

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

**Financial Report
As of and For the Year Ended
June 30, 2015**

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Financial Report
As of and for the year ended June 30, 2015

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DEPARTMENT OF AGRICULTURE AND FORESTRY
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board Members of the
Louisiana Soybean and Grain Research and Promotion Board
Baton Rouge, Louisiana 70895-9004

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Louisiana Soybean and Grain Research and Promotion Board (the Board), a component unit of the State of Louisiana, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's 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, and 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 these 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 *Government 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 the 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 on 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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Member

*American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants*

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 governmental activities, each major fund, and the aggregate remaining fund information of the Louisiana Soybean and Grain Research and Promotion Board as of June 30, 2015, and the respective changes in financial position 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 management's discussion and analysis and budgetary comparison information on pages 6-9 and 23 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements is required by the Governmental Accounting Standards Board, who consider 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.

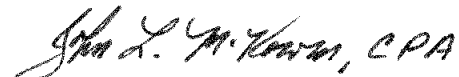
Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Per Diem Paid to Board Members, Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer, Schedule of Unrestricted Net Position, Schedule of Unrestricted Net Position, Schedule of Revenues, Expenses and Changes in Net Position, Schedule on Cash Flows, and Schedule of Assessments Paid to United Soybean Board on pages 25 through 31, along with the Other Required Supplementary Information beginning on page 39 are presented for purposes of additional analysis and are not part of the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 4, 2015, on my consideration of the Louisiana Soybean and Grain Research and Promotion Board's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 the Louisiana Soybean and Grain Research and Promotion Board's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "John L. McKowen, CPA". The signature is written in a cursive, flowing style.

John L. McKowen, CPA

Baton Rouge, Louisiana
September 4, 2015

REQUIRED SUPPLEMENTARY INFORMATION
(PART 1 OF 2)

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

The purpose of this section is to offer a narrative overview and analysis of the Louisiana Soybean and Grain Research and Promotion Board's (hereafter referred to as the Board) financial performance during the year ended June 30, 2015. It focuses on the current year's activities, resulting changes and currently known facts. It should be read in conjunction with the financial report taken as a whole.

Financial Highlights

- The Board's assets exceeded its liabilities at the close of the year by \$3,177,399
- More than 89% of the Board's revenues were spent directly on research and promotion projects

Overview of the Financial Statement Presentation

These financial statements are comprised of these components – (1) management's discussion and analysis, (2) basic financial statements, (3) notes to the financial statements and (4) required supplemental information. There is also other supplementary information contained in this report provided for additional information.

Basic Financial Statements. The basic financial statements present information for the Board as a whole in a format designed to make the statements easier for the reader to understand. Statements in this section include the following:

Statement of Net Position. This statement presents information on all of the Board's assets, deferred outflows of resources, liabilities, and deferred inflows of resources separately. The difference between assets plus deferred outflows and liabilities plus deferred inflows is net position, which may provide a useful indicator of whether the financial position of the Board is improving or deteriorating.

Statement of Revenues, Expenses and Changes in Net Position. This statement presents information showing how the Board's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Board's financial reliance on general revenues.

Statement of Cash Flows. The change in cash as a result of current year operations is depicted in this statement. The cash flow statement includes a reconciliation of operating income (loss) to the net cash provided by or used for operating activities as required by GASB No. 34.

The basic financial statements begin on page 11.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The index of the notes is found on page 16 with the actual notes beginning immediately afterwards.

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

Required Supplementary Information. As a component unit of the State of Louisiana, the Board complies with the reporting requirements of the Division of Administration, Office of Statewide Reporting and Accounting. The Louisiana Comprehensive Annual Financial Report completed with information relative to the Board is included in other required supplementary information.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain other information that is deemed useful to readers of this report.

Financial Analysis of the Board

Net position is an indicator of the Board's financial position from year to year. A summary of net position follows.

SUMMARY OF NET POSITION

	<u>2015</u>	<u>2014</u>
Assets		
Current assets	<u>\$ 4,234,636</u>	<u>\$ 3,633,786</u>
Total Assets	4,234,636	3,633,786
Liabilities		
Current liabilities	<u>1,057,237</u>	<u>909,910</u>
Net Position		
Unrestricted	<u>3,177,399</u>	<u>2,723,876</u>

Between June 30, 2014 and June 30, 2015, net position of the Board increased by \$453,523 or 17%.

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

A summary of changes in net position is as follows:

SUMMARY OF CHANGES IN NET POSITION

	<u>2015</u>	<u>2014</u>
Operating Revenues	\$ 4,665,469	\$ 4,062,961
Operating Expenses	<u>(4,216,597)</u>	<u>(3,360,887)</u>
Operating Income (Loss)	448,872	702,074
Non-operating Revenues (Expenses)	<u>4,651</u>	<u>3,907</u>
Change in Net position	<u><u>453,523</u></u>	<u><u>705,981</u></u>

Revenues increased by \$607,159 or 15% while expenses increased by 25% or \$855,710.

Cash flow activity of the Board for the past two years is as follows:

STATEMENT OF CASH FLOWS

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents provided by (used for):		
Operating activities	\$ 602,384	\$ 584,308
Non-capital financing activities	-	-
Capital and related financing activities	-	-
Investing activities	<u>4,651</u>	<u>3,907</u>
Net Increase (Decrease) in Cash and Cash Equivalents	607,035	588,215
Cash and cash equivalents, beginning of year	<u>3,607,673</u>	<u>3,019,458</u>
Cash and cash equivalents, end of year	<u><u>4,214,708</u></u>	<u><u>3,607,673</u></u>

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Capital Asset and Debt Administration

Capital Assets: The Board does not currently own any capital assets.

Debt Administration: The Board does not have any debt outside of trade payables.

Economic Environment and Next Year's Budget

Ultimately, the harvested production of soybeans, corn, grain sorghum and wheat will determine the overall funds available for research and promotion projects. The Board allocates funds after the various grains are harvested and most of the assessments have been collected. Louisiana's production acreage for all these crops has changed slightly from the previous year. If normal yields are achieved, the Board will have to give careful consideration in continuing the current level of research programs. For soybean projects, the income available will also be impacted by prices since the soybean assessments are a percentage of value.

Request for Information

This financial report is designed to provide a general overview of the Board's finances, comply with finance-related laws and regulations and demonstrate the Board's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting Kyle McCann, P.O. Box 95004, Baton Rouge, Louisiana 70895-9004.

BASIC FINANCIAL STATEMENTS

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Business-type Activities</u>
<u>ASSETS</u>	
Current Assets	
Cash and cash equivalents	\$ 4,214,708
Accounts receivable	<u>19,928</u>
Total Current Assets	4,234,636
 <u>LIABILITIES</u>	
Current Liabilities	
Accounts payable	1,040,773
Assessments payable - United Soybean Board	<u>16,464</u>
Total Current Liabilities	<u>1,057,237</u>
 <u>NET POSITION</u>	
Unrestricted	<u>3,177,399</u>
Total Net Position	<u><u>3,177,399</u></u>

See Accompanying Notes and Auditors' Report

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
YEAR ENDED JUNE 30, 2015

	<u>Business-type Activities</u>
<u>OPERATING REVENUES</u>	
Assessments	\$ 4,665,469
Total Operating Revenues	\$ 4,665,469
<u>OPERATING EXPENSES</u>	
Assessments to United Soybean Board	\$ 2,123,421
Research and promotion	\$ 2,064,751
Collection fees	\$ 12,058
Professional services	\$ 6,100
Board meetings and travel	\$ 6,634
General and administrative	\$ 3,633
Total Operating Expenses	\$ 4,216,597
Operating Income	\$ 448,872
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
Interest income	\$ 4,651
Change in Net Position	\$ 453,523
Total Net Position, beginning	\$ 2,723,876
Total Net Position, ending	\$ 3,177,399

See Accompanying Notes and Auditors' Report

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2015

	<u>Business-type Activities</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 4,671,654
Cash paid to suppliers for goods/services	<u>(4,069,270)</u>
Net Cash Provided by Operating Activities	602,384
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received from investments	<u>4,651</u>
Net Cash Provided by Investing Activities	<u>4,651</u>
Net Increase in Cash and Cash Equivalents	607,035
Cash and Cash Equivalents, beginning of year	<u>3,607,673</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 4,214,708</u></u>

Continued

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
STATEMENT OF CASH FLOWS (Continued)
YEAR ENDED JUNE 30, 2015

	<u>Business-type Activities</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 448,872
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
(Increase) decrease in assets:	
Accounts receivable	6,185
Increase (decrease) in liabilities:	
Accounts payable	148,457
Assessments payable	<u>(1,130)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 602,384</u></u>

See Accompanying Notes and Auditors' Report

NOTES TO FINANCIAL STATEMENTS

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
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JUNE 30, 2015

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DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

INTRODUCTION

The Louisiana Soybean and Grain Research and Promotion Board is a component unit of the State of Louisiana. It was 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, wheat, corn 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, 2015.

Financial Reporting Entity: As required by GASB Statement No. 61, *The Financial Reporting Entity – an amendment of GASB Statements No. 14 and No. 34*, the Board is considered a component unit of the State of Louisiana because the board members are appointed by the Governor, and there is a financial burden or benefit relationship with the State. The accompanying financial statements present only the transactions of the Louisiana Soybean and Grain Research and Promotion Board.

Basis of Presentation - Fund Accounting: 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. The operating statement presents increases (revenues) and decreases (expenses) in total net position. The Board maintains one proprietary fund, the General Fund.

Basis of Accounting: The Board prepares its financial statements 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. Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Board has elected to apply the

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
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provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), excluding those issued after November 30, 1989.

Basis of Reporting: The Board has adopted GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* and also the required portions of GASB Statement No. 37, *Basic Financial Statements – for State and Local Governments – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures*, which modified the disclosure requirements of GASB No. 34. GASB No. 34 established standards for external reporting for all state and local governmental entities. It requires the classification of net position into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

Invested in Capital Assets, Net of Related Debt: This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted: This component of net position is that for which external constraints have been imposed by creditors (such as through debt covenants), grantors, contributors, laws and regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted: This component of net position consists of net position that does not meet the definition of restricted, or invested in capital assets, net of related debt.

Net Position: On July 1, 2013, the Board adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provided financial reporting guidance for deferred outflows of resources, deferred inflows of resources, and net position. State and local governments enter into transactions that result in the consumption or acquisition of net position in one period that are applicable to future periods. GASB Statement No. 63 requires that deferred outflows of resources should be reported in a separate section following assets and deferred inflows of resources should be reported in a separate section following liabilities.

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. Net position should be displayed in three components - *invested in capital assets, net of related debt* consisting of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction or improvement of those assets; *restricted* distinguishing between major categories of restrictions and consisting of restricted assets reduced by liabilities and deferred inflows of resources related to those assets; and *unrestricted* consisting of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of capital assets, net of

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

related debt or the restricted portion of net position.

Budgets and Budgetary Accounting: The Board adopts an annual budget prepared in accordance with the basis of accounting utilized by that fund although it is not legally required to do so. It is reviewed and amended, if necessary, at each Board meeting.

Cash and Cash Equivalents: Cash and cash equivalents include amounts in interest-bearing demand deposits. Under state law, the Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

Inventory: Inventory of the Board includes only office supplies and printed materials, the amount of which is considered immaterial. Therefore, the acquisition of these items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statements.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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 June 30, 2015.

Compensated Absences: The Board does not have any employees.

NOTE 2 – CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 2015:

	<u>Book Balance</u>	<u>Bank Balance</u>
Interest-bearing demand deposits	<u>\$ 4,214,708</u>	<u>\$ 5,239,293</u>

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
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These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of 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. These securities are held in the name of the pledging fiscal agent bank in a holding, or custodial bank that is mutually acceptable to both parties.

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Board does not have any deposits that fall within this category. Deposits of the Board are secured with \$250,000 (Capital One) of insurance through FDIC and \$4,463,334 of pledged collateral.

NOTE 3 – INVESTMENTS

At June 30, 2015, the Board had no investments with maturities extending beyond 90 days.

NOTE 4 – RECEIVABLES

The Board receives an assessment of one-half of one percent of the net selling price per bushel on soybeans and one-half cent per bushel on wheat, corn and grain sorghum grown within the State. The assessment on grain sorghum is currently suspended, however, while the national assessment for grain sorghum established pursuant to 7 CFR 1221 remains in effect. 25% of national assessments for grain sorghum is eligible to be “passed back” to the Board from the United Sorghum Checkoff Program Board.

All other assessments are collected by the buyer at the first point of sale and remitted each month to the Commissioner of Agriculture. They are forwarded the following month, less administrative fees, to the Board. Collections to be remitted to the Board in the subsequent period included the following:

<u>Class of Receivable</u>	<u>Amount</u>
Assessments – soybean/grain	\$ 7,289
2015 Passback agreement – sorghum	<u>12,639</u>
Total	<u>19,928</u>

The allowance for doubtful accounts is set at zero percent because collection is expected at 100%.

NOTE 5 - LEASES

The Board did not have any operating or capital leases at June 30, 2015.

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 – ACCOUNTS AND OTHER PAYABLES

In addition to trade payables relating primarily to research contracts, the Board is obligated to pay one half of the net collections it receives on soybeans to the United Soybean Board pursuant to the federal Soybean Promotion and Research Order.

The following is a summary of payables at June 30, 2015:

<u>Class of Payables</u>	<u>Amount</u>
Accounts	\$ 1,040,773
Assessments	<u>16,464</u>
Total	<u>1,057,237</u>

NOTE 7 – LONG-TERM LIABILITIES

The Board has no long-term debt.

NOTE 8 – RELATED PARTY TRANSACTIONS

The Louisiana Soybean and Grain Research and Promotion Board is a member of the United Soybean Board and has certain compliance requirements to that Board in accordance with the Soybean Promotion Research and Consumer Information Act. The Louisiana Soybean and Grain Research and Promotion Board is required by federal law to remit one half of its soybean assessments, net of collection fees due the Louisiana Department of Agriculture and Forestry, to the United Soybean Board, and accordingly, made has made or accrued payments of \$2,123,421 to the United Soybean Board during the year ended June 30, 2015.

NOTE 9 – LITIGATION

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

NOTE 10 – SUBSEQUENT EVENTS

There have been no events between the close of the year through issuance of this report that would materially impact these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(PART 2 OF 2)

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Net assessments			
Soybeans	\$ 2,060,296	\$ 2,123,421	\$ 63,125
Wheat & Corn	348,943	340,379	(8,564)
Sorghum	63,194	63,194	-
Late fees	-	2,995	2,995
Investment earnings			
Soybeans	2,500	3,985	1,485
Grain	750	666	(84)
	<u>\$ 2,475,683</u>	<u>\$ 2,534,640</u>	<u>\$ 58,957</u>
Total Revenues			
EXPENDITURES			
Research			
Soybeans	\$ 1,586,437	\$ 1,586,437	\$ -
Wheat & Corn	388,508	388,508	-
Sorghum	65,106	65,106	-
Promotion			
Soybeans	24,700	24,700	
General and administrative			
Soybeans	5,124	15,367	(10,243)
Wheat & Corn	1,976	1,000	976
Total Expenditures	<u>\$ 2,071,851</u>	<u>\$ 2,081,118</u>	<u>\$ (9,267)</u>
Net change in fund balances	\$ 403,832	\$ 453,522	\$ 49,690
Fund Balances, beginning	<u>\$ 2,723,877</u>	<u>\$ 2,723,877</u>	<u>\$ -</u>
Fund Balances, ending	<u><u>\$ 3,127,709</u></u>	<u><u>\$ 3,177,399</u></u>	<u><u>\$ 49,690</u></u>

See Auditors' Report

SUPPLEMENTARY INFORMATION

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2015**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, a schedule of per diem paid to board members should be presented.

Board members of the Louisiana Soybean and Grain Research and Promotion Board do not receive a per diem for attending Board meetings. They are reimbursed for their actual expenses.

A listing of Board members is as follows:

<u>Name</u>	<u>Parish</u>
Schexnayder, Jr., Raymond (chair)	Pointe Coupee
Bordelon, J.K. (vice chair)	Avoyelles
Cannatella, Charles (secretary/treasurer)	St. Landry
Ater, Thomas	Concordia
Berken, Donald	Jefferson Davis
Franchébois, Leo	St. Landry
Kirby, Ryan	Caddo
Olivier, Joey	St. Landry
Polotzola, Carlos	St. Landry
Thevis, Robert	Avoyelles
Turner, Dan	Morehouse
Vandeven, Darrell	Tensas

See Auditors' Report

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

AGENCY HEAD NAME: Raymond S. Schexnayder, Jr., Chairman

PURPOSE	AMOUNT
Reimbursements -Mileage	<u>78</u>
Total	<u><u>\$ 78</u></u>

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
SCHEDULE OF UNRESTRICTED NET POSITION
YEAR ENDED JUNE 30, 2015

	<u>Soybean</u>	<u>Grains</u>	<u>Sorghum</u>	<u>Total</u>
Cash and Cash Equivalents				
Interest-bearing demand deposits	\$ 3,652,664	\$ 495,610	\$ 66,434	\$ 4,214,708
Accounts Receivables				
Assessments	\$ 5,229	\$ 2,060	\$ 12,639	\$ 19,928
Totals Assets	\$ 3,657,893	\$ 497,670	\$ 79,073	\$ 4,234,636
Accounts Payable				
LSU Agriculture Center	\$ 762,297	\$ 141,754	\$ 32,553	\$ 936,604
National Corn Growers Association	\$ -	\$ 85,000	\$ -	\$ 85,000
LN Radio	\$ 14,820	\$ -	\$ -	\$ 14,820
United Soybean Board - assessments	\$ 16,464	\$ -	\$ -	\$ 16,464
Professional fees	\$ 4,349	\$ -	\$ -	\$ 4,349
Total Liabilities	\$ 797,930	\$ 226,754	\$ 32,553	\$ 1,057,237
Net Position, Unrestricted	\$ 2,859,963	\$ 270,916	\$ 46,520	\$ 3,177,399

See Auditors' Report

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
YEAR ENDED JUNE 30, 2015

	<u>Soybean</u>	<u>Grains</u>	<u>Sorghum</u>	<u>Total</u>
Operating revenues				
Assessments	\$ 4,253,124	\$ 346,155	\$ 63,194	\$ 4,662,473
Late fees	2,996	-	-	2,996
Total operating revenues	\$ 4,256,120	\$ 346,155	\$ 63,194	\$ 4,665,469
Operating expenses				
Assessments to United Soybean Board	\$ 2,123,421	\$ -	\$ -	\$ 2,123,421
Research	1,586,437	388,508	65,106	2,040,051
Promotion	24,700	-	-	24,700
Collection fees	6,282	5,776	-	12,058
Professional services	6,100	-	-	6,100
Board meetings and travel	6,634	-	-	6,634
General and administrative	2,633	1,000	-	3,633
Total operating expenses	\$ 3,756,207	\$ 395,284	\$ 65,106	\$ 4,216,597
Operating income	\$ 499,913	\$ (49,129)	\$ (1,912)	\$ 448,872
Non-operating revenues (expenses)				
Interest income	\$ 3,985	\$ 589	\$ 77	\$ 4,651
Total net position, beginning	\$ 2,356,394	\$ 319,127	\$ 48,355	\$ 2,723,876
Total net position, ending	\$ 2,860,292	\$ 270,587	\$ 46,520	\$ 3,177,399

See Auditors' Report

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
SCHEDULE OF CASH FLOWS
YEAR ENDED JUNE 30, 2015

	<u>Soybean</u>	<u>Grains</u>	<u>Sorghum</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 4,251,638	\$ 345,092	\$ 62,866	\$ 4,659,596
Cash paid to suppliers for goods/services	(3,484,971)	(572,241)	-	(4,057,212)
Net Cash Provided by Operating Activities	766,667	(227,149)	62,866	602,384
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received from investments	3,985	589	77	4,651
Net Cash Provided by Investing Activities	3,985	589	77	4,651
Net Increase in Cash and Cash Equivalents	770,652	(226,560)	62,943	607,035
Cash and Cash Equivalents, beginning of year	2,882,012	657,749	67,912	3,607,673
Transfers between Funds		64,421	(64,421)	
Cash and Cash Equivalents, end of year	<u>\$ 3,652,664</u>	<u>\$ 495,610</u>	<u>\$ 66,434</u>	<u>\$ 4,214,708</u>

See Auditors' Report

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
SCHEDULE OF CASH FLOWS (Continued)
YEAR ENDED JUNE 30, 2015

	<u>Soybean</u>	<u>Grains</u>	<u>Sorghum</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME \$				767,192
NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 499,889	\$ (49,105)	\$ (1,912)	\$ 448,872
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
(Increase) decrease in assets:				
Accounts receivable	1,801	4,713	(329)	6,185
Increase (decrease) in liabilities:				
Accounts payable	266,632	(118,518)	343	148,457
Assessments payable	(1,130)			(1,130)
Net Cash Provided by Operating Activities	<u>\$ 767,192</u>	<u>\$ (162,910)</u>	<u>\$ (1,898)</u>	<u>\$ 602,384</u>

See Auditors' Report

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
SCHEDULE OF ASSESSMENTS PAID TO UNITED SOYBEAN BOARD
YEAR ENDED JUNE 30, 2015

Under the United States Soybean Promotion, Research and Consumer Information Act, the United Soybean Board is allowed to assess one-half of one percent of the net selling price of soybeans sold by the producer to the first purchaser. This Act further states that, "No more than one assessment shall be made on any soybeans" and that, "The Board shall use qualified State soybean boards to collect such assessments in States in which such boards operate." As a result, the Louisiana Soybean and Grain Research and Promotion Board is required to collect assessments from soybean producers on behalf of the United Soybean Board.

	<u>Soybeans</u>
Assessments received	\$ 4,253,124
Collection expense ¹	<u>(6,282)</u>
Assessments, net	4,246,842
	<u>x 50%</u>
USB assessment	<u><u>2,123,421</u></u>

¹The Board receives the assessments from the Louisiana Department of Agriculture and Forestry net of refunds and collection expense. The deduction of refunds and collection expenses incurred by the Board are allowed under the Act.

The following schedule lists soybean contracts in process at June 30, 2015:

Schedule of Soybean Contracts in Process at June 30, 2015

Contract Description	Total Budget	Total Expended as of 6/30/2015	Remaining Balance at 6/30/2015
Audit 2015	\$ 2,600	\$ -0-	\$ 2,599
Accounting 2015	3,500	1,750	1,750
LN Radio	24,700	9,800	14,820
MSSB 2015	61,843	61,843	-0-
LSU AgCtr 2015	<u>1,524,594</u>	<u>762,297</u>	<u>762,297</u>
Totals	\$ <u>1,617,237</u>	\$ <u>835,770</u>	\$ <u>781,466</u>

See Auditors' Report

John L. McKowen
Certified Public Accountant

2178 Myrtle Avenue
Baton Rouge, Louisiana 70806

Office (225) 615-7844
Fax (225) 344-5439
jlmckowen@cox.net

**REPORT ON COMPLIANCE WITH THE SOYBEAN PROMOTION, RESEARCH AND
CONSUMER INFORMATION ACT AND THE SOYBEAN PROMOTION
AND RESEARCH ORDER, BASED ON AN AUDIT PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

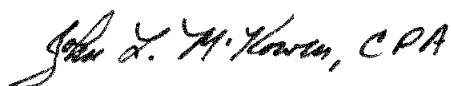
To the Board Members of the
Louisiana Soybean and Grain Research and Promotion Board
P. O. Box 95004
Baton Rouge, Louisiana 70895-9004

I have audited the basic financial statements of the Louisiana Soybean and Grain Research and Promotion Board as of and for the year ended June 30, 2015, and have issued my report thereon dated September 4, 2015. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance with the Soybean Promotion, Research and Consumer Information Act (hereafter referred to as the Act) and the Soybean Promotion and Research Order (hereafter referred to as 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 the investment of funds collected by the State Board is the responsibility of the Louisiana Soybean and Grain Research and Promotion Board's management. As part of obtaining reasonable assurance about whether the Louisiana Soybean and Grain Research and Promotion Board's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion.

The results of my tests, however, disclosed no instances of noncompliance with the Act or Order as described above that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, the Legislative Auditor distributes this report as a public document.



John L. McKowen, CPA
September 4, 2015

Member
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

John L. McKowen
Certified Public Accountant

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Baton Rouge, Louisiana 70806

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jlmckowen@cox.net

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board Members of the
Louisiana Soybean and Grain Research and Promotion Board
State of Louisiana
Post Office Box 95004
Baton Rouge, Louisiana 70895-9004

I have audited, in accordance with 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 statements 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, 2015, and the related notes to the financial statements, which collectively comprise the Louisiana Soybean and Grain Research and Promotion Board's basic financial statements, and have issued my report thereon dated September 4, 2015.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Louisiana Soybean and Grain Research and Promotion Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions 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's internal control. Accordingly, I do not express an opinion on the effectiveness of the Louisiana Soybean and Grain Research and Promotion Board's 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 control, 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 is important enough to merit attention by those charged with governance.

Member

American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

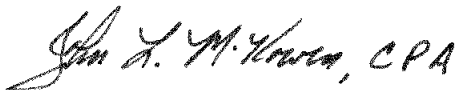
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana Soybean and Grain Research and Promotion Board's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests 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 conducted 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.



John L. McKowen, CPA
September 4, 2015

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

I have audited the basic financial statements of the Louisiana Soybean and Grain Research and Promotion Board as of and for the year ended June 30, 2015, and have issued my report thereon dated September 4, 2015. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2015, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	Control Deficiency	<input type="checkbox"/> No
	Material Weakness	<input type="checkbox"/> No
Compliance	Compliance Material to F/S	<input type="checkbox"/> No

2. Federal Awards

N/A

Section II Financial Statement Findings

None

Section III Federal Award Findings and Questioned Costs

N/A

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2015**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2015**

Section I Internal Control and Compliance Material to the Financial Statements

N/A

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A

OTHER REQUIRED SUPPLEMENTARY INFORMATION

**LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2015**

As a component unit of the State of Louisiana, the financial statements of the Louisiana Soybean and Grain Research and Promotion Board are included in the State of Louisiana's Comprehensive Annual Financial Report. Following are the statements being submitted to the Division of Administration as required. The amounts recorded have been subjected to the same auditing procedures as those recorded in the accompanying financial statements.

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended June 30, 2015

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
POST OFFICE BOX 95004
BATON ROUGE, LOUISIANA 70895-9004

Send to:
Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Send electronically to the
Louisiana Legislative Auditor:

LLAFileroom@lla.la.gov

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

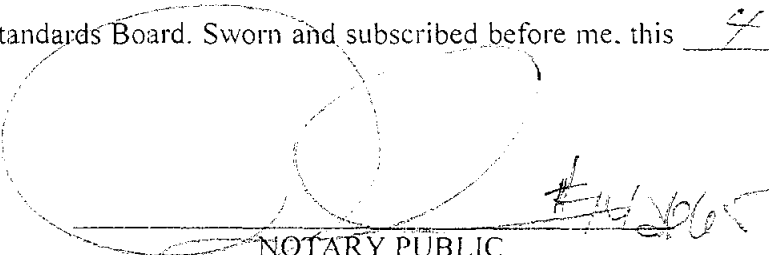
Address: (if unable to send electronically)
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Kyle McCann, accountant of the Louisiana Soybean and Grain Research and Promotion Board who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Louisiana Soybean and Grain Research and Promotion Board at June 30, 2015 and the results of operations for the year then 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. Sworn and subscribed before me, this 4th day of September, 2015.



Signature of Agency Official



NOTARY PUBLIC

Prepared by: John L. McKowen, CPA

Title: Independent CPA

Telephone No.: (225) 615-7844

Date: September 4, 2015

Email Address: jlmckowen@cox.net

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2015

C O N T E N T S

Affidavits

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Statement of Cash Flows	D
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The Appendices Packet is located as a separate packet on OSRAP's website at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>.

STATE OF LOUISIANA

Statement A

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD

STATEMENT OF NET POSITION

AS OF JUNE 30, 2015

ASSETS

CURRENT ASSETS

Cash and Cash equivalents	\$	4,214,708
Restricted Cash and Cash Equivalents		
Investments		
Derivative Instruments		
Receivables (net of allowance for doubtful accounts)(Note U)		19,928
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		
Notes Receivable		
Other Current Assets		
Total current assets		4,234,636

NONCURRENT ASSETS

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Investments		
Notes Receivable		
Capital assets, net of depreciation (Note D)		
Land non-depreciable easements		
Buildings and improvements		
Machinery and equipment		
Infrastructure		
Intangible assets		
Construction/Development-in-progress		
Other noncurrent assets		
Total noncurrent assets		-
Total assets	\$	4,234,636

DEFERRED OUTFLOWS OF RESOURCES

Accumulated decrease in fair value of hedging derivatives	\$	
Deferred amounts on debt refunding		
Adjustments of capital lease obligations		
Grants paid prior to meeting time requirements		
Intra-entity transfer of future revenues (transferee)		
Losses from sale-leaseback transactions		
Direct loan origination costs for mortgage loans held for sale		
Fees paid to permanent investors prior to sale of mortgage loans		
Deferred outflows related to pensions		
Total deferred outflow of resources	\$	-
Total assets and deferred outflow of resources	\$	4,234,636

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	1,057,237
Derivative instrument		
Due to other funds (Note Y)		
Due to federal government		
Unearned revenues		
Amounts held in custody for others		
Other current liabilities		

Statement A

STATE OF LOUISIANA
LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

Current portion of long-term liabilities: (Note K)	
Contracts payable	\$ _____
Compensated absences payable	_____
Capital lease obligations	_____
Claims and litigation payable	_____
Notes payable	_____
Pollution remediation obligation	_____
Bonds payable (include unamortized costs)	_____
Other long-term liabilities	_____
Total current liabilities	-
NONCURRENT LIABILITIES	
Contracts payable	_____
Compensated absences payable	_____
Capital lease obligations	_____
Claims and litigation payable	_____
Notes payable	_____
Pollution remediation obligation	_____
Bonds payable (include unamortized costs)	_____
Net pension liability	_____
OPEB payable	_____
Other long-term liabilities	_____
Total noncurrent liabilities	-
Total liabilities	1,057,237
DEFERRED INFLOWS OF RESOURCES	
Accumulated increase in fair value of hedging derivatives	\$ _____
Deferred amounts related to service concession arrangement	_____
Deferred amounts of debt refunding	_____
Adjustments of capital lease obligations	_____
Grants received prior to meeting time requirements	_____
Property taxes received before the period of which the taxes were levied	_____
Fines and penalties received in advance of meeting time requirements	_____
Sales/intra-entity transfers of future revenues (transferor)	_____
Gains from sale-leaseback transactions	_____
Points received on loan origination	_____
Loan origination fees received for mortgage loans held for sale	_____
Deferred inflows related to pensions	_____
Total deferred inflows of resources	-
NET POSITION	
Net investment in capital assets	_____
Restricted for:	
Capital projects	_____
Debt service	_____
Unemployment compensation	_____
Other specific purposes	_____
Unrestricted	3,177,399
Total net position	3,177,399
Total liabilities, deferred inflows of resources, and net position	\$ 4,234,636

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA

Statement B

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

OPERATING REVENUE

Sales of commodities and services	\$	
Assessments		4,665,469
Use of money and property		
Licenses, permits, and fees		
Federal grants and contracts		
State, local and nongovernmental grants and contracts		
Other		
Total operating revenues		4,665,469

OPERATING EXPENSES

Cost of sales and services	4,200,230
Administrative	16,367
Depreciation	
Amortization	
Total operating expenses	4,216,597
Operating income(loss)	448,872

NON-OPERATING REVENUES (EXPENSES)

State appropriations	
Intergovernmental revenues(expenses)	
Taxes	
Use of money and property	4,651
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	
Interest expense	
Other revenue	
Other expense	
Total non-operating revenues(expenses)	4,651
Income(loss) before contributions, extraordinary items, & transfers	453,523

Capital contributions

Extraordinary item

Transfers in

Transfers out

Change in net position

Total net position – beginning

Total net position – ending

\$ 3,177,399

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Statement C

	Program Revenues				Net (Expense)
	Expenses	Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
Entity	\$ 4,216,597	\$ 4,665,469	\$	\$	\$ 448,872
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					4,651
Miscellaneous					
Special items					
Extraordinary item					
Transfers					
Total general revenues, special items, and transfers					4,651
Change in net assets					453,523
Net position - beginning as restated					2,723,876
Net position - ending					\$ 3,177,399

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

Statement D
(continued)

Cash flows from operating activities

Cash receipts from customers	\$ 4,671,654	
Cash receipts from grants and contracts	(4,069,270)	
Cash receipts from interfund services provided		
Other operating cash receipts, if any		
Cash payments to suppliers for goods or services		
Cash payments to employees for services		
Cash payments for interfund services used, including payments "In Lieu of Taxes"		
Other operating cash payments, if any (* provide explanation)		
Net cash provided(used) by operating activities		602,384

Cash flows from non-capital financing activities

State Appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other (**provide explanation)		
Net cash provided(used) by non-capital financing activities		-

Cash flows from capital and related financing activities

Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Deposits with trustees		
Deferred proceeds from capital leases		
Net cash provided(used) by capital and related financing activities		-

Cash flows from investing activities

Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities	4,651	
Net cash provided(used) by investing activities		4,651

Net increase(decrease) in cash and cash equivalents		607,035
Cash and cash equivalents at beginning of year		3,607,673
Cash and cash equivalents at end of year	\$	4,214,708

Statement D
(concluded)

Operating income(loss)	\$ 448,872
------------------------	------------

Depreciation/amortization

Provision for uncollectible accounts

CY pension contributions made subsequent to the measurement date

Other

(Increase)decrease in accounts receivable, net

(Increase)decrease in due from other funds

(Increase)decrease in prepayments

(Increase)decrease in inventories

(Increase)decrease in other assets

Increase(decrease) in accounts payable and accruals

Increase(decrease) in compensated absences payable

Increase(decrease) in due to other funds

Increase(decrease) in unearned revenues

Increase(decrease) in OPEB payable

Increase(decrease) in other liabilities

Net cash provided(used) by operating activities	\$	602,384
---	----	---------

Borrowing under capital lease(s)

Contributions of fixed assets

Purchases of equipment on account

Asset trade-ins

Other (specify) _____

\$ _____

\$ _____

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2015

INTRODUCTION

The Louisiana Soybean and Grain Research and Promotion Board is a component unit of the State of Louisiana. It was created by Louisiana Revised Statute 3:3551 within the Department of Agriculture and Forestry. The Board is located in East Baton Rouge Parish is charged with the responsibility of promoting the growth and development of the soybean, wheat, corn 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.

A. NOT USED

B. NOT USED

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendices Packet - Appendix A at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>, for information related to Note C.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana Soybean and Grain Research and Promotion Board may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the statement of cash flows and statement of net position presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of 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. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

STATE OF LOUISIANA
LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2015

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the

disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging

financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2015, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per statement of net position (Reconciled bank balance)	\$ 4,214,708	\$	\$	\$ 4,214,708
Deposits in bank accounts per bank	\$ 5,239,293	\$	\$	\$ 5,239,293
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution				

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per statement of net position" due to outstanding items.

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. Capital One	Operating	\$ 6,443
2. Capital One	Soybean	4,272,112
3. Capital One	Grain	626,497
4. Capital One	Sorghum	130,855
# Capital One	Soybean Investment	203,386
Total		\$ 5,239,293

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the statement of net position to amounts reported in this note, list below any cash in treasury and petty cash that are included on the statement of net position.

STATE OF LOUISIANA
LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2015

Cash in state treasury	\$ -0-
Petty cash	\$ -0-

2. INVESTMENTS

The Louisiana Soybean and Grain Research and Promotion Board does not maintain investment accounts.

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

N/A

E. INVENTORIES

N/A

F. RESTRICTED ASSETS

N/A

G. NOT USED

H. NOT USED

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

N/A

J. LEASES

N/A

K. LONG-TERM LIABILITIES

N/A

L. CONTINGENT LIABILITIES

N/A

STATE OF LOUISIANA
LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2015

M. RELATED PARTY TRANSACTIONS

The Louisiana Soybean and Grain Research and Promotion Board is a member of the United Soybean Board and has certain compliance requirements to that Board in accordance with the Soybean Promotion Research and Consumer Information Act. The Louisiana Soybean and Grain Research and Promotion Board is required by federal law to remit one half of its soybean assessments, net of collection fees due the Louisiana Department of Agriculture and Forestry, to the United Soybean Board, and accordingly, made has made or accrued payments of \$2,123,421 to the United Soybean Board during the year ended June 30, 2015.

N. ACCOUNTING CHANGES

N/A

O. IN-KIND CONTRIBUTIONS

N/A

P. DEFEASED ISSUES

N/A

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

N/A

R. GOVERNMENT COMBINATIONS & DISPOSALS OF GOV' T OPERATIONS

N/A

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

N/A

T. SHORT-TERM DEBT

N/A

STATE OF LOUISIANA
LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2015

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2015, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
General Fund	\$	\$	\$ 19,928	\$	\$ 19,928
Gross receivables	\$ -	\$ -	\$ 19,928	\$ -	\$ 19,928
Less allowance for uncollectible accounts					
Receivables, net	\$ -	\$ -	\$ 19,928	\$ -	\$ 19,928
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2015, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General	\$ 1,040,773	\$	\$	\$ 16,464	\$ 1,057,237
					-
Total payables	\$ 1,040,773	\$ -	\$ -	\$ 16,464	\$ 1,057,237

W. SUBSEQUENT EVENTS

N/A

X. SEGMENT INFORMATION & REPORTING FUNDS OF A BLENDED COMPONENT UNIT

N/A

Y. DUE TO/DUE FROM AND TRANSFERS

N/A

Z. PENSION LIABILITY

N/A

AA. PRIOR-YEAR RESTATEMENT OF NET POSITION

STATE OF LOUISIANA
LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
Notes to the Financial Statement
As of and for the year ended June 30, 2015

N/A

BB. ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

N/A

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

N/A

DD. EMPLOYEE TERMINATION BENEFITS

N/A

EE. POLLUTION REMEDIATION OBLIGATIONS

N/A

FF. NOT USED

GG. RESTRICTED ASSETS – OTHER SPECIFIC PURPOSES

N/A

HH. SERVICE CONCESSION ARRANGEMENTS

N/A

II. NONEXCHANGE FINANCIAL GUARANTEES (GASB 70)

N/A

**STATE OF LOUISIANA
LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2015**

Name	Amount
<u>Raymond R. Schexnayder, Jr.</u>	\$ <u>0</u>
<u>J. K. Bordelon</u>	<u>0</u>
<u>Charles Canatella</u>	<u>0</u>
<u>Thomas Ater</u>	<u>0</u>
<u>Donald Berken</u>	<u>0</u>
<u>Leo Franchebois</u>	<u>0</u>
<u>Ryan Kirby</u>	<u>0</u>
<u>Joey Olivier</u>	<u>0</u>
<u>Carlos Polotzola</u>	<u>0</u>
<u>Robert Thevis</u>	<u>0</u>
<u>Dan Turner</u>	<u>0</u>
<u>Darrell Vandeven</u>	<u>0</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
Total	\$ <u><u>-</u></u>

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

STATE OF LOUISIANA

LOUISIANA SOYBEAN AND GRAIN RESEARCH AND PROMOTION BOARD

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than **\$5 million**, explain the reason for the change. **Please provide adequate details to clearly explain the change from last year.**

	<u>2015</u>	<u>2014</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>4,670,120</u>	\$ <u>4,066,868</u>	\$ <u>604,252</u>	\$ <u>14.6%</u>
Expenses	<u>4,216,597</u>	<u>3,360,887</u>	<u>855,710</u>	<u>25.5%</u>
2) Capital assets	<u>0</u>	<u>0</u>	<u>-</u>	<u>0%</u>
Long-term debt	<u>0</u>	<u>0</u>	<u>-</u>	<u>0%</u>
Net position	<u>3,177,399</u>	<u>2,723,877</u>	<u>453,522</u>	<u>16.6%</u>
Explanation for change:	<hr/> <hr/> <hr/> <hr/>			

SCHEDULE 15