

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
A COMPONENT UNIT OF THE
STATE OF LOUISIANA



FINANCIAL STATEMENT AUDIT
ISSUED APRIL 9, 2008

**LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

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 Division of Administration, Office of Statewide
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 Year Ended June 30, 2007

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Report on Internal Control Over Financial Reporting
 and on Compliance and Other Matters Based on an
 Audit of Financial Statements Performed in
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LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

March 10, 2008

Independent Auditor's Report
on the Financial Statements

LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the accompanying basic financial statements of the Louisiana Egg Commission, a component unit of the State of Louisiana, as of and for the years ended June 30, 2007 and 2006, as listed in the table of contents. These financial statements are the responsibility of management of the Louisiana Egg Commission. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits 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 audits 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 financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Egg Commission as of June 30, 2007, and its changes in financial position and its cash flows for the years ended June 30, 2007 and 2006, in conformity with accounting principles generally accepted in the United States of America.

During August and September of 2005, the State of Louisiana suffered considerable damage from two major hurricanes, Katrina and Rita, resulting in the President of the United States declaring Louisiana a major disaster area. Because of the severity of these two separate events and the resulting losses sustained, it is unknown exactly what economic impact recovery will have on state and local government operations in Louisiana. While the Louisiana Egg Commission did not directly suffer any major effects of these two hurricanes, the long-term effects of these events directly on the commission cannot be determined at this time.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2008, on our consideration of the Louisiana Egg Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts 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 should be considered in assessing the results of our audit.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. However, the board did not include this information in the financial statements for the years ended June 30, 2007 and 2006.

Our audits were conducted for the purpose of forming an opinion on the Louisiana Egg Commission's basic financial statements. The accompanying Schedule of Per Diem Paid Board Members and the Annual Fiscal Report to the Office of the Governor, Division of Administration, Office of Statewide Reporting and Accounting Policy are presented for the purpose of additional analysis and are not required parts of the basic financial statements. The schedule and the report have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Steve J. Theriot, CPA
Legislative Auditor

AD:CGEW:THC:sr

EGG07

**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**

**Statements of Net Assets
June 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
ASSETS		
Current assets:		
Cash and cash equivalents (note 2)	\$96,854	\$105,284
Receivables - assessments (note 3)	<u>4,506</u>	<u>5,000</u>
Total assets	<u>101,360</u>	<u>110,284</u>
LIABILITIES - current accounts payable	<u>3,450</u>	<u>NONE</u>
NET ASSETS - unrestricted	<u><u>\$97,910</u></u>	<u><u>\$110,284</u></u>

The accompanying notes are an integral part of this financial statement.

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**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**

**Statements of Revenues, Expenses,
and Changes in Net Assets
For the Years Ended June 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
Operating revenues:		
Licenses and fees	\$22,785	\$22,900
Assessments	51,332	55,366
Other	16,280	117
Total operating revenues	<u>90,397</u>	<u>78,383</u>
Operating expenses:		
Administrative services (note 4)	30,000	30,000
Travel	730	608
Operating services	34,092	30,484
Supplies	6,793	4,350
Other charges	104	5,157
Promotional expense	33,115	
Total operating expenses	<u>104,834</u>	<u>70,599</u>
Operating income (loss)	<u>(14,437)</u>	<u>7,784</u>
Nonoperating revenues:		
Use of money and property	<u>2,063</u>	<u>1,388</u>
Change in net assets	(12,374)	9,172
TOTAL NET ASSETS AT BEGINNING OF YEAR	<u>110,284</u>	<u>101,112</u>
TOTAL NET ASSETS AT END OF YEAR	<u><u>\$97,910</u></u>	<u><u>\$110,284</u></u>

The accompanying notes are an integral part of this financial statement.

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**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE
STATE OF LOUISIANA**

**Statements of Cash Flows
For the Years Ended June 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities		
Cash received from assessments, licenses, and fees	\$90,891	\$78,383
Cash paid to suppliers for goods and services	(101,384)	(70,599)
Net cash provided (used) by operating activities	<u>(10,493)</u>	<u>7,784</u>
Cash flows from investing activities:		
Interest received	<u>2,063</u>	<u>1,388</u>
Net increase (decrease) in cash and cash equivalents	(8,430)	9,172
Cash and cash equivalents at beginning of year	<u>105,284</u>	<u>96,112</u>
Cash and cash equivalents at end of year	<u><u>\$96,854</u></u>	<u><u>\$105,284</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	(\$14,437)	\$7,784
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in assets and liabilities:		
Decrease in accounts receivable	494	NONE
Increase in accounts payable	<u>3,450</u>	<u>NONE</u>
Net cash provided (used) by operating activities	<u><u>(\$10,493)</u></u>	<u><u>\$7,784</u></u>

The accompanying notes are an integral part of this financial statement.

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INTRODUCTION

The Louisiana Egg Commission is a component unit of the State of Louisiana created within the Louisiana Department of Agriculture and Forestry, as provided by Louisiana Revised Statutes (R.S.) 3:551.1-11. The commission is composed of 12 members, 10 of whom are appointed by the governor upon the joint recommendation of the Poultry Industries of Louisiana, Incorporated, and/or the Louisiana Egg Council, and the commissioner of agriculture and forestry. Two of the members are appointed by the governor from the public at-large. Members are appointed to six-year terms, and the appointments are staggered so that either two or four members' terms expire every two years. The commissioner of agriculture and forestry is an ex-officio member with voting privileges. Commission members receive per diem payments of \$40 for attending commission meetings as authorized by R.S. 3:551.3.

The commission is charged with the responsibility of entering into advertising contracts and other agreements for consumer, producer, and dealer information services as to the food value of eggs and for instruction on grades and packs and how to evaluate their merits to expand the market for Louisiana-produced eggs. Operations of the commission are funded entirely with self-generated revenues. Personnel of the Louisiana Department of Agriculture and Forestry perform all collection and administrative functions of the commission. The commission has no employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. The commission applies all GASB pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. In accordance with policies established by the Division of Administration, the commission has elected to follow GASB pronouncements issued after November 30, 1989, rather than FASB pronouncements.

B. REPORTING ENTITY

Using the criteria in GASB Codification Section 2100, the Division of Administration, Office of Statewide Reporting and Accounting Policy, has defined the reporting entity to be the State of Louisiana. The commission is considered to be a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the commission members and can impose his will on the commission. The accompanying financial statements present only the activity of the Louisiana Egg Commission. Annually, the State of Louisiana issues basic financial statements that include the activity contained in the accompanying financial statements.

C. FUND ACCOUNTING

All activities of the commission are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statement. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The transactions of the commission are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statements of Net Assets.

Revenues are recognized in the accounting period when they are earned and expenses are recognized when the related liability is incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and/or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenue of the commission consists of assessments on Louisiana egg producers.

E. BUDGET PRACTICES

The commission does not adopt a formal budget on a fiscal basis. However, the commission may allocate amounts to be spent on specific projects for the promotion of eggs. Other expenditures are not considered in this allocation.

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include interest-bearing demand deposits, certificates of deposit, and cash in the state treasury. Under state law, the commission 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 commission 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.

G. CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

The commission has no capital assets or long-term obligations at June 30, 2007 and 2006.

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

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

I. NET ASSETS

Net assets comprise the difference between assets and liabilities in the Statements of Net Assets. Net assets generally are classified in the following components:

Invested in capital assets, net of related debt consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted consists of net assets subject to external constraints placed on net asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted consists of all other net assets that are not included in the other categories previously mentioned.

J. ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

For reporting purposes, cash and cash equivalents consist of demand deposits, certificates of deposit, and cash in the state treasury. At June 30, 2007 and 2006, the commission has cash and cash equivalents (book balances) of \$96,854 and \$105,248, respectively, as follows:

	<u>2007</u>	<u>2006</u>
Interest-bearing demand deposits	\$10,723	\$11,310
Savings accounts	2,445	2,428
Certificates of deposit	44,878	42,832
Cash in state treasury	<u>38,808</u>	<u>48,714</u>
Total	<u><u>\$96,854</u></u>	<u><u>\$105,284</u></u>

Custodial credit risk is the risk that in the event of a bank failure, the commission's deposits may not be recovered. Under state law, the commission's deposits must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair 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 securities are held in the name of the commission or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties.

The following is a breakdown by banking institution and amount of the collected bank balances at June 30, 2007 and 2006, respectively:

<u>Banking Instituion</u>	<u>2007</u>	<u>2006</u>
Bank One - demand account	\$20,741	\$11,310
Bank One - savings account	2,445	2,428
Bank One - certificate of deposit	<u>44,878</u>	<u>42,832</u>
Total	<u><u>\$68,064</u></u>	<u><u>\$56,570</u></u>

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 basic financial statements.

3. RECEIVABLES

At June 30, 2007 and 2006, the commission has receivable balances for egg assessments totaling \$4,506 and \$5,000, respectively. The commission has not established an allowance for doubtful accounts.

4. ADMINISTRATIVE SERVICES

As shown on Statement B, the commission paid \$60,000 for the years ended June 30, 2007 and 2006, to the Louisiana Department of Agriculture and Forestry for administering and collecting assessments and license fees on the sale of eggs. R.S. 3:551.6(C) allows the Louisiana Department of Agriculture and Forestry to charge the commission all costs incurred in collecting the assessments and license fees.

5. RISK MANAGEMENT

Losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by General Fund appropriation.

There is no pending litigation or claims against the commission at June 30, 2007, which if asserted, in the opinion of the commission's legal advisors, would have at least a reasonable probability of an unfavorable outcome or for which resolution would materially affect the financial statements. In addition, the commission has paid no settlements in the last three years.

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PER DIEM PAID COMMISSION MEMBERS

The schedule of per diem paid commission members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Per diem payments are authorized by Louisiana Revised Statute 3:551.3. Commission members are paid \$40 for each day spent in actual attendance of commission meetings.

**ANNUAL FISCAL REPORT TO THE OFFICE OF THE GOVERNOR,
DIVISION OF ADMINISTRATION,
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY**

The annual fiscal report presents the financial position of the Louisiana Egg Commission as of June 30, 2007, and the results of its changes in net assets and its cash flows for the year then ended. This report contains information in the format requested by the Office of Statewide Reporting and Accounting Policy for consolidation into the Louisiana Comprehensive Annual Financial Report.

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**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**

**Schedule of Per Diem Paid Board Members
For the Years Ended June 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
Anthony Berner	\$80	\$80
Michael Doss	80	80
Taylor Fernandez	80	80
Jeff Kleinpeter	40	40
Robert Lewis	80	80
James Pruitt	80	80
B. J. Sonnier	80	80
Robert Yarborough	<u>80</u>	<u>80</u>
Total	<u><u>\$600</u></u>	<u><u>\$600</u></u>

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LOUISIANA EGG COMMISSION

(Agency Name)

STATE OF LOUISIANA

Annual Financial Statements

June 30, 20 07

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

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1	Schedule of Per Diem Paid Board Members
2	Not included in this packet
3	Schedules of Long-Term Debt
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- 5 Schedule of Current Year Revenue and Expenses – Budgetary Comparison of Current Appropriation – Non GAAP Basis **(Only applicable for entities whose budget is appropriated by the legislature)**
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- A Instructions for the Simplified Statement of Activities
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- C Information for Note BB - net assets Restricted by Enabling Legislation
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STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2007

Louisiana Egg Commission
(Agency Name)

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 70304-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Skip Rhorer (Name) Assistant Commissioner of Management & Finance (Title) of Department of Agriculture & Forestry (Agency) who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana Egg Commission (Agency) at June 30, 2007, 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 28th day of August, 2007.



Signature of Agency Official



NOTARY PUBLIC

Prepared by: Linda R. Chaney
Title: Fiscal Director
Telephone No.: (225) 952 8165
Date: _____



STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
BALANCE SHEET
AS OF June 30, 20 07

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 96,854
Investments	
Receivables (net of allowance for doubtful accounts)(Note U)	<u>4,506</u>
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	<u>101,360</u>

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Notes receivable	
Investments	
Capital assets (net of depreciation)(Note D)	
Land	
Buildings and improvements	
Machinery and equipment	
Infrastructure	
Construction in progress	
Other noncurrent assets	
Total noncurrent assets	<u>0</u>
Total assets	<u>\$ 101,360</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 3,450
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:	
Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations - (Note J)	
Claims and litigation payable (Note K)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total current liabilities	<u>3,450</u>

NON-CURRENT LIABILITIES:

Contracts payable	
Reimbursement contracts payable	
Compensated absences payable (Note K)	
Capital lease obligations (Note J)	
Claims and litigation payable (Note K)	
Notes payable	
Liabilities payable from restricted assets (Note Z)	
Bonds payable	
Other long-term liabilities	
Total long-term liabilities	<u>0</u>
Total liabilities	<u>3,450</u>

NET ASSETS

Invested in capital assets, net of related debt	
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	<u>97,910</u>
Total net assets	<u>97,910</u>
Total liabilities and net assets	<u>\$ 101,360</u>

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED June 30 , 20 07

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	<u>51,332</u>
Use of money and property	_____
Licenses, permits, and fees	<u>22,785</u>
Other	<u>16,280</u>
Total operating revenues	<u>90,397</u>
OPERATING EXPENSES	
Cost of sales and services	<u>74,834</u>
Administrative	<u>30,000</u>
Depreciation	_____
Amortization	_____
Total operating expenses	<u>104,834</u>
Operating income(loss)	<u>(14,437)</u>
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues (expenses)	_____
Taxes	_____
Use of money and property	<u>2,063</u>
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)	<u>2,063</u>
Income(loss) before contributions and transfers	<u>(12,374)</u>
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	<u>(12,374)</u>
Total net assets – beginning as restated	<u>110,284</u>
Total net assets – ending	<u>\$ 97,910</u>

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED June 30, 2007

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
	<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
	<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
	<u>Expenses</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Net Assets</u>
Component Unit:				
LOUISIANA EGG COMMISSION	\$ <u>104,834</u>	\$ <u>NONE</u>	\$ <u>NONE</u>	\$ <u>NONE</u>
				\$ <u>(104,834)</u>
General revenues:				
Taxes				<u>90,397</u>
State appropriations				<u> </u>
Grants and contributions not restricted to specific programs				<u> </u>
Interest				<u>2,063</u>
Miscellaneous				<u> </u>
Special items				<u> </u>
Extraordinary Item - Loss on Impairment of Capital Assets				<u> </u>
Transfers				<u> </u>
				<u> </u>
Total general revenues, special items, and transfers				<u>92,460</u>
Change in net assets				<u>(12,374)</u>
Net assets - beginning				<u>110,284</u>
Net assets - ending				\$ <u><u>97,910</u></u>

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED June 30, 20 07

Cash flows from operating activities

Cash received from customers	\$ 90,891
Cash payments to suppliers for goods and services	<u>(101,384)</u>
Cash payments to employees for services	_____
Payments in lieu of taxes	_____
Internal activity-payments to other funds	_____
Claims paid to outsiders	_____
Other operating revenues(expenses)	_____
Net cash provided(used) by operating activities	<u>(10,493)</u>

Cash flows from non-capital financing activities

State appropriations	_____
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	<u>0</u>

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	<u>0</u>

Cash flows from investing activities

Purchases of investment securities	_____
Proceeds from sale of investment securities	_____
Interest and dividends earned on investment securities	<u>2,063</u>
Net cash provided(used) by investing activities	<u>2,063</u>

Net increase(decrease) in cash and cash equivalents	<u>(8,430)</u>
Cash and cash equivalents at beginning of year	<u>105,284</u>
Cash and cash equivalents at end of year	<u>\$ 96,854</u>

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED June 30, 2007

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

Operating income(loss)		\$ <u>(14,437)</u>
Adjustments to reconcile operating income(loss) to net cash		
Depreciation/amortization	_____	
Provision for uncollectible accounts	_____	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	_____	494
(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	_____	3,450
Increase(decrease) in accrued payroll and related benefits	_____	
Increase(decrease) in compensated absences payable	_____	
Increase(decrease) in due to other funds	_____	
Increase(decrease) in deferred revenues	_____	
Increase(decrease) in other liabilities	_____	
Net cash provided(used) by operating activities		\$ <u><u>(10,493)</u></u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	_____
Contributions of fixed assets	_____
Purchases of equipment on account	_____
Asset trade-ins	_____
Other (specify)	_____
_____	_____
_____	_____
Total noncash investing, capital, and financing activities:	<u><u>0</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

Statement D

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2007

INTRODUCTION

The Louisiana Egg Commission (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 3:551.1-11. The following is a brief description of the operations of the commission (BTA) which includes the parish/parishes in which the (BTA) is located:

The Louisiana Egg Commission is a component unit of the State of Louisiana created within the Louisiana Department of Agriculture and Forestry, as provided by Louisiana Revised Statutes 3:551.1-11. The commission is composed of 12 members, 10 of whom are appointed by the governor upon the joint recommendation of the Poultry Industries of Louisiana, Incorporated, and/or the Louisiana Egg Council, and the Commissioner of Agriculture and Forestry. Two of the members are appointed by the governor from the public at large. Members are appointed to six-year terms, and the appointments are staggered so that either two or four members' terms expire every two years. The Commissioner of Agriculture and Forestry is an ex-officio member with voting privileges. Commission members do not receive any compensation.

The commission is charged with the responsibility of entering into advertising contracts and other agreements for consumer, producer, and dealer information services as to the food value of eggs and for instruction on grades and packs and how to evaluate their merits to expand the market for Louisiana-produced eggs. Operations of the commission are funded entirely with self-generated revenues. Personnel of the Louisiana Department of Agriculture and Forestry perform all collection and administrative functions of the commission. The commission has no employees.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. 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 Egg Commission present information only as to the transactions of the programs of the commission 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 commission 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

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 20 07

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.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the commission (BTA) 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 Budget Committee, 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 include the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ _____
Amendments:	_____
The Egg Commission does not adopt a formal budget on a fiscal year basis. The commission may allocate amounts to be spent on specific projects.	_____

Final approved budget	\$ <u> 0</u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix B for information related to Note.

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 commission (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the commission (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; 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.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2007

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets 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 owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

Beginning in FY 2004, the implementation of 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, 2007, consisted of the following:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Other (Describe) Savings</u>	<u>Total</u>
Deposits in Bank Accounts Per Balance Sheet	\$ <u>10,723</u>	\$ <u>44,878</u>	\$ <u>2,445</u>	\$ <u>58,046</u>
Bank Balances of Deposits Exposed to Custodial Credit Risk:				
Uninsured and uncollateralized	_____	_____	_____	0
Uninsured and collateralized with securities held by the pledging institution	_____	_____	_____	0
Uninsured and collateralized with securities held by the pledging institution's trust department or agent, <u>but not in the entities name</u>	_____	_____	_____	0
 Total Bank Balances - All Deposits	 \$ <u>20,741</u>	 \$ <u>44,878</u>	 \$ <u>2,445</u>	 \$ <u>68,064</u>

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

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

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2007

<u>Program</u>	<u>Amount</u>
<u>Checking</u>	\$ <u>20,741</u>
<u>Savings</u>	<u>2,445</u>
<u>Certificate of Deposit</u>	<u>44,878</u>
	\$ <u>68,064</u>

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>38,808</u>
Petty cash	\$ <u>NONE</u>

2. INVESTMENTS

The commission has no investments at June 30, 2007.

D. CAPITAL ASSETS

The commission has no investments at June 30, 2007.

E. INVENTORIES

The commission has no inventory at June 30, 2007.

F. RESTRICTED ASSETS

The commission has no restricted assets at June 30, 2007.

G. LEAVE

The commission has no employees at June 30, 2007.

H. RETIREMENT SYSTEM

The commission has no employees at June 30, 2007.

I. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The commission has no employees at June 30, 2007

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2007

J. LEASES

The commission has no leases at June 30, 2007.

K. LONG-TERM LIABILITIES

The commission has no long-term liabilities at June 30, 2007.

L. CONTINGENT LIABILITIES

The commission has no contingent liabilities at June 30, 2007.

M. RELATED PARTY TRANSACTIONS

The commission has no related party transactions at June 30, 2007.

N. ACCOUNTING CHANGES

The commission made no accounting changes during the fiscal year ended June 30, 2007.

O. IN-KIND CONTRIBUTIONS

The commission had no in-kind contributions at June 30, 2007.

P. DEFEASED ISSUES

The commission has no defeased issues at June 30, 2007.

Q. COOPERATIVE ENDEAVORS

The commission has no cooperative endeavors at June 30, 2007.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The commission has no government-mandated nonexchange transactions (grants) at June 30, 2007.

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 20_07

The commission has no violations of finance-related legal or contractual provisions at June 30, 2006.

T. SHORT-TERM DEBT

The commission had no short-term debt at June 30, 2006.

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 20_07_, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Promotion	\$ 0	\$ 4,506	\$ 0	\$ 0	\$ 4,506
					0
Gross receivables	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Less allowance for uncollectible accounts	0	0	0	0	0
Receivables, net	\$ 0	\$ 4,506	\$ 0	\$ 0	\$ 4,506
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ 0

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 20_07_, were as follows:

Fund (gen. Fund, gas tax, fund, etc.)	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
Promotion	\$ 3,450	\$	\$	\$	\$ 3,450
					0
Total payables	\$ 3,450	\$ 0	\$ 0	\$ 0	\$ 3,450

W. SUBSEQUENT EVENTS

The commission has no subsequent events at June 30, 2007.

X. SEGMENT INFORMATION

Not required.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 20 07

Y. DUE TO/DUE FROM AND TRANSFERS

The commission has no due to/from and transfers at June 30, 2007.

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

The commission has no restricted assets at June 30, 2007.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets for June 30, 2007.

Fund balance July 1, 2007, <u>previously reported</u>	Adjustments <u>+ or (-)</u>	Beginning net assets, July 1, 2007, <u>As restated</u>
0 \$	0 \$	0
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Each adjustment must be explained in detail on a separate sheet.

(NOTE: Net Assets at July 1, 20 , previously reported, must correspond to Net Assets at June 30, 20 , per the information received from OSRAP.)

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION

The commission has no net assests restricted by enabling legislation at June 30, 2007.

CC. IMPAIRMENT OF CAPITAL ASSETS

The commission has no impairment of capital assets at June 30, 2007.

STATE OF LOUISIANA
LOUISIANA EGG COMMISSION (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2007

DD. EMPLOYEE TERMINATION BENEFITS

The commission has no employee termination benefits at June 30, 2007.

OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

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

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LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

March 10, 2008

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*

**LOUISIANA EGG COMMISSION
DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA**
Baton Rouge, Louisiana

We have audited the financial statements of the Louisiana Egg Commission (Commission), a component unit of the State of Louisiana, as of and for the years ended June 30, 2007 and 2006, and have issued our report thereon dated March 10, 2008. Our report was modified to include an emphasis of a matter regarding the impact of hurricanes Katrina and Rita. 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

In planning and performing our audit, we considered the Commission'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 Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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*.

This report is intended solely for the information and use of the Commission, its management, others within the entity, and the Louisiana Legislature 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,



Steve J. Theriot, CPA
Legislative Auditor

AD:CGEW:THC:sr

EGG07