



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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June 16, 2010

Mr. Mark Henderson, Executive Director
Indiana Corn Marketing Council
5730 W. 74th Street
Indianapolis, IN 46278-1754

Dear Mr. Henderson:

We have received the audit report prepared by Blue & Co., LLC, Independent Public Accountants, for the periods October 1, 2007 to September 30, 2008 and October 1, 2008 to September 30, 2009. Per the auditors' opinion, the audit was conducted in accordance with auditing standards generally accepted in the United States of America and the financial statements included in the reports present fairly the financial condition of the Indiana Corn Marketing Council as of September 30, 2008 and September 30, 2009, respectively, and the results of its operations for the periods then ended, on the basis of accounting described in the reports.

The Independent Public Accountants' reports are filed with this letter in our office as a public record.

STATE BOARD OF ACCOUNTS



FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2009 AND 2008

CPAs / ADVISORS



INDIANA CORN MARKETING COUNCIL

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors
Indiana Corn Marketing Council
Indianapolis, Indiana

We have audited the accompanying statements of assets, liabilities, and net assets - modified cash basis of Indiana Corn Marketing Council as of September 30, 2009 and 2008, and the related statements of support, revenues and expenses - modified cash basis, functional expenses - modified cash basis, and cash flows - modified cash basis for the years then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, these financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Indiana Corn Marketing Council at September 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, on the basis of accounting described in Note 2.

The budget amounts shown on the statements of support, revenues and expenses and functional expenses – modified cash basis for the years ended September 30, 2009 and 2008 are presented for purposes of additional analysis and are not a required part of the basic statements of support, revenues and expenses and functional expenses. The budget amounts have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we express no opinion on this information.

Blue & Co., LLC

March 30, 2010

INDIANA CORN MARKETING COUNCIL

STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS (Modified Cash Basis) SEPTEMBER 30, 2009 AND 2008

	ASSETS	
	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$ 1,809,422	\$ 1,539,530
Contribution receivable	2,500	-0-
Prepaid expenses	<u>29,167</u>	<u>-0-</u>
	<u>\$ 1,841,089</u>	<u>\$ 1,539,530</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 94,345	\$ 89,476
Payable to Indiana Soybean Alliance, Inc.	160,915	98,773
State of Indiana's share of net corn checkoff assessments	125,000	125,786
Research grants payable	<u>172,564</u>	<u>162,000</u>
Total liabilities	552,824	476,035
Unrestricted net assets	<u>1,288,265</u>	<u>1,063,495</u>
	<u>\$ 1,841,089</u>	<u>\$ 1,539,530</u>

See accompanying notes to financial statements.

INDIANA CORN MARKETING COUNCIL

STATEMENTS OF SUPPORT, REVENUES, AND EXPENSES (Modified Cash Basis) YEARS ENDED SEPTEMBER 30, 2009 AND 2008

	<u>2009 Actual</u>	<u>2009 Budget (Unaudited)</u>	<u>2008 Actual</u>
Support and revenues			
Checkoff assessments	\$ 3,903,430	\$ 3,637,118	\$ 4,330,165
Less: First purchaser handling fee	(87,286)	(109,114)	(105,938)
Less: Refunds	(518,520)	(529,201)	(686,953)
Less: State of Indiana's share of collections	(771,212)	(749,701)	(876,129)
Net checkoff assessments	2,526,412	2,249,102	2,661,145
Contributions	2,500	-0-	33,500
Interest income	11,639	-0-	26,952
Other	19,964	-0-	2,908
Total support and revenues	<u>2,560,515</u>	<u>2,249,102</u>	<u>2,724,505</u>
Expenses			
Initiatives			
Livestock	257,261	272,211	130,792
Production and environmental stewardship	178,889	180,000	133,021
Value added and exports	196,070	306,000	62,595
New uses	139,716	140,500	35,895
Ethanol	503,183	755,666	433,338
Public communications	614,555	875,000	531,072
Total initiatives	<u>1,889,674</u>	<u>2,529,377</u>	<u>1,326,713</u>
ICMC Administration	446,071	415,000	259,399
Total expenses	<u>2,335,745</u>	<u>2,944,377</u>	<u>1,586,112</u>
Change in net assets	224,770	<u>\$ (695,275)</u>	1,138,393
Net assets, beginning of year	<u>1,063,495</u>		<u>(74,898)</u>
Net assets, end of year	<u>\$ 1,288,265</u>		<u>\$ 1,063,495</u>

See accompanying notes to financial statements.

INDIANA CORN MARKETING COUNCIL

STATEMENT OF FUNCTIONAL EXPENSES (Modified Cash Basis)

YEAR ENDED SEPTEMBER 30, 2009

(With Comparative Total for the Year Ended September 30, 2008)

	Livestock Initiative	Production and Environmental Stewardship Initiative	Value Added and Exports Initiative	New Uses Initiative	Ethanol Initiative	Public Communications Initiative	ICMC Administration	2009 Total	2008 Total
Equipment maintenance	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,819	\$ -0-	\$ 2,500	\$ 5,319	\$ 226
Telephone/fax	36	12	-0-	24	239	12	339	662	814
Postage/shipping	618	437	1,605	580	17,466	679	5,241	26,626	12,022
Printing/copying	5,174	-0-	4,737	1,978	24,981	31,760	9,092	77,722	38,082
Office supplies	-0-	110	81	35	60	-0-	3,347	3,633	3,561
Staff travel	6,886	384	13,726	2,289	1,781	6,803	12,653	44,522	20,732
Director travel	3,576	545	4,114	29	194	1,250	25,928	35,636	17,119
Other travel	-0-	-0-	627	-0-	10,919	-0-	8,893	20,439	9,549
Meetings	23,917	794	8,247	6,790	304	-0-	12,888	52,940	57,957
Accounting & compliance	-0-	-0-	-0-	-0-	-0-	26	11,838	11,864	-0-
Legal fees	-0-	-0-	-0-	-0-	1,992	4,951	37,404	44,347	8,633
Consulting fees	-0-	-0-	5,770	1,613	84,592	26,656	48,106	166,737	170,428
ISA contracted services	76,578	21,205	72,478	33,379	31,605	95,697	248,266	579,208	300,458
Data processing fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants	75,000	152,802	-0-	90,409	30,000	-0-	-0-	348,211	210,000
Depreciation	-0-	-0-	-0-	-0-	23,995	-0-	-0-	23,995	12,920
Donations	-0-	-0-	-0-	-0-	250	-0-	5,550	5,800	877
Dues & memberships	7,250	500	-0-	-0-	3,550	-0-	1,075	12,375	250
Subscriptions	-0-	-0-	-0-	-0-	-0-	913	1,355	2,268	1,319
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	1,456	1,456	3,361
Temporary help	-0-	-0-	-0-	-0-	-0-	-0-	3,876	4,026	20,639
Advertising	-0-	-0-	-0-	-0-	150	-0-	906	4,026	20,639
Agency services	5,420	-0-	7,061	2,404	55,118	16,658	4,230	72,682	28,584
Project supplies	6,762	-0-	14,810	21	119,366	50,107	-0-	188,588	274,727
Project merchandise	-0-	-0-	-0-	-0-	1,378	9,958	-0-	32,929	5,256
Signs/displays	4,630	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,352
Warehouse/fulfillment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,630	375
Booth rental	385	-0-	417	-0-	360	-0-	-0-	360	-0-
Registration fees	398	-0-	1,370	165	3,161	681	-0-	4,644	4,730
Audio/Videos	10,625	-0-	-0-	-0-	1,820	83	1,128	4,964	850
Sponsorship/award	30,006	2,100	61,027	-0-	87,083	1,900	-0-	12,525	-0-
Total expense	257,261	178,889	196,070	139,716	503,183	614,555	446,071	2,335,745	1,586,112
Budgeted expense (unaudited)	272,211	180,000	306,000	140,500	755,666	875,000	415,000	2,944,377	1,794,263
Variance	\$ 14,950	\$ 1,111	\$ 109,930	\$ 784	\$ 252,483	\$ 260,445	\$ (31,071)	\$ 608,632	\$ 208,151

See accompanying notes to financial statements.

INDIANA CORN MARKETING COUNCIL

STATEMENT OF FUNCTIONAL EXPENSES (Modified Cash Basis)

YEAR ENDED SEPTEMBER 30, 2008

	Livestock Initiative	Production and Environmental Stewardship Initiative	Value Added and Exports Initiative	New Uses Initiative	Ethanol Initiative	Public Communications Initiative	ICMC Administration	Total
Equipment maintenance	\$ -	\$ -	\$ -	\$ -	\$ 226	\$ -	\$ -	\$ 226
Telephone/fax	192	57	115	-	80	116	254	814
Postage/shipping	19	7	1,512	3	3,087	3,825	3,569	12,022
Printing/copying	415	-	1,688	-	23,311	11,760	908	38,082
Office supplies	-	-	19	-	35	-	3,507	3,561
Staff travel	451	1,326	3,017	1,569	1,706	4,510	8,153	20,732
Director travel	-	841	2,083	-	1,506	915	11,774	17,119
Other travel	-	-	-	-	5,650	1,976	1,923	9,549
Meetings	5,705	17	4,587	58	1,421	30,829	15,340	57,957
Accounting & compliance	-	-	-	-	-	-	-	-
Legal fees	-	2,795	-	-	1,995	-	3,843	8,633
Consulting fees	-	-	-	19,000	67,412	63,956	20,060	170,428
ISA contracted services	12,259	6,473	32,322	11,104	18,159	58,261	161,880	300,458
Data processing fees	-	-	-	-	-	-	-	-
Grants	68,000	112,000	-	-	30,000	-	-	210,000
Depreciation	-	-	-	-	12,920	-	-	12,920
Donations	-	-	229	-	-	-	648	877
Dues & memberships	-	250	-	-	-	-	-	250
Subscriptions	-	-	-	-	131	1,188	-	1,319
Interest expense	-	-	-	-	-	-	3,361	3,361
Temporary help	-	-	-	-	-	-	19,731	20,639
Advertising	19,438	-	-	-	3,713	4,638	795	28,584
Agency services	5,815	1,455	1,023	1,113	239,479	22,189	3,653	274,727
Project supplies	-	-	-	173	668	4,415	-	5,256
Project merchandise	-	-	-	-	-	2,352	-	2,352
Signs/displays	-	-	-	375	-	-	-	375
Warehouse/fulfillment	-	-	-	-	-	-	-	-
Booth rental	398	-	-	-	2,653	1,679	-	4,730
Registration fees	-	-	-	-	850	-	-	850
Audio/videos	-	-	-	-	-	-	-	-
Sponsorship/award	18,100	7,800	16,000	2,500	18,336	317,555	-	380,291
Total expense	130,792	133,021	62,595	35,895	433,338	531,072	259,399	1,586,112
Budgeted expense (unaudited)	128,000	100,000	134,000	50,500	510,463	570,000	301,300	1,794,263
Variance	\$ (2,792)	\$ (33,021)	\$ 71,405	\$ 14,605	\$ 77,125	\$ 38,928	\$ 41,901	\$ 208,151

See accompanying notes to financial statements.

INDIANA CORN MARKETING COUNCIL

STATEMENTS OF CASH FLOWS

(Modified Cash Basis)

YEARS ENDED SEPTEMBER 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Operating activities		
Change in net assets	\$ 224,770	\$ 1,138,393
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Changes in assets and liabilities:		
Contribution receivable	(2,500)	-0-
Prepaid expenses	(29,167)	-0-
Accounts payable	4,869	64,827
Payable to Indiana Soybean Alliance, Inc.	62,142	90,709
State of Indiana's share of net corn checkoff assessments	(786)	125,786
Research grants payable	<u>10,564</u>	<u>162,000</u>
Net cash flows from operating activities	269,892	1,581,715
Financing activities		
Principal payments on note payable	<u>-0-</u>	<u>(100,000)</u>
Net change in cash and cash equivalents	269,892	1,481,715
Cash and cash equivalents, beginning of year	<u>1,539,530</u>	<u>57,815</u>
Cash and cash equivalents, end of year	<u>\$ 1,809,422</u>	<u>\$ 1,539,530</u>
Supplemental disclosure of cash flow information		

See accompanying notes to financial statements.

INDIANA CORN MARKETING COUNCIL

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2009 AND 2008

1. NATURE OF ACTIVITIES

In June 2007, the Indiana Legislative Services Agency enacted into law Indiana Code 15-4-10 (amended by Indiana Code 15-15-12 on August 1, 2009), the Indiana Corn Market Development Law, which requires a checkoff assessment on certain types of corn marketed in the State of Indiana. The Indiana Corn Marketing Council ("ICMC") is a public body corporate and politic organization located in Indianapolis, Indiana established to facilitate the corn checkoff assessment program in Indiana and communicate information relating to the conduct, implementation, or results of promotion, research, and market development activities relating to corn or corn products to appropriate government officials. Proceeds of the checkoff assessment may not be used to influence legislation or governmental action or policy. ICMC is separate from the State of Indiana; however, the exercise by ICMC of its powers constitutes an essential governmental function.

Indiana Code 15-15-12 requires that for the year beginning October 1, 2009, if at least twenty-five percent (25%) of the checkoff assessment is refunded during the year, ICMC shall cease collecting the assessment on January 1 of the subsequent year; maintain a sufficient amount of money to pay for any refunds requested by producers; and request that the legislative council have legislation prepared to repeal the corn market law. If for the year beginning October 1, 2009, less than twenty-five percent (25%) of the assessments are refunded, ICMC shall review the refunds for each year beginning with the year beginning October 1, 2010. If refunds exceed twenty-five percent (25%) in two consecutive years, ICMC shall take the actions referred to previously in this paragraph.

Indiana Code 15-15-12 also requires that for the year beginning October 1, 2009, total administration expenses may not exceed 10% of gross corn checkoff assessments collected for the year. Prior to October 1, 2009, total administration expenses were limited to 25% of the first \$500,000 of gross corn checkoff assessments collected plus 10% of gross corn checkoff assessments exceeding \$500,000.

The initiatives of ICMC are as follows:

Livestock Initiative – conducts projects to increase consumption of corn and corn co-products for a strong livestock industry and increase the utilization of ethanol co-products by Indiana farm raised fish through the growth of the Indiana aquaculture industry. In fiscal years 2009 and 2008, this initiative targeted activities such as community outreach, business development, issues management, aquaculture, and livestock co-product research and studies.

Production and Environmental Stewardship Initiative – conducts projects to promote the use of economic and environmentally sound production practices that help farmers manage production risks. In fiscal years 2009 and 2008, this initiative targeted production and environmental stewardship grants.

INDIANA CORN MARKETING COUNCIL

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2009 AND 2008

Value Added and Exports Initiative – conducts projects to increase value added corn exports such as grain, corn co-products, meat and meat products, and other products that markets and/or research may identify. In fiscal years 2009 and 2008, this initiative targeted industry relations, grain quality and crop improvement, identity preservation, specialty grains, international marketing, and transportation infrastructure.

New Uses Initiative – conducts projects to invest in research and development that will find economically sound new uses for corn and corn by-products. In fiscal years 2009 and 2008, this initiative targeted activities such as grain based new uses, non-grain based new uses, low value and by-product enhancement uses, student contest, and emerging technologies.

Ethanol Initiative – conducts projects to increase the production, availability, and use of Ethanol in Indiana. In fiscal years 2009 and 2008, this initiative targeted activities such as consumer education and acceptance, biofuels mobile learning center, consumer market development and promotion, retailer growth, government and commercial market development, and industry education and outreach.

Public Communications Initiative – conducts projects to develop and maintain strong communication programs to promote Indiana corn and corn uses while educating the public, policymakers and media on issues important to the agricultural industry. In fiscal years 2009 and 2008, this initiative targeted activities such as director leadership training, agriculture youth leadership, state fair, producer communications, issues management, first purchaser and refunder communications, consumer awareness, and emerging issues.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

ICMC prepares its financial statements on a modified cash basis of accounting. Under that basis, corn checkoff assessments are recognized when received rather than when earned, and first purchaser handling fees and refunds are recognized when paid rather than when the obligation is incurred. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America primarily because ICMC has not recognized receivables for corn checkoff assessments, accruals for estimated first purchaser handling fees, accruals for estimated refunds, and their related effects on the change in net assets. Contributions are recognized when pledged by the donor. All other revenues are recognized when earned. At September 30, 2008, ICMC accrued the State of Indiana's share of corn checkoff assessments based on the net checkoff assessments received to date. Due to a change in Indiana Code 15-15-12, at September 30, 2009, ICMC accrues the State of Indiana's share of corn checkoff

INDIANA CORN MARKETING COUNCIL

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2009 AND 2008

assessments ratably based on the total amount due on July 1, 2010. ICMC accrues research grants in the year the Board approves the grant for funding rather than at the time the expenses are incurred. All other expenses are recognized on the accrual basis.

Basis of Presentation

Net assets, support and revenues are classified based on the existence or absence of donor-imposed restrictions. Unrestricted net assets are net assets not subject to donor-imposed restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. Accordingly, the net assets of ICMC and the changes therein are classified and reported as unrestricted net assets.

Estimates

The preparation of financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

ICMC considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. Cash equivalents are carried at cost, which approximates market value, and consist of bank money market accounts.

Checkoff Assessment Revenue

Indiana Code 15-15-12 requires that a checkoff assessment of one-half cent (\$0.005) per bushel shall be collected by first purchasers on all applicable corn sold in Indiana, and that this checkoff assessment be remitted to ICMC on a quarterly basis. Checkoff assessments are recognized in the period the cash is received.

First Purchaser Handling Fees and Refunds

First purchasers who remit assessments timely are entitled to retain 3% of the total corn checkoff assessments as a handling fee. First purchaser handling fees are deducted from gross corn checkoff assessments in the Statement of Support, Revenues, and Expenses and are recognized in the period in which the net checkoff assessments are received by ICMC.

INDIANA CORN MARKETING COUNCIL

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2009 AND 2008

A producer is entitled to a refund of the corn checkoff assessment if the producer applies for a refund within 180 days after the corn checkoff assessment was deducted from the sale price of the producer's corn. Refunds are deducted from gross corn checkoff assessments in the Statement of Support, Revenues, and Expenses and are recognized when paid.

State of Indiana's Share of Net Corn Checkoff Assessments

Until August 1, 2009, ICMC is required to remit 25% of net corn checkoff assessments collected during the twelve months ended June 30 of each year to the Indiana corn market development account within the State general fund for the purpose of market development and reimbursing the State for the E85 retail merchant deduction.

In July 2008, ICMC remitted \$750,343 to the State of Indiana. At September 30, 2008, ICMC had an accrual for Indiana's share of the net corn checkoff assessments collected for the period from July 1, 2008 through September 30, 2008 in the amount of \$125,786.

Effective August 1, 2009, ICMC is required to remit \$500,000 to the State of Indiana on July 1, 2010 for deposit in the State's retail merchant E85 deduction reimbursement fund. On July 1, 2011, and each year thereafter, ICMC is required to remit the amount necessary to replenish the fund balance to \$500,000. The annual amount owed to the State of Indiana under this requirement may not exceed \$500,000.

In July 2009, ICMC remitted \$646,212 to the State of Indiana for its share of the corn checkoff assessments collected during the period from July 1, 2008 through June 30, 2009. At September 30, 2009, ICMC accrued \$125,000 for Indiana's share of the corn checkoff assessments. This accrual represents three months (July 1, 2009 through September 30, 2009) of the total \$500,000 to be paid to the State of Indiana on July 1, 2010.

Functional Allocation of Expenses

The costs of providing the programs and services of ICMC have been summarized on a functional basis in the Statement of Support, Revenues, and Expenses. Accordingly, certain costs have been allocated among the programs and supporting activities benefited.

Income Taxes

As a public body corporate and politic, the ICMC believes it is not subject to Federal and state income taxes. The ICMC management team has been advised by the IRS that an annual tax return is required. Management originally understood ICMC was separate from the State of Indiana; however, the corn checkoff assessment

INDIANA CORN MARKETING COUNCIL

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2009 AND 2008

program constituted an essential governmental function, therefore filing annual tax returns was not applicable. Management has been directed by their independent legal counsel a fiscal 2009, 2008 and 2007 tax return be filed and previous tax returns prior to fiscal 2007 are not required. Management has been given reasonable assurances by counsel that all potential fines and penalties for not filing annual tax returns will most likely be waived. The ICMC Board has motioned and approved the direction that management should pursue a 501(c)(6) tax exempt status and file the recommended returns as instructed. Management is working with legal counsel to apply for and receive the 501(c)(6) status and complete the prior returns as necessary. It is the intent of management to complete all tax filings in advance of the 2010 fiscal year-end.

The Financial Accounting Standards Board ("FASB") has issued a new pronouncement, which clarifies accounting principles for recognition, measurement, presentation and disclosure relating to uncertain tax positions. As permitted, ICMC has elected to defer the application of this pronouncement until issuance of its September 30, 2010 financial statements. For financial statements covering periods prior to fiscal year 2010, ICMC evaluates uncertain tax positions in accordance with the modified cash basis of accounting as described previously herein and makes such accruals and disclosures as might be required thereunder. The adoption of this pronouncement is not expected to have a significant impact on ICMC's financial statements.

Subsequent Events

ICMC evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through March 30, 2010 which is the date the financial statements are available to be issued.

3. TRANSACTIONS WITH THE INDIANA SOYBEAN ALLIANCE, INC.

The Indiana Soybean Alliance, Inc. ("ISA") is an Indiana not-for-profit organization established to conduct soybean promotion, research, consumer information, producer communication, industry information and market development activities. It is responsible for carrying out both checkoff and non-checkoff activities in Indiana.

ICMC has a service agreement with the ISA in which all salaries and benefits are paid by ISA and the amount allocable to ICMC is reimbursed by ICMC along with all other costs that are directly allocable to ICMC. Other general services that are reimbursed by ICMC include office costs and other agreed upon overhead expenses. The amount reimbursed for the expenses under this contract to the ISA for the years ended September 30, 2009 and 2008 was \$579,208 and \$300,458, respectively.

INDIANA CORN MARKETING COUNCIL

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2009 AND 2008

ICMC and ISA also have a joint operating agreement related to a biofuels mobile learning center owned by ISA under which ISA agrees to devote one-half of the biofuels mobile learning center space to ICMC and ICMC agrees to reimburse ISA for one-half of all costs of operating the center, including depreciation. The aggregate amount reimbursed to the ISA for expenses relating to the mobile learning center for the years ended September 30, 2009 and 2008 was \$84,047 and \$47,164, including depreciation expense of \$23,995 and \$12,920, respectively.

At September 30, 2009 and 2008, ICMC had an amount payable to ISA of \$160,915 and \$98,773, respectively.

4. CONCENTRATIONS

ICMC maintains its cash and cash equivalents in bank deposit accounts which generally exceed federally insured limits. ICMC has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

5. COMMITMENTS

ICMC has committed to sponsorship agreements that extend through March 31, 2011. Remaining contractual commitments of \$112,500 are required to be paid in fiscal year 2010 relating to these agreements. No amounts have been recorded in ICMC's financial statements as of September 30, 2009 related to these outstanding commitments.



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REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

The Board of Directors
Indiana Corn Marketing Council
Indianapolis, Indiana

Our report on our audits of the financial statements of Indiana Corn Marketing Council for the years ended September 30, 2009 and 2008 appears on page one. The audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included on pages 14 through 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and, accordingly, we express no opinion on it.

Blue & Co., LLC

March 30, 2010

INDIANA CORN MARKETING COUNCIL

LIVESTOCK INITIATIVE EXPENSES YEAR ENDED SEPTEMBER 30, 2009

	Livestock Initiative							Total
	Implementation	Community Outreach	Business Development	Issues Management	Aquaculture	Poultry Research		
Equipment maintenance	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Telephone/fax	29	-0-	7	-0-	-0-	-0-	-0-	36
Postage/shipping	-0-	609	9	-0-	-0-	-0-	-0-	618
Printing/copying	-0-	4,176	998	-0-	-0-	-0-	-0-	5,174
Office supplies	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Staff travel	509	1,283	4,804	-0-	290	-0-	-0-	6,886
Director travel	-0-	114	3,462	-0-	-0-	-0-	-0-	3,576
Other travel	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Meetings	-0-	1,261	22,656	-0-	-0-	-0-	-0-	23,917
Accounting & compliance	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Legal fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Consulting fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
ISA contracted services	43,709	12,017	17,312	204	2,397	939	-0-	76,578
Data processing fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants	-0-	-0-	-0-	-0-	-0-	75,000	-0-	75,000
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Donations	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Dues & memberships	-0-	-0-	7,250	-0-	-0-	-0-	-0-	7,250
Subscriptions	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Temporary help	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Advertising	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Agency services	-0-	345	5,075	-0-	-0-	-0-	-0-	5,420
Project supplies	-0-	-0-	6,762	-0-	-0-	-0-	-0-	6,762
Project merchandise	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Signs/displays	-0-	4,630	-0-	-0-	-0-	-0-	-0-	4,630
Warehouse/fulfillment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Booth rental	-0-	385	-0-	-0-	-0-	-0-	-0-	385
Registration fees	-0-	100	298	-0-	-0-	-0-	-0-	398
Audio/videos	-0-	10,625	-0-	-0-	-0-	-0-	-0-	10,625
Sponsorship/award	-0-	11,006	19,000	-0-	-0-	-0-	-0-	30,006
Total expense	44,247	46,551	87,633	204	2,687	75,939	-0-	257,261
Budgeted expense	37,746	60,574	83,546	9,993	4,727	75,625	-0-	272,211
Variance	\$ (6,501)	\$ 14,023	\$ (4,087)	\$ 9,789	\$ 2,040	\$ (314)	\$ -0-	\$ 14,950

See report of independent auditors on supplementary information on page 13.

INDIANA CORN MARKETING COUNCIL

PRODUCTION AND ENVIRONMENTAL STEWARDSHIP INITIATIVE EXPENSES YEAR ENDED SEPTEMBER 30, 2009

Equipment maintenance	\$	-0-
Telephone/fax		12
Postage/shipping		437
Printing/copying		-0-
Office supplies		110
Staff travel		384
Director travel		545
Other travel		-0-
Meetings		794
Accounting & compliance		-0-
Legal fees		-0-
Consulting fees		-0-
ISA contracted services		21,205
Data processing fees		-0-
Grants		152,802
Depreciation		-0-
Donations		-0-
Dues & memberships		500
Subscriptions		-0-
Interest expense		-0-
Temporary help		-0-
Advertising		-0-
Agency services		-0-
Project supplies		-0-
Project merchandise		-0-
Signs/displays		-0-
Warehouse/fulfillment		-0-
Booth rental		-0-
Registration fees		-0-
Audio/videos		-0-
Sponsorship/award		2,100
Total expense		<u>178,889</u>
Budgeted expense		<u>180,000</u>
Variance	\$	<u>1,111</u>

See report of independent auditors on supplementary information on page 13.

INDIANA CORN MARKETING COUNCIL

VALUE ADDED AND EXPORTS INITIATIVE EXPENSES YEAR ENDED SEPTEMBER 30, 2009

	Value Added Initiative Implementation	Industry Relations	Grain Quality Improvement	Identity Preservation	International Marketing	Transportation Infrastructure	Total
Equipment maintenance	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Telephone/fax	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Postage/shipping	-0-	99	2	380	-0-	1,124	1,605
Printing/copying	-0-	-0-	-0-	-0-	-0-	4,737	4,737
Office supplies	-0-	-0-	-0-	-0-	-0-	81	81
Staff travel	510	105	1,494	111	9,634	1,872	13,726
Director travel	268	-0-	-0-	-0-	3,630	216	4,114
Other travel	-0-	-0-	-0-	-0-	-0-	627	627
Meetings	33	2,898	-0-	1,610	884	2,822	8,247
Accounting & compliance	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Legal fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Consulting fees	300	-0-	450	-0-	-0-	-0-	5,770
ISA contracted services	30,929	5,978	5,458	3,463	16,372	10,278	72,478
Data processing fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Donations	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Dues & memberships	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Subscriptions	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Temporary help	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Advertising	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Agency services	-0-	1,385	-0-	276	-0-	-0-	-0-
Project supplies	74	14,725	-0-	-0-	-0-	5,400	7,061
Project merchandise	-0-	-0-	-0-	-0-	-0-	11	14,810
Signs/displays	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Warehouse/fulfillment	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Booth rental	-0-	525	-0-	-0-	-0-	-0-	-0-
Registration fees	-0-	270	-0-	-0-	1,100	(108)	417
Audio/Videos	-0-	-0-	-0-	-0-	-0-	-0-	1,370
Sponsorship/award	200	3,173	28,854	-0-	-0-	-0-	-0-
Total expense	32,314	29,158	36,258	5,840	37,620	54,880	196,070
Budgeted expense	35,000	42,000	65,000	40,000	67,000	57,000	306,000
Variance	\$ 2,686	\$ 12,842	\$ 28,742	\$ 34,160	\$ 29,380	\$ 2,120	\$ 109,930

See report of independent auditors on supplementary information on page 13.

INDIANA CORN MARKETING COUNCIL

NEW USES INITIATIVE EXPENSES YEAR ENDED SEPTEMBER 30, 2009

	New Uses Initiative Implementation	Grain Based New Uses	Non-grain Based New Uses	Low-value By-product Uses	Student Contest	Emerging Technologies	Total
Equipment maintenance	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Telephone/fax	24	-0-	-0-	-0-	-0-	-0-	24
Postage/shipping	-0-	-0-	-0-	-0-	580	-0-	580
Printing/copying	-0-	-0-	-0-	1,864	114	-0-	1,978
Office supplies	-0-	-0-	-0-	-0-	35	-0-	35
Staff travel	325	48	995	-0-	921	-0-	2,289
Director travel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other travel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Meetings	-0-	-0-	-0-	-0-	6,790	-0-	6,790
Accounting & compliance	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Legal fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Consulting fees	-0-	-0-	-0-	-0-	1,613	-0-	1,613
ISA contracted services	23,213	1,748	243	1,197	6,787	191	33,379
Data processing fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants	-0-	-0-	-0-	-0-	60,409	-0-	90,409
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Donations	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Dues & memberships	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Subscriptions	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Temporary help	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Advertising	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Agency services	-0-	-0-	-0-	1,775	629	-0-	2,404
Project supplies	-0-	-0-	-0-	-0-	21	-0-	21
Project merchandise	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Signs/displays	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Warehouse/fulfillment	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Booth rental	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Registration fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Audio/videos	-0-	-0-	-0-	-0-	-0-	165	165
Sponsorship/award	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total expense	53,562	1,796	1,238	4,836	77,928	356	139,716
Budgeted expense	8,000	17,500	8,000	12,000	90,000	5,000	140,500
Variance	\$ (45,562)	\$ 15,704	\$ 6,762	\$ 7,164	\$ 12,072	\$ 4,644	\$ 784

See report of independent auditors on supplementary information on page 13.

INDIANA CORN MARKETING COUNCIL

ETHANOL INITIATIVE EXPENSES YEAR ENDED SEPTEMBER 30, 2009

	Ethanol Initiative Implementation	Consumer Education Acceptance	Biofuels Mobile Learning Center	Consumer Market Development	Retailer Growth	Government & Commercial Markets	Industry Education Outreach	Total
Equipment maintenance	\$ -0-	\$ 157	\$ 2,662	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,819
Telephone/fax	21	154	-0-	56	-0-	-0-	8	239
Postage/shipping	-0-	17,414	-0-	43	9	-0-	-0-	17,466
Printing/copying	-0-	18,262	6,719	-0-	-0-	-0-	-0-	24,981
Office supplies	-0-	-0-	60	-0-	-0-	-0-	-0-	60
Staff travel	147	108	4	106	53	-0-	1,363	1,781
Director travel	-0-	-0-	194	-0-	-0-	-0-	-0-	194
Other travel	667	10	3,890	-0-	18	-0-	6,334	10,919
Meetings	-0-	124	-0-	-0-	-0-	-0-	180	304
Accounting & compliance	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Legal fees	-0-	1,206	-0-	786	-0-	-0-	-0-	1,992
Consulting fees	51,000	1,630	30,013	1,750	173	-0-	26	84,592
ISA contracted services	11,737	11,257	-0-	3,635	463	364	4,149	31,605
Data processing fees	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants	-0-	-0-	-0-	-0-	30,000	-0-	-0-	30,000
Depreciation	-0-	-0-	23,995	-0-	-0-	-0-	-0-	23,995
Donations	-0-	-0-	-0-	-0-	-0-	-0-	250	250
Dues & memberships	50	-0-	-0-	-0-	-0-	-0-	3,500	3,550
Subscriptions	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Temporary help	-0-	150	-0-	-0-	-0-	-0-	-0-	150
Advertising	-0-	3,650	-0-	49,818	-0-	-0-	1,650	55,118
Agency services	-0-	91,512	11,784	15,319	351	-0-	400	119,366
Project supplies	-0-	200	-0-	-0-	1,178	-0-	-0-	1,378
Project merchandise	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Signs/displays	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Warehouse/fulfillment	-0-	-0-	360	-0-	-0-	-0-	-0-	360
Booth rental	-0-	990	2,094	-0-	-0-	-0-	-0-	3,161
Registration fees	-0-	-0-	-0-	-0-	-0-	-0-	1,820	1,820
Audio/videos	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Sponsorship/award	-0-	83,333	2,500	1,250	-0-	-0-	-0-	87,083
Total expense	63,622	230,157	84,275	72,840	32,245	364	19,680	503,183
Budgeted expense	67,500	359,350	-0-	200,640	95,940	12,656	19,680	755,666
Variance	\$ 3,878	\$ 129,193	\$ (84,275)	\$ 127,800	\$ 63,595	\$ 12,292	\$ -0-	\$ 252,483

See report of independent auditors on supplementary information on page 13.

INDIANA CORN MARKETING COUNCIL

PUBLIC COMMUNICATIONS INITIATIVE EXPENSES YEAR ENDED SEPTEMBER 30, 2009

	Public Communication Implementation	Director Leadership Training	AG Youth Leadership	State Fair	Producer Communication	Issues Management	First Purchaser Refunder Communication	Consumer Awareness	Emerging Issues	NCGA Allocation	Total
Equipment maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telephone/fax	-	-	-	12	-	-	-	-	-	-	12
Postage/shipping	-	-	2	32	599	-	34	10	2	-	679
Printing/copying	-	-	-	424	29,043	-	73	-	2,220	-	31,760
Office supplies	-	-	-	-	-	-	-	-	-	-	-
Staff travel	1,275	622	65	16	1,355	2,051	1,370	44	5	-	6,803
Director travel	-	1,057	-	193	-	-	-	-	-	-	1,250
Other travel	-	-	-	-	-	-	-	-	-	-	-
Meetings	-	-	-	-	-	-	-	-	-	-	-
Accounting & compliance	-	-	-	-	-	-	-	-	-	-	-
Legal fees	-	-	-	-	-	4,951	-	26	-	-	26
Consulting fees	-	-	-	163	2,474	-	-	24,019	-	-	4,951
ISA contracted services	22,237	4,529	2,334	4,229	21,635	4,364	21,913	13,583	873	-	26,666
Data processing fees	-	-	-	-	-	-	-	-	-	-	95,697
Grants	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-	-
Dues & memberships	-	-	-	-	-	-	-	-	-	-	-
Subscriptions	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	913	-	-	-	-	-	913
Temporary help	-	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	6,084	3,799	6,775	-	-	-	-	-
Agency services	105	13	-	723	5,843	-	-	41,111	2,312	-	16,658
Project supplies	-	-	-	3,047	-	-	6,762	149	-	-	50,107
Project merchandise	-	-	-	-	-	-	-	-	-	-	9,958
Signs/displays	-	-	-	-	-	-	-	-	-	-	-
Warehouse/fulfillment	-	-	-	-	-	-	-	-	-	-	-
Booth rental	-	-	-	(986)	1,136	-	-	-	-	-	681
Registration fees	-	-	-	-	-	-	-	-	-	-	83
Audio/videos	-	-	-	1,900	-	-	-	-	-	-	1,900
Sponsorship/award	-	-	25,000	10,380	17,800	-	-	-	13,241	300,000	366,421
Total expense	23,617	6,221	27,932	26,217	84,597	18,141	30,235	78,942	18,653	300,000	614,555
Budgeted expense	26,365	18,000	17,580	47,055	107,000	22,000	90,000	222,000	25,000	300,000	875,000
Variance	\$ 2,748	\$ 11,779	\$ (10,352)	\$ 20,838	\$ 22,403	\$ 3,859	\$ 59,765	\$ 143,058	\$ 6,347	\$ -	\$ 260,445

See report of independent auditors on supplementary information on page 13.

INDIANA CORN MARKETING COUNCIL

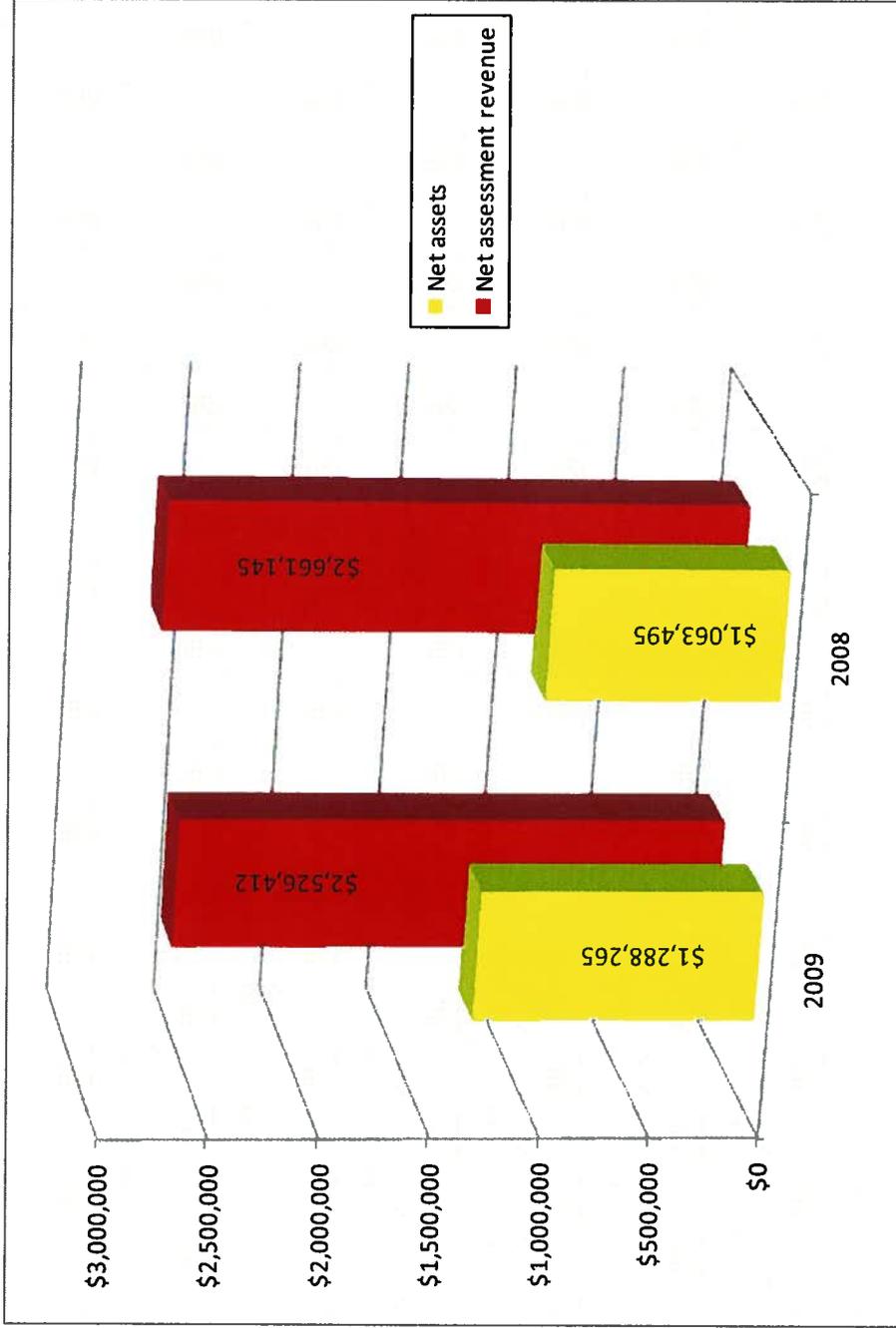
ICMC ADMINISTRATION EXPENSES YEAR ENDED SEPTEMBER 30, 2009

Equipment maintenance	\$	2,500
Telephone/fax		339
Postage/shipping		5,241
Printing/copying		9,092
Office supplies		3,347
Staff travel		12,653
Director travel		25,928
Other travel		8,893
Meetings		12,888
Accounting & compliance		11,838
Legal fees		37,404
Consulting fees		48,106
ISA contracted services		248,266
Data processing fees		-0-
Grants		-0-
Depreciation		-0-
Donations		5,550
Dues & memberships		1,075
Subscriptions		1,355
Interest expense		1,456
Temporary help		3,876
Advertising		906
Agency services		4,230
Project supplies		-0-
Project merchandise		-0-
Signs/displays		-0-
Warehouse/fulfillment		-0-
Booth rental		-0-
Registration fees		1,128
Audio/videos		-0-
Sponsorship/award		-0-
Total expense		<u>446,071</u>
Budgeted expense		<u>415,000</u>
Variance	\$	<u>(31,071)</u>

See report of independent auditors on supplementary information on page 13.

INDIANA CORN MARKETING COUNCIL

GRAPH OF NET ASSETS AND
NET CHECKOFF ASSESSMENT REVENUE
AS OF AND FOR THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008



INDIANA CORN MARKETING COUNCIL

GRAPH OF TOTAL EXPENSES BY INITIATIVE
YEARS ENDED SEPTEMBER 30, 2009 AND 2008

