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**LOUISIANA RICE PROMOTION 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 **06.06 1999**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Louisiana Rice Promotion Board
Department of Agriculture
State of Louisiana

We have audited the accompanying general purpose financial statements of the Louisiana Rice Promotion 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 Rice Promotion 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 Rice Promotion 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 1, 1999 on our consideration of Louisiana Rice Promotion Board internal control structure and a report dated September 1, 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 Rice Promotion 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.

McRiffler & Associates

September 1, 1999

LOUISIANA RICE PROMOTION 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	\$ 65,754
Petty Cash	100
TOTAL ASSETS	<u>\$ 65,854</u>
 LIABILITIES AND FUND EQUITY	
LIABILITIES	
Accounts payable	-0-
TOTAL LIABILITIES	<u>-0-</u>
FUND EQUITY	
Fund Balance:	
Unreserved-Undesign.	65,854
TOTAL FUND EQUITY	<u>\$ 65,854</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 65,854</u>

The accompanying notes are an integral part of this statement

**Louisiana Rice Promotion Board
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE
BUDGET (GAAP) AND ACTUAL - GENERAL FUND
FOR THE TWO YEARS ENDED JUNE 30, 1999**

	June 30, 1999		
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Assessments	\$ 672,783	\$ 750,000	\$ 77,217
Total Revenues	<u>672,783</u>	<u>750,000</u>	<u>77,217</u>
EXPENDITURES			
Legal and accounting	3,400	2,000	1,400
Collection Charges	12,000	12,000	-
Market Development	700,000	635,000	65,000
Miscellaneous	50	50	-
Rice Promotion	4,000	3,246	754
Surety Bond	330	330	-
Travel	4,000	5,594	(1,594)
U.S. Rice Producers Grp	14,638	14,637	1
Total Expenditures	<u>738,418</u>	<u>672,857</u>	<u>65,561</u>
Excess, (Deficit) of Revenues over Expenditures	\$ 11,582	(74)	(11,656)
Fund Balance, Beginning as Previously Reported	<u>\$ 65,928</u>	<u>65,928</u>	<u></u>
FUND BALANCE, END	<u>\$ 77,510</u>	<u>65,854</u>	<u>(11,656)</u>

The accompanying notes are an integral part of this statement

June 30, 1998

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Assessments	\$ 777,147	\$ 675,000	\$102,147
Total Revenues	<u>777,147</u>	<u>675,000</u>	<u>102,147</u>
EXPENDITURES			
Legal and accounting	3,200	3,200	-0-
Collection Charges	12,000	12,000	-0-
Market Development	740,000	500,001	(239,999)
Miscellaneous	50	50	-0-
Rice Promotion	2,077	50,000	47,923
Surety Bond	330	330	-0-
Travel	5,602	3,500	(2,102)
U.S. Rice Producers Grp	14,919	17,000	2,082
Total Expenditures	<u>778,178</u>	<u>586,081</u>	<u>(192,096)</u>
Excess, (Deficit) of Revenues over Expenditures	(\$ 1,031)	88,919	(89,949)
Fund Balance, Beginning as Previously Reported	<u>\$ 66,959</u>	<u>66,959</u>	
FUND BALANCE, END	<u><u>\$ 65,928</u></u>	<u><u>155,878</u></u>	<u><u>(89,949)</u></u>

Louisiana Rice Promotion Board
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity:

The Louisiana Rice Promotion 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 3:551.61-.67. The Board is composed of nine members appointed by the Governor. Six members of the board are appointed from twelve nominations submitted by the Louisiana Rice Council. In addition, one member is selected from nominations by the Louisiana Rice Growers Associations, Inc., one member is selected from nominations by the American Rice Growers cooperative Association, and the final member is selected from nominations by the Louisiana Farm Bureau Federation, Inc. The members serve terms of four years and are eligible for reappointment.. The Board is charged with the responsibility to promote rice research. Operations of the Board are funded entirely through self generated revenues.

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 Rice Promotion 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 Rice Promotion Board, a component unit of the State of Louisiana.

**Louisiana Rice Promotion 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 collected by the Louisiana Department of Agriculture levied on rice produced in Louisiana.

B. GENERAL FIXED ASSETS AND GENERAL LONG-TERM OBLIGATIONS

Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. The board does not have any fixed assets.

The board has no long-term obligations at June 30, 1999.

**Louisiana Rice Promotion 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 the modified accrual basis of accounting.

D. BUDGET PRACTICES

The budget for the general fund is proposed by the chairman to the board for formal adoption.

The budget is presented on the accrual basis of accounting. All operations are financed with self-generated revenue. Therefore, the budget is known as a nonappropriated budget.

The Board normally does not use encumbrance accounting, so **the budget was not integrated in the accounting records.** In addition, the budget was not employed by the Board as a management control device, by comparing budgeted expenditures with actual expenditures.

All budgetary appropriations lapse at the end of each fiscal year.

E. ENCUMBRANCES

The Board does not follow the encumbrances method of accounting.

F. CASH AND CASH EQUIVALENTS

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

**Louisiana Rice Promotion Board
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

The Board had cash and cash equivalents totaling \$ 65,854 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>Cash</u>	<u>Certificates of Deposits</u>	<u>Total</u>
Bank Balances:			
1. Insured (FDIC) or collateralized with securities held by the entity or its agent in the entity's name	\$ 65,854		\$ 65,854
2. Collateralized with securities held by pledging financial institution's trust department or agent in the entity's name	-0-		-0-
3. Uncollateralized, including any securities held for the entity but not in the entity's name			
Total Bank Balances	\$ 65,854	----- \$	\$ 65,854

**Louisiana Rice Promotion Board
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

G. INVESTMENTS

The Board does not maintain investment accounts.

H. INVENTORIES

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

I. ANNUAL AND SICK LEAVE

The Board does not have any employees.

J. 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.

2. CHANGES IN GENERAL FIXED ASSETS

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

3. PENSION PLAN

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

4. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Board has no employees.

5. OPERATING LEASES

The Board does not have any leases.

**Louisiana Rice Promotion Board
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

6. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

There were no long-term obligation during the period.

7. LITIGATION AND CLAIMS

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

8. YEAR 2000 DISCLOSURES

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

Louisiana Rice Promotion Board
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA
SCHEDULE OF PER DIEM PAID BOARD MEMBERS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

9. Schedule of per Diem Paid to Board Members

Board members do not receive a per diem.

NAME	AMT PAID	AMT ACCRUED	TOTAL
Ralph Cowen	\$ -0-	-0-	-0-
Fred G Denison	-0-	-0-	-0-
J C Griffin	-0-	-0-	-0-
Leonard Hensgens	-0-	-0-	-0-
Jimmy Hoppe	-0-	-0-	-0-
Edwin Leonards	-0-	-0-	-0-
Glenray Trahan	-0-	-0-	-0-
Edward Wild	-0-	-0-	-0-
Wayne Zaunbrecher	-0-	-0-	-0-
TOTAL	\$ -0-	-0-	\$ -0-

**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.

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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 Rice Promotion Board
State of Louisiana
Crowley, Louisiana

We have audited the general purpose financial statements of Louisiana Rice Promotion Board, Crowley, Louisiana, as of and for the two years ended June 30, 1999, and have issued our report thereon dated September 1, 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 Rice Promotion 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 Rice Promotion Board, Crowley, 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.

McRymer & Associates

September 1, 1999