

**Combined Statement of Beef Checkoff Activities
for the Fiscal Years Ended During 2007, 2006, 2005 and 2004 (Note 1)**

| | 2007 | 2006 | 2005 | 2004 |
|---|----------------------|-------------------|--------------------|----------------------|
| Revenues: | | | | |
| Assessments | \$ 79,707,492 | \$ 81,924,377 | \$ 80,431,000 | \$ 81,751,000 |
| Interest | 2,600,183 | 1,965,603 | 1,105,000 | 520,000 |
| Other (Note 2) | 475,853 | 255,977 | 112,000 | 135,000 |
| Total Revenues | <u>82,783,528</u> | <u>84,145,957</u> | <u>81,648,000</u> | <u>82,406,000</u> |
| Expenses: | | | | |
| Program - | | | | |
| Promotion | 38,943,892 | 37,736,495 | 33,492,000 | 38,776,000 |
| Research | 9,153,684 | 8,379,596 | 8,204,000 | 8,178,000 |
| Consumer Information | 14,875,431 | 14,497,853 | 12,660,000 | 12,352,000 |
| Industry Information | 4,522,305 | 3,728,036 | 3,661,000 | 5,020,000 |
| Foreign Marketing | 7,287,415 | 6,147,200 | 4,952,000 | 6,942,000 |
| Producer Communications | 5,330,601 | 4,812,275 | 4,500,000 | 4,545,000 |
| Evaluation | 204,867 | 240,038 | 202,000 | 192,000 |
| Program Development | 1,400,658 | 921,023 | 689,000 | 388,000 |
| Total Program Expenses | <u>81,718,854</u> | <u>76,462,517</u> | <u>68,360,000</u> | <u>76,393,000</u> |
| Department of Agriculture Oversight | 234,209 | 174,770 | 139,000 | 173,000 |
| Collections | 1,395,185 | 1,392,046 | 1,371,000 | 1,556,000 |
| Administration (Note 3) | 6,657,322 | 6,032,648 | 6,249,000 | 5,519,000 |
| Total Expenses | <u>90,005,570</u> | <u>84,061,981</u> | <u>76,119,000</u> | <u>83,641,000</u> |
| Excess (shortage) of revenues over (under) expenses (Note 4) | <u>(\$7,222,042)</u> | <u>\$83,976</u> | <u>\$5,529,000</u> | <u>(\$1,235,000)</u> |

Note 1 - Financial Information Presented

This combined statement of activities for the beef checkoff has been prepared by combining the Beef Board's financial information with information provided by the qualified state beef councils and national, industry-governed organizations. The information included in this statement is based upon these organizations' various fiscal years ended March 31 through December 31, 2007, 2006, 2005 and 2004. This statement is presented to provide an overview of the activities funded by the beef checkoff. It is not intended to present the revenues and expenses of the beef checkoff in accordance with generally accepted accounting principles.

Note 2 - Other revenues

Other revenues consist primarily of fees collected on late payments, sales of beef certificates, sales of materials and gains on sales of assets.

Note 3 - Administration Expense

The Act limits Beef Board expenditures for administration to 5% or less of projected revenues, but qualified state beef councils and national, industry-governed organizations are not subject to this limitation. The Beef board's administration expenses were below the 5% limitation during 2007, 2006, 2005 and 2004, as well as all previous years.

Note 4 - Excess or Shortage of Revenues

Excess of revenues represents funds available and committed for expenditure in the following year. Shortage of revenues represents expenditure of funds received and committed in previous years.