

**LOUISIANA SOYBEAN AND GRAIN
RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE
AND FORESTRY**

STATE OF LOUISIANA

FINANCIAL REPORT

**For the year ended
June 30, 2021
(With Accountant's Report Thereon)**

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**

For the year ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Board Members of the
Louisiana Soybean and Grain Research and Promotion Board
Department of Agriculture and Forestry
Baton Rouge, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the business type activities of Louisiana Soybean and Grain Research and Promotion Board, a component unit of the State of Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise of Louisiana Soybean and Grain Research and Promotion Board basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on the financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant ant accounting estimates made by management, as well as evaluation the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Louisiana Soybean and Grain Research and Promotion Board a component unit of the State of Louisiana, as of June 30, 2021, and the respective changes in financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America, require that the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles general accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise of the Louisiana Soybean and Grain Research and Promotion Board basic financial statements. The accompanying supplemental schedules as listed in the table of contents are presented for purposes of additional analysis and not a required part of the basic financial statements.

The accompanying supplemental schedules and the Division of Administration Annual Fiscal Report listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying supplemental schedules and the Division of Administration Annual Fiscal Report listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reports

Internal Control Over Compliance

In accordance with *Government Audit Standards*, I have also issued my report dated September 15, 2021, on my consideration of Louisiana Soybean and Grain Research and Promotion Board internal control over financial reporting and my test of its compliance with certain provision of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Louisiana Soybean and Grain Research and Promotion Board internal control over financial reporting and compliance.

Compliance with the Act, and Order

In accordance with the Soybean Promotion, Research and Consumer Information Act of 1990 (the Act), the Soybean Promotion and Research Order (the Order), I have also issued my report dated September 15, 2021, on my consideration of Louisiana Soybean and Grain Research and Promotion Board compliance in the use of funds collected by the Board. The purpose of that report is to provide negative assurance regarding compliance with the Act and the Order, which describe the use of funds collected by the Board insofar as they related to the accounting matters. That report is not a required report by *Government Auditing Standards* but is a required report by the Qualified State Soybean Board (QSSB).

Michael K Blum CPA, DPAc

Baton Rouge, LA
September 15, 2021

MICHAEL K. GLOVER
CERTIFIED PUBLIC ACCOUNTANT
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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other
Matters Based On An Audit of the Financial Statements Performed in Accordance with
Government Auditing Standards

Louisiana Soybean and Grain Research and Promotion Board
Department of Agriculture and Forestry
State of Louisiana
Baton Rouge, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statement of the business-type activities of the Louisiana Soybean and Grain Research and Promotion Board, a component unit of the State of Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the Louisiana Soybean and Grain Research and Promotion Board basic financial statements and have issued my report thereon dated September 15, 2021

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Louisiana Soybean and Grain Research and Promotion Board internal control over financial reporting to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Soybean and Grain Research and Promotion Board internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Louisiana Soybean and Grain Research and Promotion Board internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal controls such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I considered to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Soybean and Grain Research and Promotion Board, a component unit of the Department of Agriculture and Forestry, State of Louisiana, financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreement, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on the compliance with those provisions was not an objective on my audit and, accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Baton Rouge, LA

Michael K. Lyons CPA, APDC
September 15, 2021

MICHAEL K. GLOVER
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**Report on Compliance with the Soybean Promotion, Research, and Consumer
Information Act of 1990 and The Soybean Promotion and Research Order, Based on an Audit Performed
in Accordance with Government Auditing Standards**

Louisiana Soybean and Grain Research and Promotion Board
Department of Agriculture and Forestry
State of Louisiana
Baton Rouge, Louisiana

I have audited the financial statement of the Qualified State Soybean Board of Louisiana Soybean and Grain Research and Promotion Board, a component unit of the State of Louisiana, as of and for the year ended June 30, 2021, and have issued my report thereon dated September 15, 2021.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

Compliance with the Soybean Promotion Research and Consumer Information Act of 1990 (the Act) and the Soybean Promotion and Research Order (the Order) relative to the use of funds collected by the State Board and with the terms described in Section 1220.228(a) of the Order relative to prohibited uses of funds collected by the State Board, and in Section 1220.211(j) of the Order relative to the investment of funds collected by the State Board, is the responsibility of the Qualified State Soybean Board of the Louisiana Soybean and Grain Research and Promotion Board management. As part of my audit, I assessed the risk that noncompliance with the Act and the Order as explained above, could cause the financial statements to be materially misstated. I concluded that the risk of such material misstatement was sufficiently low that it was not necessary to perform test of the Qualified State Soybean Board of Louisiana Soybean and Grain Research and Promotion Board's compliance with the Act and the Order

In connection with my audit, nothing came to my attention, that caused me to believe the State Board failed to comply with terms insofar as they relate to the accounting matters of the Soybean Promotion, Research and Consumer Information Act of 1990 (the Act) and the Soybean Promotion and Research Order (the Order) relative to the use of funds collected by the State Board and with the terms described in Section 1220.228(a)(1)(ix)(A) of the Order relative to prohibited uses of funds collected by the State Board.

In connection with my audit, nothing came to my attention, that caused me to believe the State Board failed to comply with terms insofar as they relate to the accounting matters of the Soybean Promotion, Research and Consumer Information Act of 1990 (the Act) and the Soybean Promotion and Research Order (the Order) relative to the investment of funds collected by the State Board and with provisions of Section 1220.211(j). However, my audit was not directed primarily toward obtaining knowledge of such noncompliance in the use and investment of funds.

This report is intended for the information and use of the Directors and management of the Qualified State Soybean Board, the USB, the United States Department of Agriculture and the Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Michael K. Glover CPA, APAC

September 15, 2021

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS AND DEFERRED OUTFLOW OF RESOURCES

| | |
|--|------------------|
| Current Assets: | |
| Cash and cash equivalents | \$ 3,053,564 |
| Total current assets | <u>3,053,564</u> |
| Deferred Outflow of Resources - Contract expense | 555,192 |

LIABILITIES AND DEFERRED INFLOW OF RESOURCES

| | |
|---|-------------------|
| Current Liabilities: | |
| Accounts payable - United Soybean Board | \$ <u>125,465</u> |
| | 125,465 |

NET POSITION

| | |
|--------------|---------------------|
| Unrestricted | <u>3,483,291</u> |
| Net Position | \$ <u>3,483,291</u> |

The accompanying notes are an integral part of this statement.

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

| | |
|---|----------------------------|
| Revenues: | |
| Assessments | \$ 3,244,974 |
| | <u>3,244,974</u> |
| Operating Expenses: | |
| Assessments to United Soybean Board | 1,401,195 |
| Research | 1,816,348 |
| Promotion | 41,309 |
| Collection fees | 12,000 |
| Professional services | 9,590 |
| Board meetings and travel | 4,221 |
| General and administrative | 115 |
| | <u>3,284,778</u> |
| Total operating expenses | <u>3,284,778</u> |
| Operating income (loss) | <u>(39,804)</u> |
| Non-Operating Revenues (Expenses): | |
| Interest income | <u>1,788</u> |
| | <u>1,788</u> |
| Increase (decrease) in net position | (38,016) |
| Net Position | |
| Beginning of the year | 3,521,307 |
| End of the year | \$ <u><u>3,483,291</u></u> |

The accompanying notes are an integral part of this statement.

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

| | |
|---|---------------------|
| Cash flows from operating activities: | |
| Cash received from assessments | \$ 3,307,933 |
| Cash payments to suppliers for goods and services | <u>(3,250,778)</u> |
| Net cash provided (used) by operating activities | 57,155 |
| | |
| Cash flows from investing activities: | |
| Interest received | <u>1,788</u> |
| Net cash used by investing activities | <u>1,788</u> |
| | |
| Cash flows from related financing activities | |
| Transfers from other funds | <u>-</u> |
| Net increase in cash | 58,943 |
| | |
| Cash and cash equivalents - beginning of year | <u>2,994,621</u> |
| - end of year | <u>\$ 3,053,564</u> |

Reconciliation of operating income to net cash provided (used) by operating activities:

| | |
|---|------------------|
| Operating income | \$ (39,804) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Changes in assets and liabilities: | |
| Accounts receivable | 62,960 |
| Deferred outflow | (61,594) |
| Accounts payable | 94,593 |
| Due (to) from other account | <u>1,000</u> |
| Total adjustments | <u>96,959</u> |
| | <u>\$ 57,155</u> |

The accompanying notes are an integral part of this statement.

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Notes to the Financial Statements

INTRODUCTION

The Louisiana Soybean and Grain Research and Promotion Board is a component unit of the State of Louisiana created by Louisiana Revised Statute 3:3551 within the Department of Agriculture and Forestry. The Board is charged with the responsibility of promoting the growth and development of the soybean, corn and grain, and grain sorghum industries in Louisiana through research and promotions.

The Board is composed of twelve producer members appointed by the Governor of the State of Louisiana and serve terms concurrent with the Governor. Of the twelve members, eight shall be soybean producers while four shall be practical producers of wheat, corn or grain sorghum. The Commissioner of Agriculture serves as an ex-officio member.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Louisiana Soybean and Grain Research and Promotion Board (the Board) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements present the financial position, results of operations, and cash flows of the Board as of and for the year ended June 30, 2021.

Reporting Entity

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included in the reporting entity. In conformance with GASB Codification Section 2100, this entity is a component unit of the State of Louisiana because the Council is not legally separate and the state holds the Council's corporate powers. The accompanying basic financial statements present only the transactions of the Louisiana Soybean and Grain Research and Promotion Board.

Basis of Presentation

Proprietary funds are used to account for the Board's ongoing operations and activities which are similar to those in the private sector. Proprietary funds are accounted for using a flow of economic resources measurement focus under which all assets and all liabilities associated with the operation of these funds are included in the balance sheet and are prepared in conformity with accounting principles generally accepted in the United States of America. Application of GAAP often requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates. The Government Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Such principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Notes to Financial Statements

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Con't.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits that mature within 90 days or less when purchased. Under state law, the Council may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or under the laws of the United States.

Under state law, the districts may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents.

Deferred Outflows/Inflows of Resources

The statement of net position reports in a separate section deferred inflows and outflows of resources. Deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period while deferred inflows of resources is an acquisition of net assets by the government that is applicable to the future reporting period.

Revenues and Expenses

Revenues and expense are recorded on the accrual basis of accounting. Operating revenues and expenses include income and expenditures related to the continuing operation of the Board. Principal operating revenues are federally imposed by the Soybean Promotion, Research, and Consumer Information Act of 1990 at a rate of one-half a percent per bushel net selling price (this is a value based assessment), these revenues are collected and remitted to the board by the Louisiana Department of Agriculture and Forestry. Half of the assessments collected for soybean sales are remitted to the United Soybean Board, the remaining revenues are expended on promotion and research of soybean and soybean products with a limit of 5% of the assessments to be expended on administrative expense and staff. Principal operating expenses are the costs of providing services and include administrative expenses. Other revenues and expenses are classified as non-operating in the financial statements. Using the accrual method of accounting, the revenues for assessments are recorded in the Statement of Revenue, Expenses and Changes in Fund Net Position as earned. Expenses are recorded as they occur.

Revenues are prorated over the twelve month period of the contract. Any amounts received for the contract that exceed the prorated amount earned per the contract are accounted for as deferred inflow of resources.

The expenses are from contracts initiated through-out the year for the promotion and research of soybean, corn and grain and sorghum. The period of the contracts are each for a year and the cost of the contract are prorated over the term of the contract. Where amount that were paid on the contract exceed the prorated expense, the balance is recorded as a deferred outflow of resources.

Encumbrances

Encumbrance accounting is used to record contract cost from a contract that have not incurred for budgetary reporting purposes.

Statement of Cash Flows

This statement is prepared using the direct method. For purposes of this statement, this entity considers all highly liquid investments with a maturity of three months or less when purchased as a cash equivalent.

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Notes to Financial Statements

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Con't.

Fund Balance Equity Policies

GASB 54 Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned,

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board – the highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual requirements.

Assigned Fund Balance – These are amounts that are constrained by the Board's *intent* to be used for specific purposes, but are neither restricted nor committed, The board's management has the authority to assign amount to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. This represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When both restricted and unrestricted resources are available for use, it is the board's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed

Budgets and Budgetary Accounting

The Board adopts an annual budget prepared on the modified accrual basis of accounting. Budget amounts included original adopted budget amounts and all subsequent amendments.

Capital Assets

Capital assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets. Generally, the Board includes all capital acquisitions with a cost of \$5,000 in its fixed asset inventory. However, certain items at a cost below that amount may be capitalized if benefits of the item will extend beyond one year and/or the Board wants to monitor the item. The Board does not have any capital assets at year end.

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Notes to Financial Statements

NOTE 2 - CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 2021:

| | <u>Book Balance</u> | <u>Bank Balance</u> |
|----------------------------------|---------------------|---------------------|
| Interest-bearing demand deposits | <u>\$ 3,053,564</u> | <u>\$ 3,427,897</u> |

These deposits are stated at cost which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge or securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2021, the Board's bank balance was secured from risk by federal deposit insurance and pledged securities and was not exposed to custodial credit risk.

NOTE 3 - LEASES

The Board did not have any operating or capital lease a year end.

NOTE 4 – CONTRACT COMMITMENTS

The Board has entered into several contract that extend beyond the end of the fiscal year to promoting the growth and development of the soybean, corn and grain, and grain sorghum industries in Louisiana through research and promotions. The usual term of the contract begins in January and ends in December of each year.

Below is a schedule of the remaining unpaid balance of the contracts as of the end of the fiscal year. All of the amounts remaining to be paid on each contract are due within the next fiscal year ended June 30, 2021.

| <u>Contract Description</u> | <u>Total Budgeted</u> | <u>Total Expended as of June 30, 2021</u> | <u>Remaining Balance</u> |
|--|-----------------------|---|--------------------------|
| Soybean | | | |
| Audit fiscal year June 30, 2021 | \$ 3,600 | - | \$ 3,600 |
| Accounting | 4,000 | 5,000 | (1,000) |
| Louisiana Radio Network | 11,572 | 4,092 | 7,480 |
| Mid-South Soybean Board | 123,930 | 108,905 | 15,025 |
| National Biodiesel | 10,000 | 10,000 | - |
| LSU and Agricultural and Mechanical College System | <u>1,462,577</u> | <u>620,853</u> | <u>841,724</u> |
| | 1,615,679 | 748,850 | 866,829 |

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Notes to Financial Statements

NOTE 6 – CONTRACT COMMITMENTS – Continued

| | | | |
|---|---------------------|------------------|---------------------|
| Grain | | | |
| Audit | 900 | | |
| Accounting | 1,000 | | |
| National Corn Growers Association | 62,500 | 60,000 | 2,500 |
| U.S. Grain Council | 20,000 | 20,000 | - |
| LSU and Agricultural and Mechanical College System | <u>336,555</u> | <u>171,091</u> | <u>165,464</u> |
| | 420,955 | 145,156 | 263,927 |
| Sorghum | | | |
| LSU and Agricultural and Mechanical College System | <u>3,500</u> | | <u>3,500</u> |
| Total of Soybean, Grain and Sorghum | \$ <u>2,073,756</u> | <u>1,015,845</u> | \$ <u>1,057,912</u> |

NOTE 7 - LITIGATION

There is no litigation that would require disclosure in this report.

NOTE8-SUBSEQUENTEVENTS

Management of the Board has evaluated subsequent events through September 15, 2021, the date that the financial statements were to be issued and has determined that there are no significant subsequent events that require recognition or disclosure through that date.

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2021**

| | ORIGINAL AND FINAL | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|-----------------------------------|-----------------------|------------------|---|
| Revenues: | | | |
| Net assessments: | | | |
| Soybeans | \$ 1,312,267 | 1,407,541 | \$ 95,274 |
| Wheat and Corn | 417,756 | 433,210 | 15,454 |
| Sorghum | 3,028 | 3,027 | (1) |
| Investment earnings | | | |
| Soybeans | 5,500 | 1,454 | (4,046) |
| Grain | 1,000 | 330 | (670) |
| Sorghum | - | 4 | 4 |
| Total operating revenues | 1,739,551 | 1,845,566 | 106,015 |
| Expenditures: | | | |
| Research | | | |
| Soybeans | 1,586,507 | 1,412,154 | 174,353 |
| Wheat and corn | 399,055 | 400,818 | (1,763) |
| Sorghum | 3,000 | 3,375 | (375) |
| Promotion | | | |
| Soybeans | 22,572 | 20,309 | 2,263 |
| Wheat and corn | 21,000 | 21,000 | 0 |
| General and administrative | | | |
| Soybeans | 7,600 | 21,183 | (13,583) |
| Wheat and corn | 1,900 | 4,743 | (2,843) |
| Sorghum | - | - | 0 |
| | 2,041,634 | 1,883,582 | 158,052 |
| Net change in fund balance | \$ (302,083) | (38,016) | \$ (52,037) |
| Net Position | | | |
| Beginning of the year | 3,445,179 | 3,521,307 | |
| End of the year | \$ 3,143,096 | 3,483,291 | |

Budget Disclosures:

Budgetary Process

The proposed budget for 2020 - 2021 was approved by the board January 1, 2021, which coincides with the beginning date of the contracts for research, promotion and general and administrative expense. The proposed budget is prepared on the modified accrual basis of accounting. Revenues are budgeted net of the required 50% assessment of all soybean revenues collected as summarized below:

| | | UJSB | Amount |
|-----------------|---------------------|--------------------|------------------|
| | <u>Revenues</u> | <u>Assessments</u> | <u>Budgeted</u> |
| Gross revenues | | | |
| Soybean | \$ 2,808,736 | 1,401,195 | 1,407,541 |
| Wheat | 433,210 | | 433,210 |
| Sorghum | 3,027 | | 3,027 |
| | 3,244,973 | 1,401,195 | 1,843,778 |
| Interest income | 1,788 | | 1,788 |
| | \$ 3,246,761 | 1,401,195 | 1,845,566 |

The accompanying notes to the financial statements are an integral part of this statement

SUPPLEMENTAL INFORMATION

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATEMENT OF CHANGES IN FUND NET POSITION
JUNE 30, 2021

| | <u>Soybean</u> | <u>Grains</u> | <u>Sorghum</u> | <u>Total</u> |
|---|---------------------|----------------|----------------|---------------------|
| ASSETS AND DEFERRED OUTFLOW | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 2,497,874 | 550,384 | 5,306 | \$ 3,053,564 |
| Owed from other accounts | 1,000 | (250) | (750) | |
| Total current assets | 2,498,874 | 550,134 | 4,556 | 3,053,564 |
| Deferred outflow of resources-contract expense | 430,553 | 124,639 | | 555,192 |
| LIABILITIES AND DEFERRED INFLOWS | | | | |
| Current Liabilities: | | | | |
| Accounts payable - United Soybean Board | \$ 125,465 | | | \$ 125,465 |
| NET POSITION | | | | |
| Unrestricted | 2,803,962 | 674,773 | 4,556 | 3,483,291 |
| Net Position | \$ 2,803,962 | 674,773 | 4,556 | \$ 3,483,291 |

The accompanying notes to the financial statements are an integral part of this statement

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

| | <u>Soybean</u> | <u>Grains</u> | <u>Sorghum</u> | <u>Total</u> |
|---|---------------------|----------------|----------------|---------------------|
| Revenues: | | | | |
| Assessments | \$ 2,808,736 | 433,210 | 3,027 | \$ 3,244,974 |
| | <u>2,808,736</u> | <u>433,210</u> | <u>3,027</u> | <u>3,244,974</u> |
| Operating Expenses: | | | | |
| Assessments to United Soybean Board | 1,401,195 | | | 1,401,195 |
| Research | 1,412,154 | 400,818 | 3,375 | 1,816,348 |
| Promotion | 20,309 | 21,000 | | 41,309 |
| Collection fees | 7,257 | 4,743 | - | 12,000 |
| Professional services | 9,590 | - | - | 9,590 |
| Board meetings and travel | 4,221 | - | - | 4,221 |
| General and administrative | 115 | - | - | 115 |
| | <u>2,854,841</u> | <u>426,561</u> | <u>3,375</u> | <u>3,284,778</u> |
| Total operating expenses | <u>2,854,841</u> | <u>426,561</u> | <u>3,375</u> | <u>3,284,778</u> |
| Operating income | <u>(46,105)</u> | <u>6,649</u> | <u>(348)</u> | <u>(39,804)</u> |
| Non-Operating Revenues (Expenses): | | | | |
| Interest income | <u>1,454</u> | <u>330</u> | <u>4</u> | <u>1,788</u> |
| Increase in net position | (44,651) | 6,979 | (344) | (38,016) |
| Reimbursements between funds | 2,183 | (2,183) | | - |
| Net Position | | | | |
| Beginning of the year | <u>2,846,430</u> | <u>669,977</u> | <u>4,900</u> | <u>3,521,307</u> |
| End of the year | <u>\$ 2,803,962</u> | <u>674,773</u> | <u>4,556</u> | <u>\$ 3,483,291</u> |

The accompanying notes to the financial statements are an integral part of this statement

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

| | Soybean | Grain | Sorghum | Total |
|--|---------------------|------------------|-----------------|---------------------|
| Cash flows from operating activities: | | | | |
| Cash received from customers | \$ 2,842,240 | 461,645 | 4,048 | \$ 3,307,933 |
| Cash payments to suppliers for goods and services | <u>(2,824,166)</u> | <u>(414,612)</u> | <u>(12,000)</u> | <u>(3,250,778)</u> |
| Net cash provided by operating activities | 18,074 | 47,033 | (7,952) | 57,155 |
| Cash flows from investing activities: | | | | |
| Interest received | <u>1,454</u> | <u>330</u> | <u>4</u> | <u>1,788</u> |
| Net cash used by investing activities | <u>1,454</u> | <u>330</u> | <u>4</u> | <u>1,788</u> |
| Cash flows from related financing activities | | | | |
| Transfers from other funds | <u>2,183</u> | <u>(2,183)</u> | | |
| Net increase in cash | 21,711 | 45,180 | (7,948) | 58,943 |
| Cash and cash equivalents - beginning of year | <u>2,476,163</u> | <u>505,204</u> | <u>13,254</u> | <u>2,994,621</u> |
| - end of year | <u>\$ 2,497,874</u> | <u>550,384</u> | <u>5,306</u> | <u>\$ 3,053,564</u> |

Reconciliation of operating income to net cash provided by operating activities:

| | | | | |
|---|---------------|---------------|----------------|------------------|
| Operating income | \$ (46,105) | 6,649 | (348) | \$ (39,804) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | 33,504 | 28,435 | 1,021 | 62,960 |
| Deferred outflow | (63,918) | 1,449 | 875 | (61,594) |
| Accounts payable | 94,593 | - | - | 94,593 |
| Due (to) from other account | | 10,500 | (9,500) | 1,000 |
| Deferred inflow | - | - | | - |
| Total adjustments | <u>64,179</u> | <u>40,384</u> | <u>(7,604)</u> | <u>96,959</u> |
| | <u>18,074</u> | <u>47,033</u> | <u>(7,952)</u> | <u>\$ 57,155</u> |

The accompanying notes to the financial statements are an integral part of this statement

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**

**Schedule of Findings and Questioned Costs
For the year ended June 30, 2021**

Section I - Summary of Auditor's Results

Financial statements

| | |
|---|------------------------------|
| Type of auditor's report issued | Unqualified |
| Internal control over financial reporting: | |
| -Material weakness(es) identified? | _____ yes <u> x </u> no |
| -Significant deficiency(ies) identified? reported | _____ yes <u> x </u> none |
| -Noncompliance material to financial statements? | _____ yes <u> x </u> no |
| Was a management letter issued | <u> x </u> yes _____ no |
| Non-Compliance with State Laws and Regulations | _____ yes <u> x </u> no |
| Non-Compliance with Soybean Promotion, Research and Consumer Information Act of 1990 and the Soybean Promotion and Research Order | _____ yes <u> x </u> no |

State Financial Assistance – None

Section II - Financial Statements Findings - None

Prior Year Findings - None

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
PER DIEM PAID TO BOARD MEMBERS
For the year ended June 30, 2021**

| <u>Name</u> | <u>Amount</u> |
|-----------------------|---------------|
| Thomas Ater | -0- |
| Glen Brown | -0- |
| J.K. Bordelon | -0- |
| Charles J. Cannetella | -0- |
| Kim Frey | -0- |
| Damian Glasier | -0- |
| Garrett Marsh | -0- |
| Dustin K. Morris | -0- |
| Carlos Polotzola | -0- |
| Dan Turner | -0- |
| Darrell J. Vandeven | -0- |
| Scott M. Wiggers, Jr. | -0- |

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**

**Financial Information Required by the
Office of State Wide Reporting and Accounting Policy**

**ANNUAL FISCAL REPORT (AFR)
FOR 2021**

AGENCY: 7-15-20 - Louisiana Soybean and Grain Research and Promotion Board

PREPARED BY: Michael Glover

PHONE NUMBER: 225-295-1860

EMAIL ADDRESS: mike@mgllovercpa.com

SUBMITTAL DATE: 09/20/2021 12:52 PM

STATEMENT OF NET POSITION

ASSETS

CURRENT ASSETS:

| | |
|--|-----------------------|
| CASH AND CASH EQUIVALENTS | 3,053,564.00 |
| INVESTMENTS: | |
| OTHER INVESTMENTS | 0.00 |
| RESTRICTED INVESTMENTS - CURRENT | 0.00 |
| RECEIVABLES (NET): | |
| RECEIVABLES - EMPLOYER CONTRIBUTION | |
| RECEIVABLES - EMPLOYER CONTRIBUTION (GROSS) | 0.00 |
| RECEIVABLES - EMPLOYER CONTRIBUTION (ALLOWANCE FOR UNCOLLECTIBLES) | 0.00 |
| RECEIVABLES - TUITION AND FEES | |
| RECEIVABLES - TUITION AND FEES (GROSS) | 0.00 |
| RECEIVABLES - TUITION AND FEES (ALLOWANCE FOR UNCOLLECTIBLES) | 0.00 |
| RECEIVABLES - OTHER | |
| RECEIVABLES - OTHER (GROSS) | 0.00 |
| RECEIVABLES - OTHER (ALLOWANCE FOR UNCOLLECTIBLES) | 0.00 |
| PLEDGES RECEIVABLE (NET) - CURRENT | 0.00 |
| LEASES RECEIVABLE - CURRENT | 0.00 |
| DERIVATIVE INSTRUMENTS | 0.00 |
| DUE FROM OTHER FUNDS | 0.00 |
| DUE FROM FEDERAL GOVERNMENT | 0.00 |
| INVENTORIES | 0.00 |
| PREPAYMENTS | 0.00 |
| NOTES RECEIVABLE - CURRENT | 0.00 |
| OTHER CURRENT ASSETS | 0.00 |
| TOTAL CURRENT ASSETS | \$3,053,564.00 |

NONCURRENT ASSETS:

RESTRICTED ASSETS:

| | |
|--|------|
| RESTRICTED CASH - NONCURRENT | 0.00 |
| RESTRICTED INVESTMENTS - NONCURRENT | 0.00 |
| RESTRICTED RECEIVABLES | 0.00 |
| RESTRICTED NOTES RECEIVABLE | 0.00 |
| OTHER RESTRICTED ASSETS | 0.00 |
| INVESTMENTS - NONCURRENT | 0.00 |
| RECEIVABLES (NET) - NONCURRENT: | |
| NON-CURRENT RECEIVABLES - EMPLOYER CONTRIBUTIONS | 0.00 |
| NON-CURRENT RECEIVABLES - TUITION AND FEES | 0.00 |
| NON-CURRENT RECEIVABLES - OTHER | 0.00 |
| NOTES RECEIVABLE - NONCURRENT | 0.00 |
| PLEDGES RECEIVABLE - NONCURRENT | 0.00 |
| LEASES RECEIVABLE - NONCURRENT | 0.00 |
| CAPITAL ASSETS: | |
| LAND | 0.00 |
| BUILDING & IMPROVEMENTS | |
| BUILDINGS AND IMPROVEMENTS (GROSS) | 0.00 |
| BUILDING & IMPROVEMENTS (ACCUMULATED DEPRECIATION) | 0.00 |
| MACHINERY & EQUIPMENT | |
| MACHINERY AND EQUIPMENT (GROSS) | 0.00 |
| MACHINERY & EQUIPMENT (ACCUMULATED DEPRECIATION) | 0.00 |
| INFRASTRUCTURE | |

**ANNUAL FISCAL REPORT (AFR)
FOR 2021**

AGENCY: 7-15-20 - Louisiana Soybean and Grain Research and Promotion Board

PREPARED BY: Michael Glover

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EMAIL ADDRESS: mike@mglovercpa.com

SUBMITTAL DATE: 09/20/2021 12:52 PM

| | |
|--|-----------------------|
| INFRASTRUCTURE (GROSS) | 0.00 |
| INFRASTRUCTURE (ACCUMULATED DEPRECIATION) | 0.00 |
| INTANGIBLE ASSETS | |
| INTANGIBLE ASSETS (GROSS) | 0.00 |
| INTANGIBLE ASSETS (ACCUMULATED AMORTIZATION) | 0.00 |
| CONSTRUCTION IN PROGRESS | 0.00 |
| OTHER NONCURRENT ASSETS | 555,192.00 |
| TOTAL NONCURRENT ASSETS | \$555,192.00 |
| TOTAL ASSETS | \$3,608,756.00 |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|--|---------------|
| ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS | 0.00 |
| DEFERRED AMOUNTS ON DEBT REFUNDING | 0.00 |
| ADJUSTMENT OF CAPITAL LEASE OBLIGATIONS | 0.00 |
| GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS | 0.00 |
| INTRA-ENTITY TRANSFER OF FUTURE REVENUES | 0.00 |
| LOSSES FROM SALE-LEASEBACK TRANSACTIONS | 0.00 |
| DIRECT LOAN ORIGINATION COSTS FOR MORTGAGE LOANS HELD FOR SALE | 0.00 |
| ASSET RETIREMENT OBLIGATIONS | 0.00 |
| OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES | 0.00 |
| PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES | 0.00 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | \$0.00 |

LIABILITIES

CURRENT LIABILITIES:

| | |
|--|---------------------|
| ACCOUNTS PAYABLE | |
| SALARIES, WAGES & RELATED BENEFITS | 0.00 |
| TRAVEL & TRAINING | 0.00 |
| OPERATING SERVICES | 125,465.00 |
| PROFESSIONAL SERVICES | 0.00 |
| SUPPLIES | 0.00 |
| GRANTS & PUBLIC ASSISTANCE | 0.00 |
| OTHER CHARGES | 0.00 |
| CAPITAL OUTLAY | 0.00 |
| ACCRUED INTEREST | 0.00 |
| DERIVATIVE INSTRUMENTS | 0.00 |
| DUE TO OTHER FUNDS | 0.00 |
| DUE TO FEDERAL GOVERNMENT | 0.00 |
| UNEARNED REVENUES | 0.00 |
| AMOUNTS HELD IN CUSTODY FOR OTHERS | 0.00 |
| OTHER CURRENT LIABILITIES | 0.00 |
| CURRENT PORTION OF LONG-TERM LIABILITIES: | |
| CONTRACTS PAYABLE | 0.00 |
| COMPENSATED ABSENCES PAYABLE | 0.00 |
| CAPITAL LEASE OBLIGATIONS | 0.00 |
| NOTES PAYABLE | 0.00 |
| BONDS PAYABLE | 0.00 |
| POLLUTION REMEDIATION OBLIGATIONS | 0.00 |
| ESTIMATED LIABILITY FOR CLAIMS | 0.00 |
| OPEB LIABILITY | 0.00 |
| OTHER LONG-TERM LIABILITIES | 0.00 |
| TOTAL CURRENT LIABILITIES | \$125,465.00 |

**ANNUAL FISCAL REPORT (AFR)
FOR 2021**

AGENCY: 7-15-20 - Louisiana Soybean and Grain Research and Promotion Board

PREPARED BY: Michael Glover

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EMAIL ADDRESS: mike@mglovercpa.com

SUBMITTAL DATE: 09/20/2021 12:52 PM

NONCURRENT PORTION OF LONG-TERM LIABILITIES:

| | |
|------------------------------------|---------------------|
| CONTRACTS PAYABLE | 0.00 |
| COMPENSATED ABSENCES PAYABLE | 0.00 |
| CAPITAL LEASE OBLIGATIONS | 0.00 |
| NOTES PAYABLE | 0.00 |
| BONDS PAYABLE | 0.00 |
| POLLUTION REMEDIATION OBLIGATIONS | 0.00 |
| ESTIMATED LIABILITY FOR CLAIMS | 0.00 |
| OPEB LIABILITY | 0.00 |
| NET PENSION LIABILITY | 0.00 |
| OTHER LONG-TERM LIABILITIES | 0.00 |
| TOTAL LONG-TERM LIABILITIES | \$0.00 |
| TOTAL LIABILITIES | \$125,465.00 |

DEFERRED INFLOWS OF RESOURCES

| | |
|--|---------------|
| ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS | 0.00 |
| DEFERRED AMOUNTS ON DEBT REFUNDING | 0.00 |
| ADJUSTMENT OF CAPITAL LEASE OBLIGATIONS | 0.00 |
| GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS | 0.00 |
| SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES | 0.00 |
| GAINS FROM SALE-LEASEBACK TRANSACTIONS | 0.00 |
| SPLIT INTEREST AGREEMENTS | 0.00 |
| POINTS RECEIVED ON LOAN ORIGATION | 0.00 |
| LOAN ORIGATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE | 0.00 |
| OPEB-RELATED DEFERRED INFLOWS OF RESOURCES | 0.00 |
| PENSION-RELATED DEFERRED INFLOWS OF RESOURCES | 0.00 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | \$0.00 |

NET POSITION:

| | |
|----------------------------------|-----------------------|
| NET INVESTMENT IN CAPITAL ASSETS | 0.00 |
| RESTRICTED FOR: | |
| CAPITAL PROJECTS | 0.00 |
| UNEMPLOYMENT COMPENSATION | 0.00 |
| ENDOWMENTS - EXPENDABLE | 0.00 |
| ENDOWMENTS - NONEXPENDABLE | 0.00 |
| DEBT SERVICE | 0.00 |
| OTHER PURPOSES | 0.00 |
| UNRESTRICTED | \$3,483,291.00 |
| TOTAL NET POSITION | \$3,483,291.00 |

**ANNUAL FISCAL REPORT (AFR)
FOR 2021**

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PREPARED BY: Michael Glover

PHONE NUMBER: 225-295-1860

EMAIL ADDRESS: mike@mglovercpa.com

SUBMITTAL DATE: 09/20/2021 12:52 PM

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

OPERATING REVENUES:

| | |
|---------------------------------|-----------------------|
| SALES OF COMMODITIES & SERVICES | 0.00 |
| ASSESSMENTS | 3,244,974.00 |
| USE OF MONEY & PROPERTY | 0.00 |
| LICENSES, PERMITS & FEES | 0.00 |
| FEDERAL GRANTS & CONTRACTS | 0.00 |
| OTHER | 0.00 |
| TOTAL OPERATING REVENUES | \$3,244,974.00 |

OPERATING EXPENSES:

| | |
|--|-----------------------|
| COST OF SALES & SERVICES | 3,258,852.00 |
| ADMINISTRATIVE | 25,926.00 |
| DEPRECIATION | 0.00 |
| AMORTIZATION | 0.00 |
| UNEMPLOYMENT INSURANCE BENEFITS (only used for the Unemployment Trust Fund) | 0.00 |
| TOTAL OPERATING EXPENSES | \$3,284,778.00 |

OPERATING INCOME (LOSS) \$ (39,804.00)

NONOPERATING REVENUES(EXPENSES)

| | |
|---|-------------------|
| NON-OPERATING INTERGOVERNMENTAL REVENUES | 0.00 |
| NON-OPERATING INTERGOVERNMENTAL EXPENSES | 0.00 |
| GAIN ON SALE OF CAPITAL ASSETS | 0.00 |
| LOSS ON SALE OF CAPITAL ASSETS | 0.00 |
| FEDERAL GRANTS | 0.00 |
| INTEREST EXPENSE | 0.00 |
| OTHER NON-OPERATING REVENUES | 1,788.00 |
| OTHER NON-OPERATING EXPENSES | 0.00 |
| TOTAL NONOPERATING REVENUES (EXPENSES) | \$1,788.00 |

INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS \$ (38,016.00)

| | |
|-----------------------|------|
| CAPITAL CONTRIBUTIONS | 0.00 |
| TRANSFERS IN | 0.00 |
| TRANSFERS OUT | 0.00 |

CHANGE IN NET POSITION \$ (38,016.00)

| | |
|----------------------------|-----------------------|
| NET POSITION - BEGINNING | \$3,521,307.00 |
| NET POSITION - RESTATEMENT | 0.00 |

**ANNUAL FISCAL REPORT (AFR)
FOR 2021**

AGENCY: 7-15-20 - Louisiana Soybean and Grain Research and Promotion Board

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SUBMITTAL DATE: 09/20/2021 12:52 PM

NET POSITION - ENDING

\$3,483,291.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2021**

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PHONE NUMBER: 225-295-1860

EMAIL ADDRESS: mike@mglovercpa.com

SUBMITTAL DATE: 09/20/2021 12:52 PM

STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES:

| | |
|---|--------------------|
| RECEIPTS FROM CUSTOMERS | 3,307,933.00 |
| RECEIPTS FROM INTERFUND SERVICES PROVIDED | 0.00 |
| RECEIPTS FROM INTERFUND REIMBURSEMENTS | 0.00 |
| RECEIPTS OF PRINCIPAL/INTEREST FROM LOAN PROGRAMS | 0.00 |
| OTHER OPERATING RECEIPTS | 0.00 |
| PAYMENTS TO SUPPLIERS & SERVICE PROVIDERS | (3,250,778.00) |
| PAYMENTS FOR LOANS MADE UNDER LOAN PROGRAMS | 0.00 |
| PAYMENTS TO EMPLOYEES FOR SERVICES | 0.00 |
| PAYMENTS FOR INTERFUND SERVICES USED | 0.00 |
| PAYMENTS FOR SCHOLARSHIPS AND FELLOWSHIPS | 0.00 |
| OTHER OPERATING PAYMENTS | 0.00 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$57,155.00 |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

| | |
|--|---------------|
| PROCEEDS FROM THE ISSUANCE OF NON-CAPITAL DEBT | 0.00 |
| RECEIPTS FROM OPERATING GRANTS | 0.00 |
| RECEIPTS FOR PRINCIPAL AND INTEREST DEBT SERVICE | 0.00 |
| RECEIPTS FROM OTHER FUNDS | 0.00 |
| PAYMENTS FOR PRINCIPAL ON NON-CAPITAL DEBT | 0.00 |
| PAYMENTS FOR INTEREST ON NON-CAPITAL DEBT | 0.00 |
| PAYMENTS FOR GRANTS AND SUBSIDIES | 0.00 |
| PAYMENTS TO OTHER FUNDS | 0.00 |
| NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES | \$0.00 |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

| | |
|---|---------------|
| PROCEEDS FROM THE ISSUANCE OF CAPITAL DEBT | 0.00 |
| RECEIPTS FROM CAPITAL GRANTS | 0.00 |
| PROCEEDS FROM THE SALE OF CAPITAL ASSETS | 0.00 |
| PAYMENTS TO ACQUIRE, CONSTRUCT & IMPROVE CAPITAL ASSETS | 0.00 |
| PAYMENTS FOR PRINCIPAL ON CAPITAL DEBT | 0.00 |
| PAYMENTS FOR INTEREST ON CAPITAL DEBT | 0.00 |
| NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | \$0.00 |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | |
|---|-------------------|
| PURCHASES OF INVESTMENTS | 0.00 |
| PROCEEDS FROM THE SALE OF INVESTMENTS | 0.00 |
| INTEREST AND DIVIDENDS | 1,788.00 |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | \$1,788.00 |

NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS **\$58,943.00**

**ANNUAL FISCAL REPORT (AFR)
FOR 2021**

AGENCY: 7-15-20 - Louisiana Soybean and Grain Research and Promotion Board

PREPARED BY: Michael Glover

PHONE NUMBER: 225-295-1860

EMAIL ADDRESS: mike@mglovercpa.com

SUBMITTAL DATE: 09/20/2021 12:52 PM

| | |
|--|-----------------------|
| CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR | 2,994,621.00 |
| RESTATEMENT OF BEGINNING CASH AND CASH EQUIVALENTS | 0.00 |
| CASH & CASH EQUIVALENTS AT END OF YEAR | \$3,053,564.00 |

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

| | |
|--------------------------------|----------------------|
| OPERATING INCOME (LOSS) | \$(39,804.00) |
|--------------------------------|----------------------|

ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

| | |
|--|-------------|
| DEPRECIATION/AMORTIZATION | 0.00 |
| PROVISION FOR UNCOLLECTIBLE ACCOUNTS | 0.00 |
| NONEMPLOYER CONTRIBUTING ENTITY REVENUE | 0.00 |
| OTHER | 0.00 |
| (INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE | 62,960.00 |
| (INCREASE)/DECREASE IN DUE FROM OTHER FUNDS | 0.00 |
| (INCREASE)/DECREASE IN PREPAYMENTS | 0.00 |
| (INCREASE)/DECREASE IN INVENTORIES | 0.00 |
| (INCREASE)/DECREASE IN OTHER ASSETS | (61,594.00) |
| (INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO OPEB | 0.00 |
| (INCREASE)/DECREASE IN DEFERRED OUTFLOWS RELATED TO PENSIONS | 0.00 |
| INCREASE/(DECREASE) IN ACCOUNTS PAYABLE & ACCRUALS | 94,593.00 |
| INCREASE/(DECREASE) IN COMPENSATED ABSENCES | 0.00 |
| INCREASE/(DECREASE) IN DUE TO OTHER FUNDS | 0.00 |
| INCREASE/(DECREASE) IN UNEARNED REVENUES | 0.00 |
| INCREASE/(DECREASE) IN OPEB LIABILITY | 0.00 |
| INCREASE/(DECREASE) IN NET PENSION LIABILITY | 0.00 |
| INCREASE/(DECREASE) IN OTHER LIABILITIES | 1,000.00 |
| INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO OPEB | 0.00 |
| INCREASE/(DECREASE) IN DEFERRED INFLOWS RELATED TO PENSIONS | 0.00 |

| | |
|---|--------------------|
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$57,155.00 |
|---|--------------------|

**ANNUAL FISCAL REPORT (AFR)
FOR 2021**

AGENCY: 7-15-20 - Louisiana Soybean and Grain Research and Promotion Board

PREPARED BY: Michael Glover

PHONE NUMBER: 225-295-1860

EMAIL ADDRESS: mike@mglovercpa.com

SUBMITTAL DATE: 09/20/2021 12:52 PM

**STATEMENT OF CASH FLOWS
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES**

| Description | Amount |
|------------------------------------|---------------|
| BORROWING UNDER CAPITAL LEASE(S) | 0.00 |
| GAIN ON DISPOSAL OF CAPITAL ASSETS | 0.00 |
| LOSS ON DISPOSAL OF CAPITAL ASSETS | 0.00 |
| CONTRIBUTIONS OF CAPITAL ASSETS | 0.00 |
| OTHER (specify below): | |
| | 0.00 |

**ANNUAL FISCAL REPORT (AFR)
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SUBMITTAL DATE: 09/20/2021 12:52 PM

DEPOSITS WITH FINANCIAL INSTITUTIONS (BANK BALANCES)

| | Total Deposits (Bank Balance) | Uninsured and Uncollateralized (Bank Balance) | Uninsured and Collateralized with Securities Held by the Pledging Institution (Bank Balance) | Uninsured and Collateralized with Securities Held by the Pledging Institution's Trust Dept. or Agent but not in the Agency's Name (Bank Balance) |
|--|--|--|---|---|
| Cash | 3,427,897.00 | 0.00 | 3,427,897.00 | 0.00 |
| Non-Negotiable Certificates of Deposits | 0.00 | 0.00 | 0.00 | 0.00 |
| Money Market Demand Accounts* | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | \$3,427,897.00 | \$0.00 | \$3,427,897.00 | \$0.00 |

Do NOT include any cash or CD's on deposit with the State Treasurer

***DOES NOT Include Money Market Mutual Funds**

**ANNUAL FISCAL REPORT (AFR)
FOR 2021**

AGENCY: 7-15-20 - Louisiana Soybean and Grain Research and Promotion Board

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SUBMITTAL DATE: 09/20/2021 12:52 PM

SUBMISSION

Before submitting, ensure that all data (statements, notes, schedules) have been entered for the agency.

Once submitted no changes can be made to any of the agency data for the specified year.

By clicking 'Submit' below you certify that the financial statements herewith given present fairly the financial position and the results of operations for the year ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.

Reminder: You must send Louisiana Legislative Auditors an electronic copy of the AFR report in a pdf, tiff, or some other electronic format to the following e-mail address:
LLAFileroom@lla.la.gov.

MICHAEL K. GLOVER
CERTIFIED PUBLIC ACCOUNTANT
(A Professional Accounting Corporation)

9437 BROOKLINE
Baton Rouge, Louisiana 70809
(225) 295-1860
Email: mike@mglovercpa.com

September 15, 2021

To Management and the Board Members of
Louisiana Soybean and Grain Research and Promotion Board
State of Louisiana
Baton Rouge, Louisiana

Management Letter for the year ended June 30, 2021

I have audited the accompanying financial statements of the business type activities of Louisiana Soybean and Grain Research and Promotion Board, a component unit of the State of Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise of Louisiana Soybean and Grain Research and Promotion Board basic financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Those standards require that I plan and perform the audit to obtain reasonable assurance that the annual financial statements are free of material misstatements but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit is conducted to enable me to form and express an opinion on the financial statements that have been prepared by management with my assistance.

However, in accordance with my normal practice, I identified certain immaterial matters during my audit of the financial statements for the year ended June 30, 2021, that I need to bring to your attention:

Management point 2021-01 – Travel expense documentation

Criteria – While reviewing travel expense for hotel charges and meals the documentation provided was not adequate to determine if these charges were in compliance with Louisiana travel regulations.

Condition – The documentation provided for the hotel charges was a statement that listed separate invoice numbers and the total amount of room charges for each of the board members. While the documentation for the meal was only a credit card receipt, the detail of charge was not available for either of the expenditures..

Cause – I was not able to determine if these charges were in compliance with the Louisiana travel regulations.

Recommendation – Louisiana state travel regulations request documentation that accompanying travel expense to include a detail of the charges. For instance, hotel charges should show the daily room charge that includes taxes, room charges, etc. While a charge for meals should include the detail of the meals, drinks, list of those attended, and business purpose. If you have not already done so, management might want to review the travel acceptable travel expense on the pocket size summary of accepted rates at the DOA web site on the PPM49.

Action Plan –We recognize the receipts provided to us by the separate vendors for certain travel expense were not itemized and we also understand the need for more detail receipts to attribute per member cost according to state guidelines. In the future, we will request and obtain more detail information related to travel expenses.

Management point 2021-02 – Timely remittance of 50% of assessments to the state soybean board

Criteria - Section 1220.223 Assessments – required Soybean assessments to remit to a Qualified State Soybean Board 50% of the Soybean Assessments quarterly.

Condition –For the Months of August 2020, January and February 2021, there were out-of-state collections of \$164,555.65. The required 50% remittance to a qualified state soybean board was not made timely. However, after this oversight discovered a remittance of \$82,277.83 was made to the Board which complied with this Section.

Cause – A weakness in the internal controls did not include all of the out-of- state soybeans sales in the amounts remitted to the Soybean Board.

Effect – Once this was brought to managements attention, the amounts were remitted as per Section 1220.223.

Recommendation- Before completing the quarterly report that includes the amount remitted to the State Boards, the assessments that were collected should be compare to the actual collections indicated on the bank statement before the final remittance is prepared.

Plan of Action – Management will start comparing all collections and remittances to the monthly bank statements to ascertain that the amount deposited and are subject to the 50% assessment are being remitted correctly.

Yours truly



Michael K Glover CPA
Certified Public Accountants