

**IOWA SOYBEAN ASSOCIATION
AND SUBSIDIARIES**

Urbandale, Iowa

**CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY DATA**

September 30, 2008 and 2007

(With Independent Auditor's Reports Thereon)

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Urbandale, Iowa

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IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

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Delbert Christensen	Treasurer	District 4
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Jim Andrew	Director	At Large
Roy Arends	Director	At Large
Dan Beenken	Director	District 2
A J Blair	Director	District 5
Bob Cole	Director	District 3
Ray Gaesser	Director	District 7
Cindi Grover	Director	District 3
Sheila Hebenstreit	Director	District 4
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Brian Kemp	Director	District 1
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Iowa Soybean Association and Subsidiaries
Urbandale, Iowa

We have audited the accompanying Consolidated Statements of Financial Position of Iowa Soybean Association and Subsidiaries as of September 30, 2008 and 2007, and the related Consolidated Statements of Activities and Net Assets, and Cash Flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Iowa Soybean Association and Subsidiaries as of September 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 19, 2009, on our consideration of Iowa Soybean Association and Subsidiaries' 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Iowa Soybean Association and Subsidiaries taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. The additional supporting schedules that follow are presented for purposes of further analysis and are also not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Meriwether, Wilson and Company, P.L.C.

MERIWETHER, WILSON AND COMPANY, P.L.C.
Certified Public Accountants

January 19, 2009
West Des Moines, Iowa

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Consolidated Statements of Financial Position

September 30,

Assets

	2008	2007
Current Assets		
Cash and Cash Equivalents	\$ 4,857,998	5,274,639
United States Treasury Bills	851,332	832,763
Certificates of Deposit	3,323,577	311,383
Accrued Interest Receivable	15,330	4,872
Accounts Receivable	2,021,695	3,236,937
Income Taxes Receivable	14,238	--
Prepaid Memberships	96,034	95,144
Prepaid Expense and Other Assets	202,823	116,394
Total Current Assets	<u>11,383,027</u>	<u>9,872,132</u>
Property and Equipment		
Office Equipment	522,058	524,852
Leased Computers	226,372	192,975
Leasehold Improvements	178,240	178,240
Research Equipment	204,229	149,142
Accumulated Depreciation	(854,285)	(708,223)
	<u>276,614</u>	<u>336,986</u>
Land	1,200,000	--
Construction in Progress	804,489	--
Net Property and Equipment	<u>2,281,103</u>	<u>336,986</u>
Other Assets		
Prepaid Memberships	68,316	57,261
Cash Surrender Value of Life Insurance	68,564	41,231
Total Other Assets	<u>136,880</u>	<u>98,492</u>
Total Assets	<u>\$ 13,801,010</u>	<u>10,307,610</u>
	Liabilities and Net Assets	
Current Liabilities		
Accounts Payable	\$ 3,471,720	4,147,395
Capital Lease Obligation, Current Portion	42,966	57,261
Accrued Payroll and Related Expenses	168,603	163,967
Income Taxes Payable	--	1,637
Unearned Revenue		
Memberships	152,463	130,665
Sponsorships	237,971	133,063
Total Current Liabilities	<u>4,073,723</u>	<u>4,633,988</u>
Long-Term Liabilities		
Accrued Pension Liability	622,655	380,241
Capital Lease Obligation	26,093	40,818
Deferred Comp Liability	67,411	44,086
Unearned Revenue - Memberships	109,057	85,132
Total Long-Term Liabilities	<u>825,216</u>	<u>550,277</u>
Total Liabilities	<u>4,898,939</u>	<u>5,184,265</u>
Net Assets		
Unrestricted		
Operating	2,174,340	996,998
Checkoff	6,727,731	4,126,347
Total Net Assets	<u>8,902,071</u>	<u>5,123,345</u>
Total Liabilities and Net Assets	<u>\$ 13,801,010</u>	<u>10,307,610</u>

The accompanying notes are an integral part of these financial statements.

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Consolidated Statements of Activities and Net Assets

Years Ended September 30,

	2008			2007		
	Operating	Checkoff	Total	Operating	Checkoff	Total
Revenue						
Membership	\$ 124,993	--	124,993	154,358	--	154,358
Information and Education	773,535	76,392	849,927	1,245,181	44,171	1,289,352
Environmental Services and On Farm Research	1,807,813	--	1,807,813	2,748,249	--	2,748,249
Contract Revenue	404,941	--	404,941	191,142	--	191,142
Demand Committee	--	126,716	126,716	--	223,629	223,629
Supply Committee	--	74,735	74,735	--	37,972	37,972
Assessments-National Checkoff	--	26,313,232	26,313,232	--	19,235,317	19,235,317
Other States	342,193	--	342,193	275,796	--	275,796
Administrative						
Interest Income	11,940	178,012	189,952	16,116	161,013	177,129
Other	86,657	5,686	92,343	102,463	5,237	107,700
Land Contribution	1,200,000	--	1,200,000	--	--	--
Total Revenue	<u>4,752,072</u>	<u>26,774,773</u>	<u>31,526,845</u>	<u>4,733,305</u>	<u>19,707,339</u>	<u>24,440,644</u>
Expenses						
Membership	141,450	--	141,450	120,045	--	120,045
Information and Education	540,326	2,114,843	2,655,169	816,218	1,729,640	2,545,858
Environmental Services and On Farm Research	1,994,045	--	1,994,045	3,002,094	--	3,002,094
Contract Revenue	286,669	--	286,669	141,172	--	141,172
Checkoff Assessment Paid to USB and Other States	--	14,026,398	14,026,398	--	10,344,721	10,344,721
Demand Committee	--	2,619,255	2,619,255	--	2,537,073	2,537,073
Supply Committee	--	4,708,479	4,708,479	--	3,662,919	3,662,919
Other States	342,193	--	342,193	275,796	--	275,796
Administrative	178,519	560,879	739,398	222,900	586,299	809,199
Total Expenses	<u>3,483,202</u>	<u>24,029,854</u>	<u>27,513,056</u>	<u>4,578,225</u>	<u>18,860,652</u>	<u>23,438,877</u>
Profit From Operations						
Before Income Taxes	1,268,870	2,744,919	4,013,789	155,080	846,687	1,001,767
Income Taxes	14,714	--	14,714	28,495	--	28,495
Increase in Net Assets Prior						
to Pension Adjustment	1,254,156	2,744,919	3,999,075	126,585	846,687	973,272
Pension Adjustment	(76,814)	(143,535)	(220,349)	(92,912)	(132,113)	(225,025)
Increase in Net Assets	1,177,342	2,601,384	3,778,726	33,673	714,574	748,247
Net Assets - Beginning of Year	996,998	4,126,347	5,123,345	944,136	3,411,773	4,355,909
Soyfoods Council Net Assets	--	--	--	19,189	--	19,189
Net Assets - End of Year	<u>\$2,174,340</u>	<u>6,727,731</u>	<u>8,902,071</u>	<u>996,998</u>	<u>4,126,347</u>	<u>5,123,345</u>

The accompanying notes are an integral part of these financial statements.

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years Ended September 30,

	<u>2008</u>	<u>2007</u>
Cash Flows from Operations		
Increase in Net Assets	\$ 3,778,726	748,247
Adjustments to Reconcile Decrease in Net Assets to Net Cash Provided by Operations:		
Depreciation and Amortization	149,393	123,326
Gain on Sale of Property, Plant, and Equipment	(375)	(2,915)
Accretion of Discount	(18,082)	(37,924)
Decrease (Increase) in Receivables	1,204,784	(1,187,075)
(Increase) Decrease in Prepaid Membership	(11,945)	7,950
Change in Income Tax Receivable/Payable	(15,875)	(11,178)
Increase in Prepaid Expenses	(86,429)	(6,728)
Increase in Cash Surrender Value of Insurance	(27,333)	(41,231)
(Decrease) Increase in Accounts Payable and Accrued Expenses	(405,300)	1,598,341
Increase (Decrease) in Unearned Revenue	150,631	(138,191)
Net Cash Flows from Operations	<u>4,718,195</u>	<u>1,052,622</u>
Cash Flows from Investing Activities		
Net Purchase of Certificates of Deposit	(3,611,374)	(547,427)
Maturity of Certificate of Deposit	599,848	530,244
Net Purchase of U.S. Treasury Bills	(2,383,154)	(1,627,354)
Maturity of U.S. Treasury Bills	2,382,000	1,628,000
Purchase of Property, Plant, and Equipment	(2,056,781)	(186,115)
Proceeds from Sale of Property, Plant, and Equipment	375	2,915
Net Assets from The Soyfoods Council	--	19,189
Net Cash Flows from Investing Activities	<u>(5,069,086)</u>	<u>(180,548)</u>
Cash Flows from Financing Activities		
Payments on Capital Leases	(65,750)	(43,083)
Net Cash Flows from Financing Activities	<u>(65,750)</u>	<u>(43,083)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(416,641)	828,991
Cash and Cash Equivalents - Beginning of Year	<u>5,274,639</u>	<u>4,445,648</u>
Cash and Cash Equivalents - End of Year	<u>\$ 4,857,998</u>	<u>5,274,639</u>
Supplemental Disclosure of Cash Flow Data		
Interest Paid on Leased Computers Financed as Capital Leases	<u>\$ 12,323</u>	<u>11,355</u>
Cash Paid During the Years for Income Taxes	<u>\$ 27,164</u>	<u>39,673</u>
Equipment Acquired Under Capital Lease Obligations	<u>\$ 36,728</u>	<u>82,338</u>
Land Received as a Donation	<u>\$ 1,200,000</u>	<u>--</u>

The accompanying notes are an integral part of these financial statements.

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2008 and 2007

1. Nature of Business and Organization

The Iowa Soybean Association (the Association) is a not for profit membership organization incorporated in the state of Iowa. The Association was created to aid in the promotion of the soybean industry of Iowa through education, research, marketing, transportation studies, and public relations programs. The Association also fosters research designed to develop new, additional, and improved uses for soybean products and determine better methods of converting them to various industrial and human uses. The Association also administers the Iowa Soybean Checkoff Account, which receives .5% of the net market value of soybeans grown in Iowa. One half of the amount received, adjusted for refunds, assessment revenue remitted to other Qualified State Soybean Boards (QSSB), and penalties received, is disbursed to the United Soybean Board. Soybeans grown in Iowa and sold to another state are assessed by the QSSB and those assessments are returned to the Iowa Soybean Checkoff Account. Soybean assessments are deposited into the Soybean Checkoff Account and are accounted for separately from all other Association funds.

The Association's wholly owned subsidiary AgInsight, Inc. was incorporated in the state of Iowa as a for-profit entity and is engaged in the promotion of the agricultural industry.

The consolidated financial statements included the net assets of the Ag Technology and Environmental Stewardship Foundation, Inc. (Ag Technology Foundation), a private foundation incorporated in the state of Iowa and engaged in the promotion and research in the use of technology in agriculture. The consolidated financial statements also included the net assets of the Soyfoods Council, a not for profit entity incorporated in the state of Iowa engaged in the promotion and development of soybean foods and food ingredients. The consolidated financial statements also included the net assets of the Soy for Life Foundation, Inc., a private foundation incorporated in the state of Iowa and engaged in the promotion and development of soybean foods and food ingredients. The members of the Board of Directors of Ag Technology Foundation, the Soyfoods Council, and Soy for Life Foundation are the same as the Association.

2. Summary of Significant Accounting Policies

The accounting and reporting policies of Iowa Soybean Association conform to U.S. generally accepted accounting principles. The following describes the significant policies.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

The Association reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Differences in the classification of net assets are determined based on the nature or existence of donor restrictions.

Temporarily restricted net assets are amounts whose use by the Association has been limited by donors or grantors to a specific time period or purpose. When donor restrictions are satisfied, temporarily restricted net assets are classified as unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions. If a restriction on a contribution is fulfilled in the same time period in which it is received, the Association reports the support as unrestricted. Iowa Soybean Association and Subsidiaries have no temporarily restricted net assets as of September 30, 2008 and 2007.

Permanently restricted net assets are required by the donor to be maintained in perpetuity by the Association. Iowa Soybean Association and Subsidiaries have no permanently restricted net assets as of September 30, 2008 and 2007.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Iowa Soybean Association and its subsidiaries, after elimination of significant intercompany accounts and transactions.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

United States Treasury Bills

United States Treasury Bills and Certificates of Deposit are carried at market value.

Receivables

The Association accounts for its accounts receivable when services have been performed. Accounts receivable balances are due within 30 days of billing. The Association does not assess finance charges on past due accounts. Past due accounts are written off when they are deemed uncollectible by management.

Bad debt expense is recorded by the specific write-off method. The Association has determined that a provision for uncollectible receivables is not material at this time.

Concentration of Credit Risk

The Association grants credit in the normal course of business to its advertising and sponsorship customers, substantially all of who are associated with the agricultural industry. Consequently, the ability of the Association to collect amounts due is affected by economic fluctuations in the agricultural industry.

Property and Equipment

Property and equipment are capitalized at cost. Equipment acquired under capital lease obligations is stated at the lower of fair value or the present value of the future minimum lease payments at the inception of the lease. Expenditures for repairs and maintenance are charged against operations. Depreciation expense is computed on the straight-line method by charges to operations at rates based upon the expected useful lives of the assets (generally three to seven years).

Membership Dues

Membership dues are recognized as revenue in the applicable membership period. Such amounts received but not yet earned are reported as deferred revenue.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Association qualifies as a nonprofit organization organized for charitable or mutual benefit purposes, which is exempt from income taxation under Section 501(c)(5) of the Internal Revenue Code. The Association is, however, liable for income taxes to the extent that it records unrelated business income net of related expenses.

AgInsight, Inc. operates as a for-profit entity and as such is subject to federal and state corporate income taxes.

Ag Technology Foundation qualifies as a private foundation, which is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code.

The Soyfoods Council qualifies as a trade association, which is exempt from income taxation under Section 501(c)(6) of the Internal Revenue Code.

Soy for Life Foundation qualifies as a private foundation, which is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code.

Advertising Expense

The Association and its subsidiaries expense advertising costs in the year in which they are incurred. Advertising expense amounted to \$598,076 and \$469,894, respectively, for the years ended September 30, 2008 and 2007.

Reclassifications

Certain reclassifications to the 2007 financial statements have been made to conform to the 2008 presentation.

3. Concentration of Credit Risk

The Association maintains cash balances at several banks. Accounts at each institution are insured by FDIC up to \$100,000. At September 30, 2008 and 2007, the Association had \$0 and \$34,555, respectively, of cash deposited in excess of the insured limits. The Association has deposits in excess of the insured limits at one bank that are collateralized by Federal Government Securities, and therefore are not subject to credit risk.

4. Capital Leases

The Association leases computer equipment under capital leases expiring in various years through 2011. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of their estimated productive lives. Depreciation of assets under capital leases in the amount of \$60,195 and \$51,168, respectively, is included in depreciation expense for the years ended September 30, 2008 and 2007.

Following is a summary of property held under capital leases:

	<u>2008</u>	<u>2007</u>
Computer Equipment	\$ 226,372	192,975
Less: Accumulated Depreciation	<u>(162,668)</u>	<u>(105,804)</u>
	<u>\$ 63,704</u>	<u>87,171</u>

Minimum future lease payments under capital leases as of September 30, 2008 are as follows:

	<u>2008</u>	<u>2007</u>
September 30, 2008	\$ --	66,065
September 30, 2009	49,830	35,558
September 30, 2010	23,854	8,363
September 30, 2011	<u>4,407</u>	<u>--</u>
Total Minimum Lease Payments	78,091	109,986
Less: Amount Representing Interest	<u>(9,032)</u>	<u>(11,907)</u>
Present Value of Net Minimum Lease Payments	69,059	98,079
Less: Current Portion	<u>(42,966)</u>	<u>(57,261)</u>
Long-Term Capital Lease Payable	<u>\$ 26,093</u>	<u>40,818</u>

5. Operating Leases

The Association leases office space located in Urbandale, Iowa, through August 31, 2009. The Association pays a base rent amount plus an additional rental amount for maintenance, taxes, etc. Rent expense under this lease for the years ended September 30, 2008 and 2007 was \$268,955 and \$239,093, respectively.

The Association also leases equipment and vehicles under non-cancelable operating leases, with various terms. Total rent and lease expense on these leases in effect for the year ended September 30, 2008 was approximately \$121,640 (\$81,105 in 2007).

Minimum future rental payments under these leases as of September 30, 2008, are as follows:

2009	\$ 375,399
2010	308,983
2011	45,752
2012	15,342
2013	2,281
Thereafter	<u> --</u>
	<u><u>\$ 747,757</u></u>

6. Income Taxes

The provision for income taxes for the years ended September 30 is as follows:

	<u>2008</u>	<u>2007</u>
Current Income Taxes		
Federal	\$ 10,364	21,475
State	<u>4,350</u>	<u>7,020</u>
	<u>14,714</u>	<u>28,495</u>
Deferred Income Taxes		
Federal	--	--
State	<u> --</u>	<u> --</u>
	<u> --</u>	<u> --</u>
Total	<u><u>\$ 14,714</u></u>	<u><u>28,495</u></u>

The current provision for income taxes resulted from unrelated business income from advertising at the Association. As of September 30, 2007, the Association's subsidiary has generated federal and state net operating losses of \$94,823, which were available to offset future operating profits of the subsidiary through September 2022. These net operating losses were utilized in 2008.

Deferred income taxes, when material, arise from temporary differences resulting from the treatment of income and expense items reported for financial accounting and tax purposes in different years. Temporary differences giving rise to net deferred income tax assets consist of net operating loss carryforwards.

The following is a summary of the significant components of the Association's deferred tax assets and liabilities as of September 30:

	<u>2008</u>	<u>2007</u>
Assets	\$ --	38,000
Valuation Reserve	<u> --</u>	<u>(38,000)</u>
	<u> --</u>	<u> --</u>
Liabilities	<u> --</u>	<u> --</u>
	<u> --</u>	<u> --</u>
Net Deferred Tax Liability	<u><u>\$ --</u></u>	<u><u> --</u></u>

7. Pension Plans

Defined Contribution Pension Plan

The Association has a 401(k) savings plan covering substantially all employees. In addition to the employee contributions, the Association makes matching contributions to the Plan. For the years ended September 30, 2008 and 2007, the Association recognized matching contribution expense of \$188,126 and \$104,291, respectively.

Defined Benefit Pension Plan

The Association sponsors a defined benefit pension plan, which is funded by employer contributions and provides for monthly income for life upon retirement or upon total and permanent disability. The amount of benefits is based upon length of service and compensation. The Association intends to continue to participate in the plan indefinitely; however, it may voluntarily discontinue the plan at any time.

At September 30, the funded status of the plan was as follows:

	<u>2008</u>	<u>2007</u>
Pension Benefit Obligation	\$ (1,627,810)	(1,365,585)
Fair Value of Plan Assets	<u>1,005,155</u>	<u>985,344</u>
Excess of Benefit Obligation Over Fair Value of Plan Assets	<u>\$ (622,655)</u>	<u>(380,241)</u>

As of September 30, the following amounts were recognized in the Statements of Financial Position:

	<u>2008</u>	<u>2007</u>
As a Non-Current Liability	<u>\$ 622,655</u>	<u>380,241</u>

As of September 30, the following amounts were recognized in unrestricted net assets:

	<u>2008</u>	<u>2007</u>
Prior Service Cost	\$ 442,466	221,650
Actuarial Loss	<u>2,908</u>	<u>3,375</u>
Total	<u>\$ 445,374</u>	<u>225,025</u>

The accumulated benefit obligation at September 30, 2008 and 2007 was \$1,001,862 and \$823,159, respectively.

As of September 30, the following items included in unrestricted net assets had not yet been recognized as components of pension expense:

	<u>2008</u>	<u>2007</u>
Prior Service Cost	\$ 442,466	221,650
Actuarial Loss	<u>2,908</u>	<u>3,375</u>
	<u>\$ 445,374</u>	<u>225,025</u>

As of September 30, 2008, \$25,039 of the actuarial loss and \$467 of the prior service cost will, through amortization, be recognized as a component of pension expense in 2009.

The following amounts relate to the Association's defined benefit pension plan at September 30:

Measurement Date	September 1, 2008	September 1, 2007
Discount Rate on the Projected Benefit Obligation	6.00%	6.00%
Rate of Expected Return on Plan Assets	8.00%	8.00%
Rate of Employee Compensation Increase	6.53%	6.10%
Pension Expense	\$ 145,346	135,636
Company Contributions	\$ 123,281	197,433
Benefits Paid	\$ 13,870	16,866

Historical and future expected returns of multiple asset classes were analyzed to develop a risk-free real rate of return and risk premiums for each asset class. The overall rate for each asset class was developed by combining a long-term inflation component, the risk-free real rate of return, and the associated risk premium. A weighted average rate was developed based on those overall rates and the target asset allocation of the plan.

The following is an analysis of plan assets by category as of the measurement date:

	<u>2008</u>	<u>2007</u>
At Fair Value		
Equity Securities	59.00%	59.42%
Debt Securities	32.00%	32.35%
Real Estate	9.00%	8.23%
Other	--%	--%
Total	<u>100.00%</u>	<u>100.00%</u>

The Association's strategy is to build an efficient, well-diversified portfolio based on a long-term, strategic outlook of the investment markets. The investment markets outlook utilizes both historical-based and forward-looking return forecasts to establish future return expectations for various asset classes. These return expectations are used to develop a core asset allocation based on the specific needs of the plan. The core asset allocation utilizes multiple investment managers in order to maximize the plan's return while minimizing risk.

The Association expects to contribute approximately \$14,000 to the plan during the year ended September 30, 2009. Benefits expected to be paid by the plan during the ensuing five years ending September 30, 2013 and the five years thereafter are approximately as follows:

2009	\$ 13,000
2010	13,000
2011	19,000
2012	31,000
2013	31,000
Years 2014 - 2018	300,000

The Association adopted the recognition provisions of FASB Statement 158 as of September 30, 2007, which requires that the funded status of defined benefit pension and other postretirement plans be fully recognized in the Statement of Financial Position. The incremental effects of applying FASB Statement 158 on individual line items in the Statement of Financial Position as of that date are as follows:

<u>Line Item</u>	<u>Before Application</u>	<u>Adjustments</u>	<u>After Application</u>
Pension Liability	\$ 155,216	225,025	380,241
Total Liabilities	4,959,240	225,025	5,184,265
Unrestricted Net Assets	5,348,370	(225,025)	5,123,345
Total Net Assets	5,348,370	(225,025)	5,123,345

FASB Statement 158 requires that the measurement of defined benefit plan assets and obligations be as of the Statement of Financial Position date. The Association plans to adopt the measurement date provisions as of September 30, 2009.

8. Related Party Transactions

The Association has various transactions with its national affiliate, American Soybean Association, most significant of which is the collection and remittance of national dues from members.

At September 30, 2008 the Association had receivables of \$0 (\$2,682 in 2007) and payables of \$16,083 (\$1,676 in 2007) with the American Soybean Association.

9. Construction in Progress

At September 30, 2008, the Association had the following construction project in progress:

	<u>Cost to Date</u>	<u>Anticipated Total Cost</u>
Office Building	<u>\$ 804,489</u>	<u>7,400,000</u>

The Association expects that the project will be completed in September 2009.

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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

Board of Directors
Iowa Soybean Association and Subsidiaries
Urbandale, Iowa

We have audited the financial statements of Iowa Soybean Association and Subsidiaries for the year ended September 30, 2008, and have issued our report thereon dated January 19, 2009. 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 Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit we considered Iowa Soybean Association and Subsidiaries' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Iowa Soybean Association and Subsidiaries' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iowa Soybean Association and Subsidiaries' financial statements are free of 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.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Meriwether Wilson and Company, P.L.C.

MERIWETHER, WILSON AND COMPANY, P.L.C.
Certified Public Accountants

January 19, 2009
West Des Moines, Iowa

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Iowa Soybean Association and Subsidiaries
Urbandale, IA

Compliance

We have audited the compliance of Iowa Soybean Association and Subsidiaries with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended September 30, 2008. Iowa Soybean Association and Subsidiaries' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Iowa Soybean Association and Subsidiaries' management. Our responsibility is to express an opinion on Iowa Soybean Association and Subsidiaries' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Iowa Soybean Association and Subsidiaries' compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Iowa Soybean Association and Subsidiaries' compliance with those requirements.

In our opinion, Iowa Soybean Association and Subsidiaries complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended September 30, 2008.

Internal Control over Compliance

The management of Iowa Soybean Association and Subsidiaries is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Iowa Soybean Association and Subsidiaries' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Iowa Soybean Association and Subsidiaries' internal control over compliance.

Report on Compliance with Requirements Applicable to Each Major Program
and Internal Control over Compliance in Accordance with OMB Circular A-133

A control deficiency in an organization's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Meriwether, Wilson and Company, P.L.C.

MERIWETHER, WILSON AND COMPANY, P.L.C.
Certified Public Accountants

January 19, 2009
West Des Moines, Iowa

Iowa Soybean Association and Subsidiaries

Schedule of Findings and Questioned Costs

Year Ended September 30, 2008

Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Iowa Soybean Association and Subsidiaries.
2. No significant deficiencies relating to the audit of the financial statements are reported in the auditor's report on internal control over financial reporting and on compliance and other matters.
3. No instances of noncompliance material to the financial statements of Iowa Soybean Association and Subsidiaries were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Iowa Soybean Association and Subsidiaries expresses an unqualified opinion on all major federal programs.
6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are disclosed in this Schedule.
7. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
8. Iowa Soybean Association and Subsidiaries received the following federal award that was audited as a major program during the year ended September 30, 2008:

<u>Name of Program</u>	<u>CFDA No.</u>	<u>Expenses</u>
Environmental Quality Incentives Program	10.912	<u>\$ 675,172</u>

9. Iowa Soybean Association and Subsidiaries qualified as a low-risk auditee.

Findings Related to the Financial Statements

None

Findings and Questioned Costs Related to Federal Awards

None

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA* Number	Award Amount	Federal Expenditures
United States Department of Agriculture - Natural Resource Conservation Services Direct Awards			
Soil and Water Conservation Resources Program	10.902		
Award #68-6114-6-130		\$ 244,134	\$ 72,649
Award #68-6114-8-04		276,153	87,550
Award #68-6114-8-05		159,972	65,352
Award #68-6114-8-06		128,693	62,318
			<u>287,869</u>
Environmental Quality Incentives Program	10.912		
Award #68-3A75-6-113		750,000	202,318
Award #68-3A75-7-90		750,000	472,854
			<u>675,172</u>
Passed Through Iowa State University Cooperative State Research, Education, and Extension Service (CSREES)			
Payments to Agricultural Experiment Stations Under the Hatch Act	10.203	19,998	8,993
Sub Award #415-49-20			
Total Expenditures of Federal Awards			<u>\$ 972,034</u>

SEE INDEPENDENT AUDITOR'S REPORT AND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Notes to Schedule of Expenditures of Federal Awards

Year Ended September 30, 2008

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Iowa Soybean Association and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Consolidating Statement of Financial Position

September 30, 2008

Assets

	Iowa Soybean Association		AgInsight, Inc.	Ag Technology Foundation	Soyfoods Council	Soy for Life	Eliminations	Consolidated
	Operating	Checkoff						
Current Assets								
Cash and Cash Equivalents	\$ 921,190	3,719,734	191,967	23,523	412	1,172	--	4,857,998
United States Treasury Bill	--	851,332	--	--	--	--	--	851,332
Certificates of Deposit	210,893	3,112,684	--	--	--	--	--	3,323,577
Accrued Interest Receivable	1,268	14,062	--	--	--	--	--	15,330
Accounts Receivable	602,276	1,323,250	129,151	138,977	31,514	--	(203,473)	2,021,695
Prepaid Memberships	96,034	--	--	--	--	--	--	96,034
Income Tax Receivable	14,238	--	--	--	--	--	--	14,238
Prepaid Expense and Other Assets	178,287	23,466	--	--	1,070	--	--	202,823
Total Current Assets	2,024,186	9,044,528	321,118	162,500	32,996	1,172	(203,473)	11,383,027
Property and Equipment								
Office Equipment	522,058	--	--	--	--	--	--	522,058
Leased Computers	226,372	--	--	--	--	--	--	226,372
Leasehold Improvements	178,240	--	--	--	--	--	--	178,240
Research Equipment	204,229	--	--	--	--	--	--	204,229
Accumulated Depreciation and Amortization	(854,285)	--	--	--	--	--	--	(854,285)
	276,614	--	--	--	--	--	--	276,614
Land	1,200,000	--	--	--	--	--	--	1,200,000
Construction in Progress	--	804,489	--	--	--	--	--	804,489
Net Property and Equipment	1,476,614	804,489	--	--	--	--	--	2,281,103
Other Assets								
Prepaid Memberships	68,316	--	--	--	--	--	--	68,316
Cash Surrender Value of Life Insurance	33,214	35,350	--	--	--	--	--	68,564
Investment In AgInsight, Inc.	193,629	--	--	--	--	--	(193,629)	--
Total Other Assets	295,159	35,350	--	--	--	--	(193,629)	136,880
Total Assets	\$ 3,795,959	9,884,367	321,118	162,500	32,996	1,172	(397,102)	13,801,010

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Consolidating Statement of Financial Position

September 30, 2008

Liabilities and Net Assets

	Iowa Soybean Association		Ag Technology	Soyfoods				
	Operating	Checkoff	AgInsight, Inc.	Foundation	Council	Soy for Life	Eliminations	Consolidated
Current Liabilities								
Accounts Payable	\$ 550,392	2,888,169	63,396	154,966	18,270	--	(203,473)	3,471,720
Capital Lease Obligation, Current Portion	42,966	--	--	--	--	--	--	42,966
Accrued Payroll and Related Expenses	168,603	--	--	--	--	--	--	168,603
Unearned Revenue Memberships	152,463	--	--	--	--	--	--	152,463
Sponsorships	173,878	--	64,093	--	--	--	--	237,971
Total Current Liabilities	1,088,302	2,888,169	127,489	154,966	18,270	--	(203,473)	4,073,723
Long-Term Liabilities								
Accrued Pension Liability	395,214	227,441	--	--	--	--	--	622,655
Capital Lease Obligation	26,093	--	--	--	--	--	--	26,093
Deferred Comp Liability	26,385	41,026	--	--	--	--	--	67,411
Unearned Revenue-Memberships	109,057	--	--	--	--	--	--	109,057
Total Long-Term Liabilities	556,749	268,467	--	--	--	--	--	825,216
Total Liabilities	1,645,051	3,156,636	127,489	154,966	18,270	--	(203,473)	4,898,939
Unrestricted Net Assets	2,150,908	6,727,731	--	7,534	14,726	1,172	--	8,902,071
Stockholder's Equity								
Common Stock	--	--	200,000	--	--	--	(200,000)	--
Accumulated Deficit	--	--	(6,371)	--	--	--	6,371	--
Total Stockholder's Equity	--	--	193,629	--	--	--	(193,629)	--
Total Net Assets and Stockholder's Equity	2,150,908	6,727,731	193,629	7,534	14,726	1,172	(193,629)	8,902,071
Total Liabilities and Net Assets	\$ 3,795,959	9,884,367	321,118	162,500	32,996	1,172	(397,102)	13,801,010

SEE INDEPENDENT AUDITOR'S REPORT

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Consolidating Statement of Financial Position

September 30, 2007

Assets

	Iowa Soybean Association		AgInsight, Inc.	Ag Technology	Soyfoods	Eliminations	Consolidated
	Operating	Checkoff		Foundation	Councils		
Current Assets							
Cash and Cash Equivalents	\$ 751,463	4,400,335	78,947	40,015	3,879	--	5,274,639
United States Treasury Bill	--	832,763	--	--	--	--	832,763
Certificates of Deposit	200,774	110,609	--	--	--	--	311,383
Accrued Interest							
Receivable	4,576	296	--	--	--	--	4,872
Accounts Receivable	1,093,297	2,102,266	50,133	440,652	108,672	(558,083)	3,236,937
Prepaid Memberships	95,144	--	--	--	--	--	95,144
Prepaid Expense and							
Other Assets	109,576	6,818	--	--	--	--	116,394
Total Current Assets	2,254,830	7,453,087	129,080	480,667	112,551	(558,083)	9,872,132
Property and Equipment							
Office Equipment	524,852	--	--	--	--	--	524,852
Leased Computers	192,975	--	--	--	--	--	192,975
Leasehold Improvements	178,240	--	--	--	--	--	178,240
Research Equipment	149,142	--	--	--	--	--	149,142
Accumulated Depreciation							
and Amortization	(708,223)	--	--	--	--	--	(708,223)
Net Property and							
Equipment	336,986	--	--	--	--	--	336,986
Other Assets							
Prepaid Memberships	57,261	--	--	--	--	--	57,261
Cash Surrender Value of							
Life Insurance	23,626	17,605	--	--	--	--	41,231
Investment In AgInsight, Inc.	98,091	--	--	--	--	(98,091)	--
Total Other Assets	178,978	17,605	--	--	--	(98,091)	98,492
Total Assets	\$ 2,770,794	7,470,692	129,080	480,667	112,551	(656,174)	10,307,610

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Consolidating Statement of Financial Position

September 30, 2007

Liabilities and Net Assets

	Iowa Soybean Association Operating	Checkoff	AgInsight, Inc.	Ag Technology Foundation	Soyfoods Council	Eliminations	Consolidated
Current Liabilities							
Accounts Payable	\$ 1,105,325	3,095,221	13,006	399,263	92,663	(558,083)	4,147,395
Capital Lease Obligation, Current Portion	57,261	--	--	--	--	--	57,261
Accrued Payroll and Related Expenses	163,967	--	--	--	--	--	163,967
Income Taxes Payable	1,637	--	--	--	--	--	1,637
Unearned Revenue							
Memberships	130,665	--	--	--	--	--	130,665
Sponsorships	115,080	--	17,983	--	--	--	133,063
Total Current Liabilities	1,573,935	3,095,221	30,989	399,263	92,663	(558,083)	4,633,988
Long-Term Liabilities							
Accrued Pension Liability	157,001	223,240	--	--	--	--	380,241
Capital Lease Obligation	40,818	--	--	--	--	--	40,818
Deferred Comp Liability	18,203	25,883	--	--	--	--	44,086
Unearned Revenue - Memberships	85,132	--	--	--	--	--	85,132
Total Long-Term Liabilities	301,154	249,123	--	--	--	--	550,277
Total Liabilities	1,875,089	3,344,344	30,989	399,263	92,663	(558,083)	5,184,265
Unrestricted Net Assets	895,705	4,126,348	--	81,404	19,888	--	5,123,345
Stockholder's Equity							
Common Stock	--	--	200,000	--	--	(200,000)	--
Accumulated Deficit	--	--	(101,909)	--	--	101,909	--
Total Stockholder's Equity	--	--	98,091	--	--	(98,091)	--
Total Net Assets and Stockholder's Equity	895,705	4,126,348	98,091	81,404	19,888	(98,091)	5,123,345
Total Liabilities and Net Assets	\$ 2,770,794	7,470,692	129,080	480,667	112,551	(656,174)	10,307,610

SEE INDEPENDENT AUDITOR'S REPORT

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Consolidating Statement of Activities

Year Ended September 30, 2008

	Iowa Soybean Association Operating	Association Checkoff	AgInsight, Inc.	Ag Technology Foundation	Soyfoods Council	Soy for Life	Eliminations	Consolidated
Revenue								
Membership	\$ 124,993	--	--	--	--	--	--	124,993
Information and Education Environmental Services and Research	723,365	76,392	12,605	--	111,184	2,850	(76,469)	849,927
Contract Revenue	1,928,821	--	--	494,122	--	--	(615,130)	1,807,813
Demand Committee	243,697	--	382,525	--	--	--	(221,281)	404,941
Supply Committee	--	126,716	--	--	--	--	--	126,716
Assessments-National Checkoff	--	74,735	--	--	--	--	--	74,735
Other States	--	26,313,232	--	--	--	--	--	26,313,232
Administrative	342,193	--	--	--	--	--	--	342,193
Interest Income	11,940	178,012	--	--	--	--	--	189,952
Other	94,415	5,686	--	--	--	--	(7,758)	92,343
Land Contribution	1,200,000	--	--	--	--	--	--	1,200,000
Total Revenue	4,669,424	26,774,773	395,130	494,122	111,184	2,850	(920,638)	31,526,845
Expenses								
Membership	141,450	--	--	--	--	--	--	141,450
Information and Education Environmental Services and Research	587,945	2,114,843	27,172	--	--	1,678	(76,469)	2,655,169
Contract Expense	1,924,837	--	--	567,992	116,346	--	(615,130)	1,994,045
Checkoff Assessments Paid	243,698	--	264,252	--	--	--	(221,281)	286,669
Demand Committee	--	14,026,398	--	--	--	--	--	14,026,398
Supply Committee	--	2,619,255	--	--	--	--	--	2,619,255
Other States	--	4,708,479	--	--	--	--	--	4,708,479
Administrative	342,193	--	--	--	--	--	--	342,193
Total Expenses	178,109	560,879	8,168	--	--	--	(7,758)	739,398
Total Expenses	3,418,232	24,029,854	299,592	567,992	116,346	1,678	(920,638)	27,513,056
Profit (Loss) from Operations Before Income Taxes	1,251,192	2,744,919	95,538	(73,870)	(5,162)	1,172	--	4,013,789
Income Taxes	14,714	--	--	--	--	--	--	14,714
Income (Loss) Before Equity in Net Loss of Subsidiary	1,236,478	2,744,919	95,538	(73,870)	(5,162)	1,172	--	3,999,075
Equity in Net Income of Subsidiary	95,538	--	--	--	--	--	(95,538)	--
Pension Adjustment	(76,814)	(143,535)	--	--	--	--	--	(220,349)
Increase (Decrease) in Net Assets	\$ 1,255,202	2,601,384	95,538	(73,870)	(5,162)	1,172	(95,538)	3,778,726

SEE INDEPENDENT AUDITOR'S REPORT

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Consolidating Statement of Activities

September 30, 2007

	Iowa Soybean Association Operating	Checkoff	AgInsight, Inc.	Ag Technology Foundation	Soyfoods Council	Eliminations	Consolidated
Revenue							
Membership	\$ 154,358	--	--	--	--	--	154,358
Information and Education Environment Services and On Farm Research	852,373	44,171	158,680	--	301,046	(66,918)	1,289,352
Contract Revenue	2,930,323	--	--	769,325	--	(951,399)	2,748,249
Demand Committee	126,022	--	189,046	--	--	(123,926)	191,142
Supply Committee	--	223,629	--	--	--	--	223,629
Assessments-National Checkoff	--	37,972	--	--	--	--	37,972
Other States	--	19,235,317	--	--	--	--	19,235,317
Administrative	275,796	--	--	--	--	--	275,796
Interest Income	18,676	161,013	--	--	--	(2,560)	177,129
Other	115,447	5,237	--	--	--	(12,984)	107,700
Total Revenue	4,472,995	19,707,339	347,726	769,325	301,046	(1,157,787)	24,440,644
Expenses							
Membership	120,045	--	--	--	--	--	120,045
Information and Education Environment Services and On Farm Research	758,858	1,729,640	120,148	--	--	(62,788)	2,545,858
Contract Expense	2,892,936	--	--	764,347	300,340	(955,529)	3,002,094
Checkoff Assessments Paid	126,022	--	139,076	--	--	(123,926)	141,172
Demand Committee	--	10,344,721	--	--	--	--	10,344,721
Supply Committee	--	2,537,073	--	--	--	--	2,537,073
Other States	--	3,662,919	--	--	--	--	3,662,919
Administrative	275,796	--	--	--	--	--	275,796
	222,387	586,299	16,057	--	--	(15,544)	809,199
Total Expenses	4,396,044	18,860,652	275,281	764,347	300,340	(1,157,787)	23,438,877
Profit from Operations Before Income Taxes	76,951	846,687	72,445	4,978	706	--	1,001,767
Income Taxes	28,495	--	--	--	--	--	28,495
Income Before Equity in Net Income of Subsidiary and Pension Adjustment	48,456	846,687	72,445	4,978	706	--	973,272
Equity in Net Income of Subsidiary	72,445	--	--	--	--	(72,445)	--
Pension Adjustment	(92,912)	(132,113)	--	--	--	--	(225,025)
Increase (Decrease) in Net Assets	\$ 27,989	714,574	72,445	4,978	706	(72,445)	748,247

SEE INDEPENDENT AUDITOR'S REPORT

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Iowa Soybean Association Schedule of Revenues

Years Ended September 30,

	<u>2008</u>	<u>2007</u>
Contract Revenue		
Expense Reimbursement	\$ 2,377,162	3,474,174
Other	94,817	112,000
	<u>2,471,979</u>	<u>3,586,174</u>
Assessments-National Checkoff	26,313,232	19,235,317
Membership Dues	102,750	134,058
Registration, Exhibit Fees, and Other	24,290	16,048
Sponsorships	884,510	746,819
Advertising Income	254,822	248,355
Investment Revenue	189,952	179,688
Land Contribution	1,200,000	--
Other	2,662	33,875
	<u>2,662</u>	<u>33,875</u>
Total	<u>\$ 31,444,197</u>	<u>24,180,334</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Iowa Soybean Association Schedule of Expenses

Years Ended September 30,

	<u>2008</u>	<u>2007</u>
Checkoff Assessments Paid	\$ 14,026,398	10,344,721
Research	3,211,020	2,648,634
Per Diem	32,500	17,900
Copier Supplies and Maintenance	18,983	18,621
Depreciation and Amortization	149,393	123,326
Insurance - Business	29,976	25,821
Capital Lease Interest	12,001	11,355
Rent	268,955	239,093
Equipment Expenses	176,294	105,540
Internet	15,735	14,657
Salaries and Benefits	4,259,788	3,743,974
Staff Development	23,853	8,753
Employee Recruitment	2,187	2,845
Temporary Employment Agency	140	1,819
Contracted Personnel	881,426	1,328,341
Postage	178,812	205,512
Printing	530,455	576,915
Professional Fees	576,380	644,714
Commission	57,988	62,852
Conference Fees	36,921	30,004
Software Maintenance	5,597	5,956
Supplies	54,724	109,982
Travel	90,131	103,399
Board Travel	216,487	172,319
Staff Travel	380,435	397,973
Recognition/Awards	10,055	8,925
Telephone	38,109	30,364
Dues and Subscriptions	66,671	66,628
Marketing Funds	948,954	1,107,592
General Sponsorship	76,170	208,607
Leadership Program	15,000	15,000
Scholarships	20,000	14,000
Publications	15,764	4,665
Photographer	2,228	8,913
Deferred Compensation	--	13,769
Polling	8,805	23,325
Trade Shows/Displays	30,543	26,210
Advertising	597,395	431,944
Speaker Fees	136,214	29,288
Facilities/Food	222,503	273,403
Other	23,096	49,037
	<u> </u>	<u> </u>
Total	<u>\$ 27,448,086</u>	<u>23,256,696</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

AgInsight, Inc. Schedule of Revenues

Years Ended September 30,

	<u>2008</u>	<u>2007</u>
Sponsorships	\$ 3,980	63,110
Expense Reimbursement	40,852	95,537
Other Revenues	<u>350,298</u>	<u>189,079</u>
Total	<u>\$ 395,130</u>	<u>347,726</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

AgInsight, Inc. Schedule of Expenses

Years Ended September 30,

	<u>2008</u>	<u>2007</u>
Conference Fees	\$ 75	175
Copier Supplies	2,770	1,146
Dues and Subscriptions	830	790
Interest Expense	--	2,560
Internet	826	987
Telephone	1,924	1,522
Equipment Expenses	2,539	2,103
Recognition Gifts and Awards	--	154
Accounting Fees	377	1,200
Mail Label Service	--	185
Clipping Service	2,264	1,164
Professional Fees	7,509	24,986
Contracted Personnel	30,220	--
Facilities/Food	2,099	6,442
Salaries and Benefits	159,736	124,352
Postage	2,602	4,103
Printing	3,981	8,279
Marketing Funds	2,989	672
Advertising	681	37,950
Supplies	3,130	1,345
Travel	--	3,694
Staff Travel	18,055	11,027
Administrative Allocable	55,080	39,168
Miscellaneous	1,905	1,277
Total	<u>\$ 299,592</u>	<u>275,281</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

AgInsight, Inc. Revenues and Expenses by Division

For the year ended September 30, 2008

<u>Division</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net Revenue (Expense)</u>
Association Insight	\$ 292,506	216,681	75,825
Business Opportunities	--	8,165	(8,165)
Communication Insight	39,473	37,013	2,460
Food Insight	<u>63,151</u>	<u>37,733</u>	<u>25,418</u>
	<u>\$ 395,130</u>	<u>299,592</u>	<u>95,538</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

AglInsight, Inc. Revenues and Expenses by Division

For the year ended September 30, 2007

<u>Division</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net Revenue (Expense)</u>
Association Insight	\$ 189,046	139,073	49,973
Business Opportunities	--	16,054	(16,054)
Communication Insight	17,882	16,247	1,635
Food Insight	<u>140,798</u>	<u>103,907</u>	<u>36,891</u>
	<u>\$ 347,726</u>	<u>275,281</u>	<u>72,445</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Soybean Check-Off Statement of Revenues and Expenses by Activity

Year Ended September 30, 2008

	Administration	Demand Committee	Supply Committee	Information & Education Committee	Total
Operating Revenues					
Assessments-National Checkoff					\$ 25,459,184
Assessments Collected from Other QSSBs					854,048
Total Checkoff Receipts					<u>26,313,232</u>
Interest					178,012
USB Funding of Research Projects					25,670
Less:					
Assessment Revenue Remitted to USB					(12,042,802)
Assessment Revenue Remitted Other QSSBs					-- (1,983,596)
Net Operating Revenue					<u>12,490,516</u>
Operating Expenses					
Checkoff Maintenance & Compliance	59,945	--	--	--	59,945
Checkoff Strategic Planning & Evaluation	65,223	--	--	--	65,223
Leadership Development	160,244	--	--	--	160,244
Director Elections	40,574	--	--	--	40,574
New Buidling	19,194	--	--	--	19,194
Administrative	370,257	--	--	--	370,257
Biodiesel Products & Manufacturing	--	953,401	--	--	953,401
Edible Products	--	529,642	--	--	529,642
International Marketing	--	560,627	--	--	560,627
Soy InfoSource	--	34,389	--	--	34,389
Value Added	--	130,893	--	--	130,893
Coalition to Support Iowa's Farmers	--	233,587	--	--	233,587
Soybean Transportation Coalition	--	50,000	--	--	50,000
Environmental Services	--	--	444,879	--	444,879
ISA Farm Network	--	--	1,355	--	1,355
On Farm Research	--	--	403,808	--	403,808
Research Coordination	--	--	406,196	--	406,196
Precision Ag Training	--	--	100,385	--	100,385
National Adaptive Management	--	--	168,532	--	168,532
Research Projects	--	--	3,134,260	--	3,134,260
Checkoff Communications	--	--	--	580,017	580,017
Producer Programs	--	--	--	1,007,678	1,007,678
Publications and Inserts	--	--	--	290,511	290,511
Total Operating Expenses	<u>715,437</u>	<u>2,492,539</u>	<u>4,659,415</u>	<u>1,878,206</u>	<u>9,745,597</u>
Operating Income Before Pension Adjustment					<u>2,744,919</u>
Pension Adjustment					<u>(143,535)</u>
Increase in Net Assets					<u>\$ 2,601,384</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

Soybean Check-Off Statement of Revenues and Expenses by Activity

Year Ended September 30, 2007

	Administration	Demand Committee	Supply Committee	Public Affairs Committee	Information & Education Committee	Total
Operating Revenues						
Assessments-National Checkoff						\$ 18,809,182
Assessments Collected from Other QSSBs						426,135
Total Checkoff Receipts						<u>19,235,317</u>
Interest						161,013
USB Funding of Research Projects						37,972
Less:						
Assessment Revenue Remitted to USB						(8,868,509)
Assessment Revenue Remitted Other QSSBs						(1,476,212)
Net Operating Revenue						<u>9,089,581</u>
Operating Expenses						
Checkoff Maintenance & Compliance	61,701	--	--	--	--	61,701
Checkoff Strategic Planning & Evaluation	78,945	--	--	--	--	78,945
Leadership Development	104,297	--	--	--	--	104,297
Soybean Structure Task Force	89,500	--	--	--	--	89,500
Administrative	350,917	--	--	--	--	350,917
Biodiesel Products & Manufacturing	--	1,004,703	--	--	--	1,004,703
Edible Products	--	423,624	--	--	--	423,624
International Marketing	--	428,214	--	--	--	428,214
Soy InfoSource	--	10,190	--	--	--	10,190
Value Added	--	129,723	--	--	--	129,723
Coalition to Support Iowa's Farmers	--	266,990	--	--	--	266,990
Soybean Transportation Coalition	--	50,000	--	--	--	50,000
Environmental Services	--	--	412,870	--	--	412,870
ISA Farm Network	--	--	37,806	--	--	37,806
On Farm Research	--	--	342,015	--	--	342,015
Research Coordination	--	--	221,578	--	--	221,578
North Central Soybean Research	--	--	550,000	--	--	550,000
Research Projects	--	--	2,098,650	--	--	2,098,650
Checkoff Communications	--	--	--	--	526,234	526,234
Producer Programs	--	--	--	--	702,724	702,724
Publications and Inserts	--	--	--	--	317,213	317,213
Farm Issues Task Force	--	--	--	35,000	--	35,000
Total Operating Expenses	<u>685,360</u>	<u>2,313,444</u>	<u>3,662,919</u>	<u>35,000</u>	<u>1,546,171</u>	<u>8,242,894</u>
Operating Income Before Pension Adjustment						<u>846,687</u>
Pension Adjustment						<u>(132,113)</u>
Increase in Net Assets						<u>\$ 714,574</u>

SEE INDEPENDENT AUDITOR'S REPORT