**20:10:12:14.  Financial statement requirements.** Each applicant for a public grain buyer's license shall submit financial statements for the most recently completed year of operation. The financial statements 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 financial statements prepared by a certified or independent public accountant at the review, or audit level, or detailed financial statements prepared by an approved grain commission or management firm in accordance with generally accepted accounting principles or international financial reporting standards.

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

 If the commission determines that the first financial statements submitted are incomplete or otherwise unsatisfactory, the commission may require the applicant to submit a second set of financial statements prepared by a certified or independent public accountant in accordance with general accepted accounting principles or international financial reporting standards at the compilation, review, or audit level.

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

 If the valuation of any assets are listed at fair market value, those valuations shall be established or confirmed by a person experienced in making assessments of the fair market value of fixed assets. The valuations must be accompanied by a statement signed by the person who establishes or confirms 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.

 **Source:** 24 SDR 190, effective July 15, 1998; 35 SDR 48, effective September 9, 2008; 40 SDR 39, effective September 9, 2013.

 **General Authority:** SDCL 49-45-6(5).

 **Law Implemented:** SDCL 49-45-7, 49-45-7.1.