

**CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD**

**Financial Statements**

**September 30, 2024 and 2023**

**(With Independent Auditors' Report Thereon)**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Cattlemen's Beef Promotion and Research Board  
Denver, Colorado

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Cattlemen's Beef Promotion and Research Board (the Board), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of as of September 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net assets without donor restriction – modified cash basis, the statements of functional expenses – modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets – modified cash basis of Cattlemen's Beef Promotion and Research Board, as of September 30, 2024 and 2023, and its revenues, expenses, and changes in net assets without donor restriction – modified cash basis, and the statements of functional expenses – modified cash basis for the years then ended, in accordance with the basis of accounting as described in Note 2.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cattlemen's Beef Promotion and Research Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Basis of Accounting***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

#### ***Other Matters***

In connection with our audits, nothing came to our attention that caused us to believe the Board failed to comply with the provisions of the Beef Promotion and Research Act of 1985 (the Act) and the Beef Promotion and Research Order (the Order) related to the use of funds collected by the Board insofar as they relate to accounting matters. Further, in connection with our audits, nothing came to our attention that caused us to believe the Board was not in compliance with the terms of Section 1260.149(f) of the Order, or with the terms of the Agricultural Marketing Service (AMS) Investment Policy as revised by the AMS on April 6, 2015, which describe the type of instruments in which the Board may invest, insofar as they relate to accounting matters.

Further, in connection with our audits, nothing came to our attention that caused us to believe that the Board failed to comply with Section 5D of the United States Department of Agriculture (USDA) Guidelines for Agricultural Marketing Service Oversight of Commodity Research and Promotion Programs (Guidelines), dated January 2020, insofar as they relate to the following:

- Monetary funds used for the purpose of influencing governmental policy or action
- Adherence to the Agricultural Marketing Service investment policy
- Monetary funds used only for projects and other expenses authorized in a budget approved by the USDA
- Monetary funds used in accordance with the Guidelines referenced above

However, our audits were not directed primarily towards obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Board's noncompliance with the above referenced Act, Order, AMS Investment Policy, and Section 5D of the USDA Guidelines insofar as they relate to accounting matters.

The report is intended solely for the information and use of the members of the Board and its management, the Audit Committee, and the United States Department of Agriculture and is not intended to be, and should not be, used by anyone other than these specific parties.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cattlemen's Beef Promotion and Research Board's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Cattlemen's Beef Promotion and Research Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cattlemen's Beef Promotion and Research Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming opinion on the financial statements as a whole. The accompanying supplementary statements of assessment revenues by state – modified cash basis are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary statements of assessment revenues by state – modified cash basis are fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2025, on our consideration of Cattlemen's Beef Promotion and Research 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 solely 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 effectiveness of Cattlemen's Beef Promotion and Research Board's 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 Cattlemen's Beef Promotion and Research Board's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Denver, Colorado  
January 15, 2025

# CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD

## Statement of Assets, Liabilities, and Net Assets

(Modified Cash Basis, Note 2)

September 30, 2024 and 2023

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents (Note 3)	\$ 4,983,442	\$11,710,004
Short-Term Investments (Note 3)	16,957,328	9,974,887
Long-Term Investments (Note 3)	3,996,282	1,979,904
Capital Assets, net of accumulated depreciation of \$50,499 and \$48,252, respectively	7,516	9,226
Other	<u>208</u>	<u>4,848</u>
Total Assets	<u>\$25,944,776</u>	<u>\$23,678,869</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Due to State Beef Councils and Other	\$ <u>7,725</u>	\$ <u>9,169</u>
Total Liabilities	7,725	9,169
Net Assets - Without Donor Restriction (Note 6):		
Designated for future expenses	13,052,498	14,159,777
Designated - Board reserve	4,350,000	4,350,000
Undesignated	<u>8,534,553</u>	<u>5,159,923</u>
Total Net Assets	<u>25,937,051</u>	<u>23,669,700</u>
Total Liabilities and Net Assets	<u>\$25,944,776</u>	<u>\$23,678,869</u>

The accompanying notes to financial statements are an integral part of these statements.

## CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD

### Statement of Revenues, Expenses, and Changes in Net Assets Without Donor Restriction

(Modified Cash Basis, Note 2)

For The Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>REVENUES:</b>		
Assessments	\$43,425,944	\$42,191,411
Interest	1,131,872	764,383
Other	<u>37,723</u>	<u>26,791</u>
Total revenues	<u>44,595,539</u>	<u>42,982,585</u>
<b>EXPENSES:</b>		
Program Expenses -		
Promotion	9,929,313	9,235,954
Research	9,168,168	9,216,590
Consumer Information	7,172,640	7,782,624
Industry Information	2,805,565	2,588,998
Foreign Marketing	7,992,404	8,120,483
Checkoff Communications	227,986	188,212
Producer Communications	1,926,774	1,930,081
Program Evaluation	260,869	230,593
Program Development	<u>596,572</u>	<u>566,369</u>
Total program expenses	40,080,291	39,859,904
Supporting Services –		
State Services	180,400	141,786
USDA Oversight	351,030	611,456
Supporting Services & Litigation	114,150	105,350
Administration (Note 5)	<u>1,602,317</u>	<u>1,646,335</u>
Total expenses	<u>42,328,188</u>	<u>42,364,831</u>
Change in net assets	2,267,351	617,754
Beginning Net Assets Without Donor Restriction	<u>23,669,700</u>	<u>23,051,946</u>
Ending Net Assets Without Donor Restriction	<u>\$25,937,051</u>	<u>\$23,669,700</u>

The accompanying notes to financial statements are an integral part of these statements.

**CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD**

**Statement of Functional Expenses**

**(Modified Cash Basis, Note 2)**

**For The Year Ended September 30, 2024**

	Program Expenses									Total Program Expenses
	Promotion	Research	Consumer Information	Industry Information	Foreign Marketing	Checkoff Communications	Producer Communications	Program Evaluation	Program Development	
Professional and Other Contract										
Service Fees - Direct	\$ 6,473,551	\$ 5,887,609	\$ 3,506,977	\$ 636,620	\$ 5,754,038	\$ -	\$ -	\$ -	\$ -	\$ 22,258,795
Professional and Other Contract										
Service Fees - Implementation	3,455,762	3,280,559	3,665,663	2,168,945	2,238,366	-	-	-	-	14,809,295
Salaries and Wages	-	-	-	-	-	83,140	129,603	98,225	220,482	531,450
Payroll Taxes and Employee										
Benefits	-	-	-	-	-	24,320	37,914	28,734	64,084	155,052
USDA Oversight Fees	-	-	-	-	-	-	-	-	-	-
Professional and Other Contract										
Service Fees	-	-	-	-	-	57,740	1,687,098	80,554	35,861	1,861,253
Travel and Transportation	-	-	-	-	-	11,688	12,797	13,414	211,346	249,245
Office Rent	-	-	-	-	-	11,246	12,094	10,572	17,961	51,873
Insurance	-	-	-	-	-	2,159	2,322	2,029	3,448	9,958
Equipment Rental	-	-	-	-	-	563	606	9,415	24,888	35,472
Other	-	-	-	-	-	37,130	44,340	17,926	18,502	117,898
Total Expenses	\$ 9,929,313	\$ 9,168,168	\$ 7,172,640	\$ 2,805,565	\$ 7,992,404	\$ 227,986	\$ 1,926,774	\$ 260,869	\$ 596,572	\$ 40,080,291

The accompanying notes to financial statements are an integral part of these statements.



**CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD**

**Statement of Functional Expenses (continued)**

**(Modified Cash Basis, Note 2)**

**For The Year Ended September 30, 2024**

	Supporting Services				
	State Services	USDA Oversight	Supporting Services & Litigation	Administration	Total Expenses
Professional and Other Contract Service Fees - Direct	\$ -	\$ -	\$ -	\$ -	22,258,795
Professional and Other Contract Service Fees - Implementation	-	-	-	-	14,809,295
Salaries and Wages	97,781	-	58,315	710,304	1,397,850
Payroll Taxes and Employee Benefits	21,921	-	17,059	210,525	404,557
USDA Oversight Fees	-	351,030	-	-	351,030
Professional and Other Contract Service Fees	14,035	-	29,014	192,864	2,097,166
Travel and Transportation	12,306	-	15	343,300	604,866
Office Rent	9,689	-	5,232	55,842	122,636
Insurance	1,860	-	1,004	11,090	23,912
Equipment Rental	485	-	262	28,483	64,702
Other	22,323	-	3,249	49,909	193,379
<b>Total Expenses</b>	<b>\$ 180,400</b>	<b>\$ 351,030</b>	<b>\$ 114,150</b>	<b>\$ 1,602,317</b>	<b>\$ 42,328,188</b>

The accompanying notes to financial statements are an integral part of these statements.

**CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD**

**Statement of Functional Expenses**

**(Modified Cash Basis, Note 2)**

**For The Year Ended September 30, 2023**

	Program Expenses									Total Program Expenses
	Promotion	Research	Consumer Information	Industry Information	Foreign Marketing	Checkoff Communications	Producer Communications	Program Evaluation	Program Development	
Professional and Other Contract Service Fees - Direct	\$ 6,244,124	\$ 5,874,737	\$ 4,129,609	\$ 629,946	\$ 6,136,652	\$ -	\$ -	\$ -	\$ -	\$ 23,015,068
Professional and Other Contract Service Fees - Implementation	2,991,830	3,341,853	3,653,015	1,959,052	1,983,831	-	-	-	-	13,929,581
Salaries and Wages	-	-	-	-	-	70,708	113,343	81,482	200,322	465,855
Payroll Taxes and Employee Benefits	-	-	-	-	-	21,782	34,918	25,102	61,670	143,472
USDA Oversight Fees	-	-	-	-	-	-	-	-	-	-
Professional and Other Contract Service Fees	-	-	-	-	-	44,169	1,701,410	83,161	62,887	1,891,627
Travel and Transportation	-	-	-	-	-	7,778	18,659	16,851	183,655	226,943
Office Rent	-	-	-	-	-	10,610	11,033	8,268	18,227	48,138
Insurance	-	-	-	-	-	2,166	2,253	1,688	3,722	9,829
Equipment Rental	-	-	-	-	-	555	577	3,932	18,839	23,903
Other	-	-	-	-	-	30,444	47,888	10,109	17,047	105,488
<b>Total Expenses</b>	<b>\$ 9,235,954</b>	<b>\$ 9,216,590</b>	<b>\$ 7,782,624</b>	<b>\$ 2,588,998</b>	<b>\$ 8,120,483</b>	<b>\$ 188,212</b>	<b>\$ 1,930,081</b>	<b>\$ 230,593</b>	<b>\$ 566,369</b>	<b>\$ 39,859,904</b>

The accompanying notes to financial statements are an integral part of these statements

**CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD**

**Statement of Functional Expenses (continued)**

**(Modified Cash Basis, Note 2)**

**For The Year Ended September 30, 2023**

	Supporting Services				Total Expenses
	State Services	USDA Oversight	Supporting Services & Litigation	Administration	
Professional and Other Contract Service Fees - Direct	\$ -	\$ -	\$ -	\$ -	23,015,068
Professional and Other Contract Service Fees - Implementation	-	-	-	-	13,929,581
Salaries and Wages	82,053	-	53,879	708,971	1,310,758
Payroll Taxes and Employee Benefits	19,722	-	16,598	223,520	403,312
USDA Oversight Fees	-	611,456	-	-	611,456
Professional and Other Contract Service Fees	15,940	-	25,739	207,380	2,140,686
Travel and Transportation	9,294	-	-	372,880	609,117
Office Rent	8,163	-	5,159	56,351	117,811
Insurance	1,667	-	1,053	11,792	24,341
Equipment Rental	427	-	270	18,260	42,860
Other	4,520	-	2,652	47,181	159,841
<b>Total Expenses</b>	<b>\$ 141,786</b>	<b>\$ 611,456</b>	<b>\$ 105,350</b>	<b>\$ 1,646,335</b>	<b>\$ 42,364,831</b>

The accompanying notes to financial statements are an integral part of these statements.

# CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD

## Notes to Financial Statements (Modified Cash Basis)

September 30, 2024 and 2023

### (1) ORGANIZATION AND OPERATIONS

The Beef Promotion and Research Act of 1985 (the Act), approved on December 23, 1985, by the United States Congress, established a coordinated program of promotion and research designed to strengthen the beef industry's position in the marketplace, as well as to maintain and expand domestic and foreign markets and uses for beef and beef products. As provided in the Act, the Secretary of the United States Department of Agriculture (the Secretary) issued the Beef Promotion and Research Order (the Order), effective July 18, 1986, which provides the terms and conditions for the Act's administration. The Cattlemen's Beef Promotion and Research Board (the Board), which was created and approved by the Secretary to administer the Act, consists of 101 members who are representatives of the cattle industry in the United States, including importers. Board members are appointed by the Secretary.

The program is financed by a \$1 per head assessment on domestic sales of cattle and on imported cattle, beef, and beef products. The Board, as part of its responsibilities under the Act and Order, may certify no more than one Qualified State Beef Council (Council) in each state and authorize that Council to collect such assessments. The assessments are remitted to the Councils or the Board. The Board receives one-half of the assessment monies from states with Councils and the Councils retain the remainder. The Board receives all assessment revenues from states without Councils and from imported cattle, beef, and beef products.

Pursuant to the Act, the Board's expenses for administration are limited to 5% or less of projected revenues. All remaining revenues are expended on programs related to promotion, research, and information for the beef industry. The Board contracts with established national cattle- or beef-industry-governed nonprofit organizations for the implementation and conduct of these programs. Under the terms of these contracts, the entities which receive Board contracts are subject to annual audits and reviews.

During fiscal years 2024 and 2023, the Board reimbursed the following industry organizations for program expenses incurred on approved projects:

<u>Name of Contractor</u>	<u>2024</u>	<u>2023</u>
Meat Importers Council of America	\$ 753,683	\$ 554,468
National American Meat Institute	737,913	1,067,740
National Cattlemen's Beef Association (NCBA)	26,540,661	26,016,012
American Farm Bureau Foundation	784,102	1,056,789
United States Cattlemen's Association	199,327	59,157
United States Meat Export Federation	7,992,404	8,120,483
National Institute for Animal Agriculture	60,000	70,000

# CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD

## Notes to Financial Statements (Modified Cash Basis)

September 30, 2024 and 2023

### (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Basis of Accounting*

The accompanying financial statements have been prepared on the modified cash basis of accounting. Under this method, certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when incurred. At September 30, 2024 and 2023, there were assessment receivables of approximately \$7,100,000 and \$7,400,000, accrued compensated absences of approximately \$118,000 and \$89,000 and accounts payable of approximately \$7,900,000 and \$8,200,000, respectively, which are not reflected in the accompanying financial statements. Accounts payable relate to appropriated expenditures and are included in the net assets designated for future expenses in the accompanying statements of assets, liabilities, and net assets (Note 6).

As discussed in Note 1, the Board receives one-half of the assessment monies collected by the Councils and the remainder is retained by the Councils. The accompanying financial statements include only the Board's share of assessment monies and do not include amounts related to either revenues or expenses of the individual Councils.

#### *Cash, Cash Equivalents, and Investments*

For purposes of classifying investments, the Board considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents and investments are recorded at cost.

#### *Depreciation*

Capital assets, which include equipment and leasehold improvements, are recorded at cost. The Board capitalizes all capital asset purchases greater than \$1,000. Depreciation is computed using the straight-line method over the estimated useful lives of three to ten years.

#### *Use of Estimates*

The preparation of financial statements require management to make estimates and assumptions that affect certain reported amounts and disclosures, primarily those estimates included in the Basis of Accounting disclosure above. Accordingly, actual results could differ from those estimates.

# CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD

## Notes to Financial Statements (Modified Cash Basis)

September 30, 2024 and 2023

### (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Functional Allocation of Expenses*

The cost of providing the various programs and supporting services has been summarized on a functional basis on the statement of revenues, expenses, and changes in net assets without donor restriction. Costs applied to programs include expenses associated with research and the promotion of beef in domestic and international markets. The costs are applied to the programs based upon the project codes for the approved programs. Overhead costs are allocated proportionately based on the number of hours recorded for approved checkoff programs.

### (3) CASH, CASH EQUIVALENTS, AND INVESTMENTS

The Secretary has provided that excess cash may be invested, on a short-term basis, in certificates of deposit insured by the Federal Deposit Insurance Corporation or obligations of the United States, U.S. Government agencies, or U.S. Government-sponsored corporations. In April 2015, the Secretary granted an exemption to the Board allowing the Board to extend investment maturities to five years for investments not to exceed \$7 million in the aggregate. Cash, cash equivalents and investments at September 30, 2024 and 2023, by investment type, are as follows:

	<b>Cash and Cash Equivalents</b>	<b>Short-Term Investments</b>	<b>Long-Term Investments</b>	<b>Total Carrying Value</b>
September 30, 2024:				
Demand Deposit Account	\$ 250,016	\$ -	\$ -	\$ 250,016
Money Market Accounts	4,776,958	-	-	4,776,958
Certificates of Deposit	-	14,000,000	-	14,000,000
US Treasuries	-	2,957,328	3,996,282	6,953,610
Less – Outstanding Checks	<u>(43,532)</u>	<u>-</u>	<u>-</u>	<u>(43,532)</u>
Totals for 2024	<u>\$ 4,983,442</u>	<u>\$ 16,957,328</u>	<u>\$ 3,996,282</u>	<u>\$ 25,937,052</u>

**CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD**

**Notes to Financial Statements (Modified Cash Basis)**

**September 30, 2024 and 2023**

**(3) CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

	<b>Cash and Cash Equivalents</b>	<b>Short-Term Investments</b>	<b>Long-Term Investments</b>	<b>Total Carrying Value</b>
September 30, 2023:				
Demand Deposit Account	\$ 250,033	\$ -	\$ -	\$ 250,033
Money Market Accounts	11,504,576	-	-	11,504,576
Certificates of Deposit	-	7,000,000	-	7,000,000
US Treasuries	-	2,974,887	1,979,904	4,954,791
Less – Outstanding Checks	<u>(44,605)</u>	<u>-</u>	<u>-</u>	<u>(44,605)</u>
Totals for 2023	<u>\$ 11,710,004</u>	<u>\$ 9,974,887</u>	<u>\$ 1,979,904</u>	<u>\$ 23,664,795</u>

In accordance with the Board's policy, the demand deposit accounts, the money market accounts, and the certificates of deposit are insured by the Federal Deposit Insurance Corporation and/or fully collateralized by U.S. Government securities held at the Federal Reserve Bank in the Board's name.

**(4) LIQUIDITY**

At September 30, 2024, the Board has \$21,940,770 of financial assets available to meet cash needs for general expenditures within one year of the balance sheet date consisting of demand deposit of \$206,484, money market of \$4,776,958, and short-term investments of \$16,957,328. At September 30, 2023, the Board had \$21,684,891 of financial assets available to meet cash needs for general expenditures within one year of the balance sheet date consisting of demand deposit of \$205,428, money market of \$11,504,576, and short-term investments of \$9,974,887. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. As part of its liquidity management, the Board invests cash in excess of daily requirements in short-term investments consisting of certificates of deposits to meet future unexpended program appropriations. The Board has also established a reserve in the amount of \$4,350,000 to be used, as the Board may deem necessary, with the approval of the Secretary (Note 6).

**(5) ADMINISTRATION EXPENSE**

The Act limits expenses for the administration of the program to 5% or less of projected revenues. Projected revenues were \$40,400,500 for 2024 and \$41,897,000 for 2023. Accordingly, the administrative expenses incurred by the Board were limited to \$2,020,025 in 2024 and \$2,094,850 in 2023. Administrative expenses incurred by the Board on the modified cash basis amounts reflected in the accompanying statements of revenues, expenses, and changes in net assets without donor restriction were approximately \$1,602,317 (3.97% of projected revenues) in 2024 and \$1,646,335 (3.93% of projected revenues) in 2023. Expressed as a percentage of actual revenues, the Board's administrative expenses were 3.59% in 2024 and 3.83% in 2023.

## CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD

### Notes to Financial Statements (Modified Cash Basis)

September 30, 2024 and 2023

The Board has entered into an Administrative Services Agreement with NCBA whereby NCBA agreed to provide certain administrative services to the Board in return for reimbursement of all direct and indirect costs related to the provided services. During 2024 and 2023 respectively, the Board paid NCBA approximately \$78,000 and \$55,000 related to this agreement.

The Board leases office facilities and equipment from outside third parties under operating leases. Payments required under the leases were approximately \$108,000 during 2024 and \$106,000 during 2023. Future annual payments related to the leases are approximately \$108,000 in 2025, \$106,000 in 2026 and \$116,000 in 2027.

#### (6) NET ASSETS WITHOUT DONOR RESTRICTIONS

Net Assets Without Donor Restrictions represent amounts currently available for the use in the Board's operation in accordance with the Act and those resources invested in capital assets. Designated net asset balances represent tentative plans of the Board for future use of financial resources, as follows:

##### *Designated for Future Expenses*

This balance relates to unexpended program appropriations.

##### *Designated - Board Reserve*

On October 6, 2010, the Board has approved the establishment of a reserve in the amount of \$4,350,000 to be used, as the Board may deem necessary, with the approval of the Secretary.

##### *Undesignated*

As of September 30, 2024, and 2023, \$8,534,553 and \$5,159,923, respectively, of the net assets had not been designated by the Board and is available for budgeting to the various program areas. Of these amounts, \$7,516 and \$9,226 represent net assets invested in capital assets as of September 30, 2024, and 2023, respectively.

#### (7) INCOME TAX STATUS

The Board has received a ruling from the Internal Revenue Service stating that it is classified as a tax-exempt entity that engages in activities under the aegis of the United States Department of Agriculture.

#### (8) PENSION PLAN

The Board provides a defined contribution plan for all its employees under which annual contributions are provided based on a percentage of each employee's salary. Contributions required and funded by the Board were approximately \$137,000 and \$131,000 in 2024 and 2023, respectively.

#### (9) SUBSEQUENT EVENTS

The Board has evaluated subsequent events from the statement of financial position date through Report Date, the date at which the financial statements were available to be issued.



# CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD

## Supplementary Statement of Assessment Revenues by State

(Modified Cash Basis)

For the Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>ASSESSMENT REVENUES:</b>		
Qualified State Beef Councils-		
Alabama	\$ 342,913	\$ 367,322
Arizona	331,941	336,665
Arkansas	418,713	444,084
California	1,651,036	1,786,744
Colorado	1,542,544	1,377,556
Delaware	2,325	3,822
Florida	319,588	343,064
Georgia	295,200	299,210
Hawaii	13,276	17,508
Idaho	1,098,033	785,861
Illinois	336,823	306,126
Indiana	284,106	224,529
Iowa	1,689,799	1,709,710
Kansas	3,771,303	3,973,870
Kentucky	650,317	669,867
Louisiana	151,990	160,255
Maryland	-	11,113
Michigan	288,005	277,530
Minnesota	740,470	737,768
Mississippi	277,857	261,079
Missouri	1,284,895	1,446,468
Montana	797,609	783,839
Nebraska	3,508,059	3,654,501
Nevada	89,969	132,609
New Jersey	3,195	3,089
New Mexico	584,300	587,676
New York	303,875	303,054
North Carolina	141,403	155,492
North Dakota	597,091	512,114

See the accompanying independent auditors' report.

**CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD**

**Supplementary Statement of Assessment Revenues by State**

**(Modified Cash Basis)**

**For the Years Ended September 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSESSMENT REVENUES: (Continued)</b>		
Qualified State Beef Councils-		
Ohio	\$ 342,348	\$ 338,361
Oklahoma	1,705,415	1,829,701
Oregon	455,434	445,219
Pennsylvania	346,824	333,886
South Carolina	63,355	73,364
South Dakota	1,461,156	1,414,590
Tennessee	387,868	399,765
Texas	5,008,506	5,301,689
Utah	313,103	306,170
Vermont	34,741	34,794
Virginia	371,303	351,859
Washington	585,074	557,489
West Virginia	79,083	86,637
Wisconsin	729,320	707,891
Wyoming	<u>504,463</u>	<u>480,636</u>
Total Qualified State Beef Councils	<u>33,904,628</u>	<u>34,334,576</u>
States Without Qualified State Beef Councils-		
Alaska	175	92
Connecticut	11,836	12,176
Massachusetts	16,211	15,213
Maine	19,279	19,397
Maryland	62,583	54,840
New Hampshire	6,943	6,949
Rhode Island	<u>209</u>	<u>291</u>
Total States Without Qualified State Beef Councils	<u>117,236</u>	<u>108,958</u>
Importers	<u>9,404,080</u>	<u>7,747,877</u>
Total Assessment Revenues	<u>\$43,425,944</u>	<u>\$42,191,411</u>

See the accompanying independent auditors' report.



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