate bond, it is required to have an audit every three years.

SENATOR HEFNER: Every three years instead of every one year?

SENATOR SIECK: That is correct.

SENATOR HEFNER: So then this cost could be prorated over three years instead of one year?

SENATOR SIECK: In the corporate audit, yes. The bond, of course, will be every year...I mean the cost of the bond, that will be every year but the audit requirement will be based over a three year period.

SENATOR HEFNER: Okay, thank you, Senator Sieck.