

**Title 2—Department of Agriculture  
Division 60—Grain Inspection and Warehousing  
Chapter 4—Missouri Grain Warehouse Law**

PROPOSED AMENDMENT

**2 CSR 60-4.110 Preparation of Financial Statements**

*PURPOSE: This amendment will allow the Grain Regulatory Services Program to accept financial statements prepared using either GAAP or IFRS conventions, rules and procedures from licensees.*

PURPOSE: This rule sets forth what financial statements are required with an application for a Missouri grain warehouse license, who may prepare the financial statements, how these financial statements shall be prepared and what assets may be disallowed for licensing purposes.

(1) The following definitions shall apply to these rules:

(D) Generally accepted accounting principles (GAAP) **or International financial reporting standards (IFRS)**—The conventions, rules and procedures necessary to define accepted accounting practice, which include broad guidelines of general application as well as detailed practices and procedures generally accepted by the accounting profession and which have substantial authoritative support from the American Institute of Certified Public Accountants **and the International Accounting Standards Board**;

(G) Qualified accountant—A certified public accountant competent in the application of GAAP **or IFRS** provided that this person is not the applicant. Also, that if the applicant is an individual, this person is not an employee of the applicant, or if the applicant is a corporation or partnership, this person is not an officer, shareholder, partner or employee of the applicant; and

(4) The financial statements required by these rules shall be prepared in accordance with GAAP **or IFRS** except as otherwise allowed or required by these rules.

(6) If the applicant is an individual, the applicant shall submit a balance sheet and a statement of income and expenses for the proprietorship business in accordance with GAAP **or IFRS**. If the applicant is an individual, the applicant also shall submit a personal balance sheet. The applicant, in lieu of submitting a business and a personal balance sheet, may submit a combined balance sheet. Personal nonbusiness assets should be shown at the lower of historical cost or estimated fair market value. If the applicant is an individual and desires to show estimated current values that are higher than the historical cost basis for the proprietorship business balance sheet, the personal balance sheet, or the combined balance sheet, the estimated current values should be accompanied by a qualified appraisal. If a qualified appraisal is accepted, appropriate adjustments to the balance sheet will be made by the Missouri Department of Agriculture.

(7) If the applicant is a partnership, the applicant shall submit a balance sheet and a statement of income and expenses for the partnership business in accordance with GAAP **or IFRS**. Only the partnership assets and liabilities will be considered in computing net worth. The personal financial statements for the individual partners will not be considered in computing net worth.

(10) If the applicant is a corporation, the applicant shall submit a balance sheet and a statement of income and expenses for the corporation in accordance with GAAP **or IFRS**. If the applicant is a corporation and desires to show estimated current values that are higher than the historical cost basis, the estimated current values should be accompanied by a qualified appraisal. If a qualified appraisal is accepted, appropriate adjustments to the balance sheet will be made by the Missouri Department of Agriculture.

*AUTHORITY: sections 411.070 and 411.260, RSMo Supp. 1998.\* Original rule filed Feb. 13, 1980, effective May 11, 1980. Amended: Filed March 16, 1988, effective June 27, 1988. Amended: Filed Oct. 25, 1999, effective June 30, 2000.*

*\*Original authority 411.070, RSMo 1941, amended 1955, 1965, 1977, 1980, 1986, 1993, 1995, 1997; and 411.260, RSMo 1939, amended 1941, 1949, 1965, 1977, 1986, 1997.*

*PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500.00) in the aggregate.*

*PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500.00) in the aggregate.*

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with Missouri Department of Agriculture, Grain Regulatory Services Program, PO Box 630, Jefferson City, MO 65102, ATTN: Joe Walker. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.*