

UNITED SOYBEAN BOARD

CONSOLIDATED FINANCIAL STATEMENTS
WITH
SUPPLEMENTARY INFORMATION

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
United Soybean Board
Chesterfield, MO 63017

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of United Soybean Board (a nonprofit organization), which comprise the consolidated statements of assets, liabilities, and net assets – modified cash basis as of September 30, 2020 and 2019, and the related consolidated statements of revenues, expenses, and changes in net assets – modified cash basis and functional expenses – modified cash basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the modified cash basis of accounting described in Note B; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets – modified cash basis of the United Soybean Board as of September 30, 2020 and 2019, and its revenues, expenses, and changes in net assets – modified cash basis, for the years then ended, in accordance with the basis of accounting as described in Note B.

Basis of Accounting

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements were prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statement taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2020, on our consideration of the United Soybean Board’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the United Soybean Board’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the United Soybean Board’s internal control over financial reporting and compliance.

Other Matters

In connection with our audit, nothing came to our attention that caused us to believe the United Soybean Board failed to comply with Subtitle E, Section 1969, Subsection (o)(1) of the Soybean Promotion, Research and Consumer Information Act, relating to the limitations on the types of investments which may be purchased with checkoff assessment funds collected by USB under the Soybean Promotion, Research and Consumer Information Order. Further, in connection with our audit, nothing came to our attention that caused us to believe that the United Soybean Board failed to comply with Section 5D of the United States Department of Agriculture (USDA) Guidelines for Agricultural Marketing Service Oversight of Commodity Research and Promotion Programs (Guidelines), dated January 2020, insofar as they relate to the following: 1) whether monetary funds were used for the purpose of influencing governmental policy or action; 2) whether the United Soybean Board adhered to the Agricultural Marketing Service (AMS) investment policy, 3) whether monetary funds were used only for projects and other expenses authorized in the budget approved by the USDA; and 4) whether monetary funds were used in accordance with the Guidelines referenced above.

However, our audit was not directed primarily towards obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the organization's noncompliance with the above referenced terms, covenants, provision, or conditions of the Indenture, insofar as they relate to accounting matters.

The report is intended solely for the information and use of the board of directors, United Soybean Board's management, and the U.S. Department of Agriculture and is not intended to be, and should not be, used by anyone other than these specific parties.



CliftonLarsonAllen LLP

St. Louis, Missouri
December 2, 2020

UNITED SOYBEAN BOARD

Consolidated Statements of Assets, Liabilities, & Net Assets (Modified Cash Basis)

September 30, 2020 and 2019

Assets	2020	2019
Cash and Cash Equivalents	\$ 78,092,547	\$ 21,364,213
Restricted Cash	638,241	-
Investments	32,325,631	106,677,128
Other Receivables	22,777	159,269
Prepaid Expenses and Other Assets	9,910	12,138
Equipment, Net	22,579	33,830
Total Assets	\$ 111,111,685	\$ 128,246,578
Liabilities and Net Assets		
Liabilities		
Other Liabilities	\$ 638,241	\$ -
Total Liabilities	638,241	-
Net Assets - Without Donor Restriction		
Program Commitments	64,630,290	68,630,726
Undesignated	45,843,154	59,615,852
Total Net Assets	110,473,444	128,246,578
Total Liabilities and Net Assets	\$ 111,111,685	\$ 128,246,578

The accompanying notes are an integral part of these consolidated financial statements.

UNITED SOYBEAN BOARD

Consolidated Statements of Revenues, Expenses, & Changes in Net Assets (Modified Cash Basis)

Years ended September 30, 2020 and 2019

	2020	2019
Revenues:		
Checkoff Assessments, Net	\$ 80,222,535	\$ 84,988,641
Realized and Unrealized Gains/Losses on Investments	(49,362)	1,583,731
Interest Income, Net	1,761,916	1,688,692
Other Revenue	1,393,094	1,155
Total Revenues	83,328,183	88,262,219
Expenses:		
Program Activities:		
Action Team Initiatives	64,535,991	70,421,503
Contract Program Implementation	23,084,770	18,650,890
Program Operations	10,435,232	8,678,866
Program Evaluation & Measurement	949,815	1,329,874
SNI & Qualisoy Expenses	48,316	66,959
General & Administrative:		
USB Administrative	1,594,006	2,111,156
U.S. Department of Agriculture	453,187	447,885
Total Expenses	101,101,317	101,707,133
Change in Net Assets	(17,773,134)	(13,444,914)
Net Assets at Beginning of Year	128,246,578	125,363,514
Cumulative Effect of Change in Basis of Accounting	-	16,327,978
Net Assets at End of Year	\$ 110,473,444	\$ 128,246,578

The accompanying notes are an integral part of these consolidated financial statements.

UNITED SOYBEAN BOARD

Consolidated Statements of Functional Expenses (Modified Cash Basis)

Years ended September 30, 2020 and 2019

	Program Expenses						General & Administrative			2020 TOTAL
	Action Team Initiatives	Contract Program Implementation	Program Operations	Program Evaluation & Measurement	Soy Nutrition Institute & Qualisoy	Total Program Expenses	USB Administrative	U.S. Dept. of Agriculture	Total General & Administrative	
Expenses:										
Contractor Expenses	\$ 64,535,991	\$ 23,084,770	\$ -	\$ -	\$ -	\$ 87,620,761	\$ -	\$ -	\$ -	\$ 87,620,761
Compensation	-	-	2,578,165	177,794	-	2,755,959	600,525	50,496	651,021	3,406,980
Professional Services	-	-	6,196,097	664,487	-	6,860,584	678,557	8,570	687,127	7,547,711
Legal	-	-	28,888	-	-	28,888	17,356	-	17,356	46,244
Travel & Meetings	-	-	965,710	61,151	-	1,026,861	172,017	2,298	174,315	1,201,176
Occupancy & Other	-	-	666,372	46,383	48,316	761,071	125,551	391,823	517,374	1,278,445
TOTAL	\$ 64,535,991	\$ 23,084,770	\$ 10,435,232	\$ 949,815	\$ 48,316	\$ 99,054,124	\$ 1,594,006	\$ 453,187	\$ 2,047,193	\$ 101,101,317

	Program Expenses						General & Administrative			2019 TOTAL
	Action Team Initiatives	Contract Program Implementation	Program Operations	Program Evaluation & Measurement	Soy Nutrition Institute & Qualisoy	Total Program Expenses	USB Administrative	U.S. Dept. of Agriculture	Total General & Administrative	
Expenses:										
Contractor Expenses	\$ 70,421,503	\$ 18,650,890	\$ -	\$ -	\$ -	\$ 89,072,393	\$ -	\$ -	\$ -	\$ 89,072,393
Compensation	-	-	1,814,404	210,523	-	2,024,927	739,849	62,826	802,675	2,827,602
Professional Services	-	-	4,774,555	1,064,733	-	5,839,288	795,855	96,799	892,654	6,731,942
Legal	-	-	127,469	-	-	127,469	65,010	-	65,010	192,479
Travel & Meetings	-	-	1,264,847	54,036	-	1,318,883	271,841	13,221	285,062	1,603,945
Occupancy & Other	-	-	697,591	582	66,959	765,132	238,601	275,039	513,640	1,278,772
TOTAL	\$ 70,421,503	\$ 18,650,890	\$ 8,678,866	\$ 1,329,874	\$ 66,959	\$ 99,148,092	\$ 2,111,156	\$ 447,885	\$ 2,559,041	\$ 101,707,133

The accompanying notes are an integral part of these consolidated financial statements.

UNITED SOYBEAN BOARD

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Note A - Organization

United Soybean Board

United Soybean Board (USB) was established on November 28, 1990, pursuant to the Soybean Promotion, Research and Consumer Information Act of 1990 (7 U.S.C. 6301-6311) (the Act) and began official operations on July 9, 1991 upon the enactment of the Soybean Promotion, Research and Consumer Information Order (7 CFR Part 1220) (the Order). The purpose of USB is to establish a coordinated program of promotion designed to strengthen the soybean industry's position in the marketplace and to maintain and expand domestic and foreign markets and uses for soybeans and soybean products, and to develop new markets and uses for soybeans and soybean products produced in the United States.

As stipulated in the Act, a referendum (Initial Referendum) was conducted on February 9, 1994, at which time soybean producers voted on whether to continue the national checkoff established by the Order. The Initial Referendum was approved by a majority vote and became effective on April 1, 1994.

In addition, as stipulated in the Act, a poll was conducted on July 26, 1995, at which time soybean producers voted on whether to continue the payment of refunds under the Order (Refund Poll). Based on the results of the poll, it was determined that a refund referendum was not to be conducted. As a result, soybean producers were not entitled to refunds of checkoff assessments paid on soybeans sold on or after October 1, 1995.

The Act requires that the Secretary of Agriculture provide U.S. soybean producers the opportunity to petition for a referendum on the Soybean Promotion and Research Program every five years. A request for referendum was conducted by the United States Department of Agriculture (USDA) in October and November 1999. Subsequent requests for referendum were conducted by USDA in May 2004, May 2009, May 2014, and May 2019. Based upon the results of the requests for referendum conducted, USDA did not conduct a referendum on the Soybean Promotion and Research Program.

USB's soybean promotion program is carried out in the following target areas, action teams, and committees:

UNITED SOYBEAN BOARD

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Note A - Organization (Continued)

Standing Program Target Areas and Action Teams

Target Areas - Committees established as a strategic framework for the review and evaluation of program investments. The three Target Areas (Meal, Oil, & Sustainability) are responsible to the Board of Directors.

Action Teams – Committees established as the decision-making bodies for USB's annual investment in strategic projects. The three Action Teams (Supply, Marketplace, & Demand) are responsible to the Board of Directors.

Target Area Work Groups – Target Areas intersect with the Action Teams in the Strategic Plan Matrix of the Long-Range Strategic Plan (LRSP) to form Target Area Work Groups aligned with the strategic objectives set by the LRSP. Board members assigned to Action Teams are also assigned to a Target Area, thereby creating a Target Area Work Group assignment. These groups evaluate proposals for projects to recommend investments to Action Teams.

Standing Support Committees:

Executive Committee - Committee is established to provide oversight and leadership to USB, to provide oversight to USB's operations and to recommend related business priorities and policies to the Board of Directors for approval. In addition, it is responsible for the oversight of USB's contract program implementation.

Strategic Management - Committee is responsible to the Board of Directors. Its primary function is to evaluate and advise on the future strategic direction for USB.

Audit & Evaluation - Committee is responsible to the Board of Directors. Its primary functions are to ensure that checkoff funds are being spent pursuant to the Act and Order for the intended purpose and to determine if soybean producers have received a reasonable return on investments made by USB.

Financial Audit Committee - Committee is responsible to the Board of Directors. Its primary functions are to oversee USB's financial audit process and to serve as liaison between the external auditors and USB.

UNITED SOYBEAN BOARD

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Note A - Organization (Continued)

Creation of Related Entities - U. S. Soybean Export Council, Inc.

On February 26, 2005, USB and the American Soybean Association (ASA) executed a Memorandum of Understanding (MOU) outlining preliminary terms and conditions under which a new entity would be created to conduct international marketing activities effective October 1, 2005.

On March 2, 2005, the U. S. Soybean Export Council, Inc. (USSEC), was incorporated as a nonprofit corporation in the State of Delaware under Section 501(c)(6) of the Internal Revenue Code of 1986, as amended. The bylaws of USSEC, provide for representation on the board of directors by four members appointed by USB, four members appointed by ASA, and seven additional members elected from the Exporter and Allied membership classes. In addition, a Member-At-Large may be elected at a duly-constituted board meeting to bring the total number of board members for USSEC to sixteen.

As provided for in the MOU between USB and ASA, USSEC entered into a license and use agreement with ASA for a ten-year period beginning October 1, 2005. Under this agreement, USSEC is obligated to pay to ASA an annual royalty of \$615,000. In exchange, ASA grants to USSEC an exclusive, non-assignable, non-transferable right and license to use, reproduce, copy, and distribute the "ASA International Marketing" trademark and other trademarks as listed in the agreement. The royalty fee is fully reimbursable to USSEC by USB under the international marketing management agreement. The expense will be recognized by USB in the periods incurred under the applicable international marketing management agreement between USB and USSEC.

In November 2012, USSEC and ASA executed the first amendment to the license and use agreement. The amendment extends the termination date to September 30, 2025 and requires ASA to perform certain services and to provide market insights and expertise in addition to the transfer of assets and licensing of intellectual property previously required. The agreement is subject to the annual review and appropriation process by USB that covers all multi-year contracts.

Note B - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of USB are prepared on the modified cash basis of accounting. Under this method, certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when incurred. The modified cash basis is preferred in order to produce more timely reporting and avoid the

UNITED SOYBEAN BOARD

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Note B - Summary of Significant Accounting Policies (Continued)

risk of improper cutoffs related to complexities in obtaining contractor expense invoicing. Additionally, under the modified cash basis of accounting, investments are reported at fair value, equipment is capitalized at cost, deposits are reported as prepaid expenses, and unspent matching grant funds are reported as other liabilities.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board regarding financial statements of not-for-profit organizations. USB is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. At September 30, 2020, there were no net assets with donor restrictions.

Principles of Consolidation

The consolidated financial statements include the accounts of the United Soybean Board and its affiliated entities: Soy Nutrition Institute and Qualisoy. All significant inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates

USB has made certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Investments

USB considers all highly liquid investment securities with an original maturity of three months or less to be cash equivalents. The carrying amounts of cash and cash equivalents approximate fair value due to the short maturity of these financial instruments. USB's investment securities are reported at fair value. Fair value is established as readily determinable current market values for investment securities. Certificates of Deposits are recorded at cost which approximates fair value. Realized and unrealized gains and losses are included in the consolidated statement of activities.

Equipment

All purchases of non-expendable, tangible personal property with a useful life of more than one year and an acquisition cost of \$5,000 or more are recorded as fixed assets. USB uses the straight-line method of depreciation over the estimated useful life of the asset, which ranges from 3 to 15 years.

UNITED SOYBEAN BOARD

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Note B - Summary of Significant Accounting Policies (Continued)

Checkoff Assessments

Checkoff assessments revenue is generated by a mandatory assessment of one-half of 1% of the net market price of soybeans bought or otherwise acquired by the first purchaser from the producer. Assessment revenue is recognized in the month in which USB receives payment of the assessments.

Net Assets

All consolidated net assets of USB and its affiliates at September 30, 2020 and 2019, were without donor restriction.

Income Taxes

As an instrumentality of the United States Government, USB is exempt from income taxes under Section 501(c)(1) of the Internal Revenue Code. Soy Nutrition Institute is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. Qualisoy is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to program or supporting functions. These expenses include depreciation, office and occupancy, information technology consulting and other general overhead expenses. These expenses are allocated proportionally based on the number of hours recorded by USB staff for program or supporting functions.

Reclassifications

Certain comparative balances for the year ended September 30, 2019 have been reclassified to make them consistent with the current year presentation. The reclassifications had no effect on the change in net assets for 2019.

Change in Basis of Accounting

As of October 1, 2018, USB changed its basis of accounting to the modified cash basis of accounting from full accrual basis of accounting. Under the modified cash basis of accounting, certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when incurred. The modified cash basis of accounting is preferred in order to produce more timely reporting and avoid the risk of improper cutoff reporting related to the complexities in obtaining contractor expense invoicing. The implementation of modified cash basis of accounting resulted in restating net assets as of October 1, 2018.

UNITED SOYBEAN BOARD

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Note C - Cash, Cash Equivalents, and Investments

USB follows the requirements in the Act, Order and Agricultural Marketing Service (AMS) investment policy. For the fiscal years ended September 30 2020 and 2019, the bank balance of USB's operating cash deposits were entirely covered by federal depository insurance or were covered by collateral held by the pledging bank's agent in USB's name.

At September 30, 2020 and 2019, cash and cash equivalents consisted of the following:

Description	2020	2019
Operating cash	\$ 1,428,539	\$ 727,374
Money market	77,628,326	21,029,191
Less outstanding checks	(326,077)	(392,352)
TOTAL	\$ 78,730,788	\$ 21,364,213

USB is authorized to invest, on a short-term basis, in certificates of deposit insured by the Federal Deposit Insurance Corporation or securities consisting of obligations issued, fully insured, or guaranteed by the U.S. or any U.S. government agency.

At September 30, 2020, investments consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>
U.S. Treasury Notes	\$ 32,060,192	\$ 32,325,631
TOTAL	\$ 32,060,192	\$ 32,325,631

At September 30, 2019, investments consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>
U.S. Treasury Notes	\$ 93,724,495	\$ 94,677,128
Certificates of Deposits	12,000,000	12,000,000
TOTAL	\$ 105,724,495	\$ 106,677,128

UNITED SOYBEAN BOARD

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Note D - Fair Value Measurements

Financial assets and liabilities have been disclosed at their respective fair values or measured at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date on a recurring basis. The financial assets and liabilities are valued using the following fair value hierarchy in order to disclose the measurement of fair value based on three levels of observable or unobservable inputs.

Level 1: Quoted prices (unadjusted) in active markets for identical assets that USB has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect USB's own assumptions about the assumptions that market participants would use in pricing the asset, based on the best information available in the circumstances.

All assets and liabilities held by USB are considered to be Level 1.

Note E - Available Resources and Liquidity

The following represents USB's financial assets at September 30, 2020 and 2019:

Financial Assets at Year End:	2020	2019
Cash	\$ 1,102,462	\$ 335,022
Money Market Funds	77,628,326	21,029,191
Investments	32,325,631	106,677,128
Other Receivables	22,777	159,269
	<u>111,079,196</u>	<u>128,200,610</u>
Less:		
Restricted Cash	638,241	-
Program Commitments	64,630,290	68,630,726
	<u>65,268,531</u>	<u>68,630,726</u>
Total Financial Assets Available	<u>\$ 45,810,665</u>	<u>\$ 59,569,884</u>

As part of USB's liquidity management, cash in excess of daily requirements is invested in short-term investments.

UNITED SOYBEAN BOARD

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Note F - Equipment

Equipment at September 30, 2020 and 2019, consists of:

	2020	2019
Computer equipment	\$ 128,285	\$ 128,285
Less Accumulated Depreciation	(105,706)	(94,455)
TOTAL	\$ 22,579	\$ 33,830

Depreciation expense was \$11,251 and \$28,752 for the years ended September 30, 2020 and 2019, respectively.

Note G - Other Liabilities

In fiscal year 2020, USB entered into a memorandum of understanding (MOU) with the Foundation for Food and Agriculture Research (FFAR) to co-fund various research projects related to the protein content and quality of soybeans. The research will be conducted through 2022. In October 2019, USB received \$1,154,294 of FFAR matching grant funds and shall reimburse FFAR any unexpended funds at the end of the program. Other liabilities of \$638,241 represent unspent matching grant funds received from FFAR that have not been expended as of September 30, 2020.

Note H - Operating Leases

USB has various operating lease agreements for equipment and facilities used in its activities, which expire on various dates through 2024.

Future minimum lease payments under non-cancellable operating leases are as follows:

2021	\$ 268,664
2022	266,674
2023	226,076
2024	<u>239</u>
	<u>\$ 761,653</u>

Lease expenses included in the consolidated financial statements totaled \$256,082 and \$270,744 for the years ended September 30, 2020 and 2019, respectively.

UNITED SOYBEAN BOARD

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Note I - Funding Agreements and Contracts

USB has commitments through various contracts and funding agreements, as detailed in the following tables by current and prior years. Commitments represent unexpended budgeted funds as of September 30, 2020 and 2019. These commitments are overseen by either an action team, USB's Executive Committee, Strategic Management Committee, or Audit & Evaluation Committee.

	Commitments - 2020		
	Funding Year		
	2019 & Prior	2020	TOTAL
Action Team Initiatives	\$ 19,649,351	\$ 37,034,782	\$ 56,684,133
Contract Program Implementation	-	5,242,768	5,242,768
Program Operations	-	2,486,616	2,486,616
Program Evaluation	-	51,832	51,832
USDA	-	164,941	164,941
TOTAL	\$ 19,649,351	\$ 44,980,939	\$ 64,630,290

	Commitments - 2019		
	Funding Year		
	2018 & Prior	2019	TOTAL
Action Team Initiatives	\$ 992,671	\$ 62,258,267	\$ 63,250,938
Contract Program Implementation	-	3,532,203	3,532,203
Program Operations	-	1,106,391	1,106,391
Program Evaluation	-	309,775	309,775
USDA	-	431,419	431,419
TOTAL	\$ 992,671	\$ 67,638,055	\$ 68,630,726

UNITED SOYBEAN BOARD

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Note J - Retirement Plan

Effective October 1, 2018, USB established a defined contribution plan, covering all employees. Annual contributions by USB are determined each year by the Executive Committee of USB. Contributions for the years ended September 30, 2020 and 2019, were approximately \$292,000 and \$254,000, respectively.

Note K - Transactions with the U.S. Department of Agriculture

Under the provisions of the Act and the Order, USB is required to pay the U.S. Department of Agriculture for certain fees and monitoring costs.

Note L - Relationship with Primary Contractors

USB currently outsources some of its program management responsibilities to three primary contractors. During the years ended September 30, 2020 and 2019, USB contracted with USSEC for its international opportunities projects; with SmithBucklin Corporation, for its domestic opportunities and supply projects; and with Osborn Barr Paramore for its communications projects. The percentage of expense concentrated with these primary contractors approximated 92% and 90% for the years ended September 30, 2020 and 2019, respectively.

Note M - Related Entities

USSEC

USSEC is a separate not-for-profit organization for which USB has the authority to appoint 4 of the 16 members of USSEC's board of directors. USB reimburses a portion of the domestic administration costs and market access activities for USSEC's international opportunities programs. In addition, USB provides funding for certain administration costs in foreign markets and for program costs. For the year ended September 30, 2020, USB funded domestic and foreign administration and market access costs of approximately \$15,054,000 and project costs of approximately \$17,138,000. For the year ended September 30, 2019, USB funded domestic and foreign administration costs of approximately \$9,976,000 and project costs of approximately \$18,873,000.

UNITED SOYBEAN BOARD

Notes to Consolidated Financial Statements

September 30, 2020 and 2019

Note M - Related Entities (Continued)

Soy Nutrition Institute

Soy Nutrition Institute (SNI) is a separate not-for-profit organization for which USB appoints SNI's board of directors. Four of the twelve SNI board members are also board members of USB, and USB's CEO also serves as one of the SNI board members. USB provides administrative support in the form of staff, certain administrative expense reimbursement, and financial support for SNI's board of directors. For the years ended September 30, 2020 and 2019, those costs totaled \$56,728 and \$47,681, respectively. SNI is consolidated with USB for financial statement presentation and these costs have been eliminated in consolidation at September 30, 2020 and 2019.

QUALISOY

QUALISOY was a separate not-for-profit organization for which USB appointed the board of directors based on recommendations from industry partners. USB also provided QUALISOY with administrative support in the form of staff, certain administrative expense reimbursement, and financial support for QUALISOY's board of directors. QUALISOY is consolidated with USB for financial statement presentation. The total amount provided by USB for these administrative costs was \$7,691 and \$128,562 for the years ended September 30, 2020 and 2019, respectively, and these costs have been eliminated in consolidation. USB also funded project costs of \$1,247,000 and \$942,000 for the years ended September 30, 2020 and 2019, respectively, which benefited QUALISOY and the soybean industry.

On August 17, 2020, the QUALISOY board of directors voted to dissolve the organization. All liabilities were paid, and the remaining balance of cash was transferred to USB in August 2020.

Note N - Compliance Matters

In accordance with the provisions of the Act, USB's general and administrative expense budget is limited to 5% of projected checkoff assessment income. USB is also limited to 1% of projected checkoff assessment revenue for administrative employee salary and benefits. During fiscal years ended September 30, 2020 and 2019, USB did not exceed these limitations.

Note O – Subsequent Events

USB evaluated all subsequent events through December 2, 2020, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

UNITED SOYBEAN BOARD

Consolidating Statement of Assets, Liabilities, & Net Assets (Modified Cash Basis)

September 30, 2020 (with comparative totals for 2019)

(See Independent Auditors' Report)

	USB	Soy Nutrition Institute	Qualisoy	2020 TOTAL	2019 TOTAL
Assets					
Cash and Cash Equivalents	\$ 77,997,220	\$ 95,327	\$ -	\$ 78,092,547	\$ 21,364,213
Restricted Cash	638,241	-	-	638,241	-
Investments	32,325,631	-	-	32,325,631	106,677,128
Other Receivables	22,777	-	-	22,777	159,269
Prepaid Expenses and Other Assets	9,910	-	-	9,910	12,138
Equipment, Net	22,579	-	-	22,579	33,830
Total Assets	\$ 111,016,358	\$ 95,327	\$ -	\$ 111,111,685	\$ 128,246,578
Liabilities and Net Assets					
Liabilities					
Other Liabilities	638,241	-	-	638,241	-
Total Liabilities	\$ 638,241	\$ -	\$ -	\$ 638,241	\$ -
Net Assets - Without Donor Restriction					
Program Commitments	64,630,290	-	-	64,630,290	68,630,726
Undesignated	45,747,827	95,327	-	45,843,154	59,615,852
Total Net Assets	110,378,117	95,327	-	110,473,444	128,246,578
Total Liabilities and Net Assets	\$ 111,016,358	\$ 95,327	\$ -	\$ 111,111,685	\$ 128,246,578

The accompanying notes are an integral part of these consolidated financial statements.

UNITED SOYBEAN BOARD

Consolidating Statement of Revenues, Expenses, & Changes in Net Assets (Modified Cash Basis)

September 30, 2020 (with comparative totals for 2019)

(See Independent Auditors' Report)

	USB	Soy Nutrition Institute	Qualisoy	Eliminations	2020 TOTAL	2019 TOTAL
Revenues:						
Checkoff Assessments, Net	\$ 80,222,535	\$ -	\$ -	\$ -	\$ 80,222,535	\$ 84,988,641
Realized and Unrealized Gains/Losses on investments	(49,362)	-	-	-	(49,362)	1,583,731
Interest Income, Net	1,761,916	-	-	-	1,761,916	1,688,692
Other Revenue	1,476,825	147,661	7,691	(239,083)	1,393,094	1,155
Total revenues	83,411,914	147,661	7,691	(239,083)	83,328,183	88,262,219
Expenses:						
Program Activities:						
Action Team Initiatives	64,535,991	-	-	-	64,535,991	70,421,503
Contract Program Implementation	23,084,770	-	-	-	23,084,770	18,650,890
Program Operations	10,435,232	-	-	-	10,435,232	8,678,866
Program Evaluation & Measurement	949,815	-	-	-	949,815	1,329,874
SNI & Qualisoy Expenses	-	104,996	182,403	(239,083)	48,316	66,959
General & Administrative:						
USB Administrative	1,594,006	-	-	-	1,594,006	2,111,156
U.S. Department of Agriculture	453,187	-	-	-	453,187	447,885
Total Expenses	101,053,001	104,996	182,403	(239,083)	101,101,317	101,707,133
Change in Net Assets	(17,641,087)	42,665	(174,712)	-	(17,773,134)	(13,444,914)
Net Assets at Beginning of Year	128,019,204	52,662	174,712	-	128,246,578	125,363,514
Cumulative Effect of Change in Basis of Accounting	-	-	-	-	-	16,327,978
Net Assets at End of Year	\$ 110,378,117	\$ 95,327	\$ -	\$ -	\$ 110,473,444	\$ 128,246,578

The accompanying notes are an integral part of these consolidated financial statements.



INDEPENDENT AUDITORS' 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

To the Board of Directors of
United Soybean Board
Chesterfield, MO 63017

We have audited, in accordance with the 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, the consolidated financial statements of United Soybean Board, which comprise the consolidated statement of assets, liabilities, and net assets – modified cash basis as of September 30, 2020, and the related consolidated statements of revenues, expenses, and changes in net assets – modified cash basis and functional expenses – modified cash basis for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 2, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered United Soybean Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of United Soybean Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of United Soybean Board's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors
United Soybean Board

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the United Soybean Board's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated 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 or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

St. Louis, Missouri
December 2, 2020