



# *Wild Blueberry Commission* OF MAINE

5784 York Complex, Suite 52, Orono, Maine 04469-5784

TEL: 207-581-1475

FAX: 207-581-3499

December 9, 2020

Senator James Dill  
Representative Craig Hickman  
Committee on Agriculture, Conservation and Forestry  
c/o Legislative Information Office  
100 State House Station  
Augusta, ME 04333-0100

RE: Wild Blueberry Commission of Maine Audited Financial Report

Dear Senate and House Chairs:

Please find the enclosed financial audit of fiscal year ending December 31, 2019 for the Wild Blueberry Commission of Maine. The Commission has an audit provision included in the Wild Blueberry Commission statute requiring that the Legislature be provided a copy of the audit.

The Commission takes a fiscally conservative approach to budgeting, in that revenues received in one crop year fund the following year's budget. This traditionally has resulted in a relatively large net asset balance at the end of the fiscal year.

If you have any questions, please do not hesitate to call me at 581-1475.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric Venturini', written over a horizontal line.

Eric Venturini  
Executive Director



WILD BLUEBERRY COMMISSION OF MAINE

FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

## TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1 & 2
BASIC FINANCIAL STATEMENTS:	
Governmental Fund Balance Sheet / Statement of Net Position	3
Statement of Governmental Fund Revenue, Expenditures, and Changes in Fund Balances / Statement of Activities	4
Notes to Financial Statements	5 – 9
OTHER SUPPLEMENTARY INFORMATION:	
Schedule of Revenue Over Expenditures – Budget and Actual	11



CERTIFIED PUBLIC ACCOUNTANTS

Leo M. Loiselle, CPA  
Glenn D. Goodwin, CPA  
Christopher S. Hinds, CPA  
Angel R. Caron, CPA  
Andrea S. White, CPA  
Leslie J. Poake, CPA, CGMA  
Shawn L. Charest, CPA  
Shane P. O'Brien, CPA

12 Stillwater Avenue, Suite 5 PO Box 939 Bangor, Maine 04402-0939 telephone: 207 990-4585 800 784-0793 fax: 207 990-4584 email: lghcpa@lghcpa.com website: www.lghcpa.com

## Independent Auditor's Report

To the Commissioners of the  
Wild Blueberry Commission of Maine  
Orono, Maine

We have audited the accompanying financial statements of the governmental activities and the major fund of Wild Blueberry Commission of Maine, a public instrumentality of the State of Maine, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### **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 opinions 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. 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 opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Wild Blueberry Commission of Maine, as of December 31, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that 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 this missing information.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wild Blueberry Commission of Maine's basic financial statements. The schedule of revenue over expenditures – budget and actual is presented for the purpose of additional analysis and is not a required part of the financial statements.

The schedule of revenue over expenditures – budget and actual is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.



LG&H  
Bangor, Maine  
November 3, 2020

**WILD BLUEBERRY COMMISSION OF MAINE  
GOVERNMENTAL FUND BALANCE SHEET / STATEMENT OF NET POSITION  
DECEMBER 31, 2019**

	<u>Balance Sheet</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,224,929	-	\$ 2,224,929
Certificates of Deposit	891,322	-	891,322
Inventory	4,353	-	4,353
Undeposited Funds	165	-	165
Accounts Receivable	7	-	7
Capital Assets, Net of Accumulated Depreciation	<u>-</u>	<u>\$ 38,728</u>	<u>38,728</u>
Total Assets	<u>\$ 3,120,776</u>	<u>38,728</u>	<u>3,159,504</u>
<b>LIABILITIES</b>			
Accounts Payable	<u>\$ 64,295</u>	<u>-</u>	<u>64,295</u>
Total Liabilities	<u>64,295</u>	<u>-</u>	<u>64,295</u>
<b>FUND BALANCES / NET ASSETS</b>			
<i>Fund Balances:</i>			
Nonspendable	4,353	(4,353)	
Restricted	301,776	(301,776)	
Unassigned	<u>2,750,352</u>	<u>(2,750,352)</u>	
Total Fund Balances	<u>3,056,481</u>	<u>(3,056,481)</u>	
Total Liabilities and Fund Balances	<u>\$ 3,120,776</u>		
<i>Net Position:</i>			
Invested in Capital Assets		38,728	38,728
Restricted		301,776	301,776
Unrestricted		<u>2,754,705</u>	<u>2,754,705</u>
Total Net Position		<u>\$ 3,095,209</u>	<u>\$ 3,095,209</u>

**WILD BLUEBERRY COMMISSION OF MAINE  
STATEMENT OF GOVERNMENTAL FUND REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES / STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Statement of Revenue, Expenditures, and Changes in <u>Fund Balances</u>	<u>Adjustments</u>	Statement of <u>Activities</u>
<b>REVENUE</b>			
Intergovernmental - Wild Blueberry Tax	\$ 1,478,714	-	\$ 1,478,714
Eastern States Exposition Sales	134,182	-	134,182
Wild Blueberry Association of North America Contract	95,000	-	95,000
School Food Service Grant	4,594	-	4,594
Interest Income	7,364	-	7,364
T-Shirt Sales	562	-	562
Trade Show Income	1,700	-	1,700
Promotional Items	171	-	171
Miscellaneous	<u>160</u>	-	<u>160</u>
Total Revenue	<u>1,722,447</u>	<u>-</u>	<u>1,722,447</u>
<b>EXPENDITURES / EXPENSES</b>			
<i>Current:</i>			
Promotion	792,595	\$ (1,266)	791,329
Research and Technology	72,556	-	72,556
Education and Other Programs	89,825	-	89,825
Commission Operations	<u>249,926</u>	<u>3,483</u>	<u>253,409</u>
Total Current Expenditures/Expenses	<u>1,204,902</u>	<u>2,217</u>	<u>1,207,119</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	517,545	(517,545)	-
<b>CHANGE IN NET POSITION</b>	-	515,328	515,328
<b>FUND BALANCE / NET POSITION - January 1, 2019</b>	<u>2,538,936</u>	<u>-</u>	<u>2,579,881</u>
<b>FUND BALANCE / NET POSITION - December 31, 2019</b>	<u>\$ 3,056,481</u>	<u>\$ -</u>	<u>\$ 3,095,209</u>
<b>The Adjustment for Commission Operations consists of the following:</b>			
Depreciation		\$ 4,967	
Purchase of Fixed Asset		<u>(2,750)</u>	
Total		<u>\$ 2,217</u>	



**WILD BLUEBERRY COMMISSION OF MAINE  
NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The Wild Blueberry Commission of Maine was created by legislation enacted on June 12, 1997, effective July 1, 1997, entitled "An Act to Improve the Effectiveness of the Maine Blueberry Commission." It is a public body corporate and politic and an incorporated public instrumentality of the State of Maine; for financial reporting purposes it is a component unit of the State of Maine. The Wild Blueberry Commission is authorized to conserve and promote the prosperity and welfare of the wild blueberry industry of Maine by fostering research and extension programs and by supporting the development of promotional opportunities and other activities related to the wild blueberry industry.

The State of Maine imposes a tax on all fresh wild blueberries grown, purchased, sold, handled or processed within Maine. The taxes levied are transferred to the Wild Blueberry Commission of Maine to be used in its programs and activities to promote and advertise wild blueberries. A portion of the funds collected each year, at least \$85,000, must be dedicated to the University of Maine System for the purpose of supplementing its research and extension programs related to improved methods of growing, harvesting, processing, product development and marketing of wild blueberries.

The Commission's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Commission is discussed below.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the activities of the Commission.

The fund financial statements (i.e., balance sheet and statement of revenue, expenditures, and changes in fund balances) are accounted for with a separate set of self-balancing accounts that measure the sources, uses, and balance of current financial resources. The Commission uses only governmental funds.

On pages 3 and 4, both types are presented together with an adjustment column to reconcile the differences between them.

**C. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are generally recorded as soon as they are both measurable and available. Revenues are considered to be

**WILD BLUEBERRY COMMISSION OF MAINE  
NOTES TO FINANCIAL STATEMENTS**

available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are to be collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

Governmental funds are used to account for the acquisition, use, and balances of the Commission's expendable financial resources and related liabilities. The Commission has only one governmental fund. The revenues associated with the current fiscal period and susceptible to accrual are grant income and T-shirt revenue. All other governmental fund revenues are considered measurable and available only when the Commission receives cash.

**D. Assets, Liabilities, Equity, Revenues, and Expenditures**

**1.) Inventory**

Inventories are valued at cost using the first-in/first-out (FIFO) method, which approximates market value. The inventory consists of apparel that is recorded as expenditures when sold rather than when purchased.

**2.) Capital Assets**

Assets purchased or acquired after January 1, 2004, with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received if over \$1,000. Additions, improvements, and other capital outlays over \$1,000 that significantly extend the useful life of an asset are capitalized. Other costs (e.g., repairs and maintenance) are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Equipment	5 - 10 years
Furniture and Fixtures	5 - 10 years

**3.) Net Position**

Equity in government-wide financial statements is classified as net position. Net position is further classified as invested in capital assets, restricted, and unrestricted. Capital assets are assets that are associated with governmental activities and arise from expenditures of governmental fund resources. Restricted net position consists of equity with constraints placed upon its use either by (1) external groups such as creditors or the laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation. The Commission utilizes restricted resources first to finance qualifying activities.

As of December 31, 2018, \$301,776 of net position is restricted by enabling legislation.

**WILD BLUEBERRY COMMISSION OF MAINE  
NOTES TO FINANCIAL STATEMENTS**

**4.) Fund Balances**

Governmental fund equity is classified as fund balances. The fund balances are further classified as either nonspendable, restricted, committed, assigned, or unassigned. The following is a description of the fund balances of the Commission:

- a) **Nonspendable Fund Balance** – The nonspendable fund balance consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally required to remain intact.

**General Fund** includes inventory.

- b) **Restricted Fund Balance** – The restricted fund balance consists of amounts that are legally restricted by external parties or laws to be used for a specific purpose.

**General Fund** may include grant and research funds and money collected for other parties. It also includes money legally restricted to support the University of Maine System for the purpose of supplementing its research and extension programs related to wild blueberries.

- c) **Unassigned Fund Balance** – The unassigned fund balance consists of amounts that have not been restricted to a specific purpose within the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Commission considers restricted funds to have been spent first.

The Commission's policy is to use restricted resources first when expenditures are made for a purpose for which amounts are available in more than one fund balance classification.

**5.) Revenues**

Revenue is recognized when it becomes measurable and available. Available revenue includes those receivables expected to be collected within 60 days after year end.

**6.) Expenditures**

Expenditures are recognized when the related fund liability is incurred.

**7.) Budget**

Under GASB No. 34, budgetary comparison information is required to be presented for the general fund with a legally adopted budget. The Commission is not legally required to adopt an annual budget for the general fund. However, the Commission has included budget comparison information as other supplementary information.

**WILD BLUEBERRY COMMISSION OF MAINE  
NOTES TO FINANCIAL STATEMENTS**

**2. CUSTODIAL CREDIT RISK – DEPOSITS**

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission's policy is to deposit available funds in accounts that have the highest possible rate, in conformity with the State of Maine's guidelines for deposits of municipal revenues, while avoiding unreasonable risk. As of December 31, 2019, \$2,976 of the Commission's bank balances were exposed to custodial credit risk.

**3. RECONCILIATION OF BUDGET REVENUE WITH GAAP REVENUE**

Revenue on the Statement of Revenue, Expenditures, and Changes in Fund Balances has been measured on a generally accepted accounting principles (GAAP) basis, while revenue on the Schedule of Revenue over Expenditures – Budget and Actual has been measured on a budget basis.

Revenue for purposes of the Budget and Actual schedules includes a "Balance Forward" amount, which is an appropriation made from the beginning-of-year fund balance. For GAAP purposes, the "Balance Forward" is not reflected as revenue.

The following schedule reconciles GAAP revenue with budgeted revenue:

Revenue (GAAP Basis)	\$1,722,447
ADD: Balance Forward	<u>899,251</u>
Revenue (Budget Basis)	<u>\$2,621,698</u>

**4. CAPITAL ASSETS**

A summary of changes in capital assets follows:

	<u>Balance Jan. 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Dec. 31, 2019</u>
<b>Governmental Activities</b>				
<i>Capital assets being depreciated:</i>				
Furniture and Fixtures	\$ 96,882	\$ 1,266	-	\$ 98,148
Equipment	<u>14,431</u>	<u>1,484</u>	-	<u>15,915</u>
Total Capital Assets Being Depreciated	111,313	2,750	-	114,063
 <i>Less accumulated depreciation for:</i>				
Furniture and Fixtures	(57,433)	\$(4,392)	-	(61,825)
Equipment	<u>(12,935)</u>	<u>(575)</u>	-	<u>(13,510)</u>
Total Accumulated Depreciation	<u>(70,368)</u>	<u>(4,967)</u>	-	<u>(75,335)</u>
 <i>Net Capital Assets Being Depreciated</i>	 <u>\$ 40,945</u>	 <u>\$(2,217)</u>	 <u>\$ -</u>	 <u>\$ 38,728</u>

**WILD BLUEBERRY COMMISSION OF MAINE  
NOTES TO FINANCIAL STATEMENTS**

**5. NONSPENDABLE, RESTRICTED, COMMITTED, AND UNASSIGNED FUND BALANCES**

The following summarizes the fund balances as of December 31, 2019:

Nonspendable:	
Inventory	\$ 4,353
Restricted:	
University of Maine System's Research and Extension Programs	301,776
Unassigned	<u>2,750,352</u>
Total Fund Balances	<u>\$3,056,481</u>

**6. SIMPLE IRA**

As of January 1, 2015, the Commission has adopted a SIMPLE IRA plan for its employee. The Commission will match 100% of the employee's allowable contribution up to 3% of the employee's salary. The Commission paid \$919 for the SIMPLE IRA during 2019.

**7. RELATED PARTY TRANSACTIONS**

Wild Blueberry Commission of Maine and Wild Blueberry Association of North America (WBANA) share board members. During the year ended December 31, 2019, the Commission paid WBANA \$570,000 for advertising and promotion and the Commission received \$95,000 from WBANA for administrative services.

SUPPLEMENTARY  
INFORMATION

**WILD BLUEBERRY COMMISSION OF MAINE**  
**SCHEDULE OF REVENUE OVER EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	BUDGET		ACTUAL (BUDGET BASIS)	VARIANCE FAVORABLE
	ORIGINAL	FINAL		(UNFAVORABLE)
<b>REVENUE</b>				
<i>Revenue:</i>				
Balance Forward	\$ 1,652,507	\$ 1,652,507	\$ 899,251	\$ (753,256)
Intergovernmental - Wild Blueberry Tax	855,642	855,642	1,478,714	623,072
Eastern States Exposition Sales	120,000	120,000	134,182	14,182
Wild Blueberry Association of North America Contract	95,000	95,000	95,000	-
School Foodservice Program 2.0 Grant	7,392	7,392	4,594	(2,798)
Interest Income	4,500	4,500	7,364	2,864
T-Shirt Sales	1,500	750	562	(188)
Trade Show Income	750	1,500	1,700	200
Promotional Items	-	-	171	171
Miscellaneous	-	-	160	160
Total Revenue	<u>2,737,291</u>	<u>2,737,291</u>	<u>2,621,698</u>	<u>(115,593)</u>
<b>EXPENDITURES</b>				
<i>Promotion:</i>				
Eastern States Exposition:				
Fair Management	13,750	13,750	16,103	(2,353)
Booth Construction	10,000	10,000	9,593	407
Food Service Booth	62,000	62,000	62,363	(363)
Information Booth	19,000	19,000	14,645	4,355
Grants to Wild Blueberry Association of North America	570,000	570,000	570,000	-
School Nutrition 2.0 Trade Show	129,024	129,024	118,280	10,744
Promotional Supplies	1,000	1,000	225	775
T-Shirt Expense	1,000	1,000	1,386	(386)
Total Promotion	<u>805,774</u>	<u>805,774</u>	<u>792,595</u>	<u>13,179</u>
<i>Research and Technology Transfer:</i>				
University of Maine Research & Extension	381,593	381,593	62,556	319,037
Diagnostic Lab Reserve	10,000	10,000	10,000	-
Total Research and Technology Transfer	<u>391,593</u>	<u>391,593</u>	<u>72,556</u>	<u>319,037</u>
<i>Commission Programs:</i>				
Issues Response	5,000	5,000	-	5,000
Public Education and Communications	45,000	45,000	31,125	13,875
Consultants	48,000	48,000	57,200	(9,200)
Total Commission Programs	<u>98,000</u>	<u>98,000</u>	<u>88,325</u>	<u>9,675</u>
<i>Program Grants:</i>				
Minor Crop Farmer Alliance	6,000	6,000	-	6,000
National Berry Crop Initiative	1,000	1,000	1,000	-
Crop Protectant Coalition	500	500	500	-
Miscellaneous Grants	200	200	-	200
Total Program Grants	<u>7,700</u>	<u>7,700</u>	<u>1,500</u>	<u>6,200</u>
<i>Commission Operations:</i>				
Salaries	220,000	220,000	169,864	50,136
Related Payroll Costs	59,000	59,000	43,033	15,967
Professional Fees	7,000	7,000	13,771	(6,771)
Insurance	850	850	751	99
Communications	5,000	5,000	3,297	1,703
Memberships and Dues	1,200	1,200	1,150	50
Travel and Entertainment	20,000	20,000	5,987	14,013
Office Equipment	2,500	2,500	4,048	(1,548)
Office Supplies	3,000	3,000	3,403	(403)
Meeting Expense	1,500	1,500	3,176	(1,676)
Trade Show Expense	1,500	1,500	1,431	69
Miscellaneous	500	500	15	485
Total Commission Operations	<u>322,050</u>	<u>322,050</u>	<u>249,926</u>	<u>72,124</u>
Total Expenditures	<u>1,625,117</u>	<u>1,625,117</u>	<u>1,204,902</u>	<u>420,215</u>
<b>EXCESS (DEFICIENCY) OF REVENUE AND OTHER FUNDS AVAILABLE OVER EXPENDITURES</b>	<u>\$ 1,112,174</u>	<u>\$ 1,112,174</u>	<u>\$ 1,416,796</u>	<u>\$ 304,622</u>

