

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

**BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 SEP 19 2012

**LOUISIANA RICE PROMOTION BOARD  
DEPARTMENT OF AGRICULTURE  
STATE OF LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2012  
TABLE OF CONTENTS**

	<u>EXHIBIT</u>	<u>SCHEDULE</u>	<u>PAGE</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	-	-	1-2
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	-	-	3-8
<b>BASIC FINANCIAL STATEMENTS</b>	-	-	9
Statement of Net Assets	A	-	10
Statement of Revenues, Expenses, and Changes in Net Assets	B	-	11
Statement of Cash Flows	C	-	12
Notes to Financial Statements	-	-	13-20
<b>SUPPLEMENTAL INFORMATION</b>	-	-	21
Schedule of Board Members' Per Diem	-	1	22
Report on Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	-	2	23-24
Schedule of Findings and Questioned Costs	-	3	25
Summary Schedule of Prior Audit Findings	-	4	26
Annual Fiscal Report Package by the Office of Statewide Reporting and Accounting Policy	-	-	

# **BAXLEY AND ASSOCIATES, LLC**

---

P O Box 482  
58225 Belleview Drive  
Plaquemine, Louisiana 70764  
Phone (225) 687-6630 Fax (225) 687-0365

**Hugh F. Baxley, CPA/CVA/PFS/FCPA**  
**Margaret A Pritchard, CPA**

-----  
Staci H Joffrion, CPA

Louisiana Rice Promotion Board  
State of Louisiana  
Baton Rouge, Louisiana

## **INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of the business-type activities of Louisiana Rice Promotion Board, a component unit of the State of Louisiana, as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Louisiana Rice Promotion Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Louisiana Rice Promotion Board as of June 30, 2012, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2012, on our consideration of Louisiana Rice Promotion Board's internal control over financial reporting and on our 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 our 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* and important for assessing the results of our audit.

## INDEPENDENT AUDITORS' REPORT (continued)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Louisiana Rice Promotion Board's financial statements as a whole. The other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Louisiana Rice Promotion Board. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
August 8, 2012

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**LOUISIANA RICE PROMOTION BOARD  
DEPARTMENT OF AGRICULTURE  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2012**

The Louisiana Rice Promotion Board is a component unit of the State of Louisiana created under the provisions of Louisiana Revised Statutes 3.551.61- 67. The board was transferred by Louisiana Revised Statute 36:629 to the Louisiana Department of Agriculture. 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 Association, Inc., one member is selected from nominations by the American Rice Growers, and the final member is selected from nominations by the Louisiana Farm Bureau Federation. The members serve four year terms. The board is charged with the responsibility of rice promotion. Operations for the board are funded entirely with self-generated rice assessments.

Management's discussion and analysis (MD&A) is a required element of the new reporting model adopted by the Government Accounting Standard's Board (GASB) in their statement number 34. Its purpose is to provide an overview of the financial activities of the Louisiana Rice Promotion Board based on currently known facts, decisions, or conditions.

## **FINANCIAL HIGHLIGHTS**

- ★ The Louisiana Rice Promotion Board's assets exceeded its liabilities at the close of fiscal year 2012 by \$41,351. The net assets increased by \$680.
- ★ The Louisiana Rice Promotion Board's net operating revenues decreased by \$155,945.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information  
(other than MD&A)

LOUISIANA RICE PROMOTION BOARD  
DEPARTMENT OF AGRICULTURE  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2012

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and supplementary information

### BASIC FINANCIAL STATEMENTS

The basic financial statements present information for the Louisiana Rice Promotion Board as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows.

The Statement of Net Assets (Statement A) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Louisiana Rice Promotion Board is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets (Statement B) presents information showing how Louisiana Rice Promotion Board's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statement (Statement C) presents information showing how Louisiana Rice Promotion Board's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34

### FINANCIAL ANALYSIS OF THE ENTITY

STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2012

	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 108,351	\$ 90,672
Capital assets	-	-
Total assets	<u>\$ 108,351</u>	<u>\$ 90,672</u>
Other liabilities	\$ 67,000	\$ 50,000
Long-term debt outstanding	-	-
Total liabilities	<u>\$ 67,000</u>	<u>\$ 50,000</u>
Net assets	<u>\$ 41,351</u>	<u>\$ 40,672</u>

**LOUISIANA RICE PROMOTION BOARD  
DEPARTMENT OF AGRICULTURE  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2012**

<b>Net assets</b>		
Invested in capital assets, net of debt	\$ -	\$ -
Restricted	-	-
Unrestricted	<u>41,351</u>	<u>40,672</u>
<b>Total net assets</b>	<u><b>\$ 41,351</b></u>	<u><b>\$ 40,672</b></u>

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements and grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on what these amounts may be used for. Net assets of the Louisiana Rice Promotion Board increased by \$680 from June 30, 2011 to June 30, 2012.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
Operating revenues	\$ 847,444	\$1,003,389
Operating expenses	<u>(846,765)</u>	<u>(1,003,613)</u>
Operating income/(loss)	<u>\$ 679</u>	<u>\$ (224)</u>
Non-operating revenues/(expenses)	<u>-</u>	<u>-</u>
Income/(loss) before transfers	<u>\$ 679</u>	<u>\$ (224)</u>
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Net increase/(decrease) in net assets	<u><b>\$ 679</b></u>	<u><b>\$ (224)</b></u>

The Louisiana Rice Promotion Board's total revenues decreased by \$155,945. The total cost of all programs and services decreased by \$156,849.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the fiscal year ended June 30, 2012, the Louisiana Rice Promotion Board had \$-0- invested in a broad range of capital assets. (See accompanying Table). This amount represents a net increase (including additions and deductions) of \$-0-, over last year.



**LOUISIANA RICE PROMOTION BOARD  
DEPARTMENT OF AGRICULTURE  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2012**

**CAPITAL ASSETS AT YEAR-END  
(Net of Depreciation)**

	<b>2012</b>	<b>2011</b>
<b>Land</b>	\$ -	\$ -
<b>Building and improvements</b>	-	-
<b>Equipment</b>	-	-
<b>Infrastructure</b>	-	-
<b>Total Capital Assets at Year End</b>	<b>\$ -</b>	<b>\$ -</b>

There were no major additions.

**Debt**

The Louisiana Rice Promotion Board had \$ -0- in bonds and notes outstanding at year-end, compared to \$ -0- last year, as shown in the table below.

**OUTSTANDING DEBT AT YEAR-END**

	<b>2012</b>	<b>2011</b>
<b>General Obligation Bonds</b>	\$ -	\$ -
<b>Revenue Bonds and Notes</b>	-	-
<b>Total Outstanding Debt at Year End</b>	<b>\$ -</b>	<b>\$ -</b>

There was no new debt.

The Louisiana Rice Promotion Board has claims and judgments of \$ -0- outstanding at year-end compared with \$ -0- last year.

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Variations between the original and final budgeted revenue reflects an increase in Assessments due to a higher rice production

Variations between the original and final budgeted expenditures were a result of increased Assessments received

**LOUISIANA RICE PROMOTION BOARD  
DEPARTMENT OF AGRICULTURE  
STATE OF LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2012**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Louisiana Rice Promotion Board's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The prior year assessments received and the expenditures paid.
- The *current year projected income* provided by the Louisiana Department of Agriculture.
- Any additional expenditures to be incurred during the next fiscal year end

The Louisiana Rice Promotion Board expects that next year's results will stay consistent with the current year

**CONTACTING THE LOUISIANA RICE PROMOTION BOARD'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Louisiana Rice Promotion Board's finances and to show the Louisiana Rice Promotion Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Kevin Berken, Chairman of the Louisiana Rice Promotion Board at (337) 587-2417.

## **BASIC FINANCIAL STATEMENTS**

**EXHIBIT A**

**LOUISIANA RICE PROMOTION BOARD  
DEPARTMENT OF AGRICULTURE  
STATE OF LOUISIANA  
STATEMENT OF NET ASSETS  
JUNE 30, 2012**

**ASSETS**

Current assets

Cash	\$	45,578
Accounts receivable		<u>62,773</u>

Total current assets		<u>108,351</u>
----------------------	--	----------------

<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>108,351</u></b>
---------------------	-----------	-----------------------

**LIABILITIES AND NET ASSETS**

Liabilities

Accounts payable	\$	<u>67,000</u>
------------------	----	---------------

Total liabilities		<u>67,000</u>
-------------------	--	---------------

Net assets

Unrestricted net assets		<u>41,351</u>
-------------------------	--	---------------

Total net assets		<u>41,351</u>
------------------	--	---------------

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>108,351</u></b>
---	-----------	-----------------------

The accompanying notes are an integral part of this statement

**EXHIBIT B**

**LOUISIANA RICE PROMOTION BOARD  
DEPARTMENT OF AGRICULTURE  
STATE OF LOUISIANA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<b>Year Ended June 30, 2012</b>
<b>OPERATING REVENUES</b>	
Assessments	\$ 847,444
<b>TOTAL OPERATING REVENUES</b>	<b><u>847,444</u></b>
<b>OPERATING EXPENSES</b>	
Operating services	842,765
Travel	4,000
<b>TOTAL OPERATING EXPENSES</b>	<b><u>846,765</u></b>
<b>OPERATING INCOME (LOSS)</b>	<b><u>679</u></b>
<b>CHANGES IN NET ASSETS</b>	<b>679</b>
<b>TOTAL NET ASSETS - BEGINNING</b>	<b><u>40,672</u></b>
<b>TOTAL NET ASSETS - ENDING</b>	<b><u><u>\$ 41,351</u></u></b>

The accompanying notes are an integral part of this statement

**EXHIBIT C**

**LOUISIANA RICE PROMOTION BOARD  
DEPARTMENT OF AGRICULTURE  
STATE OF LOUISIANA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>JUNE 30, 2012</u>
<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 834,411
Cash payments for goods and services	<u>(829,764)</u>
<b>Net cash provided by operating activities</b>	<u>4,647</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>4,647</b>
<b>Cash and cash equivalents, beginning of year</b>	<u>40,931</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 45,578</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$ 680
Adjustments to reconcile operating income to net cash provided by operating activities	
Changes in operating assets and liabilities	
Accounts receivable	(13,033)
Accounts payable	<u>17,000</u>
Total adjustments	<u>3,967</u>
<b>Net cash provided by operating activities</b>	<u><u>\$ 4,647</u></u>

The accompanying notes are an integral part of this statement

**LOUISIANA RICE PROMOTION BOARD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**INTRODUCTION**

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 (LSA-R S ) 37 3551 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 American Rice Growers Association, Inc , one member is selected from nominations from 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 The Board's operations are funded entirely through annual self-generated revenues

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Presentation**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate accounting principles generally accepted in the United States of America 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 These fund types apply all applicable pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989 that are not in conflict with applicable GASB pronouncements

The accompanying financial statements of the Louisiana Rice Promotion Board present information only as to the transactions of the programs of the Louisiana Rice Promotion Board as authorized by Louisiana statutes and administrative regulations

Basis of accounting refers to when revenues and expenses 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 accounts of the Louisiana Rice Promotion Board are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows

**LOUISIANA RICE PROMOTION BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting, therefore, revenues are recognized in the accounting period in which they are earned and become measurable

Expense Recognition

Expenses are recognized on the accrual basis, therefore, expenses, including salaries, are recognized in the period incurred, if measurable

**2. Reporting Entity**

The Board prepares its financial statements in accordance with the standards established by the GASB Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. In conformance with GASB Codification Section 2100, the Board is a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members and public service is rendered within the state's boundaries. The accompanying basic financial statements present only the transactions of the Louisiana Rice Promotion Board, a component unit of the State of Louisiana.

The Louisiana Rice Promotion Board, a component unit of the State of Louisiana, is an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges.

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



**LOUISIANA RICE PROMOTION BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. Method of Accounting**

In June, 1999, the Board adopted the provisions of Statement No 34 ("Statement 34") of the Governmental Accounting Standards Board "*Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* " Statement 34 established standards for external financial reporting for all state and local government entities which includes a statement of net assets, a statement of activities and changes in net assets and a statement of cash flows It requires the classification of net assets 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 assets 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 If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt Rather, that portion of the debt is included in the same net assets component as the unspent proceeds

Restricted - This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation

Unrestricted net assets - This component of net asset consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt "

The adoption of Statement 34 had no effect on the basic financial statements except for the classification of net assets in accordance with the Statement and the reflection of capital contributions as a change in net assets

The financial statements of the Board are prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred Under Governmental Accounting Standards Board (GASB) Statement No 20, the Board has elected not to apply Financial Accounting Standards Board provisions issued after November 30, 1989

GASB 34 was adopted in June, 1999, but not implemented until the year ended June 30, 2002

**LOUISIANA RICE PROMOTION BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Cash and Investments**

Cash includes demand deposits and interest bearing 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, national banks having their principal offices in Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts or federally or state chartered credit unions.

Under state law, the Board may invest in United States bonds, treasury notes, or certificates.

The Board considers time deposits and investments with an original maturity of ninety days or less to be cash equivalents. If the original maturities exceed ninety days, they are classified as investments.

Investments are stated at cost, which approximates market.

**5. Bad Debts**

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2012, there were no amounts considered to be uncollectible.

**6. Encumbrances**

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the application appropriation, is not employed.

**7. Revenues and Expenses**

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Board. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

When an expense is incurred for purposes for which there are both restricted and unrestricted net assets available, it is the Board's policy to apply those expenses to restricted net assets to the extent such are available and then to unrestricted net assets.

**LOUISIANA RICE PROMOTION BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**8. Statement of Cash Flows**

For purposes of the statement of cash flows, the Board considers all currency, demand deposits and money market accounts with banks or other financial institutions to be cash equivalents

**NOTE B - LEGAL COMPLIANCE - BUDGET**

Budgets are prepared by the chairman and adopted by the Board annually and submitted to the Louisiana Revised Statute 36 803 and submitted to the Legislature in accordance with LSA-R S , 39:1331-1342 Although budget amounts lapse at year-end, the Board retains its unexpended fund balance to fund expenditures of the succeeding year The budget amounts are not reflected in the financial statements

All funds budgeted are immediately available, as the Board's 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 employed by the Board as a management control device, by comparing budgeted expenditures with actual expenditures The budget is prepared on the GAAP basis, using the modified accrual basis of accounting The Board monitors the budget and makes changes when deemed appropriate The Board has complied with the budgetary requirements of LSA-RS 39 43

**NOTE C – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit Under state law the Board may deposit funds within a fiscal agency bank selected and designated by the Interim Emergency Board Further, the Board may invest in time certificates of deposits 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 in share certificate accounts of federally or state chartered credit unions

Deposits in bank accounts are stated at cost, which approximates market Under state law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits 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, 2012, were secured by federal deposit insurance as follows

**LOUISIANA RICE PROMOTION BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE C – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS  
(CONTINUED)**

Deposits in Bank Accounts

	<u>June 30, 2012</u>
Demand Deposits	<u>\$ 49,217</u>
Total Bank Balances (secured by FDIC insurance)	<u><u>\$ 49,217</u></u>

**NOTE D - INVESTMENTS**

The Board does not maintain investments accounts

**NOTE E – RECEIVABLES**

At June 30, 2012, the Board had receivables totaling \$62,773 due from the State of Louisiana, Department of Agriculture

**NOTE F – DUE FROM/DUE TO AND TRANSFERS**

At June 30, 2012, there was a balance of \$0

**NOTE G – INVENTORIES**

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

**NOTE H – RESTRICTED ASSETS**

The Board does not have any restricted assets at June 30, 2012

**NOTE I – PAYABLES**

At June 30, 2012, the Board had \$67,000 in payables for promotional expenses

**NOTE J – PENSION PLAN**

The Board did not have any employees at June 30, 2012

**NOTE K – POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The Board did not have any employees at June 30, 2012

**LOUISIANA RICE PROMOTION BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE L – LEAVE**

The Board did not have any employees at June 30, 2012

**NOTE M – LEASES**

The Board did not have any leases at June 30, 2012

**NOTE N – LITIGATION AND CLAIMS**

There were no unasserted claims or assessments as of June 30, 2012

**NOTE O – RELATED PARTY TRANSACTIONS**

There were no related party transactions

**NOTE P – SUBSEQUENT EVENTS**

These financial statements considered subsequent events through August 8, 2012, the date the financial statements were available to be issued

**NOTE Q – COMMITMENTS AND CONTINGENCIES**

The Board was unaware of any unasserted claims and assessments as of June 30, 2012

**NOTE R – ADVERTISING**

The Louisiana Rice Promotion Board expenses the production costs of advertising the first time the advertising takes place, except for direct-response advertising, which is capitalized and amortized over its expected period of future benefits

The Louisiana Rice Promotion Board presently does not have any direct-response advertising, therefore there is no amortization of capitalized advertising in these financial statements. At June 30, 2012, the Louisiana Rice Promotion Board had advertising expenses of \$19,015

**NOTE S – RISK MANAGEMENT**

The Board is exposed to various risks of loss relating to errors and omissions. These risks are covered by commercial insurance.

**LOUISIANA RICE PROMOTION BOARD  
NOTES TO FINANCIAL STATEMENTS**

**NOTE T – ECONOMIC DEPENDENCY**

The Board receives substantially all of its revenues from an assessment levied on and collected on rice produced in the State. The assessment is deducted by each miller or handler from the amount paid to the producer at the first point of sale only whether within or without the state, however, the assessment shall not be imposed unless and until the question of its imposition has been submitted to and been approved by a majority of the rice producers who vote in a special referendum. The first referendum was called in January 1996 and is effective for a period of five years. It may be extended for an indefinite period of time, in increments of five years each, by ratification and approval by a majority vote of all the rice producers. The most recent referendum was held in 2012.

**SUPPLEMENTAL INFORMATION**

SCHEDULE 1

LOUISIANA RICE PROMOTION BOARD  
DEPARTMENT OF AGRICULTURE  
STATE OF LOUISIANA  
SCHEDULE OF BOARD MEMBERS' PER DIEM  
YEAR ENDED JUNE 30, 2012

	<u>Year Ended June 30, 2012</u>
Kevin Berken, Chairman	\$ -
Christian Richard, Vice Chairman	-
Wayne Zaunbrecher, Secretary/Treasurer	-
Damian Bollich	-
Jeff Durand	-
Ronald Habetz	-
Mindy Hetzel	-
Jimmy Hoppe	-
Robert Thevis	-
	<hr/>
<b>Total</b>	<b>\$ -</b> <hr/> <hr/>

The schedule of per diem paid board members is presented in compliance with House Concurrent Resolution No 54 of the 1979 Session of the Louisiana Legislature Board members are not paid



# **BAXLEY AND ASSOCIATES, LLC**

P O Box 482  
58225 Belleview Drive  
Plaquemine, Louisiana 70764  
Phone (225) 687-6630 Fax (225) 687-0365

Hugh F Baxley, CPA/CVA/PFS/FCPA  
Margaret A Pritchard, CPA

-----  
Staci H Joffrion, CPA

## **SCHEDULE 2**

Louisiana Rice Promotion Board  
Department of Agriculture  
State of Louisiana  
Baton Rouge, Louisiana

### **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***

We have audited the financial statements of the business-type activities of Louisiana Rice Promotion Board, a component unit of the State of Louisiana, for the year ended June 30, 2012, and have issued our report thereon dated August 8, 2012. We conducted our 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.

#### Internal Control Over Financial Reporting

Management of the Louisiana Rice Promotion Board is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Louisiana Rice Promotion Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Rice Promotion Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Rice Promotion Board's internal control over financial reporting.

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 a 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**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***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Rice Promotion Board's financial statements are free of material misstatement, we 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 statements 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management, Louisiana Rice Promotion Board, others within the organization, and federal award 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, this report is distributed by the Legislative Auditor as a public document.

*Baxley & Associates, LLC*

Plaquemine, LA  
August 8, 2012

**LOUISIANA RICE PROMOTION BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

There were no findings or questioned costs for the year ended June 30, 2012

**LOUISIANA RICE PROMOTION BOARD  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2012**

There were no prior year audit findings

Louisiana Rice Promotion Board  
STATE OF LOUISIANA  
Annual Financial Statements  
June 30, 2012

C O N T E N T S

Affidavit	Statements
Balance Sheet	A
Statement of Revenues, Expenses, and Changes in Fund Net Assets	B
Statement of Activities	C
Statement of Cash Flows	D
Notes to the Financial Statements	

Notes	Note Name	Page No
A	Summary of Significant Accounting Policies	1
B	Budgetary Accounting	2
C	Deposits with Financial Institutions and Investments	3
D	Capital Assets – Including Capital Lease Assets	4
E	Inventories	5
F	Restricted Assets	5
G	Leave	5
H	Retirement System	5
I	Other Postemployment Benefits	5
J	Leases	5
K	Long-Term Liabilities	5
L	Contingent Liabilities	5
M	Related Party Transactions	5
N	Accounting Changes	5
O	In-Kind Contributions	5
P	Defeased Issues	5
Q	Revenues or Receivables – Pledged or Sold (GASB 48)	5
R	Government-Mandated Nonexchange Transactions (Grants)	5
S	Violations of Finance-Related Legal or Contractual Provisions	6
T	Short-Term Debt	6
U	Disaggregation of Receivable Balances	6
V	Disaggregation of Payable Balances	6
W	Subsequent Events	6
X	Segment Information	6
Y	Due to/Due from and Transfers	6
Z	Liabilities Payable from Restricted Assets	6
AA	Prior-Year Restatement of Net Assets	7
BB	Net Assets Restricted by Enabling Legislation	7

CC	Impairment of Capital Assets	7
DD	Employee Termination Benefits	7
EE	Pollution Remediation Obligations	7
FF	American Recovery and Reinvestment Act (ARRA)	7
GG	Restricted Net Assets – Other Purposes	7

#### Schedules

1	Schedule of Per Diem Paid to Board Members
2	Not Applicable
3	Schedules of Long-Term Debt
4	Schedules of Long-Term Debt Amortization
15	Schedule of Comparison Figures and Instructions
16	Schedule of Cooperative Endeavors (see OSRAP Memo 13-01 Appendix F)

STATE OF LOUISIANA  
Annual Financial Statements  
Fiscal Year Ended June 30, 2012

**Louisiana Rice Promotion Board**  
**P.O. Box 505**  
**Crowley, LA 70527-0505**

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

Legislative Auditor  
P O Box 94397  
Baton Rouge, Louisiana 70804-9397

LLAFileroom@lla.la.gov.

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

Physical Address.  
1600 N Third Street  
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Kevin Berken, Chairman of the Louisiana Rice Promotion Board who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Louisiana Rice Promotion Board at June 30, 2012 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 20<sup>th</sup> day of August, 2012

  
Signature of Agency Official

 # 39007  
NOTARY PUBLIC

Prepared by: Nicole DeJean

Title CPA

Telephone No (337) 783-6515

Date August 20, 2012

Email Address: ND3CPA@AOL.COM

**STATE OF LOUISIANA  
LOUISIANA RICE PROMOTION BOARD  
BALANCE SHEET  
AS OF JUNE 30, 2012**

**Statement A**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	45,578
Restricted Cash and Cash Equivalents		
Investments		
Deferred outflow of resources		
Receivables (net of allowance for doubtful accounts)(Note U)		62,773
Due from other funds (Note Y)		
Due from federal government		
Prepayments		
Notes receivable		
Other current assets		
Total current assets		108,351

**NONCURRENT ASSETS**

Restricted assets (Note F)		
Cash		
Investments		
Receivables		
Investments		
Notes receivable		
Capital assets, net of depreciation (Note D)		
Land and non-depreciable easements		
Buildings and improvements		
Machinery and equipment		
Infrastructure		
Intangible assets		
Construction/Development-in-progress		
Other noncurrent assets		
Total noncurrent assets		-
Total assets	\$	108,351

**LIABILITIES**

**CURRENT LIABILITIES**

Accounts payable and accruals (Note V)	\$	67,000
Derivative instrument		
Deferred inflow of resources		
Due to other funds (Note Y)		
Due to federal government		
Deferred revenues		
Amounts held in custody for others		
Other current liabilities		
Current portion of long-term liabilities (Note K)		
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Other long-term liabilities		
Total current liabilities		67,000

**NONCURRENT 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)		
OPEB payable		
Other long-term liabilities		
Total noncurrent liabilities		-
Total liabilities		67,000

**NET ASSETS**

Invested in capital assets, net of related debt		
Restricted for		
Capital projects		
Debt Service		
Unemployment compensation		
Other specific purposes		
Unrestricted		41,351
Total net assets		41,351
Total liabilities and net assets	\$	108,351

The accompanying notes are an integral part of this financial statement



**STATE OF LOUISIANA** **Statement B**  
**LOUISIANA RICE PROMOTION BOARD**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

<b>OPERATING REVENUE</b>	
Sales of commodities and services	\$ _____
Assessments	_____ 847,444
Use of money and property	_____
Licenses, permits, and fees	_____
Other	_____
Total operating revenues	_____ 847,444
<b>OPERATING EXPENSES</b>	
Cost of sales and services	_____ 842,765
Administrative	_____ 4,000
Depreciation	_____
Amortization	_____
Total operating expenses	_____ 846,765
Operating income(loss)	_____ 679
<b>NON-OPERATING REVENUES(EXPENSES)</b>	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____
Use of money and property	_____
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)	_____ -
Income(loss) before contributions, extraordinary items, & transfers	_____ 679
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	_____ 679
Total net assets – beginning	_____ 40,672
Total net assets - ending	\$ _____ 41,351

The accompanying notes are an integral part of this financial statement

**STATE OF LOUISIANA  
LOUISIANA RICE PROMOTION BOARD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

**Statement C**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
	<u>Expenses</u>	<u>Changes for Services</u>	<u>Operating Grants and Contributions</u>	
Entity	\$ <u>846,765</u>	\$ <u>847,444</u>	\$ _____	\$ _____
General revenues				
Taxes				_____
State appropriations				_____
Grants and contributions not restricted to specific programs				_____
Interest				_____
Miscellaneous				_____
Special items				_____
Extraordinary item - Loss on impairment of capital assets				_____
Transfers				_____
Total general revenues, special items, and transfers				-
Change in net assets				679
Net assets - beginning as restated				40,672
Net assets - ending				\$ <u>41,351</u>

The accompanying notes are an integral part of this statement

**STATE OF LOUISIANA  
LOUISIANA RICE PROMOTION BOARD  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Statement D  
(continued)**

**Cash flows from operating activities**

Cash receipts from customers	\$ 834,411	
Cash receipts from interfund services provided		
Other operating cash receipts, if any		
Cash payments to suppliers for goods or services	(829,764)	
Cash payments to employees for services		
Cash payments for interfund services used including payments "In Lieu of Taxes"		
Other operating cash payments, if any		
Net cash provided(used) by operating activities		4,647

**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		
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		
Other		
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		
Net cash provided(used) by investing activities		-

Net increase(decrease) in cash and cash equivalents		4,647
Cash and cash equivalents at beginning of year		40,931
Cash and cash equivalents at end of year	\$	45,578

**STATE OF LOUISIANA  
LOUISIANA RICE PROMOTION BOARD  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Statement D  
(concluded)**

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

Operating income(loss)	\$	<u>679</u>
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities		
Depreciation/amortization		
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities		
(Increase)decrease in accounts receivable, net	(13,032)	
(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	17,000	
Increase(decrease) in compensated absences payable		
Increase(decrease) in due to other funds		
Increase(decrease) in deferred revenues		
Increase(decrease) in OPEB payable		
Increase(decrease) in other liabilities		
 Net cash provided(used) by operating activities	 \$	 <u>4,647</u>

**Schedule of noncash investing, capital, and financing activities**

Borrowing under capital lease(s)	\$	<u>                    </u>
Contributions of fixed assets		<u>                    </u>
Purchases of equipment on account		<u>                    </u>
Asset trade-ins		<u>                    </u>
Other (specify)		<u>                    </u>
 		<u>                    </u>
 		<u>                    </u>
 		<u>                    </u>
 <b>Total noncash investing, capital, and financing activities</b>	 \$	 <u>                    </u>

The accompanying notes are an integral part of this statement

**STATE OF LOUISIANA  
LOUISIANA RICE PROMOTION BOARD  
Notes to the Financial Statement  
As of and for the year ended June 30, 2012**

**INTRODUCTION**

The Louisiana Rice Promotion Board was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:3551. The Louisiana Rice Promotion Board is composed of nine members appointed by the governor. The Louisiana Rice Promotion Board is charged with the responsibility to promote rice research. The Board's operations are funded entirely through annual self-generated revenues.

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING**

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. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Louisiana Rice Promotion Board present information only as to the transactions of the programs of the Louisiana Rice Promotion Board as authorized by Louisiana statutes and administrative regulations.

*Basis of accounting refers to when revenues and expenses 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 accounts of the Louisiana Rice Promotion Board are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting, therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis, therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**STATE OF LOUISIANA  
LOUISIANA RICE PROMOTION BOARD  
Notes to the Financial Statement  
As of and for the year ended June 30, 2012**

**B. BUDGETARY ACCOUNTING**

The appropriations made for the operations of the various programs of the Louisiana Rice Promotion Board are annual lapsing appropriations

- 1 The budgetary process is an annual appropriation valid for one year
- 2 The agency is prohibited by statute from over expending the categories established in the budget
- 3 Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board
- 4 The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>750,000</u>
Amendments	<u>96,659</u>
	<u>                    </u>
Final approved budget	\$ <u>846,659</u>

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**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 Rice 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 balance sheet 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.

**STATE OF LOUISIANA  
LOUISIANA RICE PROMOTION BOARD  
Notes to the Financial Statement  
As of and for the year ended June 30, 2012**

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.

**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, 2012, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per Balance Sheet (Reconciled bank balance)	\$ 45,578	\$	\$	\$ 45,578
Deposits in bank accounts per bank	\$ 49,217	\$	\$	\$ 49,217
Bank balances exposed to custodial credit risk	\$	\$	\$	\$
a Uninsured and uncollateralized	_____	_____	_____	_____
b Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	_____
c Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's	_____	_____	_____	_____

**STATE OF LOUISIANA  
LOUISIANA RICE PROMOTION BOARD  
Notes to the Financial Statement  
As of and for the year ended June 30, 2012**

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	First National Bank	General Checking Account	\$ 49,217
2			
3			
4			
	<b>Total</b>		<b>\$ 49,217</b>

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 balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet

Cash in State Treasury	\$ -0-
Petty cash	\$ 100

**2 INVESTMENTS**

The Louisiana Rice Promotion Board does not maintain investment accounts

**3 CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES – NOT APPLICABLE**

**4 DERIVATIVES (GASB 53) – NOT APPLICABLE**

**5 POLICIES – NOT APPLICABLE**

**6 OTHER DISCLOSURES REQUIRED FOR INVESTMENTS – NOT APPLICABLE**

**D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.



**STATE OF LOUISIANA**  
**LOUISIANA RICE PROMOTION BOARD**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2012**

Schedule of Capital Assets (includes capital leases)

Agency	Balance 6/30/2011	Prior Period Adjustments	Restated Balance 6/30/2011	Additions	Reclassifi- cation of CIP	** Retirements	Balance 6/30/2012
Capital assets not depreciated							
Land	\$ -		\$ -				\$ -
Non-depreciable land improvements							
Non-depreciable easements							
Capitalized collections							
Software - development in progress							
Construction in progress							
Total capital assets not depreciated	\$ -		\$ -				\$ -
Other capital assets							
Depreciable land improvements							
** Accumulated depreciation							
Total land improvements							
Buildings							
** Accumulated depreciation							
Total buildings							
Machinery & equipment							
** Accumulated depreciation							
Total machinery & equipment							
Infrastructure							
** Accumulated depreciation							
Total infrastructure							
Software (internally generated & purchased)							
Other intangibles							
** Accumulated amortization - software							
** Accumulated amortization - other intangibles							
Total intangibles							
Total other capital assets	\$ -		\$ -				\$ -
Capital asset summary							
Capital assets not depreciated	\$ -		\$ -				\$ -
Other capital assets book value							
Total cost of capital assets							
Accumulated depreciation/amortization							
Capital assets net	\$ -		\$ -				\$ -

\* Should only be used for those completed projects coming out of construction-in-progress to capital assets  
 \*\* Enter a negative number except for accumulated depreciation in the retirement column

**STATE OF LOUISIANA  
LOUISIANA RICE PROMOTION BOARD  
Notes to the Financial Statement  
As of and for the year ended June 30, 2012**

- E. INVENTORIES – NOT APPLICABLE**
- F. RESTRICTED ASSETS – NOT APPLICABLE**
- G. LEAVE – NOT APPLICABLE**
- H. RETIREMENT SYSTEM – NOT APPLICABLE**
- I. OTHER POSTEMPLOYMENT BENEFITS (OPEB) – NOT APPLICABLE**
- J. LEASES – NOT APPLICABLE**
- K. LONG-TERM LIABILITIES – NOT APPLICABLE**
- L. CONTINGENT LIABILITIES – NOT APPLICABLE**
- M. RELATED PARTY TRANSACTIONS – NOT APPLICABLE**
- N. ACCOUNTING CHANGES – NOT APPLICABLE**
- O. IN-KIND CONTRIBUTIONS – NOT APPLICABLE**
- P. DEFEASED ISSUES – NOT APPLICABLE**
- Q. REVENUES – PLEDGED OR SOLD (GASB 48) - NOT APPLICABLE**
- R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) – NOT APPLICABLE**

**STATE OF LOUISIANA  
LOUISIANA RICE PROMOTION BOARD  
Notes to the Financial Statement  
As of and for the year ended June 30, 2012**

**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS – NOT APPLICABLE**

**T. SHORT-TERM DEBT – NOT APPLICABLE**

**U. DISAGGREGATION OF RECEIVABLE BALANCES**

Receivables at June 30, 2012, were as follows

Type of Receivables	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Assessments	\$	\$	\$ 62,773	\$	\$ 62,773
Gross receivables	\$ -	\$ -	\$ 62,773	\$ -	\$ 62,773
Less allowance for uncollectible accounts					
Receivables, net	\$ -	\$ -	\$ 62,773	\$ -	\$ 62,773
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at June 30, 2012, were as follows

Vendor	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
US Rice Council	\$	\$	\$ 67,000	\$ 67,000
Total payables	\$ -	\$ -	\$ 67,000	\$ 67,000

**W. SUBSEQUENT EVENTS**

These financial statements considered subsequent events through August 8, 2012, the date the financial statements were available to be issued

**X. SEGMENT INFORMATION – NOT APPLICABLE**

**Y. DUE TO/DUE FROM AND TRANSFERS – NOT APPLICABLE**

**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS – NOT APPLICABLE**

**STATE OF LOUISIANA  
LOUISIANA RICE PROMOTION BOARD  
Notes to the Financial Statement  
As of and for the year ended June 30, 2012**

**AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS – NOT APPLICABLE**

**BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46) – NOT APPLICABLE**

**CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES – NOT APPLICABLE**

**DD. EMPLOYEE TERMINATION BENEFITS – NOT APPLICABLE**

**EE. POLLUTION REMEDIATION OBLIGATIONS – NOT APPLICABLE**

**FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) – NOT APPLICABLE**

**GG. RESTRICTED NET ASSETS – OTHER SPECIFIC PURPOSES - NOT APPLICABLE**

**STATE OF LOUISIANA  
 LOUISIANA RICE PROMOTION BOARD  
 SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
 JUNE 30, 2012**

Name	Amount
<u>Kevin Berken</u>	\$ <u>                    </u>
<u>Christian Richard</u>	<u>                    </u>
<u>Wayne Zaunbrecher</u>	<u>                    </u>
<u>Damian Bollich</u>	<u>                    </u>
<u>Jeff Durand</u>	<u>                    </u>
<u>Ronald Habetz</u>	<u>                    </u>
<u>Mindy Hetzel</u>	<u>                    </u>
<u>Jimmy Hoppe</u>	<u>                    </u>
<u>Robert Travis</u>	<u>                    </u>
Total	\$ <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 RICE PROMOTION BOARD**  
**SCHEDULE OF NOTES PAYABLE**  
**JUNE 30, 2012 -**  
**NOT APPLICABLE**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>	\$ <u>_____</u>		\$ <u>_____</u>

\*Send copies of new amortization schedules



**STATE OF LOUISIANA**  
**LOUISIANA RICE PROMOTION BOARD**  
**SCHEDULE OF CAPITAL LEASE AMORTIZATION**  
**For The Year Ended June 30, 2012 –**  
**NOT APPLICABLE**

Fiscal Year Ending	Payment	Interest	Principal	Balance
2013	\$ _____	\$ _____	\$ _____	\$ --
2014	_____	_____	_____	--
2015	_____	_____	_____	--
2016	_____	_____	_____	--
2017	_____	_____	_____	--
2018-2022	_____	_____	_____	--
2023-2027	_____	_____	_____	--
2028-2032	_____	_____	_____	--
2033-2037	_____	_____	_____	--
<b>Total</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>



**STATE OF LOUISIANA**  
**LOUISIANA RICE PROMOTION BOARD**  
**SCHEDULE OF NOTES PAYABLE AMORTIZATION**  
**For the Year Ended June 30, 2012 –**  
**NOT APPLICABLE**

Fiscal Year <u>Ending</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ _____	\$ _____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018-2022	_____	_____
2023-2027	_____	_____
2028-2032	_____	_____
2033-2037	_____	_____
Total	\$ <u>          --</u>	\$ <u>          --</u>

**STATE OF LOUISIANA  
 LOUISIANA RICE PROMOTION BOARD  
 SCHEDULE OF BONDS PAYABLE AMORTIZATION  
 For The Year Ended June 30, 2012 -  
 NOT APPLICABLE**

<u>Fiscal Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ _____	\$ _____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
2033	_____	_____
2034	_____	_____
2035	_____	_____
2036	_____	_____
2037	_____	_____
Subtotal	_____ --	_____ --
Unamortized Discounts/Premiums	_____	_____
Total	\$ _____ --	\$ _____ --

**STATE OF LOUISIANA**  
**LOUISIANA RICE 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 \$3 million, explain the reason for the change.

	<u>2012</u>	<u>2011</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 847,444	\$ 1,003,389	\$ (155,945)	\$ (15.54%)
Expenses	846,765	1,003,613	(156,848)	(15.63%)
2) Capital assets	-	-	-	
Long-term debt	-	-	-	
Net Assets	41,351	40,672	679	1.67%
Explanation for change	<hr/> <hr/> <hr/> <hr/>			

