

Texas Beef Council

BOARD OF DIRECTORS MEETING

NOVEMBER 2022



Strengthen demand for beef as the world's most
preferred and trusted protein.

**TEXAS BEEF COUNCIL
(TBC)
Board of Directors Meeting**

**Austin, Texas
Wednesday, November 16, 2021
1:00 p.m.**

AGENDA

- 1. Call to Order and Establish Quorum**
- 2. Approval of Minutes**
- 3. Officer and Advisory Committee Reports**
 - A. Beef Resources Committee
 - B. Marketing Committee
 - C. Executive Vice President's Report
- 4. Action Items**
 - Executive Committee Report
 - A. Ratification of Executive Committee Action
 - Audit and Budget Committee Report
 - B. Accept Financial Statements
 - Additional Action
 - C. Approve Operating Procedures
 - D. Policy/Practices
- 5. Discussion Items Not Requiring Action**
 - A. Checkoff Litigation Update
 - B. USMEF Board Meeting Report
 - C. Next Board Meeting – February 15, 2023
- 6. Other Business**
- 7. Adjourn**

MINUTES

TEXAS BEEF COUNCIL
Board of Directors
Meeting Report

Chairman's Name: Dan Gattis
Meeting Time/Date: 9:58 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:Lacey Heddlesten, 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, board meeting

Motion by Mark Sustaire Second by Chloe Wilson Motion Passed

Approved Action Item A – Ratification of Executive Committee Actions

Motion by Fred Schuetze Second by Zachary Yanta Motion Passed

Approved Action Item B – Accept Financial Reports through April 2022

Motion by Pat McDowell Second by Fred Schuetze Motion Passed

Approved Action Item C – Approve FY23 Plan & Budget

Motion by Pat McDowell Second by Fred Schuetze Motion Passed

Approved Action Item Ci - Approve Policy for Amending National Investment Budget

Motion by Pat McDowell Second by Fred Schuetze Motion Passed

Approved Action Item D – Election of Directors

Motion by Zachary Yanta Second by Mark Sustaire Motion Passed

Approved Action Item E – Elect At-Large Board Members

Motion by Richard Winter Second by Mark Sustaire Motion Passed

Approved Action Item F – Elect Officers and Executive Committee

Motion by Brad Hastings Second by Chloe Wilson Motion Passed

Approved Action Item G – Approve FY23 Audit & Budget Committee

Motion by Chloe Wilson Second by Kelley Georgiades Motion Passed

Approved Action Item H – Nominate Directors to the BPRCT

Motion by Brad Hastings Second by Brian Malaer Motion Passed

Approved Action Item I – Approve MOA with BPRCT for FY23

Motion by Richard Winter Second by Brad Hastings Motion Passed

Officer and Committee Reports

Marketing Committee Report

Jennifer Matison provided a report on the Marketing Committee meeting during which the committee reviewed the FY23 marketing plan. Rachel Chou reviewed the Beef Loving Texans consumer campaign content. Layla Mays explained the various social media platforms used to engage consumers and amplify beef messages to a variety of audiences. Adriana Mora shared the Beef Loving Texans brand activation tactics that extend the brand in tangible ways. Hannah Fuerniss shared the health professional strategy to educate and equip dietitians and medical providers with accurate information to increase their confidence in beef as part of healthy diets. Amy Foster introduced the recently launched Sports Nutrition Game Plan program.

Beef Resources Committee Report

Jason reported that the Beef Resources Committee met to review the FY23 marketing plan including the tactical areas for international marketing, channel marketing, producer communications and research. The committee engaged in detailed discussions of the retail, foodservice, and industry advocacy areas. In addition, USMEF staff gave a global update and presented their request for funding that is included in the marketing plan.

Executive Vice President's Report

Molly McAdams reported that TBC engaged staff through workshops and other activities starting in December 2021 through May 2022 to gather input and review resources provided by industry professionals. One outcome was the reinforced belief that TBC is driven by our people and our purpose. The purpose is defined through our Mission and Vision. The values that were elevated include passion, trust and empowerment. A strategic plan was implemented to execute the Vision that includes inspiring, leveraging, empowering and cultivating to achieve a systematic approach. Part of the systematic approach is utilizing a program decision scorecard to make sure each program is executed by cross checking established metrics.

Executive Committee Report

Dan Gattis reported that the Executive Committee met on 8/16/2022 to review TBC's tax returns for the year ended September 30, 2022, and to perform the annual evaluation of the Executive Vice President. The committee also recommends approval of a new policy whereunder TBC could participate in opportunities to heavy up certain national retail programs in Texas that are consistent with TBC's existing strategies. Under this policy, staff could redirect up to \$60,000 per year from direct program budgets to the national investment budget. Each redirection would need to be reported to the Executive Committee.

Audit & 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. The committee also reviewed and accepted TBC's financial statements for June 2022.

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.

Discussion Items Not Requiring Action

Cattle Industry Summer Conference – Director Reports

The directors that attended the Cattle Industry Summer Conference provided reports for the committees on which they serve. It was noted that the Federation is getting stronger with more involvement from the states and more unification between national and state.

Online TBC Director Portal

Amber Elwood presented the new Director Portal to the board.

Checkoff Litigation Update

Molly McAdams provided a brief update on litigation involving the national checkoff.

Future Meeting Dates

The next Board meeting dates for FY23 will be on:

November 16, 2022 (November 15 - New Director Orientation)

February 15, 2023

June 7, 2023

August 23, 2023

Recognition of Retiring Directors

The board recognized the retirement of Brad Hastings, Kelley Georgiades, Piertsje Vanderlei, and Zachary Yanta. Dan Gattis was recognized as outgoing chairman.

Adjourn

Approved Motion to Adjourn at 12:26

Motion by Fred Schuetze Second by Zachary Yanta Motion Passed

Report Submitted by:

Dan Gattis

Date Submitted: November 16, 2022
Distribution: Board of Directors

ACTION ITEMS

TBC ACTION ITEM: A

Ratification of Executive Committee Actions

Action Item:

Ratify the actions taken by the Executive Committee as presented.

Background:

The Executive Committee met to consider year-end budget redirections and amendments and operating procedures.

Rationale:

Article VI, Section 1. Executive Committee of the TBC Bylaws state that the Executive Committee *“may act for and on behalf of the Board between meetings of the Board; provided that a report of any actions taken shall be reported at the next Board meeting for ratification.”*

Article VII, Miscellaneous, Section 4. Operating Procedures of the TBC Bylaws call for preparation of operating procedures (in the form of a Board Policy Manual and an Employee Policy Manual) for review and approval at the first meeting of the Board in each fiscal year.

Financial Impact: N/A

Staff Impact: N/A

TEXAS BEEF COUNCIL

YEAR-END BUDGET STATUS REPORT

The Texas Beef Council staff is requesting that the Board of Directors approve the redirection of budget balances from tactics and categories with unspent budget at year-end to tactics and categories with expenses in excess of budget. Direct program expenses and program implementation expenses for the year compared to the budget can be found in the schedules entitled Direct Program Expenses and Program Implementation Expenses. The redirections requested are detailed in the schedules entitled Direct Program Expense Budget Redirections and Program Implementation Expense Budget Redirections. A proposed capital outlay addition is included in the schedule entitled FY22 Capital Addition Budget. The budget overages are explained below by tactic/category.

As you know, TBC conducts programs that are partially funded using TBC's resources and partially funded with resources provided by the BPRCT. Furthermore, the BPRCT must present its budget and any amendments to the Commissioner of the Texas Department of Agriculture (TDA) for approval. Since TDA requires expenses to be budgeted using different categories than those used by TBC, we have attempted to move funds within TDA's categories whenever possible in order to minimize the impact on BPRCT's budget. In addition, we have moved funds in a manner that will not change the expense allocations between TBC and BPRCT.

DIRECT PROGRAM EXPENSES

Overall, direct program expenses are \$761,130 under budget for FY22. Tactics with expenses in excess of the budget or a significant amount of unspent budget at year end are as follows:

Retail

Tactic 3131 – Retail Engagement. Actual expenses for this were \$129,752 below the budget of \$250,000 (48.10% of the budget was spent). Included in the budget for this tactic were multiple in-store promotions to be executed with several partners. One of the seasonal promotions was not executed due to a partner backing out at the last minute with no time to reschedule. In addition, we experienced lower than anticipated coupon redemptions during the year.

Foodservice

Tactic 3211 – Foodservice Education. Actual expenses for this tactic exceeded the budget of \$347,500 by \$56,861 (16.36% of the budget). The budget overrun was caused by an expanded partnership agreement and related activating events involving Texas Restaurant Association Marketplace, Culinary Educators Training Conference, and Texas Restaurant Association/Foundation. We also experienced an increase in attendees for our Fall Chef Pasture to Plate tour and High School BBQ activation across Texas.

Consumer Marketing

Tactic 4113 – Paid Advertising. Actual expenses for this tactic exceeded the budget of \$2,838,000 by \$10,757 (0.38% of the budget). We extended advertising efforts near year-end related to the launch of BBQquest season 3 that caused this tactic to go slightly overbudget.

Tactic 4121 – BLT Earned Media. Actual expenses for this tactic were \$144,562 below the amended budget of \$497,000 (70.91% of the budget was spent). Early in the year, staff determined that a sizable amount of the budget for this tactic would not be needed to execute planned programs and offered the available funds for use in other tactics. A portion of the available funds were redirected at mid-year. Furthermore, our media partnership efforts with KSAT, KPRC, and Family Features mat release service involving the launch of BBQuest season 3 did not cost as much as we anticipated.

Tactic 4131 – Consumer Health Promotions. Actual expenses for this tactic were \$100,791 below the amended budget of \$633,500 (84.09% of the budget was spent). This tactic is underbudget primarily because a partnership planned with Snack Pak for Kids did not come to fruition, the Beef Team website redesign did not progress as far as originally planned, the Beef Team Kids program is transitioning in strategy and was halted mid-year, and the Beef Team retreat came in under budget.

Tactic 4133 – Information Dissemination. Actual expenses for this tactic exceeded the budget of \$80,000 by \$23,682 (29.60% of the budget). When the budget was prepared for FY22, it was difficult to predict how much we would disseminate because dissemination decreased significantly during the COVID years. Requests for materials proved to be very strong throughout the year, particularly during the summer months.

Nutrition and Health

Tactic 4224 – Medical Office Outreach. Actual expenses for this tactic were \$154,941 below the amended budget of \$1,101,400 (85.93% of the budget was spent). This tactic is underbudget because funds were allocated for hiring two additional medical office outreach representatives during the second half of FY22, which did not happen. Because of concerns over revenues in future years due the current drought driven sales of cattle, we delayed hiring new representatives until FY23 when we plan to reevaluate these hirings based on the anticipated availability of funds in future years.

Tactic 4225 – Nutrition Content. Actual expenses for this tactic exceeded the amended budget of \$33,500 by \$168 (0.50% of the budget). Minor budget overrun.

Tactic 4234 – Health Education Outreach. Actual expenses for this tactic exceeded the budget of \$53,500 by \$7,570 (29.60% of the budget). The cost of developing an online platform for the new Sports Nutrition Game Plan program has exceeded the amount originally anticipated.

Issues and Reputation Management

Tactic 5112 – Industry Advocacy. Actual expenses for this tactic exceeded the amended budget of \$23,500 by \$12,566 (53.47% of the budget). At mid-year, we redirected \$20,500 out of this tactic anticipating little activity in this tactic during the summer. Instead, we were given the opportunity to participate in three workshops for the Ag Teachers Conference in Corpus Christi, which also increased staff travel costs. We elected to participate in these workshops knowing we would have unspent funds in Tactic 5115.

Tactic 5115 – Production Content & Immersion. Actual expenses for this tactic were \$56,292 below the amended budget of \$120,500 (53.28% of the budget was spent). The original plan for this tactic was to begin website updates for Raw Truth About

Beef during the year. After reviewing initial survey data, we elected to push the web updates to FY23.

Producer Communications

Tactic 6111 – Direct Communications. Actual expenses for this tactic exceeded the amended budget of \$174,000 by \$31,702 (18.22% of the budget). For FY22, we reduced the producer meeting component of this budget, but it ended up \$10,000 over due to higher than expected materials and travel costs. The August edition of Cattle Talk was much more expense than expected due to additional agency support, an increased subscription list, and increased printing costs.

Tactic 6116 – Earned Media. Actual expenses for this tactic exceeded the budget of \$20,000 by \$587 (2.94% of the budget). Minor budget overrun.

Tactic 6118 – Producer Strategy. Actual expenses for this tactic exceeded the budget of \$77,000 by \$23,190 (30.12% of the budget). The original budget for this tactic did not include the cost of updating the producer website and producer communication materials to incorporate the new branding requirements. One project in Tactic 6112 was eliminated to offset some of the additional costs in this tactic.

Beef Quality & Beef Safety

Tactic 7113 – Industry Meetings and Planning. Actual expenses for this tactic exceeded the budget of \$3,000 by \$1,840 (61.33% of the budget). During the summer, TBC staff attended planning meetings with NCBA staff that were not included in the budget for the year. In addition, airfare for certain meetings exceeded planned amounts.

Collections

Tactic 2313 – Field Staff Activities. Actual expenses for this tactic exceeded the amended budget of \$25,000 by \$13,306 (53.22% of the budget). Plans for FY22 included the use of a contract compliance person in Tactic 2312 to conduct on-site audits. These plans did not work out as hoped. Instead, we increased the number of field staff visits during the year to visit significantly more collection sites than in prior years in order to enhance compliance work.

PROGRAM IMPLEMENTATION EXPENSES

Overall, program implementation is \$142,400 under-budget for FY 22. Budget overages are discussed below. To address these overages, unspent budget in General Taxes, and Office Equipment and Software is being redirected to the appropriate category as detailed in the attached schedule.

Perishables. Actual expenses of this category exceeded the budget of \$8,000 by \$1,467 (18.34% of the budget). Higher than expected perishable cost for meals at Board meetings and other in-office meetings caused this category to exceed the budget.

Building Maintenance. Actual expenses of this category exceeded the amended budget of \$77,000 by \$16,641 (21.61% of the budget). We once again experienced pin-hole leaks in water lines in the bathrooms and determined the best solution would be to replace all water lines in the bathrooms. In addition, we replaced toilets that

were leaking with more water efficient models. Once these repairs were completed, we incurred cost to repair the walls and ceilings.

Office Expense. Actual expenses of this category exceeded the budget of \$18,000 by \$8,503 (47.24% of the budget). The building refresh project that started last year involved the replacement of numerous items in the office. When the budget for FY22 was prepared, it was anticipated that all of this cost would be recorded in the office equipment and software category. We ultimately determined that the office expense category was more appropriate for these items.

Small Dollar Amount Budget Overruns

- Meals – Actual expenses \$7,496; over-budget \$396 (5.58% of the budget)
- Travel-Miscellaneous – Actual expenses 1,332; over-budget \$332 (33.20% of the budget)
- Decorations - Actual expenses \$717; over-budget \$217 (43.40% of the budget)
- Shipping Supplies – Actual expenses \$3,493; over-budget \$493 (16.43% of the budget)

CAPITAL OUTLAY

Near year-end, we confirmed that accounting standards will require us to capitalize maintenance costs we incurred during the year for the new collections database while it was not yet fully functioning and in service. As result, actual capital outlay for the year will exceed the budget by almost \$12,000. Accordingly, we request an increase in the capital outlay budget for FY22 of \$12,000.

TEXAS BEEF COUNCIL
Direct Program Expenses

Tactic/Description		FY 22 Actual Expenses	FY 22 Annual Budget	Budget Variance	Percent of Budget Spent
3111	Retail Education	\$ 17,411	\$ 30,000	\$ 12,589	58.04%
3112	Industry Meetings and Planning	3,698	10,000	6,302	36.98%
3131	Retail Engagement	120,248	250,000	129,752	48.10%
	Retail - 3100	141,357	290,000	148,643	48.74%
3211	Foodservice Education	404,361	347,500	(56,861)	116.36%
3212	Industry Meetings and Planning	4,172	5,000	828	83.44%
3222	Foodservice Trade Advertising	21,645	50,000	28,355	43.29%
3232	Foodservice Content	3,004	30,000	26,996	10.01%
	Foodservice - 3200	433,182	432,500	(682)	100.16%
4111	Beef Loving Texans Store	752	1,000	248	75.20%
4112	BLT Branding & Promotions	304,718	334,500	29,782	91.10%
4113	Paid Advertising	2,848,757	2,838,000	(10,757)	100.38%
4116	Industry Meetings and Planning	9,873	11,000	1,127	89.75%
4121	BLT Earned Media	352,438	497,000	144,562	70.91%
4126	BLT Content	864,645	886,000	21,355	97.59%
4128	AgriLife Extension Engagement	(13)	25,000	25,013	-0.05%
4131	Consumer Health Promotions	532,709	633,500	100,791	84.09%
4132	BLT Social Media	83,842	94,500	10,658	88.72%
4133	Information Dissemination	103,682	80,000	(23,682)	129.60%
	Consumer Marketing - 4100	5,101,403	5,400,500	299,097	94.46%
4226	Industry Meetings and Planning	3,690	5,000	1,310	73.80%
4222	Health Professional Outreach	131,082	174,100	43,018	75.29%
4224	Medical Office Outreach	946,459	1,101,400	154,941	85.93%
4225	Nutrition Content	33,668	33,500	(168)	100.50%
4234	Health Education Outreach	61,070	53,500	(7,570)	114.15%
	Nutrition & Health - 4200	1,175,969	1,367,500	191,531	85.99%
5111	Crisis Communications	30	1,000	970	3.00%
5112	Industry Advocacy	36,066	23,500	(12,566)	153.47%
5113	Reputation Management	1,500	5,000	3,500	30.00%
5115	Production Content & Immersion	64,208	120,500	56,292	53.28%
	Issues & Reputation Mgmt - 5100	101,804	150,000	48,196	67.87%
6111	Direct Communications	205,702	174,000	(31,702)	118.22%
6112	Producer Assets	90,725	99,000	8,275	91.64%
6113	Industry Communications	119,490	132,000	12,510	90.52%
6115	Industry Meetings and Planning	8,344	9,000	656	92.71%
6116	Earned Media	20,587	20,000	(587)	102.94%
6117	Paid Media	125,817	130,000	4,183	96.78%
6118	Producer Strategy	100,190	77,000	(23,190)	130.12%
	Producer Communications - 6100	670,855	641,000	(29,855)	104.66%
7111	Beef Quality Assurance	70,214	85,000	14,786	82.60%
7112	Extension BQA Travel	11,848	15,000	3,152	78.99%
7113	Industry Meetings and Planning	4,840	3,000	(1,840)	161.33%
7131	Research	30,000	51,000	21,000	58.82%
	Beef Quality/Safety - 7100	116,902	154,000	37,098	75.91%
8111	USMEF Programs	520,958	525,000	4,042	99.23%
8112	Industry Meetings & Global Travel	3,553	3,500	(53)	101.51%
	Export Mkt Development - 8100	524,511	528,500	3,989	99.25%
2311	Collection Activities	10,516	45,000	34,484	23.37%
2312	Compliance Activities	682	30,000	29,318	2.27%
2313	Field Staff Activities	38,306	25,000	(13,306)	153.22%
2314	Texas Checkoff Refunds	1,866	2,000	134	93.30%
	Total Collections - 2300	51,370	102,000	50,630	50.36%
8801	Texas Beef Leaders of Tomorrow	-	5,000	5,000	0.00%
8802	Local Beef Promotion	4,992	5,000	8	99.84%
8803	Education Projects	2,525	5,000	2,475	50.50%
8804	Producer Education	-	5,000	5,000	0.00%
	Texas Cattlewomen - 8800	7,517	20,000	12,483	37.59%
		8,324,870	9,086,000	761,130	91.62%

TEXAS BEEF COUNCIL
Direct Program Expense Budget Redirections

Tactic/Description	FY 22 Actual	FY 22 Budget			Budget Variance	Percent of Budget Spent
		Current Budget	Proposed Redirections	Amended Budget		
3111 Retail Education	\$ 17,411	\$ 30,000	\$ (12,000)	\$ 18,000	\$ 589	96.73%
3112 Industry Meetings and Planning	3,698	10,000		10,000	6,302	36.98%
3131 Retail Engagement	120,248	250,000		250,000	129,752	48.10%
Retail - 3100	141,357	290,000	(12,000)	278,000	136,643	50.85%
3211 Foodservice Education	404,361	347,500	57,000	404,500	139	99.97%
3212 Industry Meetings and Planning	4,172	5,000		5,000	828	83.44%
3222 Foodservice Trade Advertising	21,645	50,000		50,000	28,355	43.29%
3232 Foodservice Content	3,004	30,000	(26,000)	4,000	996	75.10%
Foodservice - 3200	433,182	432,500	31,000	463,500	30,318	93.46%
4111 Beef Loving Texans Store	752	1,000	(100)	900	148	83.56%
4112 BLT Branding & Promotions	304,718	334,500	(11,000)	323,500	18,782	94.19%
4113 Paid Advertising	2,848,757	2,838,000	11,000	2,849,000	243	99.99%
4116 Industry Meetings and Planning	9,873	11,000		11,000	1,127	89.75%
4121 BLT Earned Media	352,438	497,000		497,000	144,562	70.91%
4126 BLT Content	864,645	886,000		886,000	21,355	97.59%
4128 AgriLife Extension Engagement	(13)	25,000		25,000	25,013	-0.05%
4131 Consumer Health Promotions	532,709	633,500	(43,000)	590,500	57,791	90.21%
4132 BLT Social Media	83,842	94,500		94,500	10,658	88.72%
4133 Information Dissemination	103,682	80,000	24,000	104,000	318	99.69%
Consumer Marketing - 4100	5,101,403	5,400,500	(19,100)	5,381,400	279,997	94.80%
4226 Industry Meetings and Planning	3,690	5,000		5,000	1,310	73.80%
4222 Health Professional Outreach	131,082	174,100	(9,000)	165,100	34,018	79.40%
4224 Medical Office Outreach	946,459	1,101,400		1,101,400	154,941	85.93%
4225 Nutrition Content	33,668	33,500	1,000	34,500	832	97.59%
4234 Health Education Outreach	61,070	53,500	8,000	61,500	430	99.30%
Nutrition & Health - 4200	1,175,969	1,367,500	-	1,367,500	191,531	85.99%
5111 Crisis Communications	30	1,000		1,000	970	3.00%
5112 Industry Advocacy	36,066	23,500	13,000	36,500	434	98.81%
5113 Reputation Management	1,500	5,000		5,000	3,500	30.00%
5115 Production Content & Immersion	64,208	120,500	(26,000)	94,500	30,292	67.94%
Issues & Reputation Mgmt - 5100	101,804	150,000	(13,000)	137,000	35,196	74.31%
6111 Direct Communications	205,702	174,000	32,000	206,000	298	99.86%
6112 Producer Assets	90,725	99,000	(8,000)	91,000	275	99.70%
6113 Industry Communications	119,490	132,000	(12,000)	120,000	510	99.58%
6115 Industry Meetings and Planning	8,344	9,000		9,000	656	92.71%
6116 Earned Media	20,587	20,000	1,000	21,000	413	98.03%
6117 Paid Media	125,817	130,000		130,000	4,183	96.78%
6118 Producer Strategy	100,190	77,000	23,500	100,500	310	99.69%
Producer Communications - 6100	670,855	641,000	36,500	677,500	6,645	99.02%
7111 Beef Quality Assurance	70,214	85,000	(4,500)	80,500	10,286	87.22%
7112 Extension BQA Travel	11,848	15,000		15,000	3,152	78.99%
7113 Industry Meetings and Planning	4,840	3,000	2,000	5,000	160	96.80%
7131 Research	30,000	51,000	(21,000)	30,000	-	100.00%
Beef Quality/Safety - 7100	116,902	154,000	(23,500)	130,500	13,598	89.58%
8111 USMEF Programs	520,958	525,000		525,000	4,042	99.23%
8112 Industry Meetings & Global Travel	3,553	3,500	100	3,600	47	98.69%
Export Mkt Development - 8100	524,511	528,500	100	528,600	4,089	99.23%
2311 Collection Activities	10,516	45,000		45,000	34,484	23.37%
2312 Compliance Activities	682	30,000	(14,000)	16,000	15,318	4.26%
2313 Field Staff Activities	38,306	25,000	14,000	39,000	694	98.22%
2314 Texas Checkoff Refunds	1,866	2,000		2,000	134	93.30%
Total Collections - 2300	51,370	102,000	-	102,000	50,630	50.36%
8801 Texas Beef Leaders of Tomorrow	-	5,000		5,000	5,000	0.00%
8802 Local Beef Promotion	4,992	5,000		5,000	8	99.84%
8803 Education Projects	2,525	5,000		5,000	2,475	50.50%
8804 Producer Education	-	5,000		5,000	5,000	0.00%
Texas Cattlewomen - 8800	7,517	20,000	-	20,000	12,483	37.59%
	8,324,870	9,086,000	-	9,086,000	761,130	91.62%

TEXAS BEEF COUNCIL
Program Implementation Expenses

Description	FY22 Actual Expenses	FY22 Annual Budget	Budget Variance	Percent Spent
Salaries	2,157,239	2,201,900	44,661	97.97%
Payroll Taxes	154,040	162,300	8,260	94.91%
Workers' Compensation	3,054	3,900	846	78.31%
Employee Insurance	338,178	356,000	17,822	94.99%
Retirement	103,779	105,400	1,621	98.46%
Dues & Subscriptions	5,831	6,500	669	89.71%
Seminars & Conventions	4,782	6,500	1,718	73.57%
Travel - Lodging	10,070	12,400	2,330	81.21%
Travel - Air Fare	5,156	5,400	244	95.48%
Travel - Auto	27,135	28,500	1,365	95.21%
Meals	7,496	7,100	(396)	105.58%
Travel Miscellaneous	1,332	1,000	(332)	133.20%
Federation Director Travel	16,157	25,200	9,043	64.12%
Contract Services	7,713	8,500	787	90.74%
Decorations	717	500	(217)	143.40%
Equipment Rental	40	500	460	8.00%
Facility or Booth Rental	458	500	42	91.60%
Perishables	9,467	8,000	(1,467)	118.34%
Photography/Slides/Video	162	500	338	32.40%
Postage & Freight	3,268	3,300	32	99.03%
Printing & Copying	5,733	8,500	2,767	67.45%
Shipping Supplies	3,493	3,000	(493)	116.43%
Supplies	2,034	3,000	966	67.80%
Utilities	20,336	25,500	5,164	79.75%
Building Maintenance	93,641	77,000	(16,641)	121.61%
Telephone	15,184	17,900	2,716	84.83%
Depreciation	88,986	99,000	10,014	89.88%
General Insurance	43,326	43,700	374	99.14%
General Taxes	72,792	89,000	16,208	81.79%
Office Equipment Rental	9,530	11,000	1,470	86.64%
Office Equip & Software	38,141	56,000	17,859	68.11%
Vehicle Repair & Maint.	7,301	8,500	1,199	85.89%
Office Expense	26,503	18,000	(8,503)	147.24%
Kitchen Supplies	645	1,000	355	64.50%
Professional Services	124,557	125,900	1,343	98.93%
USDA Oversight	10,067	22,000	11,933	45.76%
Vehicle cost allocation	(77,743)	(69,900)	7,843	111.22%
	3,340,600	3,483,000	142,400	95.91%

TEXAS BEEF COUNCIL
Program Implementation Expense Budget Redirections

Description	FY22 Actual	FY22 Budget			Budget Variance	Percent of Budget Spent
		Current Budget	Proposed Redirections	Amended Budget		
Salaries	2,157,239	2,201,900		2,201,900	44,661	97.97%
Payroll Taxes	154,040	162,300		162,300	8,260	94.91%
Workers' Compensation	3,054	3,900		3,900	846	78.31%
Employee Insurance	338,178	356,000		356,000	17,822	94.99%
Retirement	103,779	105,400		105,400	1,621	98.46%
Dues & Subscriptions	5,831	6,500		6,500	669	89.71%
Seminars & Conventions	4,782	6,500		6,500	1,718	73.57%
Travel - Lodging	10,070	12,400		12,400	2,330	81.21%
Travel - Air Fare	5,156	5,400		5,400	244	95.48%
Travel - Auto	27,135	28,500		28,500	1,365	95.21%
Meals	7,496	7,100	500	7,600	104	98.63%
Travel Miscellaneous	1,332	1,000	500	1,500	168	88.80%
Federation Director Travel	16,157	25,200		25,200	9,043	64.12%
Contract Services	7,713	8,500		8,500	787	90.74%
Decorations	717	500	400	900	183	79.67%
Equipment Rental	40	500		500	460	8.00%
Facility or Booth Rental	458	500		500	42	91.60%
Perishables	9,467	8,000	1,600	9,600	133	98.61%
Photography/Slides/Video	162	500		500	338	32.40%
Postage & Freight	3,268	3,300		3,300	32	99.03%
Printing & Copying	5,733	8,500		8,500	2,767	67.45%
Shipping Supplies	3,493	3,000	500	3,500	7	99.80%
Supplies	2,034	3,000		3,000	966	67.80%
Utilities	20,336	25,500		25,500	5,164	79.75%
Building Maintenance	93,641	77,000	17,000	94,000	359	99.62%
Telephone	15,184	17,900		17,900	2,716	84.83%
Depreciation	88,986	99,000		99,000	10,014	89.88%
General Insurance	43,326	43,700		43,700	374	99.14%
General Taxes	72,792	89,000	(11,700)	77,300	4,508	94.17%
Office Equipment Rental	9,530	11,000		11,000	1,470	86.64%
Office Equip & Software	38,141	56,000	(17,500)	38,500	359	99.07%
Vehicle Repair & Maint.	7,301	8,500		8,500	1,199	85.89%
Office Expense	26,503	18,000	8,700	26,700	197	99.26%
Kitchen Supplies	645	1,000		1,000	355	64.50%
Professional Services	124,557	125,900		125,900	1,343	98.93%
USDA Oversight	10,067	22,000		22,000	11,933	45.76%
Vehicle cost allocation	(77,743)	(69,900)		(69,900)	7,843	111.22%
	3,340,600	3,483,000	-	3,483,000	142,400	95.91%

TEXAS BEEF COUNCIL
FY22 Capital Additions Budget

	Current Budget	Proposed Amendment	Amended Budget
Computer Equipment	\$ 15,000	\$ -	\$ 15,000
Other Equipment	22,000	12,000	34,000
Office Furniture	15,000	-	15,000
Building Repair and Improvements	30,000	-	30,000
	<u>102,000</u>	<u>12,000</u>	<u>94,000</u>

TBC ACTION ITEM: B

Accept Financial Statements

Action Item:

Accept the financial statements for September 2022 as presented by the Audit & Budget Committee.

Background:

The September financial statements are presented using the modified cash basis of accounting for revenue and the accrual basis of accounting for expenses. The financial reports present direct program and implementation expenses for the current fiscal year.

Rationale:

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

Financial Impact:

None

Staff Impact:

Approximately 45 hours to prepare the year end financial statements and management reports.



To: Board of Directors

From: Michael Loeffler

Re: June 2022 Financial Statements

The TBC financial statements and related schedules for the year ended September 30, 2022, are included in this packet. The expenses reflected in the September financial statements are now on the accrual basis rather than the modified cash basis that TBC uses for internal financial reporting throughout the year. All known liabilities, including payables for national investments, payroll, unused vacation, and property taxes, are accrued in the September financial statements in order to provide a more accurate comparison of actual expenses to the annual budget. Receivables for Checkoff revenue are not accrued in these financial statements. They will, however, be accrued in the audited financial statements prepared at the end of November.

The financial statements and schedules included in this packet reflect a revised budget, which includes year-end budget amendments and redirections. The Executive Committee will meet later in November to consider these budget amendments and redirection requests.

Statement of Financial Position

You will note that the receivable from BPRCT is much larger than normal at the end of September for every year presented because the balance reflects BPRCT's share of expenses paid during September plus BPRCT's share of expenses accrued at year end. The balance in Trade Accounts Payable at 9/30/21 was lower than the other two years partially because we received and paid invoices from USMEF prior to year-end for a large portion of the programs they conducted during FY21. In the other years, we received a large invoice after year end, which included the cost of the majority of the programs they conducted during the year. Also contributing to the large accounts payable balances at the end of 2022 and 2020 are significant payables for advertising that were accrued at year end because of heavy advertising efforts near the end of the year in those years.

Unrestricted Net Assets as reflected in these financial statements are roughly \$2.75 million at 9/30/22. Keep in mind, that this balance will likely increase by around \$500,000 once revenues are converted to full accrual.

Statement of Activities

You will note that BPRC's share of program cost totaled \$9,819,514 in FY22. For purposes of internal financial statements, TBC records this amount as contract revenue, which is equal to the actual costs allocated to BPRC. In the audited financial statements, the reimbursement from BPRC will not be reflected as revenue. It will be directly offset against the expense so that BPRC's share of expenses does not appear in TBC's financials.

Statement of Activities - Comparative

Checkoff revenues on the cash basis for FY22 are \$5,572,318, which are roughly \$316,000 and \$447,000 more than Checkoff revenues in FY21 and FY20, respectively. The negative

amounts you see in Other Revenues represent losses on the disposal of assets that had not yet been fully depreciated.

In general, expenses in FY22 are greater than expenses during the previous two years as FY22 represents a return to somewhat normal levels of activity. Activities in FY20 and to a greater extent FY21 were impacted by COVID-19. The negative expense amounts you see in September 2022 result from adjusting estimated vehicle cost allocations to actual and the reclassification of certain expenses to a capitalized asset.

Actual vs Budget

You will note that we concluded the year with an increase in cash basis net assets of \$729,702 compared to a budgeted increase in net assets of \$14,000, a difference of \$743,702. Actual cash basis Checkoff revenues were \$472,318 greater than the amount budgeted for the year. It will be interesting to see what accrual basis Checkoff revenues are once those amounts are determined. BPRC Contract Revenues were \$680,486 less than the amount budgeted because expenses were below the amount budgeted. In total, cash basis revenues were \$187,835 less than the amount budgeted for the year, while actual expenses were \$903,537 less than the budgeted amount.

Monthly Collection Summary

Checkoff revenues for September 2022 are \$87,009 greater than the amount budgeted for the month. Year to date Checkoff revenues are \$472,318 or 9.3% greater than the amount budgeted for the year.

TEXAS BEEF COUNCIL
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	\$ 1,202,554	\$ 2,558,522	\$ 1,892,401
Investments	1,863,159	-	249,079
Accounts Receivable			
Beef Promotion & Research Council of Texas	2,095,555	1,359,098	1,714,968
Other	3,527	6,592	14,882
Prepaid Expenses	151,580	73,744	116,516
Inventory	385,228	390,755	412,088
Total Current Assets	5,701,603	4,388,711	4,399,934
Fixed Assets			
Furniture & Fixtures	196,044	186,980	190,226
Equipment & Supplies	362,905	289,701	251,429
Automobiles	431,800	431,800	431,800
Building, Land, & Improvements	2,023,122	2,009,694	1,986,570
	<u>3,013,871</u>	<u>2,918,175</u>	<u>2,860,025</u>
Less Accumulated Depreciation	(2,177,980)	(2,103,730)	(2,059,081)
	<u>835,891</u>	<u>814,445</u>	<u>800,944</u>
	<u><u>\$ 6,537,494</u></u>	<u><u>\$ 5,203,156</u></u>	<u><u>\$ 5,200,878</u></u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable			
Trade	\$ 1,328,783	\$ 885,241	\$ 1,221,664
Beef Promotion & Research Council of Texas	1,067,644	927,198	964,961
Other States	85,914	112,743	76,091
Cattlemen's Beef Board	546,005	477,854	489,486
National Program Investments	750,000	769,000	950,000
Deferred Revenue	11,146	8,673	10,286
Total Current Liabilities	3,789,492	3,180,709	3,712,488
Net Assets			
Unrestricted Net Assets	<u>2,748,002</u>	<u>2,022,447</u>	<u>1,488,390</u>
	<u><u>\$ 6,537,494</u></u>	<u><u>\$ 5,203,156</u></u>	<u><u>\$ 5,200,878</u></u>

TEXAS BEEF COUNCIL
Statements of Activities
(Modified Cash Basis)

	One Month Period Ended September 2022			Year-to-Date Through September 2022		
	TBC Funded	BPRCT Funded	Total	TBC Funded	BPRCT Funded	Total
REVENUES						
Checkoff Revenues						
Texas Checkoff Revenues	\$ 476,468	\$ -	\$ 476,468	\$ 4,808,600	\$ -	\$ 4,808,600
Out-of-State Checkoff Revenues	63,201	-	63,201	752,164	-	752,164
Late Fee Income	758	-	758	11,554	-	11,554
	540,427	-	540,427	5,572,318	-	5,572,318
BPRCT Contract Revenues						
BPRCT Contract Revenues	-	2,095,555	2,095,555	-	9,819,514	9,819,514
Other Revenues						
Interest Revenues	5,873	-	5,873	17,603	-	17,603
Other Revenues	-	-	-	(363)	-	(363)
	5,873	-	5,873	17,240	-	17,240
BLT Store						
Sales, Net of Discounts	6,252	-	6,252	30,416	-	30,416
Cost of Goods Sold & Direct Expense	(10,953)	-	(10,953)	(44,323)	-	(44,323)
	(4,701)	-	(4,701)	(13,907)	-	(13,907)
	541,599	2,095,555	2,637,154	5,575,651	9,819,514	15,395,165
EXPENSES						
National & State Program Investments						
Federation of State Beef Councils	350,000	-	350,000	1,400,000	-	1,400,000
U.S. Meat Export Federation	400,000	-	400,000	1,600,000	-	1,600,000
Texas CattleWomen	5,661	-	5,661	7,517	-	7,517
	755,661	-	755,661	3,007,517	-	3,007,517
Marketing						
Consumer Marketing	179,035	1,308,307	1,487,342	740,439	5,329,108	6,069,547
Nutrition & Health	12,005	89,347	101,352	172,527	1,284,249	1,456,776
	191,040	1,397,654	1,588,694	912,966	6,613,357	7,526,323
Beef Resources						
Channel Marketing						
Retail	9,489	70,636	80,125	32,458	241,586	274,044
Foodservice	11,010	81,958	92,968	88,155	656,201	744,356
Issues & Reputation Management	1,852	13,816	15,668	22,449	166,899	189,348
Producer Communications	13,751	102,362	116,113	112,879	840,234	953,113
Beef Quality & Beef Safety	6,807	54,823	61,630	30,234	261,794	292,028
Export Market Development	13,076	299,933	313,009	68,518	480,459	548,977
	55,985	623,528	679,513	354,693	2,647,173	3,001,866
Collections & Compliance						
Collection & Compliance Activities	12,168	16,363	28,531	125,040	151,121	276,161
Administration						
Administration	59,704	58,010	117,714	445,733	407,863	853,596
	1,074,558	2,095,555	3,170,113	4,845,949	9,819,514	14,665,463
TOTAL INCREASE IN NET ASSETS	\$ (532,959)	\$ -	\$ (532,959)	\$ 729,702	\$ -	\$ 729,702

TEXAS BEEF COUNCIL
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	\$ 476,468	\$ 407,560	\$ 427,650	\$ 4,808,600	\$ 4,522,040	\$ 4,419,979
Out-of-State Checkoff Revenues	63,201	63,354	63,234	752,164	728,577	695,660
Late Fee Income	758	382	165	11,554	5,953	9,710
	<u>540,427</u>	<u>471,296</u>	<u>491,049</u>	<u>5,572,318</u>	<u>5,256,570</u>	<u>5,125,349</u>
BPRCT Contract Revenues						
BPRCT Contract Revenues	2,095,555	1,359,098	1,714,968	9,819,514	7,902,427	8,431,523
Other Revenues						
Interest Revenues	5,873	30	45	17,603	379	16,316
Other Revenues	-	(1,062)	-	(363)	(1,062)	8,500
	<u>5,873</u>	<u>(1,032)</u>	<u>45</u>	<u>17,240</u>	<u>(683)</u>	<u>24,816</u>
BLT Store						
Sales, Net of Discounts	6,252	11,049	1,513	30,416	29,688	40,506
Cost of Sales and Direct Expenses	(10,953)	(11,120)	645	(44,323)	(46,179)	(48,876)
	<u>(4,701)</u>	<u>(71)</u>	<u>2,158</u>	<u>(13,907)</u>	<u>(16,491)</u>	<u>(8,370)</u>
	<u>2,637,154</u>	<u>1,829,291</u>	<u>2,208,220</u>	<u>15,395,165</u>	<u>13,141,823</u>	<u>13,573,318</u>
EXPENSES						
National & State Program Investments						
Federation of State Beef Councils	350,000	370,000	475,000	1,400,000	1,420,000	1,900,000
U.S. Meat Export Federation	400,000	399,000	475,000	1,600,000	1,596,000	1,900,000
Texas CattleWomen	5,661	4,512	3,758	7,517	5,012	5,290
	<u>755,661</u>	<u>773,512</u>	<u>953,758</u>	<u>3,007,517</u>	<u>3,021,012</u>	<u>3,805,290</u>
Marketing						
Consumer Marketing	1,315,315	681,888	866,768	5,101,403	3,569,446	4,248,956
Nutrition & Health	49,956	129,794	61,742	1,175,969	1,236,348	1,219,299
Program Implementation	223,423	174,766	144,671	1,248,951	1,107,013	1,128,294
	<u>1,588,694</u>	<u>986,448</u>	<u>1,073,181</u>	<u>7,526,323</u>	<u>5,912,807</u>	<u>6,596,549</u>
Beef Resources						
Channel Marketing						
Retail	59,289	71,642	55,235	141,357	175,050	110,046
Foodservice	35,471	23,388	79,267	433,182	346,760	334,596
Issues & Reputation Management	(1,421)	16,767	1,763	101,804	95,913	11,927
Producer Communications	66,763	38,736	95,482	670,855	507,109	433,999
Beef Quality & Beef Safety	32,339	17,627	1,978	116,902	45,731	31,942
Export Market Development	297,335	194,934	442,512	524,511	484,584	583,564
Program Implementation	189,737	115,230	72,996	1,013,255	881,077	734,438
	<u>679,513</u>	<u>478,324</u>	<u>749,233</u>	<u>3,001,866</u>	<u>2,536,224</u>	<u>2,240,512</u>
Collections & Compliance						
Collection & Compliance Activities	(10,290)	9,581	16,757	51,370	45,884	52,707
Program Implementation	38,821	26,670	26,242	224,791	203,014	200,399
	<u>28,531</u>	<u>36,251</u>	<u>42,999</u>	<u>276,161</u>	<u>248,898</u>	<u>253,106</u>
Administration						
Administration	117,714	114,168	119,851	853,596	888,825	800,177
	<u>3,170,113</u>	<u>2,388,703</u>	<u>2,939,022</u>	<u>14,665,463</u>	<u>12,607,766</u>	<u>13,695,634</u>
TOTAL INCREASE IN NET ASSETS	<u>\$ (532,959)</u>	<u>\$ (559,412)</u>	<u>\$ (730,802)</u>	<u>\$ 729,702</u>	<u>\$ 534,057</u>	<u>\$ (122,316)</u>

TEXAS BEEF COUNCIL
Statement of Activities – Actual vs Budget
(Modified Cash Basis)

	% Rev	Year-to-Date 9/30/22	Annual Budget	% Budget
<i>Percent of year expired</i>				<i>100.00%</i>
REVENUES				
Checkoff Revenues				
Texas Checkoff Revenues	31.23%	\$ 4,808,600	\$ 4,330,386	111.04%
Out-of-State Checkoff Revenues	4.89%	752,164	769,614	97.73%
Late Fee Income	0.08%	11,554	-	0.00%
	36.20%	5,572,318	5,100,000	109.26%
BPRCT Contract Revenues				
BPRCT Contract Revenues	63.78%	9,819,514	10,500,000	93.52%
Other Revenues				
Interest Revenues	0.11%	17,603	1,000	1760.30%
Other Revenues	0.00%	(363)	2,000	0.00%
	0.11%	17,240	3,000	574.67%
BLT Store				
Sales, Net of Discounts	0.20%	30,416	-	0.00%
Cost of Goods Sold & Direct Expense	-0.29%	(44,323)	-	0.00%
	-0.09%	(13,907)	(20,000)	0.00%
	100.00%	15,395,165	15,583,000	98.79%
EXPENSES				
National & State Program Investments				
Federation of State Beef Councils	9.09%	1,400,000	1,400,000	100.00%
U.S. Meat Export Federation	10.39%	1,600,000	1,600,000	100.00%
Texas CattleWomen	0.05%	7,517	20,000	37.59%
	19.54%	3,007,517	3,020,000	99.59%
Direct Program Expenses				
Marketing				
Consumer Marketing	33.14%	5,101,403	5,381,400	94.80%
Nutrition & Health	7.64%	1,175,969	1,367,500	85.99%
	40.77%	6,277,372	6,748,900	93.01%
Beef Resources				
Channel Marketing				
Retail	0.92%	141,357	278,000	50.85%
Foodservice	2.81%	433,182	463,500	93.46%
Issues & Reputation Management	0.66%	101,804	137,000	74.31%
Producer Communications	4.36%	670,855	677,500	99.02%
Beef Quality & Beef Safety	0.76%	116,902	130,500	89.58%
Export Market Development	3.41%	524,511	528,600	99.23%
	12.92%	1,988,611	2,215,100	89.78%
Collection & Compliance Activities	0.33%	51,370	102,000	50.36%
	54.03%	8,317,353	9,066,000	91.74%
Program Implementation	21.70%	3,340,593	3,483,000	95.91%
	95.26%	14,665,463	15,569,000	94.20%
TOTAL INCREASE IN NET ASSETS	4.74%	\$ 729,702	\$ 14,000	5212.28%

TEXAS BEEF COUNCIL
Statements of Cash Flows
(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
OPERATING ACTIVITY CASH FLOWS:						
Excess (deficiency) of revenue over expenses	\$ (532,959)	\$ (559,413)	\$ (730,802)	\$ 729,702	\$ 534,057	\$ (122,316)
Adjustments to reconcile excess (deficiency) of revenue over expenses to net cash provided by operating activities:						
Depreciation	1,830	7,488	4,954	88,987	88,688	94,490
Accretion of discount on investment securities	-	-	-	-	-	-
Gain from disposal of assets	-	1,062	-	363	1,062	(6,500)
Decrease (increase) in:						
Investment interest receivable	(2,386)	-	(31)	(8,796)	79	11,978
BPRCT Receivable	(1,086,794)	(633,385)	(1,029,583)	(714,354)	355,870	(145,319)
Other Receivables	318	(2,477)	(7,828)	3,065	8,290	(9,772)
Prepaid expenses	(86,618)	(17,060)	(65,855)	(77,836)	42,772	(63,725)
Inventory	(51,038)	(6,626)	12,198	5,529	21,333	49,304
Increase (decrease) in:						
Accounts payable and accrued expenses	1,188,080	755,428	1,085,278	417,291	(336,423)	(8,295)
Payable to BPRCT	138,104	154,100	105,561	140,446	(37,763)	41,352
Payable to other states	13,929	48,501	15,221	(26,829)	36,652	(15,510)
Payable to Cattlemen's Beef Board	33,237	48,388	31,470	68,151	(11,632)	36,017
Payable to Federation of State Beef Councils	750,000	769,000	950,000	(19,000)	(181,000)	450,000
Deferred Revenue	5,578	6,558	(1,563)	2,473	(1,613)	310
Cash provided (used) by operating activities	371,281	571,564	369,020	609,192	520,372	312,014
INVESTING ACTIVITY CASH FLOWS:						
Purchases of investments	(248,142)	-	-	(2,604,363)	-	(498,000)
Proceeds from maturity of investments	-	-	-	750,000	249,000	1,742,000
Proceeds from disposal of assets	-	-	-	3,000	-	9,000
Purchases of property and equipment	(6,479)	(56,016)	(2,375)	(113,796)	(103,251)	(41,922)
Cash provided (used) by investing activities	(254,621)	(56,016)	(2,375)	(1,965,159)	145,749	1,211,078
INCREASE (DECREASE) IN CASH	116,660	515,548	366,645	(1,355,967)	666,121	1,523,092
CASH AND CASH EQUIVALENTS:						
Beginning of period	1,085,894	2,042,974	1,525,756	2,558,521	1,892,401	369,309
End of period	\$ 1,202,554	\$ 2,558,522	\$ 1,892,401	\$ 1,202,554	\$ 2,558,522	\$ 1,892,401

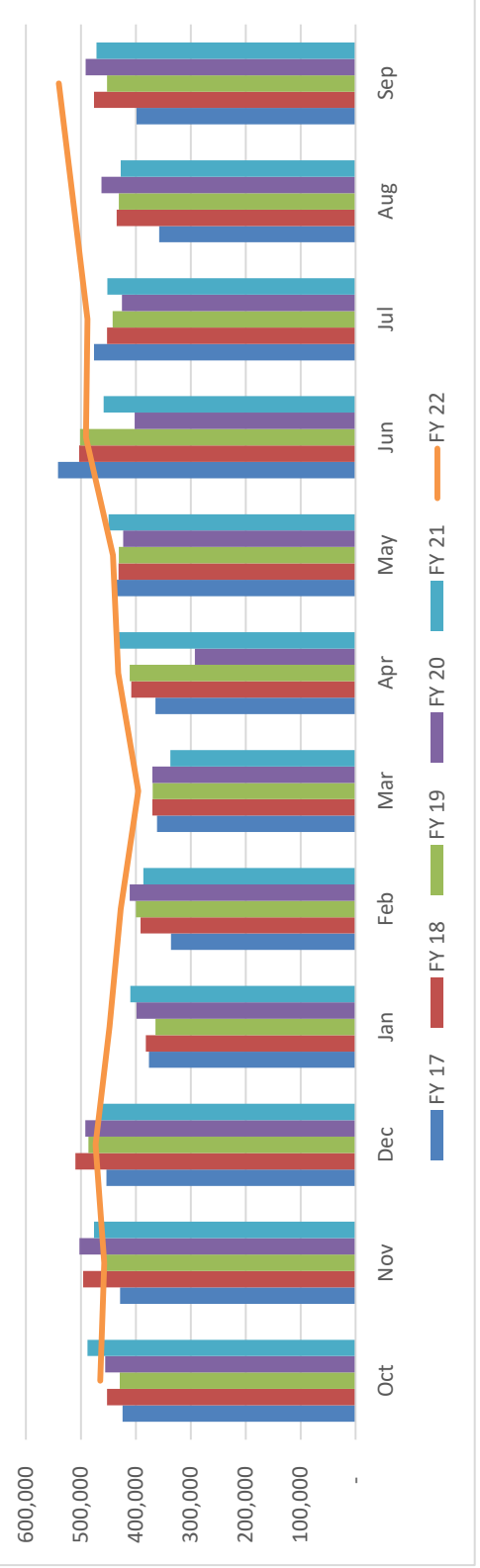
TEXAS BEEF COUNCIL

Monthly Federal Checkoff Summary by Producer Type

(Modified Cash Basis)

Item Description	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FY22 Total	Pct.
Dealers	67,914	61,029	72,941	52,528	55,167	49,068	66,564	56,688	94,506	57,405	66,971	72,482	773,263	6.9%
Feedyards	52,438	41,688	60,959	55,644	65,729	51,543	75,985	54,745	48,075	57,507	50,892	56,326	671,531	6.0%
Individuals	6,008	7,127	8,705	10,221	4,447	4,984	5,247	2,803	4,842	2,365	1,951	6,112	64,812	0.6%
Markets	362,498	378,496	410,722	195,766	319,851	228,181	292,097	294,088	305,047	333,768	401,510	414,547	3,937,571	35.3%
Packers	315,556	321,708	349,355	311,621	310,374	339,112	328,141	358,406	390,845	374,848	360,380	414,626	4,174,972	37.4%
Late Fees	805,414	810,048	902,682	625,780	755,568	672,888	788,034	766,730	843,315	825,893	881,704	964,093	9,622,149	86.3%
State of Origin In	739	628	1,218	3,511	2,812	319	580	1,264	9,175	496	849	1,516	23,107	0.2%
	126,455	119,710	129,270	148,748	100,035	123,346	89,977	129,266	130,104	138,034	142,982	126,401	1,504,328	13.5%
Collections for Texas	932,608	930,386	1,033,170	778,039	858,415	796,553	858,591	897,260	982,594	964,423	1,025,535	1,092,010	11,149,584	100%
Less Payable to CBB	(466,304)	(465,193)	(516,585)	(389,020)	(429,208)	(398,276)	(429,296)	(448,630)	(491,297)	(482,212)	(512,767)	(546,005)	(5,574,793)	50.0%
TBC Collections	466,304	465,193	516,585	389,019	429,207	398,277	429,295	448,630	491,297	482,211	512,768	546,005	5,574,791	
Deferred Revenue Adjustment	(1,505)	(7,551)	(43,560)	58,707	(2,031)	(2,808)	2,930	(7,091)	(717)	5,550	1,181	(5,578)	(2,473)	
Revenue Recognized	464,799	457,642	473,025	447,726	427,176	395,469	432,225	441,539	490,580	487,761	513,949	540,427	5,572,318	
Budget	438,680	463,547	473,502	382,046	387,766	353,900	381,645	429,273	473,236	439,875	423,112	453,418	5,100,000	
Budget Variance	26,119	(5,905)	(477)	65,680	39,410	41,569	50,580	12,266	17,344	47,886	90,837	87,009	472,318	9.3%
State of Origin Out	90,903	78,069	99,385	68,354	69,929	79,994	71,998	65,266	90,764	49,009	71,985	85,914	921,570	8%

Monthly Checkoff Revenues Through September



TEXAS BEEF COUNCIL
Monthly Federal Checkoff Collection Comparison by Producer Type
(Modified Cash Basis)

Year-to-date collections through September

FY22 vs FY21							
Item Description	Amount			Percentage			Percent Increase
	FY22	FY21	Difference	FY22	FY21	Difference	(Decrease)
Dealers	773,263	794,611	(21,348)	6.94%	7.56%	-0.6%	-2.69%
Feedyards	671,531	630,174	41,357	6.02%	6.00%	0.0%	6.56%
Individuals	64,812	68,910	(4,098)	0.58%	0.66%	-0.1%	-5.95%
Markets	3,937,571	3,478,059	459,512	35.32%	33.09%	2.2%	13.21%
Packers	4,174,972	4,069,102	105,870	37.45%	38.72%	-1.3%	2.60%
	9,622,149	9,040,856	581,293	86.30%	86.02%	0.3%	6.43%
Late Payment Fees	23,107	11,905	11,202	0.21%	0.11%	0.1%	94.09%
State of Origin In	1,504,328	1,457,153	47,175	13.49%	13.86%	-0.4%	3.24%
Collections for Texas	11,149,584	10,509,914	639,670	100.00%	100.00%	0.0%	6.09%
Less Payable to CBB	(5,574,793)	(5,254,959)	(319,835)				
TBC Collections	5,574,791	5,254,955	319,835				
Deferred Revenue Adjustment	(2,473)	1,613					
Revenue Recognized	5,572,318	5,256,568					
Budgeted Amount	5,100,000	5,100,000					
Budget Variance	472,318	156,568					
State of Origin Out	921,570	979,969					

FY22 vs 5 Year Average							
Item Description	Amount			Percentage			Percent Increase
	FY22	5 Yr Avg	Difference	FY22	5 Yr Avg	Difference	(Decrease)
Dealers	773,263	787,690	(14,427)	6.94%	7.64%	-0.7%	-1.87%
Feedyards	671,531	524,642	146,889	6.02%	5.09%	0.9%	21.87%
Individuals	64,812	62,900	1,912	0.58%	0.61%	0.0%	2.95%
Markets	3,937,571	3,394,915	542,656	35.32%	32.93%	2.4%	13.78%
Packers	4,174,972	4,153,149	21,823	37.45%	40.28%	-2.8%	0.52%
	9,622,149	8,923,296	698,853	86.30%	86.54%	-0.2%	7.26%
Late Payment Fees	23,107	13,740	9,367	0.21%	0.13%	0.1%	40.54%
State of Origin In	1,504,328	1,373,896	130,432	13.49%	13.32%	0.2%	8.67%
Collections for Texas	11,149,584	10,310,932	838,652	100.00%	100.00%	0.0%	7.52%
Less Payable to CBB	(5,574,793)	(5,155,466)	(419,326)				
TBC Collections	5,574,791	5,155,466	419,326				
Deferred Revenue Adjustment	(2,473)	1,838					
Revenue Recognized	5,572,318	5,157,304					
Budgeted Amount	5,100,000	5,285,000					
Budget Variance	472,318	(127,696)					
State of Origin Out	921,570	945,704					

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
2200	2297	Administration	100.000%	0.000%	-	-	-	591,077.38	312,455.71	278,621.67	591,077.38	312,455.71	278,621.67
2200	2298	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	117,056.91	117,056.91	234,113.81	117,056.91	117,056.91
2300	2311	Accounting	50.000%	50.000%	-	-	-	282,526.03	133,287.91	129,238.12	282,526.03	133,287.91	129,238.12
2300	2312	Collection Activities	50.000%	50.000%	10,515.34	5,257.67	5,257.67	65,189.67	32,594.84	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
3100	3111	Collections & Compliance	11.843%	88.157%	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	3112	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	3131	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
3200	3211	Retail	11.843%	88.157%	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	3212	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	3222	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
4100	4111	Foodservice	100.000%	0.000%	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	4112	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
4200	4216	Consumer Marketing	11.843%	88.157%	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	4222	Industry Meetings & Planning	11.843%	88.157%	3,689.79	436.98	3,252.81	7,147.03	846.42	6,300.61	10,336.82	1,283.40	9,053.42
4200	4224	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	4225	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
4200	4299	Nutrition & Health	11.843%	0.000%	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	TBC
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
		Issues & Reputation Management			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	6111	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	6112	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	6113	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	6115	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	6116	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	6117	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	6118	Producer Strategy	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
6100	6199	Combined Program Implementation	11.843%	88.157%	-	-	-	13,859.92	1,641.43	12,218.49	13,859.92	1,641.43
		Producer Communications			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	7111	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	7112	AgriLife BQA Travel	0.000%	100.000%	11,847.56	-	11,847.56	-	-	-	11,847.56	-
7100	7113	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	7131	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
7100	7199	Combined Program Implementation	8.882%	91.118%	-	-	-	99,695.70	8,855.22	90,840.48	99,695.70	8,855.22
		Beef Quality & Beef Safety			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	8111	USMEF Programs	11.843%	88.157%	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	8112	International Industry Meetings	100.000%	0.000%	3,553.58	3,553.58	-	-	-	-	3,553.58	-
8100	8199	Combined Program Implementation	55.921%	44.079%	-	-	-	838.85	469.10	369.75	838.85	469.10
		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					8,317,952.88	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

TBC ACTION ITEM: C

Approval of Operating Procedures

Action Item:

Approval of the TBC Operating Procedures.

Background:

The TBC Operating Procedures are due for review and approval annually at the first meeting of the Board in each fiscal year. These include persons authorized to sign checks and contracts, insurance carried by TBC, contracts or outstanding obligations, past policies that bind or impact the Board, and position descriptions for officers, directors and staff.

Rationale:

The TBC Bylaws, *Article VII, Miscellaneous, Section 4. Operating Procedures*, call for review and approval of TBC's operating procedures at the first meeting of the Board in each fiscal year.

Financial Impact:

No change from current procedures.

Staff Impact:

No significant change from current procedures.

TEXAS BEEF COUNCIL

Persons Authorized to Sign Contracts and Commit Funds

Texas Beef Council staff members are authorized to commit TBC to pay for goods and services obtained from a third party, subject to contract guidelines, in accordance with the TBC budget and the schedule below.

Maximum Amount the Individual is Authorized to Commit	Employees in each position as of November 18, 2021
Coodinator - Up to \$1,000	Cheyenne Pierce
Manager - Up to \$5,000	Adriana Mora Amber Elwood Amy Foster Hannah Fuerniss Robert Hale Jordan Manning Layla Mays Jerry McPherson Mike McCravey Kathleen Pickett
Senior Manager - Up to \$15,000	Victoria Heller Russell Woodward
Director - Up to \$30,000	Rachel Chou
Vice President - Up to \$50,000	Jason Bagley Jennifer Matison Michael Loeffler
Executive Vice President - No limit, except budget	Molly McAdams

All contracts require two signatures. One signer must be a vice-president.

Persons Authorized to Sign Checks

Bank/Account	Number of Signatures Required	Authorized Signers on All Accounts
Frost National Bank		
Operating Account	2	Molly McAdams
Disbursements	2	Jason Bagley
Money Market Account	2	Michael Loeffler Jennifer Matison

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Insurance Coverages (As of September 30, 2022)

Policy/Property Covered	Total Insurance	Deductible	Coinsurance Applicable	Annual Premium
TRAVELERS Commercial Package: Property Building, including storage buildings Contents (including electronic equipment and valuable papers) General Liability Employee Dishonesty (including ERISA retirement plan bonding) Commercial Umbrella	 \$ 2,488,682 650,781 2,000,000 500,000 5,000,000	 \$ 2,500 2,500 1,000 5,000	 90% 90% 	 \$ 15,610
Business Auto	1,000,000 liab	1,000		17,758
Workers Compensation	1,000,000			3,062
ACE USA Foreign Liability: General Liability Auto	 1,000,000 1,000,000			 2,500
PHILADELPHIA INDEMNITY INSURANCE COMPANY Director and Officer/EPL	 3,000,000	 5,000		 9,898

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Contracts or Outstanding Obligations (As of October 31, 2022)

Contract/Obligation	Remaining Term	Monthly Payment
Leases (including maintenance): Photocopier	12 months	841.84

Past Policies that Bind or Impact the Current Board (As of September 30, 2022)

None

