

## Chapter Ag 8

### DAIRY PLANT SECURITY

|         |                                       |         |  |
|---------|---------------------------------------|---------|--|
| Ag 8.01 | Definitions                           | Ag 8.05 | Preparation and analysis of financial statements |
| Ag 8.02 | Financial statements; time for filing | Ag 8.06 | Standards of liquidity; security requirements    |
| Ag 8.03 | Form and accuracy of statements       | Ag 8.07 | Semi-annual statements to producers              |
| Ag 8.04 | Fiscal years; producer payout dates   |         |  |

- Ag 8.01 Definitions.** (1) "Asset" is anything of value owned.
- (2) "Liability" is an obligation to pay money or other assets or to render a service to another person, either now or in the future.
- (3) "Net worth" is the excess of total assets over total liabilities. It represents the ownership interest of one or more persons who have invested in the enterprise.
- (4) "Current assets" are cash and assets, including trade or investment items, which may be readily converted into cash in the ordinary course of business within one year, except as provided under Ag 8.05 (1), (2) (c), (d) and (e), (4) and (5).
- (5) "Fixed assets" are those assets representing investments of a more permanent nature, such as land, buildings, machinery and equipment.
- (6) "Other assets" are noncurrent assets other than fixed assets.
- (7) "Current liabilities" are those liabilities which are due and payable within a one-year period.
- (8) "Fixed or long-term liabilities" are those debts which, under the terms of their creation, are not due or payable within a period of one year.
- (9) "Contingent liabilities" are liabilities which will have to be paid only under certain conditions.
- (10) "Balance sheet" is a statement of the assets, liabilities, and net worth at a specific date.
- (11) "Income statement" is a report of the financial results of business operations for a specified period.
- (12) "Net worth statement" is a report of the change of net worth from the beginning to the end of an accounting period.
- (13) "Financial statement" is a balance sheet and includes income and net worth statements.
- (14) "Certified financial statement" is a financial statement prepared by an independent certified public accountant or a public accountant holding a certificate of authority under ch. 135, Stats., and certified by him as fairly and accurately representing business operations and financial condition of the dairy plant business for which the statement is rendered.

## Ag 8

(15) "Accountant's statement" is a financial statement signed and prepared by an independent accountant, other than an accountant licensed under ch. 135, Stats., and verified by the dairy plant operator employing him as a truthful and accurate representation of the business operations and financial condition of the dairy plant business for which the statement is rendered.

(16) "Verified financial statement" is a financial statement prepared by the applicant or holder of a dairy plant license, or under his direction or supervision, and sworn to by him.

(17) "Interim statement" is a financial statement prepared as of a date other than the end of the fiscal year.

(18) "Dairy plant" is a dairy plant as defined in s. 97.04, Stats.

(19) "Producer" is any person who produces and sells milk or cream to a dairy plant from one or more cows under his ownership or control.

(20) "Maximum due and accrued producer liability" is the largest gross amount of money due and owing to producers at any one time during the license year by a dairy plant operator for milk or cream purchased by him and for which payment has not been made.

**History:** Cr. Register, June, 1967, No. 138, eff. 7-1-67; r. (6), renum. (7) to (15) to be (6) to (14), cr. (15), Register, August, 1968, No. 152, eff. 9-1-68.

**Ag 8.02 Financial statements; time for filing.** (1) Financial statements, prepared as of the close of the dairy plant's most recent fiscal year, shall be filed with the department annually by every dairy plant operator purchasing milk or cream directly from producers on or before the 15th day of the 4th month following the close of such fiscal year. Interim statements may be required at any time during the license year as deemed necessary by the department.

(2) Applicants for an original license shall submit a balance sheet and such other financial information as the department may require as of the beginning of the proposed operations for which a license is requested. No milk or cream may be purchased from producers and no permit to operate a dairy plant will be granted until the applicant has filed acceptable security or satisfied the department that the filing of security is not required under standards and criteria prescribed by this chapter.

(3) Annual financial statements shall be certified financial statements and shall be audited by a certified public accountant or a public accountant holding a certificate of authority in this state; except that licensees operating under a dairy plant trusteeship or having satisfied security requirements by filing and maintaining acceptable security with the department equal to at least 75% of maximum due and accrued producer liability may, at their option, file either a certified or verified financial statement, or an accountant's statement. Except as otherwise provided, an accountant's statement may be filed in lieu of a certified financial statement until January 1, 1971.

(4) The furnishing of financial information or statements and the filing of security as required in these rules shall be a condition to the issuance or continuation of a dairy plant license. The deposit of full security may be demanded on 10 days' notice if the required information or