

**490.1620 Financial statements for shareholders.**

1. Except as provided in [subsection 4](#), a corporation shall prepare and make available to its shareholders, as provided in [subsection 3](#), annual financial statements, which may be consolidated or combined statements of the corporation and one or more of its subsidiaries, as appropriate, that include a balance sheet as of the end of the fiscal year, an income statement for that year, and a statement of changes in shareholders' equity for the year unless that information appears elsewhere in the financial statements. If financial statements are prepared for the corporation on the basis of generally accepted accounting principles, the annual financial statements must also be prepared on that basis.

2. If the annual financial statements are reported upon by a public accountant, the report must accompany them. If not, the statements must be accompanied by a statement of the president or the person responsible for the corporation's accounting records which does all of the following:

a. States such person's reasonable belief whether the statements were prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation.

b. Describes any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

3. Within one hundred twenty days after the close of each fiscal year, the corporation shall deliver the annual financial statements described in [subsections 1](#) and [2](#) to any person who was a shareholder of the corporation at the end of such fiscal year. Thereafter, on written request from a shareholder to whom the statements were not delivered, the corporation shall deliver to the shareholder the latest financial statements. The corporation may fulfill its obligation to deliver the financial statements under [this subsection](#) by any of the following methods:

a. By any means authorized under [section 490.141](#).

b. By making the financial statements available to a shareholder via internet access without charge notwithstanding the lack of consent otherwise required by [section 490.141](#), [subsection 10](#), paragraph "b", and by notifying the shareholder of instructions for access.

c. If the corporation is a public corporation, by delivering the specified financial statements, or otherwise making them available, in any manner permitted by the applicable rules and regulations of the United States securities and exchange commission.

d. If the corporation is not a public corporation, by filing annual financial reports in compliance with state or federal law, provided that such reports meet all the following requirements:

(1) Contain a balance sheet as of the end of the fiscal year and an income statement for that fiscal year.

(2) Are required by state or federal law to be filed with a state or federal agency within one hundred twenty days after the close of each fiscal year.

(3) Are available to the public, including via internet access, without charge.

4. A corporation with fewer than one hundred shareholders as of the end of the corporation's fiscal year, or that operates on a cooperative basis as defined under 26 U.S.C. §1381, shall be excused from complying with [this section](#) if the corporation prepares annual financial statements, which may be consolidated or combined statements of the corporation and one or more of its subsidiaries, as appropriate, that include a balance sheet as of the end of the fiscal year and an income statement for that fiscal year. Upon written request from a shareholder, the corporation shall, at its expense, deliver to the shareholder the requested financial statements as provided in [subsection 3](#), paragraph "a" or "b". If the annual financial statements are reported upon by a public accountant, the report must accompany them.

[89 Acts, ch 288, §179; 2013 Acts, ch 31, §79, 82; 2014 Acts, ch 1024, §4](#)

Referred to in [§490.1320](#), [490.1324](#), [490.1601](#)