

**AGRISAFE NETWORK, INC.
FOR THE YEAR ENDED
DECEMBER 31, 2006 AND
ACCOUNTANTS' REPORT**

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Certified Public Accountants

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To the Board of Directors
AgriSafe Network, Inc.

We have reviewed the accompanying statement of financial position - income tax basis of AgriSafe Network, Inc. (an Iowa non-profit corporation) as of December 31, 2006 and the related statement of activities - income tax basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of AgriSafe Network, Inc.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the income tax basis of accounting, as described in Note 1.

Winther, Stave + Co., LLP

August 7, 2007

AGRISAFE NETWORK, INC.
STATEMENT OF FINANCIAL POSITION - INCOME TAX BASIS
DECEMBER 31, 2006

ASSETS

Cash \$ 86,287

TOTAL ASSETS \$ 86,287

NET ASSETS

Unrestricted net assets \$ 86,287

TOTAL NET ASSETS \$ 86,287

AGRISAFE NETWORK, INC.
STATEMENT OF ACTIVITIES - INCOME TAX BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006

SUPPORT AND REVENUE:

Grant income	\$267,633	
Miscellaneous income	271	
Interest income	4,148	
Membership dues and contributions	<u>1,400</u>	
TOTAL SUPPORT AND REVENUE		\$273,452

EXPENSES:

Program Services:		
Training and technical assistance	92,110	
Clinical services	36,810	
Development	12,672	
Marketing	58,942	
Member benefits - direct funds and resources	<u>71,729</u>	
Total Program Services		<u>272,263</u>
Supporting Services:		
Management and General:		
Contract labor	27,044	
Legal and accounting	2,795	
Board of directors travel	5,882	
Staff travel	1,926	
Office and board meeting expense	1,758	
Insurance	1,888	
Telephone	1,455	
Memberships to organizations	<u>885</u>	
Total Supporting Services		<u>43,633</u>
TOTAL EXPENSES		<u>315,896</u>

DECREASE IN NET ASSETS		(42,444)
NET ASSETS AT BEGINNING OF YEAR		<u>128,731</u>
NET ASSETS AT END OF YEAR		<u>\$ 86,287</u>

AGRISAFE NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

AgriSafe Network, Inc. is a national membership organization representing rural-based hospitals, health clinics, and county health departments that provides preventative occupational health services for the farming community.

Basis of Accounting

The accompanying financial statements have been prepared on the basis of accounting used for income tax reporting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred.

Use of Estimates

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

Support and Revenue

AgriSafe Network, Inc. receives its grant and contract support primarily from businesses associated with agriculture, foundations, and Iowa's Center for Agricultural Safety and Health. AgriSafe Network, Inc. received 89% of their support from three organizations.

Income Taxes

AgriSafe Network, Inc. is exempt from federal income taxes under Section 501(C)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, AgriSafe Network, Inc. has made no provision for federal income taxes in the accompanying financial statements. AgriSafe Network, Inc. has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(ui).

Concentration of Credit Risk

At December 31, 2006, AgriSafe Network, Inc. had bank deposits of \$22,650 in excess of federally insured limits.