

# **United Soybean Board**

Independent Auditor's Report and Consolidated Financial  
Statements With Supplementary Information  
September 30, 2021 and 2020

# United Soybean Board

## September 30, 2021 and 2020

### Contents

<b>Independent Auditors' Report.....</b>	<b>1</b>
<b>Consolidated Financial Statements (Modified Cash Basis)</b>	
Consolidated Statements of Assets, Liabilities, & Net Assets .....	3
Consolidated Statements of Revenues, Expenses, & Changes in Net Assets.....	4
Consolidated Statements of Functional Expenses .....	5
Notes to Consolidated Financial Statements .....	6
<b>Supplementary Information (Modified Cash Basis)</b>	
Consolidating Statement of Assets, Liabilities, & Net Assets.....	16
Consolidating Statement of Revenues, Expenses, & Changes in Net Assets.....	17
<b>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> – Independent Auditors' Report.....</b>	<b>18</b>

## Independent Auditor's Report

Board of Directors  
United Soybean Board  
Chesterfield, Missouri

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of United Soybean Board, which comprise the consolidated statement of assets, liabilities and net assets as of September 30, 2021, and the related consolidated statements of revenues, expenses and changes in net assets and functional expenses for the year 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 also is 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.

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

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 auditor's 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 United Soybean Board'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 United Soybean Board'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 consolidated financial position of United Soybean Board, as of September 30, 2021, and the changes in its net assets for the year then ended in accordance with the modified cash basis of accounting described in Note B.

### ***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.

### ***Prior Year Audited by Other Auditors***

The 2020 consolidated financial statements were audited by other auditors, and their report thereon, dated December 2, 2020, expressed an unmodified opinion.

### ***Supplementary Information***

Our 2021 audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of assets, liabilities and net assets and revenues, expenses and changes in net assets listed in the table of contents are 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 was 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 also have issued our report dated December 1, 2021, 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.

**BKD, LLP**

St. Louis, Missouri  
December 1, 2021

**United Soybean Board**  
**Consolidated Statements of Assets, Liabilities, & Net Assets**  
**(Modified Cash Basis)**  
**September 30, 2021 and 2020**

<b>Assets</b>	<b>2021</b>	<b>2020</b>
Cash and Cash Equivalents	\$ 111,374,889	\$ 78,092,547
Restricted Cash	262,721	638,241
Investments	20,052,418	32,325,631
Other Receivables	-	22,777
Prepaid Expenses and Other Assets	16,091	9,910
Fixed Assets, Net	129,941	22,579
	<hr/>	<hr/>
Total Assets	<u>\$ 131,836,060</u>	<u>\$ 111,111,685</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Other Liabilities	\$ 262,721	\$ 638,241
	<hr/>	<hr/>
Total Liabilities	<u>262,721</u>	<u>638,241</u>
<b>Net Assets - Without Donor Restriction</b>		
Program Commitments	49,907,563	64,630,290
Undesignated	81,665,776	45,843,154
	<hr/>	<hr/>
Total Net Assets	<u>131,573,339</u>	<u>110,473,444</u>
	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 131,836,060</u>	<u>\$ 111,111,685</u>

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

**Years Ended September 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Revenues</b>		
Checkoff Assessments, Net	\$ 118,632,475	\$ 80,222,535
Realized and Unrealized Losses on Investments	(102,384)	(49,362)
Interest Income, Net	496,215	1,761,916
Other Revenue	443,953	1,393,094
	<b>119,470,259</b>	<b>83,328,183</b>
<b>Expenses</b>		
Program Activities		
Action Team Initiatives	60,662,634	64,535,991
Contract Program Implementation	22,720,800	23,084,770
Program Operations	12,308,420	10,435,232
Program Evaluation & Measurement	684,745	949,815
SNI & Qualisoy Expenses	247,327	48,316
General & Administrative		
USB Administrative	1,529,399	1,594,006
U.S. Department of Agriculture	217,039	453,187
	<b>98,370,364</b>	<b>101,101,317</b>
<b>Change in Net Assets</b>	<b>21,099,895</b>	<b>(17,773,134)</b>
<b>Net Assets at Beginning of Year</b>	<b>110,473,444</b>	<b>128,246,578</b>
<b>Net Assets at End of Year</b>	<b>\$ 131,573,339</b>	<b>\$ 110,473,444</b>

**United Soybean Board**  
**Consolidated Statements of Functional Expenses**  
**(Modified Cash Basis)**  
**Years Ended September 30, 2021 and 2020**

	Program Expenses					General & Administrative				2021 Total
	Action Team Initiatives	Contract Program Implementation	Program Operations	Program Evaluation & Measurement	Soy Nutrition Institute	Total Program Expenses	USB Administrative	U.S. Dept. of Agriculture	Total General & 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>

	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	
<b>Expenses</b>										
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
<b>Total</b>	<b>\$ 64,535,991</b>	<b>\$ 23,084,770</b>	<b>\$ 10,435,232</b>	<b>\$ 949,815</b>	<b>\$ 48,316</b>	<b>\$ 99,054,124</b>	<b>\$ 1,594,006</b>	<b>\$ 453,187</b>	<b>\$ 2,047,193</b>	<b>\$ 101,101,317</b>

# United Soybean Board

## Notes to Consolidated Financial Statements

### September 30, 2021 and 2020

#### 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 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, and 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, and Demand) are responsible to the Board of Directors.



**United Soybean Board**  
**Notes to Consolidated Financial Statements**  
**September 30, 2021 and 2020**

**Note A Organization (Continued)**

*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.

***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, 2021 and 2020

#### **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 and 2020 consolidated financial statements include the accounts of the United Soybean Board and its affiliated entity: Soy Nutrition Institute. In 2020, the consolidated financial statements also included the accounts of a second affiliated entity: 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

**United Soybean Board**  
**Notes to Consolidated Financial Statements**  
**September 30, 2021 and 2020**

**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.

***Fixed Assets***

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 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. In addition, leasehold improvements with an acquisition cost of \$5,000 or more are recorded as fixed assets. Leasehold improvements 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 percent 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, 2021 and 2020, were without donor restriction. Net assets without donor restrictions are available for use in general operations.

***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.

**United Soybean Board**  
**Notes to Consolidated Financial Statements**  
**September 30, 2021 and 2020**

**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, 2021 and 2020, 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, 2021 and 2020, cash and cash equivalents consisted of the following:

	<b>2021</b>	<b>2020</b>
Operating Cash	\$ 66,162,238	\$ 1,428,539
Money Market (ICS)	49,600,526	77,628,326
Less O/S Checks	(4,125,154)	(326,077)
<b>Total</b>	<b>\$ 111,637,610</b>	<b>\$ 78,730,788</b>

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, 2021, investments consisted of the following:

	<b>Cost</b>	<b>Fair Value</b>
U.S. Treasury Notes	\$ 6,016,830	\$ 6,047,354
Certificates of Deposit	14,005,064	14,005,064
<b>Total</b>	<b>\$ 20,021,894</b>	<b>\$ 20,052,418</b>

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

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

**United Soybean Board**  
**Notes to Consolidated Financial Statements**  
**September 30, 2021 and 2020**

**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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial Assets at Year End		
Cash	\$ 62,037,084	\$ 1,102,462
Money Market Funds	49,600,526	77,628,326
Investments	20,052,418	32,325,631
Other Receivables	-	22,777
	<u>131,690,028</u>	<u>111,079,196</u>
Less:		
Restricted Assets	262,721	638,241
Program Commitments	49,907,563	64,630,290
	<u>50,170,284</u>	<u>65,268,531</u>
Total Financial Assets Available	<u>\$ 81,519,744</u>	<u>\$ 45,810,665</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, 2021 and 2020**

**Note F Equipment**

Equipment at September 30, 2021 and 2020, consists of:

	<b>2021</b>	<b>2020</b>
Computer Equipment	\$ 120,979	\$ 128,285
Leasehold Improvements	156,354	-
	277,333	128,285
Less: Accumulated Depreciation	(147,392)	(105,706)
Total	\$ 129,941	\$ 22,579

Depreciation expense was \$48,991 and \$11,251 for the years ended September 30, 2021 and 2020, 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 \$345,706 and \$1,154,294 of FFAR matching grant funds in fiscal years 2021 and 2020, respectively. Unexpended funds shall be reimbursed to FFAR at the end of the program. Other liabilities of \$262,721 and \$638,241 represent unspent matching grant funds received from FFAR that have not been expended as of September 30, 2021 and 2020, respectively.

**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:

2022	\$ 271,933
2023	231,334
2024	5,498
2025	5,259
2026	2,629
	\$ 516,653

**United Soybean Board**  
**Notes to Consolidated Financial Statements**  
**September 30, 2021 and 2020**

**Note H Operating Leases (Continued)**

Lease expenses included in the consolidated financial statements totaled \$267,982 and \$256,082 for the years ended September 30, 2021 and 2020, respectively.

**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, 2021 and 2020. These commitments are overseen by either an action team, USB's Executive Committee, Strategic Management Committee, or Audit & Evaluation Committee.

	<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
	<hr/>	<hr/>	<hr/>
Total	\$ 7,177,444	\$ 42,730,119	\$ 49,907,563

	<b>Commitments - 2020</b>		
	<b>Funding Year</b>		
	<b>2019 &amp; Prior</b>	<b>2020</b>	<b>Total</b>
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
	<hr/>	<hr/>	<hr/>
Total	\$ 19,649,351	\$ 44,980,939	\$ 64,630,290

**United Soybean Board**  
**Notes to Consolidated Financial Statements**  
**September 30, 2021 and 2020**

**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, 2021 and 2020, were approximately \$309,000 and \$292,000, 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, 2021 and 2020, 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 89 percent and 92 percent for the years ended September 30, 2021 and 2020, 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, 2021, USB funded domestic and foreign administration and market access costs of approximately \$15,320,000 and project costs of approximately \$17,539,000. For the year ended September 30, 2020, USB funded domestic and foreign administration costs of approximately \$15,054,000 and project costs of approximately \$17,138,000.



**United Soybean Board**  
**Notes to Consolidated Financial Statements**  
**September 30, 2021 and 2020**

**Note M Related Entities (Continued)**

***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 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, 2021 and 2020, those costs totaled \$27,272 and \$56,728, respectively. SNI is consolidated with USB for financial statement presentation and these costs have been eliminated in consolidation at September 30, 2021 and 2020.

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.

***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 for the year ended September 30, 2020, and these costs have been eliminated in consolidation. USB also funded project costs of \$1,247,000 for the year ended September 30, 2020, 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 percent of projected checkoff assessment income. USB is also limited to 1 percent of projected checkoff assessment revenue for administrative employee salary and benefits. During fiscal years ended September 30, 2021 and 2020, USB did not exceed these limitations.

**Note O Subsequent Events**

USB evaluated all subsequent events through December 1, 2021, the date the financial statements were available to be issued.

## **Supplementary Information**

**United Soybean Board**  
**Consolidating Statements of Assets, Liabilities, & Net Assets**  
**(Modified Cash Basis)**  
**September 30, 2021 (With Comparative Totals for 2020)**

	USB	Soy Nutrition Institute	2021 Total	2020 Total
<b>Assets</b>				
Cash and Cash Equivalents	\$ 111,374,889	\$ -	\$ 111,374,889	\$ 78,092,547
Restricted Cash	262,721	-	262,721	638,241
Investments	20,052,418	-	20,052,418	32,325,631
Other Receivables	-	-	-	22,777
Prepaid Expenses and Other Assets	16,091	-	16,091	9,910
Fixed Assets, Net	129,941	-	129,941	22,579
	<u>131,836,060</u>	<u>-</u>	<u>131,836,060</u>	<u>111,111,685</u>
Total Assets	<u>\$ 131,836,060</u>	<u>\$ -</u>	<u>\$ 131,836,060</u>	<u>\$ 111,111,685</u>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Other Liabilities	\$ 262,721	\$ -	\$ 262,721	\$ 638,241
	<u>262,721</u>	<u>-</u>	<u>262,721</u>	<u>638,241</u>
Total Liabilities	<u>\$ 262,721</u>	<u>\$ -</u>	<u>\$ 262,721</u>	<u>\$ 638,241</u>
<b>Net Assets - Without Donor Restriction</b>				
Program Commitments	\$ 49,907,563	\$ -	\$ 49,907,563	\$ 64,630,290
Undesignated	81,665,776	-	81,665,776	45,843,154
	<u>131,573,339</u>	<u>-</u>	<u>131,573,339</u>	<u>110,473,444</u>
Total Net Assets	<u>131,573,339</u>	<u>-</u>	<u>131,573,339</u>	<u>110,473,444</u>
Total Liabilities and Net Assets	<u>\$ 131,836,060</u>	<u>\$ -</u>	<u>\$ 131,836,060</u>	<u>\$ 111,111,685</u>

**United Soybean Board**  
**Consolidating Statements of Revenues, Expenses, & Changes in Net Assets**  
**(Modified Cash Basis)**  
**Year Ended September 30, 2021 (With Comparative Totals for 2020)**

	USB	Soy Nutrition Institute	Eliminations	2021 Total	2020 Total
<b>Revenues</b>					
Checkoff Assessments, Net	\$ 118,632,475	\$ -	\$ -	\$ 118,632,475	\$ 80,222,535
Realized and Unrealized Losses on Investments	(102,384)	-	-	(102,384)	(49,362)
Interest Income, Net	496,215	-	-	496,215	1,761,916
Other Revenue	291,953	179,272	(27,272)	443,953	1,393,094
<b>Total revenues</b>	<b>119,318,259</b>	<b>179,272</b>	<b>(27,272)</b>	<b>119,470,259</b>	<b>83,328,183</b>
<b>Expenses</b>					
Program activities					
Action Team Initiatives	60,662,634	-	-	60,662,634	64,535,991
Contract Program Implementation	22,720,800	-	-	22,720,800	23,084,770
Program Operations	12,308,420	-	-	12,308,420	10,435,232
Program Evaluation & Measurement	684,745	-	-	684,745	949,815
SNI & Qualisoy Expenses	-	274,599	(27,272)	247,327	48,316
General & Administrative					
USB Administrative	1,529,399	-	-	1,529,399	1,594,006
U.S. Department of Agriculture	217,039	-	-	217,039	453,187
<b>Total expenses</b>	<b>98,123,037</b>	<b>274,599</b>	<b>(27,272)</b>	<b>98,370,364</b>	<b>101,101,317</b>
<b>Change in Net Assets</b>	<b>21,195,222</b>	<b>(95,327)</b>	<b>-</b>	<b>21,099,895</b>	<b>(17,773,134)</b>
<b>Net Assets at Beginning of Year</b>	<b>110,378,117</b>	<b>95,327</b>	<b>-</b>	<b>110,473,444</b>	<b>128,246,578</b>
<b>Net Assets at End of Year</b>	<b>\$ 131,573,339</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 131,573,339</b>	<b>\$ 110,473,444</b>

## **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 financial statements of United Soybean Board, which comprise the consolidated statement of assets, liabilities and net assets as of September 30, 2021, and the related consolidated 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 December 1, 2021.

#### ***Internal Control over Financial Reporting***

In planning and performing our audit of the consolidated financial statements, we considered 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 United Soybean Board's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether 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 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.

**BKD, LLP**

St. Louis, Missouri  
December 1, 2021