



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

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Auditor of State

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**NEWS RELEASE**

FOR RELEASE

December 11, 2013

Contact: Andy Nielsen  
515/281-5834

Auditor of State Mary Mosiman today released an audit report on the Iowa Corn Promotion Board for the years ended August 31, 2013 and 2012.

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.

Mosiman reported the Board's net operating revenues totaled \$15,937,197 for the year ended August 31, 2013, a 7.5% increase over the prior year. Operating expenses for the year ended August 31, 2013 totaled \$18,159,531, a 31.1% increase over the prior year. The increase in revenues was primarily due to an increase in assessments. The increase in expenses was primarily due to an increase in payments made 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/1460-0160-B000.pdf>.

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**IOWA CORN PROMOTION BOARD**

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

**AUGUST 31, 2013 and 2012**

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## Iowa Corn Promotion Board

### Officials

Name

Title

#### State

Honorable Terry E. Branstad  
David Roederer  
Glen P. Dickinson

Governor  
Director, Department of Management  
Director, Legislative Services Agency

#### Board

Kevin Rempp	Chairperson	District 5
Bob Bowman	Vice Chair	District 6
Gary Small	Member	District 1
Lowell Appleton	Member	District 1
Chris Edgington	Member	District 2
Deb Keller	Member	District 2
Don Elsbernd	Member	District 3
Nick Leibold	Member	District 3
Larry Klever	Member	District 4
Curt Schweers	Member	District 4
Roscoe Eggers	Member	District 5
Mark Heckman	Member	District 6
Duane Aistrop	Member	District 7
Trevor Whipple	Member	District 7
Don Hunerdosse	Member	District 8
Wayne Humphreys	Member	District 9
Dick Gallagher	Member	District 9

#### Ex-Officio Members

Honorable Bill Northey  
Wendy K. Wintersteen

Secretary of Agriculture  
Endowed Dean, College of Agriculture,  
Iowa State University

Mark Fischer

International Marketing Manager, Agriculture,  
Iowa Economic Development Authority

Larry Sterk  
Russ Leuck

General Manager, State Line Cooperative  
General Manager, Consolidated Grain & Barge

#### Agency

Craig Floss  
Julie Kirby

Chief Executive Officer  
Director of Finance and Business Operations

**Iowa Corn Promotion Board**



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Independent Auditor's Report

To the Members of the  
Iowa Corn Promotion Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the Iowa Corn Promotion Board, as of and for the years ended August 31, 2013 and 2012, and the related Notes to Financial Statements, which collectively comprise the Iowa Corn Promotion Board's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Iowa Corn Promotion Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Iowa Corn Promotion Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Iowa Corn Promotion Board at August 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Iowa Corn Promotion Board's basic financial statements. The supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 2013 on our consideration of the Iowa Corn Promotion Board'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 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 in considering the Iowa Corn Promotion Board's internal control over financial reporting and compliance.

  
MARY MOSIMAN, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

December 3, 2013

## **Basic Financial Statements**

**Exhibit A**

## Iowa Corn Promotion Board

## Statements of Net Assets

August 31, 2013 and 2012

	2013	2012
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 10,434,894	\$10,303,391
Assessments receivable	1,205,894	1,225,131
Prepaid expenses	4,193	4,193
Total current assets	<u>11,644,981</u>	<u>11,532,715</u>
Property and equipment, net	243,941	135,738
<b>Total assets</b>	<u><u>\$ 11,888,922</u></u>	<u><u>\$11,668,453</u></u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 94,453	\$ 78,909
Due to Iowa Corn Growers Association	2,429,009	-
Capital leases	15,336	23,489
Total current liabilities	<u>2,538,798</u>	<u>102,398</u>
Long-term liabilities:		
Capital leases	1,175	12,225
Total liabilities	<u>2,539,973</u>	<u>114,623</u>
Net assets - unrestricted	9,348,949	11,553,830
<b>Total liabilities and net assets</b>	<u><u>\$ 11,888,922</u></u>	<u><u>\$11,668,453</u></u>

See notes to financial statements.

Iowa Corn Promotion Board

Statements of Revenues, Expenses and Changes in Net Assets

Years ended August 31, 2013 and 2012

	2013	2012
Operating revenues:		
Assessments	\$ 17,077,239	\$ 15,898,845
Less refunds	(1,222,422)	(1,182,106)
Other income	82,380	102,281
Net operating revenues	<u>15,937,197</u>	<u>14,819,020</u>
Operating expenses:		
Administration	2,358,706	2,212,409
Market development	7,012,419	5,546,269
Research	4,494,171	2,538,208
Education	4,294,235	3,554,637
Total operating expenses	<u>18,159,531</u>	<u>13,851,523</u>
Operating gain (loss)	<u>(2,222,334)</u>	<u>967,497</u>
Non-operating revenues (expenses):		
Interest income	24,220	37,749
Interest expense	(3,607)	(4,582)
Loss on sale of equipment	(3,160)	-
Net non-operating revenues	<u>17,453</u>	<u>33,167</u>
Changes in net assets	(2,204,881)	1,000,664
Net assets beginning of year	<u>11,553,830</u>	<u>10,553,166</u>
Net assets end of year	<u>\$ 9,348,949</u>	<u>\$ 11,553,830</u>

See notes to financial statements.

**Exhibit C**

## Iowa Corn Promotion Board

## Statements of Cash Flows

Years ended August 31, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Cash received from assessments	\$ 15,956,434	\$ 15,475,289
Cash paid to suppliers	(2,228,119)	(2,093,999)
Cash paid for operating grants and contracts	(13,356,272)	(11,634,534)
Net cash provided by operating activities	<u>372,043</u>	<u>1,746,756</u>
Cash flows from capital and related financing activities:		
Acquisition of property and equipment	(237,630)	(1,255)
Principal paid on capital leases	(27,423)	(24,794)
Interest paid on capital leases	(3,607)	(4,582)
Proceeds from sale of equipment	3,900	-
Net cash used by capital and related financing activities	<u>(264,760)</u>	<u>(30,631)</u>
Cash flows from investing activities:		
Interest received	24,220	37,749
Net increase in cash and cash equivalents	131,503	1,753,874
Cash and cash equivalents beginning of year	10,303,391	8,549,517
Cash and cash equivalents end of year	<u>\$ 10,434,894</u>	<u>\$ 10,303,391</u>
<b>Reconciliation of operating gain to net cash provided by operating activities:</b>		
Operating gain (loss)	\$ (2,222,334)	\$ 967,497
Adjustments to reconcile operating gain (loss) to net cash provided by operating activities:		
Depreciation	130,587	82,566
Changes in assets and liabilities:		
Decrease in assessments receivable	19,237	656,269
Increase in Due to Iowa Corn Growers Association	2,429,009	-
Increase in accounts payable	15,544	40,424
Total adjustments	<u>2,594,377</u>	<u>779,259</u>
Net cash provided by operating activities	<u>\$ 372,043</u>	<u>\$ 1,746,756</u>

During the years ended August 31, 2013 and 2012, computer equipment with a cost of \$8,220 and \$23,393, respectively, was acquired through lease purchase agreements.

See notes to financial statements.

Iowa Corn Promotion Board  
Notes to Financial Statements  
August 31, 2013 and 2012

**(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. Effective September 1, 2012, the assessment rate was 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's financial statements are prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Financial Accounting Standards Board for non-profit corporations.

- B. Basis of Accounting – The financial statements of the Board are prepared on the accrual basis.
- C. 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.
- D. 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.
- 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 three to 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, 2013 and 2012 consist of cash in bank of \$10,434,894 and \$10,303,391, 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 of the Code of Iowa 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, 2013 and 2012, the Board expended 87% and 84%, respectively, for market development, education, research and grants and contracts with other organizations to carry out the purposes of Chapter 185C of the Code of Iowa.

**(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 contracts with the Iowa Corn Growers Association totaled \$17,170,825 and \$12,885,006 for the years ended August 31, 2013 and 2012, respectively. Included in these amounts are \$523,586 and \$552,338 the Board paid the Association for administrative expenses incurred for the years ended August 31, 2013 and 2012, 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 \$1,007,200 for the year ended August 31, 2013 and \$815,000 for the year ended August 31, 2012 to cover the estimated cost of Association administrative expenses incurred for the Board. Actual administrative and other expenses incurred by the Association on behalf of the Board totaled \$744,667 and \$761,577 for the years ended August 31, 2013 and 2012, respectively.

**(5) Property and Equipment**

Property and equipment activity for the years ended August 31, 2013 and 2012 were as follows:

	Year ended August 31, 2013			
	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets being depreciated:				
Office equipment	\$ 436,067	13,168	-	449,235
Computer equipment	62,074	21,373	8,316	75,131
Vehicles	119,882	227,309	69,381	277,810
Leasehold improvements	15,053	-	-	15,053
Total capital assets being depreciated	633,076	261,850	77,697	817,229
Less accumulated depreciation for:				
Office equipment	375,155	33,148	-	408,303
Computer equipment	23,961	19,574	8,316	35,219
Vehicles	83,279	77,755	46,321	114,713
Leasehold improvements	14,943	110	-	15,053
Total accumulated depreciation	497,338	130,587	54,637	573,288
Capital assets, net	\$ 135,738	131,263	23,060	243,941

  

	Year ended August 31, 2012			
	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital assets being depreciated:				
Office equipment	\$ 436,067	-	-	436,067
Computer equipment	77,477	24,648	40,051	62,074
Vehicles	119,882	-	-	119,882
Leasehold improvements	15,053	-	-	15,053
Total capital assets being depreciated	648,479	24,648	40,051	633,076
Less accumulated depreciation for:				
Office equipment	339,122	36,033	-	375,155
Computer equipment	38,661	25,351	40,051	23,961
Vehicles	62,327	20,952	-	83,279
Leasehold improvements	14,713	230	-	14,943
Total accumulated depreciation	454,823	82,566	40,051	497,338
Capital assets, net	\$ 193,656	(57,918)	-	135,738

Property and equipment includes \$8,220 and \$23,508 of office and computer equipment acquired under capital leases at August 31, 2013 and 2012, respectively.

**(6) Capital Leases**

The Board has entered into twelve agreements to lease computer equipment for periods ranging from two years to three years at interest rates ranging from 6.92% to 22.88% per annum and an agreement to lease a copy machine for a period of five years at an interest rate of 12.70% per annum. Two leases expired in fiscal year 2013, seven leases expire in fiscal year 2014 and three leases expire in fiscal year 2015. Total future lease payments are as follows:

Year Ending August 31,	Principal	Interest	Total
2014	\$ 15,336	931	16,267
2015	1,175	51	1,226
Total	\$ 16,511	982	17,493

Payments under these agreements for the years ended August 31, 2013 and 2012 totaled \$31,030 and \$29,376, respectively, including interest of \$3,607 and \$4,582, respectively.

**(7) Operating Leases**

The 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 2016 and requires minimum annual rentals in addition to payment of excess mileage over contractually allowable mileage. Future lease payments required under the operating lease, which has a remaining non-cancelable lease term of less than three years as of August 31, 2013, total \$20,226.

The operating lease payments for the years ended August 31, 2013 and 2012 were \$9,335 and \$9,804, respectively.

**(8) Risk Management**

The 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.

**Supplementary Information**

**Schedule 1**

## Iowa Corn Promotion Board

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

Year ended August 31, 2013

	Actual	Budget	Favorable (Unfavorable) Variance
Operating revenues:			
Assessments	\$ 17,077,239	15,028,000	2,049,239
Less refunds	(1,222,422)	(1,352,520)	130,098
Other income	82,380	-	82,380
Net operating revenues	<u>15,937,197</u>	<u>13,675,480</u>	<u>2,261,717</u>
Operating expenses:			
Administration	2,358,706	1,982,900	(375,806)
Market development	7,012,419	4,473,397	(2,539,022)
Research	4,494,171	7,247,831	2,753,660
Education	4,294,235	4,603,897	309,662
Total operating expenses	<u>18,159,531</u>	<u>18,308,025</u>	<u>148,494</u>
Operating loss	<u>(2,222,334)</u>	<u>(4,632,545)</u>	<u>2,410,211</u>
Non-operating revenues (expenses):			
Interest income	24,220	20,000	4,220
Interest expense	(3,607)	-	(3,607)
Loss on sale of assets	(3,160)	-	(3,160)
Net non-operating revenues	<u>17,453</u>	<u>20,000</u>	<u>(2,547)</u>
Changes in net assets	<u>(2,204,881)</u>	<u>(4,612,545)</u>	<u>2,407,664</u>
Net assets beginning of year	<u>11,553,830</u>		
Net assets end of year	<u>\$ 9,348,949</u>		

See accompanying independent auditor's report.

Iowa Corn Promotion Board  
Statement of Expenses by Activity  
Year ended August 31, 2013

	Admin- istration	Market Development	Research	Education	Total
Board Members' per diem	\$ 74,000	-	-	-	74,000
Administrative:					
Administrative contract	744,667	-	-	-	744,667
Executive Committee	-	8,672	-	8,672	17,344
Communications administrative program	-	-	-	357,567	357,567
Administrative programs	233,309	2,404,102	442,967	442,967	3,523,345
Operating contract	500,000	-	-	-	500,000
Depreciation	130,587	-	-	-	130,587
Department of Agriculture audits	38,437	-	-	-	38,437
Committee Program Activities:					
Animal agriculture and environment Usage and production	19,400	517,123	154,135	143,040	833,698
Exports and grain trade	19,400	439,933	244,902	180,165	884,400
Research and business development	19,400	208,445	135,803	198,362	562,010
Grassroots	30,813	215,686	2,452,614	154,062	2,853,175
Board Action:	25,107	175,744	175,744	626,235	1,002,830
Joint Executive Growers Association	523,586	3,021,379	866,671	1,003,717	5,415,353
Contingency Fund	-	21,335	21,335	21,335	64,005
Image and branding programs	-	-	-	1,158,113	1,158,113
Total	<u>\$ 2,358,706</u>	<u>7,012,419</u>	<u>4,494,171</u>	<u>4,294,235</u>	<u>18,159,531</u>

See accompanying independent auditor's report.

**Iowa Corn Promotion Board**



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STATE OF IOWA

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Auditor of State

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

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 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, the financial statements of the Iowa Corn Promotion Board, as of and for the year ended August 31, 2013, and the related Notes to Financial Statements, and have issued our report thereon dated December 3, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Iowa Corn Promotion Board's internal control over financial reporting to determine the audit procedures appropriate in the circumstances 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 Iowa Corn Promotion Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Iowa Corn Promotion Board's internal control.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the Iowa Corn Promotion Board'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 that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over financial reporting we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting described in the accompanying Schedule of Findings as item (A) we consider to be a significant deficiency. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 required to be reported under Government Auditing Standards.

Iowa Corn Promotion Board's Response to the Finding

The Iowa Corn Promotion Board's response to the finding identified in our audit is described in the accompanying Schedule of Findings. The Iowa Corn Promotion Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Iowa Corn Promotion Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Iowa Corn Promotion Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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.

  
MARY MOSIMAN, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

December 3, 2013

Iowa Corn Promotion Board

Schedule of Findings

Year ended August 31, 2013

**Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCY:**

- (A) Contracts – The Board entered into a contract with the Iowa Corn Growers Association totaling \$13,889,525 during the year to pay program costs. The Board paid the Iowa Corn Growers Association a total of \$16,670,825. While the additional costs were approved, the written contract was not amended as required.

Recommendation – The Board should ensure contracts are amended as required.

Response – The contract of \$13,889,525 was based on the original budget established by the Board for fiscal year 2012/13. The budget was modified by action in December 2012 and August 2013. There was for the first time this year an expansion of the budget which resulted in payments to the ICGA exceeding the original written contract amount. The contract will be modified to include language regarding increasing the contract amount.

Conclusion – Response accepted.

**INSTANCES OF NON-COMPLIANCE:**

No matters were reported.

**Other Findings Related to Required Statutory Reporting:**

No matters were reported.

Iowa Corn Promotion Board

Staff

This audit was performed by:

Ernest H. Ruben, Jr., CPA, Manager  
Jamie T. Reuter, Staff Auditor  
Luke D. Bernhard, Assistant 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