

**Combined Statement of Beef Checkoff Activities  
for the Fiscal Years Ended During 2006, 2005, 2004 and 2003 (Note 1)**

	2006	2005	2004	2003
<b>Revenues:</b>				
Assessments	\$81,924,377	\$80,431,000	\$81,751,000	\$84,267,000
Interest	1,965,603	1,105,000	520,000	700,000
Other (Note 2)	255,977	112,000	135,000	214,000
Total Revenues	<u>84,145,957</u>	<u>81,648,000</u>	<u>82,406,000</u>	<u>85,181,000</u>
<b>Expenses:</b>				
Program -				
Promotion	37,736,495	33,492,000	38,776,000	41,732,000
Research	8,379,596	8,204,000	8,178,000	6,902,000
Consumer Information	14,497,853	12,660,000	12,352,000	13,079,000
Industry Information	3,728,036	3,661,000	5,020,000	4,226,000
Foreign Marketing	6,147,200	4,952,000	6,942,000	7,100,000
Producer Communications	4,812,275	4,500,000	4,545,000	4,258,000
Evaluation	240,038	202,000	192,000	175,000
Program Development	921,023	689,000	388,000	374,000
Total Program Expenses	<u>76,462,517</u>	<u>68,360,000</u>	<u>76,393,000</u>	<u>77,846,000</u>
Department of Agriculture Oversight (Note 3)	174,770	139,000	173,000	309,000
Collections	1,392,046	1,371,000	1,556,000	1,615,000
Administration (Note 4)	6,032,648	6,249,000	5,519,000	5,592,000
Total Expenses	<u>84,061,981</u>	<u>76,119,000</u>	<u>83,641,000</u>	<u>85,362,000</u>
Excess (shortage) of revenues over (under) expenses (Note 5)	<u>\$83,976</u>	<u>\$5,529,000</u>	<u>(\$1,235,000)</u>	<u>(\$181,000)</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, 2006, 2005, 2004 and 2003. 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 - Department of Agriculture Oversight**

Department of Agriculture Oversight expenses increased in 2002 due to the Beef Board reimbursing costs incurred by the U.S. Department of Agriculture to validate referendum petitions.

**Note 4 - 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 2006, 2005, 2004 and 2003, as well as all previous years.

**Note 5 - 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.