



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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NEWS RELEASE

FOR RELEASE

December 8, 2008

Contact: Andy Nielsen
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Auditor of State David A. Vaudt today released an audit report on the Iowa Corn Promotion Board for the years ended August 31, 2008 and 2007.

The purpose of the Board is to develop and carry out research, education and promotion programs to maintain present corn and corn products markets, to assist in developing new or larger domestic and foreign markets and to work for the prevention, modification or elimination of trade barriers which obstruct the free flow of corn and corn products to market.

Vaudt reported the Board's net operating revenues totaled \$10,375,264 for the year ended August 31, 2008, a 13% increase over 2007. Operating expenses for the year ended August 31, 2008 totaled \$11,151,236, an increase of 17% over the prior year. The increase in revenues was primarily due to the increase in the number of bushels of corn sold in the current year as compared to the prior year and revenue from a federal grant. The increase in expenditures was primarily due to the pass-through of federal grant revenue to the Iowa Corn Growers Association.

A copy of the audit report is available for review at the Iowa Corn Promotion Board, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/reports.htm>.

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IOWA CORN PROMOTION BOARD

INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

AUGUST 31, 2008 and 2007

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Iowa Corn Promotion Board

Officials

Name	Title	
State		
Honorable Chester J. Culver	Governor	
Charles J. Krogmeier	Director, Department of Management	
Board		
Julius Schaaf	Chairperson	District 7
Darrel McAlexander	Chairperson Elect	District 7
Richard Harves	Member	District 1
Larry Peelen	Member	District 1
Pam Johnson	Member	District 2
Deb Keller	Member	District 2
Nick Leibold	Member	District 3
Tim Burrack	Member	District 3
Cliff Smith	Member	District 4
Curt Schweers	Member	District 4
Gordon Wassenaar	Member	District 5
Kevin Rempp	Member	District 5
Mark Heckman	Member	District 6
Larry Jons	Member	District 6
Kyle Phillips	Member	District 8
Bert Vandenberg	Member	District 9
Dick Gallagher	Member	District 9

Ex-Officio Members

Honorable Bill Northey	Secretary of Agriculture
Wendy K. Wintersteen	Senior Associate Dean, College of Agriculture, Iowa State University
Mark Fischer	Marketing Manager, Meat, Livestock & Genetics, Iowa Department of Economic Development
Larry Sterk	General Manager, State Line Cooperative
Russ Leuck	General Manager, Pattison Brothers

Agency

Craig Floss	Chief Executive Officer
Julie Kirby	Director of Finance and Business Operations

Iowa Corn Promotion Board



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To the Members of the
Iowa Corn Promotion Board:

We have audited the accompanying financial statements of the Iowa Corn Promotion Board as of and for the years ended August 31, 2008, and 2007. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards 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 our audit and the reports of the other auditors 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 the Iowa Corn Promotion Board at August 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated November 24, 2008 on our consideration of the Iowa Corn Promotion Board's internal control over financial reporting and 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 audit.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. Other supplementary information included in Schedules 1 through 3, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.


DAVID A. VAUDT, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

November 24, 2008

Iowa Corn Promotion Board

Financial Statements

Exhibit A

Iowa Corn Promotion Board

Statements of Net Assets

August 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,671,739	7,993,166
Assessments receivable	580,534	638,987
Notes receivable	-	16,667
Grant receivable	522,656	188,602
Loan receivable	-	65,000
Prepaid expenses	4,193	4,193
Total current assets	<u>8,779,122</u>	<u>8,906,615</u>
Property and equipment, net	243,778	265,666
Total assets	<u><u>\$ 9,022,900</u></u>	<u><u>9,172,281</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 62,397	60,114
Due to Iowa Corn Growers Association	574,821	247,926
Capital leases	20,685	13,041
Total current liabilities	<u>657,903</u>	<u>321,081</u>
Long-term liabilities:		
Capital leases	10,500	7,387
Total liabilities	<u>668,403</u>	<u>328,468</u>
Net assets - unrestricted	<u>8,354,497</u>	<u>8,843,813</u>
Total liabilities and net assets	<u><u>\$ 9,022,900</u></u>	<u><u>9,172,281</u></u>

See notes to financial statements.

Iowa Corn Promotion Board

Statements of Revenues, Expenses and Changes in Net Assets

Years ended August 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating revenues:		
Assessments	\$ 10,194,173	9,398,279
Less refunds	(775,553)	(746,744)
Grants	956,644	525,351
Net operating revenues	<u>10,375,264</u>	<u>9,176,886</u>
Operating expenses:		
Administration	1,805,845	1,663,185
Market development	4,075,593	2,802,610
Research	3,233,474	3,009,141
Education	2,036,324	2,078,549
Total operating expenses	<u>11,151,236</u>	<u>9,553,485</u>
Operating loss	(775,972)	(376,599)
Non-operating revenue:		
Interest income	<u>286,656</u>	<u>456,245</u>
Changes in net assets	(489,316)	79,646
Net assets beginning of year	<u>8,843,813</u>	<u>8,764,167</u>
Net assets end of year	<u>\$ 8,354,497</u>	<u>8,843,813</u>

See notes to financial statements.

Exhibit C

Iowa Corn Promotion Board

Statements of Cash Flows

Years ended August 31, 2008 and 2007

	2008	2007
Cash flows from operating activities:		
Cash received from assessments	\$ 9,477,072	9,000,407
Cash received from grants	622,590	366,588
Cash paid to suppliers	(1,385,216)	(1,569,114)
Cash paid for operating grants and contracts	(9,280,391)	(7,890,300)
Net cash used for operating activities	(565,945)	(92,419)
Cash flows from capital and related financing activities:		
Acquisition of property and equipment	(21,809)	(20,221)
Principal paid on capital lease	(20,329)	(22,291)
Net cash used for capital and related financing activities	(42,138)	(42,512)
Cash flows from investing activities:		
Interest received	286,656	456,245
Net increase (decrease) in cash and cash equivalents	(321,427)	321,314
Cash and cash equivalents beginning of year	7,993,166	7,671,852
Cash and cash equivalents end of year	\$ 7,671,739	7,993,166
Reconciliation of operating loss to net cash used for operating activities:		
Operating loss	\$ (775,972)	(376,599)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	74,783	85,288
Changes in assets and liabilities:		
(Increase) in grants receivable	(334,054)	(158,763)
Decrease in assessments receivable	58,453	348,872
Decrease in notes receivable	16,667	-
Decrease in loan receivable	65,000	-
Decrease in prepaid expenses	-	1,271
Increase in accounts payable	2,283	4,793
Increase in due to Iowa Corn Growers Association	326,895	2,719
Total adjustments	210,027	284,180
Net cash used for operating activities	\$ (565,945)	(92,419)

During the year ended August 31, 2008, computer equipment with a cost of \$31,086 was acquired through lease purchase agreements.

See notes to financial statements.

Iowa Corn Promotion Board
Notes to Financial Statements
August 31, 2008 and 2007

(1) Summary of Significant Accounting Policies

The purpose of the Iowa Corn Promotion Board is to develop and carry out research and education programs directed toward better and more efficient production, marketing and utilization of corn and corn products; to provide public relations and other promotion techniques for the maintenance of present markets; to assist in the development of new or larger domestic and foreign markets; and to work for prevention, modification or elimination of trade barriers which obstruct the free flow of corn and corn products to market. The Board collects assessments based on the number of bushels of corn marketed in the state to a first purchaser. (Through August 31, 2008, the assessment rate was one half of one cent per bushel. Effective September 1, 2008, the assessment rate was raised by referendum to three fourths of one cent per bushel.) Statutory authority for the Iowa Corn Promotion Board is established under Chapter 185C of the Code of Iowa.

- A. Reporting Entity – For financial reporting purposes, the Iowa Corn Promotion Board has included all funds, organizations, agencies, boards, commissions and authorities. The Board has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Board are such that exclusion would cause the Board's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Board to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Board. The Iowa Corn Promotion Board has no component units which meet the Governmental Accounting Standards Board criteria.
- B. Basis of Accounting – The financial statements of the Board are prepared on the accrual basis.
- C. Cash and Cash Equivalents – For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than six months.
- D. Budgetary Control – Budgetary control is exercised over the Iowa Corn Promotion Board by the Board of Directors, which approves, reviews and revises the budget. Formal budgetary control is based on total operating expenses.
- E. Property and Equipment – Property and equipment is capitalized at cost. Expenses for repair and maintenance are charged against operations. The estimated lives for office and computer equipment ranges from two to twelve years, is five years for vehicles and is ten years for leasehold improvements.

- F. Depreciation – Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets.
- G. Income Taxes – The Board is exempt from taxation under Section 501(c) of the Internal Revenue Code.

(2) Deposits

The Board's deposits throughout the period and at August 31 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Board's deposits at August 31, 2008 and 2007 consist of cash in bank of \$7,671,739 and \$7,933,166, respectively.

(3) Promotional Development

Section 185C.29 of the Code of Iowa states, in part:

“After the costs of elections, referendum, necessary board expenses, and administrative costs have been paid, at least seventy-five percent of the remaining moneys from a state assessment deposited in the corn promotion fund shall be used to carry out the purposes of this chapter as provided in section 185C.11.”

The purposes specified in section 185C.11 include market development, research and education and development of new or larger markets, all of which the Board may carry out directly or through contract with other recognized and qualified organizations. For the years ended August 31, 2008 and 2007, the Board expended 84% and 83%, respectively, for market development, education, research and grants and contracts with other organizations to carry out the purposes of Chapter 185C.

(4) Related Party Transactions

The Board has contracted with the Iowa Corn Growers Association to develop, maintain and expand markets for U.S. corn and to work toward a better public understanding of corn and agriculture in order to achieve increased profitability for corn growers. Expenses under these contracts totaled \$9,686,581 and \$8,392,224 for the years ended August 31, 2008 and 2007, respectively.

In addition, certain administrative expenses are paid by the Iowa Corn Growers Association for the Board under a contractual agreement. The contract provides for the Board to make two equal payments to the Association totaling \$1,241,403 for the year ended August 31, 2008 and \$960,600 for the year ended August 31, 2007 to cover the estimated cost of Association administrative expenses incurred for the Board. Actual administrative expenses incurred by the Association on behalf of the Board totaled \$1,230,431 and \$986,804 for the years ended August 31, 2008 and 2007, respectively. Administrative expenses included \$52,895 and \$20,221 of capitalized equipment purchases for the years ended August 31, 2008 and 2007, respectively.

(5) Property and Equipment

Property and equipment activity for the year ended August 31, 2008 was as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets being depreciated:				
Office equipment	\$ 417,038	6,687	-	423,725
Computer equipment	87,978	31,086	45,874	73,190
Vehicles	70,253	15,122	-	85,375
Leasehold improvements	15,053	-	-	15,053
Total capital assets being depreciated	590,322	52,895	45,874	597,343
Less accumulated depreciation for:				
Office equipment	218,072	47,767	-	265,839
Computer equipment	72,938	11,403	45,874	38,467
Vehicles	23,418	14,365	-	37,783
Leasehold improvements	10,228	1,248	-	11,476
Total accumulated depreciation	324,656	74,783	45,874	353,565
Capital assets, net	\$ 265,666	(21,888)	-	243,778

Property and equipment includes \$63,103 of office and computer equipment acquired under capital leases.

(6) Capital Leases

The Iowa Corn Promotion Board has entered into six agreements to lease computer equipment for periods ranging from two years to three years at interest rates ranging from 16.107% to 20.421% and an agreement to lease a copy machine for a period of four years at an interest rate of 12.235%. Three leases expire in fiscal year 2009, two leases expire in fiscal year 2010, and two leases expire in fiscal year 2011. Total future minimum lease payments are as follows:

Year Ending August 31,	Principal	Interest	Total
2009	\$ 20,685	3,498	24,183
2010	7,488	1,077	8,565
2011	3,012	162	3,174
Total	\$ 31,185	4,737	35,922

Payments under these agreements for the year ended August 31, 2008 totaled \$25,392, including interest of \$5,063.

(7) Operating Leases

The Iowa Corn Promotion Board has leased an automobile. This lease has been classified as an operating lease and, accordingly, all rents are expensed as incurred. The lease expires in 2010 and requires minimum annual rentals in addition to payment of excess mileage over contractually allowable mileage. The following is a schedule by year of future minimum rental payments required under the operating lease which has a remaining non-cancelable lease term in excess of one year as of August 31, 2008:

Year Ending August 31,	Amount
2009	\$ 9,062
2010	<u>5,286</u>
Total	<u>\$ 14,348</u>

Rents for the year ended August 31, 2008 for all operating leases, except those with terms of a month or less that were not renewed, totaled \$13,997

(8) Notes Receivable

During fiscal year 1998, the Iowa Corn Promotion Board loaned \$50,000 to PGT Investors, LLC (PGT). The terms of the agreement are as follows: No interest will accrue on the loan until the end of the "Evaluation Period" (which ended May 30, 1998) and simple interest will then accrue on the loan at an interest rate equal to the prime rate plus 3% per annum. The "prime rate" will be the base rate on corporate loans posted by at least 75% of the nation's largest banks as published in the Wall Street Journal on the first publication date after the end of the evaluation period. The borrower shall repay the loan in three equal payments within 18 months after the end of the evaluation period. Payments totaling \$33,333 have been received, leaving a balance of \$16,667 outstanding at August 31, 2007. In January 2000, MBA Poultry, LLC, a Nebraska company in which PGT has invested, filed for protection under Federal Chapter 11 bankruptcy. Due to its loss, PGT has been unable to repay the balance of the loan. During the year ended August 31, 2008, the Board approved the write off of the remaining note receivable balance of \$16,667 due to the bankruptcy.

(9) Loan Receivable

On August 23, 2005, the Iowa Corn Promotion Board approved a loan to the Iowa Renewable Fuels Association to provide the Association the collateral needed to pay Values Fund recipients for expenses until the Association receives payment from the Iowa Department of Economic Development. The Iowa Corn Promotion Board would be reimbursed for all monies provided as collateral. This arrangement would be in place for the length of the Values Fund implementation program, or a maximum of three years. During fiscal year 2008, the Iowa Renewable Fuels Association repaid the remaining loan balance of \$65,000.

(10) Risk Management

The Iowa Corn Promotion Board is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Board assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Iowa Corn Promotion Board

Supplementary Information

Iowa Corn Promotion Board

Iowa Corn Promotion Board

Statement of Revenues, Expenses and Changes in Net Assets -
Actual and Budget

Year ended August 31, 2008

	Actual	Budget	Favorable (Unfavorable) Variance
Operating revenues:			
Assessments	\$ 10,194,173	8,910,288	1,283,885
Less refunds	(775,553)	(801,926)	26,373
Grants	956,644	-	956,644
Net operating revenues	10,375,264	8,108,362	2,266,902
Operating expenses:			
Administration	1,805,845	1,749,932	(55,913)
Market development	4,075,593	3,467,742	(607,851)
Research	3,233,474	3,619,669	386,195
Education	2,036,324	2,079,907	43,583
Total operating expenses	11,151,236	10,917,250	(233,986)
Operating loss	(775,972)	(2,808,888)	2,032,916
Non-operating revenue:			
Interest income	286,656	300,000	(13,344)
Changes in net assets	(489,316)	(2,508,888)	2,019,572
Net assets beginning of year	8,843,813		
Net assets end of year	\$ 8,354,497		

See accompanying independent auditor's report.

Iowa Corn Promotion Board
Statement of Expenses by Activity
Year ended August 31, 2008

	Administration	Market Development
Board Members' per diem	\$ 30,525	-
Administrative:		
Administrative contract expense	1,230,431	-
Executive committee	-	8,333
Communications administrative program	34,887	-
Administrative programs	-	309,583
Operating contract expense	325,000	-
Depreciation	74,783	-
Referendum expense	4,036	-
Department of Agriculture audits	22,925	-
Committee Program Activities:		
Animal Agriculture & Environment	12,688	458,719
Usage & Production	12,688	792,751
Exports & Grain Trade	12,688	1,189,846
Research & Business Development	28,096	196,675
Grassroots	17,098	119,686
Board Action:		
Grant contract expense - Iowa Corn Growers Association	-	1,000,000
 Total	 \$ 1,805,845	 4,075,593

See accompanying independent auditor's report.

Research	Education	Total
-	-	30,525
-	-	1,230,431
-	8,333	16,666
-	268,353	303,240
298,980	392,588	1,001,151
-	-	325,000
-	-	74,783
-	-	4,036
-	-	22,925
88,815	222,528	782,750
88,815	388,740	1,282,994
104,694	178,745	1,485,973
2,532,484	140,482	2,897,737
119,686	436,555	693,025
-	-	1,000,000
3,233,474	2,036,324	11,151,236

Schedule 3

Iowa Corn Promotion Board
Schedule of Expenditures of Federal Awards
Year ended August 31, 2008

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Direct:			
U.S. Department of Energy:			
Renewable Energy Research and Development			
(\$956,644 provided to subrecipients)	81.087	68-3A75-6-507	\$ <u>956,644</u>

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Iowa Corn Promotion Board and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.



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Independent Auditor's 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

To the Members of the
Iowa Corn Promotion Board:

We have audited the accompanying financial statements of the Iowa Corn Promotion Board as of and for the year ended August 31, 2008, which collectively comprise the Board's basic financial statements listed in the table of contents, and have issued our report thereon dated November 24, 2008. We conducted our audit in accordance with U.S. generally accepted auditing standards 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 Iowa Corn Promotion Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Iowa Corn Promotion Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Iowa Corn Promotion Board's internal control over financial reporting.

A control deficiency exists when the design or operation of the 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 Iowa Corn Promotion Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of the Iowa Corn Promotion Board's financial statements that is more than inconsequential will not be prevented or detected by the Iowa Corn Promotion Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by the Iowa Corn Promotion Board'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 over financial reporting 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 a material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Iowa Corn Promotion Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under Government Auditing Standards.

This report, a public record by law, is intended solely for the information and use of the officials, employees and constituents of the Iowa Corn Promotion Board and other parties to whom the Iowa Corn Promotion Board may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Iowa Corn Promotion Board during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.


DAVID A. VAUDT, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

November 24, 2008



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

David A. Vaudt, CPA
Auditor of State

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Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

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

To the Members of the
Iowa Corn Promotion Board:

Compliance

We have audited the compliance of the Iowa Corn Promotion Board with the types of compliance requirements described in 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 August 31, 2008. The Iowa Corn Promotion Board's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its major federal program is the responsibility of the Iowa Corn Promotion Board's management. Our responsibility is to express an opinion on the Iowa Corn Promotion Board's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, 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 non-compliance 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 Iowa Corn Promotion Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Iowa Corn Promotion Board's compliance with those requirements.

In our opinion, the Iowa Corn Promotion Board complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended August 31, 2008.

Internal Control Over Compliance

The management of the Iowa Corn Promotion Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered the Iowa Corn Promotion Board's 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 the Iowa Corn Promotion Board's internal control over compliance.

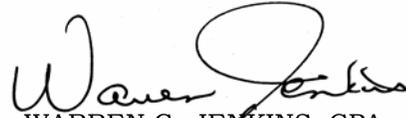
A control deficiency in the Board's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Board's ability to administer a federal program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Board's internal control.

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

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

This report, a public record by law, is intended solely for the information and use of the officials, employees and constituents of the Iowa Corn Promotion Board and other parties to whom the Iowa Corn Promotion Board may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.


DAVID A. VAUDT, CPA
Auditor of State


WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

November 24, 2008

Iowa Corn Promotion Board
Schedule of Findings and Questioned Costs
Year ended August 31, 2008

Part I: Summary of the Independent Auditor's Results:

- (a) An unqualified opinion was issued on the financial statements.
- (b) No material weaknesses in internal control over financial reporting were noted.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major program were noted.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit did not disclose any audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major program was CFDA Number 81.087 – Renewable Energy Research and Development
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) The Iowa Corn Promotion Board did not qualify as a low-risk auditee.

Iowa Corn Promotion Board
Schedule of Findings and Questioned Costs
Year ended August 31, 2008

Part II: Findings Related to the Financial Statements:

SIGNIFICANT DEFICIENCIES:

No matters were reported.

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

Iowa Corn Promotion Board
Schedule of Findings and Questioned Costs
Year ended August 31, 2008

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCIES:

No matters were reported.

Iowa Corn Promotion Board
Schedule of Findings and Questioned Costs
Year ended August 31, 2008

Part IV: Other Findings Related to Required Statutory Reporting:

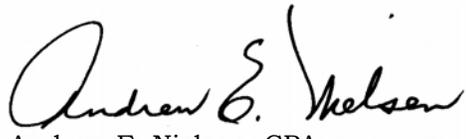
No matters were reported.

Iowa Corn Promotion Board

Staff

This audit was performed by:

Suzanne R. Dahlstrom, CPA, Manager
Dorothy O. Stover, Staff Auditor
Tracey L. Gerrish, Staff Auditor

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large initial "A" and "N".

Andrew E. Nielsen, CPA
Deputy Auditor of State



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B O A R D

Iowa Corn Promotion Board

Summary Schedule of Prior Federal Audit Findings

Year Ended August 31, 2008

Comment Reference	Comment Title	Status	If not corrected, provide planned corrective action or other explanation
There were no prior year federal findings or questioned cost			



Iowa Corn Promotion Board
Corrective Action Plan for Federal Audit Findings
Year Ended August 31, 2008

Comment Reference	Comment Title	Corrective Action Plan	Contact Person Title Phone Number	Anticipated Date of Completion
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There were no findings or questioned costs which require a corrective action plan.