

Beef Promotion and Research Council of Texas

COUNCIL MEETING

NOVEMBER 2022



Improve Texas producer profitability
by strengthening and expanding demand.

**BEEF PROMOTION RESEARCH COUNCIL OF TEXAS
(BPRCT)
Council Meeting**

**Austin, Texas
Thursday, November 16, 2022
10:45 a.m.**

AGENDA

- 1. Call to Order and Establish Quorum**
- 2. Approval of Minutes**
- 3. Public Comment**
- 4. TDA Oath of Office** – Klazina DeBoer, Dane Elliott, Brandi Richards, Gilly Riojas
- 5. Discussion and Possible Action Items**
 - A. Approve Reimbursements to Texas Beef Council
 - B. Accept Financial Statements
 - C. Budget Amendments
 - D. Accept 2022 Program Evaluations
 - E. Non-Compliance
- 6. Other Reports and Updates**
 - A. Collections/Refund Report
 - B. Quarterly Investment Report
- 7. Discussion of Other Business**

Acknowledgement and Placement on the Agenda for the Next Meeting
- 8. Discussion and Possible Action on Future Meeting Date**

February 15, 2023
- 9. Adjourn**

MINUTES

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS

Council Meeting

Meeting Report

Chairman's Name: Dan Gattis
Meeting Time/Date: 9:05 a.m., Wednesday, August 17, 2022
Meeting Place: Texas Beef Council, Austin, Texas

Roll Call

Directors:

Amy Kirkland(Phone), Brad Hastings, Brandon Cutrer, Brian Malaer, Chloe Wilson, Dan Gattis, Fred Schuetze, Kelley Georgiades, Leslie Kinsel, Mark Sustaire, Marsha Shoemaker, Neil Dudley, Pat McDowell, Pat Shields, Richard Winter, Sarah McKenzie, Shannon Wilson, Zachary Yanta

Guests: Patrick Dudley, Cooper Little, Tracy Tomascik

Staff:

Adriana Mora, Amber Elwood, Amy Foster, Hannah Fuerniss (Phone),, Jason Bagley, Jennifer Matison, Jordan Manning (phone), Kathleen Pickett, Lauren Provost, Layla Mays, Michael Loeffler, Mike McCravey, Molly McAdams, Rachel Chou, Robert Hale, Victoria Heller

Decisions Made

Chairman called the meeting to order and established a quorum.

Approved the minutes of the June 1, 2022, Council meeting

Motion by Mark Sustaire Second by Fred Schuetze Motion Passed

Approved Action Item A – Approve Reimbursements to Texas Beef Council

Motion by Pat McDowell Second by Brian Malear Motion Passed

Approved Action Item B – Accept Financial Statements

Motion by Zachary Yanta Second by Fred Schuetze Motion Passed

Approved Action Item C – Approve Assessment Rate for FY23

Motion by Brian Malear Second by Richard Winter Motion Passed

Approved Action Item D – Approve FY23 Plan & Budget

Motion by Pat McDowell Second by Fred Schuetze Motion Passed

Approved Action Item E – Elect Officers and Executive Committee

Motion by Brad Hastings Second by Leslie Kinsel Motion Passed

Approved Action Item F – Approve FY23 Audit & Budget Committee

Motion by Dan Gattis Second by Brad Hastings Motion Passed

Approved Action Item G – Approve Memorandum of Agreement with Texas Beef Council

Motion by Dan Gattis Second by Fred Schuetze Motion Passed

Committee Reports

Audit and Budget Committee Report

Pat McDowell reported that the Audit and Budget Committee met to review the proposed plan and budget for FY23, which was prepared based on guidelines established by the Committee in April 2022. During this meeting, the Committee reviewed materials detailing the increase in cattle being marketed during the summer and historical Checkoff revenue trends during and following the last drought. The Committee concluded that it was too early to determine the extent of the selloff and the impact on future years. The Committee agreed they should meet later in the fall to review current and likely future conditions and to consider changes in budgeted expenses in FY23 if changes are warranted.

Nominating Committee Report

Brad Hastings reported that the committee met on 8/4/2022 and recommends the nomination of Pat McDowell as Chairman, Fred Schuetze as Vice Chairman, Dan Gattis as Past Chairman, and Brian Malaer and Shannon Wilson as the other two Executive Committee members.

Other Reports and Updates

Quarterly Update on Investments

Michael Loeffler explained that the reference investment rate listed in the report is much higher than the average portfolio yield because the portfolio contains investments that have been acquired throughout the year and interest rates were much lower earlier in the year. Loeffler noted that the portfolio currently includes a twelve month ladder of investments with investments maturing each month during the year in case we need funds at that time. The portfolio also includes three investments maturing in roughly 30, 60 and 90 days. If the proceeds of a maturing investment are not needed, they will be reinvested.

Collection / Refund Report

Dan Gattis called on Michael Loeffler to review the collections report contained in the Council book. Loeffler noted that checkoff collections through June 2022 were roughly 6% greater than the year-to-date budget, and refunds were 5.2% of collections.

Future Meeting Dates

The Council meeting dates for FY23 will be on:

November 16, 2022 (November 15 - New Director Orientation)
February 15, 2023
June 7, 2023
August 23, 2023

Future Agenda:

Review rules contained in the Texas Administrative Code to determine if revisions are needed.

Adjourn

Approve Motion to Adjourn 9:44am

Motion by Kelley Sullivan Second by Shannon Wilson Motion Passed

Report Submitted by:

Pat McDowell

Date Submitted: November 16, 2022
Distribution: Council Members

BPRCT ACTION ITEM: A

Approve Reimbursements to Texas Beef Council

Action Item:

Formally approve actions taken by the Treasurer to reimburse expenses incurred by the Texas Beef Council (TBC) for programs conducted in accordance with the BPRCT-TBC Memorandum of Agreement.

Background:

In accordance with the terms of the BPRCT-TBC Memorandum of Agreement, TBC provides administrative and collection services and conducts programs for the BPRCT in compliance with the BPRCT fiscal year 2022 Marketing Plan and Budget. TBC presents monthly invoices to the Treasurer reflecting the BPRCT's share of the cost to provide these services. Upon determining if the amounts presented in the invoice are in accordance with the Marketing Plan and Budget, the Treasurer will approve the payment of the invoice. At its next regular meeting, the BPRCT board shall consider and act upon any TBC invoices paid by action of the Treasurer.

Rationale:

Excerpts from Texas Agriculture Code:

Sec. 41.060. Depository Bank; Expenditure Of Funds

(a) The secretary-treasurer shall deposit all money received by the board under this chapter, including assessments, donations from persons, and grants from governmental agencies, in a bank selected by the board.

(b) Money received by the board may be expended for any purpose under this chapter.

(c) Funds assessed and collected under this chapter may not be expended for use directly or indirectly to promote or oppose the election of any candidate for public office or to influence legislation.

Financial Impact:

\$3,896,271.43

TBC INVOICE SUMMARY

Summary of Charges Through September 2022

	Staff Time (Hours)	Implementation Cost Allocation	Direct Cost	TOTAL
Consumer Marketing	10,712.1	\$ 832,525.94	\$ 4,496,581.86	\$5,329,107.80
Nutrition & Health	3,938.6	247,549.69	1,036,699.31	1,284,249.00
Channel Marketing	4,964.7	391,291.47	506,496.45	897,787.92
Issues & Reputation Management	1,093.9	77,178.61	89,720.63	166,899.24
Producer Communications	3,393.4	248,829.74	591,405.33	840,235.07
Beef Quality & Beef Safety	1,689.0	157,335.16	104,460.28	261,795.44
Export Market Development	193.9	21,196.47	459,260.79	480,457.26
Collections & Compliance	1,646.3	124,504.47	26,617.74	151,122.21
Administration & Accounting	3,597.4	407,859.79	-	407,859.79
	31,229.4	2,508,271.34	7,311,242.39	9,819,513.73

Year to Date Invoice Summary

	Amount Invoiced				FY22 Budget			Budget Remaining
	September		Total	Current Budget	Proposed Amendment	Revised Budget		
	July	August					Cash*	
Consumer Marketing	\$ 462,504.35	\$ 387,162.48	\$ 696,134.06	\$ 612,172.51	\$ 3,171,134.40	\$5,329,107.80	\$ 261,892.20	
Nutrition & Health	99,201.33	107,744.33	53,699.24	35,647.94	987,956.16	1,284,249.00	162,551.00	
Channel Marketing	74,417.89	133,530.83	77,805.75	74,788.21	537,245.24	897,787.92	154,112.08	
Issues & Reputation Management	23,464.97	66,447.51	10,766.65	3,049.18	63,170.93	166,899.24	31,700.76	
Producer Communications	23,469.53	114,249.62	51,566.00	50,795.75	600,154.17	840,235.07	10,164.93	
Beef Quality & Beef Safety	16,117.58	23,539.90	29,812.45	25,010.62	167,314.89	261,795.44	15,204.56	
Export Market Development	48,450.49	125,900.33	78,344.24	221,589.15	6,173.05	480,457.26	3,942.74	
Collections & Compliance	14,822.65	13,920.93	8,748.15	7,616.26	106,014.22	151,122.21	27,677.79	
Administration & Accounting	29,506.23	36,265.29	44,293.15	13,715.88	284,079.24	407,859.79	13,240.21	
	791,955.02	1,008,761.22	1,051,169.69	1,044,385.50	5,923,242.30	9,819,513.73	680,486.27	
						-		

* The first invoice for September reflected the BPRCT's share of expenses on the cash basis.

** The second invoice for September reflected the remaining balance of BPRCT's share of expenses in September once all expenses were recorded on the accrual basis.

TBC/BPRCT EXPENSE ALLOCATIONS

YEAR-TO-DATE THROUGH SEPTEMBER 30, 2022

Dept	Tactic	Tactic Description	Allocation Percentage		Direct Program Expenses			Program Implementation			Total		
			TBC	BPRCT	Total	TBC	BPRCT	Total	TBC	BPRCT	Total	TBC	BPRCT
2100	2197	TBC Administration	100.000%	0.000%	-	-	-	44,863.25	44,863.25	-	44,863.25	44,863.25	-
2100	2198	BPRCT Administration	0.000%	100.000%	-	-	-	11,029.20	-	11,029.20	11,029.20	-	11,029.20
2100	2199	Combined Administration	50.000%	50.000%	-	-	-	535,184.93	267,592.46	267,592.47	535,184.93	267,592.46	267,592.47
		Administration			-	-	-	591,077.38	312,455.71	278,621.67	591,077.38	312,455.71	278,621.67
2200	2297	TBC Accounting	100.000%	0.000%	-	-	-	16,231.01	16,231.01	-	16,231.01	16,231.01	-
2200	2298	BPRCT Accounting	0.000%	100.000%	-	-	-	12,181.21	-	12,181.21	12,181.21	-	12,181.21
2200	2299	Combined Accounting	50.000%	50.000%	-	-	-	234,113.81	117,056.90	117,056.91	234,113.81	117,056.90	117,056.91
		Accounting			-	-	-	262,526.03	133,287.91	129,238.12	262,526.03	133,287.91	129,238.12
2300	2311	Collection Activities	50.000%	50.000%	10,515.34	5,257.67	5,257.67	65,189.67	32,594.83	32,594.84	75,705.01	37,852.50	37,852.51
2300	2312	Compliance Activities	50.000%	50.000%	682.05	341.03	341.02	13,222.44	6,611.22	6,611.22	13,904.49	6,952.25	6,952.24
2300	2313	Field Staff Activities	50.000%	50.000%	38,306.39	19,153.20	19,153.19	109,974.16	54,987.08	54,987.08	148,280.55	74,140.28	74,140.27
2300	2314	Texas Checkoff Refunds	0.000%	100.000%	1,865.86	-	1,865.86	20,155.54	-	20,155.54	22,021.40	-	22,021.40
2300	2397	TBC Program Implementation	100.000%	0.000%	-	-	-	-	-	-	-	-	-
2300	2398	BPRCT Program Implementation	0.000%	100.000%	-	-	-	-	-	-	-	-	-
2300	2399	Combined Program Implementation	37.500%	62.500%	-	-	-	16,249.26	6,093.47	10,155.79	16,249.26	6,093.47	10,155.79
		Collections & Compliance			51,369.64	24,751.90	26,617.74	224,791.07	100,286.60	124,504.47	276,160.71	125,038.50	151,122.21
3100	3111	Retail Education	11.843%	88.157%	17,411.01	2,061.98	15,349.03	30,744.02	3,641.01	27,103.01	48,155.03	5,702.99	42,452.04
3100	3112	Industry Meetings & Planning	11.843%	88.157%	3,697.93	437.95	3,259.98	7,923.43	938.37	6,985.06	11,621.36	1,376.32	10,245.04
3100	3131	Retail Engagement	11.843%	88.157%	120,247.86	14,240.95	106,006.91	76,105.24	9,013.14	67,092.10	196,353.10	23,254.09	173,099.01
3100	3199	Combined Program Implementation	11.843%	88.157%	-	-	-	17,911.89	2,121.30	15,790.59	17,911.89	2,121.30	15,790.59
		Retail			141,356.80	16,740.88	124,615.92	132,684.58	15,713.82	116,970.76	274,041.38	32,454.70	241,586.68
3200	3211	Foodservice Education	11.843%	88.157%	404,362.19	47,888.59	356,473.60	306,869.59	36,342.55	270,527.04	711,231.78	84,231.14	627,000.64
3200	3212	Industry Meetings & Planning	11.843%	88.157%	4,171.73	494.06	3,677.67	-	-	-	4,171.73	494.06	3,677.67
3200	3222	Foodservice Outreach/Promotion	11.843%	88.157%	21,644.66	2,563.38	19,081.28	-	-	-	21,644.66	2,563.38	19,081.28
3200	3232	Foodservice Content Development	11.843%	88.157%	3,003.71	355.73	2,647.98	274.69	32.53	242.16	3,278.40	388.26	2,890.14
3200	3299	Combined Program Implementation	11.843%	88.157%	-	-	-	4,028.62	477.11	3,551.51	4,028.62	477.11	3,551.51
		Foodservice			433,182.29	51,301.76	381,880.53	311,172.90	36,852.19	274,320.71	744,355.19	88,153.95	656,201.24
4100	4111	Beef Loving Texans Store	100.000%	0.000%	751.69	751.69	-	23,777.50	23,777.50	-	24,529.19	24,529.19	-
4100	4112	Branding & Promotions	11.843%	88.157%	304,718.48	36,087.79	268,630.69	88,672.12	10,501.43	78,170.69	393,390.60	46,589.22	346,801.38
4100	4113	BLT Paid Advertising	11.843%	88.157%	2,848,756.54	337,378.07	2,511,378.47	22,621.15	2,679.02	19,942.13	2,871,377.69	340,057.09	2,531,320.60
4100	4116	Industry Meetings & Planning	11.843%	88.157%	9,872.83	1,169.24	8,703.59	15,153.03	1,794.57	13,358.46	25,025.86	2,963.81	22,062.05
4100	4121	BLT Earned Media	11.843%	88.157%	352,438.37	41,739.26	310,699.11	5,303.49	628.09	4,675.40	357,741.86	42,367.35	315,374.51
4100	4126	BLT Content	11.843%	88.157%	864,645.13	102,399.87	762,245.26	165,636.90	19,616.37	146,020.53	1,030,282.03	122,016.24	908,265.79
4100	4128	AgriLife Extension Engagement	11.843%	88.157%	(12.50)	(1.48)	(11.02)	454.75	53.86	400.89	442.25	52.38	389.87
4100	4131	Consumer Health Promotions	11.843%	88.157%	532,709.37	63,088.74	469,620.63	119,659.37	14,171.25	105,488.12	652,368.74	77,259.99	575,108.75
4100	4132	BLT Social Media	11.843%	88.157%	83,841.65	9,929.36	73,912.29	65,919.93	7,806.89	58,113.04	149,761.58	17,736.25	132,025.33
4100	4133	Information Dissemination	11.843%	88.157%	103,681.88	12,279.04	91,402.84	2,561.87	303.40	2,258.47	106,243.75	12,582.44	93,661.31
4100	4199	Combined Program Implementation	11.843%	88.157%	-	-	-	458,384.68	54,286.47	404,098.21	458,384.68	54,286.47	404,098.21
		Consumer Marketing			5,101,403.44	604,821.58	4,496,581.86	968,144.79	135,618.85	832,525.94	6,069,548.23	740,440.43	5,329,107.80
4200	4216	Industry Meetings & Planning	11.843%	88.157%	3,699.79	436.98	3,252.81	7,147.03	846.42	6,300.61	10,836.82	1,283.40	9,553.42
4200	4222	Health Professional Outreach	11.843%	88.157%	131,082.27	15,524.07	115,558.20	63,360.12	7,503.74	55,856.38	194,442.39	23,027.81	171,414.58
4200	4224	Medical Office Outreach	11.843%	88.157%	946,459.41	112,089.13	834,370.28	58,428.31	6,919.66	51,508.65	1,004,887.72	119,008.79	885,878.93
4200	4225	Nutrition Content	11.843%	88.157%	33,667.96	3,987.29	29,680.67	37,238.68	4,410.17	32,828.51	70,906.64	8,397.46	62,509.18
4200	4234	Consumer Nutrition Education	11.843%	88.157%	61,069.85	7,232.50	53,837.35	56,814.33	6,728.52	50,085.81	117,884.18	13,961.02	103,923.16
4200	4299	Combined Program Implementation	11.843%	0.000%	-	-	-	57,816.99	6,847.26	50,969.73	57,816.99	6,847.26	50,969.73
		Nutrition & Health			1,175,969.28	139,269.97	1,036,699.31	280,805.46	33,255.77	247,549.69	1,456,774.74	172,525.74	1,284,249.00

TBC/BPRCT EXPENSE ALLOCATIONS

YEAR-TO-DATE THROUGH SEPTEMBER 30, 2022

Dept	Tactic	Tactic Description	Allocation Percentage		Direct Program Expenses			Program Implementation			Total	
			TBC	BPRCT	Total	TBC	BPRCT	Total	TBC	BPRCT	Total	BPRCT
5100	5111	Crisis Management	100.000%	0.000%	29.91	29.91	-	-	-	-	29.91	29.91
5100	5112	Industry Advocacy	11.843%	88.157%	36,066.12	4,271.31	31,794.81	33,897.32	4,014.46	29,882.86	69,963.44	8,285.77
5100	5113	Issues & Reputation Management	11.843%	88.157%	1,500.00	177.64	1,322.36	1,675.83	198.47	1,477.36	3,175.83	376.11
5100	5115	Production Content	11.843%	88.157%	64,207.56	7,604.10	56,603.46	18,064.34	2,139.36	15,924.98	82,271.90	9,743.46
5100	5199	Combined Program Implementation	11.843%	88.157%	-	-	-	33,909.29	4,015.88	29,893.41	33,909.29	4,015.88
6100	6111	Issues & Reputation Management	11.843%	88.157%	101,803.59	12,082.96	89,720.63	87,546.78	10,368.17	77,178.61	189,350.37	22,451.13
6100	6112	Direct Communications	11.843%	88.157%	205,702.37	24,361.32	181,341.05	184,730.03	21,877.57	162,852.46	390,432.40	46,238.89
6100	6113	Producer Assets	11.843%	88.157%	90,724.18	10,744.46	79,979.72	11,851.01	1,403.51	10,447.50	102,575.19	12,147.97
6100	6115	Producer Influencer Communications	11.843%	88.157%	119,489.79	14,151.17	105,338.62	17,509.79	2,073.68	15,436.11	136,999.58	16,224.85
6100	6116	Industry Meetings & Planning	11.843%	88.157%	8,344.47	988.24	7,356.23	35,402.12	4,192.67	31,209.45	43,746.59	5,180.91
6100	6117	Producer Earned Media	11.843%	88.157%	20,586.84	2,438.10	18,148.74	3,581.89	424.20	3,157.69	24,168.73	2,862.30
6100	6118	Producer Paid Media	11.843%	88.157%	125,817.26	14,900.53	110,916.73	1,253.04	148.40	1,104.64	127,070.30	15,048.93
6100	6199	Combined Program Implementation	11.843%	88.157%	100,189.70	11,865.46	88,324.24	14,069.67	1,666.27	12,403.40	114,259.37	13,531.73
7100	7111	Producer Communications	11.843%	88.157%	670,854.61	79,449.28	591,405.33	282,257.47	33,427.73	248,829.74	953,112.08	112,877.01
7100	7112	Beef Quality Assurance	11.843%	88.157%	70,214.57	8,315.51	61,899.06	59,810.11	7,083.31	52,726.80	130,024.68	15,398.82
7100	7113	AgriLife BQA Travel	0.000%	100.000%	11,847.56	-	11,847.56	-	-	-	11,847.56	-
7100	7131	Industry Meetings & Planning	11.843%	88.157%	4,839.73	573.17	4,266.56	12,548.47	1,486.11	11,062.36	17,388.20	2,059.28
7100	7199	Beef Quality & Safety Research	11.843%	88.157%	30,000.00	3,552.90	26,447.10	3,068.98	363.46	2,705.52	33,068.98	3,916.36
8100	8111	Combined Program Implementation	8.882%	91.118%	-	-	-	99,695.70	8,855.22	90,840.48	99,695.70	8,855.22
8100	8112	Beef Quality & Beef Safety	11.843%	88.157%	116,901.86	12,441.58	104,460.28	175,123.26	17,788.10	157,335.16	292,025.12	30,229.68
8100	8199	USMEF Programs	100.000%	0.000%	520,957.79	61,697.00	459,260.79	23,624.58	2,797.86	20,826.72	544,582.37	64,494.86
8100	8199	International Industry Meetings	55.921%	44.079%	3,553.58	3,553.58	-	-	-	-	3,553.58	3,553.58
8100	8199	Combined Program Implementation	-	-	-	-	-	838.85	469.10	369.75	838.85	469.10
8100	8199	Export Market Development	-	-	524,511.37	65,250.58	459,260.79	24,463.43	3,266.96	21,196.47	548,974.80	68,517.54
Grand Total					8,317,352.88	1,006,110.49	7,311,242.39	3,340,593.15	832,321.81	2,508,271.34	11,657,946.03	1,838,432.30
											9,819,513.73	

BPRCT ACTION ITEM: B

Financial Statements

Action Item:

Review and accept the year-to-date financial statements presented through September 2022. This particular set of financial statements uses the modified cash basis of accounting for revenues and full accrual accounting for expenses.

Background:

The attached financial reports present year to date revenues and expenses compared to the budget.

Rationale:

Directors routinely review, understand, and approve the financial reports of BPRCT.

Financial Impact:

None

Staff Impact:

Approximately 8 hours per month to prepare the year-end financial statements.



To: Council Members

From: Michael Loeffler

Re: September 2022 Financial Statements

Included in this packet are the BPRCT financial statements and related schedules prepared on the modified cash basis for September 2022. This set of financial statements is unusual because revenues are reflected on the modified cash basis that we have been using throughout the year while expenses are now on the accrual basis. All known liabilities, with the exception of refunds, are accrued in the September financial statements in order to provide a more accurate comparison of actual expenses to the annual budget. We will not be able to determine Checkoff revenues or total refunds for the year until the end of November when substantially all Checkoff revenues and refund requests pertaining to FY 22 will have been received. Please note that once Checkoff revenues and refunds have been fully converted to the accrual basis of accounting, net assets as of 9/30/2022 will increase.

Statement of Activities – Comparative

Year to date Checkoff revenues through September 2022 are \$587,000 and 748,000 greater than year to date revenues through September 2021 and 2020, respectively. Year to date refunds through September 2022 are \$38,500 and \$29,600 greater than year to date refunds through September 2021 and 2020, respectively. Note that we started the process of accruing refunds such that September refunds in these financial statements reflect two months of refunds (those paid in September and those paid in early October for September). Also note that refunds paid in early October 2021 for September 2021 were unusually low due to some regular refunders who did not submit refund requests in time for the cutoff that year.

Statement of Activities – Actual vs Budget

This financial statement reflects the budget amendment that is being presented to the Council for approval at the November 2022 meeting. This budget amendment is a redirection of funds among expense categories.

Cash basis Checkoff revenues are \$782,380 greater than the amount budgeted and refunds are \$138,761 less than the amount budgeted resulting in total revenues net of refunds that are \$948,149 better than the budget. Accrual basis expenses are \$678,771 less than the budget

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS
Statements of Financial Position
(Modified Cash Basis)

	<u>9/30/22</u>	<u>9/30/21</u>	<u>9/30/20</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 1,431,476	\$ 4,277,914	\$ 1,447,157
Investments	3,863,708	-	1,405,732
Receivable from Texas Beef Council	<u>1,067,644</u>	<u>927,198</u>	<u>964,961</u>
	<u><u>\$ 6,362,828</u></u>	<u><u>\$ 5,205,112</u></u>	<u><u>\$ 3,817,850</u></u>
 LIABILITIES & NET ASSETS			
Current Liabilities			
Payable to Texas Beef Council	\$ 2,095,555	\$ 1,381,201	\$ 1,714,968
 Net Assets			
Unrestricted Net Assets	<u>4,215,768</u>	<u>3,799,348</u>	<u>2,060,415</u>
	<u><u>\$ 6,362,828</u></u>	<u><u>\$ 5,205,112</u></u>	<u><u>\$ 3,817,850</u></u>

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS

Statements of Activities – Comparative (Modified Cash Basis)

	One Month Period Ended			Year-to-Date Through		
	9/30/22	9/30/21	9/30/20	9/30/22	9/30/21	9/30/20
REVENUES						
Checkoff Revenues						
Texas Checkoff Revenues	\$ 1,067,187	\$ 926,961	\$ 964,772	\$ 10,774,441	\$ 10,191,028	\$ 10,031,287
Late Fees	457	237	189	7,939	4,369	3,319
	1,067,644	927,198	964,961	10,782,380	10,195,397	10,034,606
Less: Refunds	(100,133)	(71,440)	(84,954)	(561,239)	(522,730)	(531,601)
	967,511	855,758	880,007	10,221,141	9,672,667	9,503,005
Interest	9,024	64	767	28,508	3,538	27,894
	976,535	855,822	880,774	10,249,649	9,676,205	9,530,899
EXPENSES						
In-State Programs						
Marketing						
Consumer Marketing	1,308,307	703,678		5,329,108	3,827,315	
Nutrition & Health	89,347	151,616		1,284,250	1,299,362	
	1,397,654	855,294	962,753	6,613,358	5,126,677	5,917,785
Beef Resources						
Channel Marketing	152,594	157,954	156,005	897,788	869,936	734,682
Issues & Reputation Mgmt	13,815	27,303	3,110	166,899	160,390	62,203
Producer Communications	102,363	60,666	96,859	840,235	604,653	504,671
Beef Quality & Beef Safety	54,823	35,624	15,613	261,795	174,640	153,447
Export Market Development	299,933	171,834	399,374	480,457	429,607	543,700
	623,528	453,381	670,961	2,647,174	2,239,226	1,998,703
Collections & Compliance	16,354	20,457	23,389	151,102	138,256	142,183
Administration	54,140	52,340	58,143	421,595	433,113	384,885
	2,091,676	1,381,472	1,715,246	9,833,229	7,937,272	8,443,556
TOTAL INCREASE IN NET ASSETS	\$ (1,115,141)	\$ (525,650)	\$ (834,472)	\$ 416,420	\$ 1,738,933	\$ 1,087,343

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS
Statement of Activities – Actual vs Budget
(Modified Cash Basis)

	Year-to-Date Through 9/30/22	Annual Budget
REVENUES		
Checkoff Revenues		
Texas Checkoff Revenues	\$ 10,774,441	\$ 10,000,000
Late Fees	7,939	-
	<u>10,782,380</u>	<u>10,000,000</u>
Less: Refunds	(561,239)	(700,000)
	<u>10,221,141</u>	<u>9,300,000</u>
Interest	<u>28,508</u>	<u>1,500</u>
	10,249,649	9,301,500
 EXPENSES		
In-State Programs		
Marketing		
Consumer Marketing	5,329,108	5,584,700
Nutrition & Health	1,284,250	1,429,600
	<u>6,613,358</u>	<u>7,014,300</u>
Beef Resources		
Channel Marketing	897,788	1,085,500
Issues & Reputation Management	166,899	230,200
Producer Communications	840,235	766,800
Beef Quality & Beef Safety	261,795	280,700
Export Market Development	480,457	471,300
	<u>2,647,174</u>	<u>2,834,500</u>
Collections & Compliance	151,102	176,300
Administration	421,595	486,900
	<u>9,833,229</u>	<u>10,512,000</u>
 TOTAL INCREASE IN NET ASSETS	 <u><u>\$ 416,420</u></u>	 <u><u>\$ (1,210,500)</u></u>

BPRCT ACTION ITEM: C

FY22 Budget Amendment

Action Item:

Approval of budget amendments for the 2022 fiscal year.

Background:

BPRCT and the Texas Beef Council share the expenses of conducting promotion, education and research programs, plus collections and administration. Because the expense sharing varies by program, adjustments to the combination of programs actually conducted and the staff time involved in conducting these programs affect the overall budget. The attached budget documents reflect changes to the BPRCT budget for FY22 caused by TBC's FY22 budget redirections to address the cost of some program areas that exceeded the budget at year end and the amount of staff time actually spent in certain areas, which differed from original estimates.

Rationale:

Unspent budget dollars in selected areas are being redirected to cover overages as detailed on the attached pages.

Financial Impact:

None

Staff Impact:

None

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS

FY22 Budget

	<u>Amended Budget</u>	<u>Proposed Amendment</u>	<u>Proposed Amended Budget</u>
REVENUES			
Checkoff Assessments	\$ 10,000,000		\$ 10,000,000
Less: Refunds	<u>(700,000)</u>		<u>(700,000)</u>
Checkoff Assessments, Net	9,300,000	-	9,300,000
Investment Revenues	<u>1,500</u>	-	<u>1,500</u>
	<u>9,301,500</u>	-	<u>9,301,500</u>
EXPENSES			
Promotion	4,549,500	30,800	4,580,300
Research	156,400	(21,500)	134,900
Education	5,142,900	42,000	5,184,900
Administration	663,200	(51,300)	611,900
Other (Referendum)	<u>-</u>	<u>-</u>	<u>-</u>
	<u>10,512,000</u>	<u>-</u>	<u>10,512,000</u>
EXPENSES IN EXCESS OF REVENUE	<u>(1,210,500)</u>	<u>-</u>	<u>(1,210,500)</u>

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS

FY 22 BUDGET		EXPENSE CLASSIFICATIONS						
Direct	Implementation	Total	Promotion	Research	Education	Administration	Other (Referendum)	Total
REVENUES								
Checkoff Assessments		10,000,000						
Less: Remittances to the Beef Board		(700,000)						
Less: Refunds		9,300,000						
Checkoff Assessments, Net		1,500						
Interest Revenue		9,301,500						
EXPENSES								
Direct Program Expenses								
Marketing								
Consumer Marketing	4,743,500	847,500	5,591,000	3,636,600	-	1,954,400	-	5,591,000
Nutrition and Health	1,205,600	241,200	1,446,800	-	-	1,446,800	-	1,446,800
	5,949,100	1,088,700	7,037,800					
Beef Resources								
Channel Marketing	653,500	398,400	1,051,900	343,500	-	708,400	-	1,051,900
Issues & Reputation Management	120,000	78,600	198,600	-	-	198,600	-	198,600
Producer Communications	597,100	253,300	850,400	115,800	101,900	632,700	-	850,400
Beef Quality & Beef Safety	116,800	160,200	277,000	-	33,000	244,000	-	277,000
Export Market Development	462,800	21,600	484,400	484,400	-	-	-	484,400
	1,950,200	912,100	2,862,300					
Collections	52,000	126,800	178,800	-	-	178,800	-	178,800
Administration	-	421,100	421,100	-	-	421,100	-	421,100
	7,951,300	2,548,700	10,500,000					
Other								
Administration	12,000	-	12,000	-	-	12,000	-	12,000
	12,000	-	12,000					
	7,963,300	2,548,700	10,512,000	4,580,300	134,900	5,184,900	611,900	10,512,000
EXPENSES IN EXCESS OF REVENUE								
(1,210,500)								

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS

FY22 Budget Summary

	<u>Original Budget</u>	<u>Mid-Year Redirections</u>	<u>Year End Redirections</u>	<u>Amended Budget</u>
REVENUES				
Checkoff Assessments	\$ 10,000,000			\$ 10,000,000
Less: Refunds	<u>(700,000)</u>	<u>-</u>	<u>-</u>	<u>(700,000)</u>
Checkoff Assessments, Net	9,300,000	-	-	9,300,000
Investment Revenues	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>1,500</u>
	<u>9,301,500</u>	<u>-</u>	<u>-</u>	<u>9,301,500</u>
EXPENSES				
In-state TBC Contract Expenses				
Direct Program Expenses				
Marketing				
Consumer Marketing	4,861,500	(101,300)	(16,700)	4,743,500
Nutrition and Health	<u>1,205,600</u>	<u>-</u>	<u>-</u>	<u>1,205,600</u>
Beef Resources				
Channel Marketing	636,800	-	16,700	653,500
Issues & Reputation Management	<u>131,400</u>	<u>-</u>	<u>(11,400)</u>	<u>120,000</u>
Producer Communications	463,700	101,300	32,100	597,100
Beef Quality & Beef Safety	<u>137,500</u>	<u>-</u>	<u>(20,700)</u>	<u>116,800</u>
Export Market Development	462,800	-	-	462,800
Collections and Compliance	<u>52,000</u>	<u>-</u>	<u>-</u>	<u>52,000</u>
	<u>7,951,300</u>	<u>-</u>	<u>-</u>	<u>7,951,300</u>
Program Implementation	<u>2,548,700</u>	<u>-</u>	<u>-</u>	<u>2,548,700</u>
	<u>10,500,000</u>	<u>-</u>	<u>-</u>	<u>10,500,000</u>
Other				
Administration	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>12,000</u>
	<u>10,512,000</u>	<u>-</u>	<u>-</u>	<u>10,512,000</u>
REVENUE IN EXCESS OF EXPENSES	<u>(1,210,500)</u>	<u>-</u>	<u>-</u>	<u>(1,210,500)</u>

BPRCT ACTION ITEM: D

2022 Program Evaluation

Action Item:

Formally accept the 2022 Program Evaluations as presented by the Texas Beef Council.

Background:

Program Evaluations are completed at year-end to officially describe the programs conducted during the 2022 fiscal year and evaluate the outcomes in regards to goals set in the Texas Long Range Plan.

Rationale:

Excerpt from Texas Agriculture Code:

Sec. 41.059. Budget; Annual Report; Audits

(c) Within 30 days following the end of each fiscal year of the board, the board shall submit to the commissioner a report itemizing all income and expenditures and describing all activities of the board during the previous fiscal year.

Financial Impact:

None

Staff Impact:

None

BPRCT ACTION ITEM: E

Non-Compliance

Action Item:

Determine action to be taken, if any, following an update on non-compliance issues.

Background:

From time to time the Council must take action on matters concerning non-compliance.

Rationale:

Excerpts from Texas Agriculture Code:

Sec. 41.101. Failure to Remit Assessment.

(a) The board may investigate conditions that relate to the prompt remittance of the assessment by any producer or processor. If the board has probable cause to believe that a person has failed to collect an assessment or failed to remit to the board an assessment as required by this chapter, the board may:

(1) independently institute proceedings for recovery of the amount due to the board or injunctive or other appropriate relief;

(2) request the attorney general, or the county or district attorney having jurisdiction, or both, to institute proceedings on the board's behalf; or

(3) forward to the department for action under Section 41.1011 a complaint and any original evidence or other information establishing probable cause.

(b) Suit under this section may be brought in Travis County or a county in which the person who is alleged to have failed to collect or remit an assessment conducts business related to the commodity subject to the uncollected or unpaid assessment.

(c) The remedies provided by this section are cumulative of other remedies provided by law.

Financial Impact:

None

BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS

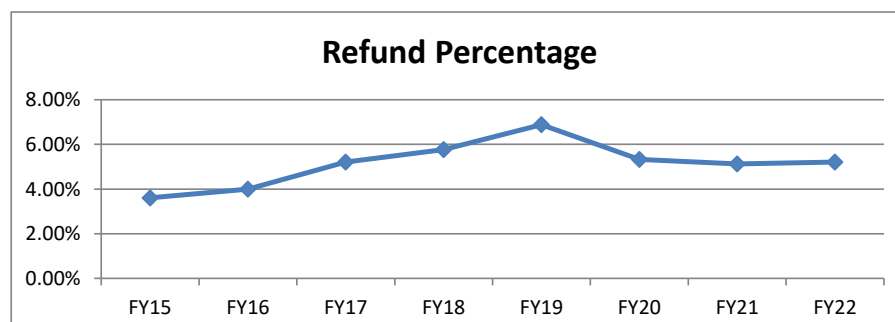
Collections Report September 30, 2022

	Actual		Budget	Budget Variance	Actual as a % of Budget
Texas Checkoff Collections, Net of Exemptions					
October	\$ 914,008		\$ 899,123	\$ 14,885	101.66%
November	920,133		882,211	37,922	104.30%
December	1,025,513		963,047	62,466	106.49%
January	723,183		705,832	17,351	102.46%
February	850,392		747,521	102,871	113.76%
March	753,627		697,676	55,951	108.02%
April	872,716		744,549	128,167	117.21%
May	831,300		842,935	(11,635)	98.62%
June	955,657		927,190	28,467	103.07%
July	938,666		876,832	61,834	107.05%
August	929,541		825,362	104,179	112.62%
September	1,067,644		887,722	179,922	126.60%
	<u>10,782,380</u>	100.0%	<u>10,000,000</u>	<u>782,380</u>	<u>107.82%</u>
Refunds Processed					
Refund requests received in October	46,624				
Refund requests received in November	42,427				
Refund requests received in December	55,161				
Refund requests received in January	49,859				
Refund requests received in February	51,926				
Refund requests received in March	34,805				
Refund requests received in April	41,532				
Refund requests received in May	51,097				
Refund requests received in June	33,589				
Refund requests received in July	58,396				
Refund requests received in August	44,510				
Refund requests received in September	51,504				
	<u>561,430</u>	5.2%			
Collections, Net of Refunds	<u>10,220,950</u>	94.8%			

Note: In the schedule above, the amount of refund requests received in a particular month is not comparable to the amount of checkoff collected in that same month because of the 60 day period to request a refund. As a result, the percentage of refunds shown above is not a true indicator of refunds as a percent of collections.

Refunds by Sector

Individuals	47,777	8.5%
Dairies	8,752	1.6%
Feedyards	494,533	88.1%
Out of State	10,368	1.8%
	<u>561,430</u>	<u>100.0%</u>



BEEF PROMOTION AND RESEARCH COUNCIL OF TEXAS
Quarterly Report of Public Funds Investments
For the Quarter Ended September 30, 2022

CERTIFICATES OF DEPOSIT

Issuing Institution	CUSIP	Interest Rate/Yield	Maturity Date	Days to Maturity	Fair Value			Cost Basis			Interest Receivable				
					Beginning Balance	Purchases (Maturities)	Change in Fair Value	Ending Balance	Beginning Balance	Purchases (Maturities)	Ending Balance	Beginning Balance	Interest Earned	Interest Received	Ending Balance
SAFRA National Bank	78658RFZ9	0.200%	17-Nov-22	48	\$ 124,156	\$ -	\$ 364	\$ 124,520	\$ 125,000	\$ -	\$ 125,000	\$ 154	\$ 63	\$ -	\$ 217
Goldman Sachs Bank	38149MP98	0.300%	15-Dec-22	76	123,989	-	229	124,218	125,000	-	125,000	202	95	-	297
					248,146	-	592	248,738	250,000	-	250,000	356	158	-	514

DEBT SECURITIES

Issuing Institution	CUSIP	Interest Rate/Yield	Maturity Date	Days to Maturity	Fair Value			Face Value			Discount				
					Beginning Balance	Purchases (Maturities)	Change in Fair Value	Ending Balance	Beginning Balance	Purchases (Maturities)	Ending Balance	Beginning Balance	Purchases	Accretion	Ending Balance
U.S. Treasury	912796S42	0.305%	21-Jul-22	0	\$ 249,851	\$ (250,000)	\$ 149	\$ -	\$ 250,000	\$ (250,000)	\$ -	\$ (44)	\$ -	\$ 44	\$ -
U.S. Treasury	912796L64	0.305%	11-Aug-22	0	249,625	(250,000)	375	-	250,000	(250,000)	-	(88)	-	88	-
U.S. Treasury	912796N96	0.407%	3-Nov-22	34	124,118	-	596	124,714	125,000	-	125,000	(175)	-	128	(47)
U.S. Treasury	912796P94	0.407%	1-Dec-22	62	123,809	-	571	124,380	125,000	-	125,000	(214)	-	128	(86)
U.S. Treasury	912796S34	0.520%	26-Jan-23	118	246,496	-	809	247,305	250,000	-	250,000	(745)	-	327	(419)
U.S. Treasury	912796S34	0.754%	26-Jan-23	118	246,496	-	809	247,305	250,000	-	250,000	(1,079)	-	473	(606)
U.S. Treasury	912796U49	0.671%	15-Sep-22	0	249,144	(250,000)	856	-	250,000	(250,000)	-	(353)	-	353	-
U.S. Treasury	912796U31	1.156%	23-Mar-23	174	245,589	-	(20)	245,569	250,000	-	250,000	(2,087)	-	722	(1,365)
U.S. Treasury	912796V63	1.152%	20-Oct-22	20	248,467	-	1,201	249,668	250,000	-	250,000	(879)	-	722	(157)
U.S. Treasury	912796V48	1.850%	20-Apr-23	202	244,773	-	248	245,021	250,000	-	250,000	(3,675)	-	1,150	(2,525)
U.S. Treasury	912796W47	1.902%	18-May-23	230	244,107	-	351	244,458	250,000	-	250,000	(4,137)	-	1,182	(2,955)
U.S. Treasury	912796XN4	0.950%	23-Aug-22	0	299,352	(300,000)	648	-	300,000	(300,000)	-	(421)	-	421	-
U.S. Treasury	912796X53	2.652%	15-Jun-23	258	243,343	-	218	243,561	250,000	-	250,000	(6,234)	-	1,639	(4,596)
U.S. Treasury	912796U49	0.950%	15-Sep-22	0	298,972	(300,000)	1,028	-	300,000	(300,000)	-	(946)	-	946	-
U.S. Treasury	912796XQ7	3.001%	13-Jul-23	286	-	242,820	(77)	242,743	-	250,000	250,000	-	(7,180)	1,428	(5,752)
U.S. Treasury	912796V71	2.254%	27-Oct-22	27	-	298,195	1,262	299,457	-	300,000	300,000	-	(1,805)	1,308	(497)
U.S. Treasury	912796XY0	3.052%	10-Aug-23	314	-	242,822	(707)	242,115	-	250,000	250,000	-	(7,178)	757	(6,422)
U.S. Treasury	912796W70	2.501%	25-Nov-22	56	-	298,100	610	298,710	-	300,000	300,000	-	(1,900)	756	(1,144)
U.S. Treasury	912796YH6	3.601%	7-Sep-23	342	-	241,422	(447)	240,975	-	250,000	250,000	-	(8,578)	360	(8,218)
U.S. Treasury	912796YZ6	3.056%	20-Dec-22	81	-	297,608	375	297,983	-	300,000	300,000	-	(2,392)	374	(2,018)
					3,314,142	270,968	8,854	3,593,964	3,350,000	300,000	3,650,000	(21,077)	(29,032)	13,303	(36,806)

As of 6/30/22:

Average CD Portfolio Yield	0.250%
Average Debt Security Portfolio Yield	1.742%
1 year U.S. Treasury Yield	4.050%

MONEY MARKET FUNDS

Fund	Symbol	Fair Value			
		Beginning Balance	Purchases (Redemptions)	Change in Fair Value	Ending Balance
Invesco - Treasury Portfolio	TPFXX	1,537,309	(188,000)	6,831	1,356,140
Goldman Sachs - Government Fund	GCGXX	46,438	27,228	471	74,136
		1,583,748	(160,772)	7,301	1,430,276

