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Angus Foundation

EDUCATION • YOUTH • RESEARCH

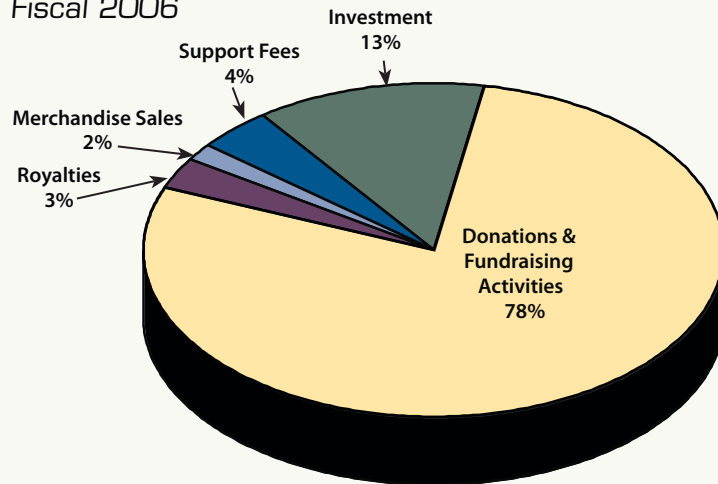


2006 ANNUAL REPORT

ADVANCING THE FUTURE OF THE ANGUS BREED

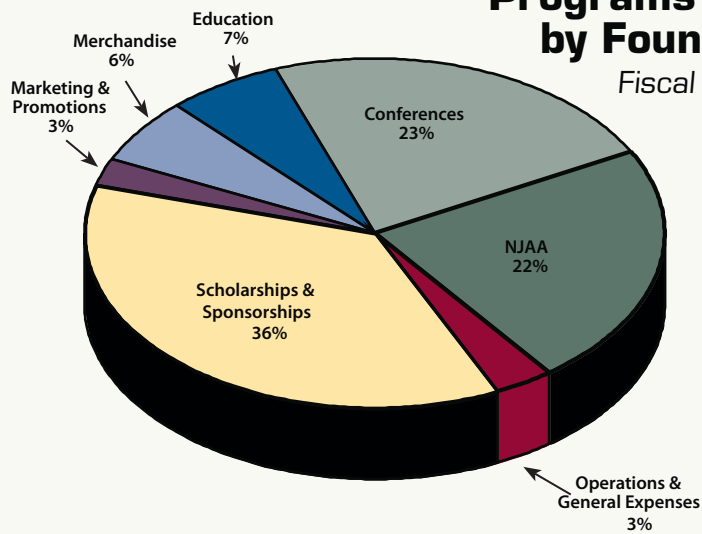
Foundation Revenue Sources

Fiscal 2006



Programs Funded by Foundation

Fiscal 2006



Mission Statement

The Angus Foundation, the 501(c)(3) not-for-profit affiliate of the American Angus Association, secures and stewards charitable gifts to cultivate and foster the advancement of education, youth and research activities benefiting the Angus breed.



2006 Angus Foundation Board of Directors (front row, from left) Rob Thomas, Chairman Paul Hill, Vice Chairman John Crouch and President Milford Jenkins; (back row, from left) Bob Schlutz, Bill Davis, Phil Trowbridge, Dave Smith, Joe Hampton and Jarold Callahan.

ADVANCING THE FUTURE OF THE ANGUS BREED

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Making a Difference

Tremendous growth has marked the Angus Foundation for the last 26 years, with assets increasing from \$7,500 in 1980 at the organization's inception to more than \$4.4 million today. Angus enthusiasts like you continue to recognize the value of investing in our breed by supporting the Foundation's programs, and we appreciate your generosity.

Gifts of all magnitudes are making a difference in our ability to advance the future of the Angus breed through education, youth and research programs.

This year, great strides were made in all three areas — Cattlemen's Boot Camps provided hands-on education and training for more than 250 Angus breeders and commercial producers, a record-setting \$100,000 in scholarships was awarded to 52 Angus youth, and bovine genome research was funded, benefiting the entire cattle industry.

Examples of other endeavors funded by the Angus Foundation include:

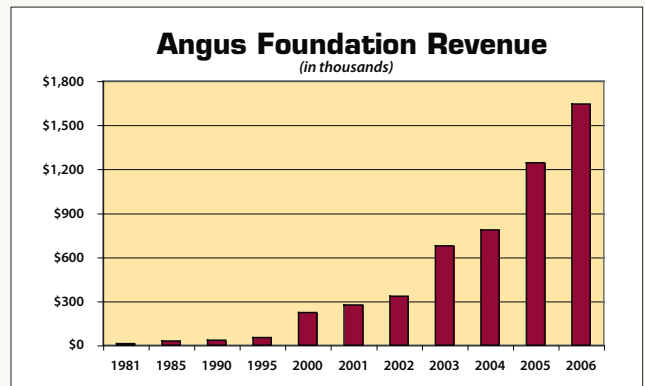
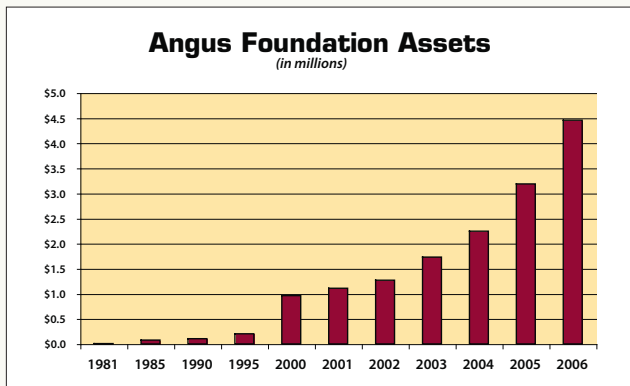
- Leaders Engaged in Angus Development Conference attended by 150+ youth;
- Elements of the National Angus Conference and Tour;
- National Junior Angus Association (NJAA) and its Board of Directors;
- Angus Foundation Silent Auction and Golf Tournament;
- Elements of the National Junior Angus Show;
- Foundation Heifer Buyer and Donor Reception at the National Western Stock Show;
- Angus Foundation Supporter Recognition Event at the North American International Livestock Exposition;
- Angus representative at the Young Cattlemen's Conference;
- Angus Foundation newsletters and the NJAA newsletters.

As you can see, the Angus Foundation serves diverse areas of the Angus industry, supporting programs for both registered and commercial breeders across all generations. Each of us has something to gain by participating in these programs and providing our financial support in return. Thanks for your continued support of our breed's future.



John R. Crouch

John Crouch
Executive Vice President, American Angus Association



Better Together

The Angus Foundation continues to make measurable progress under the leadership of President Milford Jenkins and with the able direction of the Board of Directors. We aim to better serve the Angus breed's education, youth and research needs through the development of additional resources. By working together, we can advance the future of the Angus breed and make this mission a reality.

The advancements experienced by the Angus Foundation can be directly accredited to the increased contributions that individual donors like you have made to endowments, the annual fund drive and various other fundraising endeavors. Heightened awareness of the Angus Foundation's value and the significant role that it can play in education, youth and research has helped maintain the loyalty and dedication of its supporters. This exciting progress is resulting in many new donors to the Angus Foundation.

As the Angus Foundation moves toward the future, we begin to assess the goals and needs the Angus breed must achieve to remain a beef industry leader. Private giving will provide a cornerstone for these ambitious initiatives. Increased levels of private contributions and support can empower the Angus Foundation to fund more scholarships, create more educational opportunities for Angus breeders and commercial producers, and invest in cutting-edge research for the benefit of the Angus breed and the beef industry.



A handwritten signature in black ink that reads "Paul H. Hill".

Paul Hill
Chairman, Angus Foundation

Mission Possible

In every organization, it is important to continuously refer to the mission and reason for existing, to ensure that the efforts and priorities remain aligned with agreed upon goals. The mission of the Angus Foundation is to secure, manage and steward charitable gifts for the purpose of cultivating and fostering the advancement of education, youth and research activities.

Working hand-in-hand with the American Angus Association, Certified Angus Beef LLC, Angus Productions Inc. and the American Angus Auxiliary, the Angus Foundation is advancing the future of the Angus breed through generous financial support from Angus breeders, allied industry interests and friends.

The Angus Foundation exists to support and serve the Angus family and its financial supporters. Our vision has remained constant — to be an organization that advocates the Angus breed and agricultural industry.

We are the stewards of the Angus breed and approach this responsibility with a labor of love and devotion. With your support, the Angus Foundation will continue to advance the future of the Angus breed.



A handwritten signature in black ink that reads "Milford Jenkins".

Milford Jenkins
President, Angus Foundation

Heifer Package Sets Record

Angus supporters and breeders were listening Jan. 12 as Milford Jenkins, Angus Foundation president, challenged an overcapacity arena crowd to rise above past records and purchase the 2006 Angus Foundation Heifer Package at a new record price in celebration of the 100th National Western Stock Show.

Canyon Creek Angus LLC, owned by Ronald and Myki Simek of Genoa, Nev., and Ben and Lindsey Simek and family of Cody, Wyo., rose to the challenge by purchasing the bred heifer for a record \$250,000.

B/R Ruby of Tiffany 4214, donated by Bill and Barbara Rishel of Rishel Angus, North Platte, Neb., headlined this year's Angus Foundation Heifer Package. At sale time, the daughter of Twin Valley Precision E161 was bred to Ironwood New Level and due to calve in early February. This marked the first year a bred heifer has been part of the package.

"I insisted on it being a bred heifer because we believe you have to offer something really special to those willing to

spend that kind of money on a Foundation Heifer," Bill says.

The Simeks say they certainly are getting an outstanding return on their purchase. Not only has the heifer been "a great addition to the Canyon Creek herd," but they're happy to know the funds are being put to good use in advancing the Foundation's ability to serve the education, youth and research needs of the Angus breed.

In addition to the heifer, the package included 30 days of free insurance from American Live Stock Insurance Co. of Geneva, Ill.; free transportation to the buyer's ranch provided by Lathrop Livestock Transportation of Dundee, Ill.; and a flush and three embryo implants into the buyer's recipient cows from Trans Ova Genetics of Sioux Center, Iowa.

"This enabled us to make available \$100,000 in scholarships this year and address other education and research opportunities," Jenkins says. "As an organization, we are certainly blessed to have such responsive members."



Canyon Creek Angus LLC of Cody, Wyo., set a new record by purchasing the 2006 Angus Foundation Heifer Package, donated by Rishel Angus of North Platte, Neb., for \$250,000.

Record Scholarships Awarded

Empowering youth with educational scholarships is one of the greatest investments the Angus Foundation can make in the future of the Angus breed.

This year generous gifts from Angus supporters enabled the Angus Foundation to award a record-setting \$100,000 in educational scholarships to 52 members of the National Junior Angus Association (NJAA) at the 2006 National Junior Angus Show in Indianapolis, Ind.

Thirty Angus youth received \$1,000 scholarships, 20 received \$3,000 scholarships, and two received \$5,000 scholarships awarded in memory of former American Angus Association Executive Vice President Richard L. Spader. Two Angus youth received scholarships from endowment funds created this year by Blanford and Joan Pierce of Creston, Ill., and Joseph and Ruby Schaff of Saint Anthony, N.D. In addition, Kara Wilson of Orleans, Ind., received the Certified Angus Beef LLC (CAB)/NJAA scholarship.



The scholarship program has seen significant growth since its inception in 1998 when \$20,000 was awarded to 17 NJAA members. A major source of these scholarship funds has been the proceeds from the Angus Foundation Heifer Package that is offered for auction at the National Western Stock Show every January.

Above: Kindra Wood of Holly Pond, Ala., and Zebadiah Gray (center) of Toledo, Iowa, receive \$5,000 Richard L. Spader Scholarships from Milford Jenkins, Angus Foundation president; Sheri Spader; and Paul Hill, Angus Foundation Board chairman.



Winning \$3,000 scholarships from the Angus Foundation are (from left) Lauren Schroeder, Clarence, Iowa; Milford Jenkins, Angus Foundation president, presenting the scholarships; Tracee Veenstra, Springfield, Minn.; Keela Retallick, Glen Haven, Wis.; Holly Bellis, Orrick, Mo.; Clayton Lampe, Scott City, Kan.; Bridget Driscoll, Williamsburg, Iowa; Zach Kinne, Eagleville, Mo.; Haley Rieff, Bentonville, Ark.; Joshua Jackson, Salvisa, Ky.; Ashley Gillig, Aurora, Mo.; Kyle Grim, East Berlin, Penn.; Chelsea Moffitt, Kirksville, Mo.; Drew Schroeder, Clarence, Iowa; Brittany Gillig, Aurora, Mo.; Samantha Harl, Hastings, Neb.; Paul Hill, Angus Foundation Board chairman, presenting the scholarships; Ricka Boehmer, Williamston, Mich.; and Kara Wilson, Orleans, Ind. Not pictured are Katrina Dubs, Billings, Mont.; Kari Gillespie, Kevin, Mont.; and Zane Gray, Toledo, Iowa.



Winning \$1,000 scholarships from the Angus Foundation are (front row, from left) Allyson McGuire, Fort Smith, Ark.; Dana May, Mineral Point, Wis.; Kristen Lundgren, Ottawa, Kan.; Sarah Holland, Imboden, Ark.; Lynsey Frey, Granville, N.D.; Christina Egner, Shelby, Ohio; Ashlee Dutoi, Bremen, Ind.; Ann Blumer, Chesnee, S.C.; Rachael Vaassen, Ann Arbor, Mich.; Ashley Wagner, Genoa, Neb.; Kara Walsler, Minnesota Lake, Minn.; (back row, from left) Jennifer Ringwelski, Marengo, Ill.; Will Mayfield, Pulaski, Tenn.; Mandy Jacobs, Billings, Mont.; Justin Jackson, Salvisa, Ky.; Brandon Creamer, Montrose, Colo.; Amanda Chumley, Stamping Ground, Ky.; Evan Boehmer, Charlotte, Mich.; Melissa Miller, Brandon, Fla.; and Emily Murray, Leesburg, Va. Not pictured are Mandy Barnes, Bartow, Fla.; Mandy Gimbel, Ree Heights, S.D.; Brianna Gray, Toledo, Iowa; Katie McKinnis, Watertown, Tenn.; Cheyenne McLean, Coulee City, Wash.; Krystal Murphy, Prairieville, La.; Waco Phipps, Kearney, Neb.; Katelyn Scharpe and Peter Scharpe, both of Arlington, Minn.; and Drew Schmidt, Monkton, Md.

Angus Foundation Celebrates 25 Years

In 1980, a group of Angus supporters dreamt of advancing the future of the Angus breed through education, youth and research activities — and so the Angus Foundation was born.

Twenty-five years later, on Nov. 12, 2005, the Angus Foundation celebrated its silver anniversary during the North American International Livestock Exposition (NAILE) in Louisville, Ky.

Angus Foundation supporters kicked off the anniversary celebration at the Angus Foundation Annual Supporter Recognition Event and Fundraiser. Themed “Creating Legacies,” the reception paid tribute to the Foundation’s past accomplishments and honored major donors throughout fiscal year 2005.

Event attendees began “creating legacies” with the donation of \$25,000 by Blanford and Joan Pierce of Woodlawn Farms, Creston, Ill., to establish the Woodlawn Farms Scholarship Endowment Fund.

The donation was followed by the auction of the “1 of 1” Angus Foundation 25th

Silver Anniversary American Black Angus Commemorative Winchester 30-30 Rifle. Dave McMahon and family of Belle Point Ranch, Lavaca, Ark., purchased the rifle for \$10,000.

At the end of the evening, Foundation donors joined in a toast, offered by Doug Dalton, Gretna, Va., to the Angus Foundation’s past, present and future.

“Tonight’s theme, ‘Creating Legacies,’ I believe very appropriately describes the work that all of us are doing as supporters and donors to the Angus Foundation,” Dalton said. “Through our gifts and support, we are all advancing the vision and dream that the founders of the Angus Foundation held 25 years ago.”

With continued growth during the next 25 years and beyond, the Angus Foundation’s ability to advance the future of the Angus breed will grow only stronger.



The Angus Foundation Supporter Recognition Event, held annually in Louisville, Ky., is a place for Angus friends from across the country to come together in celebration of their common interest in supporting education, youth and research.



The David McMahon family of Belle Point Ranch, Lavaca, Ark., bid \$10,000 to purchase this one-of-a-kind rifle commemorating the Foundation’s first 25 years.

Record-breaking Educational Endowment Created

Though traditions are continued every day, it takes something truly special and rare to create a legacy. After celebrating 125 years in the Angus business, it's safe to say that Woodlawn Farms — America's oldest Angus herd — has earned the honor of being called a legacy.

The Creston, Ill.-based herd dispersed in May 2005, but thanks to the generosity of fourth-generation owner Lewis "Blanford" Pierce, the legacy of Woodlawn Farms will continue to positively affect the lives of Angus youth for years to come. Pierce and his wife, Joan, partnered with the Angus Foundation to establish a record-setting \$25,000 educational endowment — the largest educational endowment ever funded by a single Angus breeder.

The endowment will annually provide an educational scholarship to Angus youth involved in the National Junior Angus Association (NJAA).

A longtime supporter of the NJAA, Pierce says he couldn't think of a more fitting way to invest in the Angus breed's future than by encouraging its youth to pursue higher education.

"In today's business environment, I feel that it is particularly important for our young leaders to pursue a college education," Pierce says. "I believe so many



more kids would go to college if they had the financial opportunity."

Pierce says that the longevity of the endowment was a selling point for him, versus other ways to make a financial gift. "The endowment's scholarships will go on forever and ever. It perpetuates the name of the farm and our contributions to the Angus breed, while helping kids go to college," he explains.

The first scholarship to be generated by the Woodlawn Farms endowment was awarded at the 2006 National Junior Angus Show to Garrett Lampe, a junior at Kansas State University.

By using only the annually accrued interest earnings, endowment funds, like the newly created Woodlawn Farms Angus Scholarship Endowment, live on forever while providing annual support to the Angus program of the donor's choice.

Corporate Support

"We all have a responsibility to care for the future of the Angus breed," says Bob Norton, president of BioZyme Inc., based in Saint Joseph, Mo., "but that responsibility isn't limited to individuals. Companies have a responsibility to give to the future, too."

For the fifth year, BioZyme and the Angus Foundation joined forces in a partnership benefiting Angus education, youth and research programs. At the 2006 National Junior Angus Show in Indianapolis, Ind., Norton presented the Angus Foundation with a \$10,000 gift, which was generated from a portion of the sales of BioZyme's Vita Ferm® products to Angus breeders.

"This partnership is an excellent vehicle for BioZyme to address our responsibility to our Angus customers and their children," Norton says. "There is no greater feeling than the one you get by giving to something you believe in. We

believe in the Angus Foundation's support of the National Junior Angus Association and encourage other companies to give also."

American Angus Association members who purchase

Vita Ferm products can contribute to the royalty program by informing their dealer of their desire to participate and sending a proof-of-purchase form, along with their Association membership number, to BioZyme.



Bob and Lisa Norton present Angus Foundation Chairman Paul Hill with a \$10,000 gift to support the NJAA.

Education for All

With the belief that learning is a lifelong process not to be restricted to youth, the Angus Foundation sponsored three educational seminars this year attended by more than 250 Angus breeders and commercial producers. Called Cattlemen's Boot Camp, each of the two-day hands-on educational programs was designed to educate producers about all segments of an ever-changing beef industry.

The Boot Camps were a joint effort by the Foundation, the American Angus Association and three host universities, including Colorado State University, Fort Collins; Cal Poly State University, San Luis Obispo; and the University of Illinois, Champaign-Urbana.

Hands-on activities offered participants a chance to learn new skills and sharpen existing ones related to genetic selection, herd health and nutrition, and general cattle management. Speakers focused on creating and communicating value through marketing programs and improved management techniques.

Program representatives explained Beef Quality Assurance (BQA) guidelines, AngusSource® and the *Certified Angus Beef*® (CAB®) brand and encouraged attendees to take advantage of the value that comes from participating in these programs.



“The AngusSource program adds value, and now that I’ve learned about it, I definitely want to be a part of it,” said Longmont, Colo., cow-calf producer Patty Alexander after she attended the first Boot Camp at Colorado State University.

Angus Skills Labs allowed attendees to roll up their sleeves, put on rubber gloves and get down to work. Attendees watched demonstrations then applied their new knowledge in a variety of skill areas. They practiced applying tattoos and freeze brands, using ultrasound and artificial insemination (AI) equipment, processing and weighing, body condition scoring, and using performance data.

“It’s a great thing the Foundation has done, sponsoring these educational seminars,” says Rick Blanchard of Silveira Bros., Firebaugh, Calif., who was an instructor at the Cal Poly Boot Camp. “This is a valuable service we’re providing to new

members of the cattle industry, and it helps some of the established breeders brush up on the new technology and information in the industry.”

More than 250 Angus breeders and commercial producers received hands-on training in current industry practices and advances at Cattlemen's Boot Camps this year.



The Power of One Donor

For the second year in a row, Angus breeders demonstrated with gifts to the annual fund drive that their passion for the breed is matched only by their willingness to give generously to advance its future. Angus supporters donated more than \$12,000 to this year's "The Power of One Donor" annual fund drive, proving once again that there is no greater force than the cumulative power of one.

Investing in the next generation of leaders

Believing that today's youth are the next generation of Angus leaders, the Foundation allocated \$9,500 raised from the annual fund to start an endowment fund supporting the Leaders Engaged in Angus Development (LEAD) Conference.

This year, a record-setting 163 Angus youth ages 14-21 gathered at the 2006 LEAD Conference Aug. 3-6, in Oklahoma City, Okla., to increase their leadership skills, learn more about the ag industry, and forge lasting relationships with other members of the National Junior Angus Association (NJAA).

Themed "Wranglin' Up Your Future," the conference offered young Angus leaders plenty of opportunities to do just that through activities focused on team building, goal-setting, personal leadership development and current industry topics. The conference also took to the road for a day tour highlighting the Sooner State's local color.

Through a highly interactive session spanning two days, motivational speaker Rhett Laubach guided Angus youth through goal-setting activities and team-building exercises that emphasized values and accountability. Well-known industry leader and Express Ranches owner Bob Funk also addressed the crowd, offering his insights

on personal success and leadership gained through his entrepreneurial experience.

In addition to speakers and tours, NJAA directors hosted workshops addressing interpersonal development and industry issues.

Fostering growth in current leaders

Developing leadership skills and gaining industry insight aren't activities limited to youth. Each year the Angus Foundation sponsors one Angus representative to attend the National Cattlemen's Beef Association (NCBA) Young Cattlemen's Conference (YCC), which offers attendees a nationwide tour of the beef production chain from ranch to feedlot to packing plant, through marketing and regulatory affairs, and finally ending at consumer foodservice.



Matt Perrier

This year, \$2,500 received through the annual fund drive was used to sponsor Matt Perrier of Eureka, Kan., to represent the American Angus Association at the 2006 YCC. Perrier, a former National Junior Angus Association (NJAA) Board Member, worked for the American Angus Association before returning to his family's Angus operation, Dalebanks Angus Ranch.

"While it's often difficult for those of us in production agriculture to get away from daily chores, it's no less important for us to be active in leadership roles," Perrier says. "The investment the Angus Foundation has made in me is large, but I hope to pay back that investment by sharing with other industry members the information that I learned at the YCC."

A record-setting 163 Angus youth participated in the 2006 LEAD Conference, a personal development and leadership training conference supported by the Angus Foundation.



Donors Advance Our Future

Developing and maintaining excellence in the Angus Foundation's efforts to advance the Angus breed can be credited to private gift support. This list recognizes supporters from October 1, 2005, through September 30, 2006. Their commitment to education, youth and research further strengthened the Angus Foundation's service to the Angus breed. The Angus Foundation extends its sincere appreciation to the following:

George Grant Angus Founder

(\$1 million and above)

Angus Visionary

(\$500,000-\$999,999)

Angus Leader

(\$250,000-\$499,999)

Canyon Creek Angus LLC, WY
Rishel Angus, NE

Angus Builder

(\$100,000-\$249,999)

Angus Patron

(\$50,000-\$99,999)

Lemmon Cattle Enterprises, GA

Angus Platinum Benefactor

(\$25,000-\$49,999)

American Angus Auxiliary, MO
Woodlawn Farms, IL

Angus Gold Benefactor

(\$10,000-\$24,999)

Anonymous
Belle Point Ranch, AR
BioZyme Inc., MO
Briarwood Angus Farms, MO
Mark & Eva Gardiner, KS
John Morgan Angus Farm, GA
Joseph and Ruby Schaff, ND

Angus Silver Benefactor

(\$5,000-\$9,999)

American Live Stock Insurance Co., IL
Chambers Angus, OR

Angus Bronze Benefactor

(\$2,500-\$4,999)

Blackjack Angus Farms, OK
Camp Cooley Ranch, TX
Express Ranches, OK
North Carolina Angus Association
Opperman Cattle Co., OR
Ray-Mar Angus Ranch, CA
U.S. Premium Beef, MO

Angus Pacesetter

(\$1,000-\$2,499)

Dick & Diane Beck, MT
Bon View Farms, SD
Brost Angus Farm, KY
Cherry Knoll Farm, PA
Clover Paddocks Angus, NC
Dalebanks Angus/The Perrier
Families, KS
Dalton's on the Sycamore, VA
Eberlee Farm, NC
Entourage Farms, OK
Fox Cross Farm, WV

Genex Cooperative, SC
Georgia Angus Association
Gold Hill Angus LLC, NC
Greenacres Farm, OH
Dean & Gloria Hurlbut, MO
Jarrell Angus, GA
Milford & Peggy Jenkins, MO
Lombardi Brothers Meats, CO
David & Sandra Lundgren, KS
Wilma L. Minix, GA
Bob & Lisa Norton, MO
Oaks Bluff Angus Ranch, LA
Paradox Farms, GA
Petteway Citrus & Cattle, FL
Pheasant Trek Angus, CA
Rutherford Ranches, TX
Franklin Sapp, TX
Smith Farms, GA
Smith Land & Cattle Co., OK
Sugar Hill Farms Inc., AR
Sydenstricker Genetics, MO
Bob & Becky Tiedeman, NE
Tumble T Bar T, SC
Vermilion Angus Ranch, MT
Werner Angus, IL
Western Livestock Journal, CO
Whitestone-Krebs, NE

Angus Sustainer

(\$500-\$999)

7L Farms & Land Co. LLC, MS
Ankony, GA
Bar R Angus, CA
Bear Mountain Angus Ranch, ID
Jennifer Beck, DC
Blades Quality Angus, MO
Butch Booker, WA
Bridges Angus Farm, GA
California Angus Association
Dick Carmichael, TN
Cedar Creek Farm, SC
Champion Hill, OH
Chase Classic Angus, CA
Clark Angus, TX
Classic Oaks Ranch LLC, TX
Conover Auction Service, IA
Tom & Judy Cook, VA
Cool Spring Plantation, NC
Da-Es-Ro Angus Farms, IA
Deer Run Farm, VA
John Dickinson, CA
Dobson Pulpwood Farm, LA
Paul & Polly Donnelly, MO
Chris & Krista Earl, IL
Ben & Darla Eggers, MO
Fair Oaks Angus Farm, AR
Fox Run Farms, MO
Giles Ranch Co., KS
Gorbandt Angus Farms, KY
Grote Angus Ranch, OK
Hacienda Angus, CA
Heldermon Sales Co. Inc., OK
Jack & Nancy Henderson, CA
Jess & Wynn Herbers, VA
Holiday Ranch, OR
Hudgins Cattle Co., GA
Jan & Debra Hueber, IL
Independence Cattle Co., IN
K G Ranch, MT
Lathrop Livestock Transportation, IL
Little River Farms, GA
Lynn Brae Farms, VA
Macedon Farms, AL

Rick Machado, CA
Milburn Farms, AR
Mission Angus Ranch, CA
Raymond & Carole Moore, TX
Newport Meat Co., CA
Oak Ridge Angus, CA
Oklahoma Angus Association
Pearl Ridge Angus, CA
John Rodgers, CA
Sand Point Cattle Co., NE
Sauk Valley Angus, IL
Schnoor Sisters, CA
Gordon & Anne Schubert, KY
Silveira Livestock, CA
Bob & Jeannie Smith, TX
Superior Productions, TX
Rick & Susan Taylor, AR
Thomas Angus Ranch, OR
Trans Ova Genetics, IA
Walter & Associates LLC, IA
Weaver Angus Farm, IL
Yosemite Farm Credit, CA

Angus Associate

(\$250-\$499)

Alabama Angus Association
C.K. Allen, MO
Angus News, TN
B&J Angus, KS
Beaver Ridge Farm, IN
Birk Genetics, MO
Carol Bloom, IN
Blue Ribbon Meat Co. Inc., OH
Bohi Land & Cattle, KS
Lisa Bohlen, TN
Bradley 3 Ranch Limited, TX
Bramblett Angus Farm, GA
David & Elizabeth Brauning, MD
Britt Angus Farm, GA
David & Seana Brown, ID
Robert & Toni Bruner, TX
Buckhead Beef Co., GA
Busted P, MO
Byrd Cattle Co., CA
C & H Cattle Co., KY
C R W Cattle Co., MD
Cedar Bay Farms, NC
Certified Angus Beef, OH
Circle A Ranch, MO
Circle S Angus, KS
Dick Clarke, OH
Decades of Excellence Group, TN
Deep Down Ranch, TX
Dee's Food Service, NM
Desert Meats Inc., NV
Donnell Cattle Co., TX
Steve Dorran, AB
Doug Satree Angus, TX
East Central Missouri Angus
Association
Er-Lan-Del Angus, MO
Robert Fanning, NY
James Fisher, MO
Five Star Land & Livestock, CA
Gannett Foundation, KY
James & Reta Garrett, OH
Garton Angus, MO
Gazda Cattle Co., GA
Gillbreath Enterprises, AR
Jarrod Gillig, TX
Green Mountain Angus Ranch, MT
Greenbrae Angus, CA
Greiman Family Angus, IA

Hart Associates, OH
Heart of the Ozarks Angus
Association, MO
Hinkle's Prime Cut Angus, MO
Holshouser Farm, NC
Holten Meat Inc., IL
Howard County Angus Association,
MO

Idone Angus, GA
Indiana Angus Association
Indiana Junior Angus Association
Koupals Angus Farm, SD
Lafin Cattle Co., KS
Lazy JB Angus, CO
Limestone LLC, OK
Liveoak Farms, TX
Loren & Kathy Wilson, IN
Louisiana Angus Association
Lovell Cattle Co., MD
G.W. Lowry Jr., OK
Malson Angus Ranch, ID
Mauzey Angus, MO
Andy & Mary McCurry, KS
McCurry Brothers, KS
Matt & Neenah McMillan, TX
Meldon Farms, GA
Milo's Tea Co., AL
Minnesota Angus Association
Mississippi Angus Association
Missouri Angus Association
Mytty Angus Ranch, MT
Steve & Ginger Olson, TX
Jerry & Kathy Peevler, IN
Don Peterson, TX
Tammy Pleimann, MO
Pro Partners Financial, MN
Dennis & Connie Purdum, IA
Quaker Hill Farm, VA
Rathburn Angus Ranch, WA
Phil Reid, IN
Jim & Nancy Riemann, OH
River Valley Angus, AR
Rollin' Rock Angus, MT
Sawoaks, OK
Sarah & Jason Schaffer, IN
Setter Family Ranch, CA
Shady Hollow Farm, PA
Jim & Linda Shirley, MO
Shoulderbone Plantation, GA
Silveira Brothers, CA
Fred Smalstig, FL
Smithco Meats Inc., WA
Smoken' Hot Cattle Co., MD
Sodak Angus Ranch, SD
Sommers Angus Farm, IN
Spur Ranch, OK
Sunset Valley Angus, OH
Sysco Food Services of Philadelphia
LLC, PA
Sysco Food Services of Spokane
Inc., ID
Talon Ranch, MT
The Fred W. Akbrecht Grocery Co., OH
Steve & Nancy Thelen, MI
Urner Barry Publications Inc., NJ
Vintage Angus Ranch, CA
Wasdin Cattle Co., GA
Watts Angus Farm, TN
Weigand Land & Livestock, MO

Angus Partner

(\$100-\$249)

4G Ranch, TX
Ilene Adams, IN
Alabama Junior Angus Association
Alexander Angus Farms, SC
American Angus Hall of Fame, MO
Keith and Barb Anderson, IL
Stanley Anderson, MO
Chris Anway, OH
Bill Atkinson, GA
Sammy Ayres, KY

Harry Bachman, PA
 Leroy & Sharon Baldwin, FL
 Bar L Ranch, TX
 Tommy Barnes, AL
 Blue Water Angus Farm, MI
 Earl Boehmer, MI
 Bonnie Wanger Land & Cattle, OK
 Bordner Angus Farms, MI
 Boyd Beef Cattle, KY
 Pine Ridge Farms, GA
 Bruin Ranch, CA
 Dean & Marcia Bryant, MD
 BuB Ranch Beef Alliance, MO
 Scott & Jo Bush, SD
 Tom & Stacey Buttelman, FL
 Carrico Angus, IA
 Ernest Carter, VA
 Coldwater Creek Farm, VA
 William Conley, MA
 Corey A Ranch, OR
 Leslie & Yolanda Craft, IN
 Scott Crawford, MO
 Dean & Nancy Crocker, NC
 John & Judy Crouch, MO
 D S Ranch, OK
 Deatsman Farms, IN
 Rick & Cyndee Dickinson, IL
 DR Angus/Flat Rock Ranch, MT
 Richard Dyar, AL
 Elk Horn Valley Angus, MO
 Enix Farms LLC, CO
 Farrelou Farms, NC
 Fernvale Angus Farms, WI
 Brent Ferree, IN
 Ray Fisher, GA
 Mark Foore, PA
 Dale & Lois Foster, MI
 Frey Livestock Supply, PA
 Gentry Homeplace Angus, NC
 Adam Graven, OK
 Gray's Angus, IA
 Vic & Jayne Grissom, OK
 Groveland Farm, VA
 June Hagenbuch, KS
 Oliver Hansen, IA
 Dan & Jill Harker, IN
 Steve Harrison, ID
 Raymond Hartman, AR
 Tyler Hartwell, NE
 Hayfields Farm, GA
 Emelia Heimsoth, MO
 Henderson Farms, IA
 High View Angus, KS
 Highlands Farm, NC
 Hillside Angus, MO
 Hinds Trust, MO
 Hinman Angus, MT
 Hoover Angus Farm, IA
 Clint Hunter, MO
 Hunter Angus, MO
 Illinois Junior Angus Association
 JCL Land & Cattle, OK
 Tim & Leslie Jeffries, KY
 T.V. Jones, WY
 James & Joyce Jullie, MN
 Just Enuff Angus, PA
 Kansas Junior Angus Association
 KCS Angus Ranch LLC, MO
 Thomas Kemp, TX
 Kentucky Junior Angus Association
 Kramer Angus Farm, IL
 LaBoube Farms, MO
 Roger Lankford, FL
 Little Cedar Cattle Co., MI
 Lone Willow Acres, WI
 Loup River Ranch, NE
 Majors Farms, OH
 Maryland Junior Angus Association
 Matt Maurer, NC
 Mike Mayfield, TN
 George McDonald, TN
 Jamie Meyer, AZ
 Kathy Meyer, IL

Michigan Angus Association
 Michigan Junior Angus Association
 Misty Ridge Farm, VA
 James Moore, NY
 James & Dessie Moxley, MD
 Gene & Janel Mullett, OH
 Dave Mullins, VA
 North Carolina Junior Angus
 Association
 Oaky Doaky Angus, MD
 O'Neill Angus, IA
 Jerry & Dona Orr, OK
 Jake Parnell, CA
 Robert & Erma Pascalar, OR
 Poplar Springs Farm, TN
 Prairie View Farms, IL
 Red River Angus, ND
 Andy Rest, MT
 Rogan Angus, SD
 Carol Rohr, IL
 Rollingwood Ranch, CA
 Roselawn Angus Farm, IN
 Chris & Amber Roussel, LA
 Tim Ruggles, MI
 Cody Sankey, MI
 Sankey 6N Ranch, KS
 Scarlett Farms, NC
 Doug & Sandy Sherman, IN
 Tammy Shifflett, WV
 Lewis & Barbara Smith/Caroline Smith
 Lamb, SC
 Spader Farm, MO
 Darrell & Sara Stevenson, MT
 DeAnna Stewart, NC
 Glen & Judy Swanson, IA
 Tehama Angus Ranch, CA
 Stan & Maggie Tennant, NC
 Tennessee Junior Angus Association
 Texas Angus Association
 Lynnelle Thompson, OH
 Toledo Ranches, CA
 TP Angus/The Peebles Family, VA
 Triple Tree Farm, NC
 Wes Untied, OH
 Viagen, TX
 W F Angus Whiteside Family, MD
 Daniel & Keri Ward, OK
 Bruce & Lee Ann Waugh, MN
 Howell Wheaton, MO
 Christopher & Julia Wickard, IN
 Stephen & Nancy Williamson, NC
 Winding River Angus, MT
 Kindra Wood, AL
 Jerry York, ID

Angus Friend

(\$1-\$99)

A J T Angus Inc., VA
 Lou Ann Adams, MO
 Allflex USA, TX
 Jim & Betty Anderson, SD
 Arkansas Junior Angus Association
 Arkansas Junior Angus Grandparents
 Club, AR
 Jared Ayres, KY
 Bakers Lemar Angus Ranch, SD
 Baruth Farms, SD
 Bear Creek Angus Farms, GA
 Bears Den Angus, MT
 Black Diamond Ranch, OR
 Rick & Allison Blanchard, CA
 Bill Bowman, MO
 Brian Brockman, MO
 C.J. Brown, IL
 Kent Brown, IA
 Brian Brown, MT
 Brad Burton, SC
 Bayward & Mary Butler, WV
 Cabin Creek Angus, IN
 Matt Caldwell, KS
 Cameo Farms, KS
 Cascade Angus Ranch, OR

Jerry Cassady, IL
 Circle E Farms, TX
 Courtney Collins, VA
 Gordon Conner, KY
 Kenley Conner, KY
 Eddie & Shelia Cook, OK
 Cornerpost Cattle, KS
 Country Lane Farm, WI
 County Line Angus LLC, AL
 Fred & Mary Curtin, IL
 Julie Dameron, IL
 Jonathan & Melissa Davis, OH
 Donnie Davis, AL
 Craig & Laurie Dethlefs, NE
 Edgar Donahoe, MS
 Marg Dreesmann, MO
 Emerald Point Angus, AR
 Engelberg Angus Farm, AR
 Joe Epperly, VA
 Fair Acres Stock Farms, MN
 Cheryl Fairbairn, PA
 Roselawn Angus Farm, IN
 Galen & Lori Fink, KS
 Vern Frey, ND
 Larry & Marilyn Fullerton, KS
 Renee Fullerton, OR
 Phil & Judy Garrett, TX
 John & Johanna Gomez, ID
 Patti Griffith, MO
 Chuck Grove, VA
 Hagan Family Angus, IA
 Donald & Anna Mary Hammonds, KY
 Joel & Justin Hargis, AR
 Heavenly View Angus Farm, KY
 Heather Hines, TX
 Hogue Farms, KS
 Nancy Hougland, IA
 Richard Houk, IA
 Brian & Judith Howell, IN
 Iowa Angus Auxiliary
 Iowa Junior Angus Association
 JDC Land & Livestock, UT
 Fred & Daisy Jenkins, AZ
 K C J Angus, WI
 Kansas Angus Auxiliary
 Bruce & Cara Kiesewetter, IA
 Kimzey Ranch Partnership Ltd., TX
 Jamie King, OH
 Kori Konkol, WI
 Marvin & Vickey Kramer, IL
 Trever Kuipers, IL
 Matt Lamb, NE
 Garrett Lampe, KS
 Clayton Lampe, KS
 Laughlin Angus, MO
 Gary Lee, LA
 Robert & Tina Lemenager, IL
 Maria Lemenager, IL
 Jeff Mafi, MI
 Keith McCowan, TN
 Haley Meadows, VA
 Alan & Theresa Miller, IL
 Cory & Charlene Miller, KS
 Missouri Junior Angus Association
 Jared Murnin, TX

Lana Myers, LA
 Nebraska Junior Angus Association
 Tom Newlin, PA
 North Dakota Junior Angus
 Association
 Sally Northcutt, MO
 Oak Ridge Angus, MN
 Oedekoven Angus Ranch, WY
 Ohio Junior Angus Association
 Ourso Flower Shop/Clifton Ourso
 Insurance, LA
 Tonya Painter, OH
 Steve & Kelli Patton, IN
 Chris Perry, SC
 Zach Peterson, IA
 Obie Phillips Jr., TX
 Mathew Printz, NE
 Michale Quarton, IL
 Phil & Jeanette Roe, AL
 Dennis & Carol Sample, KS
 Jeana Sankey, KS
 Doug & Glenda Schroeder, IA
 John & Kay Schurr, NE
 SCL Cattle, KY
 Shilo Farms, IL
 Siek-Hall Angus Farm, IA
 J.W. & Velma Simmons, KS
 Daye Sims, MO
 David & Karen Smith, IN
 South Carolina Junior Angus
 Association
 South Dakota Angus Auxiliary
 Southwest Missouri Junior Angus
 Association
 Spade Bit Ranch, NV
 Ebony Hill Farm, IN
 Mike Steadman, SC
 Steve & Kris Sticken, MO
 Edward Stifel III, WV
 John & Deanna Stika, OH
 Dianna & Shawn Stoffer, OH
 Sunnyslope Stock Farm, MN
 Tailor Made Genetics, MO
 Joe Tamme, KY
 TJAGG Farms, TX
 Richard & Kathy Tokach, ND
 Mark & Karen Tremaine, WI
 Triple 3 Bar S Angus, KS
 Triplets Angus Farm, TN
 Turning Point Angus, VA
 Turnpike Creek Farms, GA
 Andrew & Karen Uetrecht, OH
 Darrell & Cynthia Vinson, KY
 Vossler Angus LLC, CO
 Eli & Bette Votaw, NE
 Mark & Debra Weingarh, MO
 Rod Wesselman, WA
 White Oak Farm, IN
 Richard & Wanda Wilson, MO
 Rebecca Wing, FL
 Wisconsin Junior Angus Association
 Keith & June Wood, AL
 Darrell & Cary York, KY
 Raymond Zeltman, MD

Notes and Disclaimer: In addition to the donors listed, the American Angus Association also supported the Foundation in the amount of \$610,681.53 to endow fundraising activities, support education conferences and youth events.

Donor recognition levels include contributions from cash and gift-in-kind donations. Items donated and sold at auction are included at the cash sales value for both the donor and the buyer. If an item is sold in conjunction with other in-kind donations, the gift value of an individual item is established at its estimated retail value.

Donor recognition is not a validation of amount claimed by donor for income tax charitable deduction purposes. Merchandise purchases are not recognized in the donor recognition program. Sponsorships are recognized at the marketed level.

We appreciate your generous support of the Angus Foundation, and we want to recognize you accordingly with 100% accuracy. If we have made an error, please contact the Angus Foundation at (816) 383-5100.

Fundraising on the Links

Not even a torrential rainstorm could stop 60 golfers from hitting the links to support the Angus Foundation at the Angus Foundation Golf Tournament July 11. Prairie View Golf Club, Carmel, Ind., hosted 15 teams of Angus enthusiasts at the sixth annual event, which raised more than \$24,000 to support the Foundation's education, youth and research activities.

"With a new record of 64 generous sponsors, this year's golf tournament was another successful fundraiser for the Angus Foundation," Milford Jenkins, Foundation president, said.

The rain may have shortened the day from an 18-hole to a nine-hole tournament, but it certainly didn't dampen the spirits of players.

"It was pretty wet this year but definitely well worth it," said William Wing of Brooksville, Fla., a second-year player in the tournament and a member of the National Junior Angus Association (NJAA). "I like playing in the Foundation's golf tournament because it gives you a day's break from the bustle of the show barns while you're still involved in a fun Angus activity."

The winning team, representing Cedar Creek Farm, Donalds, S.C., included players Ted Bourne and Chris Perry, both of Donalds, S.C.; and Mike Steadman and Brad Burton, both of Greenwood, S.C.

Second-place team members included the father-son pair of Jeff and Brandon Creamer, both of Montrose, Colo.; Dick Rogen of Brandon, S.D.; and Scott Bush of Britton, S.D.

The third-place team hailed from Minnesota and included players Randy Mitteness and sons Mark and Ryan, all of Ada; and Lynn Ewald of Waldorf.

"We're very appreciative of the players and sponsors who help make this event possible for the Angus Foundation," Jenkins said.



Shared Goals

North Carolina State University (NC State) and the North Carolina Angus Association members who participate in the Spring Fever Sale share in the Angus Foundation's goal to advance the future of the Angus breed through education, youth and research activities.

NC State is home to the historic Upper Piedmont Angus herd started by Jeff and Betsy Penn in 1945. Research projects in NC State's animal science department have used the historic herd to test a wide variety of factors affecting beef cattle production, such as estrus synchronization, vaccination practices, fly control, grazing management and feed efficiency.

To protect this valuable herd and to ensure the future of continued research, the college created an endowment to support it. The North Carolina Angus Association has stepped forward to

pledge a percentage of each year's Spring Fever Sale in support of this NC State endowment fund.

Here's where the Angus Foundation enters the picture. It was also decided the first year's proceeds from the sale of specific lots would be split equally to also benefit the Angus Foundation.

In May 2006, this new partnership raised \$9,000, of which \$4,500 was donated to the Angus Foundation by the North Carolina Angus Association.

The Angus Foundation was honored to be a part of this inaugural fundraising event by the North Carolina Angus Association.

Silent Signs of Support

Angus enthusiasts of all ages came together at the National Junior Angus Show (NJAS) to support the 2006 Angus Foundation Silent Auction. The auction grossed more than \$7,200 in proceeds, benefiting the Foundation's education, youth and research activities. Individual donors and state Angus associations contributed 74 items to the 12th annual auction.

David Lundgren of Ottawa, Kan., purchased the top-selling item, a framed print of Frank Champion Murphy's pastel sketch "The Angus Breed is Launched in the United States of America," for \$1,050. Also included was a first-class 8¢ postage stamp issued in 1973 commemorating the same artwork and the 100th anniversary of the importation of Angus cattle into the United States.

The second-high-selling item also paid tribute to the Angus breed's history. Becky Tiedeman of North Platte, Neb., purchased a portion of the historic Angus bull-patterned carpet that was originally installed in the American Angus Association's library in 1956. The carpet was removed from the library in 1993 and has since become a highly sought Angus heirloom among Angus supporters and collectors, prompting Tiedeman to donate \$600 for the auction item.

Dean and Gloria Hurlbut of Saint Joseph, Mo., donated both top-selling items. With a combined total service of more than 70 years as past Association employees, the Hurlbuts continue their dedication to the Angus breed with annual donations to the Angus Foundation Silent Auction.



Planned Giving Society Introduced

While planned gifts can vary greatly in size, from a few thousand dollars to several million, all donors have one thing in common — they possess a strong desire to provide greater opportunities for future generations of Angus breeders.

In April 2006, the Angus Foundation introduced the Angus Legacy Society, a membership awarded to Angus enthusiasts who want to advance the future of the Angus breed through planned giving. Response to this new program has been exciting, with several commitments received within months of the Society's introduction.

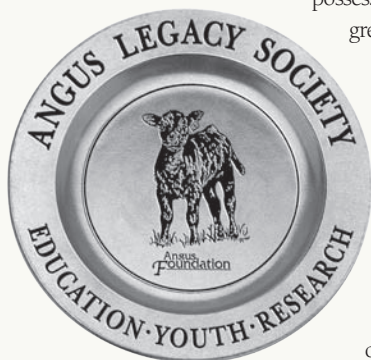
Angus supporters can become members of the Angus Legacy Society by:

- designating the Angus Foundation to receive a bequest by will or revocable living trust;

- establishing a life income gift such as a charitable remainder trust;
- naming the Angus Foundation owner and/or beneficiary of a life insurance policy; or
- providing for the Angus Foundation through a retirement account.

After Angus supporters inform the Angus Foundation in writing of their planned giving arrangements, they become members of the Angus Legacy Society and receive a commemorative pewter plate to symbolize the enduring legacy made possible by their gift. If requested, anonymity is provided.

With permission, members' names are engraved on a permanent plaque prominently displayed in the American Angus Association headquarters, home to the Angus Foundation in Saint Joseph, Mo. Most importantly though, Angus Legacy Society members gain the immeasurable satisfaction of knowing they have left an enduring legacy and helped advance the future of the Angus education, youth and research programs for the benefit of future generations of Angus breeders.



Investing in the Future

Angus cattle have been the life and livelihood of Joseph Schaff, Saint Anthony, N.D., from the time he purchased his first Angus heifer in 1946 until his Schaff's Angus Ranch herd peaked at 800 cows. Through the ups and downs of six decades in the Angus business, Schaff has been an ardent supporter of youth involvement in the breed.

"I've personally helped many young people get started in the Angus breed, giving youngsters an opportunity to purchase cattle at a modest price or lease them some heifers," Schaff says.



"The Angus breed has been good to me, and I've always wanted to do something special for Angus youth to pay back the many benefits I've received from the breed over the years."

With a \$10,000 gift this year to the Angus Foundation, Schaff and his wife, Ruby, created a scholarship endowment that will continue to invest in future generations of Angus breeders for years to come. The "Joseph and Ruby Schaff/Schaff Angus Ranch Scholarship Endowment Fund" will annually provide one Angus youth with a \$500 scholarship to further his or her education.

"Youth involvement in the industry is very important," Schaff says. "It creates new breeders and adds interest and awareness to industry progress. University education is more important than ever for these young breeders, and Ruby and I are thankful we're able to do something to support them."

Lynsey Frey of Granville, N.D., a freshman at North Dakota State University, received the first scholarship to be generated by this endowment at the 2006 National Junior Angus Show in Indianapolis, Ind.

In Honor of a Mentor

A relative newcomer to the Angus breed, John Morgan of John Morgan Angus in Mystic, Ga., has already made a lasting impression on the industry's future through his contributions to the Angus Foundation. Earlier this year, Morgan and his wife, Jan, made a \$10,000 gift to the Angus Foundation in honor of David McMahan of Belle Point Ranch of Lavaca, Ark.

Though he's been farming since 1976, it wasn't until 1999 that Morgan entered the cattle business. By 2001, he'd made the decision to switch to Angus cattle. He currently raises 250 Angus females and 400 commercial recipients.

"I get excited about Angus cattle every day," Morgan says. "It's great to be part of an industry that invests in itself and has such good people. The best people I know are in the Angus business, and that's part of the reason why I wanted to make this gift."

Now in his fifth year of Angus breeding with three production sales under his belt, Morgan says he would have struggled to make it without the mentors who helped him along the way. The most prominent of those mentors, he says, was McMahan.

"I respect Dave," Morgan says. "He's done a lot to help me personally get established in the business, and he's made great contributions to the entire Angus industry. I wanted to do something that paid tribute to him that people would remember for a long time."

Morgan's unrestricted donation will be used to advance the Foundation's education, youth and research pursuits, all of which he says are essential to the success of our industry.

"We all try to give back and show a little gratitude for what we've been given over the years," Morgan says. "This donation to the Foundation in honor of Dave is just my way of giving back."



Creative Giving

‘We make a living by what we get, but we make a life by what we give,’ Winston Churchill once said.

This year, one Angus operation’s creative support of the Angus Foundation has shown that you can both make a living and make a life of giving in the Angus industry.

Managed by John and Laurie Widdowson and owned by Ray and Mary Alger, SandPoint Cattle Company of Lodgepole, Neb., donated 1% of its gross income from its Power of the Point Sale to the Angus Foundation. With 59 lots sold, the annual production sale grossed just more than \$1.5 million, resulting in a \$15,512 gift to the Angus Foundation.

“We see our sale as the biggest day of the year for us, and thus it’s also our biggest opportunity to give back to the things we care about,” Laurie explains. “Our three little boys are still too young to participate in the junior Angus program, but we want to ensure that those programs are there for them and other children in the future.”

Laurie says that, for her, supporting the Angus Foundation is all about the youth, but for John it’s all about the education programs and research.

“Just five years ago we only had 50 registered cows and so I know how important education opportunities are to small breeders,” John says. “Plus, if Angus is going to continue staying ahead

in the beef industry, we have to invest in research. It’s the future of our breed.”

Regardless of their individual motivation, Laurie says the bottom line is that they all believe in supporting the Foundation.

“Donating 1% of our gross sale income was a great opportunity to show all of our friends and fellow breeders in attendance that we care about our industry’s future. Hopefully seeing that will encourage others to think about ways they can give to the Foundation, too.”



The Widdowson family and the Alger family creatively supported the Angus Foundation this year with 1% of SandPoint Cattle Company’s gross sale income, resulting in a \$15,512 gift.

Research Advances the Angus Breed

The Angus Foundation envisions a future where valuable information from scientific research is freely available to Angus breeders and the beef industry. Investments in research will advance the Angus breed by speeding progress in the development of production efficiency, value-added products, genetic advancements and consumer satisfaction, all of which increase profitability for Angus breeders.

The Angus Foundation donated \$24,000 this fiscal year to support research that will help the scientific community sequence the bovine genome. By studying the bovine genome, researchers are able to identify genes that influence production traits and carcass traits in cattle. The bovine genome-sequencing project is a collaborative effort of the U.S. Department of Agriculture (USDA), university genomics specialists and various breed associations, including the American Angus Association.

Genome sequencing has already been conducted on Angus, Hereford, Limousin

and Brahman cattle. Now, researchers are working to develop a large number of single nucleotide polymorphisms (SNPs), also known as DNA markers. USDA asked breed associations, including Angus, to assist in developing a future resource of 300,000 SNPs for beef industry researchers. Angus Foundation funds were used to support the Angus contribution to this endeavor.

The goal of this project is to fully characterize 25,000 SNPs across at least 15 breeds. The initial breeds involved include Angus, Limousin, Brahman, Holstein, Jersey and Norwegian Red.

Long term, this project will produce public domain access of SNPs associated with the genome map. This level of accessibility will enable the beef industry to apply SNPs to parentage, traceback, genetic selection, and continued study of the bovine genome and its evolution.



The Angus Foundation invested \$24,000 in bovine genome mapping this year, a scientific pursuit whose longterm results could provide public domain access to valuable information for all Angus breeders.

Financial Statements

Independent Auditor's Report

Board of Directors
American Angus Association
Saint Joseph, Mo.

We have audited the accompanying statement of financial position of Angus Foundation as of September 30, 2006, and the related consolidated statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Angus Foundation as of September 30, 2006, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Saint Joseph, Mo.
October 13, 2006

Angus Foundation Statement of Financial Position

September 30, 2006

ASSETS

Current Assets

Cash and cash equivalents	\$ 27,401
Accounts receivable – other	88,110
Pledges receivable	75,000
Interest receivable	3,678
Inventories	105,897
Prepaid expenses	23,283
Total current assets	<u>323,369</u>

Investments

Unrestricted	1,548,695
Board designated	711,005
Temporarily restricted	1,639,214
Permanently restricted	45,000
Total investments	<u>3,943,914</u>

Long-term Pledges Receivable — Net

190,919

Total Assets

\$ 4,458,202

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 54,617
Accrued liabilities	6,598
Deferred income	30,000
Taxes payable	7,000
Total current liabilities	<u>98,215</u>

Long-term Liabilities

Accrued postretirement benefits	11,000
Deferred income	120,000
Total long-term liabilities	<u>131,000</u>

Total liabilities

229,215

Net Assets

Unrestricted:	
Operating	1,770,966
Board designated	726,998
Temporarily restricted	1,661,023
Permanently restricted	70,000
Total net assets	<u>4,228,987</u>

Total Liabilities and Net Assets

\$ 4,458,202

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

Angus Foundation Statements of Activities and Changes in Net Assets

Year Ended September 30, 2006

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support, Revenues and Reclassifications				
Royalties	\$ 48,419	\$ —	\$ —	\$ 48,419
Contributions	674,055	553,540	60,000	1,287,595
Other miscellaneous	2,240	—	—	2,240
Merchandise sales	29,249	—	—	29,249
Investment income	79,941	36,843	—	116,784
Support fees	65,845	—	—	65,845
	<u>899,749</u>	<u>590,383</u>	<u>60,000</u>	<u>1,550,132</u>
Net assets released from restrictions:				
Expiration of purpose restrictions	35,940	(35,940)	—	—
Change of donor restrictions	(55,012)	55,012	—	—
	<u>880,677</u>	<u>609,455</u>	<u>60,000</u>	<u>1,550,132</u>
Expenses				
Program services	357,877	—	—	357,877
Marketing and promotions	127,969	—	—	127,969
Operations and general expenses	68,771	—	—	68,771
	<u>554,617</u>	<u>—</u>	<u>—</u>	<u>554,617</u>
Changes in net assets before postretirement benefit expenses, net unrealized gain on investments and provision for income taxes	326,060	609,455	60,000	995,515
Provision for Postretirement Benefits	(11,000)	—	—	(11,000)
Net Unrealized Gain on Investments	40,566	51,568	—	92,134
Changes in net assets before income taxes	355,626	661,023	60,000	1,076,649
Provision for Income Taxes	(7,000)	—	—	(7,000)
Changes in Net Assets	348,626	661,023	60,000	1,069,649
Net Assets, Beginning of the Year	2,149,338	1,000,000	10,000	3,159,338
Net Assets, End of Year	<u>\$ 2,497,964</u>	<u>\$ 1,661,023</u>	<u>\$ 70,000</u>	<u>\$ 4,228,987</u>

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

Angus Foundation Statements of Cash Flows

Year Ended September 30, 2006

Cash Flows From Operating Activities	
Changes in net assets	\$ 1,069,649
Adjustments to reconcile changes in net assets to cash provided by operating activities:	
Net realized gain on sale of investments	(48,326)
Net unrealized gain on investments	(92,134)
Net effect of changes in operating assets and liabilities:	
Accounts and interest receivable	(54,330)
Pledges receivable—net	(265,819)
Inventories	(11,350)
Prepaid expenses	(21,597)
Accounts payable	29,132
Taxes payable	7,000
Accrued liabilities, deferred income, and postretirement benefits	<u>164,823</u>
Net cash provided by operating activities	<u>777,048</u>
Cash Flows From Investing Activities	
Proceeds from sale of investments	314,221
Purchases of investments	<u>(1,406,775)</u>
Net cash used in investing activities	<u>(1,092,554)</u>
Net Decrease in Cash and Cash Equivalents	(315,506)
Cash and Cash Equivalents, Beginning of Year	<u>342,907</u>
Cash and Cash Equivalents, end of year	<u>\$ 27,401</u>

These financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to financial statements.

Angus Foundation Summary of Significant Accounting Policies

September 30, 2006

Angus Foundation (the Foundation) is a not-for-profit organization incorporated in the State of Illinois in 1980. The Foundation's principal activities are to secure, manage, and steward charitable gifts for the purpose of cultivating and fostering the advancement of education, youth, and research activities related to the Angus breed of cattle. Significant accounting policies followed by the Foundation are presented below.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Significant estimates incorporated into the Foundation's financial statements include the estimated discount for future pledge receivables. Actual results could differ from those estimates.

Net Assets

Financial statement presentation follows the recommendations of Financial Accounting Standards Statement No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS-117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets; temporarily restricted net assets; and permanently restricted net assets.

Unrestricted Unrestricted net assets include all net assets that are neither temporarily nor permanently restricted.

Temporarily Restricted Temporarily restricted net assets include contributed net assets for which donor imposed time and purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted.

Permanently Restricted Permanently restricted net assets include contributed net assets, which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, investments with banks, mutual funds, short-term discount notes, and money market accounts with an initial maturity date of three months or less. Some investments meeting these criteria are instead classified as long-term investments if it is the Foundation's intent that they be consistently considered as part of the long-term investment pool.

Pledges and Accounts Receivable

Pledges receivable are for unconditional promises to give that are due within one to five years. Pledges receivable are stated at the pledged amount, with the exception that long-term promises to give are discounted to reflect their present value. Because these balances tend to be from dedicated community leaders or from trusts and wills, they have been generally deemed to be collectible. An allowance account is established whenever, in the judgment of management, collection of a balance is questionable.

Angus Foundation Notes to Financial Statements

September 30, 2006

Pledges receivable, due in subsequent years, are reported at the net present value of the stated amount.

Other accounts receivable are for products and services and are generally due within 30 days of the invoice date. As the receivables tend to be small and are generally collectible, no valuation allowable is required.

Inventories

Inventories consist primarily of promotional, educational, and support items. Inventories are stated at the "lower of cost or market value" with cost being determined on the "first-in, first-out" (FIFO) basis of accounting.

Investments

Investments include U.S. Government and other governmental agency securities, mutual funds, equity securities, certificates of deposit, and money market accounts. Investments in U.S. Government and other governmental agency securities, mutual funds, and equity securities are carried at fair value with unrealized and realized gains and losses on investments reported as an increase or decrease in the appropriate category of net assets. Certificates of deposits and money market accounts are carried at cost.

Postretirement Benefits

The Foundation provides certain health care benefits for retired employees who meet eligibility requirements. The Foundation's share of the estimated costs of benefits, which will be paid after retirement, is generally being accrued by charges to expense based upon the actuarial life expectancy of each eligible employee.

Deferred Revenue

The Foundation received a pledge that includes a provision calling for the Foundation to provide certain services to be acquired from affiliate organizations. The revenue related to these future services is deferred until future years when the services are provided.

Income Taxes

The Angus Foundation is a not-for-profit organization that is exempt from income taxes under section 501(c)(3), and is not considered to be a private foundation. The Foundation is subject to income taxes on unrelated business income.

Description of Programs

The Angus Foundation develops, assists, and sponsors educational programs, supports youth programs, and sponsors scientific research on topics related to agriculture.

Functional Allocation of Expenses

The indirect functional costs of providing the various programs and activities of the Foundation have been allocated amongst those programs according to allocation principles believed to be most representative by management of the actual efforts required by those programs. Program expenses include both these allocated costs and the direct costs of providing each program.

Note 1—Pledges Receivable

General pledges receivable contain the following components:

Total general pledges receivable	\$ 275,000
Less: unamortized discount	<u>9,081</u>
Net general pledges receivable	265,919
Less: current portion	<u>75,000</u>
Long-term pledges receivable — net	<u>\$ 190,919</u>

The general pledges receivable are expected to mature according to the following schedule:

2007	\$ 75,000
2008	50,000
2009	50,000
2010	50,000
2011	<u>50,000</u>
Total	<u>\$ 275,000</u>

Interest was imputed at a rate of 5% in discounting long-term general pledges to give.

The Foundation has been informed of multiple donor's naming the Angus Foundation as a charitable beneficiary in their revocable wills. Since the gifts are revocable, they are not reflected within the accompanying financial statements due to their conditional nature.

Note 2—Investments

The following is a summary of investments held at September 30, 2006:

Held at fair market value:

U.S. Government and other governmental agency securities	\$ 498,053
Mutual funds	1,890,180
Equity securities	892,937

Held at cost:

Certificates of deposits	478,203
Money market accounts	<u>184,541</u>
Total investments	<u>\$ 3,943,914</u>

Investment returns for the year ended September 30, 2006 consist of the following:

Interest and dividend income	\$ 71,490
Net realized gains	48,326
Management fees	<u>(3,032)</u>
Investment income	116,784
Net unrealized gain	<u>92,134</u>
Total investment return	<u>\$ 208,918</u>

This information is an integral part of the accompanying financial statements.

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Note 3—Pension and Postretirement Benefit Plans

The Foundation sponsors a qualified noncontributory defined contribution plan, which covers substantially all full time eligible employees. Contributions are established by the Board of Directors and are purely discretionary. Contributions to the Plan are based upon eligible employee salaries and years of service. During the fiscal year ended 2006, the Foundation contributed \$3,143.

During the fiscal year ended September 30, 1997, the Plan was amended to include a supplemental savings and retirement plan qualified under Section 401(k) of the Internal Revenue Code. Eligible employees may contribute a percentage of their eligible salary subject to federal statutory limits.

During the fiscal year ended September 30, 2001, the Board of Directors approved a plan to provide supplemental health care benefits to employees who meet certain years of service requirements. This benefit is to be funded from the general assets of the Foundation as they are incurred. The following is information about the benefit obligation and assumptions related to this benefit plan as of September 30:

Benefit obligation — net	\$ <u>11,000</u>
Accrued benefit cost:	
Current liability	\$ —
Long-term liability	<u>11,000</u>
Total	<u>\$ 11,000</u>
Benefits expense	<u>\$ 11,000</u>
Weighted average assumptions:	
Discount rate	6%
Expected return on plan assets	8%

Note 4—Provision for Income Taxes

The provision for income taxes for the Foundation consists of taxes on unrelated business income for credit card royalties of \$48,419 and the related estimated tax expense and payable of \$7,000 for the year ended September 30, 2006.

Note 5—Allocation of Joint Costs

The costs associated with fund raising have been specifically identified by function and have been presented in the Statement of Functional Expenses as marketing and promotions expenses. The cost of conducting these activities include a total of \$254,503 of joint costs, which were not specifically attributable to particular components. The joint costs were allocated as follows:

Program service	\$ 78,901
Marketing and promotions	123,476
Operations and general expenses	<u>52,126</u>
Total	<u>\$ 254,503</u>

Note 6—Board Designated, Temporary and Permanent Restrictions

Included in unrestricted net assets is the following Board designation:

Donor relations and general administration	\$ <u>726,998</u>
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The temporarily restricted net assets balance consists of restrictions for:

Research	\$ 19,500
Youth programs	2,310
Future operations	<u>1,639,213</u>

Total temporarily restricted assets balance	<u>\$ 1,661,023</u>
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Permanently restricted net assets represent four endowments totaling \$70,000 for 2006, the income from which is temporarily restricted support for the Angus Foundation programs.

Note 7—Related Parties

The Foundation paid an affiliated organization \$9,750 for rent of facilities and equipment, and administrative services, during the year ended September 30, 2006. Included in accounts payable is a payable of \$11,177 due to an affiliate organization at September 30, 2006.

During 2006, an affiliated organization contributed \$610,682 to cover current and future administrative services and donor relations.

An affiliated organization has also made a conditional commitment to the Foundation to provide up to \$300,000 of support for 2007 administrative and promotional costs. Due to its conditional nature, the commitment has not been reflected in these financial statements.

This information is an integral part of the accompanying financial statements.