

Kansas Corn Commission

	FY 22 Actuals	Fy 22 Budget	FY 23 Budget
Ordinary Income/Expense			
Income			
California E85 Station Grant	945,000.00	1,000,000.00	1,150,000.00
Checkoff Funds			
Assessments Received	6,664,410.79	6,705,000.00	5,400,000.00
Refunds to Producers	-446,120.95	-536,400.00	-432,000.00
Total Checkoff Funds	6,218,289.84	6,168,600.00	4,968,000.00
Interest Received	14,084.04	6,500.00	20,000.00
Renew Kansas Project	25,000.00	25,000.00	25,000.00
Total Income	7,202,373.88	7,200,100.00	6,163,000.00
Gross Profit	7,202,373.88	7,200,100.00	6,163,000.00
Expense			
Academic Educational Programs			
Ag Education			
Ag Education Expense	17,752.63	13,410.00	21,310.00
Contractor Payments	-1,194.96	4,500.00	10,000.00
Total Ag Education	16,557.67	17,910.00	31,310.00
Elementary Ed			
Contractor Payments	11,398.00	15,054.00	45,000.00
Elm Education Expense	82,601.31	72,200.00	106,200.00
Total Elementary Ed	93,999.31	87,254.00	151,200.00
Kansas FFA Foundation	12,500.00	12,500.00	12,500.00
Professional Development			
Contractor Payments	68,969.76	65,500.00	100,000.00
Prof Development Teacher Exp	165,510.45	200,000.00	158,400.00
Total Professional Development	234,480.21	265,500.00	258,400.00
Renew Kansas	41,967.45	41,413.00	25,000.00
Seed to Stem			
Contractor Payments	22,757.00	34,000.00	34,000.00
Seed to Stem Expense	191,016.81	243,300.00	192,620.00
Total Seed to Stem	213,773.81	277,300.00	226,620.00
Sponsorships	61,736.95	59,800.00	56,500.00
Total Academic Educational Programs	675,015.40	761,677.00	761,530.00
Communications			
Annual Report	5,365.07	10,000.00	10,000.00
Industry Education and Outreach	2,247.10	15,000.00	10,000.00
Kansas Common Ground	20,884.16	25,000.00	25,000.00
Media	70,028.31	75,000.00	75,000.00
Total Communications	98,524.64	125,000.00	120,000.00
Grants	89,373.40	100,000.00	25,000.00
Market Development			
Distillery Development	600.00	6,000.00	6,000.00
Ethanol Expansion Program			
Biofuels Air Quality Outreach	15,000.00	55,000.00	30,000.00
Ethanol Promotions Campaign	219,723.55	250,000.00	125,000.00
Total Ethanol Expansion Program	234,723.55	305,000.00	155,000.00
Ethanol Market Development			
California E85 Station Grant	1,135,000.00	1,000,000.00	1,150,000.00
National and Regional Programs	103,666.67	100,000.00	50,000.00
Station Grants	520,000.00	600,000.00	600,000.00
Total Ethanol Market Development	1,758,666.67	1,700,000.00	1,800,000.00
Livestock Market Development	60,510.00	60,000.00	35,000.00
Total Market Development	2,054,500.22	2,071,000.00	1,996,000.00

Meeting and Event Expense			
Meeting and Event Exp	18,578.47	25,000.00	25,000.00
Total Meeting and Event Expense	18,578.47	25,000.00	25,000.00
Office Board Tech Reimbursement	3,000.00	6,750.00	6,750.00
Office Expenses	5,194.21	6,000.00	6,000.00
Professional Services			
Auditing Services	12,176.06	20,000.00	15,000.00
KCGA - Administration	140,000.00	140,000.00	140,000.00
KCGA - Programs	1,825,000.00	1,825,000.00	1,715,000.00
KSU - International Grains	80,000.00	80,000.00	80,000.00
NCGA Team Program Funding			
Base Funding	515,000.00	515,000.00	515,000.00
Ethanol Action Team	200,000.00	200,000.00	25,000.00
Market Dev. Action Team	130,000.00	130,000.00	25,000.00
Member & Consumer Engagement AT	150,000.00	150,000.00	103,000.00
Production Tech. Access AT	20,000.00	20,000.00	5,000.00
Risk Mangt. & Transportation AT	40,000.00	40,000.00	10,000.00
Stewardship AT	20,000.00	20,000.00	5,000.00
Sustainable Ag Research AT	20,000.00	20,000.00	5,000.00
Total NCGA Team Program Funding	1,095,000.00	1,095,000.00	693,000.00
ProExporter Network Grain Study	8,000.00	8,000.00	8,000.00
Undetermined Projects			
KSU Ukrainian & Ag Ramification	12,000.00		
MCEAT Project	75,000.00		
Morocco Project	28,193.40		
NCGA Fuel Disp. Infrastructure	85,000.00		
Undetermined Projects - Other	0.00	200,000.00	25,000.00
Total Undetermined Projects	200,193.40	200,000.00	25,000.00
University Research	279,573.63	326,744.00	375,941.00
US Grains Council			
Base Funding	358,301.00	358,301.00	362,780.00
Ethanol Promotion and Export	225,000.00	225,000.00	10,000.00
South Asia Director Support	300,000.00	300,000.00	300,000.00
Starch Project	50,000.00	50,000.00	0.00
Total US Grains Council	933,301.00	933,301.00	672,780.00
US Meat Export Federation			
USMEF Core Funding	125,000.00	125,000.00	125,000.00
USMEF Korean Retail Project	50,000.00	50,000.00	20,000.00
USMEF Mexico Project	25,000.00	25,000.00	10,000.00
Total US Meat Export Federation	200,000.00	200,000.00	155,000.00
Total Professional Services	4,773,244.09	4,828,045.00	3,879,721.00
Travel	92,562.00	80,000.00	100,000.00
Total Expense	7,809,992.43	8,003,472.00	6,920,001.00
Net Ordinary Income	-607,618.55	-803,372.00	-757,001.00
Net Income	-607,618.55	-803,372.00	-757,001.00

Kansas Corn Commission

Income & Expense Budget vs. Actual

July 2021 through June 2022

	Jul '21 - Ju...	Budget	% of B...
Ordinary Income/Expense			
Income			
California E85 Station Grant	945,000.00	1,000,000.00	94.5%
Checkoff Funds			
Assessments Received	6,664,410.79	6,705,000.00	99.4%
Refunds to Producers	-446,120.95	-536,400.00	83.2%
Total Checkoff Funds	6,218,289.84	6,168,600.00	100.8%
Interest Received	14,084.04	6,500.00	216.7%
Renew Kansas Project	25,000.00	25,000.00	100.0%
Total Income	7,202,373.88	7,200,100.00	100.0%
Gross Profit	7,202,373.88	7,200,100.00	100.0%
Expense			
Academic Educational Programs			
Ag Education			
Ag Education Expense	17,752.63	13,410.00	132.4%
Contractor Payments	-1,194.96	4,500.00	-26.6%
Total Ag Education	16,557.67	17,910.00	92.4%
Elementary Ed			
Contractor Payments	11,398.00	15,054.00	75.7%
Elm Education Expense	82,601.31	72,200.00	114.4%
Total Elementary Ed	93,999.31	87,254.00	107.7%
Kansas FFA Foundation	12,500.00	12,500.00	100.0%
Professional Development			
Contractor Payments	68,969.76	65,500.00	105.3%
Prof Development Teacher Exp	165,510.45	200,000.00	82.8%
Total Professional Development	234,480.21	265,500.00	88.3%
Renew Kansas	41,967.45	41,413.00	101.3%
Seed to Stem			
Contractor Payments	22,757.00	34,000.00	66.9%
Seed to Stem Expense	191,016.81	243,300.00	78.5%
Total Seed to Stem	213,773.81	277,300.00	77.1%
Sponsorships	61,736.95	59,800.00	103.2%
Total Academic Educational Programs	675,015.40	761,677.00	88.6%
Communications			
Annual Report	5,365.07	10,000.00	53.7%
Industry Education and Outreach	2,247.10	15,000.00	15.0%
Kansas Common Ground	20,884.16	25,000.00	83.5%
Media	70,028.31	75,000.00	93.4%
Total Communications	98,524.64	125,000.00	78.8%
Grants	89,373.40	100,000.00	89.4%
Market Development			
Distillery Development	600.00	6,000.00	10.0%
Ethanol Expansion Program			
Biofuels Air Quality Outreach	15,000.00	55,000.00	27.3%
Ethanol Promotions Campaign	219,723.55	250,000.00	87.9%
Total Ethanol Expansion Program	234,723.55	305,000.00	77.0%
Ethanol Market Development			
California E85 Station Grant	1,135,000.00	1,000,000.00	113.5%
National and Regional Programs	103,666.67	100,000.00	103.7%
Station Grants	520,000.00	600,000.00	86.7%
Total Ethanol Market Development	1,758,666.67	1,700,000.00	103.5%

10:17 AM

07/01/22

Cash Basis

Kansas Corn Commission

Income & Expense Budget vs. Actual

July 2021 through June 2022

	Jul '21 - Ju...	Budget	% of B...
Livestock Market Development	60,510.00	60,000.00	100.9%
Total Market Development	2,054,500.22	2,071,000.00	99.2%
Meeting and Event Expense			
Meeting and Event Exp	18,578.47	25,000.00	74.3%
Total Meeting and Event Expense	18,578.47	25,000.00	74.3%
Office Board Tech Reimbursement	3,000.00	6,750.00	44.4%
Office Expenses	5,194.21	6,000.00	86.6%
Professional Services			
Auditing Services	12,176.06	20,000.00	60.9%
KCGA - Administration	140,000.00	140,000.00	100.0%
KCGA - Programs	1,825,000.00	1,825,000.00	100.0%
KSU - International Grains	80,000.00	80,000.00	100.0%
NCGA Team Program Funding			
Base Funding	515,000.00	515,000.00	100.0%
Ethanol Action Team	200,000.00	200,000.00	100.0%
Market Dev. Action Team	130,000.00	130,000.00	100.0%
Member & Consumer Engagment AT	150,000.00	150,000.00	100.0%
Production Tech. Access AT	20,000.00	20,000.00	100.0%
Risk Mangt. & Transportation AT	40,000.00	40,000.00	100.0%
Stewardship AT	20,000.00	20,000.00	100.0%
Sustainable Ag Research AT	20,000.00	20,000.00	100.0%
Total NCGA Team Program Funding	1,095,000.00	1,095,000.00	100.0%
ProExporter Network Grain Study	8,000.00	8,000.00	100.0%
Undetermined Projects			
KSU Ukrainian & Ag Ramification	12,000.00		
MCEAT Project	75,000.00		
Morocco Project	28,193.40		
NCGA Fuel Disp. Infrastructure	85,000.00		
Undetermined Projects - Other	0.00	200,000.00	0.0%
Total Undetermined Projects	200,193.40	200,000.00	100.1%
University Research	279,573.63	326,744.00	85.6%
US Grains Council			
Base Funding	358,301.00	358,301.00	100.0%
Ethanol Promotion and Export	225,000.00	225,000.00	100.0%
South Asia Director Support	300,000.00	300,000.00	100.0%
Starch Project	50,000.00	50,000.00	100.0%
Total US Grains Council	933,301.00	933,301.00	100.0%
US Meat Export Federation			
USMEF Core Funding	125,000.00	125,000.00	100.0%
USMEF Korean Retail Project	50,000.00	50,000.00	100.0%
USMEF Mexico Project	25,000.00	25,000.00	100.0%
Total US Meat Export Federation	200,000.00	200,000.00	100.0%
Total Professional Services	4,773,244.09	4,828,045.00	98.9%
Travel	92,562.00	80,000.00	115.7%
Total Expense	7,809,992.43	8,003,472.00	97.6%
Net Ordinary Income	-607,618.55	-803,372.00	75.6%
Net Income	-607,618.55	-803,372.00	75.6%



August 11, 2022

Kansas Corn Commission
Box 285
Manhattan, KS 66502

We have audited the financial statements of Kansas Corn Commission (the Commission) as of and for the year ended June 30, 2022, and have issued our report thereon dated August 11, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 7, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with the cash basis of accounting. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Commission solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Commission is included in Note 1 to the financial statements. There has been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Qualitative Aspects of the Entity's Significant Accounting Practices (Continued)

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

There are no particularly sensitive accounting estimates affecting the financial statements due to reporting on cash basis.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There are no particularly sensitive disclosures affecting the Commission's financial statements.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We did not identify any significant unusual transactions.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Commission's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in a separate letter dated the same as this letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

August 11, 2022
Kansas Corn Commission
Page three

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Commission, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the Commission, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as auditors.

This report is intended solely for the information and use of the Board of Commissioners and management of Kansas Corn Commission and is not intended to be and should not be used by anyone other than these specified parties.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

KANSAS CORN COMMISSION

Manhattan, Kansas

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITOR'S REPORT

June 30, 2022 and 2021



August 11, 2022

Board of Commissioners
Kansas Corn Commission
Manhattan, Kansas

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Kansas Corn Commission (the Commission), which comprise the statements of assets and net assets - cash basis as of and for the years ended June 30, 2022 and 2021, and the related statements of income, expenses and changes in net assets - cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets and net assets of the Commission as of June 30, 2022 and 2021, and the revenues, expenses and changes in net assets for the years then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the 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 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting, and for 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 opinions. 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 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 financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Commission'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission'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.

A handwritten signature in black ink that reads "Vayney & Associates, CPAs, LLC". The signature is written in a cursive, flowing style.

Certified Public Accountants
Manhattan, Kansas

KANSAS CORN COMMISSION
Manhattan, Kansas
STATEMENTS OF ASSETS AND NET ASSETS - CASH BASIS
June 30,

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets		
Cash and cash equivalents		
CDARS deposits	\$ 2,000,000	\$ 1,600,000
Money market	<u>3,200,072</u>	<u>4,208,380</u>
TOTAL ASSETS	<u><u>\$ 5,200,072</u></u>	<u><u>\$ 5,808,380</u></u>
NET ASSETS		
Net Assets	<u>\$ 5,200,072</u>	<u>\$ 5,808,380</u>
TOTAL NET ASSETS	<u><u>\$ 5,200,072</u></u>	<u><u>\$ 5,808,380</u></u>

KANSAS CORN COMMISSION
Manhattan, Kansas
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - CASH BASIS
For the Years Ended June 30,

	<u>2022</u>	<u>2021</u>
REVENUE		
Check-off collections	\$ 6,664,411	\$ 7,895,544
Refunds	(446,121)	(576,767)
Net Checkoff Collections	<u>\$ 6,218,290</u>	<u>\$ 7,318,777</u>
California E85 Station Grant	945,000	-
Interest income	14,084	5,697
Total Revenue	<u>\$ 7,177,374</u>	<u>\$ 7,324,474</u>
EXPENSES		
Administrative		
Communications	\$ 98,524	\$ 122,680
KCGA - Administration	140,000	130,000
Travel	92,562	18,770
Office	8,885	4,954
Meetings	18,578	17,592
Grants	1,224,373	92,576
Program		
KCGA	1,825,000	1,800,000
KSU - Research	279,574	479,584
KSU - International Grains	80,000	75,000
National Corn Growers Association	1,095,000	1,028,000
Academic Educational Programs	650,015	479,582
Ethanol expansion	858,391	582,208
Other contracts	212,369	153,398
ProExporter Network Grain Study	8,000	8,000
US Grains Council	933,301	916,760
US Meat Export Federation	200,000	200,000
Distillery Development	600	6,000
Livestock Market Development	60,510	44,144
Total Expenses	<u>\$ 7,785,682</u>	<u>\$ 6,159,248</u>
INCREASE (DECREASE) IN NET ASSETS	\$ (608,308)	\$ 1,165,226
NET ASSETS - BEGINNING OF YEAR	<u>5,808,380</u>	<u>4,643,154</u>
NET ASSETS - END OF YEAR	<u><u>\$ 5,200,072</u></u>	<u><u>\$ 5,808,380</u></u>

KANSAS CORN COMMISSION
Manhattan, Kansas
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

Note 1: Summary of Significant Accounting Policies

Organization

The Kansas Corn Commission (the Commission) is organized as an instrumentality of the state to conduct a campaign of corn promotion and market development through research, education, and information pursuant to K.S.A. 2-3002. Revenues are primarily from check-off monies which are collected when producers sell their grain. The Commission's offices are located in Garnett, Kansas and Manhattan, Kansas.

Method of Accounting

The financial statements are prepared using the cash basis of accounting, which differs from generally accepted accounting principles in that revenues are recorded when received rather than when earned and expenses are recorded when paid rather than when the obligation is incurred.

Income Taxes

The Commission is a quasi-municipal entity that is not subject to income tax and, accordingly, no provision has been made for income taxes.

Cash and Cash Equivalents

The Commission considers all cash, money market, and CDARs deposits as cash equivalents regardless of the maturity date.

Note 2: Deposits and Investments

The Commission's deposits were secured by the Federal Deposit Insurance Corporation (FDIC) insurance and pledged securities.

Note 3: Economic Dependency

In the fiscal years ended June 30, 2022 and June 30, 2021, the Commission received 87% and 99%, respectively, of its income from the Kansas Department of Agriculture. The funds are a result of check-off monies collected when producers sell grain.

Note 4: Subsequent Events

Subsequent events were evaluated through August 11, 2022, which is the date the financial statements were available to be issued.