

angus foundation

building a strong foundation: stone by stone

2009
annual report



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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.

foundation focus

Rome wasn't built in a day ... as the old saying goes. The pyramids of Egypt, the Great Wall of China and the Parthenon are all amazing examples of the power of people working side by side, day by day to build something greater, something that stands the test of time. Your Angus Foundation is striving to build the same through the Vision of Value: Campaign for Angus. Now at the halfway milestone, the campaign is a testament to people giving tirelessly to build something for the future. It's a testament to seeing the greatness that can be achieved in education, youth and research if only we keep building. Side by side ... stone by stone ... for the future of the Angus breed.

progressive spirit: *Equals Brighter Future*

Thanks to the collective energy and generosity of hundreds of people across America, the Angus Foundation is now more than halfway to reaching its goal of \$11 million in its *Vision of Value: Campaign for Angus*.

The Angus Foundation is like few other organizations in the country. It is an investment not just in rural America, but specifically in the future of the Angus breed. It ensures our breed will remain on the forefront of research, and that our community will continue to invest in youth and education.

The American Angus Association® enjoys a long history of making critical decisions and important investments during difficult times. *Certified Angus Beef*® (CAB®) brand was launched in the late 1970s, following years of market share declines for the breed. In 1979, the Association purchased the *Angus Journal* — the industry's largest beef publication — and a year later, it established the Angus Foundation.

Today that same progressive spirit is embodied in the Angus Foundation, which, through your contributions, provides invaluable opportunities throughout the year.

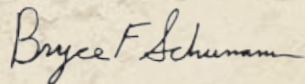
The difficult economic times of the last year mean we must double our efforts to ensure the future for our kids and our breed.

We're at a pivotal point in the history of the cattle business, where not only tough markets have placed pressure on our enterprise, but also new and emerging social pressures on modern agricultural practices.

It is more critical than ever before that we strengthen our interests through education, research and youth activities.

During the last 12 months, Angus breeders have not only recognized the challenges we face, but have risen to meet them.

I am proud of your generosity, and confident it will go a long way in ensuring a brighter future for all of us.



Bryce Schumann, Chief Executive Officer, American Angus Association



your support: *The Building Block to Success*

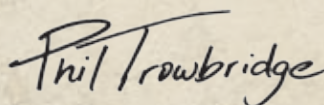
In my role as chairman of the Angus Foundation Board of Directors, I want to thank you for your *generous* support.

We know full well that with the difficult economic environment, maintaining the same levels of charitable support as in past years is becoming increasingly difficult, and the competition from charities for our time, resources and help is unprecedented.

With Angus cattle being our way of life and livelihood, can we afford, however, to maintain the status quo by holding hostage our Angus youths' dreams of attending college and members' quest for information on feed efficiency, carcass merit, nutrition or herd health management practices?

In our view, investing in the Angus breed by contributing to the Angus Foundation has never been more important than it is today, as evidenced by the proven track record of ever-expanding complementary roles the Angus Foundation is serving the American Angus Association® and us, as Angus breeders and members.

Fellow Angus breeders and members, join us in further building a stronger Angus Foundation. We need your continued support!



Phil Trowbridge, Chairman, Angus Foundation



president's report

When building anything in life, challenges will be incurred. Unforeseen obstacles arise. New hurdles must be overcome. Circumstances beyond one's control negatively affect anticipated forward progress. Our resolve has been tested this fiscal year.

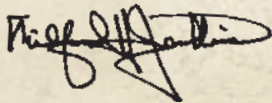
How we react to adversity determines our future. Illustrating unwavering dedication, generous Angus breeders, allied industry interests and friends steadfastly placed high priority on further building their Angus Foundation even in the face of tough economic times in recent history.

Gift by gift, contribution by contribution and, yes, figuratively speaking, stone by stone, each investment, regardless of size, has played a crucial role in building a stronger Angus Foundation today so that we can better address the needs of tomorrow's Angus breed.

Expanded scholarship and leadership training opportunities for Angus youth, continued education experiences for members and commercial producers, and new investments in marbling research and reproduction efficiency in bull fertility further strengthened the base of support provided by your Angus Foundation.

Engendered by your philanthropic engagement in *Vision of Value: Campaign for Angus*, you helped build and bring these capabilities to reality. To you, we say "Thank you!"

Together, we will both traverse and overcome the economic adversities currently besetting us, resulting in us successfully building a stronger Angus Foundation for the Angus breed!



Milford Jenkins, President, Angus Foundation



The 2009 Angus Foundation Board of Directors includes (front row, from left) Cathy Watkins, President Milford Jenkins, Chairman Phil Trowbridge, Secretary Rich Wilson, Vice Chairman Bryce Schumann, (back row, from left) Jim Rentz, Doug Schroeder, Joe Hampton, Jarold Callahan and Arlen J. Sawyer.



campaign for angus: *Reaches 50% of \$11 Million Goal*

The Vision of Value: Campaign for Angus, the first capital campaign launched by the Angus Foundation and American Angus Association® to support Angus education, youth and research projects, has now raised more than \$5.5 million toward its goal of \$11 million by Dec. 31, 2011.

With a significant gift of \$25,000 to the Angus Foundation, the Iowa Junior Angus Association helped bring the campaign to the halfway mark. Through the establishment of a permanent Iowa Junior Angus Association Scholarship Endowment Fund, the Iowa juniors designated the funds to be used for scholarships through the Angus Foundation's Scholarship Program.

"It's profoundly meaningful and even symbolic that Angus youth took us over the halfway milestone as this campaign is about the future of our Angus breed," Milford Jenkins, Angus Foundation president, said. "It's even more humbling when junior members see the benefit in giving back to their fellow junior members through the Angus Foundation."

The Campaign for Angus aims to raise \$3.5 million to fund educational programs, \$6 million to further support Angus youth and \$1.5 million to bolster research activities.

Now beginning the fourth year of the campaign's public phase, the Angus Foundation continues to look for ways to advance the Angus breed. Through the support of past, present and future donors, the mission of the Angus Foundation will be fulfilled.

*McMahon Family
and Multiple Contributors
Establish Rising Angus Star Scholarship*

With a significant gift of \$25,000 in tribute to their longtime friend Jerry Gay of Jerry Gay Insurance Agency, Memphis, Tenn., the McMahon family of Belle Point Ranch, Lavaca, Ark., further increased the level of funding for the Rising Angus Star Youth Scholarship Fund established this year. With the help of other compassionate Angus breeders they have created a full-tuition scholarship that goes a long way toward helping individuals with special needs.

The financial gift provided by the McMahon family is just a portion of the more than \$100,000 they have graciously donated to the Angus Foundation's education, youth and research activities this fiscal year. Supporters of the Angus Foundation since the 1980s, David and Mary Ann McMahon and family are to be commended for recognizing the need for such a scholarship and having the passion to make it happen.

“The Angus Foundation relies on donors who recognize the value in the work that we do. They believe in the opportunities we provide to all members of the Angus breed, through our investments in education, youth and research projects.”

— ***Milford Jenkins, Angus Foundation president***

*Greenacres Foundation Supports
NJAA Leadership Conferences*

Donating \$100,000 to support the National Junior Angus Association's Leaders Engaged in Angus Development and Raising the Bar conferences, the Greenacres Foundation of Cincinnati, Ohio, knows their support will empower Angus youth across the country to become outstanding leaders in the beef cattle industry. Greenacres Foundation provides a unique opportunity for greater Cincinnati residents to participate in environmental and agricultural education programming, including a small herd of approximately 20 registered Angus females. More than 6,000 children and adults visit Greenacres annually. Their gift shows their commitment to funding programs that benefit all members of the NJAA through the leadership training of state junior Angus association officers and directors.

*Canyon Creek Angus LLC
Purchases the 2009 Angus
Foundation Heifer Package*

Ron and Myki Simek, owners of Canyon Creek Angus LLC, Cody, Wyo., bid \$92,500 Jan. 15 to purchase the 2009 Angus Foundation Heifer, donated by Chris McCutchen, owner of Limestone LLC, Perkins, Okla.

This marks the second time in four years that the Simeks have supported the Angus Foundation through the auction of the Angus Foundation Heifer Package. They purchased the 2006 Angus Foundation Heifer Package for a recording-setting \$250,000.

Time and time again the Simeks have believed in the mission of the Angus Foundation, and have stepped up to the plate to help us fulfill that mission. To honor their dedication to the Angus Foundation and Angus youth, the Simeks were inducted into the Honorary Angus Foundation at the National Junior Angus Show July 19-25 in Perry, Ga.



education:

The Cornerstone of Opportunity

Opportunities for continuing education empower Angus breeders of all ages to develop technical expertise and refine leadership skills.

For 29 years, the Angus Foundation has funded numerous programs that focus on the educational enhancement of new and veteran beef producers. Funding such American Angus Association adult programs as Beef Leaders Institute and Angus Leaders Boot Camp, the Angus Foundation has shown their commitment to investing in the beef industry.

A focus of the Angus Foundation has always been education, and today the Angus Foundation is diligently striving to increase its portfolio of funding to better address the education needs of Angus breeders. Increased opportunities for education help to build a solid base of Angus knowledge within the entire membership and will aid in securing a more profitable future for the agricultural industry.

Existing programs such as Cattlemen's Boot Camp can continue to grow with increased support. New and innovative educational conferences, short courses, seminars and other instructional opportunities will be established to even further help breeders stay abreast of Angus and beef industry issues such as genetics, reproduction, management, marketing, processing and food safety.

Beef Leaders Institute Empowers Young Producers

Twenty Angus producers from across the United States explored various segments of the beef industry May 31-June 3, 2009, during the second annual Beef Leaders Institute, hosted by the American Angus Association® and funded through the educational efforts of the Angus Foundation. Tours, presentations from industry experts and interaction with staff from the Association, along with networking opportunities, allowed an in-depth look at the entire beef production sector.

The event is designed to identify active Association members ages 25-45 who are leaders in the beef industry and expose them to all aspects of the industry — from feeding, packing and processing to retail and distribution.

“By sponsoring education, the Angus Foundation allows us to coordinate with universities to really educate producers on production practices, and it allows us to put an Angus message along with that.”

— **Bill Bowman**, American Angus Association COO

Cattlemen’s Boot Camp Goes to Michigan and Kansas State Universities

Cattle producers made their way to Cattlemen’s Boot Camps across the United States this past year. Both Michigan State University, East Lansing, Mich., and Kansas State University, Manhattan, Kan., hosted 1½ day seminars along with the American Angus Association® and the Angus Foundation.

Grazing management, herd health, animal welfare, marketing and end-product merit are just a few of the topics that were discussed by industry experts, the American Angus Association, and Certified Angus Beef LLC (CAB). In addition, hands-on sessions on identification methods, body condition scoring, cattle handling and administering vaccinations were covered.

Dameron Selected to Represent Angus at YCC

Jeff Dameron, Normal, Ill., was selected to represent the American Angus Association® at the 2009 National Cattlemen’s Beef Association Young Cattlemen’s Conference.

The Angus Foundation sponsored Dameron’s registration and travel expenses. This is the seventh year the Angus Foundation has provided funding for an Association member to attend YCC.

YCC allows young registered and commercial beef cattle producers the chance to see firsthand and further understand all aspects of the beef industry. Attendees participate in 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.

“YCC is another outstanding opportunity for the Angus Foundation to invest in the education of our young-adult Angus breeders and members. By investing in education, one of the three priorities in our mission statement, we hope to provide our members with the continuing knowledge they need to succeed in the cattle business,” Milford Jenkins, Angus Foundation president, states.



youth:

The Cornerstone of our Future

Since its inception, a primary funding focus of the Angus Foundation has been to provide Angus youth opportunities to become strong leaders for the future of the Angus breed and the agricultural industry. This is being accomplished by awarding scholarships, supporting programs and activities of the National Junior Angus Association and emphasizing the development of personal growth and leadership skills through varied contests, service on the NJAA Board of Directors, and involvement in the National Junior Angus Show.

Nearly 7,000 Angus youth are members of the NJAA, developing character, communication skills and leadership abilities that will prepare them to be future leaders of the Angus breed, the beef cattle industry, and our country.

The goal of the Angus Foundation has always been to boost support of NJAA activities for these youth, enabling them to receive increased access to these valuable opportunities. With the help of generous supporters, additional leadership training will be offered, and scholarship programs will be enhanced to help more Angus youth realize their dreams of higher education.

Raising the Bar

Members of the National Junior Angus Association came together for the Raising the Bar Officer Training, May 15-17, 2009, in Fort Washington, Pa. The conference included 13 attendees from four states plus four NJAA Board members.

Raising the Bar is highly intensive leadership training for officers to build stronger teams within their state junior associations and to develop and utilize regional relationships. Raising the Bar is open to five state officers and two state advisors from each state in that region. It is provided through financial support from the Angus Foundation.

The workshops, prepared and conducted by the NJAA Board of Directors, included fundraising, public speaking, membership and the mentoring program, parliamentary procedure, and individual officer training. The attendees also participated in team building and goal setting activities, which included climbing a rock wall.

This is the third year Raising the Bar has allowed officers and advisors from state junior Angus associations to meet regionally.

“A fellow once remarked to me that there are very few of these youth that will stay involved in production agriculture when they grow up, but they will all become citizens. I thought that was really significant. For these youth to be involved in a program like the NJAA that builds leadership, citizenship and character, that’s really something.”

— ***John Crouch, former CEO, American Angus Association®***

Young Angus Breeders Seize ‘The Golden Gate to Opportunity’ at LEAD

National Junior Angus Association members from 34 states and Canada participated in the Leaders Engaged in Angus Development Conference, Aug. 6-9, 2009, in San Francisco, Calif. The 184 youth and advisors gained insight into the environmental, animal-welfare and economic challenges facing California agricultural producers while developing leadership and team-building skills.

“The Golden Gate to Opportunity” was this year’s theme for LEAD, which is funded through the Angus Foundation and designed for NJAA members 14 to 21 years old.

Foundation Awards Scholarships

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

Generous unrestricted funds from Angus supporters enabled the Angus Foundation to award \$125,000 in general undergraduate and graduate scholarships to 57 members of the National Junior Angus Association at the 2009 National Junior Angus Show in Perry, Ga. More than \$53,000 in additional scholarships was awarded to another 35 Angus youth from donor named-endowment and non-endowed specified funds administered by the Angus Foundation this year.



research:

The Cornerstone of Profitability

Producing a quality product to satisfy customers has long been the goal of Angus breeders. Helping to fund research activities for the purpose of advancing the agricultural industry benefiting Angus breeders and other beef producers has long been a goal of the Angus Foundation. Since 2005, the Angus Foundation has invested more than \$575,000 in multiple new and ongoing research projects aimed at helping Angus producers fulfill their goals. The Angus Foundation is doing its part to ensure the future of the Angus breed and the cattle industry are on the cutting edge of science and profitability.

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.

Research projects to identify possible solutions to the unique challenges incurred by agricultural interests, specifically the beef cattle industry and its various segments from the producer to the consumer, will continue to be at the forefront of the Angus Foundation's research activities.

Marbling Development Research Receives Angus Foundation Funding

In a collaborative project between multiple universities spearheaded by Stephen Smith of Texas A&M University, researchers will look at the effects of fatty acids on the differentiation of fat cells from intramuscular fat depots — which give rise to marbling — as well as those from subcutaneous fat.

Smith, along with colleagues at the University of Idaho and Texas Tech University, submitted the proposal titled, “Regulation of Marbling Development in Beef Cattle by Specific Fatty Acids” to the Angus Foundation for funding consideration.

The American Angus Association®’s Research Priorities Committee had made marbling research one of its top priorities and sought financial support from its nonprofit affiliate the Angus Foundation in order to provide supplemental funding for the project.

“Marbling and quality of end product surfaced in our priority list,” Milford Jenkins, Foundation president, says. “If we can help our Angus seedstock and commercial producers enhance their profitably through utilization of Angus genetics, then we believe it’s a win-win-win.”

Angus Foundation Continues Support to Multiyear Genetic Evaluation and Methodology Research

In a project aimed at developing genetic evaluation methodology and implementation of research, as well as exploring the potential for new trait development, the Angus Foundation has committed \$300,000 over five years to the University of Georgia. Initiated in 2007, beef cattle field data will be used to conduct research in a variety of areas, including the analysis of beef growth data, development of genetic values for reproductive traits, calving ease, carcass traits and maintenance energy. Along with the analysis of these traits the study also intends to estimate genetic and environmental parameters for use in the evaluation of economically important traits.

“The Angus Foundation is prioritizing their research dollars toward the science that will support the discovery of cattle traits that will make an economic difference to our breeders. Merging DNA markers with EPDs as they become available will be a high priority.”

— ***Jim Coleman, Vintage Angus Ranch***

Angus Foundation Awards \$25,000 in Funding to Bull Fertility Project

With \$25,000 in support from the Angus Foundation, Mississippi State University (MSU) has launched a research project aimed at studying bull fertility.

Erdogan Memili of MSU states that despite improvements in genetics, reproduction efficiency of cattle has been declining and causing millions of dollars of economic loss. A thorough understanding of proteins and gene sequences regulating bull fertility are essential for obtaining consistently high reproductive efficiency and to ensure lower cost and prevent time loss by breeders.

As the lead researcher, Memili hopes this research will help to identify protein biomarkers and SNP markers associated with Angus bull fertility and to make these markers available to producers.

“We feel that research will make a significant impact on Angus breeders as we are able to more thoroughly understand the proteins and gene sequences that regulate bull fertility, and how their function is essential for obtaining consistently high reproductive efficiency,” states Bill Bowman, COO of the American Angus Association.®

donors building the 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 Oct. 1, 2008, through Sept. 30, 2009. 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

(\$1,000,000 and above)

Angus Visionary

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

Angus Leader

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

Angus Builder

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

Belle Point Ranch, AR
Greenacres, OH
Limestone LLC, OK

Angus Patron

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

Canyon Creek Angus LLC, NV

Angus Platinum Benefactor

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

Iowa Junior Angus Ass'n
Ohio Junior Angus Ass'n

Angus Gold Benefactor

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

American Angus Auxiliary
Anonymous
BioZyme Inc., MO
Briarwood Angus Farms/
Curtis & Ann Long, MO
Certified Angus Beef LLC, OH
Chambers Angus, OR
G&C Food Distributors, NY
Kiamichi Link Ranch LLC, OK

Palmer Food Service, NY
Murl & Lucian Richardson
Sr., TX
Sterling-Hunter Farms, MI
Sysco Corp., TX
Tanner Farms, MS
Whitestone Farm, VA
Western States National
Junior Angus Show

Angus Silver Benefactor

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

Bon-View Farms, SD
Buckhead Beef Co., GA
Classic Oaks Ranch LLC, TX
Steve & Terri Dorran, NE
Dubas Cattle RWPC LLC, NE
Fluharty Farms LLC, TX
LC Land & Cattle LLC, OK
Moore Angus Farm, TX
North Dakota Angus Ass'n
Roden Angus, TX
Sarofim Angus Cattle Co., TX
Sydenstricker Genetics, MO
Texas Angus Ass'n
U.S. Foodservice Inc. -
Phoenix Division, AZ
Weaver Angus Farm, IL

Angus Bronze Benefactor

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

Cargill Meat Solutions Corp.,
KS
Cusack Meats, OK
Deer Valley Farm, TN
Dee's Food Service, NM
Paul & Polly Donnelly, MO
Vic & Jayne Grissom, OK
Holly Hill Farm, VA

Kansas Packing LLC, NJ
LiveAuction.TV, MO
McConnell Angus Farm, VA
National Beef Packing Co.
LLC, MO
Stinson Morrison Hecker LLP,
MO
Stock Yards Packing-
Chicago, IL
To-Le-Do Foodservice, MB,
CN
Trans Ova Genetics, IA
Tyson Fresh Meats Inc., SD
U.S. Premium Beef, MO

Angus Pacesetter

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

Bradley 3 Ranch Ltd., TX
Bricton Farm, GA
BSJ Farms, TX
Clark Angus Ranch, TX
Paul & Virginia Coleman, VA
Da-Es-Ro Angus Farms, IA
Dove Creek Farm, GA
Food Services of America, AZ
GFSS Canada Co., AB, CN
Greater Omaha Packing Co.
Inc., NE
Milford & Peggy Jenkins, MO
Randy & Beth Jones, NC
Roy & Karen Jones, MO
Lone Star Ag Credit, TX
Lone Star Foodservice, TX
MJB Ranch, TX
McPherson County Feeders,
KS
Rick Nicholas, CA
Pyszen Angus Ranch, TX
Rally Farms, NY
Sauk Valley Angus, IL
Darrell & Sara Stevenson, MT

Sugar Hill Farms Inc., AR
Priscilla Swanson, IL
Sysco Food Services of
Houston, TX
Tenroc Ranch, TX
Thomas Angus Ranch, OR
Vermilion Ranch, MT
Wallace Ranch, TX
Werner Angus, IL

Angus Sustainer

(\$500-\$999)

AC Export, FL
Duncan Alexander, IL
American Angus Hall of
Fame, MO
Angus News, TN
Back Creek, NC
Blades Quality Angus, MO
Blue Ribbon Meats, OH
Gregg & Lile Blythe, AL
Brooks Chalky Butte Angus
Ranch, ND
Bruner Angus Ranch, TX
Cattle Design, TX
Champion Hill, OH
Coufal-Prater Equipment, TX
Creek Side Farm, OH
Details by Design, TX
Freedman Food Service of
Dallas, TX
Freedman Meats, TX
Katrina Frey, PA
G&C Foods, NY
Gardiner Prime Angus
Ranch, ID
Johnny, Kathy & Ginny
Garrett, AL
Goode Angus, TX
Holten Meat Inc., IL
Dean & Gloria Hurlbut, MO
Irish Hill Foods, KY
Jaynbee Ranch, ID
Kellen Jorgensen, NE
Kansas Angus Ass'n

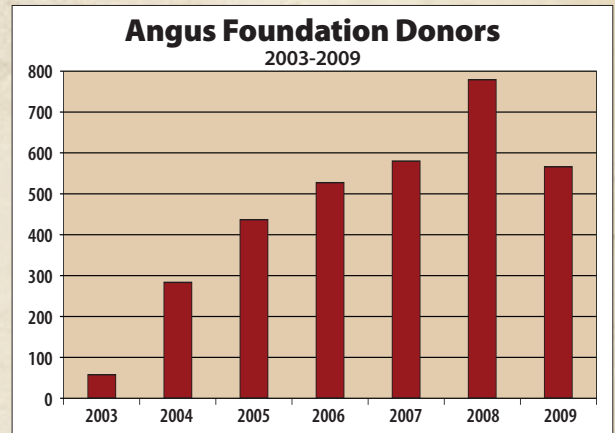
Lathrop Livestock
 Transportation, IL
 Lemmon Cattle Ent., GA
 Lombardi Bros. Meats, CO
 Louisiana Junior Angus
 Ass'n
 Mackay Restaurant Group,
 WA
 Maple Crest Farms, OH
 Hannah McCabe, KS
 Ronald & Janie Nirk, ID
 Ohio Angus Ass'n
 Oklahoma Angus Ass'n
 Olson Cattle Co., TX
 Oxford Trading Co., MA
 Price Farms LLC, OK
 Pride Livestock Co., TX
 Rishel Angus, NE
 Schnoor Sisters, CA
 Bryce & Gina Schumann, KS
 The Smalstig Family
 Sommers Angus Farm, IN
 Southern Cattle Co., FL
 Southern Foods, NC
 Summitcrest Angus, OH
 Sysco Central California
 Inc., CA
 Sysco Food Services of
 Seattle, WA
 Stan & Maggie Tennant, NC
 Top Line Farm, IL
 Tripe T Angus, WV
 United Source One, MD
 U.S. Foodservice Inc. -
 Grand Forks, ND
 USFS Pompano, FL
 Wayne Watkinson, DC
 Way View Farms Inc., OH
 Rod Wesselman, WA
 Wolverine Packing Co., MI
 Woodlawn Farms, IL
 Dennis & Peggy Yockey, CO
 Yon Family Farms, SC

Angus Associate

\$250-\$499

A&B Cattle, NE
 American Live Stock

Insurance, IL
 Aristocrat Angus Ranch, CO
 Baldridge Food Co./Bob &
 Becky Tiedeman, NE
 Beaver Ridge Farm, IN
 Dick & Diane Beck, GA
 Henry & Dona Bergfeld, OH
 Jim Berry, IL
 Best Provisions Co. Inc., PA
 Bloom Angus Farm, IN
 Charles & Doreen Boyer, NJ
 Brink's Meadowlake Farm,
 IN
 Dean & Marcia Bryant, MD
 Don & Teara Buren, OH
 Burger Maker Inc., NJ
 Tim & Rebecca Clark, MD
 Conover Auction Service, IA
 Cork Cattle Co., MO
 Curtin Angus Farm, IL
 Desert Meats Inc., NV
 Dobson Pulpwood Farm, LA
 Double Diamond Angus, IL
 Drake Farms, OK
 Eagle View Ranch, CO
 ErReR Hill Farms, PA
 Fair Acres Stock Farms, MN
 Flying G Ranch, TX
 Freirich Foods Inc., NC
 Garton Angus Ranch, MO
 Georgia Angus Ass'n
 Green Mountain Angus
 Ranch, MT
 H&H Land & Cattle Co. LLC,
 OK
 H.A.V.E. Angus, CA
 Mike & Wendy Hall, CA
 Douglas & Cynthia Haney
 Jr., PA
 Tim & Elizabeth Harsh, OH
 Hart Associates, OH
 Herdland Farm, VA
 Neenah Hill, NJ
 Hoffman Angus, IL
 Howell Cattle Co., IN
 Indiana Angus Ass'n
 Jenkins Angus Farms, OK
 Kemp Angus Farm, TX
 Kim-Mac Angus, KS



Leo Lamb, OH
 Lankford Sysco Food
 Services LLC, MD
 Laudmere Farms, IA
 Lazy JB Angus Ranch, CO
 Gerald Lewis, AZ
 Lisnageer Farm, PA
 Lower Foods Inc., UT
 MM Cattle Co., GA
 McCarville Show Stock, WI
 Minnesota Angus Ass'n
 Mississippi Angus Ass'n
 Jeff Moseley, AL
 Newport Meat Co., CA
 Paradox Farms, KS
 Pennsylvania Junior Angus
 Ass'n
 Peterson Angus Farm, TX
 Petteway Citrus & Cattle, FL
 Plymouth Beef Co., NY
 Pro Partners Financial, MN
 Quality Meats & Seafoods,
 ND
 J. W. & Steve Ramshur, TX
 Greg & Jennifer Rathbun,
 WA
 Jim & Nancy Riemann, KS
 Chris & Amber Roussel, LA
 Dale & June Runnion, CO
 S&B LLC, LA
 Saddle River Trust, OK
 SandPoint Cattle Co. LLC, NE
 Doug Satee Angus, TX
 Sawoaks, OK
 Jason & Sarah Schaffer, IN

Richard Schaffter, OH
 Hans & Charissa Schatz, AZ
 Gordon & Anne Schubert,
 KY
 Seldom Rest Farms, MI
 Select Sires, OH
 Jim & Linda Shirley, IA
 Silveira Bros., CA
 Larry Simmons Farms, OH
 Southern Foods, NC
 Spanish Oak Ranches LLC,
 CA
 Stewart Select Angus LLC,
 IN
 Stock Yards of Clearwater, FL
 Stock Yards of Phoenix, AZ
 Swanson Angus Farm, IA
 Richard & Jane Swenson, TX
 Sysco Boston LLC, MA
 Sysco Columbia, SC
 TC Ranch, NE
 Taste of Texas, TX
 Tehama Angus Ranch, CA
 Texas Heritage National
 Bank, TX
 Thomas County Feeders
 Inc., KS
 Tokach Angus Ranch, ND
 U.S. Foodservice Inc., TX
 U.S. Foodservice - Tampa, FL
 Urner Barry Publications
 Inc., NJ
 Ryan Wardlow, KY
 Whitestone-Krebs, NE
 Williams Angus, MT

Angus Partner

(\$100-\$249)

Agribuckle, FL
Alabama Junior Angus Ass'n
Sue Albritton, AR
Cathy Allen, MT
Scott Allen, GA
Harry Bachman, PA
The Berry Place, AL
Marvin & Martha Jo
Berschet, OH
Michael & Diane Borger, OH
Bose Farm Corp., NE
William & Carolyn Brown, PA
John & Sheryl Bush, FL
Mark Butler, MD
Erskine & Wilhelmina Cash,
PA
Cattle-Fax, CO
Central Montana Angus Ass'n
Cheshier Angus Ranch, TX
Clear Creek Farms #2 Inc., IL
Country Lane Farm, WI
Cox Angus Ranch, TX
Scott Crawford, MO
Charles & Charlotte Crochet,
LA
Jack Cumbie, AL
D Bar B Cattle, TX
D H Angus, CA
DS Ranch, OK
Dalebanks Angus/The Perrier
Family, KS
Dawn Acres Angus, MD
Deatsman Farms, IN
Max & Marcelyn Deets, KS
Kevin & Lori Devore, IL
John Dickinson, CA
Richard Dyar, AL
Eagle Drift Ranch, OR
Sanders East, GA
Edge O Green Farm, KY
Enix Farms LLC, CO
Gretchen Ettredge, TX
Stephen Falcigno, CT
Irwin & Muriel Fishman, FL
David & Betsy Fowler, PA
Sam Frazier, AL
Cimeron & Rachel Frost, IL

Full Day Enterprise, MD
Marian Futter, IN
Jerry Gay, TN
Georgia Junior Angus Ass'n
Gillig Angus Farm, MO
Good Farms, KS
Allen Goode & Cheramie
Viator, TX
Grace Farms, AL
Jim Green, TN
Green Maples Farms, OH
Jack & Vicki Hartnett, TX
David & Kathleen Hawkins,
MI
Heldermon Sales Co. Inc., OK
Hidden Lane Farm, PA
Roger Hill, IA
Hilyer Farms, AL
Horn Springs Angus Farms,
TN
Roger & Carole Hunsley, KY
Hurst Livestock & Grain, IL
Donald & Ann Hutzel, OH
Illinois Junior Angus Ass'n
Jarrell Angus, GA
Johnson Bros. Wholesale
Meats Inc., FL
Don Johnson's Angus, KS
Paul & Elaine Johnson, FL
Keenland, OH
Kentucky Angus Auxiliary
Keyacre Farms, VA
Kiesewetter Angus, IL
Chandler Langley, AL
Lantz & Dickinson Angus, IL
Limestone County
Cattlemen's Ass'n, AL
Jerry & Peggy Lipsey, MT
Little Cedar Cattle Co., MI
Lovell Cattle Co., MD
MPK Land & Livestock Co.
LLC, KS
Macgregor's Meat & Seafood
Ltd., ON, CN
Maine Junior Angus Ass'n
Jon Malmberg, KY
Marands Angus, KS
Dr. & Mrs. B. Neil Marshall, TX
Tim Marshall, GA

Maryland Junior Angus Ass'n
Mason Valley Cattle Co., AR
John & Sandy McBrayer, AL
Albert & Shirley McDonald,
AL
Susan Merriman, MI
Montana Angus Ass'n
Zack & Victoria Morris, OK
Naylor's Angus, MO
Northeast Texas Beef
Improvement
Organization, TX
Karla Novotny, KS
Steve & Ginger Olson, TX
Darrel & Barbara Overholt,
OK
Billy Peacock, FL
Don Peterson, TX
Poplar Springs Farm, TN
Todd & Anna Pugh, OH
REM Angus, OR
Audie Rackley, TX
Travis & Christina Richards,
NV
Harlan & Leah Ritchie, MI
Rollin' Rock Angus, MT
Raymond Roth, OH
Tim Royster, GA
Schroeder Angus, IA
Marty Seagraves, GA
Shepherd Hills Cattle Co., MO
William & Sally Sheridan, MI
Robert & Mary Shuey, SD
Sierra Meat Co., NV
Siller Ponderosa Angus, CA
Ray & Melva Sims, MO
Siskiyou Angus, CA
Kregg & Andrea Slakey, TX
Gary & Kay Smith, CO
Mary Stanford, AL
Stephens Partnership Co.
Ltd., TX
Stone Gate Farms, KY
Stovall Ranches, MT
Sunnyslope Stock Farm, MN
Sysco Food Services of
Spokane Inc., ID
T.A. Solberg Co. Inc., WI
Talon Ranch, MT

Steve & Nancy Thelen, MI
Lynnelle Thompson, OH
Ed & Dee Tolbert, GA
Topco Associates, Inc., IL
Robert & Nellie Totusek, OK
Triple Brook Farm, TN
Triple 3 Bar S Angus, KS
Frederick Usinger IV, WI
Bobby & Sue Van Stavern, OH
Vohs Angus Farms, KS
W. & G. Marketing Co. Inc., IA
Waffle Hill Farm, MD
Bonnie Wanger Land &
Cattle, OK
Walridge Farms, IA
Michael Walters, CO
The Wendt Group, OH
White Oak Farm, IN
Bill Widerman, MD
Clay Wieben, MD
David Williams, GA
Winters Livestock, MT
Wisconsin Junior Angus
Ass'n
Tommy Woodroof, AL

Angus Friend

(\$1-\$99)

4P Angus Ranch, NV
Dave & Chris Acker, OH
Agri-Management Services
Inc., OR
Mark Albrecht, NE
American Angus Auxiliary
Cook-Off
Shane Anderson, IL
Jason Andrews, OH
Anonymous
Kelli Armbruster, MO
Bailey Angus Farm, KS
Bailey Cattle, KS
Abbie Bartenslager, WV
Beller Feedlot, NE
Bibi Black Pride, AL
Blue Sage Acres Ranch, ID
Bluegrass Angus, NE
Brost Angus Farm, KY
Burge Angus Farms, MO

Millard Burns, KS	Paul Haag, IN	O'Neal Farm, TX	Siek-Hall Angus Farm, IA
Bayward & Mary Butler, WV	Dan & Jill Harker, IN	Philip Paramore, AL	Tom & Carol Sims, AL
Carriage Hill Farms, OH	Chalmer & Susan Hartman, VA	Justin Peacock, GA	Kerry Smith, KY
Henry Chase Jr., TN	Harward Sisters, NC	R. Roy Petteway, FL	Randy & Jeri Smith & Family, IN
Circle E Farms, TX	Jared & Kelsey Haughee, IN	Jerry & Ada Pfeiffer, OK	Robert & Elizabeth Snepp, IN
Dustin Clark, IL	Hawthorn Hill Farm, WI	Pine Hill Farm, OH	Snow Creek Ranch, KS
Jessica Clarke, MD	Chuck & Krista Hayes, WV	Piney Creek Ranch, AR	South Dakota Junior Angus Ass'n
Daniel & Tami Clopton, TX	Harold Hazelton, KS	Jack Pollard, AL	Stepstone Ridge Farm LLC, KY
Coffee County Angus Exhibitors, GA	Jacob Heimsoth, MO	William & Susan Pooton, VA	Rachel Stevenson, ME
Cole Farms, TN	Charlie & Kristy Hodson, CA	Chelsea Proverbs, OH	Steve & Kris Sticken, MO
Tony & Karen Conley, IN	Holshouser Farm, NC	Pruitt Livestock, VA	Kyle Strawson, IL
Gregory Connell, MO	Indiana Junior Angus Ass'n	Tommy & Dot Puckett, AL	Joe Tammé, KY
Gordon Conner, KY	J&A Farms, FL	Peter & Jeannie Radecke, AL	Mitchell & Linda Tucker, IN
Coosawattee River Farm, GA	Jimmy Jasper, KY	Richard & Sarah Ray, CA	Thomas & Susan Turner, OH
Crabapple Cove, AL	George Johnson, OH	Todd Reamer, PA	Turner Angus Farm, TN
Bob Crenshaw, TX	JoMar Angus, AR	Gail & Janet Rippe, NE	Helen Underwood, IN
D & G Ranch, KS	Klaire Jorgensen, NE	Rockin' C&E Ranch, CA	Everett & Betty Vail, FL
Max & Gina Deatsman, Renee Deatsman, Quentin Overbeck & Dole Graham, IN	Kansas Junior Angus Ass'n	Richard Rosbrugh, IN	Adam Verner, GA
Donald & Eunice dela Houssaye, LA	Ke Co Farm, LA	Kevin Rose, IL	Cameron Ward, MO
Dennon Beef Farm, KS	Kentucky Junior Angus Ass'n	Rosemayne Angus, KS	Tom & Jill Weaver, IN
Carol Dent, AL	Kiani S Angus, MS	Bill Rush, MO	Shane Whiteman, MT
Diamond M Angus/Mighell Farms, KS	Kingdom Cattle Inc., FL	Sandhill Angus, KS	Chris & Julia Wickard, IN
Dry Creek Farm, VA	Lafin Ranch, KS	Robert Schultz, CA	Richard & Esther Willham, IA
E Bar V Angus Ranch, NE	Lamb Ranch, KS	John & Kay Schurr, NE	Rusty Williams, KS
Kelly Easterday, IN	Dwaine & Louise Lampe, KS	Jake & Kami Scott, NE	Wayne Wilson, NC
Val & Lori Eberspacher, MN	Tony & Tania Leroux, NY	Shamrock Farms, KS	McVae J. Wilt & Sons, MO
Ebony Hill Farm, IN	Light Ranch, OK	Shanahan Cattle Promotions, NY	Wood Angus, AL
Emerald Point Angus, AR	Leonard & Sylvia Litvak, CO	Frances T. Shepperdson, CO	D. Dale & H. A. York, AL
End of The Trail Ranch, NE	Lowes Farms, IN	Sherman Angus, IN	
Lee & Lucile Eply, MO	Mitzi Malone, AL	Gordon & Dianna Shive, PA	
Dallas Fanning, AL	Maple Lane Angus, MO	Shockley Farm, MO	
Ferguson Angus Farms, KY	Wilbur & Ruby McCarty, IN		
Fink Beef Genetics, KS	McClarnon Stock Farm LLC, IN		
James Fisher, MO	Cameron McClure, IL		
Foster Farms, KS	McDaniel Farm, MS		
Frey Angus, OK	Dale & Valerie Miller, ND		
Joe Fulbright, NC	James Miller, PA		
Phil & Julie Garrett, TX	Missouri Junior Angus Ass'n		
Harry George, PA	Jim & Sally Moritz, IL		
Bert & Beverly Gillig, KS	Norman Morrow, KS		
Arnold & Marlene Groeneveld, MI	Dave & Linda Mowrer, OH		
Groveland Farm, VA	Carl Murphy, OH		
	Nebraska Junior Angus Ass'n		
	Russell & Robin Niller, MD		
	Robert Nolen, AL		
	North Carolina Junior Angus Ass'n		

Notes and Disclaimer: In addition to the donors listed, the American Angus Association® also supported the Foundation in the amount of \$300,000 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 auctions 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.

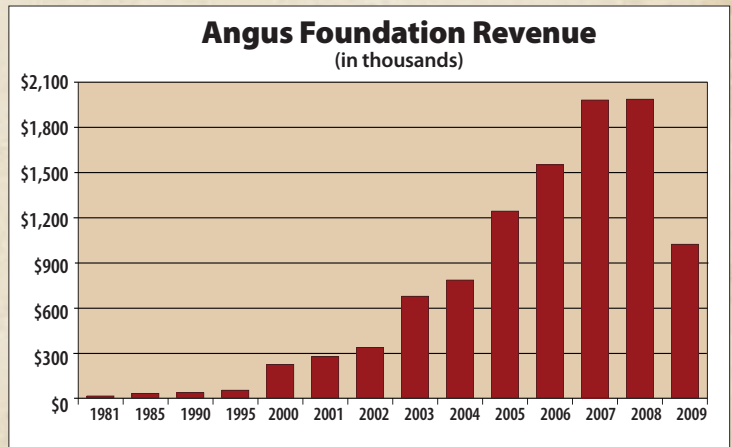
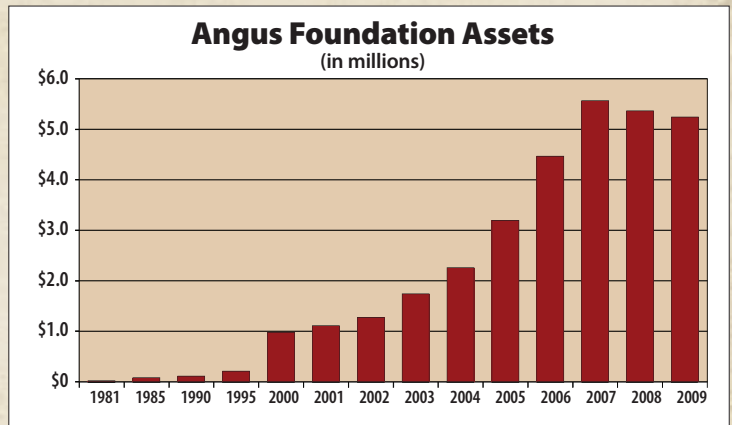
committed to building

Philanthropy and giving in the Angus family still run strong even when building in tough economic times. We should take comfort in this fact.

Total revenue, even at \$1,020,847 this fiscal year, ranks in the top five years for the Angus Foundation since its inception in 1980. Total assets of \$5,233,153 rank in the top three years. Supporter numbers remain strong at 568, a 50% increase from five years ago.

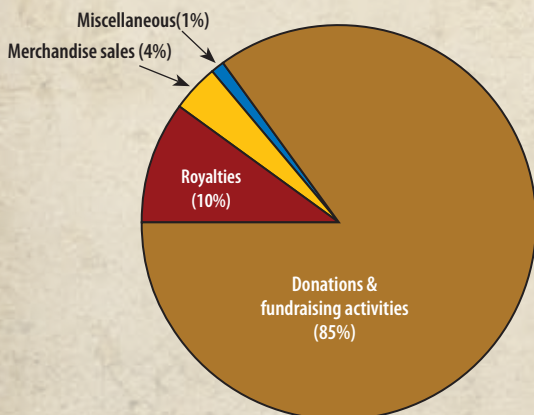
Exhaustive efforts were made to maintaining current support levels to education, youth and research activities while experiencing significant decreases in investment revenue and outright cash contributions. With these challenges, however, came many opportunities for the Angus Foundation brought about by generous and devoted financial supporters unwavering in their commitment to advancing the Angus breed.

Indeed, building in tough economic times is hard work. Together, through *Vision of Value: Campaign for Angus*, we'll build an even stronger Angus Foundation!



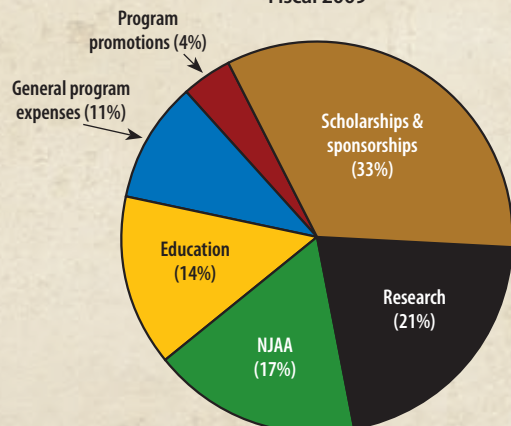
Foundation Revenue Sources

Fiscal 2009



Programs Funded by Foundation

Fiscal 2009



financial statements

Independent Auditor's Report

Board of Directors
Angus Foundation
Saint Joseph, Mo.

We have audited the accompanying statements of financial position of Angus Foundation as of September 30, 2009 and 2008, and the related 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 financial statements based on our audits.

We conducted our audits 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 audits provide 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, 2009 and 2008, 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 19, 2009

Angus Foundation Statements of Financial Position

September 30, 2009 and 2008

	2009	2008
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 78,116	\$ 224,844
Accounts receivable	90,100	246,876
Pledges receivable – net	284,415	104,143
Interest receivable	4,293	2,448
Inventories	106,902	102,681
Prepaid expenses	16,833	13,102
Total current assets	<u>580,659</u>	<u>694,094</u>
Investments		
Unrestricted	1,404,773	1,490,604
Board designated	886,430	826,505
Temporarily restricted	1,757,154	1,615,342
Permanently restricted	483,003	452,382
Total investments	<u>4,531,360</u>	<u>4,384,833</u>
Long-term pledges receivable-net	<u>121,134</u>	<u>282,992</u>
Total Assets	<u>\$ 5,233,153</u>	<u>\$ 5,361,919</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable – trade	\$ 34,261	\$ 59,850
Accounts payable – affiliate	—	16,377
Accrued liabilities	16,688	15,570
Deferred income	47,440	57,850
Total current liabilities	<u>98,389</u>	<u>149,647</u>
Long-term Liabilities		
Accrued postretirement benefits	13,000	14,000
Deferred income	30,000	60,000
Total long-term liabilities	<u>43,000</u>	<u>74,000</u>
Total liabilities	<u>141,389</u>	<u>223,647</u>
Net Assets		
Unrestricted:		
Operating	1,645,281	2,025,262
Board designated	995,081	921,562
Temporarily restricted	1,892,609	1,664,113
Permanently restricted	558,793	527,335
Total net assets	<u>5,091,764</u>	<u>5,138,272</u>
Total Liabilities and Net Assets	<u>\$ 5,233,153</u>	<u>\$ 5,361,919</u>

The accompanying notes are an integral part of the financial statements.

Angus Foundation Statements of Activities and Changes in Net Assets

Years Ended September 30, 2009 and 2008

	2009				2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains and Other Support								
Royalties	\$ 100,993	\$ —	\$ —	\$ 100,993	\$ 105,227	\$ —	\$ —	\$ 105,227
Contributions	329,875	571,010	33,373	934,258	678,242	477,683	229,660	1,385,585
Other revenue	3,343	—	—	3,343	2,910	—	—	2,910
Merchandise sales	39,886	—	—	39,886	23,340	—	—	23,340
Net investment income (loss)	(10,853)	(66,390)	—	(77,243)	218,360	174,954	—	393,314
Advertising	15,410	—	—	15,410	30,000	—	—	30,000
Support fees	4,200	—	—	4,200	42,741	—	—	42,741
	482,854	504,620	33,373	1,020,847	1,100,820	652,637	229,660	1,983,117
Net assets released from restrictions:								
Expiration of purpose restrictions	364,566	(364,566)	—	—	538,767	(538,767)	—	—
Change of donor restrictions	(40,731)	42,646	(1,915)	—	(13,825)	—	13,825	—
Total revenues, gains and other support	806,689	182,700	31,458	1,020,847	1,625,762	113,870	243,485	1,983,117
Expenses								
Program services	555,069	—	—	555,069	645,738	—	—	645,738
Marketing and promotions	283,281	—	—	283,281	358,622	—	—	358,622
Operations and general expenses	295,073	—	—	295,073	195,832	—	—	195,832
Total expenses	1,133,423	—	—	1,133,423	1,200,192	—	—	1,200,192
Changes in net assets before provision for postretirement benefits, and net unrealized gain (loss) on investments	(326,734)	182,700	31,458	(112,576)	425,570	113,870	243,485	782,925
Credit (Provision) for Postretirement Benefits	1,000	—	—	1,000	(2,000)	—	—	(2,000)
Net Unrealized Gain (loss) on Investments	19,272	45,796	—	65,068	(568,502)	(477,688)	—	(1,046,190)
Changes in Net Assets	(306,462)	228,496	31,458	(46,508)	(144,932)	(363,818)	243,485	(265,265)
Net Assets, Beginning of the Year	2,946,824	1,664,113	527,335	5,138,272	3,091,756	2,027,931	283,850	5,403,537
Net Assets, End of Year	\$ 2,640,362	\$ 1,892,609	\$ 558,793	\$ 5,091,764	\$ 2,946,824	\$ 1,664,113	\$ 527,335	\$ 5,138,272

The accompanying notes are an integral part of the financial statements.

Angus Foundation Statements of Cash Flows

Years Ended September 30, 2009 and 2008

	2009	2008
Cash Flows From Operating Activities		
Changes in net assets	\$ (46,508)	\$ (265,265)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Net realized loss (gain) on sale of investments	197,169	(268,724)
Net unrealized (gain) loss on investments	(65,068)	1,046,190
Effect of changes in operating assets and liabilities:		
Accounts and interest receivable	154,931	(222,405)
Pledges receivable – net	(18,414)	111,942
Inventories	(4,221)	9,514
Prepaid expenses	(3,731)	(390)
Accounts payable	(25,589)	43,724
Accounts payable to affiliate	(16,377)	16,377
Accrued liabilities, deferred income, and postretirement benefits	(40,292)	4,462
Net cash provided by operating activities	<u>131,900</u>	<u>475,425</u>
Cash Flows From Investing Activities		
Proceeds from sale of investments	345,862	1,885,862
Purchases of investments	(624,490)	(2,233,602)
Net cash used in investing activities	<u>(278,628)</u>	<u>(347,740)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(146,728)	127,685
Cash and Cash Equivalents, beginning of year	<u>224,844</u>	<u>97,159</u>
Cash and Cash Equivalents, end of year	<u>\$ 78,116</u>	<u>\$ 224,844</u>

The accompanying notes are an integral part of the financial statements.

Angus Foundation Notes to Financial Statements

September 30, 2009 and 2008

NOTE 1 – Summary of Significant Accounting Policies

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 and the agricultural industry. 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 allocation factors used to allocate costs among the various programs and supporting services of the Foundation, the estimated collectibility and discounts applicable to pledges receivable, and the required liability for postretirement benefits. 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 FAS-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 which 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, and investments with banks, mutual funds, certificates of deposit, and money market accounts with an initial maturity date of three months or less. Some investments meeting this 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.

Contributions

All contributions are considered to be available for unrestricted

Angus Foundation Notes to Financial Statements *(continued)*

September 30, 2009 and 2008

use unless specifically restricted by the donor or by law. Amounts received which are designated for future periods or restricted by the donor for specific purposes, are reported as temporarily restricted or permanently restricted, and increase those net assets classes.

Pledges and Accounts Receivable

Pledges receivable represents unconditional promises to give that are due within one to three 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. An allowance account is established whenever, in the judgment of management, collection of a balance is questionable.

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

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 allowance is deemed by management to be necessary.

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 fixed income and equity mutual funds, certificates of deposit, and money market accounts. Investments in fixed income and equity mutual funds 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, which approximates fair value.

Postretirement Benefits

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

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 to be provided.

Income Taxes

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

Description of Programs

The 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 and activities 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 or activity.

New Accounting Standards

In June 2006, the Financial Accounting Standards Board issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, an interpretation of FASB Statement No. 109 (FIN 48), to create a single model to address accounting for uncertainty in tax positions. FIN 48 clarifies the accounting for income taxes by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on derecognition, measurement, classification, interest and penalties, disclosure and transition. FIN 48 was effective for fiscal years beginning after December 15, 2006, but the effective date has been deferred to fiscal years beginning after December 15, 2008 for certain nonpublic enterprises by FASB Statement of Position No. FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises* (FSP FIN 48-3).

The Foundation has elected to defer the adoption of FIN 48 and will continue to account for uncertain tax positions using the guidance in FASB Statement No. 5, *Accounting for Contingencies*, until FIN 48 is adopted. The cumulative effect of adopting FIN 48 will be recorded as an adjustment of retained earnings on September 30, 2010. The Foundation does not expect that the adoption of FIN 48 will have a significant impact on the Foundation's financial position and results of operations.

Change in Accounting Principles

Effective October 1, 2008, the Foundation adopted FASB Statement of Financial Accounting Standards (FAS) No. 157, *Fair Value Measurements*, which provides a comprehensive framework for measuring fair value and expands disclosures, which are required about fair value measurements. Specifically, FAS 157 sets forth a definition of fair value and establishes a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable value input. The adoption of FAS 157 did not have a material impact on the Foundation's financial statements.

The Foundation adopted FASB Staff Position, FAS 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment*

Angus Foundation Notes to Financial Statements

September 30, 2009 and 2008

Funds (FSP FAS 117-1) in the current year. The Missouri Prudent Management of Institutional Funds Act, was effective for the Foundation for the year ended September 30, 2009. FSP FAS 117-1 requires that the amount classified as permanently restricted shall be the amount of the fund (a) that must be retained permanently in accordance with explicit donor stipulations, or (b) that in the absence of such stipulations, the Foundation's governing board determines the amount that must be retained permanently consistent with the relevant law and also expands the disclosures required for both donor-restricted and board-designated endowment funds. The adoption of FSP FAS 117-1 required a reclassification of the amount previously reported as temporarily restricted net assets of \$40,931 to reflect the spending amount earned but not appropriated as of September 30, 2009. Missouri's passage of the Act occurred in August 2009 and is reflected in these statements.

NOTE 2 – Fair Value of Financial Instruments

In determining fair value, the Foundation uses various valuation approaches within the FAS 157 fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

FAS 157 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs, by requiring that the most observable inputs be used when available. FAS 157 defines levels within the hierarchy based on the reliability of inputs as follows:

- Level 1-Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets; and
- Level 2-Valuations based on quoted prices for similar assets or liabilities, or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3-Valuations derived from valuation techniques in which one or more significant inputs, or significant value drivers, are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classifications in the valuation hierarchy.

Investments

Securities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within Level 1 or level 2 of the valuation hierarchy, as appropriate.

Pledges receivable

Fair value for pledges receivable is determined by calculating the present value of future cash flows as expected to be received by management, using a discount rate of 5% based on treasury bills for the beginning period of the campaign gift (2007). These are classified as level 3 within the valuation hierarchy.

Postretirement benefits

Fair value for post retirement benefits is determined using the accrual amount based on employee census information and estimates of the actuarial lifespan of potentially eligible individuals, the current year cost of supplemental health insurance, and certain assumptions related to discount rates and expected return on investments. The discount rate used was 6% and the expected return on plan assets was estimated at 8% using weighted average assumptions. These are classified as level 3 within the valuation hierarchy.

Fair values of other assets and liabilities measured on a recurring basis, as of September 30, 2009 are as follows:

		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
	Fair Value			
Fixed income funds	\$ 2,230,364	\$ 2,230,364	\$ —	\$ —
Equity security funds	1,723,270	1,723,270	—	—
Certificates of deposit	437,473	437,473	—	—
Money market accounts	140,253	—	140,253	—
Pledges receivable	405,549	—	—	405,549
Post retirement benefits	(13,000)	—	—	(13,000)
Total assets and liabilities	<u>\$ 4,923,909</u>	<u>\$ 4,391,107</u>	<u>\$ 140,253</u>	<u>\$ 392,549</u>

The following is a reconciliation of the beginning and ending balance of assets and liabilities, measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the year ended September 30, 2009:

	Pledges Receivable	Postretirement Benefits
Balance, September 30, 2008	\$ 387,135	\$ (14,000)
New pledges received	186,310	—
Collections on pledges	(98,563)	—
Change in allowance	(93,450)	—
Change in present value discount	24,117	—
Change in fair market value	—	1,000
Balance, September 30, 2009	<u>\$ 405,549</u>	<u>\$ (13,000)</u>

Angus Foundation Notes to Financial Statements (continued)

September 30, 2009 and 2008

NOTE 3 – Investments

The value of investments at September 30, 2009 consist of the following:

	Original Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Held at cost:				
Certificates of deposits	\$ 437,473	\$ —	\$ —	\$ 437,473
Money market accounts	140,253	—	—	140,253
Held at fair market value:				
Fixed income funds	2,295,843	—	65,479	2,230,364
Equity security funds	2,172,964	—	449,694	1,723,270
Total investments	<u>\$ 5,046,533</u>	<u>\$ —</u>	<u>\$ 515,173</u>	<u>\$ 4,531,360</u>

Investment returns for the year ended September 30, 2009 consist of the following:

Interest and dividend income	\$ 124,877
Net realized (loss)	(197,169)
Investment fees	(4,951)
Investment income	(77,243)
Net unrealized gains	65,068
Total investment return	<u>\$ (12,175)</u>

The value of investments at September 30, 2008 consist of the following:

	Original Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Held at cost:				
Certificates of deposits	\$ 394,000	\$ —	\$ —	\$ 394,000
Money market accounts	74,474	—	—	74,474
Held at fair market value:				
Fixed income funds	1,272,581	—	12,856	1,259,725
Equity security funds	3,224,019	\$ —	567,385	2,656,634
Total investments	<u>\$ 4,965,074</u>	<u>\$ —</u>	<u>\$ 580,241</u>	<u>\$ 4,384,833</u>

Investment returns for the year ended September 30, 2008 consist of the following:

Interest and dividend income	\$ 130,739
Net realized gain	268,724
Investment fees	(6,149)
Investment income	393,314
Net unrealized (loss)	(1,046,190)
Total investment return	<u>\$ (652,876)</u>

NOTE 4 – Pledges Receivable

General pledges receivable contain the following components:

	2009	2008
Total pledges receivable	\$ 508,690	\$ 420,943
Less: allowance for uncollectible pledges	93,450	—
Less: unamortized discount	9,691	33,808
Net pledges receivable	405,549	387,135
Less: current portion	284,415	104,143
Long-term pledges receivable, net	<u>\$ 121,134</u>	<u>\$ 282,992</u>

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

2010	\$ 377,865
2011	118,700
2012	12,125
Total	<u>\$ 508,690</u>

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

The Foundation has been informed of multiple donors naming the Angus Foundation as a charitable beneficiary in their revocable wills. A donor has also made a contingent challenge grant for \$200,000 that is subject to the challenge being met. Since the gifts are revocable, they are not reflected within the accompanying financial statements due to their conditional nature.

NOTE 5 – Pension and Postretirement Benefit Plans

The Foundation sponsors a qualified noncontributory defined contribution plan (the Plan), which covers substantially all full-time eligible employees. Contributions are established by the Board of Directors and are discretionary. Contributions to the Plan are based upon eligible employee salaries and years of service. During the fiscal years ended 2009 and 2008, the Foundation contributed \$9,907 and \$9,315, respectively.

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

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provide supplemental health care benefits to employees who meet certain years of service requirements. This plan is not available for employees hired after March 1, 2006. 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:

	<u>2009</u>	<u>2008</u>
Accrued benefit obligation:		
Current liability	\$ —	\$ —
Long-term liability	13,000	14,000
Total	<u>\$13,000</u>	<u>\$14,000</u>
Change in postretirement benefit	<u>\$ 1,000</u>	<u>\$ (2,000)</u>
Weighted average assumptions:		
Discount rate	6%	6%
Expected return on plan assets	8%	8%

Note 6 – Allocation of Joint Costs

The costs associated with fundraising have been specifically identified by function and include a total of \$546,158 and \$817,872 of joint costs, which were not specifically attributable to particular components for the years ending September 30, 2009 and 2008, respectively. The joint costs were allocated as follows:

	<u>2009</u>	<u>2008</u>
Program services	\$132,898	\$350,174
Marketing and promotions	281,071	338,348
Operations and general expenses	132,189	129,350
Total	<u>\$ 546,158</u>	<u>\$817,872</u>

Note 7 – Board Designated, Temporary and Permanent Restrictions

Included in unrestricted net assets is the following Board designations:

	<u>2009</u>	<u>2008</u>
Donor relations and general administration	<u>\$ 995,081</u>	<u>\$ 921,562</u>

The temporarily restricted net assets include restrictions for:

	<u>2009</u>	<u>2008</u>
Research	\$ 24,910	\$ 21,476
Youth programs	100,389	(30,877)
Education	153,919	38,016
Future operations	1,613,391	1,635,498
Total temporarily restricted assets balance	<u>\$ 1,892,609</u>	<u>\$ 1,664,113</u>

Permanently restricted net assets represent endowments totaling \$558,793 for 2009, and \$527,335 for 2008, the income from which is temporarily restricted support for the Angus Foundation programs. Investment losses relative to donor restricted funds are born by the individual funds

Note 8 – Endowments

The Foundation's endowments consist of 31 funds established to support a variety of scholarships and programs. Its endowments consist of both donor-restricted endowment funds and funds designated by the Board of Directors (the Board) to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board has interpreted Missouri's enactment of the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. Consequently, the Foundation classifies permanently restricted net assets as:

- The original value of gifts donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Board. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the programs supported by the endowments. The endowment assets are invested in a manner that

Angus Foundation Notes to Financial Statements *(continued)*

September 30, 2009 and 2008

is intended to produce results similar to the composite index relevant to the investment allocation, while assuming a moderate level of investment risk.

Spending Policy

The Foundation has a policy of appropriating a distribution percent each year of its endowment fund's average balance over the prior three years preceding the fiscal year in which the distribution is budgeted. Because this amount is calculated for a future year, any amount appropriated for the following fiscal years is added to temporarily restricted net assets in the current year.

In establishing this policy, the Foundation considered the long-term expected returns on its endowment investments. Accordingly, over the long term, the Foundation expects the current spending policy will allow its endowment to retain the original corpus of the gift.

Strategies Employed for Achieving Objectives

The Foundation relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Foundation targets a diversified asset allocation that emphasizes fixed income securities to achieve its long-term objectives within prudent risk constraints.

2009 Endowment Net Asset Composition by Type of Fund as of September 30, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowment funds	\$ (40,931)	\$ 16,062	\$ 503,183	\$ 478,314
Board designated endowment funds	865,049	—	—	865,049
Total funds	<u>\$ 824,118</u>	<u>\$ 16,062</u>	<u>\$ 503,183</u>	<u>\$1,343,363</u>

Changes in Endowment Net Assets for the Fiscal Year Ended September 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net assets, beginning of year	\$ 783,846	\$ (26,324)	\$ 452,268	\$1,209,790
Investment return:				
Investment income (loss)	(6,120)	(4,250)	—	(10,370)
Net appreciation/ (depreciation):				
Board designated	12,764	—	—	12,764
Donor restricted	—	4,593	—	4,593
Transfer of temporary restricted investment	(40,931)	40,931	—	—
Total	<u>(34,287)</u>	<u>41,274</u>	<u>—</u>	<u>6,987</u>
Contributions	<u>111,011</u>	<u>18,000</u>	<u>50,915</u>	<u>179,926</u>
Appropriation of endowment assets of expenditure	<u>(36,452)</u>	<u>(16,888)</u>	<u>—</u>	<u>(53,340)</u>
Net assets, end of year	<u>\$ 824,118</u>	<u>\$ 16,062</u>	<u>\$ 503,183</u>	<u>\$1,343,363</u>

Angus Foundation Notes to Financial Statements

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2008 Endowment Net Asset Composition by Type of Fund as of September 30, 2008:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	\$ —	\$ (26,324)	\$ 452,268	\$ 425,944
Board designated endowment funds	783,846	—	—	783,846
Total funds	<u>\$ 783,846</u>	<u>\$ (26,324)</u>	<u>\$ 452,268</u>	<u>\$1,209,790</u>

Changes in Endowment Net Assets for the Fiscal Year Ended September 30, 2008:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets, beginning of year	\$ 879,788	\$ 33,175	\$ 185,085	\$ 1,098,048
Investment return:				
Investment income	72,418	22,735	—	95,153
Net appreciation/ (depreciation):				
Board designated	(197,057)	—	—	(197,057)
Donor restricted	—	(78,486)	—	(78,486)
Total	<u>(124,639)</u>	<u>(55,751)</u>	<u>—</u>	<u>(180,390)</u>
Contributions	65,155	14,764	267,183	347,102
Appropriation of endowment assets of expenditure	<u>(36,458)</u>	<u>(18,512)</u>	<u>—</u>	<u>(54,970)</u>
Net assets, end of year	<u>\$ 783,846</u>	<u>\$ (26,324)</u>	<u>\$ 452,268</u>	<u>\$1,209,790</u>

Note 9 – Related Parties

The Foundation paid an affiliated organization \$39,000 for rent of facilities and equipment, and administrative services, during the years ended September 30, 2009 and 2008.

The Foundation received a pledge that includes a provision calling for the Foundation to provide certain services to be acquired from affiliated organizations. The expense related to these services was \$15,000 for the year ended September 30, 2009.

The Foundation paid affiliated organizations \$82,393 and \$121,414 for sponsorships of events and shows provided during the years ended September 30, 2009 and 2008, respectively.

An affiliated organization contributed \$300,000 and \$400,000 to cover current and future administrative services and donor relations for the years ended September 30, 2009 and 2008, respectively.

The same affiliated organization made a conditional pledge for fiscal 2010 of \$300,000 earmarked for 2010 administrative and promotional costs. Due to its conditional nature, this pledge has not been reflected in these financial statements.

NOTE 10 – Declines in Investment Values

During 2009, financial markets as a whole have incurred significant declines in values. As of September 30, 2009, the Foundation's investment portfolio has also incurred a significant decline in the values reported in the accompanying financial

statements. However, because the values of individual investments fluctuate with market conditions, the amount of investment gains or losses that the Foundation will recognize in its future financial statements, if any, cannot be determined.

NOTE 11 – Subsequent Events

Management evaluated subsequent events through October 19, 2009, the date the financial statements were available to be issued. Events or transactions occurring after September 30, 2009, but prior to October 19, 2009 that provided additional evidence about conditions that existed at September 30, 2009, have been recognized in the financial statements for the year ended September 30, 2009. Events or transactions that provided evidence about conditions that did not exist at September 30, 2009, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended September 30, 2009.

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



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