

**ANGUS FOUNDATION  
FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Angus Foundation  
St. Joseph, Missouri

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Angus Foundation (the Foundation), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Angus Foundation's ability to continue as a going concern for one year after the date the financial statements are available to be issued

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Kansas City, Missouri  
October 18, 2024

**ANGUS FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 186,752	\$ 18,395
Accounts Receivable	-	924
Accounts Receivable - Related Party	1,100	50,000
Pledges Receivable, Net - Current Portion	208,250	263,412
Inventories	119,620	34,140
Prepaid Expenses	25,711	32,107
Total Current Assets	541,433	398,978
<b>INVESTMENTS</b>		
Without Donor Restrictions	1,020,270	850,573
Board Designated	4,221,758	3,302,593
Donor Restricted - Purpose	8,177,112	5,925,005
Donor Restricted - Perpetually Restricted	13,647,572	13,335,743
Total Investments	27,066,712	23,413,914
<b>LONG-TERM PLEDGES RECEIVABLE - NET</b>	50,000	100,000
Total Assets	\$ 27,658,145	\$ 23,912,892

See accompanying Notes to Financial Statements.

**ANGUS FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**SEPTEMBER 30, 2024 AND 2023**

	2024	2023
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable - Trade	\$ 20,082	\$ 14,412
Accounts Payable - Related Party	581	103,044
Accrued Liabilities	122,590	102,625
Total Current Liabilities	143,253	220,081
<b>LONG-TERM LIABILITIES</b>		
Accrued Postretirement Benefits	29,200	29,200
Total Long-Term Liabilities	29,200	29,200
Total Liabilities	172,453	249,281
<b>NET ASSETS</b>		
Without Donor Restrictions:		
General Operating	1,565,465	1,488,037
Board Designated	4,220,858	3,446,751
Total Without Donor Restrictions	5,786,323	4,934,788
With Donor Restrictions:		
Purpose Restrictions	8,051,798	5,175,986
Perpetual in Nature	13,647,571	13,552,837
Total With Donor Restrictions	21,699,369	18,728,823
Total Net Assets	27,485,692	23,663,611
Total Liabilities and Net Assets	\$ 27,658,145	\$ 23,912,892

See accompanying Notes to Financial Statements.

**ANGUS FOUNDATION**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>						
Contributions	\$ 558,576	\$ 178,199	\$ 736,775	\$ 890,463	\$ 244,831	\$ 1,135,294
In-Kind Contributions	57,573	-	57,573	143,717	-	143,717
Royalties	155,509	-	155,509	184,616	-	184,616
Other Revenue	251	-	251	-	-	-
Merchandise Sales	95,133	-	95,133	52,658	-	52,658
Net Investment Income	122,144	723,010	845,154	177,901	784,270	962,171
	<u>989,186</u>	<u>901,209</u>	<u>1,890,395</u>	<u>1,449,355</u>	<u>1,029,101</u>	<u>2,478,456</u>
Net Assets Released from Restrictions:						
Satisfaction of Purpose Restrictions	517,452	(517,452)	-	537,207	(537,207)	-
Total Revenues, Gains, and Other Support	<u>1,506,638</u>	<u>383,757</u>	<u>1,890,395</u>	<u>1,986,562</u>	<u>491,894</u>	<u>2,478,456</u>
<b>EXPENSES</b>						
Program Services	952,396	-	952,396	961,708	-	961,708
Management and General	250,998	-	250,998	222,927	-	222,927
Fundraising	320,333	-	320,333	402,765	-	402,765
Total Expenses	<u>1,523,727</u>	<u>-</u>	<u>1,523,727</u>	<u>1,587,400</u>	<u>-</u>	<u>1,587,400</u>
Changes in Net Assets before Provision for Postretirement Benefits and Net Unrealized Gain (Loss) on Investments	(17,089)	383,757	366,668	399,162	491,894	891,056
<b>PROVISION FOR POST RETIREMENT BENEFITS</b>	-	-	-	(1,900)	-	(1,900)
<b>NET UNREALIZED GAIN ON INVESTMENTS</b>	<u>868,624</u>	<u>2,586,789</u>	<u>3,455,413</u>	<u>270,873</u>	<u>389,818</u>	<u>660,691</u>
<b>CHANGES IN NET ASSETS</b>	851,535	2,970,546	3,822,081	668,135	881,712	1,549,847
Net Assets - Beginning of Year	<u>4,934,788</u>	<u>18,728,823</u>	<u>23,663,611</u>	<u>4,266,653</u>	<u>17,847,111</u>	<u>22,113,764</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 5,786,323</u>	<u>\$ 21,699,369</u>	<u>\$ 27,485,692</u>	<u>\$ 4,934,788</u>	<u>\$ 18,728,823</u>	<u>\$ 23,663,611</u>

See accompanying Notes to Financial Statements.

**ANGUS FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2024**

	Support Services				Total Expenses
	Program Events	Management and General	Fundraising	Total Support Services	
<b>EXPENSES</b>					
Personnel	\$ -	\$ 126,331	\$ 162,534	\$ 288,865	\$ 288,865
Research	36,000	-	-	-	36,000
Scholarships	388,500	-	-	-	388,500
Sponsorships	444,873	-	-	-	444,873
Literature and Newsletters	64,971	3,023	6,009	9,032	74,003
Office, Supplies, and Postage	854	15,895	2,464	18,359	19,213
Insurance, Fees, and Taxes	-	51,249	19	51,268	51,268
Management Fee	-	36,000	-	36,000	36,000
Occupancy	-	4,200	-	4,200	4,200
Professional Fees	16,850	433	-	433	17,283
Utilities	-	1,047	-	1,047	1,047
Conferences, Meeting, and Travel	-	12,136	149,307	161,443	161,443
Miscellaneous	348	684	-	684	1,032
	<u>\$ 952,396</u>	<u>\$ 250,998</u>	<u>\$ 320,333</u>	<u>\$ 571,331</u>	<u>\$ 1,523,727</u>
Total Expenses	<u>\$ 952,396</u>	<u>\$ 250,998</u>	<u>\$ 320,333</u>	<u>\$ 571,331</u>	<u>\$ 1,523,727</u>

See accompanying Notes to Financial Statements.



**ANGUS FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Support Services				Total Expenses
	Program Events	Management and General	Fundraising	Total Support Services	
<b>EXPENSES</b>					
Personnel	\$ -	\$ 113,649	\$ 120,159	\$ 233,808	\$ 233,808
Research	112,610	-	-	-	112,610
Scholarships	350,625	-	-	-	350,625
Sponsorships	433,013	-	7,604	7,604	440,617
Literature and Newsletters	42,547	-	22,420	22,420	64,967
Office, Supplies, and Postage	-	11,549	8,970	20,519	20,519
Insurance, Fees, and Taxes	913	50,724	1,038	51,762	52,675
Management Fee	-	36,000	-	36,000	36,000
Occupancy	-	4,200	-	4,200	4,200
Professional Fees	2,000	-	350	350	2,350
Utilities	-	431	-	431	431
Conferences, Meeting, and Travel	-	6,374	242,224	248,598	248,598
Miscellaneous	20,000	-	-	-	20,000
	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Total Expenses	<u>\$ 961,708</u>	<u>\$ 222,927</u>	<u>\$ 402,765</u>	<u>\$ 625,692</u>	<u>\$ 1,587,400</u>

See accompanying Notes to Financial Statements.

**ANGUS FOUNDATION  
STATEMENTS OF CASH FLOWS  
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ 3,822,081	\$ 1,549,847
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Net Realized (Gains) Losses on Investments	203,406	(38,299)
Net Unrealized Gains on Investments	(3,455,413)	(660,691)
Contributions Restricted for Long-Term Purposes	(94,734)	(268,361)
Effect of Changes in Operating Assets and Liabilities:		
Accounts Receivable	924	(638)
Accounts Receivable - Related Party	48,900	(50,000)
Pledges Receivable - Net	105,162	129,268
Inventories	(85,480)	(23,069)
Prepaid Expenses	6,396	(14,176)
Accounts Payable - Trade	(96,793)	88,074
Accrued Liabilities and Post Retirement Benefits	19,965	66,316
Net Cash Provided by Operating Activities	474,414	778,271
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Investments	695,475	55,071
Purchases of Investments	(1,096,266)	(1,307,556)
Net Cash Used by Investing Activities	(400,791)	(1,252,485)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Contributions Restricted for Investment in Endowments	94,734	268,361
Net Cash Provided by Financing Activities	94,734	268,361
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	168,357	(205,853)
Cash and Cash Equivalents - Beginning of Year	18,395	224,248
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 186,752	\$ 18,395

See accompanying Notes to Financial Statements.

**ANGUS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Angus Foundation (the Foundation) is a nonprofit 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.

**Use of Estimates in Preparing Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 timing and collectability applicable to pledges receivable and accounts receivable; the required liability for postretirement benefits; and the estimated final distribution of an estate. Actual results could differ from those estimates.

**Net Assets**

Financial statement presentation follows the recommendations of Financial Accounting Standards Board ASC 958-205, *Financial Statements of Not-for-profit Organizations*. Under ASC 958-205, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets designated to be used for program related activities through quasi-endowments for future need.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Cash and Cash Equivalents**

Cash and cash equivalents generally include cash on hand and liquid investments with banks, mutual funds, certificates of deposit, and money market accounts with an initial maturity date of three months or less. Certain cash equivalents are considered to be an integral part of the Foundation's investment program and are, accordingly, recognized as a component of investments on the statements of financial position.

**ANGUS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions**

Unconditional promises to give are recorded as revenues or gains in the period received and as assets or a decrease of liabilities, depending on the form of the benefits received. Conditional contributions received are accounted for as a liability or are unrecognized initially, that is, until the barriers to entitlement are overcome, and a right of return or release are no longer present, at which point the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions.

All contributions are considered to be available for the general programs of the Foundation unless specifically restricted by the donor. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, reclassifications are made from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**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 of long-term promises to give which are discounted to reflect their present value. Management has also established a valuation allowance that reflects management's best estimate of amounts that may not be collected.

Accounts receivable relate to 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 net realizable value with cost being determined on the first-in, first-out (FIFO) basis of accounting.

**Investments**

Investments include fixed income and equity security mutual funds, certificates of deposit, government securities, and money market accounts. Investments in fixed income and equity mutual funds are carried at fair value with unrealized and realized gains and losses reported as an increase or decrease in the appropriate category of net assets. Certificates of deposits (other than marketable certificates of deposit) and money market accounts are carried at cost, which approximates fair value.

Investment income is reported in the statements of activities as without donor restricted and with donor restricted revenue based upon donor imposed restrictions.

**ANGUS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Postretirement Benefits**

The Foundation provides certain health care benefits for retired employees who meet eligibility requirements. The value for postretirement 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.

**Income Taxes**

The Foundation is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), and is not considered to be a private foundation. Therefore, no income or excise taxes have been provided in the financial statements. The Foundation follows the standard for evaluating uncertain tax positions and has determined no liability should be recorded for uncertain tax positions.

**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. Management takes into account estimated employee hours spent per category and professional judgement when determining how much of the few allocable indirect costs to allocate to each expense classification.

**New Accounting Pronouncements**

The Foundation has adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Foundation adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Foundation's financial statements but did change how the allowance for credit losses is determined.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents, and marketable debt and equity securities.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

**ANGUS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

**NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)**

In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statements of cash flows which identify the sources and uses of the Foundation's cash and the amount of cash generated or used by operations for the years ended September 30, 2024 and 2023.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise of the following:

	<u>2024</u>	<u>2023</u>
Cash	\$ 186,752	\$ 18,395
Investments	27,066,712	23,413,914
Accounts Receivable, Net	1,100	50,924
Pledges Receivable, Net - Current Portion	<u>208,250</u>	<u>263,412</u>
Total Financial Assets	27,462,814	23,746,645
Contractual or Donor-Imposed Restrictions	(21,667,371)	(18,628,823)
Board- Designated Assets	<u>(4,313,340)</u>	<u>(3,302,593)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 1,482,103</u>	<u>\$ 1,815,229</u>

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The board-designated amounts could be made available, if necessary.

**NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS**

In determining fair value, the Foundation uses various valuation approaches within the ASC 820 fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

ASC 820 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. ASC 820 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

**ANGUS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

*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.

**Equity and Fixed Income Mutual Funds**

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 of the valuation hierarchy.

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

	2024			
	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Equity Securities:				
Mutual Funds:				
Large Cap Equity	\$ 6,481,004	\$ 6,481,004	\$ -	\$ -
Mid Cap Equity	706,737	706,737	-	-
Small Cap Equity	658,703	658,703	-	-
International	1,697,594	1,697,594	-	-
Fixed Income:				
Mutual Funds:				
Long-Term Government	416,926	416,926	-	-
Short-Term	602,475	602,475	-	-
Corporate	11,225,568	11,225,568	-	-
Preferred Stock	1,095,570	1,095,570	-	-
Convertible Bonds	278,892	278,892	-	-
Non-Traditional Bond	1,758,358	1,758,358	-	-
High Yield Bond	708,543	708,543	-	-
Emerging Markets	478,246	478,246	-	-
World Bond	670,831	670,831	-	-
Total Assets	<u>\$ 26,779,447</u>	<u>\$ 26,779,447</u>	<u>\$ -</u>	<u>\$ -</u>

**ANGUS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2024 AND 2023**

**NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

	2023			
	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Equity Securities:				
Mutual Funds:				
Large Cap Equity	\$ 4,683,770	\$ 4,683,770	\$ -	\$ -
Mid Cap Equity	563,922	563,922	-	-
Small Cap Equity	525,270	525,270	-	-
International	1,689,198	1,689,198	-	-
Fixed Income:				
Mutual Funds:				
Short-Term	376,933	376,933	-	-
Corporate	533,889	533,889	-	-
Preferred Stock	9,884,694	9,884,694	-	-
Government	831,939	831,939	-	-
Convertible Bonds	241,374	241,374	-	-
Non-Traditional Bond	1,485,028	1,485,028	-	-
High Yield Bond	616,615	616,615	-	-
Emerging Markets	394,092	394,092	-	-
World Bond	583,563	583,563	-	-
Total Assets	<u>\$ 22,410,287</u>	<u>\$ 22,410,287</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 4 INVESTMENTS**

The value of investments at September 30, 2024 consists of the following:

	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Held at Cost:				
Money Market Accounts	\$ 287,265	\$ -	\$ -	\$ 287,265
Held at Fair Value:				
Equity Security Mutual Funds	6,321,760	3,222,278	-	9,544,038
Fixed Income Mutual Funds	18,500,249	-	1,264,840	17,235,409
Total Investments	<u>\$ 25,109,274</u>	<u>\$ 3,222,278</u>	<u>\$ 1,264,840</u>	<u>\$ 27,066,712</u>



**ANGUS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 4 INVESTMENTS (CONTINUED)**

The value of investments at September 30, 2023 consists of the following:

	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Held at Cost:				
Money Market Accounts	\$ 1,003,627	\$ -	\$ -	\$ 1,003,627
Held at Fair Value:				
Equity Security Mutual Funds	6,375,831	1,086,329	-	7,462,160
Fixed Income Mutual Funds	<u>17,532,431</u>	<u>-</u>	<u>2,584,304</u>	<u>14,948,127</u>
Total Investments	<u>\$ 24,911,889</u>	<u>\$ 1,086,329</u>	<u>\$ 2,584,304</u>	<u>\$ 23,413,914</u>

Investment returns for the years ended September 30, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Interest Income	\$ 1,096,267	\$ 978,943
Net Realized Gains (Losses)	(203,406)	38,299
Investment Fees	<u>(47,707)</u>	<u>(55,071)</u>
Net Investment Income	845,154	962,171
Net Unrealized Gains	<u>3,455,413</u>	<u>660,691</u>
Total Investment Returns	<u>\$ 4,300,567</u>	<u>\$ 1,622,862</u>

**NOTE 5 PLEDGES RECEIVABLE**

Pledges receivable are scheduled to be collected as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2025	\$ 208,250
2026	<u>50,000</u>
Total	<u>\$ 258,250</u>

The Foundation has been informed of multiple donors naming the Angus Foundation as a charitable beneficiary in their revocable wills or trusts. Since these gifts are revocable, they are not reflected within the accompanying financial statements due to their conditional nature and lack of support provided by the donor until the contribution becomes unconditional. The Foundation has estimated the amount of the conditional receivables could approximate \$3,215,000.

**ANGUS FOUNDATION**  
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**NOTE 6 CONTRIBUTIONS IN-KIND**

During the years ended September 30, 2024 and 2023, the Foundation received the following non-cash donations:

<u>Item Donated</u>	<u>Program Utilization</u>	<u>2024</u>	<u>2023</u>
Auction Items	Fundraising	\$ 56,873	\$ 112,324
Donated Event Facilities	Fundraising	-	30,000
Other	Fundraising	700	1,393
		<u>\$ 57,573</u>	<u>\$ 143,717</u>

Auction items were valued at fair value, determined by the sales price of the item. Donated event facilities were valued based on estimated third-party cost for utilization of the space. All items were considered revenue without donor restrictions.

**NOTE 7 PENSION AND POST-RETIREMENT 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 (board) and are discretionary. Contributions to the Plan are based upon eligible employee salaries and years of service. During the fiscal years ended 2024 and 2023, the Foundation contributed \$19,565 and \$17,468, respectively, to this Plan.

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 IRC. Eligible employees may contribute a percentage of their eligible salary subject to federal statutory limits.

The Foundation provides supplemental post-retirement 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. No benefits were paid in 2024 or 2023. The following is information about the benefit obligation and assumptions related to this benefit plan as of September 30:

	<u>2024</u>	<u>2023</u>
Accrued Benefit Obligation:		
Long-Term Liability	<u>\$ 29,200</u>	<u>\$ 29,200</u>
Change in Obligation for Post Retirement Benefits	<u>\$ -</u>	<u>\$ 1,900</u>
Weighted-Average Assumptions:		
Discount Rate	6%	6%
Expected Return on Plan Assets	8%	8%

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**NOTE 8 NET ASSETS**

Board-designated net assets were available for the following purpose:

	<u>2024</u>	<u>2023</u>
Youth, Research, and Education Programs	<u>\$ 4,220,858</u>	<u>\$ 3,446,751</u>

Net assets were restricted by donors for the following:

	<u>2024</u>	<u>2023</u>
Purpose Restrictions:		
Research	\$ 113,812	\$ 88,525
Youth Programs	1,902,056	1,161,181
Education	1,838,364	510,094
Future Operations	4,197,566	3,416,186
Total Purpose Restrictions	<u>8,051,798</u>	<u>5,175,986</u>
Perpetual in Nature:		
Research	65,241	65,241
Youth Programs	2,469,909	2,413,092
Education	11,112,421	11,074,504
Total Perpetual in Nature	<u>13,647,571</u>	<u>13,552,837</u>
Total Net Assets with Donor Restrictions	<u>\$ 21,699,369</u>	<u>\$ 18,728,823</u>

Net assets with donor restrictions that are perpetual in nature consist of endowments, which are invested in perpetuity, the income from which is expendable to support specified programs.

**NOTE 9 ENDOWMENTS**

The Foundation's endowments consist of various 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 to function as endowments. As required by accounting principles generally accepted in the United States of America, 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.

**ANGUS FOUNDATION  
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**NOTE 9 ENDOWMENTS (CONTINUED)**

**Interpretation of Relevant Law**

The board has interpreted Missouri's enactment of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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. At September 30, 2024 and 2023, there were no such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, 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 is intended to produce results similar to the S&P 500 index while assuming a moderate level of investment risk. Due to the specific investment guidelines required by a significant endowment donor, approximately \$11.8 million was invested in fixed income type investments as of September 30, 2024.

**Spending Policy**

The Foundation has a policy of appropriating a distribution percentage each year of its endowment fund's average balance over the prior three years preceding the fiscal year in which the distribution is budgeted (4% for 2024 and 2023). Because this amount is calculated for a future year, any amount appropriated for the following fiscal years is added to net assets with donor restrictions 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.

**ANGUS FOUNDATION**  
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**NOTE 9 ENDOWMENTS (CONTINUED)**

**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.

Endowment net asset composition by type of fund as of September 30, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor Restricted:			
Original Donor Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	\$ -	\$ 13,647,572	\$ 13,647,572
Endowment Earnings	-	3,486,094	3,486,094
Board-Designated Endowment Funds	4,068,829	-	4,068,829
Total Funds	<u>\$ 4,068,829</u>	<u>\$ 17,133,666</u>	<u>\$ 21,202,495</u>

Changes in endowment net assets for the fiscal year ended September 30, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net Assets - Beginning of Year	\$ 3,244,172	\$ 14,937,899	\$ 18,182,071
Investment Return:			
Investment Income	101,172	632,650	733,822
Net Appreciation:			
Board Designated	699,670	-	699,670
Donor Restricted	-	1,863,465	1,863,465
Total	<u>800,842</u>	<u>2,496,115</u>	<u>3,296,957</u>
Contributions	201,092	96,734	297,826
Appropriation of Endowment Assets for Expenditure	<u>(177,277)</u>	<u>(397,082)</u>	<u>(574,359)</u>
Net Assets - End of Year	<u>\$ 4,068,829</u>	<u>\$ 17,133,666</u>	<u>\$ 21,202,495</u>

Endowment net asset composition by type of fund as of September 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor Restricted:			
Original Donor Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	\$ -	\$ 13,552,838	\$ 13,552,838
Endowment Earnings	-	1,385,061	1,385,061
Board-Designated Endowment Funds	3,244,172	-	3,244,172
Total Funds	<u>\$ 3,244,172</u>	<u>\$ 14,937,899</u>	<u>\$ 18,182,071</u>

**ANGUS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024 AND 2023**

**NOTE 9 ENDOWMENTS (CONTINUED)**

Changes in endowment net assets for the fiscal year ended September 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets - Beginning of Year	\$ 2,866,910	\$ 14,345,275	\$ 17,212,185
Investment Return:			
Investment Income	143,719	632,730	776,449
Net Appreciation:			
Board Designated	217,780	-	217,780
Donor Restricted	-	172,504	172,504
Total	361,499	805,234	1,166,733
Contributions	143,762	276,098	419,860
Appropriation of Endowment Assets for Expenditure	(127,999)	(488,708)	(616,707)
Net Assets - End of Year	\$ 3,244,172	\$ 14,937,899	\$ 18,182,071

**NOTE 10 RELATED PARTIES**

The Foundation paid an affiliated organization \$40,200 for rent of facilities and equipment under a short-term lease, and administrative services, for the years ended September 30, 2024 and 2023.

The Foundation paid affiliated organizations \$267,079 and \$347,155 for sponsorships of events and shows during the years ended September 30, 2024 and 2023, respectively. Included in accounts payable at September 30, 2024 and 2023 was \$581 and \$103,044, respectively, due to affiliated organizations. Included in accounts receivable at September 30, 2024 and 2023 was \$-0- and \$50,000, respectively, due from affiliated organizations.

An affiliated organization contributed \$20,000 and \$90,000 to cover current and future administrative services and donor relations for the years ended September 30, 2024 and 2023, respectively. An affiliated organization contributed \$-0- and \$50,000 for research for the years ended September 30, 2024 and 2023, respectively.

**NOTE 11 ECONOMIC RISKS**

The Foundation's investment portfolio is subject to significant fluctuations in its value. 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.

**ANGUS FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 CONTINGENCIES**

The Foundation has budgeted \$40,000 for research projects. The grants are contingent upon the researchers accepting final agreements and meeting other requirements established by the Foundation. Due to their conditional nature, the financial statements do not reflect a commitment for these grants.

**NOTE 13 CONCENTRATIONS**

Approximately 13% of the Foundation's contributions during the year ended September 30, 2024 were from one donor. Approximately 30% of the Foundation's contributions during the year ended September 30, 2023 were from three donors.

Approximately 92% of the Foundation's pledges receivable at September 30, 2024 were from three donors. Approximately 94% of the Foundation's pledges receivable at September 30, 2023 were from four donors.

**NOTE 14 SUBSEQUENT EVENTS**

Management evaluated subsequent events through October 18, 2024, the date the financial statements were available to be issued. Events or transactions occurring after September 30, 2024, but prior to October 18, 2024 that provided additional evidence about conditions that existed at September 30, 2024, have been recognized in the 2024 financial statements.



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