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LOUISIANA RICE RESEARCH BOARD  
DEPARTMENT OF AGRICULTURE  
STATE OF LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE TWO YEARS ENDED JUNE 30, 1997

Under provisions of state law, this report is a public document. A copy of this 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.

OCT 6 1 1997

Release Date \_\_\_\_\_

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10/13/97

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Form 708087-001-010

## INDEPENDENT AUDITOR'S REPORT

Form 708087-001-010

To the Louisiana Rice Research Board  
Department of Agriculture  
State of Louisiana  
Crowley, Louisiana

We have audited the accompanying general-purpose financial statements of the Louisiana Rice Research Board, a component unit of the State of Louisiana, as of and for the two years ended June 30, 1997, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Louisiana Rice Research Board management. Our responsibility is to express an opinion on these general-purpose 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose 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 Rice Research Board, State of Louisiana as of June 30, 1997, 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 our report dated September 30, 1997 on our consideration of Louisiana Rice Research Board, State of Louisiana internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

  
September 30, 1997

LOUISIANA RICE RESEARCH BOARD  
 DEPARTMENT OF AGRICULTURE  
 STATE OF LOUISIANA  
 GOVERNMENTAL FUND TYPE - GENERAL FUND

**BALANCE SHEET**  
**JUNE 30, 1997**

ASSETS

Current Assets:	
Cash	\$359,438
Receivables	
Payments from the Louisiana Department of Agriculture	12,623
Total Assets	\$372,061

LIABILITIES AND FUND EQUITY

Current Liabilities:	
Accounts Payable	\$ 200
Total Current Liabilities	\$ 200
Fund Balances:	
General Fund	\$372,061
Total Liabilities and Fund Balance	\$372,061

The accompanying notes are an integral part of this statement

LOUISIANA RICE RESEARCH BOARD  
 DEPARTMENT OF AGRICULTURE  
 STATE OF LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE  
 YEARS ENDED JUNE 30, 1967 AND JUNE 30, 1968

	1967	1968
<b>REVENUES:</b>		
Assessments	\$708,000	\$700,000
Interest Income	8,434	2,814
Total Revenue	<u>716,434</u>	<u>702,814</u>
<b>EXPENDITURES:</b>		
Research	710,810	706,500
Legal and Accounting	600	1,700
Printing	2,923	891
Contributions to U.S. Rice Producers Group - Iowa	10,000	28,000
Rice Foundation Grant	5,000	9
Book Charges	20	15
Travel	2,000	1,600
Total Expenditures	<u>733,553</u>	<u>738,715</u>
Excess of Revenue Over Expenditures	28,933	(40,560)
Fund Balance - Beginning	242,377	283,458
Fund Balance - Ending	<u>271,310</u>	<u>242,898</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA RICE RESEARCH BOARD  
DEPARTMENT OF AGRICULTURE  
STATE OF LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND TRANSFER  
IN FUND BALANCE - GAAP BASIS AND ACTUAL  
PERIODS ENDED JUNE 30, 1957 AND JUNE 30, 1956**

	1957			1956		
	Budget	Actual	Percentage Expenditures	Budget	Actual	Percentage Expenditures
<b>REVENUES:</b>						
Contributions	100,000	100,000	100.0%	500,000	500,000	100.0%
Interest Income	1,000	8,000	800%	5,000	2,400	48%
Grant Income	11,000	11,000	100%	10,000	11,000	110%
<b>EXPENDITURES:</b>						
Salaries	60,000	71,000	118.3%	70,000	70,000	100.0%
Cost and Account for Printing	800	800	100%	5,000	1,000	20%
Printing	1,000	1,000	100%	5,000	500	10%
Costs Applicable to Rice - Rice						
Production - Rice - Rice	10,000	10,000	100%	10,000	10,000	100%
Rice Research on Rice	1,000	1,000	100%	5,000	0	0%
Rice Research on Rice - Rice	500	500	100%	100	10	10%
Rice - Rice	1,000	1,000	100%	5,000	1,000	20%
Rice - Rice	11,000	11,000	100%	20,000	20,000	100%
<b>Other Expenditures</b>	0	20,000	20.0%	0	20,000	20.0%
<b>Other Expenditures - Printing</b>	20,000	20,000	100%	20,000	20,000	100%
<b>Other Expenditures - Printing</b>	20,000	20,000	100%	20,000	20,000	100%

The accompanying notes are an integral part of this statement.

LOUISIANA RICE RESEARCH BOARD  
DEPARTMENT OF AGRICULTURE  
STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The Louisiana Rice Research Board is a component unit of the State of Louisiana, created within the Louisiana Department of Agriculture, as provided by the Louisiana Revised Statutes with 29-79. The Board is composed of thirteen members appointed by the governor. All members of the Board are required to be rice producers. Six members of the Board are appointed from nominations submitted by the Louisiana Farm Bureau Federation, Incorporated; two members are appointed from nominations submitted by the American Rice Growers Cooperative Association; and five members are appointed from nominations submitted by the Louisiana Rice Growers Association. Board members are appointed for four year terms and are eligible for reappointment. The Board is responsible for rice research. Operations of the Board are funded entirely through self generated revenues.

In April of 1984, the Financial Accounting Foundation established the Government 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 November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local government.

In conformance with GASB Codification Section 2180, the Louisiana Rice Research Board is a component unit of the State of Louisiana. The accompanying financial statements provide information on the operation of the Louisiana Rice Research Board.

Fund Accounting

The accounts of the Board are organized and operated on a fund basis whereby a separate set of self balancing accounts (asset fund) is maintained that comprises the assets, liabilities, and equity, revenue and expenditures.

## **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

### **Fixed Assets and Long-Term Obligations**

At June 30, 1993 the Louisiana Rice Research Board has no fixed assets or long term obligations.

### **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 the modified accrual basis of accounting using the following practices:

#### **Revenues:**

Assessments levied on rice produced and sold are recognized in the amount that they are measurable and available.

Revenues receivable are the amounts that are measurable and assessed but not received from the Louisiana Department of Agriculture.

Interest earned on investments are recorded when the income is earned.

#### **Expenditures**

Expenditures are recognized when the related fund liability is incurred.

#### **Budgetary Practices**

The budget for the general fund is prepared by the chairman and the Board for formal adoption.

#### **Administration of Office**

The Board contracts with outside services for its administrative and accounting functions.



**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**Lease and Rental Commitments**

The Board has no lease or rental commitments at June 30, 1997.

**Litigation**

There is no litigation pending against the Board at June 30, 1997.

**Note 3. Cash**

For reporting purposes, cash and cash equivalents include demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana Rice Research Board may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal 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.

As reflected in the financial statements, the Louisiana Rice Research Board had cash and cash equivalents totaling \$209,350 at June 30, 1997. 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, 1997, were secured as follows:

NOTES TO FINANCIAL STATEMENTS - CONTINUED

	Bank Balance	Fed: Insurance
Cash	\$159,938	\$120,000
Securities pledged and held by the custodial bank in the bank's name	400,000	
Excess of FIC insurance plus pledged securities over deposits	459,938	

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Report # 8804, W.A. 07.

U. S. RICE BOARD, W.A. 07.

## REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the general-purpose financial statements of Louisiana Rice Research Board, Crowley, Louisiana, as of and for the two years ended June 30, 1987, and have issued our report thereon dated September 28, 1987. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Louisiana Rice Research Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, and compliance 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, we considered Louisiana Rice Research Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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 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 accounts that would be material in relation to the 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 and its operations that we consider to be material weaknesses.

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.

September 30, 1993

*McFadden & Associates*

LOUISIANA RISK RESERVE BOARD  
DEPARTMENT OF AGRICULTURE  
STATE OF LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1997

There were no prior year audit findings that required corrective actions.