
Dairy Council of California
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES
June 30, 2023

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Dairy Council of California

We have performed the procedures enumerated below on compliance with the California Department of Food & Agriculture (CFDA) *Accounting Guidelines and General Rules*, effective October 1, 2009 and amendments effective January 1, 2017, and California Beef Council's ("the Council") internal policies and procedures of the Council and the Board of Directors for the year ended June 30, 2023. The Council is responsible for complying with the CFDA's *Accounting Guidelines and General Rules*, effective October 1, 2009 and amendments effective January 1, 2017, and the Council's internal policies and procedures.

Dairy Council of California has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting the requirements of the CFDA's *Accounting Guidelines and General Rules*, effective October 1, 2009 and amendments effective January 1, 2017. Additionally, the California Department of Food & Agriculture has agreed that the procedures performed (as specified in the Manual for Performing Agreed Upon Procedures for California Agricultural Marketing Programs) are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. Review the Council's compliance with the California Department of Food and Agriculture's (CDFA) *Accounting Guidelines and General Rules*, effective October 1, 2009 and amendments effective January 1, 2017 and the Council's internal policies and procedures, for the following accounts and transactions during the year ended June 30, 2023:
 - a. Accounts 5405, 5410, 5415, 5420, 6400, 6405, 6605 and 9400
 - b. Cash receipts
 - c. Employee use of Council - owned vehicles
 - d. Financial transactions between related entities
 - e. Contracts
2. Assess the Council's current internal control structure in relation to the CDFA *Accounting Guidelines and General Rules*, focusing on the following internal control transaction cycles as defined by CDFA:
 - a. General ledger and bank reconciliation oversight
 - b. Safety of property
 - c. Cash receipts
 - d. Cash disbursements
 - e. Documentation for travel, lodging, and meals expenses
 - f. Contracts

We were engaged by Dairy Council of California to perform this agreed-upon procedures engagement and conducted the engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which could be the expression of an opinion or conclusion, respectively, on the CFDA's *Accounting Guidelines and General Rules*, effective October 1, 2009 and amendments effective January 1, 2017, and the Council's internal policies and procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Dairy Council of California and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Detailed results of our procedures and findings are described in Appendix "A" to this report.

This report is intended solely for the information and use of the California Department of Food and Agriculture, the Council's Board of Directors and management of the Council and is not intended to be and should not be used by anyone other than those specified parties.

Mann, Urrutia, Nelson CPAs

Sacramento, California
November 6, 2023

Appendix "A"
DAIRY COUNCIL OF CALIFORNIA

Details of Procedures Performed:

1. In order to review compliance with California Department of Food & Agriculture (CDFA) Accounting Guidelines and General Rules and the Council's internal policies and procedures for the period of July 1, 2022 - June 30, 2023:
 - a. We selected 40 transactions from general ledger accounts 5405, 5410, 5415, 5420, 6400, 6405, 6605 and 9400 for testing.
 - b. We selected 4 months of assessment revenue and corroborated the process for 1 check deposit during the fiscal year.
 - c. We determined whether the Council was properly reporting employee vehicle use and tax by:
 - i. Ensuring that employees using Council-owned vehicles followed the automobile policy as described in the Council's Operations Manual.
 - ii. Reviewing payroll documents to note reasonableness of any tax payments made.
 - d. We determined whether any inappropriate financial transactions were occurring between the Council and the related entities by:
 - i. Reviewing all financial transactions between the Council and related entities to determine whether they met the requirements under the CDFA *Accounting Guidelines and General Rules*. We then selected transactions for testing, if any.
 - e. No such contracts or transactions were noted.
2. In order to assess the Council's current internal control structure, we identified key controls of each cycle listed below and as described in the CDFA *Accounting Guidelines and General Rules* and compared the key controls to the Council's current internal control procedures as documented in the Council's Accounting Policies and Procedures Manual. We also performed a verification of each key control by selecting a sample item to confirm the process.
 - a. General ledger and bank reconciliation oversight
 - b. Safety of property
 - c. Cash receipts
 - d. Cash disbursements
 - e. Travel, lodging, and meals
 - f. Contracts

Results of Procedures Performed:

1. Transaction Testing:
 - a. accounts 5405, 5410, 5415, 5420, 6400, 6405, 6605 and 9400 :

Findings:

No findings noted.
 - b. Other Cash Disbursements:

Findings:

No findings noted.

Appendix "A" (continued)
DAIRY COUNCIL OF CALIFORNIA

c. Cash Receipts:

Findings:

No findings noted.

d. Vehicle use and tax:

Findings:

We noted no findings in relation to vehicle use and payroll tax reporting. We noted they were made in line with the *CDFR Accounting Guidelines and General Rules*.

e. Financial transactions between related entities:

Findings:

No findings noted.

f. Contracts:

Findings:

No findings noted.

2. Internal Control Findings and Recommendations:

a. General ledger and bank reconciliation oversight:

Findings:

No findings noted.

b. Safety of property:

Findings:

No findings noted.

c. Cash receipts:

Findings:

No findings noted.

d. Cash disbursements:

Findings:

Appendix "A" (continued)
DAIRY COUNCIL OF CALIFORNIA

No findings noted.

e. Documentation for staff travel and meeting expenses:

Findings:

No findings noted.

f. Contracts:

Finding:

No findings noted.