

# **United Soybean Board**

Independent Auditor's Report and Consolidated Financial  
Statements

September 30, 2022 and 2021

**United Soybean Board**  
**September 30, 2022 and 2021**

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## Independent Auditor's Report

Board of Directors  
United Soybean Board  
Chesterfield, Missouri

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of United Soybean Board, which comprise the consolidated statements of assets, liabilities and net assets as of September 30, 2022 and 2021, and the related consolidated statements of revenues, expenses and changes in net assets and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of United Soybean Board, as of September 30, 2022 and 2021, and the changes in its net assets for the years then ended in accordance with the modified cash basis of accounting described in Note B.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of the United Soybean Board, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matter – Basis of Accounting*

We draw attention to Note B of the consolidated financial statements, which describes the basis of accounting. The financial statements are 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 this matter.

#### *Responsibilities of Management for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the modified cash basis of accounting described in Note B, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the United Soybean Board's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 United Soybean Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the United Soybean Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022, on our consideration of 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 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 United Soybean Board's internal control over financial reporting and compliance.

**FORVIS, LLP**

St. Louis, Missouri  
November 30, 2022

**United Soybean Board**  
**Consolidated Statements of Assets, Liabilities, & Net Assets**  
**(Modified Cash Basis)**  
**September 30, 2022 and 2021**

<b>Assets</b>	<b>2022</b>	<b>2021</b>
Cash and Cash Equivalents	\$ 69,184,889	\$ 111,374,889
Restricted Cash	112,645	262,721
Investments	90,938,358	20,052,417
Prepaid Expenses and Other Assets	9,153	16,092
Equipment and Leasehold Improvements, Net	57,344	129,941
	<hr/>	<hr/>
Total Assets	\$ 160,302,389	\$ 131,836,060
	<hr/> <hr/>	<hr/> <hr/>
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Other Liabilities	\$ 112,645	\$ 262,721
	<hr/>	<hr/>
Total Liabilities	112,645	262,721
	<hr/>	<hr/>
 <b>Net Assets - Without Donor Restriction</b>		
Program Commitments	58,097,375	49,907,563
Undesignated	102,092,369	81,665,776
	<hr/>	<hr/>
Total Net Assets	160,189,744	131,573,339
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 160,302,389	\$ 131,836,060
	<hr/> <hr/>	<hr/> <hr/>

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

**Years Ended September 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Revenues</b>		
Checkoff Assessments, Net	\$ 141,167,480	\$ 118,632,475
Realized and Unrealized Losses on Investments	(10,340)	(102,384)
Interest Income, Net	631,066	496,215
Other Revenue	50,741	443,953
Total Revenues	141,838,947	119,470,259
<b>Expenses</b>		
Program Activities		
Action Team Initiatives	67,432,164	60,662,634
Contract Program Implementation	28,063,064	22,720,800
Program Operations	14,876,312	12,308,420
Program Evaluation & Measurement	725,533	684,745
SNI & Qualisoy Expenses	-	247,327
General & Administrative		
USB Administrative	1,905,014	1,529,399
U.S. Department of Agriculture	220,455	217,039
Total Expenses	113,222,542	98,370,364
<b>Change in Net Assets</b>	28,616,405	21,099,895
<b>Net Assets at Beginning of Year</b>	131,573,339	110,473,444
<b>Net Assets at End of Year</b>	\$ 160,189,744	\$ 131,573,339

**United Soybean Board**  
**Consolidated Statements of Functional Expenses**  
**(Modified Cash Basis)**  
**Years Ended September 30, 2022 and 2021**

	Program Expenses						General & Administrative			
	Action Team	Contract	Program	Program	Soy Nutrition	Total Program	USB	U.S. Dept. of	Total General	2022 Total
	Initiatives	Program	Operations	Evaluation & Measurement	Institute	Expenses	Administrative	Agriculture	& Administrative	
<b>Expenses</b>										
Contractor Expenses	\$ 67,176,208	\$ 28,063,064	\$ -	\$ -	\$ -	\$ 95,239,272	\$ -	\$ -	\$ -	\$ 95,239,272
Compensation	-	-	2,909,940	160,324	-	3,070,264	639,447	-	639,447	3,709,711
Professional Services	255,956	-	9,474,386	475,936	-	10,206,278	822,023	-	822,023	11,028,301
Legal	-	-	107,880	4,260	-	112,140	42,853	-	42,853	154,993
Travel & Meetings	-	-	1,350,348	56,775	-	1,407,123	217,176	-	217,176	1,624,299
Occupancy & Other	-	-	1,033,758	28,238	-	1,061,996	183,515	220,455	403,970	1,465,966
<b>Total</b>	<b>\$ 67,432,164</b>	<b>\$ 28,063,064</b>	<b>\$ 14,876,312</b>	<b>\$ 725,533</b>	<b>\$ -</b>	<b>\$ 111,097,073</b>	<b>\$ 1,905,014</b>	<b>\$ 220,455</b>	<b>\$ 2,125,469</b>	<b>\$ 113,222,542</b>

	Program Expenses						General & Administrative			
	Action Team	Contract	Program	Program	Soy Nutrition	Total Program	USB	U.S. Dept. of	Total General	2021 Total
	Initiatives	Program	Operations	Evaluation & Measurement	Institute & Qualisoy	Expenses	Administrative	Agriculture	& Administrative	
<b>Expenses</b>										
Contractor Expenses	\$ 60,662,634	\$ 22,720,800	\$ -	\$ -	\$ -	\$ 83,383,434	\$ -	\$ -	\$ -	\$ 83,383,434
Compensation	-	-	2,907,969	206,129	-	3,114,098	620,320	-	620,320	3,734,418
Professional Services	-	-	7,830,573	398,071	-	8,228,644	601,551	-	601,551	8,830,195
Legal	-	-	110,063	6,245	-	116,308	34,838	-	34,838	151,146
Travel & Meetings	-	-	657,031	30,517	-	687,548	105,317	-	105,317	792,865
Occupancy & Other	-	-	802,784	43,783	247,327	1,093,894	167,373	217,039	384,412	1,478,306
<b>Total</b>	<b>\$ 60,662,634</b>	<b>\$ 22,720,800</b>	<b>\$ 12,308,420</b>	<b>\$ 684,745</b>	<b>\$ 247,327</b>	<b>\$ 96,623,926</b>	<b>\$ 1,529,399</b>	<b>\$ 217,039</b>	<b>\$ 1,746,438</b>	<b>\$ 98,370,364</b>

# United Soybean Board

## Notes to Consolidated Financial Statements

### September 30, 2022 and 2021

#### 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:

##### **Standing Program Priority Areas and Action Teams**

*Priority Areas* – Committees established as a strategic framework for the review and evaluation of program investments. The three Priority Areas (Innovation & Technology, Infrastructure & Connectivity, and Health & Nutrition) 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, Demand, Communication & Education Committee) are responsible to the Board of Directors.



# United Soybean Board

## Notes to Consolidated Financial Statements

### September 30, 2022 and 2021

#### Note A Organization (Continued)

*Priority Area Work Groups* – Priority Areas intersect with the Action Teams in the Strategic Plan Matrix of the Long-Range Strategic Plan (LRSP) to form Priority Area Work Groups aligned with the strategic objectives set by the LRSP. Board members assigned to Action Teams are also assigned to a Priority Area, thereby creating a Priority 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 funding and overseeing projects pertaining to the development of future and long-range strategy of the board, including market intelligence projects.

*Value Alignment Committee* – Committee is responsible to the Board of Directors. Its primary function is to ensure the alignment of the Value Creation Framework process to the strategic plan, while integrating new market intelligence as it becomes available.

*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.

#### **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 16.

As provided for in the MOU between USB and ASA, USSEC entered into a license and use agreement with ASA for a 10-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

# United Soybean Board

## Notes to Consolidated Financial Statements

### September 30, 2022 and 2021

#### **Note A Organization (Continued)**

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, which represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). This basis of accounting differs from GAAP primarily because certain revenue and related assets have been recognized when received rather than when earned and certain expenses and related liabilities have been recognized when paid rather than when the obligations were incurred. The modified cash basis is preferred in order to produce more timely reporting and avoid the 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.

##### ***Principles of Consolidation***

The 2021 consolidated financial statements include the accounts of the United Soybean Board and its affiliated entity: Soy Nutrition Institute (SNI). All significant inter-company accounts and transactions have been eliminated in consolidation.

On September 30, 2021, the SNI board of directors voted to dissolve SNI and establish SNI Global, Inc. which is a nonrelated entity in regard to USB. The 2022 financial statements only include the activities of USB.

##### ***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

**United Soybean Board**  
**Notes to Consolidated Financial Statements**  
**September 30, 2022 and 2021**

**Note B Summary of Significant Accounting Policies (Continued)**

reported at fair value. Fair value is established as readily determinable current market values for investment securities. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method. 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 and Leasehold Improvements***

All purchases of non-expendable, tangible personal property and with a useful life of more than one year and an acquisition cost of \$5,000 or more are recorded at cost less accumulated depreciation. USB uses the straight-line method of depreciation over the estimated useful life of the asset, which ranges from 3 to 15 years. In addition, leasehold improvements with an acquisition cost of \$5,000 or more are recorded as leasehold improvements and are depreciated over the life of the lease or useful life, whichever is the shortest.

***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***

Net assets without donor restrictions are available for use in general operations and not subject to grantor restrictions. The governing board has designated, from net assets without restrictions, net assets for board approved committed projects.

***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. SNI 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.

**United Soybean Board**  
**Notes to Consolidated Financial Statements**  
**September 30, 2022 and 2021**

**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, 2022 and 2021, 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, 2022 and 2021, cash and cash equivalents consisted of the following:

	<u>2022</u>	<u>2021</u>
Operating Cash	\$ 69,389,720	\$ 66,162,238
Money Market (ICS)	1,209,165	49,600,526
Less Outstanding Checks	<u>(1,301,351)</u>	<u>(4,125,154)</u>
Total	<u>\$ 69,297,534</u>	<u>\$ 111,637,610</u>

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, investments consisted of the following:

	<u>2022</u>	
	<u>Cost</u>	<u>Fair Value</u>
U.S. Treasury Notes	\$ 68,367,565	\$ 68,430,681
Certificates of Deposit	<u>22,507,677</u>	<u>22,507,677</u>
Total	<u>\$ 90,875,242</u>	<u>\$ 90,938,358</u>

  

	<u>2021</u>	
	<u>Cost</u>	<u>Fair Value</u>
U.S. Treasury Notes	\$ 6,016,830	\$ 6,047,353
Certificates of Deposit	<u>14,005,064</u>	<u>14,005,064</u>
Total	<u>\$ 20,021,894</u>	<u>\$ 20,052,417</u>

**United Soybean Board**  
**Notes to Consolidated Financial Statements**  
**September 30, 2022 and 2021**

**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 financial 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial Assets at Year End		
Cash	\$ 68,088,369	\$ 62,037,084
Money Market Funds	1,209,165	49,600,526
Investments	<u>90,938,358</u>	<u>20,052,417</u>
	<u>160,235,892</u>	<u>131,690,027</u>
Less:		
Restricted Assets	112,645	262,721
Program Commitments	<u>58,097,375</u>	<u>49,907,563</u>
	<u>58,210,020</u>	<u>50,170,284</u>
 Total Financial Assets Available	 <u>\$ 102,025,872</u>	 <u>\$ 81,519,743</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, 2022 and 2021**

**Note F Equipment and Leasehold Improvements**

Equipment and leasehold improvements at September 30, 2022 and 2021, consists of:

	<b>2022</b>	<b>2021</b>
Computer Equipment	\$ 120,979	\$ 120,979
Leasehold Improvements	156,354	156,354
	277,333	277,333
Less: Accumulated Depreciation	(219,989)	(147,392)
Total	\$ 57,344	\$ 129,941

Depreciation expense was \$72,597 and \$48,991 for the years ended September 30, 2022 and 2021, 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. USB received \$150,076 and \$345,706 of FFAR matching grant funds in fiscal years 2022 and 2021, respectively. Unexpended funds shall be reimbursed to FFAR at the end of the program. Other liabilities of \$112,645 and \$262,721 represent unspent matching grant funds received from FFAR that have not been expended as of September 30, 2022 and 2021, respectively. Subsequent to year-end, the MOU was amended to include an additional \$2,000,000 and remain in force through fiscal year ending 2025.

**Note H Operating Leases**

USB has various operating lease agreements for equipment and facilities used in its activities, which expire on various dates through 2026.

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

2023	\$ 231,334
2024	5,498
2025	5,259
2026	2,629
	\$ 244,720

**United Soybean Board**  
**Notes to Consolidated Financial Statements**  
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**Note H Operating Leases (Continued)**

Lease expenses included in the consolidated financial statements totaled \$244,720 and \$267,982 for the years ended September 30, 2022 and 2021, respectively.

Subsequent to September 30, 2022, USB entered into a facility lease extension which includes monthly lease payments in fiscal years ending in 2023 and 2024 with annual costs of \$267,568 each year.

**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, 2022 and 2021. These commitments are overseen by either an action team, USB's Executive Committee, or Audit & Evaluation Committee.

	<b>Commitments - 2022</b>		
	<b>Funding Year</b>		
	<b>2021 &amp; Prior</b>	<b>2022</b>	<b>Total</b>
Action Team Initiatives	\$ 3,578,852	\$ 46,668,680	\$ 50,247,532
Contract Program Implementation	-	4,655,144	4,655,144
Program Operations	14,593	2,802,895	2,817,488
Program Evaluation	-	71,747	71,747
USDA	-	305,464	305,464
Total	<u>\$ 3,593,445</u>	<u>\$ 54,503,930</u>	<u>\$ 58,097,375</u>

	<b>Commitments - 2021</b>		
	<b>Funding Year</b>		
	<b>2020 &amp; Prior</b>	<b>2021</b>	<b>Total</b>
Action Team Initiatives	\$ 7,177,444	\$ 32,956,037	\$ 40,133,481
Contract Program Implementation	-	6,959,213	6,959,213
Program Operations	-	2,493,016	2,493,016
Program Evaluation	-	128,500	128,500
USDA	-	193,353	193,353
Total	<u>\$ 7,177,444</u>	<u>\$ 42,730,119</u>	<u>\$ 49,907,563</u>

**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, 2022 and 2021, were approximately \$318,000 and \$309,000, respectively.

**United Soybean Board**  
**Notes to Consolidated Financial Statements**  
**September 30, 2022 and 2021**

**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, 2022 and 2021, 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 87% and 89% for the years ended September 30, 2022 and 2021, respectively.

**Note M Related Entities**

***USSEC***

USSEC is a separate not-for-profit organization for which USB has the authority to appoint four 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, 2022, USB funded domestic and foreign administration and market access costs of approximately \$18,230,000 and project costs of approximately \$25,119,000. For the year ended September 30, 2021, USB funded domestic and foreign administration costs of approximately \$15,320,000 and project costs of approximately \$17,539,000.

***Soy Nutrition Institute***

Soy Nutrition Institute (SNI) was a separate not-for-profit organization for which USB appointed SNI's board of directors. Four of the 12 SNI board members were also board members of USB, and USB's CEO also served as one of the SNI board members. USB provided administrative support in the form of staff, certain administrative expense reimbursement, and financial support for SNI's board of directors. For the year ended September 30, 2021, those costs totaled \$27,272. SNI was consolidated with USB for financial statement presentation and these costs have been eliminated in consolidation at September 30, 2021.

On September 30, 2021, the SNI board of directors voted to dissolve the Soy Nutrition Institute and establish SNI Global, Inc. SNI Global, Inc. is a nonrelated entity in regard to USB. All liabilities were paid, and the remaining balance of cash was transferred to SNI Global, Inc.



**United Soybean Board**  
**Notes to Consolidated Financial Statements**  
**September 30, 2022 and 2021**

**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, 2022 and 2021, USB did not exceed these limitations.

**Note O Subsequent Events**

USB evaluated all subsequent events through November 30, 2022, the date the financial statements were available to be issued.

## **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**

### **Independent Auditor's Report**

Board of Directors  
United Soybean Board  
Chesterfield, Missouri

We have audited, 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, the consolidated financial statements of United Soybean Board, which comprise the United Soybean Board's statement of assets, liabilities and net assets as of September 30, 2022, and the related statements of revenues, expenses, and changes in net assets and functional expenses for the year then ended, which are reported on a modified cash basis of accounting, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2022.

#### ***Report on Internal Control over Financial Reporting***

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

*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 United Soybean Board'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 or significant deficiencies may exist that were not identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the United Soybean Board's consolidated financial statements are free from 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 consolidated financial statements. 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 results of that testing, and not to provide an opinion on the effectiveness of the United Soybean Board'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 United Soybean Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**FORVIS,LLP**

St. Louis, Missouri  
November 30, 2022

Board of Directors  
United Soybean Board  
Chesterfield, Missouri

As part of our audit of the financial statements of United Soybean Board (USB) as of and for the year ended September 30, 2022, we wish to communicate the following to you.

## AUDIT SCOPE AND RESULTS

### **Auditor's Responsibility Under 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**

An audit performed 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 is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our contract more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our contract more specifically describes your responsibilities.

### **Qualitative Aspects of Significant Accounting Policies and Practices**

#### ***Significant Accounting Policies***

USB's significant accounting policies are described in Note B of the audited financial statements. The financial statements are prepared on the modified cash basis of accounting. The modified cash basis, is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

#### ***Alternative Accounting Treatments***

We had no discussions with management regarding alternative accounting treatments within modified cash basis of accounting for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies.

### ***Management Judgments and Accounting Estimates***

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. No matters are reportable involving significant estimates.

### ***Significant Unusual Transactions***

Significant unusual transactions represent significant transactions that are outside the normal course of business for USB or that otherwise appear to be unusual due to their timing, size, or nature. We have identified the following transactions that we consider to be significant and unusual.

- No matters are reportable.

### ***Financial Statement Disclosures***

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Modified cash basis of accounting
- Available resources and liquidity
- Related entities

### ***Audit Adjustments***

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework. No audit adjustments were proposed during the audit.

### ***Auditor's Judgments About the Quality of USB's Accounting Principles***

During the course of the audit, we made no reportable observations regarding USB's application of accounting principles.

### ***Other Material Communication***

The management representation letter (attached) is other material communication between management and us related to the audit.

\* \* \* \* \*

This communication is intended solely for the information and use of management, Board of Directors, others within USB, and is not intended to be and should not be used by anyone other than these specified parties.

**FORVIS, LLP**

St. Louis, Missouri  
November 30, 2022

*Representation of:*

United Soybean Board  
16305 Swingley Ridge Road  
Chesterfield, Missouri 63109

*Provided to:*

**FORVIS, LLP**

Certified Public Accountants  
211 N. Broadway, Suite 600  
St. Louis, Missouri 63102

The undersigned (“We”) are providing this letter in connection with FORVIS’ audits of our consolidated financial statements as of and for the years ended September 30, 2022 and 2021.

Our representations are current and effective as of the date of FORVIS’ report: November 30, 2022.

Our engagement with FORVIS is based on our contract for services dated: March 24, 2022.

### **Our Responsibility and Consideration of Material Matters**

We confirm that we are responsible for the fair presentation of the consolidated financial statements subject to FORVIS’ report in conformity with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

### **Confirmation of Matters Specific to the Subject Matter of FORVIS’ Report**

We confirm, to the best of our knowledge and belief, the following:

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting.
2. We acknowledge our responsibility for the design, implementation, and maintenance of:
  - a. Internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
  - b. Internal control to prevent and detect fraud.
3. We have everything we need to keep our books and records.

4. Our 2021 financial statements were consolidated to include the activity of Soy Nutrition Institute which was fully dissolved as of September 30, 2021.
5. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. All minutes of directors' meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the governing body, if applicable, and maintained as part of our records.
  - e. All significant contracts and grants.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
  - a. Misappropriation of assets.
  - b. Misrepresented or misstated assets, liabilities, or net assets.
8. We have no knowledge of any known or suspected fraudulent financial reporting or misappropriation of assets involving:
  - a. Management or employees who have significant roles in internal control, or
  - b. Others, where activities of others could have a material effect on the financial statements.
9. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, customers, regulators, suppliers, or others.
10. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.
11. We have disclosed to you the identity of all of the entity's related parties and all the related-party relationships of which we are aware. In addition, we have disclosed to you all related-party transactions of which we are aware. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the modified cash basis of accounting.

We understand that the term related party refers to an affiliate, management and members of their immediate families, subsidiaries accounted for by the equity method, and any other party with which the entity may deal if the entity can significantly influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

12. The entity has not entered into any new agreements with a related party during the year under audit, or as of the date of this letter, nor do we have any existing or ongoing agreements with related parties that are still in effect as of the date of this letter.
13. We are not aware of any side agreements or other arrangements (either written or oral) that are in place.
14. Except as reflected in the financial statements, there are no:
  - a. Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.
  - b. Material transactions omitted or improperly recorded in the financial records.
  - c. Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
  - d. Events occurring subsequent to the statement of financial position date through the date of this letter requiring adjustment or disclosure in the financial statements.
  - e. Agreements to purchase assets previously sold.
  - f. Restrictions on cash balances or compensating balance agreements.
  - g. Guarantees, whether written or oral, under which the entity is contingently liable.
15. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
16. We have no reason to believe the entity owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act* nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.
17. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
18. Adequate provisions and allowances have been accrued for any material losses from:
  - a. Uncollectible receivables, including pledges.
  - b. Purchase commitments in excess of normal requirements or above prevailing market prices.
19. Except as disclosed in the financial statements, the entity has:
  - a. Satisfactory title to all recorded assets, and they are not subject to any liens, pledges, or other encumbrances.
  - b. Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.
20. The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the balance sheet date that could change materially within



the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances within the next year. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

21. The fair values of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto are reasonable estimates based on the methods and assumptions used. The methods and significant assumptions used result in measurements of fair value appropriate for financial statement recognition and disclosure purposes and have been applied consistently from period to period, taking into account any changes in circumstances. The significant assumptions appropriately reflect market participant assumptions.
22. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.
23. We are an entity exempt from income tax under Section 501(c) of the Internal Revenue Code and a similar provision of state law and, except as disclosed in the financial statements, there are no activities that would jeopardize our tax-exempt status or subject us to income tax on unrelated business income or excise tax on prohibited transactions and events.
24. We acknowledge the entity is not a conduit debt obligor whose debt securities are listed, quoted, or traded on an exchange or an over-the-counter market. As a result, we acknowledge the entity does not meet the definition of a "public entity" under generally accepted accounting principles for certain accounting standards.
25. As an entity subject to *Government Auditing Standards*:
  - a. We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.
  - b. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
  - c. We have identified and disclosed to you any violations or possible violations of laws, regulations, and provisions of contracts and grant agreements whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
  - d. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts, or violations of provisions of contracts or grant agreements that you or other auditors report.
  - e. We have a process to track the status of audit findings and recommendations.
  - f. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other studies.
  - g. We have provided our views on any findings, conclusions, and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting

and on compliance and other matters based on your audit of the financial statements performed in accordance with *Government Auditing Standards*.

26. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year of the date of this letter without consideration of potential mitigating effects of management's plans not yet fully implemented and concluded substantial doubt does not exist.
27. We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the entity's financial statements. Further, management and governance are solely responsible for all aspects of managing the entity, including questioning the quality and valuation of investments and other assets, evaluating capital needs and liquidity plans, etc.

DocuSigned by:



80517D28FDD0455...  
Polly Ruhland, Chief Executive Officer  
pruhland@unitedsoybean.org

DocuSigned by:



147DA79EF170430...  
Katherine Ayers, Chief Financial Officer  
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## Independent Auditor's Report

Board of Directors  
United Soybean Board  
Chesterfield, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of United Soybean Board (USB), which comprise the statement of assets, liabilities, and net assets on a modified cash basis as of September 30, 2022, and the related statements of revenues, expenses, and changes in net assets and functional expenses on a modified cash basis for the year then ended, and have issued our report thereon dated November 30, 2022.

In connection with our audit, nothing came to our attention that caused us to believe that USB failed to comply with Subtitle E, Section 1969, Subsection (o)(1) of the Soybean Promotion, Research and Consumer Information Act (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 and Research Order (Order). Further, in connection with our audit, nothing came to our attention that caused us to believe that USB failed to comply with Section 5D of the United States Department of Agriculture (USDA) Guidelines for Agricultural Marketing Service (AMS) 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 USB adhered to the 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 toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding USB's noncompliance with the above-referenced provisions or conditions of the Act and Order, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Directors and management of USB and USDA and is not intended to be and should not be used by anyone other than these specified parties.

**FORVIS, LLP**

St. Louis, Missouri  
November 30, 2022