Financial Statements
June 30, 2020

Department of Agriculture Corn Check-Off Fund of the South Dakota Corn Utilization Council

EideBailly

eidebailly.com

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Honorable Kristi Noem
Governor of South Dakota

and

The Board of Directors
South Dakota Corn Utilization Council
Sioux Falls, South Dakota

Report on the Financial Statements
We have audited the accompanying financial statements of the Department of Agriculture Corn Check-Off Fund of the South Dakota Corn Utilization Council which comprise the balance sheet as of June 30, 2020, and the related statement of revenues, expenditures, and changes in fund balances 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 financial statements referred to above present fairly, in all material respects, the financial position of the Department of Agriculture Corn Check-Off Fund of the South Dakota Corn Utilization Council as of June 30, 2020, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As discussed in Note 1, the financial statements referred to above present only the Department of Agriculture Corn Check-Off Fund of the South Dakota Corn Utilization Council and do not purport to, and do not, present fairly the financial position of the State of South Dakota as of June 30, 2020, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that the accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The list of officials shown on page 15, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. The list of officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2020, on our consideration of the Department of Agriculture Corn Check-Off Fund of the South Dakota Corn Utilization Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department of Agriculture Corn Check-Off Fund of the South Dakota Corn Utilization Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department of Agriculture Corn Check-Off Fund of the South Dakota Corn Utilization Council's internal control over financial reporting and compliance.

Eide Bailly LLP

Sioux Falls, South Dakota
September 16, 2020

Department of Agriculture Corn Check-Off Fund of the South Dakota Corn Utilization Council

Balance Sheet
June 30, 2020

Assets	
Cash in checking	$ 5,947
Investment in State Treasury Cash Management Fund	3,514,661
Assessment receivable	834,317
Interest receivable	15,635
Total assets	$ 4,370,560
Liabilities and Fund Balance	
Accounts payable	$ 11,695
Refunds payable	7,779
Total liabilities	19,474
Restricted fund balance	4,351,086
Total liabilities and fund balance	$ 4,370,560

See Notes to Financial Statements

Department of Agriculture Corn Check-Off Fund of the South Dakota Corn Utilization Council

Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 2020

Revenues	
Assessment revenue - check-off fees	$ 4,407,882
Investment return - SD Investment Council	90,365
Miscellaneous revenue	133
Total revenues	4,498,380
Current Expenditures	
Grants and subsidies	2,612,042
Contractual services	1,184,677
Personnel services	97,368
Travel	62,176
Supplies and materials	17,679
Total current expenditures	3,973,942
Excess of Revenues over Expenditures	524,438
Beginning Fund Balance	3,826,648
Ending Fund Balance	$ 4,351,086

See Notes to Financial Statements

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's 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*

The Honorable Kristi Noem
Governor of South Dakota

and

The Board of Directors
South Dakota Corn Utilization Council
Sioux Falls, South Dakota

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 the Department of Agriculture Corn Check-off Fund of the South Dakota Corn Utilization Council (the Council), which comprise the balance sheet as of June 30, 2020 and the related statement of revenues, expenditures, and changes in fund balance for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 16, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council'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 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 over financial reporting 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as Finding 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

South Dakota Corn Utilization Council's Response to the Finding

The Council's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Council's response was not subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

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.

Eide Bailly LLP

Sioux Falls, South Dakota
September 16, 2020

Department of Agriculture Corn Check-Off Fund of the
South Dakota Corn Utilization Council
List of Officials - Unaudited
June 30, 2020

Robert Walsh, President	Elk Point, South Dakota
Grant Rix, Vice President	Groton, South Dakota
Justin Minnaert, Secretary/Treasurer	Madison, South Dakota
Laron Krause	Clear Lake, South Dakota
Stuart Samson	Eden, South Dakota
Jim Klebsch	Redfield, South Dakota
Chad Blindauer	Mitchell, South Dakota
Jim Ketelhut	Pukwana, South Dakota
Lisa Richardson, Executive Director	Sioux Falls, South Dakota