

20:10:12:14. Financial statement requirements. Each applicant for a public grain buyer's license shall submit a financial statement for the most recently completed year of operation. The financial statement may not be prepared by the applicant or an employee of the applicant, and if the applicant is a partnership or corporation, by an officer, shareholder, partner, or an employee of the partnership or corporation.

An applicant for a class A grain buyer license shall submit a financial statement prepared by a certified or independent public accountant at the review, or audit level, or a detailed financial statement that is prepared by an approved grain commission or management firm in accordance with generally accepted accounting principles.

An applicant for a class B grain buyer license shall submit a financial statement prepared by a certified or independent public accountant, a grain commission or management firm, or other individual skilled in the preparation of financial statements in accordance with generally accepted accounting principles.

If the commission determines that the first financial statement submitted is incomplete or otherwise unsatisfactory, the commission may require the applicant to submit a second financial statement prepared by a certified or independent public accountant at the compilation, review, or audit level.

The financial statement must include a balance sheet and statement of profit and loss. If a statement of retained earnings, a statement of changes in financial position, or notes and disclosures to the financial statement have been prepared, those items must also be submitted.

The financial statement must be prepared in accordance with generally accepted accounting principles. Depreciable assets must be shown at original cost minus accumulated depreciation unless the applicant is an individual and generally accepted accounting principles allow the valuation of depreciable assets at the lower of cost or fair market value.

If the valuation of any assets are listed at fair market value, those valuations shall be established by a person experienced in making assessments of the fair market value of fixed assets. Each valuation must be accompanied by a statement signed by the person who establishes the values stating that such person:

- (1) Has no interest in the property;
- (2) Is not an employee of the applicant; and
- (3) Has no personal bias with respect to the parties involved.

20:10:12:15. Financial criteria for licensing. At a minimum, the applicant's balance sheet must show a positive net worth. In determining net worth, the commission may disallow the following assets if the assets are withdrawals of equity or are uncollectible:

- (1) Accounts and notes receivable from or advances to stockholders, owners, partners, employees, or affiliates;
- (2) Accounts receivable over 180 days old;
- (3) Investments or equities in cooperatives; or
- (4) Goodwill.

At a minimum, the balance sheet must show current assets equal to or greater than current liabilities. In determining working capital, the commission may disallow the following assets if the assets are withdrawals of equity or are uncollectible:

- (1) Accounts and notes receivable from or advances to stockholders, owners, partners, employees, or affiliates;
- (2) Accounts receivable over 180 days old;
- (3) Investments or equities in cooperatives; or
- (4) Goodwill.