

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,**

|  | <b>2025</b>                 | <b>2024</b>                 |
|--|-----------------------------|-----------------------------|
| <b>ASSETS</b>  |                             |                             |
| <b>Current assets</b>  |                             |                             |
| 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>           |
| <b>Fixed assets</b>  |                             |                             |
| Furniture and equipment  | 3,774,357                   | 3,705,665                   |
| Leasehold improvements   | 3,548,679                   | 3,548,679                   |
|  | 7,323,036                   | 7,254,344                   |
| Less accumulated depreciation and amortization   | <u>(6,960,288)</u>          | <u>(6,699,063)</u>          |
| Net fixed assets   | 362,748                     | 555,281                     |
| 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 noncurrent assets  | <u>5,664,205</u>            | <u>4,210,735</u>            |
| Total assets   | <u><u>\$ 42,313,673</u></u> | <u><u>\$ 39,227,256</u></u> |
| <b>LIABILITIES AND NET ASSETS</b>  |                             |                             |
| <b>Current liabilities</b>   |                             |                             |
| 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  | <u>735,088</u>              | <u>1,105,721</u>            |
| Total liabilities  | <u>16,928,412</u>           | <u>15,751,022</u>           |
| <b>Commitments and contingencies</b>   |                             |                             |
| <b>Net assets without donor restrictions</b>   |                             |                             |
| Federation division  |                             |                             |
| Checkoff   | 6,430,328                   | 6,842,425                   |
| Non-checkoff   | 174,148                     | 193,272                     |
|  | 6,604,476                   | 7,035,697                   |
| Policy division  |                             |                             |
| Non-checkoff   | 17,998,512                  | 15,647,398                  |
| Affiliates   | 600,841                     | 628,386                     |
| Total net assets without donor restrictions  | 25,203,829                  | 23,311,481                  |
| <b>Net assets with donor restrictions</b>  | <u>181,432</u>              | <u>164,753</u>              |
| Total net assets   | <u>25,385,261</u>           | <u>23,476,234</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 |                         | Total         |
|---|----------------------------|-----------------|--------------------|-------------------------|---------------|
|   | Federation Division        | Policy Division | Other              | With Donor Restrictions |               |
| <b>Revenues and other support</b>               |                            |                 |                    |                         |               |
| 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    |
| <b>Net assets released from restriction</b>     | -                          | -               | 924,305            | (924,305)               | -             |
| <b>Program expenses</b>                         |                            |                 |                    |                         |               |
| 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    |
| <b>Supporting services</b>                      |                            |                 |                    |                         |               |
| 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    |
| <b>CHANGE IN NET ASSETS</b>                     | (431,221)                  | 2,351,114       | (27,545)           | 16,679                  | 1,909,027     |
| <b>Net assets, beginning of year</b>            |                            |                 |                    |                         |               |
| 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    |
| <b>Net assets, end of year</b>                  |                            |                 |                    |                         |               |
| 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 |                 | PAC and Foundation |                         | Total         |
|---|----------------------------|-----------------|--------------------|-------------------------|---------------|
|   | Federation Division        | Policy Division | Other              | With Donor Restrictions |               |
| <b>Revenues and other support</b>               |                            |                 |                    |                         |               |
| 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    |
| <b>Net assets released from restriction</b>     | -                          | -               | 1,065,255          | (1,065,255)             | -             |
| <b>Program expenses</b>                         |                            |                 |                    |                         |               |
| 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    |
| <b>Supporting services</b>                      |                            |                 |                    |                         |               |
| 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    |
| <b>CHANGE IN NET ASSETS</b>                     | (143,132)                  | 838,482         | (24,491)           | 89,214                  | 760,073       |
| <b>Net assets, beginning of year</b>            |                            |                 |                    |                         |               |
| 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    |
| <b>Net assets, end of year</b>                  |                            |                 |                    |                         |               |
| 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,**

|   | <b>2025</b>                 | <b>2024</b>                 |
|---|-----------------------------|-----------------------------|
| <b>Cash flows from operating activities</b>   |                             |                             |
| 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  | 558,680                     | 226,747                     |
| Net cash provided by operating activities   | <u>3,007,251</u>            | <u>609,567</u>              |
| <b>Cash flows from investing activities</b>   |                             |                             |
| 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>             |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>  | 2,938,559                   | 515,639                     |
| <b>Cash and cash equivalents, beginning of year</b>   | <u>21,591,274</u>           | <u>21,075,635</u>           |
| <b>Cash and cash equivalents, end of year</b>   | <u><u>\$ 24,529,833</u></u> | <u><u>\$ 21,591,274</u></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") <sup>(1)</sup> | \$ 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                             | <u>\$ 6,569,823</u> | <u>\$ 6,454,553</u> |

<sup>(1)</sup> 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   | <u>\$ 978,344</u> |
| Total undiscounted payments                          | 978,344           |
| Less: imputed interest                               | <u>(17,131)</u>   |
| Present value of future lease payments               | 961,213           |
| Less: current portion of operating lease liabilities | <u>(961,213)</u>  |
| Long-term portion of operating lease liabilities     | <u>\$ -</u>       |

***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><u>\$ 735,088</u></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                             | <u>\$ 158,782</u> |

**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            |
| <b>Total</b>                              | <b>\$ 15,687,202</b> | <b>\$ 8,015,370</b> | <b>\$ -</b> | <b>\$ 23,702,572</b> |

  

|   | 2024                 |                     |             |                      |
|---|----------------------|---------------------|-------------|----------------------|
|   | Level 1              | Level 2             | Level 3     | Total                |
| Included within cash and cash equivalents |                      |                     |             |                      |
| Money market mutual funds                 | \$ 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            |
| <b>Total</b>                              | <b>\$ 15,170,690</b> | <b>\$ 8,035,495</b> | <b>\$ -</b> | <b>\$ 23,206,185</b> |

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<br>Programs | Federation<br>Services | Membership<br>and Related<br>Services | Tradeshow,<br>Convention<br>and Other<br>Meetings | Governance          | General and<br>Administrative | Environmental<br>Stewardship | Educational       | Fundraising       | Political<br>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              |
| <b>Total</b>                       | <b>\$ 27,573,839</b>      | <b>\$ 1,557,137</b>    | <b>\$ 8,762,063</b>                   | <b>\$ 5,906,275</b>                               | <b>\$ 1,536,552</b> | <b>\$ 11,149,224</b>          | <b>\$ 485,886</b>            | <b>\$ 559,805</b> | <b>\$ 410,290</b> | <b>\$ 595,500</b>          | <b>\$ 58,536,571</b> |

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

|                                    | Beef Checkoff<br>Programs | Federation<br>Services | Membership<br>and Related<br>Services | Tradeshow,<br>Convention<br>and Other<br>Meetings | Governance          | General and<br>Administrative | Environmental<br>Stewardship | Educational       | Fundraising       | Political<br>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              |
| <b>Total</b>                       | <b>\$ 27,118,677</b>      | <b>\$ 1,504,592</b>    | <b>\$ 9,134,472</b>                   | <b>\$ 5,580,434</b>                               | <b>\$ 1,486,012</b> | <b>\$ 10,608,843</b>          | <b>\$ 609,514</b>            | <b>\$ 615,255</b> | <b>\$ 389,640</b> | <b>\$ 640,500</b>          | <b>\$ 57,687,939</b> |

**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><u>\$ 35,138,120</u></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**

| <b>State</b>                        | <b>Beef</b>         | <b>NCBA<br/>Earmarked</b> | <b>Total<br/>SBC Revenue</b> |
|-------------------------------------|---------------------|---------------------------|------------------------------|
| 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**

|   | <b>National<br/>Cattlemen's<br/>Beef<br/>Association</b> | <b>National<br/>Cattlemen's<br/>Political Action<br/>Committee</b> | <b>National<br/>Cattlemen's<br/>Foundation</b> | <b>Total</b>             | <b>Eliminating Entries</b> |                   | <b>Consolidated<br/>Balance</b> |
|---|--|--|--|--------------------------|----------------------------|-------------------|---------------------------------|
|   |  |  |  |                          | <b>Debit</b>               | <b>Credit</b>     |                                 |
| <b>ASSETS</b>                                   |  |  |  |                          |                            |                   |                                 |
| <b>Current assets</b>                           |  |  |  |                          |                            |                   |                                 |
| 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                            | 35,246,885   | 560,097  | 1,030,647                                      | 36,837,629               | -                          | 188,161           | 36,649,468                      |
| <b>Fixed assets</b>                             |  |  |  |                          |                            |                   |                                 |
| 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<br>(6,960,288)                                 | -<br>-   | 13,190<br>-                                    | 7,323,036<br>(6,960,288) | -<br>-                     | -<br>-            | 7,323,036<br>(6,960,288)        |
| 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                         | 5,651,015  | -  | 13,190   | 5,664,205                | -                          | -                 | 5,664,205                       |
| Total assets                                    | <u>\$ 40,897,900</u>                                     | <u>\$ 560,097</u>  | <u>\$ 1,043,837</u>                            | <u>\$ 42,501,834</u>     | <u>\$ -</u>                | <u>\$ 188,161</u> | <u>\$ 42,313,673</u>            |
| <b>LIABILITIES AND NET ASSETS</b>               |  |  |  |                          |                            |                   |                                 |
| <b>Current liabilities</b>                      |  |  |  |                          |                            |                   |                                 |
| 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                       | 15,559,824   | -  | 821,661  | 16,381,485               | 188,161                    | -                 | 16,193,324                      |
| Lease liability, net of current portion         | 735,088  | -  | -  | 735,088                  | -                          | -                 | 735,088                         |
| Total liabilities                               | 16,294,912   | -  | 821,661  | 17,116,573               | 188,161                    | -                 | 16,928,412                      |
| <b>Net assets without donor restrictions</b>    |  |  |  |                          |                            |                   |                                 |
| 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     | 24,602,988   | 560,097  | 40,744   | 25,203,829               | -                          | -                 | 25,203,829                      |
| <b>Net assets with donor restrictions</b>       |  |  |  |                          |                            |                   |                                 |
|   | -  | -  | 181,432  | 181,432                  | -                          | -                 | 181,432                         |
| Total net assets                                | 24,602,988   | 560,097  | 222,176  | 25,385,261               | -                          | -                 | 25,385,261                      |
| Total liabilities and net assets                | <u>\$ 40,897,900</u>                                     | <u>\$ 560,097</u>  | <u>\$ 1,043,837</u>                            | <u>\$ 42,501,834</u>     | <u>\$ 188,161</u>          | <u>\$ -</u>       | <u>\$ 42,313,673</u>            |

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

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

**September 30, 2024**

|  | <b>National<br/>Cattlemen's<br/>Beef<br/>Association</b> | <b>National<br/>Cattlemen's<br/>Political Action<br/>Committee</b> | <b>National<br/>Cattlemen's<br/>Foundation</b> | <b>Total</b>             | <b>Eliminating Entries</b> |                 | <b>Consolidated<br/>Balance</b> |
|--|--|--|--|--------------------------|----------------------------|-----------------|---------------------------------|
|  |  |  |  |                          | <b>Debit</b>               | <b>Credit</b>   |                                 |
| <b>ASSETS</b>                                  |  |  |  |                          |                            |                 |                                 |
| <b>Current assets</b>                          |  |  |  |                          |                            |                 |                                 |
| 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                           | 33,090,350   | 529,176  | 1,406,426                                      | 35,025,952               | -                          | 9,431           | 35,016,521                      |
| <b>Fixed assets</b>                            |  |  |  |                          |                            |                 |                                 |
| 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<br>(6,699,063)                                 | -<br>-   | 13,190<br>-                                    | 7,254,344<br>(6,699,063) | -<br>-                     | -<br>-          | 7,254,344<br>(6,699,063)        |
| 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                        | 4,197,545  | -  | 13,190   | 4,210,735                | -                          | -               | 4,210,735                       |
| Total assets                                   | <u>\$ 37,287,895</u>                                     | <u>\$ 529,176</u>  | <u>\$ 1,419,616</u>                            | <u>\$ 39,236,687</u>     | <u>\$ -</u>                | <u>\$ 9,431</u> | <u>\$ 39,227,256</u>            |
| <b>LIABILITIES AND NET ASSETS</b>              |  |  |  |                          |                            |                 |                                 |
| <b>Current liabilities</b>                     |  |  |  |                          |                            |                 |                                 |
| 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                      | 13,499,079   | -  | 1,155,653                                      | 14,654,732               | 9,431                      | -               | 14,645,301                      |
| Lease liability, net of current portion        | 1,105,721  | -  | -  | 1,105,721                | -                          | -               | 1,105,721                       |
| Total liabilities                              | 14,604,800   | -  | 1,155,653                                      | 15,760,453               | 9,431                      | -               | 15,751,022                      |
| <b>Net assets without donor restrictions</b>   |  |  |  |                          |                            |                 |                                 |
| 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    | 22,683,095   | 529,176  | 99,210   | 23,311,481               | -                          | -               | 23,311,481                      |
| <b>Net assets with donor restrictions</b>      | -  | -  | 164,753  | 164,753                  | -                          | -               | 164,753                         |
| Total net assets                               | 22,683,095   | 529,176  | 263,963  | 23,476,234               | -                          | -               | 23,476,234                      |
| Total liabilities and net assets               | <u>\$ 37,287,895</u>                                     | <u>\$ 529,176</u>  | <u>\$ 1,419,616</u>                            | <u>\$ 39,236,687</u>     | <u>\$ 9,431</u>            | <u>\$ -</u>     | <u>\$ 39,227,256</u>            |



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

**CONSOLIDATING STATEMENT OF ACTIVITIES**

**Year ended September 30, 2025**

|   | <b>National<br/>Cattlemen's<br/>Beef<br/>Association</b> | <b>National<br/>Cattlemen's<br/>Political Action<br/>Committee</b> | <b>National<br/>Cattlemen's<br/>Foundation</b> | <b>Total</b>        | <b>Eliminating Entries</b> |                   | <b>Consolidated<br/>Balance</b> |
|---|--|--|--|---------------------|----------------------------|-------------------|---------------------------------|
|   |  |  |  |                     | <b>Debit</b>               | <b>Credit</b>     |                                 |
| <b>Revenues and other support</b>               |  |  |  |                     |                            |                   |                                 |
| 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                         |
| <b>Total revenues and other support</b>         | <b>58,736,224</b>  | <b>1,258,422</b>   | <b>1,126,217</b>                               | <b>61,120,863</b>   | <b>675,265</b>             | <b>-</b>          | <b>60,445,598</b>               |
| <b>Program expenses</b>                         |  |  |  |                     |                            |                   |                                 |
| 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           | -                          | 490,564           | 8,762,063                       |
| <b>Total program expenses</b>                   | <b>44,289,878</b>  | <b>595,500</b>   | <b>1,045,691</b>                               | <b>45,931,069</b>   | <b>-</b>                   | <b>490,564</b>    | <b>45,440,505</b>               |
| <b>Supporting services</b>                      |  |  |  |                     |                            |                   |                                 |
| Governance                                      | 1,536,552  | -  | -  | 1,536,552           | -                          | -                 | 1,536,552                       |
| General and administrative                      | 10,989,901   | 221,711  | 122,313  | 11,333,925          | -                          | 184,701           | 11,149,224                      |
| Fundraising                                     | -  | 410,290  | -  | 410,290             | -                          | -                 | 410,290                         |
| <b>Total expenses</b>                           | <b>56,816,331</b>  | <b>1,227,501</b>   | <b>1,168,004</b>                               | <b>59,211,836</b>   | <b>-</b>                   | <b>675,265</b>    | <b>58,536,571</b>               |
| <b>CHANGE IN NET ASSETS</b>                     | <b>\$ 1,919,893</b>                                      | <b>\$ 30,921</b>   | <b>\$ (41,787)</b>                             | <b>\$ 1,909,027</b> | <b>\$ 675,265</b>          | <b>\$ 675,265</b> | <b>\$ 1,909,027</b>             |

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

**CONSOLIDATING STATEMENT OF ACTIVITIES**

**Year ended September 30, 2024**

|   | <b>National<br/>Cattlemen's<br/>Beef<br/>Association</b> | <b>National<br/>Cattlemen's<br/>Political Action<br/>Committee</b> | <b>National<br/>Cattlemen's<br/>Foundation</b> | <b>Total</b>      | <b>Eliminating Entries</b> |                   | <b>Consolidated<br/>Balance</b> |
|---|--|--|--|-------------------|----------------------------|-------------------|---------------------------------|
|   |  |  |  |                   | <b>Debit</b>               | <b>Credit</b>     |                                 |
| <b>Revenues and other support</b>               |  |  |  |                   |                            |                   |                                 |
| 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                       |
| <b>Total revenues and other support</b>         | <b>56,445,111</b>  | <b>1,230,353</b>   | <b>1,436,164</b>                               | <b>59,111,628</b> | <b>663,616</b>             | <b>-</b>          | <b>58,448,012</b>               |
| <b>Program expenses</b>                         |  |  |  |                   |                            |                   |                                 |
| 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                       |
| <b>Total program expenses</b>                   | <b>43,801,166</b>  | <b>640,500</b>   | <b>1,224,769</b>                               | <b>45,666,435</b> | <b>-</b>                   | <b>462,991</b>    | <b>45,203,444</b>               |
| <b>Supporting services</b>                      |  |  |  |                   |                            |                   |                                 |
| 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                         |
| <b>Total expenses</b>                           | <b>55,749,761</b>  | <b>1,233,451</b>   | <b>1,368,343</b>                               | <b>58,351,555</b> | <b>-</b>                   | <b>663,616</b>    | <b>57,687,939</b>               |
| <b>CHANGE IN NET ASSETS</b>                     | <b>\$ 695,350</b>  | <b>\$ (3,098)</b>  | <b>\$ 67,821</b>                               | <b>\$ 760,073</b> | <b>\$ 663,616</b>          | <b>\$ 663,616</b> | <b>\$ 760,073</b>               |

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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