

May 13, 1981

LB 529

vary from one to three years depending upon the bonding company and it could be any time within that period. Now if you are going to have an audit, and there is an audit, that is all that is required to send to the Public Service Commission. The only time that you need a compilation statement is the time, the year there is no audit performed. That is when you need a compilation statement and the reason for a compilation statement is so that you get an outside CPA to look at it so it isn't an individual elevator's or warehouseman's statement. I feel that we need to do this. We definitely need to do this to protect that farmer's grain. Now an issue also was brought out that there isn't enough CPAs in the State of Nebraska. We must remember that these audits or these compilation figures or statements need not be at a certain time in the year. They just must be presented in a year. So it can vary. Now you also must remember that there are a lot of grain elevators out in the country with hardly a town around. I mean it is just an elevator. I took a count of the elevators within my district or within my county, Seward County, and there are ten of them. We have one CPA firm which is in Seward. I am sure that they could take care of the ten and the distance to travel would be very, very little. Now I am sure that you will find this throughout the State of Nebraska so the idea that it is going to cost a lot more because the CPAs have great distance to travel, I think that is untrue, because the CPAs would be in every large community. I have no doubt about this. As far as cost, I think I made the statement that the cost would be \$250 to \$1500 to make this compilation statement. I have heard some rumors tell me and I noticed in the paper that that would cost from \$1,000 to \$20,000. Well that is untrue for a compilation statement. For a corporate bond, and get a corporate bond audit, yes, it will maybe cost that much but for a compilation statement it will not. Now the feed grain people may have contacted some CPAs. I have also contacted some CPAs and I got a figure of \$250 to \$1500 that this would cost. Now to me this is not a great cost to protect that farmer's grain and how can we protect it with this? The Public Service Commission will have the audit records. The compilation statement will come in and they can compare it with the audit, and if it is something way off balance, they will know that there is something wrong and they can go and check that elevator's warehouses.

PRESIDENT: One minute, Senator.

SENATOR SIECK. So I heartily support this amendment and I hope that you read what a compilation statement is and I handed a handout to you saying what Senator Kahle and I feel that the amendment says and how we feel it will protect