

Indiana Pork
May 2020 Financial Statements

Statement of Financial Position:

1. Cash balances decreased \$18,000 from April, due primarily to payment of prior month payables.
 - a. Note: Checkoff banking activity has been transferred from BMO Harris to First Farmers Bank & Trust (FFBT). The change was required due to the elimination of the BMO sweep account service. The BMO Harris account will remain open for a period of time to ensure all auto and ACH payments have been transferred to FFBT.
2. The \$83,000 balance in accounts receivable includes a \$60,000 receivable from the NPPC for their fall 2019 and spring 2020 bi-annual payments of \$30,000 to support the InPAC position at Indiana Pork.
3. Assets held for donation total \$22,000 at May 31 and include a trailer, conveyor system, and a stunner machine.
4. Accounts payable decreased \$30,000 from April. The decrease is due in part to a \$13,000 payment to Bose Public Affairs and a \$10,000 payment to Commercial Works for invoices in payables at April 30. The remaining difference can be attributed to payment of several smaller invoices from prior month.
5. Deferred income includes \$15,000 in 2020 MPC revenue, which will be recognized in December at the time of the event.

Statement of Activities:

1. A \$27,000 net operating income was recorded for the month, compared to a budgeted net operating loss of \$1,000. Net operating income (loss) YTD is (\$77,000), which is \$96,000 better than the budgeted YTD net operating loss of (\$173,000).
2. Checkoff income this month fell short of the monthly budget by \$8,000. 37% of the total budgeted Checkoff income has been recognized through May, meaning that Checkoff income is \$15,000 behind the budget year-to-date.
3. Total income for the month (excluding State Fair) was \$87,000, which is \$8,000 less than the monthly budget. Income YTD (excluding State Fair) is \$4,000 greater than the budget.
4. Operating expenses for the month were \$58,000 vs. budgeted operating expenses of \$96,000. Operating expenses YTD are \$92,000 less than the budget. The main category under budget YTD is project costs, due primarily to COVID related restrictions.
5. Due to COVID, the 2020 Indiana State Fair has been cancelled.
6. The YTD net income (loss) by fund includes:
 - a. Checkoff fund (\$70,000)
 - b. Unrestricted fund (\$38,000)
 - c. InPAC fund \$538

We appreciate the opportunity to serve Indiana Pork.

Indiana Pork Producers Association

Statement of Financial Position

As of May 31, 2020

	As of May 31, 2020	As of Apr 30, 2020
ASSETS		
Current Assets		
Bank Accounts		
1000 Cash		
1010 Harris Checkoff Cash	79,438	100,323
1015 First Farmers Checking 3770	150,000	150,000
1016 First Farmers DDM 1938	201,879	172,613
1021 PNC Unrestricted	142,280	45,698
1026 PNC State Fair	222,773	234,603
1032 PNC Money Market	5,019	5,019
1041 PNC INPAC	327,184	438,866
1045 Capital One INPAC Savings	169,766	169,723
1052 PNC Animal Health Reserve	14,785	14,785
1070 Petty Cash	200	200
Total 1000 Cash	1,313,323	1,331,830
Total Bank Accounts	1,313,323	1,331,830
Accounts Receivable		
1200 *Accounts Receivable	83,063	88,763
Total Accounts Receivable	83,063	88,763
Other Current Assets		
1100 Accounts Receivable	-	-
1105 InPAC Due to / (from)	(137,723)	(232,947)
1110 Checkoff Due to / (from)	(50,120)	(54,895)
1120 Unrestricted Due to / (from)	187,843	287,843
Total 1100 Accounts Receivable	-	-
1150 Prepaid Expense	25,832	29,479
1500 Assets Held for Donation	21,517	3,000
Total Other Current Assets	47,349	32,479
Total Current Assets	1,443,735	1,453,072
Fixed Assets		
1600 Furniture & Equipment		
1661 Office Equipment	15,194	15,194
1662 Vehicle	20,990	20,990
1663 Capitalized Leases	30,083	30,083
1665 Computer Equipment	3,546	2,535
1666 Warehouse Equipment	24,062	24,062
1667 Exhibits & Displays	6,418	6,418
1670 Accumulated Depreciation	(78,401)	(76,905)
Total 1600 Furniture & Equipment	21,891	22,377
Total Fixed Assets	21,891	22,377
TOTAL ASSETS	1,465,626	1,475,449

Indiana Pork Producers Association

Statement of Financial Position

As of May 31, 2020

	As of May 31, 2020	As of Apr 30, 2020
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable		
2010 Accounts Payable	42,352	72,459
Total Accounts Payable	42,352	72,459
Other Current Liabilities		
2030 Accrued Wages Payable	19,838	19,838
2040 Accrued Liabilities	950	950
2115 Capital Lease Obligation	7,655	7,655
2120 Deferred Income	34,746	39,663
2300 Funds Held for PRRS Projects		
2352 Animal Health Reserve Liability	14,785	14,785
Total 2300 Funds Held for PRRS Projects	14,785	14,785
Total Other Current Liabilities	77,974	82,891
Total Current Liabilities	120,326	155,350
Total Liabilities	120,326	155,350
Net Assets		
3000 Net Assets		
3010 Checkoff Net Assets	437,987	437,987
3020 Unrestricted Net Assets	1,015,142	1,015,142
Total 3000 Net Assets	1,453,129	1,453,129
Net Income	(107,829)	(133,031)
Total Net Assets	1,345,300	1,320,099
TOTAL LIABILITIES AND NET ASSETS	1,465,626	1,475,449

Indiana Pork Producers Association
Summary Budget Performance
As of May 31, 2020

	Month Ending 5/31/2020		Year-To-Date 5/31/2020		Annual Budget
	Actual	Budget	YTD Actual	YTD Budget	2020
Income					
4000 Checkoff Income	61,808	70,000	297,416	312,100	800,000
4010 MPC Income		-	(565)	-	45,000
4015 Taste of Elegance Income		-	30,475	15,500	15,500
4065 Rental Income		350	1,400	1,750	4,200
4075 Sponsorship Income		-	-	1,000	3,500
4080 NPB Matching		-	-	-	25,000
4090 Other Income		208	194	1,044	2,500
4095 Interest Income	54	250	315	1,250	3,000
4110 INPAC Dues (billed from INPAC)		800	1,000	4,200	10,000
4120 SIP Income (State Share)	20,279	18,333	103,106	91,667	220,000
4130 NPPC Sponsorship Revenue	4,917	4,917	24,584	24,582	59,000
4140 INPAC Other Income		208	-	1,042	2,500
Total Income	87,058	95,066	457,924	454,135	1,190,200
Expenses					
50 Personnel & Benefits	30,492	35,543	172,120	196,536	448,000
520 Occupancy	8,045	5,874	33,863	29,354	73,010
522 Office Costs	3,067	5,354	47,209	31,809	77,939
523 Project Costs	11,899	37,190	203,506	292,960	646,600
53 Professional Fees	6,131	12,258	78,588	76,927	164,501
Total Expenses	59,634	96,219	535,286	627,586	1,410,050
Net Operating Income	27,424	(1,153)	(77,362)	(173,451)	(219,850)
Other Expenses					
10000 State Fair Expenses	2,222	-	30,467	-	455,000
9000 State Fair Income		-	-	-	(550,000)
Total Other Expenses	2,222	-	30,467	-	(95,000)
Net Other Income	(2,222)	-	(30,467)	-	95,000
Net Income	25,201	(1,153)	(107,829)	(173,451)	(124,850)

Indiana Pork Producers Association
Detailed Budget Performance
As of May 31, 2020

	Month Ending 5/31/2020		Year-To-Date 5/31/2020		Annual Budget
	Actual	Budget	YTD Actual	YTD Budget	2020
Income					
4000 Checkoff Income	61,808	70,000	297,416	312,100	800,000
4010 MPC Income		-	(565)	-	45,000
4015 Taste of Elegance Income		-	30,475	15,500	15,500
4065 Rental Income		350	1,400	1,750	4,200
4075 Sponsorship Income		-	-	1,000	3,500
4080 NPB Matching		-	-	-	25,000
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4120 SIP Income (State Share)	20,279	18,333	103,106	91,667	220,000
4130 NPPC Sponsorship Revenue	4,917	4,917	24,584	24,582	59,000
4140 INPAC Other Income		208	-	1,042	2,500
Total Income	87,058	95,066	457,924	454,135	1,190,200
Expenses					
50 Personnel & Benefits			-	-	-
501 Salaries & Wages			-	-	-
5005 Staff Salaries & Wages	26,825	31,190	149,314	170,751	390,470
5050 Staff Bonuses		-	-	1,500	3,500
Total 501 Salaries & Wages	26,825	31,190	149,314	172,251	393,970
502 Benefits & Taxes			-	-	-
5110 FICA & Medicare	2,018	2,350	11,241	12,550	29,301
5120 Unemployment Taxes	-	-	2,638	2,539	2,539
5150 Employee Benefits	1,582	1,275	8,518	6,875	15,800
5160 Worker's Compensation Insurance	67	95	410	475	1,140
5190 Staff Development		633	-	1,846	5,250
Total 502 Benefits & Taxes	3,667	4,353	22,806	24,285	54,030
Total 50 Personnel & Benefits	30,492	35,543	172,120	196,536	448,000
520 Occupancy			-	-	-
5200 Rent	3,179	3,639	15,893	18,189	45,500
5203 Utilities		-	-	-	700
5204 Liability Insurance	2,098	575	4,112	2,875	6,900
5207 Telecommunications	1,085	1,025	3,958	5,125	12,300
5208 Property Taxes			286	-	-
5210 Equipment lease/rent	329	355	2,840	1,775	4,260
5211 Equipment Maintenance		55	-	275	660
5212 Small Equipment Purchase	-	225	-	1,115	2,690
5500 Depreciation	1,355		6,773	-	-
Total 520 Occupancy	8,045	5,874	33,863	29,354	73,010
522 Office Costs			-	-	-
5220 Office Supplies	11	375	1,959	1,875	4,500
5230 Printing & Reproduction		1,156	8,530	10,056	22,156
5240 Postage	18	93	309	408	1,018
5400 Donations / Memoriums		1,900	18,356	10,150	25,050
5410 Memberships/Subscriptions	2,910	1,760	17,098	8,720	23,925
7520 Bank Fees	43	20	460	100	240
7550 Credit Card fees	85	50	496	500	1,050
Total 522 Office Costs	3,067	5,354	47,209	31,809	77,939

Indiana Pork Producers Association

Detailed Budget Performance

As of May 31, 2020

	Month Ending 5/31/2020		Year-To-Date 5/31/2020		Annual Budget
	Actual	Budget	YTD Actual	YTD Budget	2020
523 Project Costs			-	-	-
5232 Brochures & Literature			1,304	-	-
5236 Speaker Fees / Honorariums		-	5,507	250	18,000
5239 Production Cost		5,000	16,585	33,300	95,780
5250 Research Projects		10,000	4,949	42,500	101,500
5260 Sponsorships/Promotions	10,650	11,812	134,655	164,092	285,682
5265 Advertising	25	2,568	(4,164)	10,118	28,393
5270 Publications expense			220	-	-
5280 Communications	60	85	660	815	3,580
5282 Award Costs		-	4,345	3,660	4,060
5290 Miscellaneous		450	1,286	2,250	5,550
57 Travel, Meetings & Meals			-	-	-
5700 Travel	1,129	4,750	7,587	17,350	48,600
5780 Meals		1,650	10,083	13,750	43,240
5790 Meeting Costs	35	875	20,489	4,875	12,215
Total 57 Travel, Meetings & Meals	1,164	7,275	38,159	35,975	104,055
Total 523 Project Costs	11,899	37,190	203,506	292,960	646,600
53 Professional Fees			-	-	-
5300 Accounting Services	1,854	2,590	16,012	13,393	31,501
5302 Legal Services	3,217	4,168	18,973	20,834	50,000
5303 Consulting Services	1,061	5,500	29,778	27,500	66,000
5304 Audit Services		-	13,825	15,200	17,000
Total 53 Professional Fees	6,131	12,258	78,588	76,927	164,501
Total Expenses	59,634	96,219	535,286	627,586	1,410,050
Net Operating Income	27,424	(1,153)	(77,362)	(173,451)	(219,850)
Other Expenses					
10000 State Fair Expenses		-	-	-	455,000
10700 OVERHEAD			-	-	-
10760 ISF Contract Fees	2,000		10,000	-	-
10770 Depreciation	142		710	-	-
10775 Bank Fees	80		356	-	-
10795 Tent Rental			9,651	-	-
10798 Storage			9,750	-	-
Total 10700 OVERHEAD	2,222	-	30,467	-	-
Total 10000 State Fair Expenses	2,222	-	30,467	-	455,000
9000 State Fair Income		-	-	-	(550,000)
Total Other Expenses	2,222	-	30,467	-	(95,000)
Net Other Income	(2,222)	-	(30,467)	-	95,000
Net Income	25,201	(1,153)	(107,829)	(173,451)	(124,850)

Indiana Pork
Statement of Activities
31-May-20

	May-20	YTD 2020	2020 Annual Budget	IPPA Checkoff	IPPA Unrestricted	INPAC
Income						
4000 - Checkoff Income	61,808	297,415	800,000	800,000		
4010 - MPC Income	-	(565)	45,000	-	45,000	
4015 - Taste of Elegance Income	-	30,475	15,500	15,500		
4050 - State Fair	-	-	550,000		550,000	
4065 - Rental Income	-	1,400	4,200	4,200		
4075 - Sponsorship Income	-	-	3,500	3,500		
4080 - NPB Matching	-	-	25,000	25,000		
4090 - Other Income	-	194	2,500		2,500	
4095 - Interest Income	54	315	3,000	1,500		1,500
4110 - INPAC Membership Dues	-	1,000	10,000			10,000
4120 - SIP Income	20,279	103,106	220,000			220,000
4130 - NPPC Sponsorship Revenue	4,917	24,584	59,000			59,000
4140 - INPAC Other (Non-Dues)	-	-	2,500			2,500
Total Income	87,058	457,924	1,740,200	849,700	597,500	293,000
Expenses						
100 Governance & Leadership Devp						
110 Leadership Development		-	5,000	5,000		
120 Allied Partnerships		1,500	-			
130 Board Meeting		-	3,500	3,500		
140 Advisory Board Meeting		-	1,500	1,500		
150 Annual Meeting	-	4,420	3,000	2,000		1,000
160 National Meeting	-	9	2,000	2,000		
170 Pork Forum	-	8,630	4,500	3,000		1,500
190 World Pork Expo		-	2,500	-		2,500
Subtotal	-	14,559	22,000	17,000	-	5,000
200 Product Promotion						
210 Allied Partnerships	8,500	73,457	106,500	106,500		
220 Taste of Elegance	-	38,955	40,500	40,500		
240 State Fair Marketing (Tents)	-	1,225	20,000	20,000		
250 State Fair Day Sponsorship		32,500	42,000	42,000		
260 Web Communication	175	1,901	5,000	5,000		
270 Advertising		-	10,000	10,000		
Subtotal	8,675	148,038	224,000	224,000	-	-
300 Market Development						
310 Allied Partnerships		-	12,500	12,500		
320 Trade Missions		-	40,000	40,000		
330 USMEF Membership	717	3,583	8,600	8,600		
Subtotal	717	3,583	61,100	61,100	-	-
400 Industry Image						
410 Allied Partnerships	-	8,150	21,600	21,600		
415 Fair Oaks		-	60,000	60,000		
420 Community Outreach Events	-	500	5,000	5,000		
440 Ham Breakfast		-	13,000	13,000		
450 Million Meals	-	2,100	4,200	4,200		
460 Youth	-	2,337	8,000	8,000		
470 Web Communication		-	1,000	1,000		
480 Advertising	-	6,220	3,000	3,000		
Subtotal	-	19,307	115,800	115,800	-	-
500 Producer Ed & Communication						
510 Farm Visits		-	3,000	3,000		
520 Allied Partnerships	2,000	2,010	350	350		
540 Member Info & Mailings	-	(4,979)	2,500	2,500		
550 Web Communication		-	2,000	2,000		
560 Producer Training		-	9,500	9,500		
570 County & Regional Meetings	-	4,690	8,500	8,500		
580 Disease Outreach	3,262	3,262	25,000	25,000		
590 Nutrient Strategy	34	5,547	500	500		
595 St. Mary's Watershed Initiative	-	525	6,000	6,000		
Subtotal	5,295	11,054	57,350	57,350	-	-

Indiana Pork
Statement of Activities
31-May-20

	May-20	YTD 2020	2020 Annual Budget	IPPA Checkoff	IPPA Unrestricted	INPAC
600 Research						
620 Production	-	4,949	61,000	61,000		
630 Admin	-	165	-			
Subtotal	-	5,114	61,000	61,000	-	-
700 Youth						
710 Allied Partnerships	-	3,339	8,000	8,000		
720 Skill-A-Thon		-	1,500	1,500		
730 Ambassador		-	2,000	2,000		
735 Communications		500	8,000	8,000		
740 Conference		-	15,000	15,000		
750 Purdue Animal Science		-	10,000	10,000		
Subtotal	-	3,839	44,500	44,500		
800 Operations						
810 Staff Development	35	60	5,250	3,675	394	1,181
820 Indiana Pork Staff	31,108	177,251	446,250	312,375	33,469	100,406
830 Office Operations & Rent	9,914	49,131	111,301	77,910	8,348	25,043
840 Accounting & Audit	1,854	29,837	48,500	33,950	3,638	10,913
850 Equipment Upgrades		73	3,000	3,000	-	
890 Other	191	1,709	4,500	2,000	2,500	
Subtotal	43,102	258,061	618,801	432,910	48,348	137,543
900 Unrestricted						
910 State Fair	2,222	30,467	455,000		455,000	
920 Other	-	4,250	2,000		2,000	
930 MPC (Unrestricted)	-	257	45,000		45,000	
Subtotal	2,222	34,974	502,000	-	502,000	-
1000 INPAC						
1200 Member Development		275	3,500			3,500
1250 Regional Meetings		25	3,500			3,500
1300 Allied Partnerships	208	4,712	15,000			15,000
1400 Taste of Elegance		4,880	5,000			5,000
1500 Legislative Monitoring	-	9,988	45,000			45,000
1600 Regulatory Monitoring	-	22	1,500			1,500
1700 Legislative Lobbying	-	1,844	8,000			8,000
1800 Regulatory Lobbying		-	500			500
1900 LAC	-	310	15,000			15,000
1910 Other National	-	16,929	1,500			1,500
1920 LEADR		-	500			500
1930 INPAC Admin	737	3,203	9,500			9,500
1940 Legal	900	16,412	50,000			50,000
1950 Other	-	8,625	-			-
Subtotal	1,846	67,225	158,500	-	-	158,500
Total Expenses	61,857	565,753	1,865,050	1,013,660	550,348	301,043
Net Income	25,201	(107,829)	(124,850)	(163,960)	47,153	(8,043)

Summary by Fund (expenses include allocated costs):			
	YTD	2020 Budget	Available Budget
Checkoff			
Revenue	329,393	849,700	(520,307)
Expense	(399,434)	(1,013,660)	614,226
Net Income	(70,041)	(163,960)	93,919
Unrestricted			
Revenue	(370)	597,500	(597,870)
Expense	(37,956)	(550,348)	512,392
Net Income	(38,326)	47,153	(85,479)
InPAC			
Revenue	128,901	293,000	(164,099)
Expense	(128,363)	(301,043)	172,680
Net Income	538	(8,043)	8,581

Indiana Pork Producers Association
Selected Information
For the Five Months Ended May 31, 2020 and Year Ending December 31, 2020

The monthly financial statements for Indiana Pork Producers Association are presented in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is provided on them.

The accompanying historical financial statements and budgeted/forecasted financial statements include the following departures from accounting principles generally accepted in the United States of America and the guidelines for presentation of a forecast established by the AICPA:

- Substantially all required disclosures and the statement of functional expenses have been omitted.
- Capital lease obligations are adjusted on an annual basis, rather than monthly.
- Accruals for unpaid wages and paid time off liabilities are adjusted only at the end of the year.
- The "Summary Budget Performance" and "Detailed Budget Performance" reports are intended to reflect the organization's Statement of Activities for the periods presented.
- The budget performance reports do not present increases or decreases by net asset classification, nor are expenses presented by function.
- The term Net Income in the financial statements represents Change in Net Assets. Terminology is a limitation of QBO reporting.
- The financial statements do not include the statement of cash flows.

Forecast/Budget

- The forecasted budget performance reports omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America.
- The forecasted financial information omits the summary of significant accounting policies.

The effects of these departures have not been determined.

Indiana Pork Producers Association
Selected Information
For the Five Months Ended May 31, 2020 and Year Ending December 31, 2020

Summary of Significant Assumptions (Budget Performance Reports)

These financial statements present, to the best of management's knowledge and belief, the Organization's expected results of operations for the forecast periods. Accordingly, the forecasts reflect its judgment as of September 30, 2019, the date of these forecasts, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecasts. There will usually be differences between the forecasts and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Budget Performance Assumptions

Revenue assumptions for 2020:

- Annual Checkoff income is expected to increase \$50,000, or 7% from 2019. The annual budget for Checkoff income is based on income projections from the National Pork Board. Indiana Pork utilizes 92.5% of the National Pork Board's projection for the annual budget.
- MPC Income is budgeted in Unrestricted in 2020 vs. Checkoff in 2019.
- InPAC income is expected to remain consistent from prior year.
- Annual State Fair income is expected to remain consistent from prior year.

Expense assumptions include:

- Expenses are budgeted by program area (class). Allocation between months and distribution to GL accounts is based on prior year actual results.
- Operating expenses are expected to increase 6% (\$79,000) from prior year.
- Personnel & Benefits are expected to increase \$19,000 from 2019.
- Rent expense is expected to remain consistent with prior year.
- Professional Fees (primarily legal fees) are expected to increase 20% (\$27,000) over prior year.
- Annual State Fair expenses are expected to remain consistent with 2019.