

**IOWA SOYBEAN ASSOCIATION  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL REPORT**

**YEARS ENDED  
SEPTEMBER 30, 2010 AND 2009**

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**INDEPENDENT AUDITOR'S REPORT**

To the Boards of Directors  
Iowa Soybean Association and Subsidiaries  
Ankeny, Iowa

We have audited the accompanying consolidated statement of financial position of Iowa Soybean Association and Subsidiaries as of September 30, 2010 and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Iowa Soybean Association and Subsidiaries as of September 30, 2009 were audited by other auditors whose report dated February 11, 2010, expressed an unqualified opinion on those statements.

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. 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 audit provides 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, 2010, and the changes in its net assets and cash flows for the year 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 7, 2011 on our consideration of the organization's 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 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 audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules and information contained on pages 16-35 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole. The 2009 supplementary information contained within pages 24-35 was subjected to the auditing procedures applied in the 2009 audit of the basic financial statements by other auditors, whose report on such information stated that it is fairly stated in all material respects in relation to the 2009 consolidated financial statements taken as a whole.



West Des Moines, Iowa  
January 7, 2011

**IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

September 30, 2010 and 2009

	<b>Assets</b>	
	<b>2010</b>	<b>2009</b>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 4,222,319	\$ 4,763,655
United States Treasury Bills	419,782	849,924
Certificates of Deposit	2,758,741	418,328
Accrued Interest Receivable	4,020	1,575
Accounts Receivable	2,405,997	1,762,636
Prepaid Memberships	78,616	94,281
Prepaid Expense	77,528	196,840
Inventory	1,452	-
<b>Total Current Assets</b>	<b>\$ 9,968,455</b>	<b>\$ 8,087,239</b>
<b>Property and Equipment</b>		
Building	\$ 7,470,160	\$ 7,598,396
Office Equipment	1,036,728	1,033,948
Leased Computers	274,870	243,502
Leasehold Improvements	178,240	178,240
Research Equipment	273,510	216,127
Accumulated Depreciation and Amortization	(1,223,911)	(1,000,080)
	\$ 8,009,597	\$ 8,270,133
Land	1,200,000	1,200,000
<b>Net Property and Equipment</b>	<b>\$ 9,209,597</b>	<b>\$ 9,470,133</b>
<b>Other Assets</b>		
Prepaid Memberships	\$ 55,186	\$ 56,178
Cash Surrender Value of Life Insurance	78,511	63,912
Principal Stock	3,891	-
<b>Total Other Assets</b>	<b>\$ 137,588</b>	<b>\$ 120,090</b>
<b>Total Assets</b>	<b>\$ 19,315,640</b>	<b>\$ 17,677,462</b>

*See Notes to Consolidated Financial Statements.*

## Liabilities and Net Assets

	2010	2009
<b>Current Liabilities</b>		
Accounts Payable	\$ 3,189,358	\$ 3,945,839
Notes Payable, Current Portion	22,140	-
Capital Lease Obligations, Current Portion	21,049	27,930
Accrued Payroll and Related Expenses	199,413	161,230
Income Taxes Payable	54,104	14,340
Property Tax Payable	3,395	-
Unearned Revenue:		
Deferred Marketing Revenue	-	25,000
Memberships	103,601	143,018
Sponsorships	495,944	511,873
<b>Total Current Liabilities</b>	\$ 4,089,004	\$ 4,829,230
<b>Long-Term Liabilities</b>		
Accrued Pension Liability	\$ 1,042,890	\$ 507,985
Capital Lease Obligations	17,305	12,080
Deferred Compensation Liability	73,382	65,812
Unearned Revenue - Memberships	65,962	81,542
<b>Total Long-Term Liabilities</b>	\$ 1,199,539	\$ 667,419
<b>Total Liabilities</b>	\$ 5,288,543	\$ 5,496,649
<b>Net Assets</b>		
Unrestricted:		
Operating	\$ 2,331,457	\$ 2,322,191
Checkoff	11,576,414	9,858,622
<b>Total Unrestricted Net Assets</b>	\$ 13,907,871	\$ 12,180,813
Temporarily Restricted	119,226	-
<b>Total Net Assets</b>	\$ 14,027,097	\$ 12,180,813
<b>Total Liabilities and Net Assets</b>	\$ 19,315,640	\$ 17,677,462

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended September 30, 2010 and 2009

Unrestricted Net Assets	2010			2009		
	Operating	Checkoff	Total	Operating	Checkoff	Total
<b>Revenue</b>						
Membership	\$ 67,495	\$ -	\$ 67,495	\$ 131,164	\$ -	\$ 131,164
Information and Education	816,222	66,253	882,475	906,091	68,283	974,374
Environmental Services and On Farm Research	2,224,313	-	2,224,313	1,780,967	-	1,780,967
Contract Revenue	618,595	-	618,595	511,386	-	511,386
Demand Committee	-	186,380	186,380	-	112,964	112,964
Supply Committee	-	164,250	164,250	-	156,375	156,375
Assessment - National Checkoff	-	26,010,628	26,010,628	-	26,244,515	26,244,515
Other States	326,757	-	326,757	319,669	-	319,669
Administrative						
Investment Income	4,201	37,786	41,987	5,530	74,269	79,799
Other	218,444	56,768	275,212	122,505	15,182	137,687
Jewelry Sales	697	-	697	-	-	-
<b>Total Unrestricted Revenue</b>	<b>\$ 4,276,724</b>	<b>\$ 26,522,065</b>	<b>\$ 30,798,789</b>	<b>\$ 3,777,312</b>	<b>\$ 26,671,588</b>	<b>\$ 30,448,900</b>
<b>Net Assets Released from Restrictions</b>						
Satisfaction of Purpose Restrictions	20,858	-	20,858	-	-	-
<b>Total Unrestricted Revenue and Assets Released from Restrictions</b>	<b>\$ 4,297,582</b>	<b>\$ 26,522,065</b>	<b>\$ 30,819,647</b>	<b>\$ 3,777,312</b>	<b>\$ 26,671,588</b>	<b>\$ 30,448,900</b>
<b>Expenses</b>						
Membership	\$ 34,303	\$ -	\$ 34,303	\$ 133,656	\$ -	\$ 133,656
Information and Education	756,347	2,132,170	2,888,517	806,762	1,847,770	2,654,532
Environmental Services and On Farm Research	2,235,825	-	2,235,825	1,780,900	-	1,780,900
Contract Expense	420,927	-	420,927	397,595	-	397,595
Checkoff Assessments Paid	-	13,969,379	13,969,379	-	14,094,433	14,094,433
Demand Committee	-	2,611,222	2,611,222	-	2,476,915	2,476,915
Supply Committee	-	4,959,720	4,959,720	-	4,766,301	4,766,301
Other States	326,757	-	326,757	319,669	-	319,669
Fundraising	1,915	-	1,915	-	-	-
Scholarships	12,500	-	12,500	-	-	-
Cost of Direct Benefit to Donors	5,295	-	5,295	-	-	-
Administrative	152,443	612,157	764,600	226,476	529,806	756,282
<b>Total Expenses</b>	<b>\$ 3,946,312</b>	<b>\$ 24,284,648</b>	<b>\$ 28,230,960</b>	<b>\$ 3,665,058</b>	<b>\$ 23,715,225</b>	<b>\$ 27,380,283</b>
<b>Change in Net Assets Before Income Taxes</b>	<b>\$ 351,270</b>	<b>\$ 2,237,417</b>	<b>\$ 2,588,687</b>	<b>\$ 112,254</b>	<b>\$ 2,956,363</b>	<b>\$ 3,068,617</b>
<b>Income Taxes</b>	<b>(106,613)</b>	<b>-</b>	<b>(106,613)</b>	<b>(47,682)</b>	<b>-</b>	<b>(47,682)</b>
<b>Change in Unrestricted Net Assets Before Pension Cost</b>	<b>\$ 244,657</b>	<b>\$ 2,237,417</b>	<b>\$ 2,482,074</b>	<b>\$ 64,572</b>	<b>\$ 2,956,363</b>	<b>\$ 3,020,935</b>
<b>Pension Adjustment</b>	<b>(235,391)</b>	<b>(519,625)</b>	<b>(755,016)</b>	<b>83,279</b>	<b>174,528</b>	<b>257,807</b>
<b>Change in Unrestricted Net Assets</b>	<b>\$ 9,266</b>	<b>\$ 1,717,792</b>	<b>\$ 1,727,058</b>	<b>\$ 147,851</b>	<b>\$ 3,130,891</b>	<b>\$ 3,278,742</b>
<b>Temporarily Restricted Net Assets</b>						
Contributions	\$ 83,818	\$ -	\$ 83,818	\$ -	\$ -	\$ -
Special Event Revenue	56,266	-	56,266	-	-	-
<b>Total Temporarily Restricted Revenue</b>	<b>\$ 140,084</b>	<b>\$ -</b>	<b>\$ 140,084</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Assets Released from Restrictions</b>						
Satisfaction of Purpose Restrictions	(20,858)	-	(20,858)	-	-	-
<b>Change in Temporarily Restricted Net Assets</b>	<b>\$ 119,226</b>	<b>\$ -</b>	<b>\$ 119,226</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Assets - Beginning of Year</b>	<b>\$ 2,322,191</b>	<b>\$ 9,858,622</b>	<b>\$ 12,180,813</b>	<b>\$ 2,174,340</b>	<b>\$ 6,727,731</b>	<b>\$ 8,902,071</b>
<b>Net Assets - End of Year</b>	<b>\$ 2,450,683</b>	<b>\$ 11,576,414</b>	<b>\$ 14,027,097</b>	<b>\$ 2,322,191</b>	<b>\$ 9,858,622</b>	<b>\$ 12,180,813</b>

See Notes to Consolidated Financial Statements.

**IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,846,284	\$ 3,278,742
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	448,912	145,795
Loss on Sale of Property and Equipment	13,256	-
Accretion of Discount	(749)	(3,061)
Stock Received in Demutualization	(3,891)	-
(Increase) Decrease in Cash Value of Life Insurance	(6,600)	12,652
Change in Assets and Liabilities:		
(Increase) Decrease in Receivables	(645,806)	272,814
Decrease in Prepaid Memberships	16,657	13,891
Decrease in Prepaid Expenses	119,312	5,983
(Increase) in Inventory	(1,452)	-
Increase (Decrease) in Accounts Payable and Accrued Expenses	(183,393)	350,477
Increase in Taxes Payable	43,159	28,578
Increase (Decrease) in Deferred Revenue	(88,356)	261,942
Net Cash Provided by Operating Activities	<u>\$ 1,557,334</u>	<u>\$ 4,367,813</u>
<b>Cash Flows from Investing Activities:</b>		
Purchases of Certificates of Deposit	\$ (4,500,028)	\$ (6,528,018)
Maturities of Certificates of Deposit	2,159,553	9,433,460
Purchases of Treasury Bills	(2,123,047)	(1,700,724)
Maturity of U.S. Treasury Bills	2,554,000	1,705,000
Purchase of Property and Equipment	(173,541)	(7,317,695)
Proceeds from Sale of Property and Equipment	3,276	-
Premiums Paid for Life Insurance	(8,000)	(8,000)
Net Cash (Used in) Investing Activities	<u>\$ (2,087,787)</u>	<u>\$ (4,415,977)</u>
<b>Cash Flows from Financing Activities:</b>		
Payments on Capital Lease Obligations	\$ (33,023)	\$ (46,179)
Proceeds from Issuance of Note Payable	24,861	-
Principal Payments on Note Payable	(2,721)	-
Net Cash (Used in) Financing Activities	<u>\$ (10,883)</u>	<u>\$ (46,179)</u>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	\$ (541,336)	\$ (94,343)
<b>Cash and Cash Equivalents</b>		
Beginning of Year	<u>4,763,655</u>	<u>4,857,998</u>
End of Year	<u>\$ 4,222,319</u>	<u>\$ 4,763,655</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Interest Paid	<u>\$ 7,545</u>	<u>\$ 8,441</u>
Income Taxes Paid	<u>\$ 66,849</u>	<u>\$ 19,104</u>
<b>Supplemental Schedule of Noncash Investing and Financing Activities</b>		
Equipment Acquired Under Capital Lease Obligations	<u>\$ 31,368</u>	<u>\$ 17,129</u>
Principal Financial Group Stock received from Demutualization	<u>\$ 3,891</u>	<u>\$ -</u>

*See Notes to Consolidated Financial Statements.*

**IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Note 1. Organization and Significant Accounting Policies**

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.

**A summary of the Association's significant account policies follows:**

**Principles of consolidation:**

The consolidated financial statements include the accounts of the Association, its wholly-owned for-profit affiliate, AgInsight, Inc. (AgInsight), and its' not-for-profit affiliates, Ag Technology and Environmental Stewardship Foundation, Inc. (AgTech), The Soyfoods Council (Soyfoods), and Soy for Life Foundation, Inc. (Soy for Life). AgTech is a private foundation incorporated in the State of Iowa and is engaged in the promotion and research in the use of technology in agriculture. Soyfoods is a not-for-profit entity incorporated in the State of Iowa and is engaged in the promotion and development of soybean foods and food ingredients. Soy for Life is a not-for-profit entity incorporated in the state of Iowa and is engaged in the promotion and development of soybean foods and food ingredients. The board of directors for AgTech, Soyfoods, and Soy for Life consists of the members of the Executive Committee of the board of directors for the Association. All material intercompany balances and transactions have been eliminated in the consolidation.

**Major programs:**

**Research** – Research projects are conducted through the state universities to stabilize and increase yield while improving production efficiency and the environment. Projects focus on increasing genetic yield potential of soybeans and reducing stress-related yield losses.

**Supply Committee** – Conduct on-farm research to stabilize and increase yield while improving production efficiency and the environment. The primary focus of this objective is to help growers become more profitable by collecting science-based information relating to crop production.

**Demand Committee** – Increase demand of Iowa soybeans by meeting the needs of our customers. This program's main goal is to increase and maintain exports of whole soybean, soybean meal, and pork and poultry products through market development and promotional efforts.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 1. Organization and Significant Accounting Policies *(Continued)*

A summary of the Association's significant account policies follows: *(Continued)*

#### **Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

We have identified one significant estimate related to the defined benefit pension plan as described in Note 10.

#### **Cash and cash equivalents:**

For purposes of reporting the statements of cash flows, the Association considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less at inception to be cash equivalents.

#### **Certificates of deposit and treasury bills:**

The Association considers all certificates of deposits and treasury bills with maturities greater than three months but less than twelve months to be short-term investments that are recorded at cost, which approximates market.

#### **Marketable securities:**

Marketable securities are carried at fair value using Level 2 inputs, determined by quoted market prices for similar assets in active markets as of the statement of financial position date, with the resulting unrealized gain or losses reported under unrestricted net assets.

#### **Accounts receivable:**

The Association accounts for its accounts receivable when services have been performed. Accounts are considered past due 30 days past invoice date. 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. Based on management's assessment of historical write-offs, the Association has determined that a provision for uncollectible receivables is not material at this time.

#### **Property and equipment:**

Property and equipment are capitalized at cost. Depreciation and amortization is provided over the estimated useful lives of the assets on a straight-line method. The organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$5,000. The useful lives of the assets are as follows:

	<u>Years</u>
Buildings and improvements	39
Leasehold improvements	3 - 5
Furniture and equipment	3 - 7

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 1. Organization and Significant Accounting Policies (*Continued*)

A summary of the Association's significant account policies follows: (*Continued*)

#### **Property and equipment:** (*Continued*)

The applicable accounts are relieved of costs and related accumulated depreciation when any items are sold or otherwise disposed.

#### **Deferred revenue:**

The Association contracts with businesses and organizations to provide services. Each contract is for a specific purpose provided over time, and monies received are recognized as revenue as services are rendered. Deferred services at September 30, 2010 and 2009 were \$453,219 and \$463,649, respectively. The Association also has deferred memberships and deferred compensation as of September 30, 2010 and 2009.

AgInsight contracts with business to provide accounting services. These services are provided over time, and monies received are recognized as revenue as services are rendered. Deferred services at September 30, 2010 and 2009 were \$42,725 and \$48,224, respectively.

#### **Classification of net assets:**

**Unrestricted** – assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations. The organization's governing board may earmark portions of its unrestricted net assets as board-designated for various purposes.

**Temporarily restricted** – assets resulting from contributions and other inflows of assets whose use by the organization is limited to donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the organization meeting the purpose of the restriction.

**Permanently restricted** – assets resulting from contributions which are permanently restricted by donors. Although such assets may not be expended, the investment income earned on them is generally to be expended for unrestricted operations. There were no permanently restricted net assets as of September 30, 2010 or 2009.

#### **Promises to give and contributions:**

The organization distinguishes between contributions received with permanent restrictions, temporary restrictions, and those without donor-imposed restrictions. Contributions with donor-imposed restrictions are reported as restricted support unless the organization meets the donor-imposed restriction on all or a portion of the amount contributed in the same reporting period in which the contribution was received. In those cases the contribution, to the extent the restrictions have been met, are reported as unrestricted support. Receipts of unconditional promises to give with payments due in future periods are reported as restricted support unless it is clear that the donor intended the gift to be used to support activities in the current period. Gifts of long-lived assets received without donor-imposed restrictions are considered unrestricted support.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### **Note 1. Organization and Significant Accounting Policies** *(Continued)*

**A summary of the Association's significant account policies follows:** *(Continued)*

#### **Promises to give and contributions:** *(Continued)*

Unconditional promises to give with payments due in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise was received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met. There were no unconditional promises to give at September 30, 2010.

#### **Expiration of donor-imposed restrictions:**

The organization recognizes the expiration of donor-imposed restrictions on contributions in the period in which the restriction expires. A restriction expires when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Expirations are recorded separately in the statement of activities as reclassifications.

#### **Revenue recognition:**

The Association recognizes checkoff revenue from the qualified state soybean boards based on the date provided in the documentation that comes with the checks. Interest income is recognized when earned. Contract and membership revenue are recognized when work has been properly established and the revenue is earned. Other sources of revenue are recognized as the services are performed.

#### **Special events:**

All revenue relating to special events is recorded as special event revenue. The portion of special event revenue that is a contribution is recognized in accordance with the FASB Codification. The costs of food and entertainment for donors are reported as costs of direct benefits to donors.

#### **Functional expense allocations:**

The expenditures for all payroll related expenses and administration were allocated based on the ratio of the hours spent per project to total number of hours spent on all projects within each pay period. Building expenses are allocated based on a square footage allocation. All other costs are charged directly as they were specifically identified to a project.

#### **Advertising expense:**

The Association and its subsidiaries expense advertising costs as incurred.

#### **Income taxes:**

The Association is exempt under section 501(c)(5) of the Internal Revenue Code of 1986. The Association has filed for and received income tax exemptions in the various jurisdictions where it is required to do so. The Association files Form 990 and Form 990-T tax returns in the U.S. federal jurisdiction and an 1120 in the state of Iowa.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### **Note 1. Organization and Significant Accounting Policies** *(Continued)*

**A summary of the Association's significant account policies follows:** *(Continued)*

#### **Income taxes:** *(Continued)*

In regard to the Association's subsidiaries:

AgInsight files a Form 1120 in the U.S federal jurisdiction and the state of Iowa. AgTech is exempt under section 501(c)(3) of the Internal Revenue Code of 1986. AgTech has filed for and received income tax exemptions in the various jurisdictions where it is required to do so. AgTech files Form 990 tax return in the U.S. federal jurisdiction.

Soyfoods is exempt under section 501(c)(6) of the Internal Revenue Code of 1986. Soyfoods has filed for and received income tax exemptions in the various jurisdictions where it is required to do so. Soyfoods files Form 990 tax return in the U.S. federal jurisdiction.

Soy For Life is exempt under section 501(c)(3) of the Internal Revenue Code of 1986. Soy For Life has filed for and received income tax exemptions in the various jurisdictions where it is required to do so. Soy For Life files Form 990 tax return in the U.S. federal jurisdiction.

With few exceptions, the organizations are no longer subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years before fiscal year 2007. The organizations adopted the provisions of the FASB Codification, *Accounting for Uncertainty in Income Taxes*, in the year ended September 30, 2010. Management of the organizations believes they have no material uncertain tax positions and, accordingly, they have not recognized any liability for unrecognized tax benefits. Any interest and penalty payments would be recorded in separate accounts within operating expenses.

### **Note 2. Concentration of Credit Risk**

Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of demand deposits located at a financial institution. These demand deposits exceeded the federally insured limit of \$250,000 at times throughout the year. All checkoff accounts are either under the \$250,000 limit or are further insured by the Association.

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.

### **Note 3. Promises to give**

The organization received a grant during the year for \$177,700, of which \$88,850 was conditional. Due to the nature of this gift, the conditional portion will not be recorded on the financial statements until the conditions have been met.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 4. Fair Value Measurement of Financial Instruments

The Association's assets that are measured at fair value consist of certificates of deposit, United States treasury bills, Principal stock, and pension plan assets. Assets are stated on the statement of financial position at fair value at September 30, 2010 and were composed of the following:

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b><u>September 30, 2010</u></b>				
Iowa Soybean Association:				
Certificates of deposit	\$2,758,741	\$ -	\$2,758,741	\$ -
U.S. Treasury bills	419,782	-	419,782	-
Principal stock	3,891	-	3,891	-
Pension plan assets	<u>1,398,115</u>	-	<u>1,357,213</u>	<u>40,902</u>
Total assets	<u>\$4,580,529</u>	<u>\$ -</u>	<u>\$4,539,627</u>	<u>\$ 40,902</u>

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b><u>September 30, 2009</u></b>				
Iowa Soybean Association:				
Certificates of deposit	\$ 418,328	\$ -	\$ 418,328	\$ -
U.S. Treasury bills	849,924	-	849,924	-
Pension plan assets	<u>850,817</u>	-	<u>812,054</u>	<u>38,763</u>
Total assets	<u>\$2,119,068</u>	<u>\$ -</u>	<u>\$2,080,305</u>	<u>\$ 38,763</u>

SFAS No. 157, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of quoted prices of similar assets or liabilities in active markets or quoted prices for identical or similar assets in inactive markets, and Level 3 inputs have the lowest priority. When available, the organization measures fair value using Level 1 inputs because they generally provide the more reliable evidence of fair value.

#### *Level 1 Fair Value Measurements*

The fair value is based on quoted market prices of shares held by the Association at year-end.

#### *Level 2 Fair Value Measurements*

The fair value is based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from observable market data.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 4. Fair Value Measurement of Financial Instruments *(Continued)*

#### *Level 3 Fair Value Measurements*

The U.S. Property Separate Account is not actively traded and significant other observable inputs are not available. Thus, the fair value of the U.S. Property Separate account is determined using various valuation approaches which consist of: 1) annual appraisals by certified appraisers and then updated daily based on changes in factors such as occupancy levels, lease rates, overall market conditions and capital improvements; 2) based on the basis of estimated market interest rates for loans of comparable quality and maturity and giving consideration to the value of the underlying collateral; 3) quoted market prices of the fund or its underlying assets; 4) discounting the future contracts cash flows to the present value using interest rates and anticipated returns a market participant would incur with similar risk and terms.

Fair value measurements using significant unobservable inputs (Level 3):

	<b>U.S. Property Separate Account</b>
<b><u>September 30, 2010</u></b>	
Beginning balance	\$ 38,763
Total gains (realized and unrealized) included in changes in net assets available for benefits	2,139
Ending balance	<b><u>\$ 40,902</u></b>

### Note 5. Long-Term Debt

The Association has a note payable of \$22,140 to Ford Motor Credit due in monthly installments of \$515, including interest at 8.79%. The note was secured by the vehicle with a carrying value of \$24,025. Subsequent to year end, the Association paid off the balance of this note. Due to this the balance of the note was classified as short term.

### Note 6. Capital Leases

The Association leases computer equipment under capital leases expiring at various times through June 2013. The assets and liabilities under capital leases are recorded at the present value of the minimum lease payments. The assets are depreciated over the lease terms of 36 months. Depreciation of assets under capital leases is included in depreciation expense.

Following is a summary of property held under capital leases at September 30:

	<b>2010</b>	<b>2009</b>
Computer equipment	\$ 85,255	\$136,196
Less accumulated depreciation	(49,022)	(99,664)
	<b><u>\$ 36,233</u></b>	<b><u>\$ 36,532</u></b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 6. Capital Leases (Continued)

Minimum future annual lease payments under capital leases as of September 30, 2010 are as follows:

<u>Years</u>	<u>Amounts</u>
2011	\$ 24,545
2012	14,234
2013	<u>4,612</u>
Total minimum lease payments	\$ 43,391
Less amount representing interest	<u>(5,037)</u>
	<u>\$ 38,354</u>

### Note 7. Operating Leases

The Association leased office space under an agreement through August 31, 2010, which required a base rent of \$10,642 and additional office rent ranging from \$7,261 to \$10,876 per month. The Association also leases equipment and vehicles with payments ranging from \$271 to \$1,141. The minimum future payments under the above agreements are as follows:

Minimum future rental payments under these leases as of September 30, 2010, are as follows:

<u>Years</u>	<u>Amounts</u>
2011	\$ 55,863
2012	26,403
2013	<u>6,227</u>
	<u>\$ 88,493</u>

Total rent expense for the years ended September 30, 2010 and 2009 was \$302,580 and \$271,560, respectively.

### Note 8. Income Taxes

Income tax expenses for unrelated business taxable income producing activities is \$24,530 and \$14,390 for the years ended September 30, 2010 and 2009, respectively.

Income tax expenses for AgInsight activities are \$82,083 and \$33,370 for the years ended September 30, 2010 and 2009, respectively.

### Note 9. Pension Plans

#### Defined Contribution Pension Plan:

The Association has a 401 (k) savings plan covering all employees who are 21 years of age and have complete 6 months of service. Retirement plan expense was \$208,908 and \$203,443 for the years ended September 30, 2010 and 2009, respectively.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 9. Pension Plans *(Continued)*

#### Defined Benefit Pension Plan:

The Association sponsors a defined benefit pension plan. The plan covers employees over 21 year of age who have completed 1 year of service in which 1,000 hours are worked. The amount of benefits is based upon length of service and compensation. The pension plan is considered an estimate that is particularly susceptible to significant changes as it relates to the determination of the discount rate, rate of return on assets, and the expected rate of compensation used in the actuarial calculation. Actuarial methods and assumptions are used to determine the past service liability for the period of time the pension retirement plan was a defined benefit plan. Actuarial assumptions adjust the past service liability for the time value of money, mortality rates, number of covered participants and beneficiaries, and a past service pension rate. Actuarial assumptions also include adjustments for differences between actual experience and past assumptions. Because of the uncertainties surrounding the above assumptions, it is reasonably possible that estimates of the past service liability may change in the near term.

The following table sets forth information related to the Association's plan as of and for the years ended September 30, 2010 and 2009.

	2010	2009
Change in benefit obligation:		
Benefit obligation at beginning of year	\$1,441,466	\$1,627,810
Service cost	134,638	179,692
Interest cost	100,448	105,221
Actuarial losses (gains)	782,651	(456,836)
Benefit payments	(18,198)	(14,421)
Projected benefit obligation at end of year	<u>\$2,441,005</u>	<u>\$1,441,446</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 933,481	\$1,005,155
Actual return on assets	82,832	(139,917)
Employer contributions	400,000	82,664
Benefit payments	(18,198)	(14,421)
Fair value of plan assets at end of year	<u>\$1,398,115</u>	<u>\$ 933,481</u>
Amounts recognized in the statement of financial position:		
Noncurrent liabilities	<u>\$1,042,890</u>	<u>\$ 507,985</u>
Weighted average assumptions used to determine benefit obligations		
Discount rate	5.25%	7.00%
Rate of compensation increase	4.65%	4.65%
Components of net periodic benefit cost:		
Service cost	\$ 134,638	\$ 179,692
Interest cost	100,448	105,221
Expected return on assets	(59,287)	(86,644)
Amortization of net (gain)/loss	3,623	27,028
Amortization of prior service (cost)/credit	467	504
Net periodic benefit cost	<u>\$ 179,889</u>	<u>\$ 225,801</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 9. Pension Plans *(Continued)*

#### Defined Benefit Pension Plan: *(Continued)*

	2010	2009
Other changes recognized in the statements of activities under the caption "Pension Adjustment":		
Net (gain) loss	\$ 759,106	\$ (230,275)
Amortization of net loss	(3,623)	(27,028)
Amortization of prior service loss	(467)	(504)
Total recognized	\$ 755,016	\$ (257,807)

Included in the net loss for the year ended September 30, 2010 was a \$734,122 liability loss due to a decrease in the discount rate to determine benefit obligations.

Cumulative amount of other changes recognized in net assets:		
Total net loss	\$ 940,646	\$ 185,163
Prior service cost	1,937	2,404
Total cumulative amount	\$ 942,583	\$ 187,567

Weighted average assumptions used to determine net periodic benefit cost:		
Discount rate	7.00%	6.00%
Expected return on assets	8.00%	8.00%
Rate of compensation increase	4.65%	6.53%

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 with the calculated risk-free real rate of return and the associated risk premium. A weighted average rate was then 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:

	2010	2009
Equity securities	60%	58%
Debt securities	35%	35%
Real estate	5%	7%
Total	100%	100%

The Association expects to contribute approximately \$142,532 to the plan during the year ended September 30, 2011. Benefits expected to be paid in each of the next five fiscal years and the aggregate for five fiscal years thereafter:

Years	Amounts
2011	\$ 13,000
2012	20,000
2013	23,000
2014	23,000
2015	23,000
2016-2020	380,000
	\$ 482,000

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 10. Net Assets

Temporarily restricted net assets as of September 30, 2010 and 2009 included the following:

	<u>2010</u>	<u>2009</u>
Restricted for purpose:		
Scholarships and Soy Golf Classic (Association)	\$ 38,471	\$ -
Upper Mississippi Farm Belt's Watershed Project (AgTech)	<u>80,755</u>	<u>-</u>
Total	<u>\$ 119,226</u>	<u>\$ -</u>

### Note 11. Special Event

The Association holds an annual golf tournament fundraising event. Following is summarized financial information relating to the event for the year ended September 30, 2010:

Special event revenue	\$ 56,266
Less: Costs of direct benefits to donors	(5,295)
Expenses related to promoting and conducting the Soy Golf Classic	<u>(1,915)</u>
Net revenue from the special events	<u>\$ 49,056</u>

### Note 12. Transactions with Industry-Related Organization

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.

The Association had payables of \$9,512 and \$11,467 and receivables of \$21,409 and \$14,382 with the American Soybean Association for the years ended September 30, 2010 and 2009, respectively.

### Note 13. Subsequent Events

Management has evaluated subsequent events through January 7, 2011, the date which the report was available to be issue.

**IOWA SOYBEAN ASSOCIATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended September 30, 2010

<u>Grant/Contract Title</u>	<u>CFDA Number</u>	<u>Grant/Contract Number</u>	<u>Expenditures</u>
Direct:			
United States Department of Agriculture:			
Soil and Water Conservation	10.902	68-6114-9-34	\$ 147,576
	10.902	68-6114-9-35	127,230
	10.902	68-6114-9-36	94,956
	10.902	68-6114-10-04	-
	10.902	68-6114-10-05	-
			<u>\$ 369,762</u>
Indirect:			
United States Department of Agriculture:			
National Fish and Wildlife Foundation			
Environmental Quality Incentives Program	10.912	2008-0116-015	<u>\$ 166,943</u>
Commodity Credit Corporation			
Emerging Markets Program	10.603	2010-31	<u>\$ 5,617</u>
			<u>\$ 172,560</u>
Environmental Protection Agency - Office of Water:			
National Fish and Wildlife Foundation:			
Chesapeake Bay Program	66.466	2009-0055-021	<u>\$ 231,841</u>
			<u>\$ 774,163</u>

**Note A--Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Iowa Soybean Association under programs of the federal government for the year ended September 30, 2010. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Iowa Soybean Association, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Iowa Soybean Association.

**Note B--Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Note C--Subrecipients**

On the federal expenditures presented in the Schedule, Iowa Soybean Association provided federal awards to subrecipients as follows:

<u>Program Name</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Chesapeake Bay Program	66.466	\$ 231,841

# Brooks Lodden P.C.

*certified public accountants*

Telford A. Lodden, CPA, CFP®, CVA, Shareholder

Bruce W. Hartley, CPA, Shareholder

John E. Lamale, CPA, Shareholder

Brent L. Alexander, CPA, Shareholder

**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  
Ankeny, Iowa

We have audited the financial statements of Iowa Soybean Association for the year ended September 30, 2010, and have issued our report thereon dated January 7, 2011. 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 the organization's 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 the organization's 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the organization's 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 *Governmental Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, 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.



West Des Moines, Iowa  
January 7, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT  
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors  
Iowa Soybean Association and Subsidiaries  
Ankeny, Iowa

Compliance

We have audited Iowa Soybean Association's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010. The organization's major federal programs are 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 each of its major federal programs is the responsibility of the organization's management. Our responsibility is to express an opinion on the organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States 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 Non-Profit 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 the organization's 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 of the organization's compliance with those requirements.

In our opinion, the Association complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

Internal Control Over Compliance

Management of the organization is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the organization's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 management, the Board of Directors, others within the organization, 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.

Handwritten signature of Brooks Jordan, P.C.

West Des Moines, Iowa  
January 7, 2011

**IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended September 30, 2010

**Part I. Summary of Independent Auditor's Results**

**Financial Statement Section:**

Type of auditor's report issued:	<u>Unqualified Opinion</u>
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes <u>  X  </u> No
Significant deficiency(s) identified not considered to be material weaknesses?	_____ Yes <u>  X  </u> None Reported
Noncompliance material to financial statements noted?	_____ Yes <u>  X  </u> No

**Federal Awards Section:**

Internal control over major programs:	
Material weakness(es) identified?	_____ Yes <u>  X  </u> No
Significant deficiency(s) identified not considered to be material weakness(es)?	_____ Yes <u>  X  </u> None Reported
Type of auditor's report on compliance for major programs:	<u>Unqualified Opinion</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133?	_____ Yes <u>  X  </u> No

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Identification of major program: 66.466	Chesapeake Bay Program
Dollar threshold used to determine Type A programs:	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	<u>  X  </u> Yes    _____ No

**IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended September 30, 2010

**Part II. Findings Related to the Financial Statements**

**Instances of non-compliance:**

No matters were reported.

**Significant deficiencies:**

No matters were reported.

**Part III: Findings and Questioned Costs for Federal Awards**

**Instances of non-compliance:**

No matters were reported.

**Significant deficiencies:**

No matters were reported.

**IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

September 30, 2010

**Assets**

<b>Current Assets</b>	<u>Iowa Soybean Association</u>		<u>AgInsight, Inc.</u>	<u>Ag Technology</u>	<u>Soyfoods</u>	<u>Soy for Life</u>	<u>Eliminations</u>	<u>Consolidated</u>
	<u>Operating</u>	<u>Checkoff</u>		<u>Foundation</u>	<u>Council</u>			
Cash and Cash Equivalents	\$ 1,299,705	\$ 2,434,070	\$ 387,299	\$ 81,481	\$ 10,352	\$ 9,412	\$ -	\$ 4,222,319
United States Treasury Bills	-	419,782	-	-	-	-	-	419,782
Certificates of Deposit	641,000	2,117,741	-	-	-	-	-	2,758,741
Accrued Interest Receivable	549	3,471	-	-	-	-	-	4,020
Accounts Receivable	564,034	1,781,298	145,759	92	-	50	(85,236)	2,405,997
Prepaid Memberships	78,616	-	-	-	-	-	-	78,616
Prepaid Expense	10,189	60,654	6,685	-	-	-	-	77,528
Inventory	-	-	1,452	-	-	-	-	1,452
<b>Total Current Assets</b>	<b>\$ 2,594,093</b>	<b>\$ 6,817,016</b>	<b>\$ 541,195</b>	<b>\$ 81,573</b>	<b>\$ 10,352</b>	<b>\$ 9,462</b>	<b>\$ (85,236)</b>	<b>\$ 9,968,455</b>
<b>Property and Equipment</b>								
Building	\$ -	\$ 7,470,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,470,160
Office Equipment	446,149	590,579	-	-	-	-	-	1,036,728
Leased Computers	-	274,870	-	-	-	-	-	274,870
Leasehold Improvements	178,240	-	-	-	-	-	-	178,240
Research Equipment	273,510	-	-	-	-	-	-	273,510
Accumulated Depreciation and Amortization	(657,880)	(566,031)	-	-	-	-	-	(1,223,911)
	\$ 240,019	\$ 7,769,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,009,597
Land	1,200,000	-	-	-	-	-	-	1,200,000
<b>Net Property and Equipment</b>	<b>\$ 1,440,019</b>	<b>\$ 7,769,578</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,209,597</b>
<b>Other Assets</b>								
Prepaid Memberships	\$ 55,186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,186
Cash Surrender Value of Life Insurance	36,263	42,248	-	-	-	-	-	78,511
Investment in AgInsight, Inc.	363,332	-	-	-	-	-	(363,332)	-
Principal Stock	3,891	-	-	-	-	-	-	3,891
<b>Total Other Assets</b>	<b>\$ 458,672</b>	<b>\$ 42,248</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (363,332)</b>	<b>\$ 137,588</b>
<b>Total Assets</b>	<b>\$ 4,492,784</b>	<b>\$ 14,628,842</b>	<b>\$ 541,195</b>	<b>\$ 81,573</b>	<b>\$ 10,352</b>	<b>\$ 9,462</b>	<b>\$ (448,568)</b>	<b>\$ 19,315,639</b>

**IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

September 30, 2010

**Liabilities and Net Assets/Equity**

<b>Current Liabilities</b>	<u>Iowa Soybean Association</u>		AgInsight, Inc.	Ag Technology	Soyfoods	Soy for Life	Eliminations	Consolidated
	Operating	Checkoff		Foundation	Council			
Accounts Payable	\$ 930,455	\$ 2,255,528	\$ 88,434	\$ -	\$ 177	\$ -	\$ (85,236)	\$ 3,189,358
Notes Payable, Current Portion	-	22,140	-	-	-	-	-	22,140
Capital Lease Obligation, Current Portion	-	21,049	-	-	-	-	-	21,049
Accrued Payroll and Related Expenses	64,416	134,997	-	-	-	-	-	199,413
Income Taxes Payable	10,795	-	43,309	-	-	-	-	54,104
Property Tax Payable	-	-	3,395	-	-	-	-	3,395
Unearned Revenue:								
Memberships	103,601	-	-	-	-	-	-	103,601
Sponsorships	453,219	-	42,725	-	-	-	-	495,944
<b>Total Current Liabilities</b>	<u>\$ 1,562,486</u>	<u>\$ 2,433,714</u>	<u>\$ 177,863</u>	<u>\$ -</u>	<u>\$ 177</u>	<u>\$ -</u>	<u>\$ (85,236)</u>	<u>\$ 4,089,004</u>
<b>Long-Term Liabilities</b>								
Accrued Pension Liability	\$ 486,634	\$ 556,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,042,890
Capital Lease Obligation	-	17,305	-	-	-	-	-	17,305
Deferred Comp Liability	28,229	45,153	-	-	-	-	-	73,382
Unearned Revenue - Memberships	65,962	-	-	-	-	-	-	65,962
<b>Total Long-Term Liabilities</b>	<u>\$ 580,825</u>	<u>\$ 618,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,199,539</u>
<b>Total Liabilities</b>	<u>\$ 2,143,311</u>	<u>\$ 3,052,428</u>	<u>\$ 177,863</u>	<u>\$ -</u>	<u>\$ 177</u>	<u>\$ -</u>	<u>\$ (85,236)</u>	<u>\$ 5,288,543</u>
<b>Net Assets/Equity</b>								
Unrestricted Net Assets	\$ 2,311,002	\$ 11,576,414	\$ -	\$ 818	\$ 10,175	\$ 9,462	\$ -	\$ 13,907,871
Temporarily Restricted Net Assets	38,471	-	-	80,755	-	-	-	119,226
Common Stock	-	-	200,000	-	-	-	(200,000)	-
Retained Earnings	-	-	163,332	-	-	-	(163,332)	-
<b>Total Net Assets/Equity</b>	<u>\$ 2,349,473</u>	<u>\$ 11,576,414</u>	<u>\$ 363,332</u>	<u>\$ 81,573</u>	<u>\$ 10,175</u>	<u>\$ 9,462</u>	<u>\$ (363,332)</u>	<u>\$ 14,027,097</u>
<b>Total Liabilities and Net Assets/Equity</b>	<u>\$ 4,492,784</u>	<u>\$ 14,628,842</u>	<u>\$ 541,195</u>	<u>\$ 81,573</u>	<u>\$ 10,352</u>	<u>\$ 9,462</u>	<u>\$ (448,568)</u>	<u>\$ 19,315,640</u>

**IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

As of September 30, 2009

**Assets**

	Iowa Soybean Association		AgInsight, Inc.	Ag Technology Foundation	Soyfoods Council	Soy for Life	Eliminations	Consolidated
	Operating	Checkoff						
<b>Current Assets</b>								
Cash and Cash Equivalents	\$ 1,724,239	\$ 2,755,365	\$ 262,688	\$ 6,127	\$ 9,654	\$ 5,582	\$ -	\$ 4,763,655
United States Treasury Bills	-	849,924	-	-	-	-	-	849,924
Certificates of Deposits	303,533	114,795	-	-	-	-	-	418,328
Accrued Interest Receivable	403	1,172	-	-	-	-	-	1,575
Accounts Receivable	316,575	1,321,296	151,213	5,032	2,206	-	(33,686)	1,762,636
Prepaid Memberships	94,281	-	-	-	-	-	-	94,281
Prepaid Expense and Other Assets	117,615	79,225	-	-	-	-	-	196,840
Total Current Assets	<u>\$ 2,556,646</u>	<u>\$ 5,121,777</u>	<u>\$ 413,901</u>	<u>\$ 11,159</u>	<u>\$ 11,860</u>	<u>\$ 5,582</u>	<u>\$ (33,686)</u>	<u>\$ 8,087,239</u>
<b>Property and Equipment</b>								
Buildings	\$ -	\$ 7,598,396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,598,396
Office Equipment	540,993	492,955	-	-	-	-	-	1,033,948
Leased Computers	-	243,502	-	-	-	-	-	243,502
Leasehold Improvements	178,240	-	-	-	-	-	-	178,240
Research Equipment	216,127	-	-	-	-	-	-	216,127
Accumulated Depreciation and Amortization	(788,925)	(211,155)	-	-	-	-	-	(1,000,080)
	\$ 146,435	\$ 8,123,698	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,270,133
Land	1,200,000	-	-	-	-	-	-	1,200,000
Net Property and Equipment	<u>\$ 1,346,435</u>	<u>\$ 8,123,698</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,470,133</u>
<b>Other Assets</b>								
Prepaid Memberships	\$ 56,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,178
Cash Surrender Value of Life Insurance	31,712	32,200	-	-	-	-	-	63,912
Investment in AgInsight, Inc.	268,150	-	-	-	-	-	(268,150)	-
Total Other Assets	<u>\$ 356,040</u>	<u>\$ 32,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (268,150)</u>	<u>\$ 120,090</u>
Total Assets	<u>\$ 4,259,121</u>	<u>\$ 13,277,675</u>	<u>\$ 413,901</u>	<u>\$ 11,159</u>	<u>\$ 11,860</u>	<u>\$ 5,582</u>	<u>\$ (301,836)</u>	<u>\$ 17,677,462</u>

**IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

As of September 30, 2009

**Liabilities and Net Assets**

	<u>Iowa Soybean Association</u>			<u>Ag Technology</u>	<u>Soyfoods</u>				
	<u>Operating</u>	<u>Checkoff</u>	<u>AgInsight, Inc.</u>	<u>Foundation</u>	<u>Council</u>	<u>Soy for Life</u>	<u>Eliminations</u>	<u>Consolidated</u>	
<b>Current Liabilities</b>									
Accounts Payable	\$ 797,864	\$ 3,094,339	\$ 81,916	\$ 5,078	\$ 328	\$ -	\$ (33,686)	\$ 3,945,839	
Capital Lease Obligation, Current Portion	-	27,930	-	-	-	-	-	27,930	
Accrued Payroll and Related Expenses	52,082	109,148	-	-	-	-	-	161,230	
Income Taxes Payable	(1,271)	-	15,611	-	-	-	-	14,340	
Unearned Revenue:									
Deferred Marketing Revenue	-	25,000	-	-	-	-	-	25,000	
Memberships	143,018	-	-	-	-	-	-	143,018	
Sponsorships	463,649	-	48,224	-	-	-	-	511,873	
Total Current Liabilities	<u>\$ 1,455,342</u>	<u>\$ 3,256,417</u>	<u>\$ 145,751</u>	<u>\$ 5,078</u>	<u>\$ 328</u>	<u>\$ -</u>	<u>\$ (33,686)</u>	<u>\$ 4,829,230</u>	
<b>Long-Term Liabilities</b>									
Accrued Pension Liability	\$ 397,372	\$ 110,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 507,985	
Capital Lease Obligation	-	12,080	-	-	-	-	-	12,080	
Deferred Comp Liability	25,869	39,943	-	-	-	-	-	65,812	
Unearned Revenue - Memberships:	81,542	-	-	-	-	-	-	81,542	
Total Long-Term Liabilities	<u>\$ 504,783</u>	<u>\$ 162,636</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 667,419</u>	
Total Liabilities	<u>\$ 1,960,125</u>	<u>\$ 3,419,053</u>	<u>\$ 145,751</u>	<u>\$ 5,078</u>	<u>\$ 328</u>	<u>\$ -</u>	<u>\$ (33,686)</u>	<u>\$ 5,496,649</u>	
<b>Unrestricted Net Assets</b>	<u>\$ 2,298,996</u>	<u>\$ 9,858,622</u>	<u>\$ -</u>	<u>\$ 6,081</u>	<u>\$ 11,532</u>	<u>\$ 5,582</u>	<u>\$ -</u>	<u>\$12,180,813</u>	
<b>Stockholder's Equity</b>									
Common Stock	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ (200,000)	\$ -	
Retained Earnings	-	-	68,150	-	-	-	(68,150)	-	
Total Stockholder's Equity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (268,150)</u>	<u>\$ -</u>	
Total Net Assets and Stockholder's Equity	<u>\$ 2,298,996</u>	<u>\$ 9,858,622</u>	<u>\$ 268,150</u>	<u>\$ 6,081</u>	<u>\$ 11,532</u>	<u>\$ 5,582</u>	<u>\$ (268,150)</u>	<u>\$12,180,813</u>	
Total Liabilities and Net Assets	<u>\$ 4,259,121</u>	<u>\$13,277,675</u>	<u>\$ 413,901</u>	<u>\$ 11,159</u>	<u>\$ 11,860</u>	<u>\$ 5,582</u>	<u>\$ (301,836)</u>	<u>\$17,677,462</u>	

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended September 30, 2010

	Iowa Soybean Association		AgInsight, Inc.	Ag Technology Foundation	Soyfoods Council	Soy for Life	Eliminations	Consolidated
	Operating	Checkoff						
<b>Unrestricted Net Assets</b>								
<b>Revenue</b>								
Membership	\$ 67,495	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,495
Information and Education	802,246	66,253	46,396	-	3,500	3,880	(39,800)	882,475
Environmental Services and On Farm Research	2,230,464	-	-	-	-	-	(6,151)	2,224,313
Contract Revenue	393,701	-	578,788	-	-	-	(353,894)	618,595
Demand Committee	-	186,380	-	-	-	-	-	186,380
Supply Committee	-	164,250	-	-	-	-	-	164,250
Assessment - National Checkoff	-	26,010,628	-	-	-	-	-	26,010,628
Other States	326,757	-	-	-	-	-	-	326,757
Administrative:								
Investment Income	3,894	37,786	307	-	-	-	-	41,987
Other	231,455	56,768	100	-	-	-	(13,111)	275,212
Jewelry Sales	-	-	697	-	-	-	-	697
<b>Total Unrestricted Revenue</b>	<b>\$ 4,056,012</b>	<b>\$ 26,522,065</b>	<b>\$ 626,288</b>	<b>\$ -</b>	<b>\$ 3,500</b>	<b>\$ 3,880</b>	<b>\$ (412,956)</b>	<b>\$ 30,798,789</b>
<b>Net Assets Released From Restrictions</b>								
Satisfaction of Purpose Restriction	17,795	-	-	3,063	-	-	-	20,858
<b>Total Unrestricted Revenue and Assets Released From Restrictions</b>	<b>\$ 4,073,807</b>	<b>\$ 26,522,065</b>	<b>\$ 626,288</b>	<b>\$ 3,063</b>	<b>\$ 3,500</b>	<b>\$ 3,880</b>	<b>\$ (412,956)</b>	<b>\$ 30,819,647</b>
<b>Expenses</b>								
Membership	\$ 34,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,303
Information and Education	742,219	2,132,170	50,020	-	3,908	-	(39,800)	2,888,517
Environmental Services and On Farm Research	2,233,650	-	-	8,326	-	-	(6,151)	2,235,825
Contract Expense	393,701	-	381,120	-	-	-	(353,894)	420,927
Checkoff Assessments Paid	-	13,969,379	-	-	-	-	-	13,969,379
Demand Committee	-	2,611,222	-	-	-	-	-	2,611,222
Supply Committee	-	4,959,720	-	-	-	-	-	4,959,720
Other States	326,757	-	-	-	-	-	-	326,757
Fundraising	1,915	-	-	-	-	-	-	1,915
Scholarships	12,500	-	-	-	-	-	-	12,500
Cost of Direct Benefit to Donors	5,295	-	-	-	-	-	-	5,295
Administration	146,722	612,157	17,883	-	949	-	(13,111)	764,600
<b>Total Expenses</b>	<b>\$ 3,897,062</b>	<b>\$ 24,284,648</b>	<b>\$ 449,023</b>	<b>\$ 8,326</b>	<b>\$ 4,857</b>	<b>\$ -</b>	<b>\$ (412,956)</b>	<b>\$ 28,230,960</b>
<b>Change in Unrestricted Net Assets/Equity before Income Taxes</b>	<b>\$ 176,745</b>	<b>\$ 2,237,417</b>	<b>\$ 177,265</b>	<b>\$ (5,263)</b>	<b>\$ (1,357)</b>	<b>\$ 3,880</b>	<b>\$ -</b>	<b>\$ 2,588,687</b>
<b>Income Taxes</b>	<b>(24,530)</b>	<b>-</b>	<b>(82,083)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(106,613)</b>
<b>Change in Unrestricted Net Assets Before Equity in Net Income of Subsidiary and Pension Cost</b>	<b>\$ 152,215</b>	<b>\$ 2,237,417</b>	<b>\$ 95,182</b>	<b>\$ (5,263)</b>	<b>\$ (1,357)</b>	<b>\$ 3,880</b>	<b>\$ -</b>	<b>\$ 2,482,074</b>
<b>Equity in Net Income of Subsidiary</b>	<b>95,182</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(95,182)</b>	<b>-</b>
	<b>\$ 247,397</b>	<b>\$ 2,237,417</b>	<b>\$ 95,182</b>	<b>\$ (5,263)</b>	<b>\$ (1,357)</b>	<b>\$ 3,880</b>	<b>\$ (95,182)</b>	<b>\$ 2,482,074</b>
<b>Pension Adjustment</b>	<b>(235,391)</b>	<b>(519,625)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(755,016)</b>
<b>Change in Unrestricted Net Assets</b>	<b>\$ 12,006</b>	<b>\$ 1,717,792</b>	<b>\$ 95,182</b>	<b>\$ (5,263)</b>	<b>\$ (1,357)</b>	<b>\$ 3,880</b>	<b>\$ (95,182)</b>	<b>\$ 1,727,058</b>
<b>Temporarily Restricted Net Assets</b>								
Contributions	\$ -	\$ -	\$ -	\$ 83,818	\$ -	\$ -	\$ -	\$ 83,818
Special Event Revenue	56,266	-	-	-	-	-	-	56,266
<b>Total Temporarily Restricted Revenue</b>	<b>\$ 56,266</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 83,818</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 140,084</b>
<b>Net Assets Released From Restrictions</b>								
Satisfaction of Purpose Restriction	(17,795)	-	-	(3,063)	-	-	-	(20,858)
<b>Change in Temporarily Restricted Net Assets</b>	<b>\$ 38,471</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 80,755</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 119,226</b>
<b>Change in Net Assets/Equity</b>	<b>\$ 50,477</b>	<b>\$ 1,717,792</b>	<b>\$ 95,182</b>	<b>\$ 75,492</b>	<b>\$ (1,357)</b>	<b>\$ 3,880</b>	<b>\$ (95,182)</b>	<b>\$ 1,846,284</b>
<b>Net Assets/Equity at Beginning of year</b>	<b>2,298,996</b>	<b>9,858,622</b>	<b>268,150</b>	<b>6,081</b>	<b>11,532</b>	<b>5,582</b>	<b>(268,150)</b>	<b>12,180,813</b>
<b>Net Assets/Equity at End of year</b>	<b>\$ 2,349,473</b>	<b>\$ 11,576,414</b>	<b>\$ 363,332</b>	<b>\$ 81,573</b>	<b>\$ 10,175</b>	<b>\$ 9,462</b>	<b>\$ (363,332)</b>	<b>\$ 14,027,097</b>

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended September 30, 2009

Unrestricted Net Assets	Iowa Soybean Association		AgInsight, Inc.	Ag Technology Foundation	Soyfoods Council	Soy for Life	Eliminations	Consolidated
	Operating	Checkoff						
<b>Revenue</b>								
Membership	\$ 131,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	131,164
Information and Education	849,780	68,283	61,596	-	81,690	4,432	(91,407)	974,374
Environmental Services and On Farm Research	1,776,440	-	-	5,032	-	-	(505)	1,780,967
Contract Revenue	335,053	-	491,428	-	-	-	(315,095)	511,386
Demand Committee	-	112,964	-	-	-	-	-	112,964
Supply Committee	-	156,375	-	-	-	-	-	156,375
Assessment - National Checkoff	-	26,244,515	-	-	-	-	-	26,244,515
Other States	319,669	-	-	-	-	-	-	319,669
Administrative								
Interest Income	5,530	74,269	-	-	-	-	-	79,799
Other	132,235	15,182	-	-	-	-	(9,730)	137,687
<b>Total Revenue</b>	<b>\$ 3,549,871</b>	<b>\$ 26,671,588</b>	<b>\$ 553,024</b>	<b>\$ 5,032</b>	<b>\$ 81,690</b>	<b>\$ 4,432</b>	<b>\$ (416,737)</b>	<b>\$ 30,448,900</b>
<b>Expenses</b>								
Membership	\$ 133,656	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	133,656
Information and Education	756,449	1,847,770	56,836	-	84,884	-	(91,407)	2,654,532
Environmental Services and On Farm Research	1,774,920	-	-	6,485	-	-	(505)	1,780,900
Contract Expense	335,053	-	377,637	-	-	-	(315,095)	397,595
Checkoff Assessments Paid	-	14,094,433	-	-	-	-	-	14,094,433
Demand Committee	-	2,476,915	-	-	-	-	-	2,476,915
Supply Committee	-	4,766,301	-	-	-	-	-	4,766,301
Other States	319,669	-	-	-	-	-	-	319,669
Administration	225,524	529,806	10,660	-	-	22	(9,730)	756,282
<b>Total Expenses</b>	<b>\$ 3,545,271</b>	<b>\$ 23,715,225</b>	<b>\$ 445,133</b>	<b>\$ 6,485</b>	<b>\$ 84,884</b>	<b>\$ 22</b>	<b>\$ (416,737)</b>	<b>\$ 27,380,283</b>
<b>Profit from Operations Before</b>	<b>\$ 4,600</b>	<b>\$ 2,956,363</b>	<b>\$ 107,891</b>	<b>\$ (1,453)</b>	<b>\$ (3,194)</b>	<b>\$ 4,410</b>	<b>\$ -</b>	<b>\$ 3,068,617</b>
<b>Income Taxes</b>	<b>14,312</b>	<b>-</b>	<b>33,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,682</b>
<b>Income Before Equity in Net Income of Subsidiary and Pension Cost</b>	<b>\$ (9,712)</b>	<b>\$ 2,956,363</b>	<b>\$ 74,521</b>	<b>\$ (1,453)</b>	<b>\$ (3,194)</b>	<b>\$ 4,410</b>	<b>\$ -</b>	<b>\$ 3,020,935</b>
<b>Equity in Net Income of Subsidiary and Pension Cost</b>	<b>74,521</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(74,521)</b>	<b>-</b>
	<b>\$ 64,809</b>	<b>\$ 2,956,363</b>	<b>\$ 74,521</b>	<b>\$ (1,453)</b>	<b>\$ (3,194)</b>	<b>\$ 4,410</b>	<b>\$ (74,521)</b>	<b>\$ 3,020,935</b>
<b>Other Comprehensive Income Pension Costs</b>	<b>83,279</b>	<b>174,528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>257,807</b>
<b>(Decrease) Increase in Unrestricted Net Assets</b>	<b>\$ 148,088</b>	<b>\$ 3,130,891</b>	<b>\$ 74,521</b>	<b>\$ (1,453)</b>	<b>\$ (3,194)</b>	<b>\$ 4,410</b>	<b>\$ (74,521)</b>	<b>\$ 3,278,742</b>
<b>Temporarily Restricted Net Assets</b>								
<b>Contribution</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase in Temporarily Restricted Net Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(Decrease) Increase in Net Assets</b>	<b>\$ 148,088</b>	<b>\$ 3,130,891</b>	<b>\$ 74,521</b>	<b>\$ (1,453)</b>	<b>\$ (3,194)</b>	<b>\$ 4,410</b>	<b>\$ (74,521)</b>	<b>\$ 3,278,742</b>

**IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES**

**IOWA SOYBEAN ASSOCIATION SCHEDULE OF REVENUES**

Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Expense Reimbursement	\$ 2,835,826	\$ 2,699,703
Assessments - National Checkoff	26,010,628	26,244,515
Membership Dues	65,745	127,064
Registration, Exhibit Fees, and Other	18,360	30,160
Sponsorships	1,373,233	785,071
Advertising Income	227,255	252,580
Investment Revenue	41,680	79,799
Other	5,350	2,567
Special Event Revenue	<u>56,266</u>	<u>-</u>
Total	<u>\$ 30,634,343</u>	<u>\$ 30,221,459</u>

**IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES**

**IOWA SOYBEAN ASSOCIATION SCHEDULE OF EXPENSES**

Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Checkoff Assessments Paid	\$ 13,969,379	\$ 14,094,360
Research	3,018,728	3,008,963
Per Diem	28,600	32,600
Direct Benefit to Donors (Soy Golf Classic)	5,295	-
Copier Supplies and Maintenance	20,305	15,498
Depreciation and Amortization	448,913	145,795
Disposal of assets	13,256	-
Insurance - Business	35,174	31,989
Insurance - Building	9,860	-
Building Utilities and Maintenance	78,449	-
Equipment Loan/Lease Interest	7,545	7,313
Rent	211,329	271,560
Equipment Expenses	117,737	57,046
Internet	23,755	90,636
Salaries and Benefits	4,791,876	4,657,220
Staff Development	40,412	14,111
Employee Recruitment	1,576	476
Temporary Employment Agency	13,984	856
Contracted Personnel	1,306,866	890,470
Postage	171,802	151,949
Printing	573,801	529,599
Professional Fees	382,542	484,291
Commission	54,896	57,919
Conference Fees	36,854	39,247
Software Maintenance	42,472	20,698
Supplies	58,009	73,247
Travel	140,660	112,439
Board Travel	249,749	207,058
Staff Travel	379,647	402,965
Recognition/Awards	3,591	10,183
Telephone	55,673	41,586
Dues and Subscriptions	73,178	82,741
Marketing Funds	758,195	914,340
General Sponsorship	237,929	(147,348)
Leadership Program	-	15,000
Scholarships	12,500	12,000
Publications	21,207	11,602
Newsletters	111,617	-
Photographer	2,407	2,612
Polling	26,690	18,360
Trade Shows/Displays	71,504	26,351
Advertising	332,498	575,060
Speaker Fees	19,200	38,011
Facilities/Food	199,619	208,530
Other	22,431	53,163
	<u>\$ 28,181,710</u>	<u>\$ 27,260,496</u>

**Total**

**IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES**

**AGINSIGHT, INC. SCHEDULE OF REVENUES**

Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Sponsorships	\$ 2,050	\$ 5,000
Expense Reimbursement	147,058	70,145
Investment Revenue	307	-
Jewelry Sales	697	-
Contract Revenue	475,024	477,879
Other Revenue	<u>1,152</u>	<u>-</u>
Total	<u>\$ 626,288</u>	<u>\$ 553,024</u>

IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES

AGINSIGHT, INC. SCHEDULE OF EXPENSES

Years Ended September 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Conference Fees	\$ 101	\$ 1,916
Copier and Supplies	992	1,029
Dues and Subscriptions	262	2,319
Internet	2,160	1,876
Telephone	2,366	2,889
Property Taxes	4,760	-
Equipment Expenses	4,168	8,263
Accounting Fees	5,632	930
Clipping Service	9,113	780
Professional Fees	24,862	3,185
Contracted Personnel	29,328	49,767
Facilities/Food	2,270	49
Salaries and Benefits	220,124	228,202
Postage	3,986	2,136
Printing	9,407	8,113
Marketing Funds	2,728	1,242
Publications	4,504	5,281
Photographer	2,290	1,250
Trade Shows/Displays	4,947	8,000
Advertising	-	180
Supplies	5,734	5,240
Travel	4,191	2,815
Staff Travel	20,116	29,985
Administrative Allocable	84,189	79,248
Miscellaneous	793	438
<b>Total</b>	<u>\$ 449,023</u>	<u>\$ 445,133</u>

**IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES**

**AGINSIGHT, INC. SCHEDULE OF REVENUES AND EXPENSES BY DIVISION**

Years Ended September 30, 2010 and 2009

<u>Division</u>	<u>2010</u>			<u>2009</u>		
	<u>Revenues</u>	<u>Expenses</u>	<u>Net Revenue (Expense)</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net Revenue (Expense)</u>
Association Insight	\$ 342,773	\$ 230,240	\$ 112,533	\$ 361,394	\$ 256,812	\$ 104,582
Business Opportunities	407	17,883	(17,476)	-	44,030	(44,030)
Communications Insight	31,037	14,102	16,935	44,840	36,959	7,881
Flavorful Insight	252,071	186,798	65,273	146,790	107,332	39,458
<b>Total</b>	<u>\$ 626,288</u>	<u>\$ 449,023</u>	<u>\$ 177,265</u>	<u>\$ 553,024</u>	<u>\$ 445,133</u>	<u>\$ 107,891</u>

**IOWA SOYBEAN ASSOCIATION AND SUBSIDIARIES**

**SOYBEAN CHECKOFF STATEMENT OF REVENUES AND EXPENSES BY ACTIVITY**

September 30, 2010

	<u>Administration</u>	<u>Demand Committee</u>	<u>Supply Committee</u>	<u>Information &amp; Education Committee</u>	<u>Total</u>
<b>Operating Revenues</b>					
Assessments-National Checkoff					\$ 25,216,049
Assessments Collected from Other QSSBs					<u>794,579</u>
<b>Total Checkoff Receipts</b>					\$ 26,010,628
Investment					37,786
USB Funding of Research Projects					-
Less:					
Assessment Revenue Remitted to USB					(12,037,622)
Assessment Revenue Remitted to Other QSSBs					<u>(1,931,757)</u>
<b>Net Operating Revenue</b>					<u>\$ 12,079,035</u>
<b>Operating Expenses</b>					
Checkoff Maintenance and Compliance	\$ 51,516	\$ -	\$ -	\$ -	\$ 51,516
Checkoff Strategic Planning and Evaluation	24,654	-	-	-	24,654
Leadership Development	110,304	-	-	-	110,304
Director Elections	38,622	-	-	-	38,622
Administrative	440,596	-	-	-	440,596
Biodiesel Products and Manufacturing	-	727,011	-	-	727,011
Edible Products	-	510,259	-	-	510,259
International Marketing	-	836,686	-	-	836,686
Soy InfoSource	-	15,650	-	-	15,650
Value Added	-	85,273	-	-	85,273
Coalition to Support Iowa's Farmers	-	199,964	-	-	199,964
Soybean Transportation Coalition	-	50,000	-	-	50,000
Environmental Services	-	-	571,371	-	571,371
On Farm Research	-	-	924,004	-	924,004
Research Coordination	-	-	398,124	-	398,124
Research Projects	-	-	2,901,971	-	2,901,971
Checkoff Communications	-	-	-	724,532	724,532
Producer Programs	-	-	-	540,690	540,690
Publications and Inserts	-	-	-	291,034	291,034
Marketing	-	-	-	357,611	357,611
Competitiveness Monitoring	-	-	-	41,746	41,746
<b>Total Operating Expenses</b>	<u>\$ 665,692</u>	<u>\$ 2,424,843</u>	<u>\$ 4,795,470</u>	<u>\$ 1,955,613</u>	<u>\$ 9,841,618</u>
<b>Operating Income Before Pension Adjustment</b>					\$ 2,237,417
<b>Pension Adjustment</b>					<u>(519,625)</u>
<b>Change in Net Assets</b>					<u>\$ 1,717,792</u>

**IOWA SOYBEAN ASSOCIATION AND SUBSIDIARY**

**SOYBEAN CHECKOFF STATEMENT OF REVENUES AND EXPENSES BY ACTIVITY**

September 30, 2009

	<u>Administration</u>	<u>Demand Committee</u>	<u>Supply Committee</u>	<u>Information &amp; Education Committee</u>	<u>Total</u>
<b>Operating Revenues</b>					
Assessments-National Checkoff					\$ 25,472,816
Assessments Collected from Other QSSBs					<u>771,699</u>
<b>Total Checkoff Receipts</b>					<u>\$ 26,244,515</u>
Interest					74,269
USB Funding of Research Projects					37,326
Less:					
Assessment Revenue Remitted to USB					(12,134,256)
Assessment Revenue Remitted to Other QSSBs					(1,960,104)
Organic Soybean checkoff Refunds					<u>(73)</u>
<b>Net Operating Revenue</b>					<u>\$ 12,261,677</u>
<b>Operating Expenses</b>					
Checkoff Maintenance and Compliance	\$ 65,132	\$ -	\$ -	\$ -	\$ 65,132
Checkoff Strategic Planning and Evaluation	45,547	-	-	-	45,547
Leadership Development	111,826	-	-	-	111,826
Director Elections	37,475	-	-	-	37,475
New Building	1,047	-	-	-	1,047
Administrative	365,421	-	-	-	365,421
Biodiesel Products & Manufacturing	-	782,728	-	-	782,728
Edible Products	-	518,882	-	-	518,882
International Marketing	-	616,492	-	-	616,492
Soy InfoSource	-	24,730	-	-	24,730
Value Added	-	152,322	-	-	152,322
Coalition to Support Iowa's Farmers	-	218,797	-	-	218,797
Soybean Transportation Coalition	-	50,000	-	-	50,000
Environmental Services	-	-	575,268	-	575,268
On Farm Research	-	-	809,881	-	809,881
Research Coordination	-	-	372,090	-	372,090
Research Projects	-	-	2,890,014	-	2,890,014
Checkoff Communications	-	-	-	670,574	670,574
Producer Programs	-	-	-	392,745	392,745
Publications and Inserts	-	-	-	295,551	295,551
Marketing	-	-	-	<u>308,792</u>	<u>308,792</u>
<b>Total Operating Expenses</b>	<u>\$ 626,448</u>	<u>\$ 2,363,951</u>	<u>\$ 4,647,253</u>	<u>\$ 1,667,662</u>	<u>\$ 9,305,314</u>
<b>Operating Income Before Pension Adjustment</b>					\$ 2,956,363
<b>Pension Adjustment</b>					<u>174,528</u>
<b>Change in Net Assets</b>					<u>\$ 3,130,891</u>