

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

**Financial Statements**

**September 30, 2025 and 2024**

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



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](http://CLAconnect.com)

**CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD  
TABLE OF CONTENTS  
SEPTEMBER 30, 2025 AND 2024**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS</b>	<b>4</b>
<b>STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN     NET ASSETS WITHOUT DONOR RESTRICTION</b>	<b>5</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>6</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>10</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>SUPPLEMENTARY STATEMENT OF ASSESSMENT REVENUES BY STATE</b>	<b>16</b>



## 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 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, 2025 and 2024, and the related statements of 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, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets, liabilities, and net assets of Cattlemen's Beef Promotion and Research Board as of September 30, 2025 and 2024, and its revenues, expenses, and changes in net assets without donor restriction, and the statements of functional expenses for the years then ended, in accordance with the modified cash basis of accounting 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.

#### ***Emphasis of Matter – 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 this 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.

#### ***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 described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

#### ***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 an opinion on the financial statements as a whole. The 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 auditing standards generally accepted in the United States of America. In our opinion, the information is 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 14, 2026, 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.

### ***Restriction on Use***

Our 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 specified parties.



**CliftonLarsonAllen LLP**

Denver, Colorado  
January 14, 2026

# CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD

## Statement of Assets, Liabilities, and Net Assets

(Modified Cash Basis, Note 2)

September 30, 2025 and 2024

<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents (Note 3)	\$ 6,485,953	\$ 4,983,442
Short-Term Investments (Note 3)	18,816,779	16,957,328
Long-Term Investments (Note 3)	3,996,151	3,996,282
Capital Assets, net of accumulated depreciation of \$54,060 and \$50,499, respectively	8,243	7,516
Other	<u>8,899</u>	<u>208</u>
Total Assets	<u>\$29,316,025</u>	<u>\$25,944,776</u>
 <u>LIABILITIES AND NET ASSETS</u>  		
Due to State Beef Councils and Other	\$ <u>31,705</u>	\$ <u>7,725</u>
Total Liabilities	31,705	7,725
Net Assets - Without Donor Restriction (Note 6):		
Designated for future expenses	13,674,219	13,052,498
Designated - Board reserve	4,350,000	4,350,000
Undesignated	<u>11,260,101</u>	<u>8,534,553</u>
Total Net Assets	<u>29,284,320</u>	<u>25,937,051</u>
Total Liabilities and Net Assets	<u>\$29,316,025</u>	<u>\$25,944,776</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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>REVENUES:</b>		
Assessments	\$42,649,250	\$43,425,944
Interest	1,055,832	1,131,872
Other	<u>374,488</u>	<u>37,723</u>
Total revenues	<u>44,079,570</u>	<u>44,595,539</u>
<b>EXPENSES:</b>		
Program Expenses -		
Promotion	8,620,135	9,929,313
Research	8,934,996	9,168,168
Consumer Information	7,530,777	7,172,640
Industry Information	2,839,419	2,805,565
Foreign Marketing	7,562,134	7,992,404
Checkoff Communications	218,978	227,986
Producer Communications	1,653,982	1,926,774
Program Evaluation	292,110	260,869
Program Development	<u>728,923</u>	<u>596,572</u>
Total program expenses	38,381,454	40,080,291
Supporting Services –		
State Services	195,533	180,400
USDA Oversight	424,874	351,030
Supporting Services & Litigation	141,230	114,150
Administration (Note 5)	<u>1,589,210</u>	<u>1,602,317</u>
Total expenses	<u>40,732,301</u>	<u>42,328,188</u>
Change in net assets	3,347,269	2,267,351
Beginning Net Assets Without Donor Restriction	<u>25,937,051</u>	<u>23,669,700</u>
Ending Net Assets Without Donor Restriction	<u>\$29,284,320</u>	<u>\$25,937,051</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, 2025**

	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	\$ 5,503,998	\$ 6,090,550	\$ 3,947,493	\$ 589,179	\$ 5,565,850	\$ -	\$ -	\$ -	\$ -	\$ 21,697,070
Professional and Other Contract Service Fees - Implementation	3,116,137	2,844,446	3,583,284	2,250,240	1,996,284	-	-	-	-	13,790,391
Salaries and Wages	-	-	-	-	-	86,221	142,152	81,811	255,308	565,492
Payroll Taxes and Employee Benefits	-	-	-	-	-	38,745	37,005	31,850	85,833	193,433
USDA Oversight Fees	-	-	-	-	-	-	-	-	-	-
Professional and Other Contract Service Fees	-	-	-	-	-	42,667	1,405,084	119,873	62,277	1,629,901
Travel and Transportation	-	-	-	-	-	10,711	11,914	23,134	221,370	267,129
Office Rent	-	-	-	-	-	10,374	9,908	8,528	22,982	51,792
Insurance	-	-	-	-	-	2,137	2,041	1,756	4,733	10,667
Equipment Rental	-	-	-	-	-	637	1,712	6,506	42,958	51,813
Other	-	-	-	-	-	27,486	44,166	18,652	33,462	123,766
<b>Total Expenses</b>	<b>\$ 8,620,135</b>	<b>\$ 8,934,996</b>	<b>\$ 7,530,777</b>	<b>\$ 2,839,419</b>	<b>\$ 7,562,134</b>	<b>\$ 218,978</b>	<b>\$ 1,653,982</b>	<b>\$ 292,110</b>	<b>\$ 728,923</b>	<b>\$ 38,381,454</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, 2025**

	Total Program Expenses	Supporting Services				Total Expenses
		State Services	USDA Oversight	Supporting Services & Litigation	Administration	
Professional and Other Contract Service Fees - Direct	\$ 21,697,070	\$ -	\$ -	\$ -	\$ -	21,697,070
Professional and Other Contract Service Fees - Implementation	13,790,391	-	-	-	-	13,790,391
Salaries and Wages	565,492	95,107	-	70,228	731,885	1,462,712
Payroll Taxes and Employee Benefits	193,433	24,616	-	21,015	203,314	442,378
USDA Oversight Fees	-	-	424,874	-	-	424,874
Professional and Other Contract Service Fees	1,629,901	13,281	-	39,333	162,574	1,845,089
Travel and Transportation	267,129	15,505	-	-	339,094	621,728
Office Rent	51,792	8,489	-	5,638	52,471	118,390
Insurance	10,667	1,748	-	1,161	11,209	24,785
Equipment Rental	51,813	465	-	309	31,120	83,707
Other	123,766	36,322	-	3,546	57,543	221,177
<b>Total Expenses</b>	<b>\$ 38,381,454</b>	<b>\$ 195,533</b>	<b>\$ 424,874</b>	<b>\$ 141,230</b>	<b>\$ 1,589,210</b>	<b>\$ 40,732,301</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, 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
<b>Total Expenses</b>	<b>\$ 9,929,313</b>	<b>\$ 9,168,168</b>	<b>\$ 7,172,640</b>	<b>\$ 2,805,565</b>	<b>\$ 7,992,404</b>	<b>\$ 227,986</b>	<b>\$ 1,926,774</b>	<b>\$ 260,869</b>	<b>\$ 596,572</b>	<b>\$ 40,080,291</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, 2024**

	Total Program Expenses	Supporting Services				Total Expenses
		State Services	USDA Oversight	Supporting Services & Litigation	Administration	
Professional and Other Contract Service Fees - Direct	\$ 22,258,795	\$ -	\$ -	\$ -	\$ -	22,258,795
Professional and Other Contract Service Fees - Implementation	14,809,295	-	-	-	-	14,809,295
Salaries and Wages	531,450	97,781	-	58,315	710,304	1,397,850
Payroll Taxes and Employee Benefits	155,052	21,921	-	17,059	210,525	404,557
USDA Oversight Fees	-	-	351,030	-	-	351,030
Professional and Other Contract Service Fees	1,861,253	14,035	-	29,014	192,864	2,097,166
Travel and Transportation	249,245	12,306	-	15	343,300	604,866
Office Rent	51,873	9,689	-	5,232	55,842	122,636
Insurance	9,958	1,860	-	1,004	11,090	23,912
Equipment Rental	35,472	485	-	262	28,483	64,702
Other	117,898	22,323	-	3,249	49,909	193,379
<b>Total Expenses</b>	<b>\$ 40,080,291</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

## Notes to Financial Statements (Modified Cash Basis)

September 30, 2025 and 2024

### (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 2025 and 2024, the Board reimbursed the following industry organizations for program expenses incurred on approved projects:

<u>Name of Contractor</u>	<u>2025</u>	<u>2024</u>
Meat Importers Council of America	\$ 984,596	\$ 753,683
Meat Institute	973,213	737,913
National Cattlemen's Beef Association (NCBA)	25,270,300	26,540,661
American Farm Bureau Foundation	572,916	784,102
United States Cattlemen's Association	56,225	199,327
United States Meat Export Federation	7,562,134	7,992,404
National Institute for Animal Agriculture	68,077	60,000

# CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD

## Notes to Financial Statements (Modified Cash Basis)

September 30, 2025 and 2024

### (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, 2025 and 2024, there were assessment receivables of approximately \$7,000,000 and \$7,100,000, accrued compensated absences of approximately \$125,540 and \$118,000 and accounts payable of approximately \$8,900,000 and \$7,900,000, 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, 2025 and 2024

### (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, 2025 and 2024, 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, 2025:				
Demand Deposit Account	\$ 250,000	\$ -	\$ -	\$ 250,000
Money Market Accounts	6,243,637	-	-	6,243,637
Certificates of Deposit	-	6,000,000	-	6,000,000
US Treasuries	-	12,816,779	3,996,151	16,812,930
Less – Outstanding Checks	<u>(7,684)</u>	<u>-</u>	<u>-</u>	<u>(7,684)</u>
Totals for 2025	<u>\$ 6,485,953</u>	<u>\$ 18,816,779</u>	<u>\$ 3,996,151</u>	<u>\$ 29,298,883</u>

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

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

**September 30, 2025 and 2024**

**(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, 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>

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, 2025, the Board has \$25,302,732 of financial assets available to meet cash needs for general expenditures within one year of the balance sheet date consisting of demand deposit of \$242,316, money market of \$6,243,637, and short-term investments of \$18,816,779. At September 30, 2024, the Board had \$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. 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 \$40,517,200 for 2025 and \$40,400,500 for 2024. Accordingly, the administrative expenses incurred by the Board were limited to \$2,025,860 in 2025 and \$2,020,025 in 2024. 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 \$1,589,210 (3.92% of projected revenues) in 2025 and \$1,602,317 (3.97% of projected revenues) in 2024. Expressed as a percentage of actual revenues, the Board's administrative expenses were 3.61% in 2025 and 3.59% in 2024.

## CATTLEMEN'S BEEF PROMOTION AND RESEARCH BOARD

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

September 30, 2025 and 2024

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 2025 and 2024 respectively, the Board paid NCBA approximately \$228,000 and \$108,000 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 \$110,000 during 2025 and \$108,000 during 2024. Future annual payments related to the leases are approximately \$113,000 in 2026, \$114,000 in 2027 and \$13,000 in 2028.

#### (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 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, 2025, and 2024, \$11,260,101 and \$8,534,553, 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, \$8,243 and \$7,516 represent net assets invested in capital assets as of September 30, 2025, and 2024, 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 \$146,000 and \$137,000 in 2025 and 2024, respectively.

#### (9) EMPLOYEE RETENTION CREDIT

The Board was eligible for the Employee Retention Credit (ERC) provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, as amended by the Taxpayer Certainty and Disaster Tax Relief Act of 2020 and the American Rescue Plan Act of 2021. The ERC is a fully refundable payroll tax credit for eligible employers that experienced a full or partial suspension of their business operations due to governmental orders or a significant decline in gross receipts during the qualifying periods in 2020 and 2021.

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

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

**September 30, 2025 and 2024**

For the year ended September 30, 2025, the Board recognized ERC of approximately \$336,462, as Other Revenue within the accompanying Statement of Revenues, Expenses, and Changes in Net Assets Without Donor Restriction.

#### **(10) 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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSESSMENT REVENUES:</b>		
Qualified State Beef Councils-		
Alabama	\$ 303,450	\$ 342,913
Arizona	315,624	331,941
Arkansas	395,087	418,713
California	1,550,352	1,651,036
Colorado	1,374,852	1,542,544
Delaware	1,917	2,325
Florida	305,029	319,588
Georgia	267,838	295,200
Hawaii	14,403	13,276
Idaho	829,057	1,098,033
Illinois	284,284	336,823
Indiana	271,041	284,106
Iowa	1,637,157	1,689,799
Kansas	3,692,594	3,771,303
Kentucky	604,063	650,317
Louisiana	126,577	151,990
Michigan	283,205	288,005
Minnesota	739,067	740,470
Mississippi	257,505	277,857
Missouri	1,191,212	1,284,895
Montana	820,057	797,609
Nebraska	3,480,835	3,508,059
Nevada	99,430	89,969
New Jersey	2,779	3,195
New Mexico	613,250	584,300
New York	320,218	303,875
North Carolina	137,943	141,403
North Dakota	534,756	597,091

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSESSMENT REVENUES: (Continued)</b>		
Qualified State Beef Councils-		
Ohio	\$ 307,776	\$ 342,348
Oklahoma	1,654,757	1,705,415
Oregon	458,552	455,434
Pennsylvania	345,489	346,824
South Carolina	62,255	63,355
South Dakota	1,461,619	1,461,156
Tennessee	345,018	387,868
Texas	4,784,784	5,008,506
Utah	333,103	313,103
Vermont	31,925	34,741
Virginia	349,870	371,303
Washington	589,615	585,074
West Virginia	75,424	79,083
Wisconsin	707,073	729,320
Wyoming	<u>511,963</u>	<u>504,463</u>
Total Qualified State Beef Councils	<u>32,472,805</u>	<u>33,904,628</u>
States Without Qualified State Beef Councils-		
Alaska	279	175
Connecticut	12,201	11,836
Massachusetts	16,065	16,211
Maine	17,050	19,279
Maryland	59,682	62,583
New Hampshire	6,715	6,943
Rhode Island	<u>315</u>	<u>209</u>
Total States Without Qualified State Beef Councils	<u>112,307</u>	<u>117,236</u>
Importers	<u>10,064,138</u>	<u>9,404,080</u>
Total Assessment Revenues	<u>\$42,649,250</u>	<u>\$43,425,944</u>

See the accompanying independent auditors' report.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.