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LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD

DEPARTMENT OF AGRICULTURE

STATE OF LOUISIANA

General Purpose Financial Statements

**As of and for the Two Years Ended June 30, 1999
With Supplemental Information Schedule**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date OCT 06 1999

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McRight & Associates

Certified Public Accountants
11817 Bricksome Ave., Suite E
Baton Rouge, LA 70816
(225) 292-2041

Jeanette R. McRight, CPA, MBA

L. Dalton McRight, CPA, MBA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Louisiana Crawfish Promotion and Research Board
Department of Agriculture
State of Louisiana

We have audited the accompanying general purpose financial statements of the Louisiana Crawfish Promotion and Research Board, a component unit of the State of Louisiana, as of and for the two years ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Louisiana Crawfish Promotion and Research Board management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Louisiana Governmental Auditing Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Crawfish Promotion and Research Board as of June 30, 1999, and the results of its operations for the two years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated September 21, 1999 on our consideration of Louisiana Crawfish Promotion and Research Board internal control structure and a report dated September 21, 1999, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The "schedule" listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Louisiana Crawfish Promotion and Research Board. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in cursive script that reads "McRae & Assn". The signature is written in dark ink and is positioned above the date.

September 21, 1999

LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
GOVERNMENTAL FUND TYPE - GENERAL FUND
June 30, 1999

	Governmental Fund Type <u>General Fund</u>
ASSETS	
Cash & Cash Equivalents	\$ 37,346
Funds Advanced to the Louisiana Dept of Agriculture & Forestry	500
TOTAL ASSETS	<hr/> <u>\$ 37,846</u>
LIABILITIES AND FUND EQUITY	
LIABILITIES	
Accounts payable	-0-
TOTAL LIABILITIES	<hr/> <u>-0-</u>
FUND EQUITY	
Fund Balance:	
Unreserved-Undesign.	
Promotion Fund	19,155
Research Fund	18,691
TOTAL FUND EQUITY	<hr/> <u>\$ 37,846</u>
TOTAL LIABILITIES AND FUND EQUITY	<hr/> <u>\$ 37,846</u>

The accompanying notes are an integral part of this statement

LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE
FOR THE TWO YEARS ENDED JUNE 30, 1999

	<u>JUNE 30, 1999</u>	<u>JUNE 30, 1998</u>
REVENUES		
Assessments on the sale of crawfish (net of refunds & collection charges)	\$ 59,288	\$ 28,840
Interest Income	498	601
Other Income	-0-	-0-
	<hr/>	<hr/>
Total Revenues	59,786	29,441
	<hr/>	<hr/>
EXPENDITURES		
Accounting	2,000	3,650
Research Expenditures	46,160	-
Promotion Expenditures	6,690	3,594
Travel (Board Meetings)	630	689
Administrative Expenditures	-	32
	<hr/>	<hr/>
Total Expenditures	55,480	7,965
	<hr/>	<hr/>
Excess, (Deficit) of Revenues over Expenditures	4,306	21,476
Fund Balance, Beginning as Previously Reported	33,540	12,064
	<hr/>	<hr/>
FUND BALANCE, END	37,846	33,540
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of this statement

**LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA**

**STATEMENT OF CHANGES IN FUND BALANCE
FOR THE TWO YEARS ENDED JUNE 30, 1999**

	PROMOTION <u>FUND</u>	RESEARCH <u>FUND</u>	TOTAL UNRESERVED UNDESIGNATED <u>FUNDS</u>
Beginning Balance	(19,897)	31,961	12,064
Total Revenue \$89,227 (net of operating costs of \$7001, allocated based upon 60-40 split	49,336	32,890	82,226
Promotion Expenditures	(10,284)		(10,284)
Research Expenditures		(46,160)	(46,160)
Ending Balance	<u>\$19,155</u>	<u>18,691</u>	<u>37,846</u>

The accompanying notes are an integral part of this statement

LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity:

The Louisiana Crawfish Promotion and Research Board (the Board) is a component unit of the State of Louisiana created within the Louisiana Department of Agriculture, as provided by Louisiana Revised Statute 3:556.3. The Board is composed of eleven members appointed by the Governor to serve terms concurrent with the Governor. The Commissioner of Agriculture serves as an ex-officio member of the board. The board is charged with the responsibility to develop markets for Louisiana Crawfish and to fund research that will increase production of Louisiana crawfish. The operations of the board are funded by an assessment of one-quarter of one cent per pound on all artificial crawfish bait and one cent for each crawfish bag holding less than twenty-five pounds of crawfish and two cents for each crawfish bag holding twenty-five pounds or more of crawfish. The Assessments are collected by the Commissioner of Agriculture from the manufacturer of the artificial crawfish bait and crawfish bags at the first point of sale.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In June of 1987, the GASB issued a revised codification of governmental accounting and financial reporting standards. The codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government.

The Louisiana Crawfish Promotion and Research Board prepares its financial statements in accordance with the standards established by the GASB. GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity to be the State of Louisiana. The accompanying statements present only transactions of the Louisiana Crawfish Promotion and Research Board, a component unit of the State of Louisiana.

**LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

Annually the State of Louisiana issued general purpose financial statements which include the activity contained in the accompanying financial statements. The General purpose financial statements are issued by the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy, and audited by the Louisiana Legislative Auditor.

A. FUND ACCOUNTING

The accounts of the Board are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that is comprised of its assets, liabilities, fund equity, revenues and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

GOVERNMENTAL FUNDS:

General Fund:

The General Fund is the principal fund and is used to account for the general operations of the Board. The Board's primary source of revenue is from assessments levied on the sale of catfish feed produced within the state are recognized in the amounts earned, to the extent they are both measurable and available. Interest earned on investments is recorded when the interest is both measurable and available.

B. GENERAL FIXED ASSETS AND GENERAL LONG-TERM OBLIGATIONS

At June 30, 1999, the board has no general fixed assets or long-term obligations.

**LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The Board's records are maintained on a cash basis of accounting. However, the General Fund, as reported in the accompanying financial statements, has been converted to a modified accrual basis of accounting using the following practices in recording revenue and expenditures:

Revenue

Assessments levied on the sale of artificial crawfish bait and crawfish bags sold in this state are recognized in the amounts earned to the extent they are both measurable and available. Interest earned on investments is recorded when the investments have matured and the income is available.

Expenditures

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

D. Budget Practices

The Board does not adopt a formal budget on a fiscal year basis. However, for the calendar year the board allocates amounts to be spent on specific projects for research and promotion of the Louisiana crawfish industry. Other expenditures are not considered in this allocation.

E. ENCUMBRANCES

The Board's major expenditures consist of various contracts for promotion and research activities. These contracts are approved for different periods of the year and funds from the current fiscal year are obligated (encumbered) at the time the contracts are approved. There were no encumbrances as of June 30, 1999.

**LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

F. CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalent include cash, demand deposits, time deposits and certificates of deposit.

The Board had cash and cash equivalents totaling \$ 37,346 at June 30, 1999. Cash and cash equivalents 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 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.

The deposits at June 30, 1999 were secured as follows:

	<u>Bank</u>	<u>FDIC</u>	<u>Pledged</u>
	<u>Balances</u>	<u>Insur.</u>	<u>Collateral</u>
Cash-Demand Deposits	\$ 37,346	\$100,000	-0-

There were no unsecured deposits at June 30, 1999.

G. OFFICE ADMINISTRATION

The administrative functions of the board are performed voluntarily by the Louisiana Farm Bureau Federation; however, the board contracts it accounting functions.

H. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 CRAWFISH PROMOTION AND RESEARCH BOARD
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

I. INVESTMENTS

The Board does not maintain investment accounts.

J. INVENTORIES

Inventories are considered immaterial and are recorded at cost and recognized as an expenditure when purchased.

K. ANNUAL AND SICK LEAVE

The Board does not have any employees.

L. TOTAL COLUMN ON STATEMENTS

The total column on the statements is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

M. CHANGES IN GENERAL FIXED ASSETS

At June 30, 1999, the board did not own any fixed assets.

N. PENSION PLAN

At June 30, 1999 the board did not have any employees.

O. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board has no employees.

P. OPERATING LEASES

The Board does not have any leases.

**LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA**

NOTES TO THE FINANCIAL STATEMENTS

Q. REFUNDS OF ASSESSMENTS AND COLLECTION CHARGES

Louisiana revised Statute 3:556(B) provides for the refund of assessments and allows the Louisiana Department of Agriculture to charge the board up to three per cent of the gross assessments collected for administering and collecting assessments. Assessments are reported net of refunds and charges.

R. BOARD MEMBER EXPENDITURES

As reflected on the statement of revenue, expenditures and changes in fund balance, the board has travel and convention expenditures totaling \$630 for June 30, 1999 and \$689 for June 30, 1998. The following is a breakdown of these expenditures by board member.

	JUNE 30, 1999	JUNE 30, 1998
Harold Benoit	\$ 151	154
Norman Jean Miller	89	122
Greg Bernard	107	91
Dale Stampley	57	
Jimmy Zito		10
Leroy Richard	144	90
Rudy Sparks		75
Darrel Rivera	82	21
Eric Bourgeois		114
Jody Meche		12
	-----	-----
Total Expenditures	\$ 630	\$ 689

S. FUNDS ADVANCED TO THE LOUISIANA DEPARTMENT OF AGRICULTURE

As shown on the balance sheet, \$500 is recognized as a receivable from the Louisiana Department of agriculture. This amount represents funds that are used to fund the Promotion Board Escrow Bank Account.

**LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

T. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

There were no long-term obligation during the period.

U. LITIGATION AND CLAIMS

There were no unasserted claims or assessments as of June 30, 1999.

V. YEAR 2000 DISCLOSURES

At June 30, 1999 the Board had completed updating its computers and electronic equipment to be in compliance.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards, issued by the Comptroller General of the United States. The report on internal control structure is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.

McRight & Associates

Certified Public Accountants
11817 Bricksome Ave., Suite E
Baton Rouge, LA 70816
(225) 292-2041

Jeanette R. McRight, CPA, MBA

L. Dalton McRight, CPA, MBA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE AND COMPLIANCE BASED SOLELY ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS

Board of Directors
Louisiana Crawfish Promotion and Research Board
State of Louisiana
Baton Rouge, Louisiana

We have audited the general purpose financial statements of Louisiana Crawfish Promotion and Research Board, Baton Rouge, Louisiana, as of and for the two years ended June 30, 1999, and have issued our report thereon dated September 21, 1999. We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Louisiana Crawfish Promotion and Research Board general purpose financial statements are free of material misstatement, we 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 our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under **Government Auditing Standards**.

Internal Control Over Financial Reporting

In planning and performing our audit of the general purpose financial statements of Louisiana Crawfish Promotion and Research Board, Baton Rouge, Louisiana for the two years ended June 30, 1999, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting audits operation that we consider to be material weakness.

This report is intended for the information of the board of commissioners, management, and Legislative Auditor's Office. However, this report is a matter of public record, and its distribution is not limited.

Mc Graw & Associates

September 21, 1999

**Louisiana Crawfish Promotion and Research Board
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA**

PRIOR YEAR AUDIT FINDINGS

The audit findings reported in the June 30, 1997, audit and management letter were corrected during the audit period ending June 30, 1999.

1. Proper documentation is now required for all disbursements.