

**Consolidated Financial Statements and
Report of Independent Certified Public
Accountants**

**National Cattlemen's Beef Association and
Affiliates**

September 30, 2025 and 2024

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
National Cattlemen's Beef Association and Affiliates

Opinion

We have audited the consolidated financial statements of National Cattlemen's Beef Association and Affiliates (the "Association"), which comprise the consolidated statements of financial position as of September 30, 2025 and 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Association as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association 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.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 US GAAS 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 consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Association'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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 audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedule of state beef council investment revenue for the year ended September 30, 2025, consolidating statements of financial position as of September 30, 2025 and 2024, and consolidating statements of activities for the years ended September 30, 2025 and 2024 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Philadelphia, Pennsylvania
December 18, 2025

National Cattlemen's Beef Association and Affiliates

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30,

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 24,529,833	\$ 21,591,274
Short-term investments	4,660,030	6,301,332
Accounts receivable, net of allowance for credit losses of \$140,000 for 2025 and 2024	6,569,823	6,454,553
Prepaid expenses	889,782	669,362
Total current assets	<u>36,649,468</u>	<u>35,016,521</u>
Fixed assets		
Furniture and equipment	3,774,357	3,705,665
Leasehold improvements	3,548,679	3,548,679
Less accumulated depreciation and amortization	7,323,036	7,254,344
Net fixed assets	(6,960,288)	(6,699,063)
Total noncurrent assets	<u>362,748</u>	<u>555,281</u>
Other assets	228,083	173,488
Right-of-use assets, net	1,718,034	1,747,803
Long-term investments	3,355,340	1,734,163
Total assets	<u>5,664,205</u>	<u>4,210,735</u>
	<u><u>\$ 42,313,673</u></u>	<u><u>\$ 39,227,256</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 4,669,167	\$ 3,610,479
Accrued expenses and other current liabilities	2,209,162	2,322,750
Deferred revenue	7,983,150	7,424,470
Lease liability, current portion	1,331,845	1,287,602
Total current liabilities	<u>16,193,324</u>	<u>14,645,301</u>
Lease liability, net of current portion	735,088	1,105,721
Total liabilities	<u>16,928,412</u>	<u>15,751,022</u>
Commitments and contingencies		
Net assets without donor restrictions		
Federation division		
Checkoff	6,430,328	6,842,425
Non-checkoff	174,148	193,272
Policy division	6,604,476	7,035,697
Non-checkoff	17,998,512	15,647,398
Affiliates	600,841	628,386
Total net assets without donor restrictions	<u>25,203,829</u>	<u>23,311,481</u>
Net assets with donor restrictions		
Total net assets	<u>181,432</u>	<u>164,753</u>
Total liabilities and net assets	<u><u>\$ 42,313,673</u></u>	<u><u>\$ 39,227,256</u></u>

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

National Cattlemen's Beef Association and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended September 30, 2025

	Without Donor Restrictions				PAC and Foundation With Donor Restrictions	Total		
	Federation Division		Policy Division					
			Other					
Revenues and other support								
BPOC contract revenues	\$ 25,800,900	\$ -	\$ -	\$ -	\$ 25,800,900			
State Beef Council investments	9,435,785	-	-	-	9,435,785			
Membership and affiliate revenues	-	6,921,391	-	-	6,921,391			
Allied Industry and Product Council investments	-	2,840,697	-	-	2,840,697			
Meetings	-	8,289,361	-	-	8,289,361			
Media	-	1,284,127	-	-	1,284,127			
Producer education	-	1,703,750	-	-	1,703,750			
Sustainability	-	461,398	-	-	461,398			
Other contributions	310,894	728,201	630,621	-	1,669,716			
Environmental stewardship	-	-	-	364,500	364,500			
Program services	-	-	137,769	-	137,769			
Educational	-	-	-	576,484	576,484			
Investment income	150,235	809,485	-	-	959,720			
Total revenues and other support	35,697,814	23,038,410	768,390	940,984	60,445,598			
Net assets released from restriction	-	-	924,305	(924,305)	-			
Program expenses								
Beef checkoff programs	27,573,839	-	-	-	27,573,839			
Federation services	1,557,137	-	-	-	1,557,137			
Tradeshow, convention and other meetings	-	5,906,275	-	-	5,906,275			
Political contributions	-	-	595,500	-	595,500			
Environmental stewardship	-	-	485,886	-	485,886			
Educational	-	-	559,805	-	559,805			
Membership and related services	-	8,762,063	-	-	8,762,063			
Total program expenses	29,130,976	14,668,338	1,641,191	-	45,440,505			
Supporting services								
Governance	664,684	871,868	-	-	1,536,552			
General and administrative	6,333,375	4,736,800	79,049	-	11,149,224			
Fundraising	-	410,290	-	-	410,290			
Total expenses	36,129,035	20,687,296	1,720,240	-	58,536,571			
CHANGE IN NET ASSETS	(431,221)	2,351,114	(27,545)	16,679	1,909,027			
Net assets, beginning of year								
Checkoff	6,842,425	-	-	-	6,842,425			
Non-checkoff	193,272	15,647,398	628,386	164,753	16,633,809			
Total net assets, beginning of year	7,035,697	15,647,398	628,386	164,753	23,476,234			
Net assets, end of year								
Checkoff	6,430,328	-	-	-	6,430,328			
Non-checkoff	174,148	17,998,512	600,841	181,432	18,954,933			
Total net assets, end of year	\$ 6,604,476	\$ 17,998,512	\$ 600,841	\$ 181,432	\$ 25,385,261			

The accompanying notes are an integral part of this consolidated financial statement.

National Cattlemen's Beef Association and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended September 30, 2024

	Without Donor Restrictions				Total	
	Federation Division		PAC and Foundation			
	Policy Division	Other	With Donor Restrictions			
Revenues and other support						
BPOC contract revenues	\$ 26,251,886	\$ -	\$ -	\$ -	\$ 26,251,886	
State Beef Council investments	8,307,909	-	-	-	8,307,909	
Membership and affiliate revenues	-	6,640,143	-	-	6,640,143	
Allied Industry and Product Council investments	-	2,380,472	-	-	2,380,472	
Meetings	-	7,286,204	-	-	7,286,204	
Media	-	1,431,869	-	-	1,431,869	
Producer education	-	1,691,664	-	-	1,691,664	
Sustainability	-	465,665	-	-	465,665	
Other contributions	152,801	671,050	641,547	-	1,465,398	
Environmental stewardship	-	-	-	450,000	450,000	
Program services	-	-	206,885	-	206,885	
Educational	-	-	-	704,469	704,469	
Investment income	200,380	965,068	-	-	1,165,448	
Total revenues and other support	34,912,976	21,532,135	848,432	1,154,469	58,448,012	
Net assets released from restriction	-	-	1,065,255	(1,065,255)	-	
Program expenses						
Beef checkoff programs	27,118,677	-	-	-	27,118,677	
Federation services	1,504,592	-	-	-	1,504,592	
Tradeshow, convention and other meetings	-	5,580,434	-	-	5,580,434	
Political contributions	-	-	640,500	-	640,500	
Environmental stewardship	-	-	609,514	-	609,514	
Educational	-	-	615,255	-	615,255	
Membership and related services	-	9,134,472	-	-	9,134,472	
Total program expenses	28,623,269	14,714,906	1,865,269	-	45,203,444	
Supporting services						
Governance	649,224	836,788	-	-	1,486,012	
General and administrative	5,783,615	4,752,319	72,909	-	10,608,843	
Fundraising	-	389,640	-	-	389,640	
Total expenses	35,056,108	20,693,653	1,938,178	-	57,687,939	
CHANGE IN NET ASSETS	(143,132)	838,482	(24,491)	89,214	760,073	
Net assets, beginning of year						
Checkoff	6,968,419	-	-	-	6,968,419	
Non-checkoff	210,410	14,808,916	652,877	75,539	15,747,742	
Total net assets, beginning of year	7,178,829	14,808,916	652,877	75,539	22,716,161	
Net assets, end of year						
Checkoff	6,842,425	-	-	-	6,842,425	
Non-checkoff	193,272	15,647,398	628,386	164,753	16,633,809	
Total net assets, end of year	\$ 7,035,697	\$ 15,647,398	\$ 628,386	\$ 164,753	\$ 23,476,234	

The accompanying notes are an integral part of this consolidated financial statement.

National Cattlemen's Beef Association and Affiliates

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended September 30,

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 1,909,027	\$ 760,073
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	261,225	291,950
Net unrealized loss (gain) on investments	20,125	(69,513)
Non-cash operating lease expense	29,769	1,085,263
Changes in assets and liabilities:		
Accounts receivable	(115,270)	(169,054)
Prepaid expenses and other assets	(275,015)	(10,529)
Accounts payable	1,058,688	(415,319)
Accrued expenses and other current liabilities	(113,588)	301,688
Operating lease liability	(326,390)	(1,391,739)
Deferred revenue	<u>558,680</u>	<u>226,747</u>
Net cash provided by operating activities	<u>3,007,251</u>	<u>609,567</u>
Cash flows from investing activities		
Purchase of investments	(6,285,000)	(6,040,000)
Sale of investments	6,285,000	6,040,000
Purchase of fixed assets	<u>(68,692)</u>	<u>(93,928)</u>
Net cash used in investing activities	<u>(68,692)</u>	<u>(93,928)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,938,559	515,639
Cash and cash equivalents, beginning of year	<u>21,591,274</u>	<u>21,075,635</u>
Cash and cash equivalents, end of year	<u>\$ 24,529,833</u>	<u>\$ 21,591,274</u>

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

National Cattlemen's Beef Association and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2025 and 2024

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

National Cattlemen's Beef Association ("NCBA") is a not-for-profit, non-stock Delaware corporation. On January 30, 1996, the National Livestock and Meat Board ("Meat Board") transferred substantially all of its assets and liabilities to NCBA, which combined the operations of the Meat Board and the National Cattlemen's Association ("NCA") to consolidate domestic market development, membership, and governmental affairs functions for the beef industry into a single organization, which began operating as NCBA on February 1, 1996.

The purposes of NCBA are: (a) to increase consumer demand for beef through consumer marketing programs for research, education, promotion, and information; (b) to promote the common business interests of the beef industry in the United States; and (c) to conduct checkoff funded activities in compliance with the Beef Promotion Research Act and Order dated July 18, 1986. The Federation Division of NCBA is referred to as the Federation of State Beef Councils. NCBA is governed by a Board of Directors that is comprised of representatives from states and organizations of the livestock and meat industry.

The following entities are affiliated with NCBA and are presented in the consolidated financial statements because NCBA exercises significant control over the entities:

- The National Cattlemen's Foundation (the "Foundation") is a not-for-profit corporation formed for scientific and educational purposes to promote the beef industry.
- The National Cattlemen's Beef Association Political Action Committee (the "Committee") is a political action committee organized and operated under the provisions of the Federal Election Commission. The Committee is not affiliated with a political party.

Principles of Consolidation

The reporting entity referred to as the Association includes the accounts of NCBA, the Foundation, and the Committee. Intercompany transactions and accounts have been eliminated in consolidation.

Basis of Presentation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). Net assets without donor restrictions have been delineated between those derived from legislated beef checkoff programs and non-checkoff sources, which consist of Policy Division and Federation non-checkoff activities. Net assets with donor restrictions are amounts restricted by donors specifically for certain time periods, purposes, or programs.

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Highly liquid investments with a maturity of three months or less at the date of purchase are classified as cash equivalents. Cash and cash equivalents consist of demand deposits and money market mutual funds. At various times during the year, demand deposit balances were maintained in excess of the federally

National Cattlemen's Beef Association and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2025 and 2024

insured limits. Management does not believe that the Association is exposed to any significant financial risk as a result of these deposits.

Accounts Receivable, Net

Accounts receivable arise in the normal course of business. It is the policy of management to review the outstanding accounts receivable throughout the year, as well as the bad debt write-offs experienced in the past and establish an allowance for estimated uncollectible amounts. Accounts receivable are written off when deemed uncollectible by management.

A summary of accounts receivable is as follows:

	As of September 30,	
	2025	2024
Beef Promotion Operating Committee ("BPOC") ⁽¹⁾	\$ 4,468,887	\$ 4,176,711
Other	2,240,936	2,417,842
Allowance for credit losses	(140,000)	(140,000)
 Total accounts receivable, net	 \$ 6,569,823	 \$ 6,454,553

⁽¹⁾ Includes accrued (unbilled) receivables of \$19,119 and \$96,855 as of September 30, 2025 and 2024, respectively.

Concentration of Credit Risk

The Association annually contracts with the BPOC to carry out promotion, research, consumer information, industry information, and foreign marketing programs pursuant to the terms of the Beef Promotion and Research Act and the Beef Promotion and Research Order. This contract accounted for 43% and 45% of total revenue for the years ended September 30, 2025 and 2024, respectively. As of September 30, 2025 and 2024, this contract accounted for approximately 68% and 65% of accounts receivable, respectively.

Fixed Assets

Property, furniture, equipment, and leasehold improvements having a cost of \$1,000 or more are carried at cost, less accumulated depreciation and amortization. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets, which range from three to 10 years. Depreciation expense for 2025 and 2024 was \$261,225 and \$291,950, respectively. Leasehold improvements are amortized over their useful lives or lease terms, whichever is shorter. If a fixed asset is determined to be impaired, the asset is written down to fair value and a loss is recognized.

Long-Lived Assets

The Association reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recovered. The Association estimates undiscounted future cash flows in its assessment of whether or not long-lived assets have been impaired. No impairment was recognized during the years ended September 30, 2025 and 2024.

Net Assets

In February 1996, when the Meat Board and NCA merged to form NCBA, each organization brought net assets to NCBA by division. For the Federation Division, there are two categories of net assets without donor restrictions: checkoff net assets and non-checkoff net assets. The checkoff net assets are a result of

National Cattlemen's Beef Association and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2025 and 2024

State Beef Council investment surpluses. The non-checkoff net assets are from pre-checkoff funds or non-checkoff investments to that division. Policy Division net assets consist of unrestricted non-checkoff balances.

Net assets with donor restrictions are restricted by donors specifically for certain time periods, purposes, or programs. During 2025 and 2024, the majority of these amounts related to scholarships and charitable causes.

Revenue Sources

The majority of the Association's revenues are derived from the federally legislated beef checkoff program. Legislated checkoff funds can be used only for those activities and purposes authorized under the Beef Promotion and Research Act and the Beef Promotion and Research Order dated July 18, 1986.

The Association also has non-checkoff, or Policy Division, sources of revenue from membership dues, sponsorships, advertising, and other related revenues. These funds can generally be used to fund programs that meet the objectives of the Association and are approved by the Board of Directors.

Revenue Recognition

NCBA recognizes revenue when control of the promised goods or services are transferred to outside parties in an amount that reflects the consideration NCBA expects to be entitled to in exchange for those goods or services.

BPOC Contracts

BPOC contract revenues are earned in accordance with an annual contract between BPOC and the Association and are accounted for in the Federation Division of the Association. The contract provides for the reimbursement of authorized expenditures. Accordingly, funds received from the BPOC are recorded as revenue when eligible costs are expended.

State Beef Council Investments

Contributions from the State Beef Council investments are generally recognized when received from the respective states. These funds are designated to meet the objectives and expenses of the Association's Federation Division approved activities. To the extent that there are special projects requested by states, revenue is recognized as the underlying expenses are incurred on the project.

For the year ended September 30, 2025, NCBA recognized revenue of \$307,339 from amounts that were included in deferred State Beef Council investments at the beginning of the year.

At September 30, 2025, deferred State Beef Council investments totaled \$607,589 which will be recognized within one year.

Membership and Affiliate Revenues

Payments received for membership dues in advance of NCBA satisfying its performance obligation are recorded within deferred revenue at the minimum membership level amount in the accompanying consolidated statements of financial position and are recognized over the respective term of the membership. The changes in deferred membership dues were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

For the year ended September 30, 2025, NCBA recognized revenue of \$1,159,333 from amounts that were included in deferred membership dues at the beginning of the year.

National Cattlemen's Beef Association and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2025 and 2024

At September 30, 2025, deferred membership dues totaled \$1,227,131 which will be recognized within one year.

NCBA offers membership for terms of one year. NCBA satisfies its performance obligation and recognizes revenue evenly over the membership term as members simultaneously receive and consume the benefits over that timeframe. Generally, membership doesn't commence until after NCBA receives payment.

Allied Industry and Product Council Investments

Revenues from these investments are recognized in the period of the related membership. As the membership term is the same as the fiscal year, there are immaterial deferred membership dues as of September 30, 2025.

Meetings

Revenues from sponsorships are recognized when related expenses are incurred. Revenues from meetings are recognized when the meeting is held.

For the year ended September 30, 2025, NCBA recognized revenue of \$3,952,995 from amounts that were included in deferred sponsorships and meetings at the beginning of the year.

At September 30, 2025, deferred sponsorships and meetings totaled \$4,832,420 which will be recognized within one year.

Media and Other Related Revenues

NCBA sells advertising space in its major publications, which are provided to members without additional charge as part of their membership benefits. Advertising revenue is recognized in the month of each publication's issue date. NCBA also sells advertising space on its website and in other e-channels. Digital advertising revenue is recognized over the term of the advertisement campaign period.

Revenues from advertising and other related revenues are recognized when earned.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions are reported as net assets with donor restrictions if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

Contributions that are spent within the same year they are received are recorded in net assets without donor restrictions. Conditional contributions, that is, those with a measurable performance or other barrier and a right of return, are recognized as revenue only when the conditions on which they depend are substantially met. Expenditures in excess of cumulative funds received for specific projects are funded through the surplus net assets without donor restrictions.

Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the consolidated statements of activities. Costs that are not specifically identifiable to checkoff or non-checkoff programs have been allocated to programs and general services and administration and fundraising based on a methodology that considers budgeted expenses and the proportion of personnel time expended by program. The allocation methodology utilized for the years ended September 30, 2025

National Cattlemen's Beef Association and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2025 and 2024

and 2024 was consistently applied and approved by the Cattlemen's Beef Promotion and Research Board as part of its oversight responsibilities related to the annual BPOC contract with the Association.

Income Taxes

The Association follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the consolidated financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

NCBA is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code (the "Code"), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Foundation is exempt from federal income tax under Section 501(c)(3) of the Code. The Foundation is not a private foundation within the meaning of Section 509(a)(1) of the Code. The Committee is a political organization as defined in Section 527 of the Code. The Association has processes presently in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, to determine its filing and tax obligations in jurisdictions for which it has nexus, and to identify and evaluate other matters that may be considered tax positions. The Association has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

Marketing Costs

Marketing costs are expensed in the period incurred.

Fair Value Measurements

The Association reports using fair value measurements which require enhanced disclosures about investments that are measured and reported at fair value and an established framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

National Cattlemen's Beef Association and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2025 and 2024

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the consolidated statements of financial position.

Lease Accounting

In accordance with Accounting Standards Update 2016-02, *Leases (Topic 842)*, the Association determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether the Association controls the use of the identified asset throughout the period of use. The Association classifies leases as either financing or operating. Right-of-use ("ROU") assets are recognized at the lease commencement date and represent the Association's right to use an underlying asset for the lease term and lease liabilities represent the Association's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments are discounted based on the risk-free rate.

The Association's ROU assets are initially measured based on the corresponding lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of ROU assets and lease liabilities when it is reasonably certain the options will be exercised. ROU assets are also assessed for impairments consistent with the long-lived asset guidance.

The Association does not allocate consideration between lease and non-lease components, such as operating costs, as the Association has elected to not separate lease and non-lease components for any leases within its existing classes of assets. Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. Variable lease payments for usage-based fees are not included in the measurement of the ROU assets or lease liabilities and are expensed as incurred. The Association elects the short-term lease recognition exemption for all leases that qualify. This means, for those leases that qualify, the Association does not recognize ROU assets or lease liabilities.

Subsequent Events

The Association has evaluated all subsequent events for recognition or disclosure through December 18, 2025, which is the date the consolidated financial statements were available to be issued, noting there were none requiring disclosure.

National Cattlemen's Beef Association and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2025 and 2024

NOTE 2 - EMPLOYEE BENEFITS

Savings Plan

The Association has a contributory Thrift Savings Plan (the "Plan"). All full-time employees age 21 and over are eligible to participate on the first day of the month following their date of hire. Employees who are regularly scheduled to work fewer than 25 hours per week must complete 1,000 hours of service in a 12-month period, beginning on their date of hire (or during any subsequent 12-month period) to be eligible to participate. Participants may elect to defer pretax earnings up to the annual limit as defined by the Internal Revenue Service. The Association provides partial matching of the employees' contributions. Employer contributions vest over a period of four years. The Association's contribution expense related to the Plan was \$1,139,734 and \$1,362,436 for the years ended September 30, 2025 and 2024, respectively.

NOTE 3 - OPERATING LEASES

Denver

The non-cancelable operating lease agreement covering the Association's facility in Denver expires in July 2026. The Association is in the process of evaluating renewal or new lease options.

Denver lease expense, net of sublease income for the years ended September 30, 2025 and 2024 totaled \$792,011 and \$756,374, respectively.

The maturity of the Association's Denver operating lease liability as of September 30, 2025, excluding sublease income, is as follows:

<u>Year Ending September 30,</u>	<u>2025</u>
2026	\$ 978,344
Total undiscounted payments	978,344
Less: imputed interest	(17,131)
Present value of future lease payments	961,213
Less: current portion of operating lease liabilities	(961,213)
Long-term portion of operating lease liabilities	\$ -

Washington, D.C.

The non-cancelable operating lease agreement covering NCBA's facility in Washington, D.C. expires in June 2028.

Total Washington, D.C. lease expense for both years ended September 30, 2025 and 2024 was \$297,786.

National Cattlemen's Beef Association and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2025 and 2024

The maturities of NCBA's Washington, D.C. operating lease liability as of September 30, 2025 are as follows:

<u>Year Ending September 30,</u>	<u>2025</u>
2026	\$ 406,276
2027	415,417
2028	<u>346,118</u>
 Total undiscounted payments	1,167,811
 Less: imputed interest	<u>(62,090)</u>
 Present value of future lease payments	1,105,721
 Less: current portion of operating lease liabilities	<u>(370,633)</u>
 Long-term portion of operating lease liabilities	<u>\$ 735,088</u>

The following table represents the weighted-average remaining lease term and discount rate as of September 30, 2025 and 2024 for both the Denver and Washington, D.C. leases:

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term (years)	1.79	3.33
Weighted-average discount rate	3.98%	3.98%

NOTE 4 - RENTAL INCOME

The Association leased portions of its Denver facility to unrelated third parties as commercial office space during the years ended September 30, 2025 and 2024. The lease expires in July 2026. Sublease income for the years ended September 30, 2025 and 2024 totaled \$164,115 and \$156,175, respectively.

Future minimum rental income under the lease is as follows:

<u>Year Ending September 30,</u>	
2026	\$ 158,782

National Cattlemen's Beef Association and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2025 and 2024

NOTE 5 - INVESTMENTS AND CONCENTRATIONS

The following tables set forth by level, within the fair value hierarchy, the Association's investments, at fair value, as of September 30, 2025 and 2024:

	2025				
	Level 1	Level 2	Level 3	Total	
Included within cash and cash equivalents					
Money market mutual funds	\$ 15,687,202	\$ -	\$ -	\$ 15,687,202	
Included within short-term investments					
Brokerage Certificates of Deposit	- -	4,660,030		- 4,660,030	
Included within long-term investments					
Brokerage Certificates of Deposit	- -	3,355,340		- 3,355,340	
Total	\$ 15,687,202	\$ 8,015,370	\$ -	\$ 23,702,572	
2024					
	Level 1	Level 2	Level 3	Total	
	\$ 15,170,690	\$ -	\$ -	\$ 15,170,690	
Included within short-term investments					
Brokerage Certificates of Deposit	- -	6,301,332		- 6,301,332	
Included within long-term investments					
Brokerage Certificates of Deposit	- -	1,734,163		- 1,734,163	
Total	\$ 15,170,690	\$ 8,035,495	\$ -	\$ 23,206,185	

Investment income for 2025 of \$959,720 is comprised of interest of \$979,845 and unrealized loss of \$20,125. Investment income for 2024 of \$1,165,448 is comprised of interest of \$1,095,935 and unrealized gain of \$69,513.

NOTE 6 - EXPENSES BY FUNCTIONAL AND NATURAL CATEGORY

The Association summarizes the costs of providing its various programs and other activities on a functional basis in the consolidated statements of activities.

National Cattlemen's Beef Association and Affiliates

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

September 30, 2025 and 2024

The Association's expenses by functional and natural category for the year ended September 30, 2025 are as follows:

	Beef Checkoff Programs	Federation Services	Membership and Related Services	Tradeshow, Convention and Other Meetings	Governance	General and Administrative	Environmental Stewardship	Educational	Fundraising	Political Contributions	Total
Professional and research services	\$ 19,706,368	\$ 202,999	\$ 2,540,429	\$ 1,813,686	\$ 103,615	\$ 1,156,295	\$ 276,859	\$ 122,696	\$ 198,456	\$ -	\$ 26,121,403
Compensation and benefits	6,817,804	1,050,860	4,327,331	1,262,511	633,129	6,768,985	57,507	8,944	74,505	-	21,001,576
Meeting	95,072	97,053	259,278	1,781,154	176,957	117,801	88,267	-	80,658	-	2,696,240
Legal	26,297	-	41,084	1,834	1,515	141,099	-	-	-	-	211,829
Occupancy and office	30,177	18,678	112,261	202,679	14,320	1,902,256	430	3,039	-	-	2,283,840
Travel	547,238	49,823	502,384	431,628	481,330	264,711	62,348	3,945	5,100	-	2,348,507
Program materials	263,362	103,085	579,829	182,225	124,079	78,086	-	-	26,317	-	1,356,983
Technology	11,136	5,171	6,772	42,228	-	284,670	-	-	-	-	349,977
Postage	16,597	11,763	337,174	75,297	1,079	14,142	-	-	14,264	-	470,316
Other	59,788	17,705	55,521	113,033	528	421,179	475	-	10,990	-	679,219
Scholarships	-	-	-	-	-	-	-	421,181	-	-	421,181
Political contributions	-	-	-	-	-	-	-	-	-	595,500	595,500
Total	\$ 27,573,839	\$ 1,557,137	\$ 8,762,063	\$ 5,906,275	\$ 1,536,552	\$ 11,149,224	\$ 485,886	\$ 559,805	\$ 410,290	\$ 595,500	\$ 58,536,571

The Association's expenses by functional and natural category for the year ended September 30, 2024 are as follows:

	Beef Checkoff Programs	Federation Services	Membership and Related Services	Tradeshow, Convention and Other Meetings	Governance	General and Administrative	Environmental Stewardship	Educational	Fundraising	Political Contributions	Total
Professional and research services	\$ 17,784,306	\$ 204,344	\$ 2,507,677	\$ 1,077,304	\$ 50,641	\$ 1,073,690	\$ 263,547	\$ 195,831	\$ 199,536	\$ -	\$ 23,356,876
Compensation and benefits	7,792,629	971,790	4,480,600	1,168,891	629,617	6,421,799	85,353	6,809	67,959	-	21,625,447
Meeting	156,913	52,909	380,831	2,494,796	188,760	81,662	181,836	1,350	76,358	-	3,615,415
Legal	30,842	-	215,877	1,704	-	332,825	-	-	-	-	581,248
Occupancy and office	37,846	15,928	86,877	55,921	5,671	1,846,239	7,765	291	-	-	2,056,538
Travel	578,594	79,714	549,743	367,286	498,568	144,855	70,976	3,401	5,395	-	2,298,532
Program materials	545,831	144,237	604,264	172,721	108,485	111,008	-	-	20,367	-	1,706,913
Technology	24,099	3,693	8,258	66,562	-	265,511	-	-	-	-	368,123
Postage	28,372	14,497	268,466	82,959	4,077	38	-	-	11,331	-	409,740
Other	139,245	17,480	31,879	92,290	193	331,216	37	-	8,694	-	621,034
Scholarships	-	-	-	-	-	-	-	407,573	-	-	407,573
Political contributions	-	-	-	-	-	-	-	-	-	640,500	640,500
Total	\$ 27,118,677	\$ 1,504,592	\$ 9,134,472	\$ 5,580,434	\$ 1,486,012	\$ 10,608,843	\$ 609,514	\$ 615,255	\$ 389,640	\$ 640,500	\$ 57,687,939

National Cattlemen's Beef Association and Affiliates
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025 and 2024

NOTE 7 - LIQUIDITY

As of September 30, 2025, financial assets available within one year for general expenditure, such as operating expenditures, were as follows:

Financial assets	
Cash and cash equivalents	\$ 24,529,833
Short-term investments	4,660,030
Accounts receivable, net	6,569,823
Less: cash and cash equivalents restricted/deferred for certain purposes	<u>(621,566)</u>
Total financial assets available within one year	<u>\$ 35,138,120</u>

As part of its liquidity plan, excess cash is invested in short-term investments, including money market mutual funds and brokerage certificates of deposit.

SUPPLEMENTARY INFORMATION

National Cattlemen's Beef Association and Affiliates

SUPPLEMENTAL SCHEDULE OF STATE BEEF COUNCIL INVESTMENT REVENUE

Year ended September 30, 2025

State	Beef	NCBA Earmarked	Total SBC Revenue
Alabama	\$ 33,000	\$ 5,000	\$ 38,000
Arizona	20,000	52,505	72,505
Arkansas	28,000	3,000	31,000
California	23,000	49,250	72,250
Colorado	65,000	176,500	241,500
Florida	14,000	79,000	93,000
Georgia	14,000	5,000	19,000
Hawaii	875	-	875
Idaho	180,000	20,000	200,000
Illinois	14,000	13,500	27,500
Indiana	17,000	5,000	22,000
Iowa	468,874	25,300	494,174
Kansas	1,824,624	212,726	2,037,350
Kentucky	36,000	19,000	55,000
Louisiana	17,000	-	17,000
Michigan	42,000	136,002	178,002
Minnesota	103,000	-	103,000
Mississippi	23,000	15,000	38,000
Missouri	182,000	30,000	212,000
Montana	96,000	3,000	99,000
Nebraska	1,735,000	105,096	1,840,096
Nevada	12,000	38,500	50,500
New Mexico	29,000	55,298	84,298
New York	14,000	25,000	39,000
North Carolina	19,000	-	19,000
North Dakota	265,444	18,000	283,444
Ohio	14,000	45,750	59,750
Oklahoma	305,000	80,250	385,250
Oregon	23,000	-	23,000
Pennsylvania	17,000	4,920	21,920
South Carolina	3,668	-	3,668
South Dakota	96,000	17,450	113,450
Tennessee	59,300	30,000	89,300
Texas	1,100,000	10,000	1,110,000
Utah	23,000	101,000	124,000
Virginia	20,000	45,000	65,000
Washington	58,750	752,936	811,686
West Virginia	4,332	1,000	5,332
Wisconsin	31,000	33,750	64,750
Wyoming	100,000	-	100,000
	7,130,867	2,213,731	9,344,598
Net deferred investments adjustment	8,911	82,276	91,187
	<u>\$ 7,139,778</u>	<u>\$ 2,296,007</u>	<u>\$ 9,435,785</u>

National Cattlemen's Beef Association and Affiliates
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
September 30, 2025

	National Cattlemen's Beef Association	National Cattlemen's Political Action Committee	National Cattlemen's Foundation	Total	Eliminating Entries		Consolidated Balance
					Debit	Credit	
ASSETS							
Current assets							
Cash and cash equivalents	\$ 23,167,907	\$ 558,784	\$ 803,142	24,529,833	\$ -	\$ -	\$ 24,529,833
Short-term investments	4,660,030			4,660,030	-	-	4,660,030
Accounts receivable and intercompany, net	6,529,166	1,313	227,505	6,757,984	-	188,161	6,569,823
Prepaid expenses	889,782	-	-	889,782	-	-	889,782
Total current assets	<u>35,246,885</u>	<u>560,097</u>	<u>1,030,647</u>	<u>36,837,629</u>	<u>-</u>	<u>188,161</u>	<u>36,649,468</u>
Fixed assets							
Furniture and equipment	3,761,167	-	13,190	3,774,357	-	-	3,774,357
Leasehold improvements	3,548,679	-	-	3,548,679	-	-	3,548,679
Less: accumulated depreciation and amortization	7,309,846	-	13,190	7,323,036	-	-	7,323,036
(6,960,288)	<u>-</u>	<u>-</u>	<u>(6,960,288)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,960,288)</u>
Net fixed assets	349,558	-	13,190	362,748	-	-	362,748
Other assets	228,083	-	-	228,083	-	-	228,083
Right-of-use assets, net	1,718,034	-	-	1,718,034	-	-	1,718,034
Long-term investments	3,355,340	-	-	3,355,340	-	-	3,355,340
Total noncurrent assets	<u>5,651,015</u>	<u>-</u>	<u>13,190</u>	<u>5,664,205</u>	<u>-</u>	<u>-</u>	<u>5,664,205</u>
Total assets	<u><u>\$ 40,897,900</u></u>	<u><u>\$ 560,097</u></u>	<u><u>\$ 1,043,837</u></u>	<u><u>\$ 42,501,834</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 188,161</u></u>	<u><u>\$ 42,313,673</u></u>
LIABILITIES AND NET ASSETS							
Current liabilities							
Accounts payable and intercompany	\$ 4,657,438	\$ -	\$ 199,890	\$ 4,857,328	\$ 188,161	\$ -	\$ 4,669,167
Accrued expenses and other current liabilities	2,208,957	-	205	2,209,162	-	-	2,209,162
Deferred revenue	7,361,584	-	621,566	7,983,150	-	-	7,983,150
Lease liability, current portion	1,331,845	-	-	1,331,845	-	-	1,331,845
Total current liabilities	<u>15,559,824</u>	<u>-</u>	<u>821,661</u>	<u>16,381,485</u>	<u>188,161</u>	<u>-</u>	<u>16,193,324</u>
Lease liability, net of current portion	<u>735,088</u>	<u>-</u>	<u>-</u>	<u>735,088</u>	<u>-</u>	<u>-</u>	<u>735,088</u>
Total liabilities	<u><u>16,294,912</u></u>	<u><u>-</u></u>	<u><u>821,661</u></u>	<u><u>17,116,573</u></u>	<u><u>188,161</u></u>	<u><u>-</u></u>	<u><u>16,928,412</u></u>
Net assets without donor restrictions							
Federation Division	6,604,476	-	-	6,604,476	-	-	6,604,476
Policy Division	17,998,512	-	-	17,998,512	-	-	17,998,512
Affiliates	-	560,097	40,744	600,841	-	-	600,841
Total net assets without donor restrictions	<u>24,602,988</u>	<u>560,097</u>	<u>40,744</u>	<u>25,203,829</u>	<u>-</u>	<u>-</u>	<u>25,203,829</u>
Net assets with donor restrictions							
Total net assets	<u><u>24,602,988</u></u>	<u><u>560,097</u></u>	<u><u>222,176</u></u>	<u><u>25,385,261</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>25,385,261</u></u>
Total liabilities and net assets	<u><u>\$ 40,897,900</u></u>	<u><u>\$ 560,097</u></u>	<u><u>\$ 1,043,837</u></u>	<u><u>\$ 42,501,834</u></u>	<u><u>\$ 188,161</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 42,313,673</u></u>

National Cattlemen's Beef Association and Affiliates
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
September 30, 2024

	National Cattlemen's Beef Association	National Cattlemen's Political Action Committee	National Cattlemen's Foundation	Total	Eliminating Entries		Consolidated Balance					
					Debit	Credit						
ASSETS												
Current assets												
Cash and cash equivalents	\$ 19,886,210	\$ 528,271	\$ 1,176,793	\$ 21,591,274	\$ -	\$ -	\$ 21,591,274					
Short-term investments	6,301,332	-	-	6,301,332	-	-	6,301,332					
Accounts receivable and intercompany, net	6,233,446	905	229,633	6,463,984	-	9,431	6,454,553					
Prepaid expenses	669,362	-	-	669,362	-	-	669,362					
Total current assets	<u>33,090,350</u>	<u>529,176</u>	<u>1,406,426</u>	<u>35,025,952</u>	<u>-</u>	<u>9,431</u>	<u>35,016,521</u>					
Fixed assets												
Furniture and equipment	3,692,475	-	13,190	3,705,665	-	-	3,705,665					
Leasehold improvements	3,548,679	-	-	3,548,679	-	-	3,548,679					
Less accumulated depreciation and amortization	7,241,154	-	13,190	7,254,344	-	-	7,254,344					
(6,699,063)	<u>-</u>	<u>-</u>	<u>(6,699,063)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,699,063)</u>					
Net fixed assets	542,091	-	13,190	555,281	-	-	555,281					
Other assets	173,488	-	-	173,488	-	-	173,488					
Right-of-use assets, net	1,747,803	-	-	1,747,803	-	-	1,747,803					
Long-term investments	1,734,163	-	-	1,734,163	-	-	1,734,163					
Total noncurrent assets	<u>4,197,545</u>	<u>-</u>	<u>13,190</u>	<u>4,210,735</u>	<u>-</u>	<u>-</u>	<u>4,210,735</u>					
Total assets	<u><u>\$ 37,287,895</u></u>	<u><u>\$ 529,176</u></u>	<u><u>\$ 1,419,616</u></u>	<u><u>\$ 39,236,687</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,431</u></u>	<u><u>\$ 39,227,256</u></u>					
LIABILITIES AND NET ASSETS												
Current liabilities												
Accounts payable and intercompany	\$ 3,584,828	\$ -	\$ 35,082	\$ 3,619,910	\$ 9,431	\$ -	\$ 3,610,479					
Accrued expenses and other current liabilities	2,322,562	-	188	2,322,750	-	-	2,322,750					
Deferred revenue	6,304,087	-	1,120,383	7,424,470	-	-	7,424,470					
Lease liability, current portion	1,287,602	-	-	1,287,602	-	-	1,287,602					
Total current liabilities	<u>13,499,079</u>	<u>-</u>	<u>1,155,653</u>	<u>14,654,732</u>	<u>9,431</u>	<u>-</u>	<u>14,645,301</u>					
Lease liability, net of current portion	<u>1,105,721</u>	<u>-</u>	<u>-</u>	<u>1,105,721</u>	<u>-</u>	<u>-</u>	<u>1,105,721</u>					
Total liabilities	<u><u>14,604,800</u></u>	<u><u>-</u></u>	<u><u>1,155,653</u></u>	<u><u>15,760,453</u></u>	<u><u>9,431</u></u>	<u><u>-</u></u>	<u><u>15,751,022</u></u>					
Net assets without donor restrictions												
Federation Division	7,035,697	-	-	7,035,697	-	-	7,035,697					
Policy Division	15,647,398	-	-	15,647,398	-	-	15,647,398					
Affiliates	-	529,176	99,210	628,386	-	-	628,386					
Total net assets without donor restrictions	<u>22,683,095</u>	<u>529,176</u>	<u>99,210</u>	<u>23,311,481</u>	<u>-</u>	<u>-</u>	<u>23,311,481</u>					
Net assets with donor restrictions												
Total net assets	<u><u>22,683,095</u></u>	<u><u>529,176</u></u>	<u><u>263,963</u></u>	<u><u>23,476,234</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>23,476,234</u></u>					
Total liabilities and net assets	<u><u>\$ 37,287,895</u></u>	<u><u>\$ 529,176</u></u>	<u><u>\$ 1,419,616</u></u>	<u><u>\$ 39,236,687</u></u>	<u><u>\$ 9,431</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 39,227,256</u></u>					

National Cattlemen's Beef Association and Affiliates

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended September 30, 2025

	National Cattlemen's Beef Association	National Cattlemen's Political Action Committee	National Cattlemen's Foundation	Total	Eliminating Entries	Consolidated Balance
					Debit	Credit
Revenues and other support						
BPOC contract revenues	\$ 25,800,900	\$ -	\$ -	\$ 25,800,900	\$ -	\$ 25,800,900
State Beef Council investments	9,435,785	-	-	9,435,785	-	9,435,785
Membership and affiliate revenues	6,921,391	-	-	6,921,391	-	6,921,391
Allied Industry and Product Council investments	2,840,697	-	-	2,840,697	-	2,840,697
Meetings	8,289,361	-	-	8,289,361	-	8,289,361
Media	1,284,127	-	-	1,284,127	-	1,284,127
Producer education	1,703,750	-	-	1,703,750	-	1,703,750
Sustainability	461,398	-	-	461,398	-	461,398
Other contributions	1,039,095	626,421	4,200	1,669,716	-	1,669,716
Environmental stewardship	-	-	364,500	364,500	-	364,500
Program services	-	-	137,769	137,769	-	137,769
Educational	-	-	576,484	576,484	-	576,484
In-kind contributions	-	632,001	43,264	675,265	675,265	-
Investment income	959,720	-	-	959,720	-	959,720
Total revenues and other support	58,736,224	1,258,422	1,126,217	61,120,863	675,265	60,445,598
Program expenses						
Beef checkoff programs	27,573,839	-	-	27,573,839	-	27,573,839
Federation services	1,557,137	-	-	1,557,137	-	1,557,137
Tradeshow, convention and other meetings	5,906,275	-	-	5,906,275	-	5,906,275
Contributions to candidates	-	595,500	-	595,500	-	595,500
Environmental stewardship	-	-	485,886	485,886	-	485,886
Educational	-	-	559,805	559,805	-	559,805
Membership and related services	9,252,627	-	-	9,252,627	-	9,252,627
Total program expenses	44,289,878	595,500	1,045,691	45,931,069	-	45,440,505
Supporting services						
Governance	1,536,552	-	-	1,536,552	-	1,536,552
General and administrative	10,989,901	221,711	122,313	11,333,925	-	11,149,224
Fundraising	-	410,290	-	410,290	-	410,290
Total expenses	56,816,331	1,227,501	1,168,004	59,211,836	-	58,536,571
CHANGE IN NET ASSETS	\$ 1,919,893	\$ 30,921	\$ (41,787)	\$ 1,909,027	\$ 675,265	\$ 675,265
						\$ 1,909,027

National Cattlemen's Beef Association and Affiliates

CONSOLIDATING STATEMENT OF ACTIVITIES

Year ended September 30, 2024

	National Cattlemen's Beef Association	National Cattlemen's Political Action Committee	National Cattlemen's Foundation	Total	Eliminating Entries		Consolidated Balance
					Debit	Credit	
Revenues and other support							
BPOC contract revenues	\$ 26,251,886	\$ -	\$ -	\$ 26,251,886	\$ -	\$ -	\$ 26,251,886
State Beef Council investments	8,307,909	-	-	8,307,909	-	-	8,307,909
Membership and affiliate revenues	6,640,143	-	-	6,640,143	-	-	6,640,143
Allied Industry and Product Council investments	2,380,472	-	-	2,380,472	-	-	2,380,472
Meetings	7,286,204	-	-	7,286,204	-	-	7,286,204
Media	1,431,869	-	-	1,431,869	-	-	1,431,869
Producer education	1,691,664	-	-	1,691,664	-	-	1,691,664
Sustainability	465,665	-	-	465,665	-	-	465,665
Other contributions	823,851	637,402	4,145	1,465,398	-	-	1,465,398
Environmental stewardship	-	-	450,000	450,000	-	-	450,000
Program services	-	-	206,885	206,885	-	-	206,885
Educational	-	-	704,469	704,469	-	-	704,469
In-kind contributions	-	592,951	70,665	663,616	663,616	-	-
Investment income	1,165,448	-	-	1,165,448	-	-	1,165,448
Total revenues and other support	56,445,111	1,230,353	1,436,164	59,111,628	663,616	-	58,448,012
Program expenses							
Beef checkoff programs	27,118,677	-	-	27,118,677	-	-	27,118,677
Federation services	1,504,592	-	-	1,504,592	-	-	1,504,592
Tradeshow, convention and other meetings	5,580,434	-	-	5,580,434	-	-	5,580,434
Contributions to candidates	-	640,500	-	640,500	-	-	640,500
Environmental stewardship	-	-	609,514	609,514	-	-	609,514
Educational	-	-	615,255	615,255	-	-	615,255
Membership and related services	9,597,463	-	-	9,597,463	-	462,991	9,134,472
Total program expenses	43,801,166	640,500	1,224,769	45,666,435	-	462,991	45,203,444
Supporting services							
Governance	1,486,012	-	-	1,486,012	-	-	1,486,012
General and administrative	10,462,583	203,311	143,574	10,809,468	-	200,625	10,608,843
Fundraising	-	389,640	-	389,640	-	-	389,640
Total expenses	55,749,761	1,233,451	1,368,343	58,351,555	-	663,616	57,687,939
CHANGE IN NET ASSETS	\$ 695,350	\$ (3,098)	\$ 67,821	\$ 760,073	\$ 663,616	\$ 663,616	\$ 760,073

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
National Cattlemen's Beef Association

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated financial statements of National Cattlemen's Beef Association and Affiliates (the "Association"), which comprise the consolidated statement of financial position as of September 30, 2025, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 18, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the Association failed to comply with the terms, covenants, provisions, or conditions of 5(10) and 1260.169(e) of the Beef Promotion and Research Act and Order of 1985 (the "Act"), insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Association's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the Indenture, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the board of directors and management of National Cattlemen's Beef Association, Qualified State Beef Councils, and the Cattlemen's Beef Board and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Philadelphia, Pennsylvania
December 18, 2025