

Texas Beef Council

BOARD OF DIRECTORS MEETING

FEBRUARY 2023



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

**TEXAS BEEF COUNCIL
(TBC)
BOARD OF DIRECTORS MEETING**

**Virtual
Wednesday, February 15, 2023
10:00 a.m.**

AGENDA

- 1. Call to Order and Establish Quorum**
- 2. Approval of Minutes**
- 3. 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
 - C. Accept Audited Financial Statements
- 5. Discussion of Items Not Requiring Action**
 - A. Checkoff Litigation Update
 - B. Federation and CBB Director Reports
 - C. Federation Revenue Seat Holder Report
 - D. NCBA and USMEF Audited Financial Statements
 - E. Next Board Meeting – June 1, 2023
- 6. Other Business**
- 7. Adjourn**

MINUTES

TEXAS BEEF COUNCIL
Board of Directors
Meeting Report

Chairman's Name: Pat McDowell
Meeting Time/Date: 12:32 PM, Wednesday, November 16, 2022
Meeting Place: Texas Beef Council, Austin, Texas

Roll Call

Directors:

Klazina de Boer, Mark Sustaire, Brian Malaer, Neil Dudley, Brandi Richards, Amy Kirkland, Richard Winter, Marsha Shoemaker, Pat McDowell, Sarah McKenzie, Dane Elliott, Brandon Cutrer, Fred Schuetze, Dan Gattis, Gilly Riojas, Leslie Kinsel, Pat Shields, Shannon Treichel

Guests:

Kinley Hartman, Tracy Tomascik, Dan Hale, Rick Avery, Claudia Wright, Debbie Gill, David Henderson, Lisa Coombes, Megan Dailey

Staff:

Adriana Mora, Amber Elwood, Amy Foster, Hannah Fuerniss, Jason Bagley, Jennifer Matison, Jordan Manning, Lauren Provost, Layla Mays, Michael Loeffler, Molly McAdams, Rachel Chou, Robert Hale, Victoria Heller, Cheyenne Pierce

Decisions Made

Chairman called the meeting to order and established a quorum.

Approved the minutes of the August 17, 2022, Board meeting

Motion by Mark Sustaire Second by Brian Malaer Motion Passed

Approved Action Item A – Ratification of Executive Committee Actions

Motion by Richard Winter Second by Leslie Kinsel Motion Passed

Approved Action Item B – Accept Financial Statements

Motion by Fred Schuetze Second by Brian Malaer Motion Passed

Approved Action Item C – Approve Operating Procedures

Motion by Fred Schuetze Second by Leslie Kinsel Motion Passed

Approved Action Item D - Approve Policy and Practices

No Action

Officer and Committee Reports

Beef Resources Committee Report

Mark Sustaire reported that the Beef Resources Committee met to review the FY22 Program Evaluations and 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. Sustaire noted that Cattle Talk subscriptions have increased by 30%.

Marketing Committee Report

Amy Kirkland provided a report on the Marketing Committee meeting during which the committee reviewed the FY22 Program Evaluations and the FY23 Marketing Plan. Rachel Chou reviewed the Beef Loving Texans consumer campaign content, with the most popular content being the launch of Season 3 “BBQQuest”. Layla Mays explained the various social media platforms used to engage consumers and amplify beef messages to multiple audiences. The current trending platform is TikTok where we already have an above-average following. 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 presented the projects that will continue MyPlate efforts and the new sports nutrition program.

Executive Vice President’s Report

Molly McAdams reported that TBC excelled this past year at utilizing staff to execute successful programs and utilizing the building to its full potential after the building renovations by hosting 45 various industry meetings. McAdams reported on achievements in cross-functional teams educating professionals such as dietitians, teachers, consumers, and chefs about pasture to plate, cooking methods, general beef education, and nutrition. McAdams noted that our people and our purpose drive TBC. The purpose is defined through our Mission and Vision. Our values include passion, trust, and empowerment.

Executive Committee Report

Pat McDowell reported that the Executive Committee met on November 14, 2022, where the committee reviewed and approved FY22 year-end budget redirections and amendments. The committee also approved an amendment to the FY23 budget to reduce direct program expenses by 10%.

Audit & Budget Committee Report

Fred Schuetze reported on the committee’s meeting on November 10, 2023, where the committee reviewed and accepted the September 2022 financial statements. The committee recommends the board’s acceptance of the financial statements. Schuetze also reported that the committee reviewed the impact the drought may have on future Checkoff revenues and approved a motion recommending that TBC reduce budgeted direct program expenses for FY23 by 10%.

Discussion Items Not Requiring Action

Beef Checkoff Litigation Update

Molly McAdams provided a brief update on the litigation involving USDA.

USMEF Board Meeting Report

Jason Bagley reported on the recent USMEF Board meeting noting improvements in exports worldwide. He also explained programs conducted by USMEF in a variety of countries during the past year. Possible challenges for US meat exports include the pending agreement with railroad workers and closed ports.

New Director Orientation Report

Pat McDowell called on the new directors to report on the new director orientation.

Future Meeting Dates

The next Board meeting dates for FY23 will be on:

February 15, 2023 (Virtual)

June 1, 2023 (Austin) - Moved from June 7, 2023

August 23, 2023 (Austin)

Adjourn

Approved Motion to Adjourn at 1:53 PM

Motion by Fred Schuetze Second by Richard Winter Motion Passed

Report Submitted by:

Pat McDowell

Date Submitted: February 15, 2023

Distribution: Board of Directors

ACTION ITEMS

TBC ACTION ITEM: A

Ratification of Executive Committee Action

Action Item:

Ratify the actions taken by the Executive Committee as presented.

Background:

At each Board meeting, the Board of Directors will review and ratify actions taken by the Executive Committee.

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

FY23 BUDGET AMENDMENT

The Audit and Budget Committee met in November 2022 to consider the impact the drought may have on future Checkoff revenues. The A&B Committee approved a recommendation that TBC reduce overall budgeted direct program expenses for FY23 by 10% or \$907,000. The Executive Committee also met in November and approved the recommended 10% reduction in overall budgeted direct program expenses with the stipulation that staff determine the best allocation of this budget reduction and report back to the Executive Committee prior to the February Board meeting.

The following schedule details the staff's recommended application of the \$907,000 amendment to the FY23 direct program budget to individual tactics. The schedule shows the portion of the amendment applicable both TBC's and BPRCT's share of the program budget.

Dept	Tactic	Description	TBC Funded			BPRCT Funded			TOTAL		
			Original Budget	November Amend	Amended Budget	Original Budget	November Amend	Amended Budget	Original Budget	November Amend	Amended Budget
Direct Program Expenses											
3100	3111	Retail Education	3,300		3,300	21,700		21,700	25,000		25,000
3100	3112	Industry Meetings & Planning	1,300	(500)	800	8,700	(3,500)	5,200	10,000	(4,000)	6,000
3100	3131	Retail Engagement	33,300	(4,000)	29,300	216,700	(26,000)	190,700	250,000	(30,000)	220,000
Retail - 3100											
3200	3211	Foodservice Education	37,900	(4,500)	33,400	247,100	(29,500)	217,600	285,000	(34,000)	251,000
3200	3212	Industry Meetings & Planning	55,700	(6,000)	49,700	361,800	(38,500)	323,300	417,500	(44,500)	373,000
3200	3222	Foodservice Outreach/Promotion	700		700	4,300		4,300	5,000		5,000
3200	3232	BLC Community Development	10,000	(4,000)	6,000	65,000	(26,000)	39,000	75,000	(30,000)	45,000
			2,300		2,300	15,200		15,200	17,500		17,500
Foodservice - 3200											
4100	4111	Beef Loving Texans Store	68,700	(10,000)	58,700	446,300	(64,500)	381,800	515,000	(74,500)	440,500
4100	4112	Branding & Promotions	1,000		1,000	-		-	1,000		1,000
4100	4113	BLT Paid Advertising	28,900	(3,800)	25,100	188,100	(25,200)	162,900	217,000	(29,000)	188,000
4100	4116	Industry Meetings & Planning	351,000	34,900	385,900	2,281,500	226,600	2,508,100	2,632,500	261,500	2,894,000
4100	4121	BLT Earned Media	1,100		1,100	6,900		6,900	8,000		8,000
4100	4126	BLT Content	69,200	(40,000)	29,200	449,800	(260,000)	189,800	519,000	(300,000)	219,000
4100	4128	AgriLife Extension Engagement	112,900	(51,300)	61,600	734,100	(333,700)	400,400	847,000	(385,000)	462,000
4100	4131	BLT Brand Activation	3,300	(600)	2,700	21,700	(4,400)	17,300	25,000	(5,000)	20,000
4100	4132	BLT Social Media	79,400	(6,000)	73,400	516,100	(39,000)	477,100	595,500	(45,000)	550,500
4100	4133	Information Dissemination	24,700	(13,200)	11,500	160,300	(85,800)	74,500	185,000	(99,000)	86,000
4100	4134	Consumer Nutrition Education	10,700	800	11,500	69,300	5,200	74,500	80,000	6,000	86,000
Consumer Marketing - 4100											
4100	4216	Industry Meetings & Planning	682,200	(79,200)	603,000	4,427,800	(516,300)	3,911,500	5,110,000	(595,500)	4,514,500
4100	4222	Health Professional Outreach	700		700	4,300		4,300	5,000		5,000
4100	4224	Medical Office Outreach	34,400	(6,000)	28,400	223,600	(39,000)	184,600	258,000	(45,000)	213,000
4100	4225	Nutrition Content	196,200	(5,600)	190,600	1,274,800	(36,400)	1,238,400	1,471,000	(42,000)	1,429,000
4100	4234	Consumer Nutrition Education	3,600	(1,700)	1,900	23,400	(11,300)	12,100	27,000	(13,000)	14,000
			8,400		8,400	54,600		54,600	63,000		63,000
Nutrition & Health- 4200											
5000	5111	Crisis Communications	243,300	(13,300)	230,000	1,580,700	(86,700)	1,494,000	1,824,000	(100,000)	1,724,000
5000	5112	Industry Advocacy	1,000		1,000	-		-	1,000		1,000
5000	5113	Issues & Reputation Management	6,000	(1,300)	4,700	39,000	(8,700)	30,300	45,000	(10,000)	35,000
5000	5115	Production Content	700		700	4,300		4,300	5,000		5,000
Issues Management - 5100											
6000	6111	Producer Direct Communications	13,300	(1,300)	12,000	86,700	(8,700)	78,000	100,000	(10,000)	90,000
6000	6112	Producer Assets	21,000	(2,600)	18,400	130,000	(17,400)	112,600	151,000	(20,000)	131,000
6000	6113	Producer Influencer Communications	20,300	(1,500)	18,800	131,700	(9,500)	122,200	152,000	(11,000)	141,000
6000	6115	Industry Meetings & Planning	12,000	(900)	11,100	78,000	(6,100)	71,900	90,000	(7,000)	83,000
6000	6116	Producer Earned Media	7,500	(2,000)	5,500	48,500	(13,000)	35,500	56,000	(15,000)	41,000
6000	6117	Producer Paid Media	800		800	5,200		5,200	6,000		6,000
6000	6118	Producer Strategy	2,700	(400)	2,300	17,300	(2,600)	14,700	20,000	(3,000)	17,000
6000	6119	Producer Paid Media	17,300	(2,800)	14,500	112,700	(18,200)	94,500	130,000	(21,000)	109,000
6000	6120	Producer Strategy	10,100		10,100	65,900		65,900	76,000		76,000
Producer Communications - 6100											
7100	7111	Beef Quality Assurance	70,700	(7,600)	63,100	459,300	(49,400)	409,900	530,000	(57,000)	473,000
7100	7112	AgriLife BQA Travel	11,200	100	11,300	72,800	900	73,700	84,000	1,000	85,000
7100	7113	Industry Meetings & Planning	-		-	10,000		10,000	10,000		10,000
7100	7131	Beef Quality & Safety Research	400		400	2,600		2,600	3,000		3,000
			3,600	(3,600)	-	23,400	(23,400)	-	27,000	(27,000)	-
Beef Quality/Beef Safety - 7100											
8100	8111	USMEF Programs	15,200	(3,500)	11,700	108,800	(22,500)	86,300	124,000	(26,000)	98,000
8100	8112	International Industry Meetings	56,900		56,900	369,600		369,600	426,500		426,500
			3,500		3,500	-		-	3,500		3,500
Export Market Development - 8100											
2300	2311	Collection Activities	60,400	-	60,400	369,600	-	369,600	430,000	-	430,000
2300	2312	Compliance Activities	22,500		22,500	22,500		22,500	45,000		45,000
2300	2313	Field Staff Activities	10,000		10,000	10,000		10,000	20,000		20,000
2300	2314	Texas Checkoff Refunds	15,000		15,000	15,000		15,000	30,000		30,000
2300	2315	Texas Checkoff Refunds	-		-	2,000		2,000	2,000		2,000
Collections											
			47,500	-	47,500	49,500	-	49,500	97,000	-	97,000
			1,246,900	(120,700)	1,126,200	7,819,100	(786,300)	7,032,800	9,066,000	(907,000)	8,159,000

TBC ACTION ITEM: B

Accept Financial Statements

Action Item:

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

Background:

The December financial statements are presented using the modified cash basis. The financial statements present year-to-date results of operations and include a schedule showing expenses paid with funding provided by TBC and expenses paid with funding provided by BPRCT.

Rationale:

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

Financial Impact:

None

Staff Impact:

Approximately 15 hours to prepare monthly financial statements and management reports.



To: Board of Directors

From: Michael Loeffler

Re: December 2022 Financial Statements

Included in this packet are the TBC financial statements and related schedules prepared on the modified cash basis for December 2022. Items to note follow:

Statements of Financial Position

You will note the new item Website Development appearing in Fixed Assets on these statements. I learned during the course of the audit that a new accounting standard recently went into effect requiring the capitalization of costs associated with website redevelopment or redesign. In FY22, we began two major redesign projects one of which did not finish until early in FY23. The capitalized cost of these two websites will be amortized over five years, which is our normal time frame between redesigns. The amortization expense will be included in direct program expenses.

Statements of Activities - Comparative

Checkoff revenues for December 2022 are roughly \$17,500 and \$12,300 less than checkoff revenues in December 2021 and 2020, respectively. Year-to-date checkoff revenues for FY23 are \$30,300 and \$66,400 less than year-to-date revenues for FY22 and FY21, respectively.

Consumer Marketing expenses in December 2022 were greater than in December of the two previous years due to significant payments for advertising during December 2022. These payments include two months of advertising with Samba and Hulu and payments to two new advertising providers. The larger than normal expenses in Nutrition and Health in December 2022 are related to MD Outreach and a new rep for this program. Expenses in Producer Communications are larger in December 2022 than in prior years mainly due to payments for producer strategy research.

Monthly Collection Summary

Checkoff revenues for December 2022 are \$6,228 greater than the amount budgeted for the month. Year-to-date revenues are now \$53,895 or 3.8% less than the year-to-date budget.

TEXAS BEEF COUNCIL
Statements of Financial Position
(Modified Cash Basis)

	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 2,092,687	\$ 3,858,125	\$ 3,043,085
Investments	1,889,696	125,030	-
Accounts Receivable			
Beef Promotion & Research Council of Texas	675,537	535,906	1,037,677
Other	14,647	5,537	18,561
Prepaid Expenses	24,807	23,441	15,020
Inventory	399,785	402,946	418,528
Total Current Assets	5,097,159	4,950,985	4,532,871
Fixed Assets			
Furniture & Fixtures	196,044	192,556	190,226
Equipment & Supplies	289,455	324,834	254,026
Automobiles	487,111	431,800	431,800
Website Development	387,554	-	-
Building, Land, & Improvements	2,023,122	2,009,694	1,989,470
	<u>3,383,286</u>	<u>2,958,884</u>	<u>2,865,522</u>
Less Accumulated Depreciation	(2,208,540)	(2,126,634)	(2,079,964)
	<u>1,174,746</u>	<u>832,250</u>	<u>785,558</u>
	<u><u>\$ 6,271,905</u></u>	<u><u>\$ 5,783,235</u></u>	<u><u>\$ 5,318,429</u></u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable			
Trade	\$ 237,353	\$ 215,988	\$ 219,488
Beef Promotion & Research Council of Texas	942,360	1,025,513	969,439
Other States	60,170	99,385	89,996
Cattlemen's Beef Board	479,734	516,584	498,042
National Program Investments	750,000	749,000	950,000
Deferred Revenue	39,580	61,289	53,961
Total Current Liabilities	2,509,197	2,667,759	2,780,926
Net Assets			
Unrestricted net assets	<u>3,762,708</u>	<u>3,115,476</u>	<u>2,537,503</u>
	<u><u>\$ 6,271,905</u></u>	<u><u>\$ 5,783,235</u></u>	<u><u>\$ 5,318,429</u></u>

TEXAS BEEF COUNCIL
Statements of Activities
(Modified Cash Basis)

	One Month Period Ended December 2022			Year-to-Date Through December 2022		
	TBC Funded	BPRCT Funded	Total	TBC Funded	BPRCT Funded	Total
REVENUES						
Checkoff Revenues						
Texas Checkoff Revenues	\$ 376,712	\$ -	\$ 376,712	\$ 1,159,408	\$ -	\$ 1,159,408
Out-of-State Checkoff Revenues	78,788	-	78,788	205,083	-	205,083
Late Fee Income	42	-	42	701	-	701
	455,542	-	455,542	1,365,192	-	1,365,192
BPRCT Contract Revenues						
BPRCT Contract Revenues	-	854,184	854,184	-	1,804,631	1,804,631
Other Revenues						
Interest Revenues	11,653	-	11,653	26,919	-	26,919
Other Revenues	-	-	-	5,150	-	5,150
	11,653	-	11,653	32,069	-	32,069
BLT Store						
Sales, Net of Discounts	3,270		3,270	16,159	-	16,159
Cost of Goods Sold & Direct Expense	(5,598)		(5,598)	(16,309)	-	(16,309)
	(2,328)	-	(2,328)	(150)	-	(150)
	464,867	854,184	1,319,051	1,397,111	1,804,631	3,201,742
EXPENSES						
National & State Program Investments						
Federation of State Beef Councils	20,000	-	20,000	20,000	-	20,000
U.S. Meat Export Federation	-	-	-	-	-	-
Texas CattleWomen	-	-	-	-	-	-
	20,000	-	20,000	20,000	-	20,000
Marketing						
Consumer Marketing	133,827	540,028	673,855	153,721	937,656	1,091,377
Nutrition & Health	19,879	129,167	149,046	60,821	395,278	456,099
	153,706	669,195	822,901	214,542	1,332,934	1,547,476
Beef Resources						
Channel Marketing						
Retail	1,457	9,473	10,930	4,392	28,535	32,927
Foodservice	4,400	28,611	33,011	12,575	81,729	94,304
Issues & Reputation Management	833	5,257	6,090	2,403	14,814	17,217
Producer Communications	10,418	67,696	78,114	25,895	168,274	194,169
Beef Quality & Beef Safety	1,446	20,996	22,442	5,284	48,776	54,060
Export Market Development	876	968	1,844	5,969	2,460	8,429
	19,430	133,001	152,431	56,518	344,588	401,106
Collections & Compliance						
Collection & Compliance Activities	14,512	19,658	34,170	28,587	38,121	66,708
Administration						
Administration	33,848	32,330	66,178	95,631	88,988	184,619
	241,496	854,184	1,095,680	415,278	1,804,631	2,219,909
TOTAL INCREASE IN NET ASSETS	\$ 223,371	\$ -	\$ 223,371	\$ 981,833	\$ -	\$ 981,833

TEXAS BEEF COUNCIL
Statements of Activities – Comparative
(Modified Cash Basis)

	One Month Period Ended			Year-to-Date Through		
	12/31/22	12/31/21	12/31/20	12/31/22	12/31/21	12/31/20
REVENUES						
Checkoff Revenues						
Texas Checkoff Revenues	\$ 376,712	\$ 407,781	\$ 407,122	\$ 1,159,408	\$ 1,206,456	\$ 1,238,603
Out-of-State Checkoff Revenues	78,788	64,635	60,549	205,083	187,717	192,358
Late Fee Income	42	609	194	701	1,292	673
	<u>455,542</u>	<u>473,025</u>	<u>467,865</u>	<u>1,365,192</u>	<u>1,395,465</u>	<u>1,431,634</u>
BPRCT Contract Revenues						
BPRCT Contract Revenues	854,184	535,906	492,367	1,804,631	1,419,291	1,338,808
Other Revenues						
Interest Revenues	11,653	61	34	26,919	139	96
Other Revenues	-	-	-	5,150	-	-
	<u>11,653</u>	<u>61</u>	<u>34</u>	<u>32,069</u>	<u>139</u>	<u>96</u>
BLT Store						
Sales, Net of Discounts	3,270	2,942	2,364	16,159	13,882	7,237
Cost of Sales and Direct Expenses	(5,598)	(5,774)	(3,706)	(16,309)	(12,454)	(9,357)
	<u>(2,328)</u>	<u>(2,832)</u>	<u>(1,342)</u>	<u>(150)</u>	<u>1,428</u>	<u>(2,120)</u>
	<u>1,319,051</u>	<u>1,006,160</u>	<u>958,924</u>	<u>3,201,742</u>	<u>2,816,323</u>	<u>2,768,418</u>
EXPENSES						
National & State Program Investments						
Federation of State Beef Councils	20,000	-	-	20,000	-	-
U.S. Meat Export Federation	-	-	-	-	-	-
Texas CattleWomen	-	-	-	-	-	-
	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
Marketing						
Consumer Marketing	604,367	268,779	282,269	886,127	648,234	661,215
Nutrition & Health	126,721	97,362	81,815	390,493	257,214	313,047
Program Implementation	91,813	89,196	85,582	270,856	252,206	235,296
	<u>822,901</u>	<u>455,337</u>	<u>449,666</u>	<u>1,547,476</u>	<u>1,157,654</u>	<u>1,209,558</u>
Beef Resources						
Channel Marketing						
Retail	2,693	14	2,578	7,651	7,075	2,623
Foodservice	9,515	7,699	13,819	30,273	53,310	35,680
Issues & Reputation Management	285	1,596	39	2,162	1,772	1,178
Producer Communications	49,746	28,142	373	115,957	73,414	18,698
Beef Quality & Beef Safety	12,907	(1,329)	5,017	25,131	822	20,887
Export Market Development	-	-	-	1,657	1,133	1,357
Program Implementation	77,285	69,768	59,745	218,275	195,821	174,072
	<u>152,431</u>	<u>105,890</u>	<u>81,571</u>	<u>401,106</u>	<u>333,347</u>	<u>254,495</u>
Collections & Compliance						
Collection & Compliance Activities	9,309	4,441	1,972	15,408	11,169	7,524
Program Implementation	24,861	15,261	15,821	51,300	37,107	44,321
	<u>34,170</u>	<u>19,702</u>	<u>17,793</u>	<u>66,708</u>	<u>48,276</u>	<u>51,845</u>
Administration						
Administration	66,178	67,149	90,254	184,619	179,870	203,407
	<u>1,095,680</u>	<u>648,078</u>	<u>639,284</u>	<u>2,219,909</u>	<u>1,719,147</u>	<u>1,719,305</u>
TOTAL INCREASE IN NET ASSETS	<u><u>\$ 223,371</u></u>	<u><u>\$ 358,082</u></u>	<u><u>\$ 319,640</u></u>	<u><u>\$ 981,833</u></u>	<u><u>\$ 1,097,176</u></u>	<u><u>\$ 1,049,113</u></u>

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

	% Rev	Year-to-Date 12/31/22	Annual Budget	% Budget
<i>Percent of year expired</i>				<i>25.00%</i>
REVENUES				
Checkoff Revenues				
Texas Checkoff Revenues	36.21%	\$ 1,159,408	\$ 4,160,567	27.87%
Out-of-State Checkoff Revenues	6.41%	205,083	739,433	27.74%
Late Fee Income	0.02%	701	-	0.00%
	42.64%	1,365,192	4,900,000	27.86%
BPRCT Contract Revenues				
BPRCT Contract Revenues	56.36%	1,804,631	10,500,000	17.19%
Other Revenues				
Interest Revenues	0.84%	26,919	20,000	134.60%
Other Revenues	0.16%	5,150	2,000	0.00%
	1.00%	32,069	22,000	145.77%
BLT Store				
Sales, Net of Discounts	0.50%	16,159	-	0.00%
Cost of Goods Sold & Direct Expense	-0.51%	(16,309)	-	0.00%
	0.00%	(150)	(20,000)	0.00%
	100.00%	3,201,742	15,402,000	20.79%
EXPENSES				
National & State Program Investments				
Federation of State Beef Councils	0.62%	20,000	1,400,000	1.43%
U.S. Meat Export Federation	0.00%	-	1,600,000	0.00%
Texas CattleWomen	0.00%	-	20,000	0.00%
	0.62%	20,000	3,020,000	0.66%
Direct Program Expenses				
Marketing				
Consumer Marketing	27.68%	886,127	5,110,000	17.34%
Nutrition & Health	12.20%	390,493	1,824,000	21.41%
	39.87%	1,276,620	6,934,000	18.41%
Beef Resources				
Channel Marketing				
Retail	0.24%	7,651	285,000	2.68%
Foodservice	0.95%	30,273	515,000	5.88%
Issues & Reputation Management	0.07%	2,162	151,000	1.43%
Producer Communications	3.62%	115,957	530,000	21.88%
Beef Quality & Beef Safety	0.78%	25,131	124,000	20.27%
Export Market Development	0.05%	1,657	430,000	0.39%
	5.71%	182,831	2,035,000	8.98%
Collection & Compliance Activities	0.48%	15,408	97,000	15.88%
	46.06%	1,474,859	9,066,000	16.27%
Program Implementation	22.65%	725,050	3,657,000	19.83%
	69.33%	2,219,909	15,743,000	14.10%
TOTAL INCREASE IN NET ASSETS	30.67%	\$ 981,833	\$ (341,000)	-287.93%

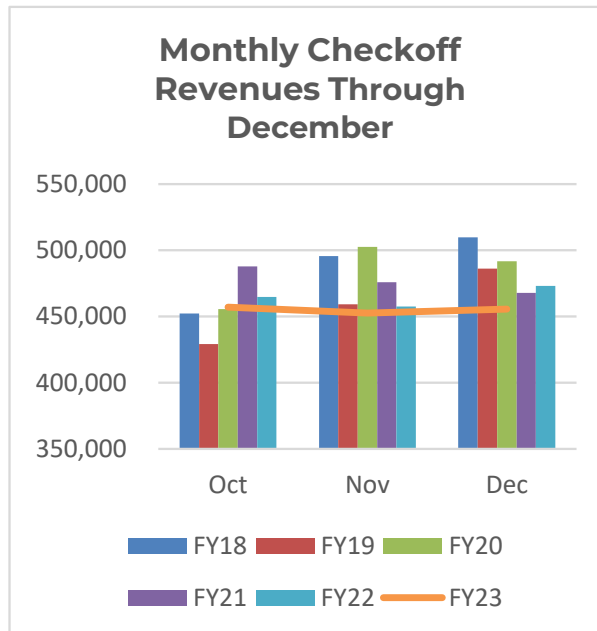
TEXAS BEEF COUNCIL
Statements of Cash Flows
(Modified Cash Basis)

	One month period ended			Year-to-date through		
	12/31/22	12/31/21	12/31/20	12/31/22	12/31/21	12/31/20
OPERATING ACTIVITY CASH FLOWS:						
Excess (deficiency) of revenue over expenses	\$ 223,371	\$ 358,082	\$ 319,640	\$ 981,833	1,097,176	\$ 1,049,113
Adjustments to reconcile excess (deficiency) of revenue over expenses to net cash provided by operating activities:						
Depreciation	18,138	7,907	7,304	34,422	22,904	20,883
Accretion of discount on investment securities	-	-	-	-	-	-
Gain from disposal of assets	-	-	-	(5,150)	-	-
Decrease (increase) in:						
Investment interest receivable	(4,190)	(21)	-	(10,260)	(30)	79
BPRCT Receivable	(298,452)	34,826	(187,982)	1,175,698	845,295	677,291
Other Receivables	(5,671)	1,196	(503)	(11,120)	1,055	(3,679)
Prepaid expenses	4,428	3,756	6,885	126,774	50,304	101,496
Inventory	(1,332)	(18,550)	(1,311)	(14,557)	(12,191)	(6,440)
Increase (decrease) in:						
Accounts payable and accrued expenses	(68,917)	(12,196)	292	(1,111,340)	(695,503)	(1,002,176)
Payable to BPRCT	(5,454)	105,379	64,750	(125,284)	98,315	4,478
Payable to other states	(5,867)	21,316	33,412	(25,744)	(13,358)	13,905
Payable to Cattlemen's Beef Board	18,297	51,391	44,954	(66,271)	38,730	8,556
Payable to Federation of State Beef Councils	-	-	-	-	(20,000)	-
Deferred Revenue	24,192	43,561	30,176	28,434	52,616	43,675
Cash provided (used) by operating activities	(101,457)	596,647	317,617	977,435	1,465,313	907,181
INVESTING ACTIVITY CASH FLOWS:						
Purchases of investments	(296,959)	-	-	(891,277)	(125,000)	-
Proceeds from maturity of investments	250,000	-	-	875,000	-	249,000
Proceeds from disposal of assets	-	-	-	6,150	-	-
Purchases of property and equipment	(28,835)	(3,157)	(5,497)	(77,175)	(40,709)	(5,497)
Cash provided (used) by investing activities	(75,794)	(3,157)	(5,497)	(87,302)	(165,709)	243,503
INCREASE (DECREASE) IN CASH	(177,251)	593,490	312,120	890,133	1,299,604	1,150,684
CASH AND CASH EQUIVALENTS:						
Beginning of period	2,269,938	3,264,635	2,730,965	1,202,554	2,558,521	1,892,401
End of period	\$ 2,092,687	\$ 3,858,125	\$ 3,043,085	\$ 2,092,687	\$ 3,858,125	\$ 3,043,085

TEXAS BEEF COUNCIL

Monthly Federal Checkoff Summary by Producer Type (Modified Cash Basis)

<u>Item Description</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>FY23 Total</u>	<u>Pct.</u>
Dealers	55,600	50,194	46,044	151,838	5.4%
Feedyards	52,344	55,150	50,306	157,800	5.7%
Individuals	5,448	4,262	10,089	19,799	0.7%
Markets	313,376	386,919	328,741	1,029,036	36.9%
Packers	330,986	319,596	366,630	1,017,212	36.5%
	757,754	816,121	801,810	2,375,685	85.2%
Late Fees	1,021	299	83	1,403	0.1%
State of Origin In	146,137	106,454	157,575	410,166	14.7%
Collections for Texas	904,912	922,874	959,468	2,787,254	100%
Less Payable to CBB	(452,456)	(461,437)	(479,734)	(1,393,627)	50.0%
TBC Collections	452,456	461,437	479,734	1,393,627	
Deferred Revenue Adjustment	4,602	(8,844)	(24,193)	(28,435)	
Revenue Recognized	457,058	452,593	455,541	1,365,192	
Budget	525,572	444,202	449,313	1,419,087	
Budget Variance	(68,514)	8,391	6,228	(53,895)	-3.8%
State of Origin Out	76,850	66,037	60,170	203,057	7%



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

Year-to-date collections through December

FY23 vs FY22							
Item Description	Amount			Percentage			Percent Increase (Decrease)
	FY23	FY22	Difference	FY23	FY22	Difference	
Dealers	151,838	201,884	(50,046)	5.45%	6.97%	-1.5%	-24.79%
Feedyards	157,800	155,085	2,715	5.66%	5.35%	0.3%	1.75%
Individuals	19,799	21,840	(2,041)	0.71%	0.75%	0.0%	-9.35%
Markets	1,029,036	1,152,716	(123,680)	36.92%	39.80%	-2.9%	-10.73%
Packers	1,017,212	986,619	30,593	36.50%	34.07%	2.4%	3.10%
	2,375,685	2,518,144	(142,459)	85.23%	86.95%	-1.7%	-5.66%
Late Payment Fees	1,403	2,585	(1,182)	0.05%	0.09%	0.0%	-45.73%
State of Origin In	410,166	375,435	34,731	14.72%	12.96%	1.8%	9.25%
Collections for Texas	2,787,254	2,896,164	(108,910)	100.00%	100.00%	0.0%	-3.76%
Less Payable to CBB	(1,393,627)	(1,448,082)	54,455				
TBC Collections	1,393,627	1,448,082	(54,455)				
Deferred Revenue Adjustment	(28,435)	(52,616)					
Revenue Recognized	1,365,192	1,395,466					
Budgeted Amount	1,419,087	1,375,729					
Budget Variance	(53,895)	19,737					
State of Origin Out	203,057	268,357					

FY23 vs 5 Year Average							
Item Description	Amount			Percentage			Percent Increase (Decrease)
	FY23	5 Yr Avg	Difference	FY23	5 Yr Avg	Difference	
Dealers	151,838	196,702	(44,864)	5.45%	6.77%	-1.3%	-29.55%
Feedyards	157,800	136,984	20,816	5.66%	4.71%	0.9%	13.19%
Individuals	19,799	20,157	(358)	0.71%	0.69%	0.0%	-1.81%
Markets	1,029,036	1,125,143	(96,107)	36.92%	38.72%	-1.8%	-9.34%
Packers	1,017,212	1,068,569	(51,357)	36.50%	36.78%	-0.3%	-5.05%
	2,375,685	2,547,555	(171,870)	85.23%	87.68%	-2.4%	-7.23%
Late Payment Fees	1,403	3,853	(2,450)	0.05%	0.13%	-0.1%	-174.63%
State of Origin In	410,166	354,254	55,912	14.72%	12.19%	2.5%	13.63%
Collections for Texas	2,787,254	2,905,662	(118,408)	100.00%	100.00%	0.0%	-4.25%
Less Payable to CBB	(1,393,627)	(1,452,832)	59,204				
TBC Collections	1,393,627	1,452,830	(59,204)				
Deferred Revenue Adjustment	(28,435)	(30,940)					
Revenue Recognized	1,365,192	1,421,890					
Budgeted Amount	1,419,087	1,392,059					
Budget Variance	(53,895)	29,831					
State of Origin Out	203,057	260,116					

TBC/BPRCT EXPENSE ALLOCATIONS

YEAR-TO-DATE THROUGH DECEMBER 31, 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%		-	-	-	6,022.84	6,022.84	-	6,022.84	6,022.84	-
2100	2198	BPRCT Administration	0.000%	100.000%		-	-	-	756.36	-	756.36	756.36	-	756.36
2100	2199	Combined Administration	50.000%	50.000%		-	-	-	112,947.57	56,473.78	56,473.79	112,947.57	56,473.78	56,473.79
		Administration				-	-	-	119,726.77	62,496.62	57,230.15	119,726.77	62,496.62	57,230.15
2200	2297	TBC Accounting	100.000%	0.000%		-	-	-	3,425.56	3,425.56	-	3,425.56	3,425.56	-
2200	2298	BPRCT Accounting	0.000%	100.000%		-	-	-	2,046.64	-	2,046.64	2,046.64	-	2,046.64
2200	2299	Combined Accounting	50.000%	50.000%		-	-	-	59,418.36	29,709.18	29,709.18	59,418.36	29,709.18	29,709.18
		Accounting				-	-	-	64,890.56	33,134.74	31,755.82	64,890.56	33,134.74	31,755.82
2300	2311	Collection Activities	50.000%	50.000%		11,284.61	5,642.31	5,642.30	20,263.18	10,131.59	10,131.59	31,547.79	15,773.90	15,773.89
2300	2312	Compliance Activities	50.000%	50.000%		5.89	2.95	2.94	3,118.32	1,559.16	1,559.16	3,124.21	1,562.11	1,562.10
2300	2313	Field Staff Activities	50.000%	50.000%		3,642.53	1,821.27	1,821.26	7,919.12	3,959.56	3,959.56	11,561.65	5,780.83	5,780.82
2300	2314	Texas Checkoff Refunds	0.000%	100.000%		473.81	-	473.81	5,345.91	-	5,345.91	5,819.72	-	5,819.72
2300	2397	TBC Program Implementation	100.000%	0.000%		-	-	-	-	-	-	-	-	-
2300	2398	BPRCT Program Implementation	0.000%	100.000%		-	-	-	70.24	-	70.24	70.24	-	70.24
2300	2399	Combined Program Implementation	37.500%	62.500%		-	-	-	14,584.58	5,469.22	9,115.36	14,584.58	5,469.22	9,115.36
		Collections & Compliance				15,406.84	7,466.53	7,940.31	51,301.35	21,119.53	30,181.82	66,708.19	28,586.06	38,122.13
3100	3111	Retail Education	13.335%	86.665%		3,954.79	527.37	3,427.42	5,522.64	736.44	4,786.20	9,477.43	1,263.81	8,213.62
3100	3112	Industry Meetings & Planning	13.335%	86.665%		1,403.32	187.13	1,216.19	6,131.88	817.69	5,314.19	7,535.20	1,004.82	6,530.38
3100	3131	Retail Engagement	13.335%	86.665%		2,293.30	305.81	1,987.49	8,612.55	1,148.48	7,464.07	10,905.85	1,454.29	9,451.56
3100	3199	Combined Program Implementation	13.335%	86.665%		-	-	-	5,008.65	667.90	4,340.75	5,008.65	667.90	4,340.75
		Retail				7,651.41	1,020.31	6,631.10	25,275.72	3,370.51	21,905.21	32,927.13	4,390.82	28,536.31
3200	3211	Foodservice Education	13.335%	86.665%		28,190.51	3,759.20	24,431.31	62,310.06	8,309.04	54,001.02	90,500.57	12,068.24	78,432.33
3200	3212	Industry Meetings & Planning	13.335%	86.665%		1,755.78	234.13	1,521.65	-	-	-	1,755.78	234.13	1,521.65
3200	3222	Foodservice Outreach/Promotion	13.335%	86.665%		-	-	-	-	-	-	-	-	-
3200	3232	BLC Community Development	13.335%	86.665%		326.84	43.58	283.26	-	-	-	326.84	43.58	283.26
3200	3299	Combined Program Implementation	13.335%	86.665%		-	-	-	1,721.52	229.56	1,491.96	1,721.52	229.56	1,491.96
		Foodservice				30,273.13	4,036.91	26,236.22	64,031.58	8,538.60	55,492.98	94,304.71	12,575.51	81,729.20
4100	4111	Beef Loving Texans Store	100.000%	0.000%		519.92	519.92	-	8,926.84	8,926.84	-	9,446.76	9,446.76	-
4100	4112	Branding & Promotions	13.335%	86.665%		50,276.42	6,704.36	43,572.06	16,479.35	2,197.52	14,281.83	66,755.77	8,901.88	57,853.89
4100	4113	BLT Paid Advertising	13.335%	86.665%		537,364.76	71,657.56	465,707.20	3,010.13	401.40	2,608.73	540,374.89	72,058.96	468,315.93
4100	4116	Industry Meetings & Planning	13.335%	86.665%		4,342.86	579.12	3,763.74	8,133.09	1,084.55	7,048.54	12,475.95	1,663.67	10,812.28
4100	4121	BLT Earned Media	13.335%	86.665%		18,151.44	2,420.49	15,730.95	988.25	131.78	856.47	19,139.69	2,552.27	16,587.42
4100	4126	BLT Content	13.335%	86.665%		119,809.59	15,976.60	103,832.99	19,033.02	2,538.05	16,494.97	138,842.61	18,514.65	120,327.96
4100	4128	AgriLife Extension Engagement	13.335%	86.665%		-	-	-	40.05	5.34	34.71	40.05	5.34	34.71
4100	4131	BLT Brand Activation	13.335%	86.665%		116,278.97	15,505.79	100,773.18	30,628.03	4,084.25	26,543.78	146,907.00	19,590.04	127,316.96
4100	4132	BLT Social Media	13.335%	86.665%		9,555.63	1,274.24	8,281.39	12,635.91	1,685.00	10,950.91	22,191.54	2,959.24	19,232.30
4100	4133	Information Dissemination	13.335%	86.665%		29,826.93	3,977.42	25,849.51	1,157.43	154.34	1,003.09	30,984.36	4,131.76	26,852.60
4100	4199	Combined Program Implementation	13.335%	86.665%		-	-	-	104,219.18	13,897.62	90,321.56	104,219.18	13,897.62	90,321.56
		Consumer Marketing				886,126.52	118,615.50	767,511.02	205,251.28	35,106.69	170,144.59	1,091,377.80	153,722.19	937,655.61
4200	4216	Industry Meetings & Planning	13.335%	86.665%		1,532.20	204.32	1,327.88	1,192.35	159.00	1,033.35	2,724.55	363.32	2,361.23
4200	4222	Health Professional Outreach	13.335%	86.665%		50,182.63	6,691.85	43,490.78	28,930.55	3,857.89	25,072.66	79,113.18	10,549.74	68,563.44
4200	4224	Medical Office Outreach	13.335%	86.665%		304,850.81	40,651.84	264,198.97	7,251.84	967.03	6,284.81	312,102.65	41,618.87	270,483.78
4200	4225	Nutrition Content	13.335%	86.665%		5,153.37	687.20	4,466.17	9,996.97	1,333.10	8,663.87	15,150.34	2,020.30	13,130.04
4200	4234	Consumer Nutrition Education	13.335%	86.665%		28,775.09	3,837.16	24,937.93	8,062.98	1,075.20	6,987.78	36,838.07	4,912.36	31,925.71
4200	4299	Combined Program Implementation	13.335%	0.000%		-	-	-	10,169.44	1,356.09	8,813.35	10,169.44	1,356.09	8,813.35
		Nutrition & Health				390,494.10	52,072.37	338,421.73	65,604.13	8,748.31	56,855.82	456,098.23	60,820.68	395,277.55

TBC/BPRCT EXPENSE ALLOCATIONS

YEAR-TO-DATE THROUGH DECEMBER 31, 2022

Dept	Tactic	Tactic Description	Allocation Percentage		Direct Program Expenses			Program Implementation			Total		
			TBC	BPRCT	Total	TBC	BPRCT	Total	TBC	BPRCT	Total	TBC	BPRCT
5100	5111	Crisis Communications	100.000%	0.000%	-	-	-	123.40	123.40	-	123.40	123.40	-
5100	5112	Industry Advocacy	13.335%	86.665%	496.41	66.20	430.21	1,523.18	203.12	1,320.06	2,019.59	269.32	1,750.27
5100	5113	Issues & Reputation Management	13.335%	86.665%	1,500.00	200.02	1,299.98	170.55	22.74	147.81	1,670.55	222.76	1,447.79
5100	5115	Production Content	13.335%	86.665%	164.86	21.98	142.88	2,341.04	312.18	2,028.86	2,505.90	334.16	2,171.74
5100	5199	Combined Program Implementation	13.335%	86.665%	-	-	-	10,897.29	1,453.15	9,444.14	10,897.29	1,453.15	9,444.14
		Issues & Reputation Management			2,161.27	288.20	1,873.07	15,055.46	2,114.59	12,940.87	17,216.73	2,402.79	14,813.94
6100	6111	Producer Direct Communications	13.335%	86.665%	25,083.97	3,344.95	21,739.02	47,454.76	6,328.09	41,126.67	72,538.73	9,673.04	62,865.69
6100	6112	Producer Assets	13.335%	86.665%	8,460.52	1,128.21	7,332.31	3,560.31	474.77	3,085.54	12,020.83	1,602.98	10,417.85
6100	6113	Producer Influencer Communications	13.335%	86.665%	26,818.96	3,576.31	23,242.65	6,992.09	932.39	6,059.70	33,811.05	4,508.70	29,302.35
6100	6115	Industry Meetings & Planning	13.335%	86.665%	2,145.48	286.10	1,859.38	9,077.96	1,210.55	7,867.41	11,223.44	1,496.65	9,726.79
6100	6116	Producer Earned Media	13.335%	86.665%	1,869.83	249.34	1,620.49	709.53	94.62	614.91	2,579.36	343.96	2,235.40
6100	6117	Producer Paid Media	13.335%	86.665%	32,865.56	4,382.62	28,482.94	-	-	-	32,865.56	4,382.62	28,482.94
6100	6118	Producer Strategy	13.335%	86.665%	18,712.47	2,495.31	16,217.16	5,829.18	777.32	5,051.86	24,541.65	3,272.63	21,269.02
6100	6199	Combined Program Implementation	13.335%	86.665%	-	-	-	4,586.68	611.63	3,975.05	4,586.68	611.63	3,975.05
		Producer Communications			115,956.79	15,462.84	100,493.95	78,210.51	10,429.37	67,781.14	194,167.30	25,892.21	168,275.09
7100	7111	Beef Quality Assurance	13.335%	86.665%	13,783.80	1,838.07	11,945.73	10,000.41	1,333.55	8,666.86	23,784.21	3,171.62	20,612.59
7100	7112	AgriLife BQA Travel	0.000%	100.000%	10,000.00	-	10,000.00	-	-	-	10,000.00	-	10,000.00
7100	7113	Industry Meetings & Planning	13.335%	86.665%	1,157.30	154.33	1,002.97	231.17	30.83	200.34	1,388.47	185.16	1,203.31
7100	7131	Beef Quality & Safety Research	13.335%	86.665%	190.00	25.34	164.66	923.81	123.19	800.62	1,113.81	148.53	965.28
7100	7199	Combined Program Implementation	10.001%	89.999%	-	-	-	17,773.39	1,777.56	15,995.83	17,773.39	1,777.56	15,995.83
		Beef Quality & Beef Safety			25,131.10	2,017.74	23,113.36	28,928.78	3,255.13	25,663.65	54,059.88	5,282.87	48,777.01
8100	8111	USMEF Programs	13.335%	86.665%	108.42	14.46	93.96	2,607.96	347.77	2,260.19	2,716.38	362.23	2,354.15
8100	8112	International Industry Meetings	100.000%	0.000%	1,548.92	1,548.92	-	3,926.23	3,926.23	-	5,475.15	5,475.15	-
8100	8199	Combined Program Implementation	56.667%	43.333%	-	-	-	240.02	136.01	104.01	240.02	136.01	104.01
		Export Market Development			1,657.34	1,563.38	93.96	6,774.21	4,410.01	2,364.20	8,431.55	5,973.39	2,458.16
Grand Total					1,474,858.50	202,543.78	1,272,314.72	725,050.35	192,734.10	532,316.25	2,199,908.85	395,277.88	1,804,630.97

TBC ACTION ITEM: C

Accept Audited Financial Statements

Action Item:

Accept the audited financial statements for fiscal year ended September 30, 2022, as presented by the Audit & Budget Committee.

Background:

The September 30, 2022, financial statements are presented in accordance with generally accepted accounting principles. The financial statements present the combined results of TBC and BPRCT and include a report on compliance with the Beef Promotion and Research Act and Order.

Rationale:

Annual audited financial statements are required by the TBC Bylaws and the Beef Promotion and Research Act & Order.

Financial Impact:

\$15,,000 - \$17,000

Staff Impact:

Approximately 90 hours to prepare the audited financial statements and provide supporting documentation to the auditors.

