

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Strawberry Marketing Board  
Department of Agriculture and Forestry  
State of Louisiana  
Baton Rouge, Louisiana

August 29, 2001



*Financial and Compliance Audit Division*

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*Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor*

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**Daniel G. Kyle, Ph.D., CPA, CFE**

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**LOUISIANA STRAWBERRY MARKETING BOARD  
DEPARTMENT OF AGRICULTURE AND FORESTRY  
STATE OF LOUISIANA  
Baton Rouge, Louisiana**

**General Purpose Financial Statements  
and Independent Auditor's Reports  
As of June 30, 2001, and for the Years  
Ended June 30, 2001 and 2000  
With Supplemental Financial Information**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

**August 29, 2001**

**LOUISIANA STRAWBERRY MARKETING BOARD  
DEPARTMENT OF AGRICULTURE AND FORESTRY  
STATE OF LOUISIANA**

General Purpose Financial Statements  
and Independent Auditor's Reports  
As of June 30, 2001, and for the  
Years Ended June 30, 2001 and 2000  
With Supplemental Financial Information

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OFFICE OF  
LEGISLATIVE AUDITOR  
STATE OF LOUISIANA  
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TELEPHONE: (504) 386-5000  
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EMILE CLAYTON, PRESIDENT  
LEGISLATIVE AUDITOR

August 14, 2001

Independent Auditor's Report  
on the Financial Statements

**LOUISIANA STRAWBERRY MARKETING BOARD**  
**DEPARTMENT OF AGRICULTURE AND FORESTRY**  
**STATE OF LOUISIANA**  
Baton Rouge, Louisiana

We have audited the accompanying general purpose financial statements of the Louisiana Strawberry Marketing Board, a component unit of the State of Louisiana, as of June 30, 2000, and for the years ended June 30, 2001 and 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of management of the Louisiana Strawberry Marketing Board. 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 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying general purpose financial statements present fairly, in all material respects, the financial position of the Louisiana Strawberry Marketing Board as of June 30, 2001, and the results of operations for the years ended June 30, 2001 and 2000, in conformity with accounting principles generally accepted in the United States of America.

As disclosed in note 5 to the general purpose financial statements, the Louisiana Strawberry Marketing Board intends to implement Governmental Accounting Standards Board Statement Number 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, for the fiscal year ended June 30, 2002. The effects of Statement Number 34 are expected to significantly impact the presentation of the financial statements in the year of implementation. The revised minimum reporting requirements include *Management's Discussion and Analysis* to introduce the basic financial statements and provide an analytical overview of the board's financial activities. In addition, the revised requirements include the basic financial statements and notes, which include government-wide financial statements that display information about the reporting government as a whole, except for its fiduciary activities, using the economic resources measurement focus and the accrual basis of

LEGISLATIVE AUDITOR

LOUISIANA STRAWBERRY MARKETING BOARD  
DEPARTMENT OF AGRICULTURE AND FORESTRY  
STATE OF LOUISIANA  
Audit Report, June 30, 2001

accounting, as well as fund financial statements for the government's governmental and fiduciary funds, that display information about major funds individually and nonmajor funds in the aggregate using the measurement focus and basis of accounting required for each of the two fund categories. Finally, other required supplementary information will be presented.

In accordance with Government Auditing Standards, we have also issued our report dated August 14, 2001, on our consideration of the Louisiana Strawberry Marketing Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental financial information is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Louisiana Strawberry Marketing 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 general purpose financial statements taken as a whole.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE  
Legislative Auditor

BOO-STD-DSP:d

06/20/01

LOUISIANA STRAWBERRY MARKETING BOARD  
DEPARTMENT OF AGRICULTURE AND FORESTRY  
STATE OF LOUISIANA  
GOVERNMENTAL FUND - GENERAL FUND

Balance Sheet, June 30, 2001

**ASSETS**

|                                   |                 |
|-----------------------------------|-----------------|
| Cash (note 2)                     | \$9,000         |
| Accounts receivable - assessments | <u>2,287</u>    |
| <b>TOTAL ASSETS</b>               | <u>\$11,687</u> |

**LIABILITIES AND FUND EQUITY**

|   |                 |
|---|-----------------|
| Liabilities - accounts payable                            | \$1,200         |
| Fund Equity - fund balance -<br>unreserved - undesignated | <u>10,782</u>   |
| <b>TOTAL LIABILITIES AND FUND EQUITY</b>                  | <u>\$11,682</u> |

The accompanying notes are an integral part of this statement.

LOUISIANA STRAWBERRY MARKETING BOARD  
 DEPARTMENT OF AGRICULTURE AND FORESTRY  
 STATE OF LOUISIANA  
 GOVERNMENTAL FUND - GENERAL FUND

Statement of Revenues, Expenditures,  
 and Changes in Fund Balance  
 For the Years Ended June 30, 2001 and 2000

|  | <u>2001</u>     | <u>2000</u>     |
|--|-----------------|-----------------|
| <b>REVENUES</b>  |                 |                 |
| Assessments  | \$10,389        | \$1,828         |
| <b>EXPENDITURES</b>                                      |                 |                 |
| Advertising  | <u>10,475</u>   | <u>15,648</u>   |
| <b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b> | (1,186)         | (13,820)        |
| <b>FUND BALANCE AT BEGINNING OF YEAR</b>                 | <u>11,669</u>   | <u>25,678</u>   |
| <b>FUND BALANCE AT END OF YEAR</b>                       | <u>\$10,483</u> | <u>\$11,858</u> |

The accompanying notes are an integral part of this statement.

**LOUISIANA STRAWBERRY MARKETING BOARD  
DEPARTMENT OF AGRICULTURE AND FORESTRY  
STATE OF LOUISIANA**

Notes to the Financial Statements  
As of June 30, 2001, and for the Years  
Ended June 30, 2001 and 2000

**INTRODUCTION**

The Louisiana Strawberry Marketing Board is a component unit of the State of Louisiana created within the Louisiana Department of Agriculture and Forestry, as provided by Louisiana Revised Statute 3:473. The board consists of 13 members, 12 of whom are appointed by the governor and must be residents of the parishes of Ascension, Livingston, or Tangipahoa. Seven of the 12 appointees are strawberry growers: one is a person with financial interest in the strawberry industry; one is a banker with knowledge of the strawberry industry; one is the director of the Louisiana State University Agricultural Experiment Station at Hammond, Louisiana; one is an agricultural chemical dealer with knowledge of the strawberry industry; and one is a consumer with knowledge of the strawberry industry. The thirteenth member is the Commissioner of Agriculture and Forestry, who serves as *ex-officio* with all rights, duties, and privileges of the other members. All board members serve terms concurrent with the governor and receive no compensation.

The board is charged with the responsibility of promoting the general wellbeing of the strawberry industry of the State of Louisiana by expanding the market for strawberries and increasing consumption through acquainting the general public with the health-giving qualities and food value of Louisiana grown strawberries whenever they may be sold. The board operates on self-generated revenues and the funds are used for promotional and operational expenses. Personnel of the Louisiana Department of Agriculture and Forestry perform all collection and administrative functions of the board. The board has no employees.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards.

**B. REPORTING ENTITY**

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 board is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members and *de jure* imposes his will on the board. The accompanying financial statements present only the activity of the Louisiana Strawberry Marketing Board. Annually, the

**LOUISIANA STRAWBERRY MARKETING BOARD**  
**DEPARTMENT OF AGRICULTURE AND FORESTRY**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying financial statements.

**C. FUND ACCOUNTING**

The board uses a fund (General Fund) to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

The General Fund is the general operating fund of the board and accounts for all financial resources. Revenues are accounted for in this fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. General operating expenditures are paid from this fund.

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The General Fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The opening statement presents increases and decreases in net current assets. The General Fund uses the modified accrual basis of accounting. Assessments levied on shareholders produced and/or distributed in Louisiana are recognized in the accounting period in which they become measurable and available, generally considered 45 days after the end of the fiscal year. Expenditures are recognized when the related fund liability is incurred.

**E. BUDGET PRACTICES**

The board does not adopt a formal budget on a fiscal year basis. However, for the fiscal year, the board allocates amounts to be spent for the promotion of strawberries.

**F. CASH**

Cash includes demand deposits and cash in the state treasury. Under state law, the board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the board may invest in time certificates of deposit of state banks organized under the laws of the State of Louisiana, 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 of federally or state-chartered credit unions.

LOUISIANA STRAWBERRY MARKETING BOARD  
DEPARTMENT OF AGRICULTURE AND FORESTRY  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)

**G. GENERAL FIXED ASSETS AND  
LONG-TERM OBLIGATIONS**

The board has no fixed assets or long-term obligations at June 30, 2001.

**H. COMPENSATED ABSENCES, PENSION  
BENEFITS, AND POSTRETIREMENT  
HEALTH CARE AND LIFE INSURANCE  
BENEFITS**

The board has no employees. Employees of the Department of Agriculture and Forestry perform all transactions. Therefore, no compensated absences, pension benefits, or postretirement benefits are provided by the board.

**2. CASH**

As reflected on Statement A at June 30, 2001, the board has cash totaling \$9,638 consisting of the following:

|                            |                |
|----------------------------|----------------|
| Demand deposits            | \$2,308        |
| Cash in the state treasury | <u>7,330</u>   |
| Balance at June 30, 2001   | <u>\$9,638</u> |

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the remaining bank balances) 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. At June 30, 2001, the board has \$2,388 in deposits (collected bank balances), excluding cash in state treasury, which are fully secured from risk by federal deposit insurance (GAAP Risk Category 1).

Cash balances held and controlled by the state treasurer are secured from risk by the state treasurer through separate custodial agreements, and the risk disclosures required by accounting principles generally accepted in the United States of America are included within the state's general purpose financial statements.

**3. LEASE OBLIGATIONS**

The board has no capital or operating lease commitments at June 30, 2001.

**4. LITIGATION AND CLAIMS**

No litigation is pending against the board at June 30, 2001.

LOUISIANA STRAWBERRY MARKETING BOARD  
DEPARTMENT OF AGRICULTURE AND FORESTRY  
STATE OF LOUISIANA

Notes to the Financial Statements (Continued)

**5. GASB 34 IMPLEMENTATION**

In June 1999, GASB unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. GASB Statement No. 34 established new financial reporting requirements for all state and local governments and consists of the following:

- A. A Management Discussion and Analysis (MD&A) section providing an analysis of the government entity's overall financial position and results of operations.
- B. Basic Financial Statements:
  - 1. Government-wide financial statements prepared using the economic resources measurement focus and the accrual basis of accounting. These statements are designed to provide a broad overview of a government entity's finances, in a manner similar to private sector business.
  - 2. Fund financial statements, consisting of a series of statements that focus on a government's major governmental funds, using the modified accrual basis of accounting, and enterprise funds, if any.
  - 3. Notes to the financial statements that include various disclosures for the government-wide and fund financial statements to ensure that a complete picture is presented.
  - 4. Required supplementary information, such as budgetary comparison schedules.

In addition, this new GASB statement requires depreciation expense to be reported in the government-wide financial statements. However, depreciation expense will not be reported in the fund statements that use the modified accrual basis of accounting.

The board will implement the general provisions of GASB Statement No. 34 no later than the fiscal year ending June 30, 2002.

**LOUISIANA STRAWBERRY MARKETING BOARD  
DEPARTMENT OF AGRICULTURE AND FORESTRY  
STATE OF LOUISIANA  
SUPPLEMENTAL FINANCIAL INFORMATION**

**ANNUAL FISCAL REPORT TO THE OFFICE OF  
THE GOVERNOR, DIVISION OF ADMINISTRATION,  
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY  
As of and for the Year Ended June 30, 2001**

The following supplemental information presents the financial position of the Louisiana Strawberry Marketing Board as of June 30, 2001, and the results of its operations for the year then ended. The information is presented in the format requested by the Office of Statewide Reporting and Accounting Policy for consolidation into the Louisiana Comprehensive Annual Financial Report.

## STATE OF LOUISIANA

Louisiana Strawberry Marketing Board Board's Revision  
Annual Financial Statement  
 For the Year Ended June 30, 2005  
 (Fiscal Close)

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STATE OF LOUISIANA  
 Annual Financial Statement  
 Fiscal Year Ending June 30, 2001

Louisiana Scrapbook Marketing Board  
 (Agency Name)

Division of Administration  
 Office of Statewide Reporting and  
 Accounting Policy  
 P. O. Box 94088  
 Baton Rouge, Louisiana 70804-0088

Legislative Auditor  
 P. O. Box 94387  
 Baton Rouge, Louisiana  
 70804-0387

## AFFIDAVIT

Personally came and appeared before the undersigned authority, Linda Chaney (Name)  
Fiscal Director (Title) of LSMF (Agency) who duly  
 sworn, deposes and says that the financial statement herewith given presents fairly the financial  
 position of Louisiana Scrapbook Marketing Board (Agency) at June 30, 2001 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 Account Principles as  
 prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before  
 me, this 30th day of July, 2001.

Linda Chaney  
 Signature of Agency Official

[Signature]  
 Notary Public

Prepared by: Linda Chaney  
 Title: Fiscal Director  
 Telephone No.: 225-3892-1255  
 Date: July 31, 2001

STATE OF LOUISIANA  
Annual Financial Statement  
Fiscal Year Ending June 30, 2001

Louisiana Strawberry Marketing Board  
(Agency Name)

Division of Administration  
Office of Statewide Reporting and  
Accounting Policy  
P. O. Box 94395  
Baton Rouge, Louisiana 70804-9395

Legislative Auditor  
P. O. Box 94387  
Baton Rouge, Louisiana  
70804-9387

## AFFIDAVIT

Personally came and appeared before the undersigned authority, Linda Olszew (Name)  
Fiscal Director (Title) of LSM (Agency) who duly  
sworn, deposes and says that the financial statement herewith given presents fairly the financial  
position of Louisiana Strawberry Marketing Board (Agency) at June 30, 2001, 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 Account Principles as  
prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before  
me, this 31st day of July, 2001.

Linda Olszew  
Signature of Agency Official

[Signature]  
Notary Public

Prepared by: Linda Olszew  
Title: Fiscal Director  
Telephone No.: 2251992-1253  
Date: July 31, 2001

STATE OF LOUISIANA  
 Secretary: Markus Lee BOARD/COMMISSION  
 DEPARTMENT OF Agriculture & Forestry  
 BALANCE SHEET - ALL FUNDS AND ACCOUNT GROUPS  
 AS OF June 30, 2011

|  | Governmental Fund Types |                             | Account Groups           |                                   | Total<br>(Miscellaneous<br>GSM) |
|--|-------------------------|-----------------------------|--------------------------|-----------------------------------|---------------------------------|
|  | General<br>Fund         | Special<br>Revenue<br>Funds | General<br>Fund<br>PARMS | General<br>Long-Term<br>Debt/ARMS |                                 |
| <b>ASSETS AND OTHER DEBITS:</b>  |                         |                             |                          |                                   |                                 |
| Cash and cash equivalents  | \$ 3,630                | \$ _____                    | \$ _____                 | \$ _____                          | \$ 3,630                        |
| Investments  | _____                   | _____                       | _____                    | _____                             | _____                           |
| Receivables  | 2,267                   | _____                       | _____                    | _____                             | 2,267                           |
| Due from other funds   | _____                   | _____                       | _____                    | _____                             | _____                           |
| Other assets   | _____                   | _____                       | _____                    | _____                             | _____                           |
| Fixed assets   | _____                   | _____                       | _____                    | _____                             | _____                           |
| Amount to be provided for retirement<br>of general long-term obligations | _____                   | _____                       | _____                    | _____                             | _____                           |
| <b>TOTAL ASSETS AND OTHER DEBITS</b>                                     | <b>\$ 5,897</b>         | <b>\$ _____</b>             | <b>\$ _____</b>          | <b>\$ _____</b>                   | <b>\$ 5,897</b>                 |
| <b>LIABILITIES, FUND EQUITY, AND<br/>OTHER CREDITS:</b>                  |                         |                             |                          |                                   |                                 |
| <b>LIABILITIES:</b>  |                         |                             |                          |                                   |                                 |
| Accounts payable   | \$ 1,280                | \$ _____                    | \$ _____                 | \$ _____                          | \$ 1,280                        |
| Compensated absences payable   | _____                   | _____                       | _____                    | _____                             | _____                           |
| Due to other funds   | _____                   | _____                       | _____                    | _____                             | _____                           |
| Long-term obligations payable  | _____                   | _____                       | _____                    | _____                             | _____                           |
| Other liabilities  | _____                   | _____                       | _____                    | _____                             | _____                           |
| Total liabilities  | 1,280                   | _____                       | _____                    | _____                             | 1,280                           |
| <b>EQUITY AND OTHER CREDITS:</b>   |                         |                             |                          |                                   |                                 |
| Investment in general fixed assets                                       | _____                   | _____                       | _____                    | _____                             | _____                           |
| Fund Balance - reserved  | _____                   | _____                       | _____                    | _____                             | _____                           |
| - unreserved, undesignated   | 10,700                  | _____                       | _____                    | _____                             | 10,700                          |
| - unreserved, designated   | _____                   | _____                       | _____                    | _____                             | _____                           |
| Total equity and other credits   | _____                   | _____                       | _____                    | _____                             | _____                           |
| <b>TOTAL LIABILITIES, FUND EQUITY, AND<br/>OTHER CREDITS</b>             | <b>\$ 11,980</b>        | <b>\$ _____</b>             | <b>\$ _____</b>          | <b>\$ _____</b>                   | <b>\$ 11,980</b>                |

The accompanying notes are an integral part of this statement.

Statement A

## STATE OF LOUISIANA

Brazocheaux Marketing BOARD/COMMISSION

DEPARTMENT OF REVENUES &amp; TAXATION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUND TYPESFOR THE YEAR ENDED June 30, 2001

|   | General<br>Fund | Special<br>Revenues<br>Fund(s) | Total<br>(Monocurrent<br>Only) |
|---|-----------------|--------------------------------|--------------------------------|
| <b>REVENUES:</b>  |                 |                                |                                |
| Use of money and property   | \$ _____        | \$ _____                       | \$ _____                       |
| Licenses, permits, and fees   | 15,368          | _____                          | 15,368                         |
| Sales of commodities and services   | _____           | _____                          | _____                          |
| Other   | _____           | _____                          | _____                          |
| Total revenues  | 15,368          | _____                          | 15,368                         |
| <b>EXPENDITURES:</b>  |                 |                                |                                |
| Intragovernmental   | _____           | _____                          | _____                          |
| Other   | 18,475          | _____                          | 18,475                         |
| Total expenditures  | 18,475          | _____                          | 18,475                         |
| Excess(Deficiency) of Revenues over<br>Expenditures                                     | (3,107)         | _____                          | (3,107)                        |
| <b>OTHER FINANCING SOURCES(USES):</b>   |                 |                                |                                |
| _____   | _____           | _____                          | _____                          |
| _____   | _____           | _____                          | _____                          |
| _____   | _____           | _____                          | _____                          |
| Total other financing sources(uses)   | _____           | _____                          | _____                          |
| Excess(Deficiency) of revenues and<br>other sources over expenditures and<br>other uses | (3,107)         | _____                          | (3,107)                        |
| Fund balance(deficit) at beginning of<br>year (as restated)                             | 11,898          | _____                          | 11,898                         |
| Fund balance(deficit) at end of year  | \$ 10,791       | \$ _____                       | \$ 10,791                      |

The accompanying notes are an integral part of this statement.

Statement B

## STATE OF LOUISIANA

Secretary: Markus Lee BOARD/COMMISSIONDEPARTMENT OF Agriculture & ForestrySTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (GAAP/NDM-GAAP BASIS) AND ACTUAL  
GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED June 30, 20 21

|   | GENERAL FUND |          |  |
|---|--------------|----------|--|
|   | Budget       | Actual   | Variance<br>Favorable<br>(Unfavorable) |
| <b>REVENUES:</b>  |              |          |  |
| 1   | \$ _____     | \$ _____ | \$ _____                               |
| 2   | _____        | _____    | _____                                  |
| 3   | _____        | _____    | _____                                  |
| 4   | _____        | _____    | _____                                  |
| <b>Total revenues</b>   | _____        | _____    | _____                                  |
| <b>EXPENDITURES:</b>  |              |          |  |
| 1   | _____        | _____    | _____                                  |
| 2   | _____        | _____    | _____                                  |
| 3   | _____        | _____    | _____                                  |
| 4   | _____        | _____    | _____                                  |
| <b>Total expenditures</b>   | _____        | _____    | _____                                  |
| <b>Excess/(Deficiency) of Revenues over<br/>Expenditures</b>                                  | _____        | _____    | _____                                  |
| <b>OTHER FINANCING SOURCES(USES)</b>  |              |          |  |
| 1   | _____        | _____    | _____                                  |
| 2   | _____        | _____    | _____                                  |
| 3   | _____        | _____    | _____                                  |
| <b>Total other financing sources(uses)</b>  | _____        | _____    | _____                                  |
| <b>Excess/(Deficiency) of revenues and other<br/>sources over expenditures and other uses</b> | _____        | _____    | _____                                  |
| <b>Fund balance(deficit) at beginning of year<br/>Adjustment</b>                              | _____        | _____    | _____                                  |
| <b>Fund balance(deficit) at end of year</b>   | \$ _____     | \$ _____ | \$ _____                               |

\* Categorize revenues and expenditures according to board's/commission's chart of accounts.

The accompanying notes are an integral part of this statement.

Statement G

STATE OF LOUISIANA  
Secretary of Revenue BOARD/COMMISSION  
 DEPARTMENT OF Agriculture & Forestry  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET (ORAPIMON-GAAP BASIS) AND ACTUAL  
 GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED June 30, 20 01

|  | <u>SPECIAL REVENUE FUNDS</u> |          |  |
|--|------------------------------|----------|--|
|  | Budget                       | Actual   | Variance<br>Favorable<br>(Unfavorable) |
| REVENUES:  |                              |          |  |
| 1  | \$ _____                     | \$ _____ | \$ _____                               |
| 2  | _____                        | _____    | _____                                  |
| 3  | _____                        | _____    | _____                                  |
| 4  | _____                        | _____    | _____                                  |
| Total revenues   | _____                        | _____    | _____                                  |
| EXPENDITURES:  |                              |          |  |
| 5  | _____                        | _____    | _____                                  |
| 6  | _____                        | _____    | _____                                  |
| 7  | _____                        | _____    | _____                                  |
| Total expenditures   | _____                        | _____    | _____                                  |
| Excess(Deficiency) of Revenues over<br>Expenditures                                  | _____                        | _____    | _____                                  |
| OTHER FINANCING SOURCES(SURSES):   |                              |          |  |
| 8  | _____                        | _____    | _____                                  |
| 9  | _____                        | _____    | _____                                  |
| Total other financing sources(surplus)   | _____                        | _____    | _____                                  |
| Excess(deficiency) of revenues and other<br>sources over expenditures and other uses | _____                        | _____    | _____                                  |
| Fund balance(surplus) at beginning of year<br>Adjustment                             | _____                        | _____    | _____                                  |
| Fund balance(surplus) at end of year   | \$ _____                     | \$ _____ | \$ _____                               |

\* Categorize revenues and expenditures according to board/commission's chart of accounts.

The accompanying notes are an integral part of this statement.

Statement C

## INTRODUCTION

The Legislative Strawberry Marketing Board/Commission is a component unit of the State of Louisiana created within the Louisiana Department of Agriculture & Forestry, as provided by Louisiana Revised Statutes 21:422. The board/commission is composed of 13 members, appointed by the Governor, who serve terms of 4 years. The board/commission is charged with the responsibility of promoting the general well-being of the strawberry industry of the State. Operations of the board/commission are funded with of Louisiana by expending the market fee self-generated revenues, strawberries and increasing consumption through advertising the general public with the health-giving qualities and food value of Louisiana grown strawberries wherever they may be sold.

### 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 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.

#### 2. Reporting Entity

GASB Codification Section 2100 establishes criteria for determining the governmental reporting entity and has defined the governmental reporting entity for the board/commission to be the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the commission members and public service is rendered within the state's boundaries. The accompanying financial statements present transactions of the Strawberry Board/Commission and therefore, are a part of the fund and account group structure of the State of Louisiana. Annually the State of Louisiana issues general-purpose financial statements, which are audited by the Louisiana Legislative Auditor.

#### 3. Fund Accounting

The board/commission uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not reported in the fund because they do not directly affect net expendable financial resources. The funds presented in the financial statement are described as follows:





## STATE OF LOUISIANA

Governor: Herb Alpert BOARD/COMMISSIONDEPARTMENT OF Highways & Ferries

Notes to the Financial Statement

As of and for the year ended June 30, 2001

## 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 Governor Board/Commission may deposit funds within a fiscal agent bank selected and designated by the Interior Emergency Board. Further, the Board/Commission 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 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. The deposits at June 30, 2001, were secured as follows:

|   | Deposits in bank accounts |                         |                 | Total    |
|---|---------------------------|-------------------------|-----------------|----------|
|   | Cash                      | Certificates of Deposit | Other Deposited |          |
| Deposits in bank accounts per balance sheet   | \$ 2,368                  | \$                      | \$              | \$ 2,368 |
| Bank balances:  |                           |                         |                 |          |
| 1. Insured or collateralized with securities held by the entity or its agency in the <u>entity's name</u>                   | 2,368                     |                         |                 | 2,368    |
| 2. Collateralized with securities held by the pledging institution's trust department or agency in the <u>entity's name</u> |                           |                         |                 |          |
| 3. Uncollateralized, including any securities held by the entity (but not in <u>entity's name</u> )                         |                           |                         |                 |          |
| Total bank balances   | \$ 2,368                  | \$                      | \$              | \$ 2,368 |

Note: The "Total Bank Balances" will not necessarily equal the "Deposits in Bank Account per Balance Sheet".

The following is a breakdown by banking institutions, program, account number and amount of the bank balances shown above:

STATE OF LOUISIANA  
Superior Marketing BOARD/COMMISSION  
 DEPARTMENT OF Agriculture & Forestry  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2001

| Banking Institution    | Program         | Amount          |
|------------------------|-----------------|-----------------|
| 1. <u>Widener Bank</u> | <u>Checking</u> | \$ <u>2,364</u> |
| 2. _____               | _____           | _____           |
| 3. _____               | _____           | _____           |
| 4. _____               | _____           | _____           |
| Total                  |                 | \$ <u>2,364</u> |

Were uncollateralized securities fitting the description in (D) above during the year greater than at \_\_\_\_\_ (last day of your fiscal year)? If yes, attach a statement listing the amount(s) and a reason for this occurrence. If not, proceed.

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 in the balance sheet:

|                        |                 |
|------------------------|-----------------|
| Cash in State Treasury | \$ <u>2,362</u> |
| Petty cash             | \$ <u>-2</u>    |

## 2. INVESTMENTS

Upon implementation of GASB Statement 31, reported amount and fair value will often be the same number.

The Superior Marketing board/commission-stee (2000 no) maintain investment accounts as authorized by \_\_\_\_\_ (note legal provisions authorizing investment by the agency).

Investments can be classified according to the level of risk to the entity. Using the following categories, list each type of investment disclosing the carrying amount, market value, and applicable category of risk.

Category 1 - Insured or registered in the entity's name, or securities held by the entity or its agent @ the entity's name

Category 2 - Uninsured and unregistered with securities held by the counterparty's trust department or agent @ the entity's name

Category 3 - Uninsured and unregistered with securities held by the counterparty, or by its trust department or agent @ not in the entity's name

NOTE: If during the year the amount of investments reported in category 3 was greater than at \_\_\_\_\_ (last day of your fiscal year) attach a statement to that effect and briefly state the cause(s).

STATE OF LOUISIANA  
Secretary of Banking BOARD OF BANKING  
 DEPARTMENT OF Administration & Finance  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2004

Certain types of investments cannot appropriately be categorized. These are to be listed separately at the end of the schedule in the space provided.

| Total of Investments                           | Category of Risk |          |          | Disputed<br>Amount | Fair<br>Value |
|--|------------------|----------|----------|--------------------|---------------|
|  | 1                | 2        | 3        |                    |               |
| Repurchase agreements                          | \$ _____         | \$ _____ | \$ _____ | \$ _____           | \$ _____      |
| U.S. Government securities                     | _____            | _____    | _____    | _____              | _____         |
| Common & preferred stock                       | _____            | _____    | _____    | _____              | _____         |
| Commercial paper                               | _____            | _____    | _____    | _____              | _____         |
| Corporate bonds                                | _____            | _____    | _____    | _____              | _____         |
| Other: (Identify)                              | _____            | _____    | _____    | _____              | _____         |
|  | _____            | _____    | _____    | _____              | _____         |
| Total categorized investments                  | \$ _____         | \$ _____ | \$ _____ | \$ _____           | \$ _____      |
| Investments not categorized: (list separately) |                  |          |          |                    |               |
| _____  |                  |          |          |                    |               |
| _____  |                  |          |          |                    |               |
| _____  |                  |          |          |                    |               |
| Total investments                              |                  |          |          | \$ _____           | \$ _____      |

3. Other Disclosures Required for Investments

- a. Investments in pools managed by other governments or mutual funds \_\_\_\_\_
- b. Securities underlying reverse repurchase agreements \_\_\_\_\_
- c. Unrealized investment losses \_\_\_\_\_
- d. Commitments as of \_\_\_\_\_ (fiscal close), to \_\_\_\_\_ securities under yield maintenance repurchase agreements:
  1. Carrying amount and market value at June 30 of securities to be resold \_\_\_\_\_
  2. Description of the terms of the agreement \_\_\_\_\_
- e. Investment types owned during the year but not owned as of June 30 \_\_\_\_\_

STATE OF LOUISIANA

State Treasury, Revenue, and Taxation BOARD/COMMISSION

DEPARTMENT OF Age, Health, Labor, & Retirement

Notes to the Financial Statements

As of and for the year ended June 30, 2001

- f. Losses during the year due to default by counterparties to deposit or investment transactions \_\_\_\_\_
- g. Amounts recovered from prior-period losses which are not shown separately on the balance sheet \_\_\_\_\_

**Legal or Contractual Provisions for Reverse Repurchase Agreements**

- h. Source of legal or contractual authorization for use of reverse repurchase agreements \_\_\_\_\_
- i. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year \_\_\_\_\_

**Reverse Repurchase Agreements as of the Balance Sheet Date**

- j. Credit risk related to the reverse repurchase agreements outstanding at balance sheet date, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest \_\_\_\_\_
- k. Commitments on \_\_\_\_\_ (fiscal close), to repurchase securities under yield maintenance agreements \_\_\_\_\_
- l. Market value on \_\_\_\_\_ (fiscal close), of the securities to be repurchased \_\_\_\_\_
- m. Description of the terms of the agreements to repurchase \_\_\_\_\_
- n. Losses recognized during the year due to default by counterparties to reverse repurchase agreements \_\_\_\_\_
- o. Amounts recovered from prior-period losses which are not separately shown on the operating statement \_\_\_\_\_

**Fair Value Disclosures**

- p. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices \_\_\_\_\_
- q. Basis for determining which investments, if any, are reported at amortized cost \_\_\_\_\_
- r. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool \_\_\_\_\_

STATE OF LOUISIANA  
Statewide Recycling BOARD/COMMISSION  
 DEPARTMENT OF Agriculture & Forestry  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2001

- b. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares \_\_\_\_\_
- c. Any involuntary participation in an external investment pool \_\_\_\_\_
- d. Whether you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining that fair value and the reasons for being had to make such an estimate \_\_\_\_\_
- e. Any income from investments associated with one fund that is assigned to another fund \_\_\_\_\_

**D. RECEIVABLES**

As of June 30, 2001 (last day of fiscal year), the board/commission had net receivable balances, totaling \$ 2,267, as follows:

| Class of Receivable                  | Governmental Funds |                 | Total<br>Receivables<br>(\$000) |
|--------------------------------------|--------------------|-----------------|---------------------------------|
|                                      | General Fund       | Special Revenue |                                 |
| Assessments                          | \$ <u>2,267</u>    | \$ _____        | \$ <u>2,267</u>                 |
| Accrued interest receivable          | _____              | _____           | _____                           |
| Hearing costs                        | _____              | _____           | _____                           |
| Fines                                | _____              | _____           | _____                           |
| Other (Identify)                     | _____              | _____           | _____                           |
| Less allowance for doubtful accounts | ( _____ )          | ( _____ )       | ( _____ )                       |
| Total receivables, net               | \$ <u>2,267</u>    | \$ _____        | \$ <u>2,267</u>                 |

**E. DUE TO/BE FROM AND TRANSFERS**

1. List by fund type the amounts due from other funds detailed by individual fund of your fiscal year end:

| Type of Fund               | Name of Fund | \$ Amount |
|----------------------------|--------------|-----------|
| _____                      | _____        | _____     |
| _____                      | _____        | _____     |
| Total due from other funds |              | \$ _____  |

STATE OF LOUISIANA  
Secretary of Market 380 BOARD/COMMISSION  
 DEPARTMENT OF Agriculture & Forestry  
 Notes to the Financial Statements  
 As of and for the year ended June 30, 2000

2. List by fund type the amounts due to other funds detailed by individual fund at fiscal year end:

| Type of Fund             | Name of Fund | \$    | Amount |
|--------------------------|--------------|-------|--------|
| _____                    | _____        | _____ | _____  |
| _____                    | _____        | _____ | _____  |
| Total due to other funds |              | \$    | _____  |

3. List by fund type all transfers from other funds for the fiscal year:

| Type of Fund                    | Name of Fund | \$    | Amount |
|---------------------------------|--------------|-------|--------|
| _____                           | _____        | _____ | _____  |
| _____                           | _____        | _____ | _____  |
| Total transfer from other funds |              | \$    | _____  |

4. List by fund all transfers to other funds for the fiscal year:

| Type of Fund                  | Name of Fund | \$    | Amount |
|-------------------------------|--------------|-------|--------|
| _____                         | _____        | _____ | _____  |
| _____                         | _____        | _____ | _____  |
| Total transfer to other funds |              | \$    | _____  |

**F. GENERAL FIXED ASSETS**

The board has no general fixed assets.

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. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost. (If historical cost is not available, describe alternate method of valuation and disclose the extent to which fixed assets have been estimated.)

A summary of changes in general fixed assets follows:

|                          | Balance at<br>beginning | Additions | Deletions | Balance at<br>ending |
|--------------------------|-------------------------|-----------|-----------|----------------------|
| Land                     | \$ _____                | \$ _____  | \$ _____  | \$ _____             |
| Buildings                | _____                   | _____     | _____     | _____                |
| Equipment                | _____                   | _____     | _____     | _____                |
| Construction in progress | _____                   | _____     | _____     | _____                |
| Total                    | \$ _____                | _____     | _____     | _____                |

**G. INVENTORIES**

Governmental fund inventories of the board/commission are recorded at cost and recognized as an expenditure when purchased. Inventories at year-end are equally offset by a reservation of fund balance. (Provide the valuation method and inventory system maintained).

**H. RESTRICTED ASSETS**

Restricted assets in the board/commission          Fund of          (the last day of your fiscal year), reflected at \$          on Statement A, consist of \$          of cash with fiscal agent and \$          of U.S. Treasury Notes held for the Public Improvement Fixed Rate Refunding Bonds.

**I. PAYABLES**

At          (the last day of your fiscal year), the board/commission had payables totaling \$         , as follows:

| Class of payable           | Governmental Funds |                 | Total           |
|----------------------------|--------------------|-----------------|-----------------|
|                            | General Fund       | Special Revenue |                 |
| Account payable            | \$ _____           | \$ _____        | \$ _____        |
| Taxes payable              | _____              | _____           | _____           |
| Salaries payable           | _____              | _____           | _____           |
| Payroll deductions payable | _____              | _____           | _____           |
| Other payables: (identify) | _____              | _____           | _____           |
| _____                      | _____              | _____           | _____           |
| _____                      | _____              | _____           | _____           |
| <b>Total payables</b>      | <b>\$ _____</b>    | <b>\$ _____</b> | <b>\$ _____</b> |

**J. RETIREMENT SYSTEM** The board has no employees.

Substantially all of the employees of the board/commission belong to the          Retirement System a          (single, cost sharing multiple employer, other) defined benefit pension plan. The (Each) System is a statewide public employee retirement system and is available to all eligible employees. The System(s) publishes yearly annual financial reports that include detailed historical, financial, and actuarial information.

All full-time board/commission employees are eligible to participate in the System. Benefits vest with 10 years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service. Vested employees are entitled to a retirement benefit payable monthly for life at (a) any age with 20 years of service, (b) age 50 with 25 years of service, or (c) age 60 with 30 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service.

The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-0213, or by calling (225) 922-0608 or (504) 256-3008.

Members are required by state statute to contribute 7.5% of gross salary, and the board/commission is required to contribute at an actuarially determined rate as required by LRS 11:152. The contribution rate for the fiscal year ended June 30, 2001, decreased to \_\_\_\_% of annual covered payroll from the 13.0% and 12.4% required in fiscal years ended June 30, 1998 and 1999, respectively. The board/commission contributions to the System for the years ending June 30, 2001, 2000, and 1999, were \$\_\_\_\_, \$\_\_\_\_, and \$\_\_\_\_, respectively, total to the required contributions for each year.

#### K. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GASB 12 requires the following disclosures about an employer's accounting for post retirement health care and life insurance benefits:

1. A description of the benefits provided and the employee group covered;
2. A description of the accounting and funding policies followed for those benefits;
3. The cost of those benefits recognized for the period, unless the costs are not readily determinable;\*\*
4. The effect of significant matters affecting the comparability of the costs recognized for all periods presented.

\*\*If the cost of any post retirement health care or life insurance benefits cannot readily be separated from the cost of providing such benefits for active employees or otherwise be reasonably approximated, the total cost of providing those benefits to active employees and retirees, as well as the number of active employees and the number of retirees covered by the plan must be disclosed.

The \_\_\_\_\_ Board/Commission provides certain continuing health care and life insurance benefits for its retired employees. Substantially all board/commission employees become eligible for those benefits if they reach normal retirement age while working for the board/commission. Those benefits for spouses and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the board/commission. The board/commission recognizes the cost of providing those benefits (board/commission's portion of premiums) as an expenditure when paid during the year, whichever \$\_\_\_\_\_ for the year ended \_\_\_\_\_, 20\_\_\_\_. The cost of providing those benefits for \_\_\_\_\_ retirees is not separable from the cost of providing benefits for the \_\_\_\_\_ active employees. (or, The board/commission's cost of providing retiree health care and life insurance benefits are recognized as expenditures when the monthly premiums are paid. For the year ended \_\_\_\_\_, 20\_\_\_\_ the costs of \_\_\_\_\_ retiree benefits totaled \$\_\_\_\_\_).

**L. LEASES**

**1. COMPENSATED ABSENCES**

The \_\_\_\_\_ Board/Commission has the following policy on annual and sick leave: (Describe the leave policy and provide the dollar value of leave benefits in the General Fund and in the General Long Term Debt Account Group.)

A sample follows:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees of their leave are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. The cost of leave privileges, computed in accordance with GASB Codification Section 005, §\_\_\_\_\_, is recognized as a current year expenditure in the General Fund when leave is actually taken; it is recognized in the enterprise fund when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources \$\_\_\_\_\_ is recorded in the general long-term obligations account group.

**2. COMPENSATORY LEAVE**

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (if any). Upon termination or transfer an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employee's hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave for (your fiscal year) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section 040.105 is estimated to be \$\_\_\_\_\_. The leave payable (if) (is not) recorded in the accompanying financial statements.

**M. LEASES**

The \_\_\_\_\_ Board/Commission records (does not record) items under capital leases as an asset and obligation on the accompanying financial statement. Total rental and lease expenditures for (your fiscal year) amounted to \$\_\_\_\_\_.

**1. OPERATING LEASES**

The total payments for operating leases during the fiscal year 2000-2001 amounted to \$\_\_\_\_\_. A schedule of payments for operating leases follows:

STATE OF LOUISIANA  
AgriLease & Forestry BOARD COMMISSIONER  
 DEPARTMENT OF AgriLease & Forestry  
 Notes to the Financial Statement  
 As of and for the year ended June 30, 2000

| Nature of lease | FY2000 | FY2001 | FY2002 | FY2003 | FY2004 | There-<br>after |
|-----------------|--------|--------|--------|--------|--------|-----------------|
| a. Office space | _____  | _____  | _____  | _____  | _____  | _____           |
| b. Equipment    | _____  | _____  | _____  | _____  | _____  | _____           |
| c. Land         | _____  | _____  | _____  | _____  | _____  | _____           |
| Total           | _____  | _____  | _____  | _____  | _____  | _____           |

2. CAPITAL LEASES

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

| Nature of lease | Date of<br>lease | Lease<br>payment<br>due | Remaining<br>interest to<br>end of<br>lease | Remaining<br>principal to<br>end of<br>lease | Portion that<br>is not leased |
|-----------------|------------------|-------------------------|---|--|-------------------------------|
| a. Office space | _____            | _____                   | _____                                       | _____  | _____                         |
| b. Equipment    | _____            | _____                   | _____                                       | _____  | _____                         |
| c. Land         | _____            | _____                   | _____                                       | _____  | _____                         |
| Total           |                  |                         | \$ _____                                    | \$ _____                                     |                               |

The following is a schedule by year of the capital leases for the five succeeding fiscal years as of the last day of your fiscal year:

| Year ending June 30:                        | Total     |
|---|-----------|
| 2000  | \$ _____  |
| 2001  | _____     |
| 2002  | _____     |
| 2003  | _____     |
| 2004  | _____     |
| Thereafter                                  | _____     |
| Total minimum lease payments                | _____     |
| Less amounts representing executory costs   | ( _____ ) |
| Net minimum lease payments                  | _____     |
| Less amounts representing interest          | ( _____ ) |
| Present value of net minimum lease payments | \$ _____  |



**Lesser - Operating Lease**

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting) and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues, as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for leasing organized by major class of property and the amount of accumulated depreciation (optional for Governmental Funds) as of (the last day of your fiscal year):

|                 | Cost            | Accumulated depreciation | Carrying amount |
|-----------------|-----------------|--------------------------|-----------------|
| a. Office space | \$ _____        | \$ _____                 | \$ _____        |
| b. Equipment    | _____           | _____                    | _____           |
| c. Land         | _____           | NA                       | _____           |
| <b>Total</b>    | <b>\$ _____</b> | <b>\$ _____</b>          | <b>\$ _____</b> |

The following is a schedule by years of minimum future rentals on noncancellable operating lease(s) as of \_\_\_\_\_ (last day of fiscal year):

| Nature of lease                     | FY2011          | FY2012          | FY2013          | FY2014          | FY2015          | Thereafter      |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| a. Office space                     | \$ _____        | \$ _____        | \$ _____        | \$ _____        | \$ _____        | \$ _____        |
| b. Equipment                        | _____           | _____           | _____           | _____           | _____           | _____           |
| c. Land                             | _____           | _____           | _____           | _____           | _____           | _____           |
| d. Other                            | _____           | _____           | _____           | _____           | _____           | _____           |
| <b>Total minimum future rentals</b> | <b>\$ _____</b> |

Contingent rentals received from operating leases received for your fiscal year was \$ \_\_\_\_\_ for office space, \$ \_\_\_\_\_ for equipment, and \$ \_\_\_\_\_ land.

**N. GENERAL LONG-TERM OBLIGATIONS**

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term obligation account group, not in the governmental funds.

The following is a summary of the long-term obligation transactions for (the last day of your fiscal year):

|  |          |
|--|----------|
| Long term obligations payable at _____, 20____ | \$ _____ |
| Additions                                      | _____    |
| Payments                                       | _____    |
| Long term obligations payable at _____, 20____ | \$ _____ |

(Describe in detail the long-term obligations outstanding at fiscal year end. Include a discussion of notes payable as to amount, interest rates, purpose, maturity dates, installment amounts, etc.)

**9. LITIGATION**

1. The \_\_\_\_\_ Board/Commission is a defendant in litigation seeking damages as follows:

| Date of Action | Description of Litigation | Primary Attorney | Damages Claimed | Insurance Coverage |
|----------------|---------------------------|------------------|-----------------|--------------------|
| _____          | _____                     | _____            | \$ _____        | \$ _____           |
| _____          | _____                     | _____            | _____           | _____              |
| _____          | _____                     | _____            | _____           | _____              |
| _____          | _____                     | _____            | _____           | _____              |
| _____          | _____                     | _____            | _____           | _____              |
| <b>Total</b>   |                           |                  | <b>\$ _____</b> | <b>\$ _____</b>    |

Of the amount not covered by insurance, \$ \_\_\_\_\_, the board/commission has recorded \$ \_\_\_\_\_ as a liability of the General Fund and \$ \_\_\_\_\_ as a general long-term liability, as required by GASB Codification Section 050.

The \_\_\_\_\_ Board/Commission's legal advisor estimates that potential claims not covered by insurance would affect the financial statement as follows (would not materially affect the financial statements or is unable to estimate the effect on the financial statement):

Claims and litigation costs of \$ \_\_\_\_\_ were incurred in the current year. Of this amount, \$ \_\_\_\_\_ has been recorded as a current year expenditure in the General Fund and \$ \_\_\_\_\_ has been recorded in the general long-term obligations account group as an obligation not requiring current resources.

**F. RELATED PARTY TRANSACTIONS**

(FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. List all related party transactions).

**G. ACCOUNTING CHANGES**

Accounting changes made during the year involved a change in accounting \_\_\_\_\_  
(principle, estimate, error or entry). The effect of the change is being shown in \_\_\_\_\_.

**H. FUND DEFICITS**

| <u>Fund</u> | <u>Deficit Amount</u> |
|-------------|-----------------------|
| _____       | _____                 |
| _____       | _____                 |
| _____       | _____                 |
| _____       | _____                 |

(Give management's response for elimination of the deficits).

**I. ENCUMBRANCES**

(Describe the board/commission's uses of encumbrance accounting.)

The board does not recognize encumbrances.

**T. COOPERATIVE ENDEAVORS**

LRS 33:5022 defines cooperative endeavors as any form of economic development assistance between and among the state of Louisiana, its local governmental subdivisions, political corporations, public benefit corporations, the United States government or its agencies, or any public or private association, corporation, or individual. The term cooperative endeavor includes cooperative financing, cooperative development, or any form of cooperative economic development activity. The state of Louisiana has entered into cooperative endeavor agreements with certain entities aimed at developing the economy of the state. The liability outstanding as of June 30, 2001, by funding source, is as follows:



## STATE OF LOUISIANA

Legislat. Secretary (Article) BOARD/COMMISSION

## SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS

For the Year Ended June 30, 1991  
(Fiscal Close)

| Name         | Amount          |
|--------------|-----------------|
| _____        | \$ _____        |
| _____        | _____           |
| _____        | _____           |
| _____        | _____           |
| _____        | _____           |
| _____        | _____           |
| _____        | _____           |
| _____        | _____           |
| _____        | _____           |
| <b>Total</b> | <b>\$ _____</b> |

Schedule 1

STATE OF LOUISIANA  
Louisiana Strawberry Marketing BOARD/COMMISSION  
**SCHEDULE OF EXPENDITURES BY OBJECT**  
 For the Year Ended June 30, 2001  
 (Fiscal Close)

| Expenditure                      | Amount           |
|----------------------------------|------------------|
| Personal services                | \$ _____         |
| Travel                           | _____            |
| Operating services (Advertising) | 17,500           |
| Supplies                         | _____            |
| Professional services            | _____            |
| Other charges                    | _____            |
| Capital outlay                   | _____            |
| Interagency transfers            | _____            |
| Debt service                     | _____            |
| <b>Total</b>                     | <b>\$ 17,500</b> |

**Schedule 2**

**OTHER REPORT REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

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



OFFICE OF  
**LEGISLATIVE AUDITOR**  
STATE OF LOUISIANA  
BAYOU BOULEVARD, LOUISIANA 70004-9100

BARRETT E. BROWN, FIDELITY, CPA, CMA  
LEGISLATIVE AUDITOR

PHONE: 504-386-6000  
FAX: 504-386-6001  
TELEPHONE: 504-386-6000  
FACSIMILE: 504-386-6000

August 14, 2001

**Report on Compliance and on Internal Control Over Financial  
Reporting Based on an Audit of the General Purpose Financial Statements  
Performed in Accordance With Government Auditing Standards**

**LOUISIANA STRAWBERRY MARKETING BOARD**  
**DEPARTMENT OF AGRICULTURE AND FORESTRY**  
**STATE OF LOUISIANA**  
Baton Rouge, Louisiana

We have audited the general purpose financial statements of the Louisiana Strawberry Marketing Board, a component unit of the State of Louisiana, as of June 30, 2001, and for the years ended June 30, 2001 and 2000, and have issued our report thereon dated August 14, 2001. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Louisiana Strawberry Marketing Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, 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, we considered the Louisiana Strawberry Marketing Board's internal control over financial reporting 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 over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Louisiana Strawberry Marketing Board's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

## LEGISLATIVE AUDITOR

### LOUISIANA STRAWBERRY MARKETING BOARD DEPARTMENT OF AGRICULTURE AND FORESTRY STATE OF LOUISIANA

Compliance and Internal Control Report

August 14, 2001

Page 2

#### **Untimely Notice and Ineffective Enforcement of Assessments**

The Louisiana Strawberry Marketing Board did not send timely assessment notices to strawberry distributors, wholesalers, brokers, and retailers for the fiscal year ended June 30, 2000, nor did the board enforce collection of assessments on strawberries produced out-of-state and distributed in Louisiana. Louisiana Revised Statute (R.S.) 3:475 imposes an assessment on all Louisiana produced strawberries and on all strawberries produced elsewhere and distributed in Louisiana. Louisiana Administrative Code 7:1905 requires that assessments be notified within 60 days of the end of the state's fiscal year. To enforce the collection of the assessment, R.S. 3:474 states that the commissioner of agriculture shall provide employees necessary to carry on the board's operations.

The board sends annual assessment notices to applicable businesses. For the fiscal year ended June 30, 2000, the notices were mailed in December 2000, more than three months after payment of the assessments were due. Although management of the Department of Agriculture and Forestry knows that not all businesses are properly reporting and paying the assessments owed, no enforcement efforts have been made.

The Department of Agriculture and Forestry employees who administer this program have indicated that the board does not have sufficient funds to support collection and enforcement efforts. However, the department uses a system of employee cross-utilization for agriculture-related activities in the state. This resource has not been used by the board. Failure to enforce and to timely notify businesses of the assessment affects the board's revenues and promotion efforts.

The board should address the necessity of timely notification of assessments and the importance of enforcement with the commissioner of agriculture, who is responsible for providing the personnel resources necessary for the operations of the board. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, page 1).

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 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions

LEGISLATIVE AUDITOR

LOUISIANA STRAWBERRY MARKETING BOARD  
DEPARTMENT OF AGRICULTURE AND FORESTRY  
STATE OF LOUISIANA

Compliance and Internal Control Report

August 14, 2001

Page 3

that we also considered to be material weaknesses. However, we do not believe that the reportable condition described previously is a material weakness.

This report is intended solely for the information and use of the board and its management 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.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE  
Legislative Auditor

0420-STD-DSP-01

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## **Appendix A**

### **Management's Corrective Action Plan and Response to the Finding and Recommendation**



LOUISIANA DEPARTMENT OF AGRICULTURE & FORESTRY  
 BOB ODUM, COMMISSIONER  
 W.C. "Bud" Connor, Deputy Commissioner



August 8, 2001

**Assistant  
 Commissioners**

**Agriculture &  
 Livestock/Equine/Bees**  
 Patricia Thompson, M.S.  
 P.O. Box 9400  
 Baton Rouge, LA 70804  
 225/387-3700  
 Fax: 225-375-0000

**Apex Consumer  
 Services**  
 Marilyn Brannon  
 P.O. Box 9400  
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 225/387-3241  
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**Animal Health  
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 Tommie Carter  
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**Marketing  
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 Paul R. Gray  
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**Management  
 & Finance**  
 Christopher  
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**Marketing  
 Programs**  
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**Wildlife  
 Management**  
 Dr. Kelly J. Cooper  
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 Baton Rouge, LA 70804  
 225/387-3246  
 Fax: 225-375-0000

Dr. Daniel G. Kyle  
 Legislative Auditor  
 Post Office Box 94000  
 Baton Rouge, LA 70804

Dear Dr. Kyle:

re: Louisiana Strawberry Marketing Board, Unlawful  
 Notice and Ineffective Enforcement of Assessments

The Louisiana Department of Agriculture and Forestry concurs with the above referenced finding.

The Louisiana Strawberry Marketing Board met on March 8, 2001, and approved expenditures up to \$1000 for auditing services to be provided by this Department's auditor, to audit retailers who are selling strawberries in Louisiana, to determine the assessment payment liability to the Board.

Notices were mailed to all known distributors, wholesalers and supermarket chains who sell produce in Louisiana, notifying them of their responsibility to report the Strawberry Assessments to the Department of Agriculture and Forestry. We will send a second notice in September to all vendors that did not respond to the first notice.

For FY-02, notices that assessments are due to the Department will be mailed in May (for June 30 year-end), in sufficient time for collections to be received by the time our books are to be closed.

Very truly yours,

Skip Finzer  
 Assistant Commissioner

SFC/aw

cc: Commissioner Bob Odum