UNITED STATES MEAT EXPORT FEDERATION INC.

Financial Statements And Single Audit
For The Years Ended September 30, 2021 and 2020

Together With Independent Auditors' Report

JDS professional group

certified public accountants, consultants and advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
United States Meat Export Federation, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of United States Meat Export Federation, Inc. ("USMEF"), which comprise the statements of financial position as of September 30, 2021 and 2020, the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United States Meat Export Federation, Inc. as of September 30, 2021 and 2020, 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.

Other Matters

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purpose of additional analysis and is not a required part of the financial statements. The supplemental schedule of revenue and expenses by source is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 9, 2021, on our consideration of USMEF's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the USMEF's internal control over financial reporting and compliance.

JDS Professional Group

November 9, 2021

UNITED STATES MEAT EXPORT FEDERATION, INC.

Statements of Financial Position
As of September 30, 2021 and 2020

ASSETS	2021	2020
Current Assets:		
Cash and Cash Equivalents	$ 3,189,812	$ 6,299,877
Accounts Receivable	9,445,670	9,343,046
Federal Grants Receivable	4,827,942	1,365,789
Other Current Assets	1,790,738	1,322,672
Total Current Assets	19,254,162	18,331,384
Property and Equipment:		
Furniture, Equipment and Capital Projects	2,128,366	1,428,809
Leasehold Improvements	57,330	57,330
	2,185,696	1,486,139
Less: Accumulated Depreciation and Amortization	(928,732)	(640,667)
Net Property And Equipment	1,256,964	845,472
Deposits	272,696	276,104
TOTAL ASSETS	$ 20,783,822	$ 19,452,960
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	$ 7,120,314	$ 6,347,675
Deferred Revenue	994,977	1,357,741
Refundable Advances	457,860	457,860
Other Current Liabilities	876,911	979,462
Total Current Liabilities	9,450,062	9,142,738
Net Assets:		
Without Donor Restrictions	11,333,760	10,310,222
Total Net Assets Without Donor Restrictions	11,333,760	10,310,222
TOTAL LIABILITIES AND NET ASSETS	$ 20,783,822	$ 19,452,960

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

UNITED STATES MEAT EXPORT FEDERATION, INC.

Statements of Activities
For the Years Ended September 30, 2021 and 2020

	2021	2020
Revenue:		
USDA Programs	$ 20,550,000	$ 21,685,320
Private Funding Projects	20,292,630	19,703,926
Contributions	2,114,784	1,879,786
Membership Dues	1,608,847	1,551,880
Private Funding Implementation	5,303,796	4,823,118
Board Meeting Fees		107,271
Other Revenue	270	10,984
Total Revenue	49,870,327	49,762,285
Expenses:		
Program Services -		
International Program Activities	44,004,272	44,439,200
Stewardship and Issue Management	401,586	444,163
Packer Services and Government Affairs	55,081	86,778
Market Access Support	10,004	7,993
Information Reporting	796,859	838,663
Total Program Services	45,267,802	45,816,797
Supporting Services -		
Management and General	2,394,858	2,067,497
Board Activities	816,687	723,530
Governance Activities	20,422	13,286
Fundraising and Membership Relations	347,020	245,869
Total Supporting Services	3,578,987	3,050,182
Total Expenses	48,846,789	48,866,979
CHANGE IN NET ASSETS FROM OPERATIONS	1,023,538	895,306
Net Assets, Beginning of Year	10,310,222	9,414,916
NET ASSETS, END OF YEAR	$ 11,333,760	$ 10,310,222

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

UNITED STATES MEAT EXPORT FEDERATION, INC.

Statement of Functional Expenses
For the Year Ended September 30, 2021

		USMEF Program Activities						Supporting Services				
	Total	Total Program Services	International Program Activities	Stewardship & Issue Management	Packer Services & Government Affairs	Market Access Support	Information Reporting	Total Supporting Services	Management and General	Board Activities	Governance Activities	Fund Raising & Membership Relations
Project Expenses-												
Promotions	$ 17,123,487	$ 17,123,487	$ 17,123,487	$	$	$	$	$	$	$	$	$
Consumer	6,700,930	6,700,930	6,700,930									
Digital Marketing	3,297,692	3,297,692	3,297,692									
Education & Seminars	3,173,454	3,173,454	3,173,454									
Shows	2,117,870	2,117,870	2,117,870									
Teams	162,372	162,372	162,372									
Trade Servicing	670,431	670,431	670,431									
Industry Funded	160,458	160,458	160,458									
Market Access	220,119	220,119	220,119									
Denver Implementation and International Overhead Expenses-												
Salaries and Benefits	10,719,144	7,936,565	6,894,367	326,190	45,761	7,257	662,990	2,782,579	1,945,620	540,730	17,945	278,284
Rent	1,257,229	1,080,987	1,019,887	22,000	2,810	175	36,115	176,242	133,357	30,983	723	11,179
Travel	189,229	109,208	93,122	4,882	333	21	10,850	80,021	15,791	30,989	164	33,077
Contractual	1,806,900	1,718,308	1,681,712	11,015	1,407	87	24,087	88,592	66,768	15,865	362	5,597
Professional	139,828	109,978	101,903	2,908	371	23	4,773	29,850	24,182	4,095	96	1,477
Telephone and Internet	59,036	22,844	12,531	3,714	474	29	6,096	36,192	22,511	11,672	122	1,887
Depreciation and Amortization	313,071	213,765	179,338	12,396	1,584	98	20,349	99,306	75,142	17,458	407	6,299
Equipment Rental, Maintenance, and Repairs	71,749	57,578	52,973	1,658	212	13	2,722	14,171	10,050	3,225	54	842
Insurance	42,412	21,753	14,592	2,579	329	20	4,233	20,659	15,632	3,632	85	1,310
Meetings and Conferences	218,345	38,621	23,712	5,461	679	42	8,727	179,724	32,226	144,622	175	2,701
Dues and Subscriptions	86,652	49,128	36,120	4,684	598	37	7,689	37,524	28,393	6,597	154	2,380
Office Supplies, Postage, and Shipping	237,788	224,126	219,230	1,763	225	14	2,894	13,662	10,687	2,117	58	800
Printing and Publications	9,959	5,368	4,266	397	51	3	651	4,591	2,405	1,971	13	202
Trade Shows and Promotional Items	21,732	10,287	4,820	1,429	182	11	3,845	11,445	8,660	2,012	47	726
Taxes, Interest, Bank Fees	46,902	42,473	38,886	510	65	2,174	838	4,429	3,434	719	17	259
Total Expenses	$ 48,846,789	$ 45,267,802	$ 44,004,272	$ 401,586	$ 55,081	$ 10,004	$ 796,859	$ 3,578,987	$ 2,394,858	$ 816,687	$ 20,422	$ 347,020

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

UNITED STATES MEAT EXPORT FEDERATION, INC.

Statement of Functional Expenses
For the Year Ended September 30, 2020

		USMEF Program Activities						Supporting Services				
	Total	Total Program Services	International Program Activities	Stewardship & Issue Management	Packer Services & Government Affairs	Market Access Support	Information Reporting	Total Supporting Services	Management and General	Board Activities	Governance Activities	Fund Raising & Membership Relations
Project Expenses-												
Promotions	$ 18,047,936	$ 18,047,936	$ 18,047,936	$	$	$	$	$	$	$	$	$
Consumer	6,764,914	6,764,914	6,764,914									
Education & Seminars	3,355,664	3,355,664	3,355,664									
Shows	1,809,639	1,809,639	1,809,639									
Teams	523,004	523,004	523,004									
Trade Servicing	851,676	851,676	851,676									
Industry Funded	3,201,018	3,201,018	3,201,018									
Market Access	91,481	91,481	91,481									
Denver Implementation and International Overhead Expenses-												
Salaries and Benefits	9,813,973	7,471,526	6,323,913	365,519	73,941	1,446	706,707	2,342,447	1,707,936	422,009	11,618	200,884
Rent	1,214,283	1,066,339	997,592	25,439	3,910	42	39,356	147,944	114,616	23,851	511	8,966
Travel	547,453	448,151	428,585	4,987	1,514	37	13,028	99,302	21,382	58,707	190	19,023
Contractual	1,570,705	1,507,936	1,479,166	9,286	1,427	15	18,042	62,769	41,837	17,472	187	3,273
Professional	170,495	140,217	129,016	4,145	637	7	6,412	30,278	24,848	3,886	83	1,461
Telephone and Internet	47,096	24,005	13,321	3,953	608	7	6,116	23,091	17,812	3,807	79	1,393
Depreciation and Amortization	108,558	55,449	30,770	9,132	1,404	15	14,128	53,109	41,145	8,562	183	3,219
Equipment Rental, Maintenance, and Repairs	62,293	48,738	43,838	1,813	279	3	2,805	13,555	8,170	4,710	36	639
Insurance	38,413	22,197	14,661	2,788	429	5	4,314	16,216	12,563	2,614	56	983
Meetings and Conferences	211,144	35,377	23,764	4,297	661	7	6,648	175,767	19,361	154,805	86	1,515
Dues and Subscriptions	95,573	65,421	46,209	5,185	797	5,009	8,221	30,152	23,360	4,861	104	1,827
Office Supplies, Postage, and Shipping	242,166	225,344	219,079	2,278	350	4	3,633	16,822	10,263	5,710	46	803
Printing and Publications	11,040	3,758	2,380	510	78	1	789	7,282	2,296	4,796	10	180
Trade Shows and Promotional Items	30,833	16,233	8,459	2,510	386	4	4,874	14,600	11,311	2,354	50	885
Taxes, Interest, Bank Fees	57,622	40,774	33,115	2,321	357	1,391	3,590	16,848	10,597	5,386	47	818
Total Expenses	$ 48,866,979	$ 45,816,797	$ 44,439,200	$ 444,163	$ 86,778	$ 7,993	$ 838,663	$ 3,050,182	$ 2,067,497	$ 723,530	$ 13,286	$ 245,869

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

UNITED STATES MEAT EXPORT FEDERATION, INC.

Statements of Cash Flows
For the Years Ended September 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets from operations	$ 1,023,538	$ 895,306
Adjustments to reconcile changes in net assets from operations to net cash provided by (used in) operating activities from -		
Depreciation and amortization	313,071	108,558
Loss on disposal of property and equipment	974	96
Changes in operating assets and liabilities -		
(Increase) decrease in accounts receivable	(102,624)	949,167
(Increase) decrease in federal grants receivable	(3,462,153)	1,299,508
(Increase) in other current assets	(468,066)	(233,751)
(Increase) decrease in deposits	3,408	(9,836)
Increase (decrease) in accounts payable	772,639	(1,619,025)
(Decrease) in deferred revenue	(362,763)	(543,434)
(Decrease) in other current liabilities	(102,551)	(103,939)
Net cash provided by (used in) operating activities	(2,384,527)	742,650
Cash flows from investing activities:		
Acquisitions of property and equipment	(725,538)	(461,895)
Net cash (used in) investing activities	(725,538)	(461,895)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,110,065)	280,755
Cash and Cash Equivalents, Beginning of Year	6,299,877	6,019,122
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 3,189,812	$ 6,299,877

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

(1) Nature of the Organization

The United States Meat Export Federation, Inc. ("USMEF") is a Washington, D.C. nonprofit corporation chartered in 1975. Its purpose is to support and enhance the worldwide export of red meat products. USMEF solicits funding from several groups, including the U.S. Department of Agriculture through its Foreign Agriculture Service, and national, statewide and industry red meat and grain organizations. USMEF currently operates offices in Tokyo, Hong Kong, Beijing, Seoul, Taipei, Singapore, Shanghai, Mexico City, and Monterrey. USMEF also maintains a year-round presence in the Middle East, the Caribbean, South and Central America, Africa, the Philippines, Vietnam, Europe and Russia.

USMEF has entered into agreements under the Market Access Program ("MAP"), the Foreign Market Development Program ("FMD"), the Agricultural Trade Promotion Program ("ATP") and Section 108 of the Agriculture Trade Development and Assistance Act of 1954 (Section 108), all of which are administered by the USDA. MAP, FMD, ATP and Section 108 funding in the amount of $20,550,000 and $21,685,320 was earned during fiscal years ended September 30, 2021 and 2020, respectively, by USMEF for specifically budgeted activities.

In addition, USMEF has received funding under contracts with the Cattlemen's Beef Board ("CBB"), the National Pork Board ("NPB"), the American Lamb Board, the United Soybean Board ("USB"), and various state beef, pork, soybean, and corn boards (checkoff funds). These funds originate from assessments on beef, pork, soybean, and corn sales in the United States, as established in the Beef Promotion and Research Act of 1985, the Pork Promotion, Research and Consumer Information Act of 1985, the Soybean Promotion, Research and Consumer Information Act, and various state beef and corn check-off programs.

(2) Summary of Significant Accounting Policies

Method of Accounting

USMEF's financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Basis of Presentation

Financial statement presentation follows the recommendations of *Financial Statements for Not-for-Profit Organizations*. Under this standard, USMEF is required to report information regarding financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of USMEF's management and/or its board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of USMEF or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds must be maintained in perpetuity. As of September 30, 2021 and 2020, USMEF did not have net assets with donor restrictions.

Measure of Operations

USMEF's Statements of Activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consists of those items attributable to USMEF's ongoing program services. Nonoperating activities are limited to activities considered to be of a more unusual or nonrecurring nature.

Statement of Cash Flows

For purposes of the Statements of Cash Flows, USMEF considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. As of September 30, 2021 and 2020, USMEF did not have any investments with a maturity in excess of three months.

Fair Value Measurements

The carrying amount reported in the Statements of Financial Position for cash and cash equivalents, accounts receivable, federal grants receivable, other current assets, accounts payable, deferred revenue, refundable advances and other current liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

Accounts Receivable

Accounts receivable are due according to contractual terms and are stated at the amounts due from funding sources. Amounts outstanding longer than the contractual terms are considered past due. USMEF writes-off accounts receivable when they are determined to be uncollectible or when collection appears unlikely. Payments received on receivables that were previously written off are recognized as revenue in the current period. As of September 30, 2021 and 2020, management believes that all receivables are fully collectible. Accordingly, no allowance for uncollectible receivables has been established.

Property and Equipment

All property and equipment is stated at cost, or fair value if donated. Depreciation of office furniture, equipment and capital projects is computed using the straight-line method over the estimated useful lives of the respective asset, which range from two to seven years. Leasehold improvements are capitalized and amortized using the straight-line method over the lesser of the remaining lease term or the estimated useful life of the asset. Software development costs are not depreciated until the asset is placed into service. Depreciation and amortization expense totaled $313,071 and $108,558 for the years ended September 30, 2021 and 2020, respectively.

Expenditures for maintenance, repairs, and minor replacements are charged to operations as incurred. Individual expenditures for major replacements and betterments of $350 or greater are capitalized.

Revenue And Revenue Recognition

Private funding and implementation consists of revenue from private funding agencies for services performed by USMEF. USMEF recognizes revenue from contracts during the period in which the performance obligations are met. The performance obligations consist of completing deliverables or providing services and are satisfied as work is performed or deliverables are met over time. Payments are due to USMEF either upon receipt or within 15, 30, or 45 days once invoiced for satisfied performance obligations (depending on the terms of the contract). Transaction prices for each deliverable are written in the contracts. Payments received prior to performance obligations being met are recorded as deferred revenue. During the years ended September 30, 2021 and 2020, the amount of services that were recognized over time amounted to $27,205,273 and $26,078,924, respectively. No amounts were recognized at a point of time in 2021 or 2020.

Membership dues revenue is recognized over the membership period as this revenue only has an exchange element based on the value of benefits provided. Board meeting revenue is recognized at the time the meeting occurs.

USMEF recognizes contributions when cash, securities or other assets, or an unconditional promise to give is received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year. As of September 30, 2021 and 2020, USMEF had no promises to give. Conditional promises to give with a measurable performance or other barrier and a right of return/right of release are not recognized until the conditions on which they depend have been met. As of September 30, 2021 and 2020, USMEF had conditional contributions receivable of $1,620,600 and $762,800, respectively, that have not been recognized.

In addition, as of September 30, 2021 and 2020, USMEF received advances on conditional promises to give of $457,860 which are recorded as refundable advances on the Statements of Financial Position.

A portion of USMEF's revenue is derived from cost-reimbursable federal contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when USMEF has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. USMEF was awarded cost-reimbursable grants of $21,635,395 and $25,048,922 that have not been recognized as of September 30, 2021 and 2020, respectively, because qualifying expenditures have not yet been incurred.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Methods Used for Allocation of Expenses from Management and General Activities

The costs of providing program and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Costs directly related to each functional activity have been classified accordingly. In addition, supporting costs, such as salaries and wages, rent, contract services, office supplies, travel expenses, staff education and other related expenses are allocated among programs and functional activities based on actual timekeeping records (i.e. time spent by USMEF staff and representatives in support of such programs and activities).

Risks And Uncertainties

The global community has been under a significant threat from coronavirus ("COVID-19"). The extent to which the COVID-19 pandemic impacts USMEF's business, results of operations and financial condition will depend on future developments, which are still uncertain and cannot be predicted. Even after the COVID-19 pandemic has subsided, USMEF may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future.

Evaluation of Subsequent Events

USMEF has evaluated subsequent events through November 9, 2021, the date which the financial statements were available to be issued.

(3) **Income Taxes**

USMEF is an Organization as described under Internal Revenue Code Section 501(c)(6) and is exempt from federal and state income taxes except for amounts representing unrelated business income and proxy taxes as defined in the Internal Revenue Code and regulations. During the years ended September 30, 2021 and 2020, USMEF paid taxes of $2,170 and $1,387, respectively.

USMEF follows *Accounting for Uncertainty in Income Taxes*, which requires USMEF to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. During the years ended September 30, 2021 and 2020, USMEF's management evaluated its tax position and determined that no uncertainties existed that would require recognition or that could negatively impact its tax-exempt status.

USMEF is no longer subject to U.S. federal tax audits on its Form 990 and 990-T by taxing authorities for the fiscal years ending prior to September 30, 2018. USMEF is no longer subject to state tax audits on its Form 112 state tax return by taxing authorities for fiscal years ending prior to September 30, 2017. The years subsequent to these years contain matters that could be subject to differing interpretation of applicable tax laws and regulations as it relates to the amount and/or timing of income, deductions and tax credits. Although the outcome of the tax audits is uncertain, USMEF believes no issues would arise.

(4) Accounts Receivable and Federal Grants Receivable

As of September 30, 2021 and 2020, accounts receivable and federal grants receivable consisted of billed and unbilled receivables as follows:

2021	Billed	Unbilled	Total
Private funding sources	$ 751,611	$ 8,290,871	$ 9,042,482
Other	403,188		403,188
Total Accounts Receivable	1,154,799	8,290,871	9,445,670
Federal grants receivable		4,827,942	4,827,942
Total	$ 1,154,799	$ 13,118,813	$ 14,273,612
2020			
Private funding sources	$ 1,813,382	$ 7,169,763	$ 8,983,145
Other	359,901		359,901
Total Accounts Receivable	2,173,283	7,169,763	9,343,046
Federal grants receivable		1,365,789	1,365,789
Total	$ 2,173,283	$ 8,535,552	$ 10,708,835

(5) Deferred Revenue

Deferred revenue consists of the following as of September 30, 2021 and 2020:

	2021	2020
Membership dues	$ 66,435	$ 49,472
Section 108	21,027	21,027
Private funding projects	907,515	1,287,242
	$ 994,977	$ 1,357,741

The following table provides information about significant changes in deferred revenue on contract fees for the year ended September 30:

	2021	2020
Deferred revenue, beginning of year	$ 1,357,741	$ 1,901,175
Revenue recognized that was included in deferred revenue at the beginning of the year	(821,441)	(1,791,548)
Increase in deferred revenue due to cash received during the year	458,677	1,248,114
Deferred revenue, end of year	$ 994,977	$ 1,357,741

(6) Profit Sharing/401(k) Plan and Trust

USMEF has adopted a defined contribution 401(k) plan covering all employees meeting length of service and age requirements. Those employees participating in the plan may contribute up to a maximum provided by law. USMEF provides bi-weekly safe harbor contributions equal to 3% of each eligible employee's gross compensation for the period, which vest immediately. In addition, USMEF provides for a discretionary annual profit-sharing contribution that is subject to a five-year incremental vesting period. Profit-sharing contributions made during the fiscal years ended September 30, 2021 and 2020 equaled 4% of each eligible employees' annual compensation. An additional 4% profit-sharing contribution is made on employee compensation amounts in excess of the annual Social Security wage base for the respective period. Employer contributions for the years ended September 30, 2021 and 2020, totaled $281,006 and $277,267, respectively.

(7) Commitments and Contingencies

Lease Commitments

USMEF leases various facilities and equipment under operating leases. Future minimum commitments as of September 30, 2021, were as follows:

Year Ended September 30,	
2022	$ 986,429
2023	665,182
2024	362,613
2025	363,591
2026	331,880
Thereafter	194,001
	$ 2,903,696

Rent expense was $1,257,229 and $1,214,283, for the years ended September 30, 2021 and 2020, respectively, which includes USMEF's proportional share of annual common area maintenance costs.

Government Contracts

USMEF receives revenues from governmental agencies. The disbursements of funds received under these contacts generally requires compliance with terms and conditions specified in the contracts and is subject to audit by the contracting agencies. The amount of charges to these contracts incurred during the current period that may be disallowed, if any, by such audits cannot presently be determined and no provision for any liability that may result has been made in the financial statements. However management believes USMEF is in compliance with its requirements, and no material liability has arisen in the past or is currently expected.

(8) **Concentrations of Credit Risk**

USMEF's cash demand deposits held at U.S. financial institutions are insured by the FDIC through the FDIC's Transaction Account Guarantee Program. As of September 30, 2021, cash deposits exceeded the FDIC limits by $2,087,610. USMEF also has demand deposit accounts held at financial institutions at various international countries. USMEF's management believes that the financial strength of such financial institutions mitigates the risk of excess exposure over the prescribed insurance limits.

USMEF enters into contracts with various segments of the meat industry to fund specific projects aimed at foreign market development. These contracts provide for a stated objective, such as product promotion or market research, and various approved activities designed to achieve those objectives. USMEF administers the activities and applies for reimbursement under the contracts. The contracts also generally provide for the reimbursement of USMEF's implementation costs associated with such activities.

The following summarizes revenue earned from significant funding sources under those contracts for the years ended September 30, 2021 and 2020:

	2021		2020	
Funding Source	Revenue Earned	Percent of Total Revenue	Revenue Earned	Percent of Total Revenue
United States Department of Agriculture	$20,550,000	41%	$21,685,320	44%
CBB and NCBA's Federation of State Beef Councils	$ 9,113,390	18%	$ 9,436,489	19%
National Pork Board	$ 6,470,971	13%	$ 6,407,338	13%

The following summarizes accounts receivable due from significant funding sources as of September 30, 2021 and 2020:

	2021		2020	
Funding Source	Accounts Receivable	Percent of Total Receivables	Accounts Receivable	Percent of of Total Receivables
CBB and NCBA's Federation of State Beef Councils	$ 3,661,849	26%	$ 3,806,157	36%
National Pork Board	$ 2,711,658	19%	$ 1,799,833	17%

(9) Foreign Currency

A significant portion of USMEF's expenses incurred are denominated in various foreign currencies. To meet these obligations, USMEF routinely purchases foreign currency. Some of these purchases are made through commitments to purchase foreign currency at an agreed-upon rate at a date or period in the future. Gains or losses attributed to each transaction are allocated directly to the specific expenses funded by the currency purchased in that transaction. As such, any gains or losses on transactions during 2021 and 2020 are included in each years' project expenses. During 2021 and 2020, USMEF recognized net gain of $5,892 and net losses of ($32,808) respectively, on purchases of foreign currencies.

(10) Liquidity and Availability of Financial Assets

The following reflects USMEF's financial assets as of September 30, 2021:

	2021	2020
Financial assets	$ 17,463,424	$ 17,008,712
Less those unavailable for general expenditures within one year, due to:		
USDA advance program funding	(239,000)	(239,000)
Grain advance program funding	(218,860)	(218,860)
Financial assets available to meet cash needs for general expenditures within one year	$ 17,005,564	$ 16,550,852

USMEF's goal is to maintain sufficient financial assets on hand to meet at least three months of operating expenses. As part of its liquidity management program, USMEF has established a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(11) New Accounting Pronouncements

In December of 2018, FASB issued ASU No. 2018-20, *Leases*. ASU No. 2018-20 requires an entity to include all of its leased assets on its Statement of Financial Position with corresponding liabilities being established for outstanding lease obligations. Entities will also be required to present additional disclosure as to the nature and extent of the entity's leasing activities. The requirements of this statement are effective for USMEF's year ended September 30, 2023. USMEF has not yet evaluated the impact due to the timing of implementation of this standard.

UNITED STATES MEAT EXPORT FEDERATION, INC.

Supplemental Schedule Of Revenue And Expenses By Source
For The Year Ended September 30, 2021

	Total	Multi-Species Funded by USDA	Checkoff Programs			Noncheckoff Program
			Beef	Pork	Lamb	Other
Revenue:						
MAP project revenue	$ 14,035,184	$ 5,943,493	$ 4,320,864	$ 3,654,664	$ 116,163	
FMD project revenue	1,373,603	1,373,603				
ATP project revenue	5,141,213		3,000,451	2,140,762		
Private project revenue	20,292,630		11,781,138	8,315,295	29,804	166,393
Membership dues	1,608,847		336,948	260,666	10,836	1,000,397
Other program funding	2,114,784		1,263,319	842,251	3,214	6,000
Implementation fees	5,303,796		3,138,096	2,165,700		
Other	270		10	8		252
Total Revenue	49,870,327	7,317,096	23,840,826	17,379,346	160,017	1,173,042
Operating Expenses						
Project expenses	42,157,768	6,971,843	20,292,361	14,577,286	149,884	166,394
Implementation and overhead expenses -						
Salaries and benefits	5,368,842	4,045,344	631,919	583,204	9,351	99,024
Rent	311,575	311,575				
Travel	124,002	49,201	21,940	24,147	29	28,685
Contractual	162,355	139,042	2,862	2,462		17,990
Professional	47,722	41,161		398		6,163
Meetings and conferences	218,346	165,019		6,600		46,727
Other operating expenses -						
Telephone and Internet	59,037	58,899				138
Depreciation and amortization	175,562	175,562				
Equipment rental, maintenance, and repairs	24,956	23,063				1,893
Insurance	36,522	36,513				9
Dues and subscriptions	86,653	82,760	1,000	436		2,457
Office supplies, postage, and shipping	32,762	23,708	160	357	9	8,528
Printing and publications	9,959	5,915	1,350	2,200		494
Trade shows, promotional items	21,732	5,070	9,600			7,062
Taxes, interest, bank fees	8,021	5,843				2,178
Other	975	975				
Allocation of indirect expenses	-	(5,169,649)	2,879,634	2,182,256	22,101	85,658
Total implementation and overhead expenses	6,689,021		3,548,465	2,802,060	31,490	307,006
Total Operating Expenses	48,846,789	6,971,843	23,840,826	17,379,346	181,374	473,400
Changes in Net Assets from Operations	$ 1,023,538	$ 345,253	$ -	$ -	$ (21,357)	$ 699,642

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS REPORT ON COMPLIANCE WITH LOBBYING REGULATIONS

To the Board of Directors of
United States Meat Export Federation, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the compliance with lobbying regulations by United States Meat Export Federation, Inc. ("USMEF") during the year ended September 30, 2021, and have issued our report thereon dated November 9, 2021.

Management's Responsibility for Compliance

Management is responsible to ensure the compliance of all lobbying regulations.

Auditors' Responsibility

Our responsibility is to express an opinion on the compliance of lobbying regulations by USMEF based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether USMEF is compliant in accordance with lobbying regulations.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, during the course of the audit, nothing came to our attention that caused us to believe that USMEF had failed to comply with Section 1230.74 (a) of the Pork Promotion, Research and Consumer Promotion and Research Order; Final Rule, or Section 1260.169(e) of the Beef Promotion and Research Order; Final Rule relating to the use of "checkoff" funds for the purpose of influencing legislation, as that term is defined in Section 4911(d) and (e)(2) of Title 26 of the Internal Revenue Code, or for the purpose of influencing governmental policy or action. However, it should be noted that our audit was not directed primarily toward obtaining knowledge of such noncompliance.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of United States Meat Export Federation, Inc. as of and for the year ended September 30, 2021, and our report thereon November 9, 2021, expressed as an unmodified opinion on those financial statements.

Purpose of Report

This report is intended solely for the information and use of the Board of Directors, Audit/Budget Committee and management of United States Meat Export Federation, Inc., and for use of its various funding sources and is not intended to be and should not be used by anyone other than these specified parties.

JDS Professional Group

November 9, 2021

UNITED STATES MEAT EXPORT FEDERATION, INC.

Schedule Of Expenditures Of Federal Awards
For The Year Ended September 30, 2021

Federal Grantor and Program Title	Contract Number	Federal CFDA Number	Total Expended
U.S. Department of Agriculture - Direct Funding			
Foreign Market Development Cooperator Program	701901	10.600	$ 1,373,602
Market Access Program *	122	10.601	14,035,185
Agricultural Trade Program *		10.618	5,141,213
TOTAL			$ 20,550,000

* Major program

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

(1) Method of Accounting and Summary of Significant Accounting Policies

The schedule of expenditures of federal awards has been prepared on an accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and also presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule of expenditures of federal awards presents only a selected portion of the operations of USMEF, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of USMEF.

USMEF has elected not to use a de minimis indirect cost rate as allowed under the Uniform Guidance.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
United States Meat Export Federation, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of United States Meat Export Federation, Inc. ("USMEF"), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 9, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered USMEF's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of USMEF's internal control. Accordingly, we do not express an opinion on the effectiveness of the USMEF's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Independent Auditors' Report (Continued)

Compliance And Other Matters

As part of obtaining reasonable assurance about whether USMEF's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering USMEF's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

JDS Professional Group

November 9, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
United States Meat Export Federation, Inc.:

Report on Compliance for Each Major Federal Program

We have audited United States Meat Export Federation, Inc's ("USMEF") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of USMEF's major federal programs for the year ended September 30, 2021. USMEF's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for USMEF's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on major federal programs occurred. An audit includes examining, on a test basis, evidence about USMEF's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of USMEF's compliance.

Independent Auditors' Report (Continued)

Opinion on Each Major Federal Program

In our opinion, USMEF complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of USMEF is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered USMEF's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of USMEF's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration on internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

JDS Professional Group

November 9, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	___ yes	_X_ no
Significant deficiency(s) identified that are not considered to be material weakness(es)?	___ yes	_X_ none reported
Noncompliance material to financial statements noted?	___ yes	_X_ no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	___ yes	_X_ no
Significant deficiency(s) identified that are not considered to be material weakness(es)?	___ yes	_X_ none reported
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR §200.516(a)?	___ yes	_X_ no

Identification of major program:

CFDA Or Other Identifying Number	Name Of Federal Program
10.601	U.S. Department of Agriculture - Market Access Program
10.618	U.S. Department of Agriculture - Agricultural Trade Program

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee? _X_ yes ___ no

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

Finding 2020-001: 10.601 - U.S. Department Of Agriculture - Market Access Program

Procurement and Suspension and Debarment, Significant Deficiency

Condition: During our testing of internal controls over compliance related to procurement and suspension and debarment, we identified a contract that was awarded without required procurement documentation.

Status: Corrective action has been taken and there is no such finding in 2021.