



**The ISSUED AND OUSTANDING SHARES for Naturally Iowa, Inc. (NLIA) as
of 6/30/2008 is: 233,370,556**

**Naturally Iowa LLC
Balance Sheet
June 30, 2008**

ASSETS

Current Assets			
Cash	\$	81,606.46	
Accounts Receivable	\$	126,851.39	
Inventory	\$	370,888.00	
Total Current Assets			\$ 579,345.85
Property and Equipment			
Furniture & Fixtures	\$	3,331.35	
Equipment	\$	1,194,891.32	
Vehicles	\$	68,623.98	
Building	\$	870,000.00	
Building Improvements	\$	33,096.97	
Accumulated Depreciation	\$	(366,669.62)	
Total Property and Equipment			\$ 1,803,274.00
Other Assets			
Organization Costs	\$	570.00	
Accumulated Depreciation-Org	\$	(456.00)	
Loan Costs	\$	7,442.86	
Accumulated Amortization-Loan	\$	(3,742.82)	
Total Other Assets			\$ 3,814.04
Total Assets			\$ 2,386,433.89

LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable	\$	358,892.24
Pre-Paid Sales	\$	197,874.28
Payroll Taxes Payable	\$	2,279.76
Short Term Note Payable	\$	97,500.00
Current Portion Long-Term Debt	\$	80,915.63

Total Current Liabilities \$ 737,461.91

Long-Term Liabilities

Long-Term Debt	\$	677,338.77
Lease Payable	\$	5,120.23
Notes Payable	\$	388,500.00

Total Long-Term Liabilities \$ 1,070,959.00

Total Liabilities \$ 1,808,420.91

Capital

Partners Capital	\$	3,097,482.00
Retained Earnings	\$	(2,391,696.23)
Appraisal Surplus	\$	356,219.13
Net Income	\$	(483,991.92)

Total Capital \$ 578,012.98

Total Liabilities & Capital \$ 2,386,433.89

Unaudited - For Management Purposes Only

Naturally Iowa LLC
Income Statement
For the Six Months Ending June 30, 2008

	2nd Qtr 2008	Year to Date
Revenues		
Sales	\$ 383,860.69	\$ 660,171.73
Other Income	\$ 7,132.03	\$ 13,385.34
Total Revenues	<u>\$ 390,992.72</u>	<u>\$ 673,557.07</u>
Total Cost of Sales	<u>\$ 223,940.76</u>	<u>\$ 385,680.19</u>
Gross Profit	\$ 167,051.96	\$ 287,876.88
Expenses		
Wages Expense	\$ 142,971.47	\$ 320,304.43
Contracted Services	\$ 2,386.50	\$ 8,665.50
Dues & Fees	\$ 8,857.30	\$ 12,455.55
Insurance	\$ (5,952.94)	\$ (8,033.93)
Interest	\$ 23,586.69	\$ 50,669.64
Legal & Professional	\$ 3,750.00	\$ 60,905.89
Travel/Lodging/Meals	\$ 9,694.37	\$ 18,538.06
Office/Miscellaneous	\$ 1,002.94	\$ 4,839.06
Property Tax	\$ 5,452.00	\$ 5,452.00
Postage Shipping/Trucking	\$ 13,641.03	\$ 33,963.64
Equipment Rental	\$ 4,500.00	\$ 9,000.00
Repairs & Maintenance	\$ 8,895.54	\$ 29,660.82
Supplies/Storage Costs	\$ 14,486.94	\$ 27,878.29
Telephone/Utilities	\$ 23,293.45	\$ 47,192.39
Marketing/Advertising	\$ 6,473.36	\$ 6,473.36
R&D/Testing	\$ 8,873.78	\$ 24,942.07
Product Loss/Shrink	\$ 20,652.03	\$ 20,652.03
Depreciation	\$ 49,155.00	\$ 98,310.00
Total Expenses	<u>\$ 341,719.46</u>	<u>\$ 771,868.80</u>
Net Income	\$ (174,667.50)	\$ (483,991.92)

Unaudited - For Management Purposes Only
