**12:21:01:02.  Assets and liabilities.** For purposes of this chapter total assets include cash, crops, or feed on hand, livestock held for sale, breeding stock, marketable bonds and securities, securities not readily marketable, accounts receivable, notes receivable, cash invested in growing crops, net cash value of life insurance, machinery, equipment, cars and trucks, farm and other real estate including life estates and personal residence, value or beneficial interest in a trust, government payments or grants, and other assets. Total assets do not include items used for personal, family, or household purposes by the applicant; but in no event may any property be excluded, to the extent a deduction for depreciation is allowable for federal income tax purposes. All assets shall be valued at fair market value by the participating lender. Fair market value is what a willing buyer would pay a willing seller in the locality. A deduction of 10 percent may be made from fair market value of farm and other real estate.

Total liabilities include accounts payable, notes or other indebtedness owed to any source, taxes, rent, amount owed on real estate contracts or real estate mortgages, judgments, accrued interest payable, and any other liabilities. Liabilities shall be determined through the use of generally accepted accounting principles.

**Source:** 22 SDR 97, effective January 22, 1996.

**General Authority:** SDCL 1-16E-24.

**Law Implemented:** SDCL 1-16E-24.

**Cross-Reference:** Accounting principles, § 20:37:11:08.