2026 AMERICAN HEREFORD ASSOCIATION

ANNUAL REPORT

STAMPED FOR MORE.



ADD IT UP

Demand for Hereford genetics continues to grow. Registrations through the American Hereford Association (AHA) increased 7% during Fiscal Year 2026 (FY26), and the AHA cow inventory grew by 2%. At the same time, 384 more registered Hereford bulls sold at auction year over year, as reported by AHA field staff. These bulls commanded a historically high average of $11,014, which was 35% more than the previous year.

Keep in mind, the U.S. beef cow herd continued to contract during this same period. It was 1% less year over year Jan. 1, 2026, at 27.6 million head, representing the smallest national herd since 1961. That was 4.2 million fewer cows (-13.2%) since cyclical herd liquidation began in 2019-20.

There are many reasons commercial demand for Hereford genetics is increasing, but I believe there are some key factors driving demand.

First, Hereford breeders remain committed to continuous breed improvement while maintaining the breed's inherent genetic advantages, which include fertility, docility, feed efficiency and cow longevity.

Next is the breed's focus on providing the nation's commercial cow-calf customers with meaningful solutions, including Hereford's unrivaled ability to boost maternal heterosis in complementary crossbreeding systems.

This commercial focus stems directly from the foresight of current and past AHA Board members who developed and embraced the current AHA Long-Range Strategic Plan and its crystalline mission to make Hereford the essential component of the U.S. beef cow herd.

The AHA Board and staff continue making remarkable strides in accomplishing the Strategic Plan's goals and initiatives to achieve this mission. You will find highlights of FY26 achievements in this Annual Report.

Logic suggests the U.S. cow herd will likely expand by about 2 million head during the next cattle cycle. If so, that means approximately 65,000 more bulls will be required. This magnifies opportunity for the Hereford breed as it continues to expand its market share.

Regards,



Jack Ward
Executive Vice President
American Hereford Association

FOCUSED Steps

American Hereford Association (AHA) leadership and staff built on previous gains and carved out new opportunities for the breed during Fiscal Year 2026 (FY26), as they executed specific initiatives of the organization's Long-Range Strategic Plan, progressing toward achieving the plan's mission: Establish Hereford genetics as the essential component of the U.S. beef cow herd.

STRENGTHENING COMMERCIAL RELATIONSHIPS

Association staff worked alongside AHA members to build demand for Hereford-influenced cattle, while also offering ongoing opportunity for users of Hereford genetics to discover how their genetics perform in the feedlot and on the packinghouse rail.

Examples of the Association's work to further bolster Hereford's influence in the commercial cattle industry include:

- Elevated communication with feedlots through promotional assets, emphasizing the breed's carcass quality, feed efficiency across longer cattle feeding periods and reduced risk of Bovine Congestive Heart Failure.
- Helped broaden the reach of Hereford-influenced calf, feeder cattle and replacement female sales. There were 30 Hereford-influenced special sales in 12 states featuring 73,941 head.
- Highlighted video auction demand for Hereford-influenced cattle, attending and reporting on demand for Hereford-influenced consignments in summer video sales.
- Connected buyers and sellers in direct-trade marketing of Hereford and Hereford-influenced calves, feeder cattle and replacement heifers.
- Leveraged participation in the Hereford Feedout Program and the National Junior Hereford Association (NJHA) Fed Steer Shootout with 101 participants from 23 states enrolling 927 head. Staff built upon the partnership program, which matches cattle from adult participants with NJHA members who want to participate but don't have feeder cattle or cattle that fit the program's delivery dates. Nearly 150 participants, including more than 100 young people from coast to coast, attended the educational Fed Steer Shootout Field Day in April.
- Thanks to the ongoing generous efforts of HRC Feed Yards LLC, Scott City, Kan., Hereford Feedout Programs strengthen the breed's connection to the cattle feeding and beef packing sectors, while increasing breeder insights about their herd's genetic merit.
- Recognized progressive commercial cow-calf producers who utilize Hereford genetics in strategic, complementary crossbreeding systems. Producers were highlighted in *Baldy Advantage* feature stories and compelling videos featuring powerful producer testimony on the value of Hereford-fueled heterosis. The AHA continued its commercial producer recognition program, naming the Crystal River Ranch, Carbondale, Colo., as its Commercial Producer of the Year.
- Promoted availability of the affidavit program, which expands potential to qualify more cattle for Hereford Beef programs.

CHB BUILDING VALUE

Certified Hereford Beef® (CHB) began its fourth decade of serving domestic and international consumers in FY26, expanding brand awareness while gaining momentum and business, despite historically low cattle numbers and historically high consumer beef prices.

Guided by a *Long-Range Strategic Plan* developed in FY26, CHB leadership and staff focused on growing demand and supply, while connecting customers with the dedicated producers behind the brand.

Expanding retail and foodservice opportunities included:

- Developing added packing capacity
- Creating innovative new customer launches
- Enhancing merchandising and digital support
- Continuing focus on expanding Hispanic/Latino retail and foodservice opportunities

Supply growth initiatives included:

- Expanding qualifying opportunities for Hereford and Hereford-influenced cattle
- Continuing development of retail and foodservice markets
- Telling the Hereford story through quality, consistency, efficiency and rancher connection
- Providing customers and industry partners with dynamic tools to support brand growth
- Recognizing the dedicated efforts and success of key CHB partners: CHB Retailer of the Year, Ridley Family Markets, Twin Falls, Idaho; CHB Legacy Retail Partner, Rancho Markets, Salt Lake City, Utah; CHB Legacy Food Service Partner, Kohl Wholesale, Quincy, Ill.; CHB Rising Star, Shamrock Foods, Phoenix, Ariz.; CHB Retail Distributor of the Year, Affiliated Foods, Amarillo, Texas; and CHB Food Service Distributor of the Year, US Foods-Atlanta, Atlanta, Ga.

IMPROVING DNA COST AND CONFIDENCE

AHA members continue making significant genetic improvement by embracing the most advanced technology to aid genetic evaluation and selection. The AHA projects members submitted a record-high 41,822 genotypes in FY26. That was 8,327 more (+25%) than the previous year.

Genotyping increased significantly in FY26, as members capitalized on lower cost stemming from AHA's adoption of age-based pricing the previous year, which rewards breeders for submitting an animal's DNA earlier in its life. Lower genotyping cost is also due to AHA designating Weatherbys Scientific as the Association's DNA lab the previous fiscal year, which has also resulted in faster turn-around times. The current AHA member price of utilizing a 100K density genotype chip — considered the gold standard for genotype panels — is 70% less than it was in 2012.

Keep in mind, DNA transitioned from a parentage tool to a necessary breed improvement tool. Its evolution meant moving beyond the assumption that every progeny inherited the same genetic makeup from the same parents. Breeders have moved away from testing only top-end bull prospects to testing entire calf crops, where the true value of genomics has merit.

Consider maternal traits as one example. Over the last decade, the genetic trend increased 34% for Sustained Cow Fertility (SCF), 14% for TEAT, 12% for UDDR and 29% for the Baldy Maternal Index (BMI). During the same time, the genetic trend for the *Certified Hereford Beef* Index (CHB$) increased by 22%.

PROVING HEREFORD ADVANTAGES

The AHA continued to set the bar for breed research documenting Hereford's performance and advantages in real-world commercial cattle production.

FY26 highlights include results gleaned from the multi-year, ongoing cooperative research project conducted by the University of Illinois Urbana-Champaign (UIUC). It is designed to quantify the differences between breeding either Hereford or Angus bulls to commercial Angus cows over time and retaining replacement heifers.

Compared to the straight black females, 14% more black baldy females weaned their first calf at 2 years of age. Plus, 18% more of the Hereford-sired females bred back on time for their second calf and 14% more calved as 3-year-olds. Hereford-sired baldy females accounted for a savings of $90 per head per year in feed costs, compared to their straight black counterparts. That's with hay priced at $150 per ton.

The study began with 600 commercial Angus cows in a fall calving herd. Half were bred to six different Hereford bulls; the other half to Angus bulls. All bulls used represented the top 15% of each breed for its maternal and terminal indexes.

Colorado State University's AgNext utilized the UIUC data to conduct a life cycle assessment for a 1,000-head operation over 10 years. The model considered a 1,000-cow commercial Angus herd using Hereford bulls and retaining its own replacement heifers or using Angus bulls and retaining its own replacement heifers.

Although weaning weights were heavier in the Angus-sired scenario, increased fertility, breed-back and longevity meant more weaned calves over time in the Hereford-sired model. Aside from the associated economic impacts, this led to a 7.8% decrease in greenhouse gas (GHG) emissions intensity for the Hereford-sired cattle when considering only factors influencing weaning rate. When fertility, body weight and intake factors also were matched to the UIUC trial data, GHG emission intensity was 15.6% less for the Hereford-sired cattle.

EQUIPPING THE NEXT GENERATION

The National Junior Hereford Association (NJHA) continues to expand its reach and impact with opportunities for its members. Working hand in hand, the NJHA and Hereford Youth Foundation of America (HYFA) remain committed to equipping young Hereford enthusiasts with the skills, experiences and relationships they need to succeed in the cattle industry and beyond. As well, the AHA continues to foster programs aimed at building future breed leaders.

- HYFA awarded more than $230,000 in scholarships to support Hereford youth, thanks in part to generous industry supporters and endowments. The Foundation has awarded more than $2 million in scholarships since its inception.
- NJHA members from across the U.S. and Canada took part in life-changing leadership development at the Building On Leadership Development (BOLD) conference in March at GKB Cattle's Hi Point Ranch in Desdemona, Texas, and the late-summer Faces of Leadership conference in Boise, Idaho.
- The 2026 VitaFerm®Junior National Hereford Expo (JNHE) in Madison, Wis., hosted 750 exhibitors from 44 states and two Canadian provinces, who exhibited 737 owned females, 270 bred-and-owned females, 23 cow-calf pairs, 60 bulls and 80 steers. The Sullivan Supply National Showmanship Contest featured 629 competitors. Beyond the showring, NJHA members competed in a range of competitions from photography to livestock judging while also networking and building skills through opportunities including the Future Professionals competition, Bridging the Gap College and Career Fair and the NJHA Meet-Up Power by Sure Champ®.
- The NJHA Fed Steer Shootout continues to provide participants with firsthand knowledge of the cattle feeding and packing sectors while feeding their cattle at HRC Feedyards LLC in Scott City, Kan. HRC and industry partners, including Merck Animal Health and VitaFerm, help bring this experience to life with the annual field day which welcomed more than 100 junior members.
- A special highlight was seeing both U.S. teams emerge victorious in the international Young Breeders Competition, held in conjunction with the World Hereford Conference hosted by the AHA.

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- Eight young breeders from six states were chosen to attend the fourth annual Hereford Seedstock Academy, an intensive four-day learning experience designed to provide participants with insights to all industry sectors from thought leaders and industry influencers. Participants started at the AHA headquarters in Kansas City, Mo., and then made stops in Colorado and Nebraska.
- The Hereford Herd Builder program launched to invest in the next generation and strengthen the Hereford breed's future. The innovative program provides elite Hereford genetics to young breeders to help them establish or expand their herds while encouraging continued breed engagement. Genetics for the debut year come from pioneers of the program, Dale and Nancy Venhuizen of Churchill Cattle Co.

COMMANDING ATTENTION

National Hereford shows and sales continue to provide a public showcase for the breed's genetics. Excitement generated by the cattle shown and sold at FY26 events was unrivaled as viewers saw the epitome of phenotype melded with the type of performance commercial producers seek. Hereford show and sale highlights during FY26, included:

- Hereford breeders exhibited 1,676 entries at seven nationally recognized open and junior shows.
- Hereford Night in OKC — the National Hereford Sale — averaged $19,718 on 27.50 lots ($542,250). Herefords in the Yards at the National Western Stock Show (NWSS) averaged $33,176 on 34 lots ($1,128,000).
- Hereford influence also rose to the top with F1 black and red baldies dominating prices in the Best of the Best Maternal Merit Sale held during the NWSS: 38 Hereford-influenced females averaged $4,908.
- Hereford breeders exhibited 408 head at the 2026 Cattlemen's Congress and 426 head at the NWSS — two of the largest national Hereford shows.

MAGNIFYING HEREFORD'S MESSAGE

AHA communications staff continues creating new assets and embracing new pathways to amplify Hereford's message to commercial cattlemen through print advertising and editorial, in tandem with compelling digital media, such as videos, social campaigns and podcasts.

- The AHA launched a new national advertising program, "Stamped for More," which focuses on Hereford's unmatched role in building and boosting maternal heterosis. It is backed by results from current and ongoing cooperative research demonstrating advantages of Hereford-influenced cattle, including fertility, longevity, feed efficiency and overall gains in production efficiency. Compelling videos and editorial assets support the new campaign and are available for member use.
- *Hereford World* continued serving its loyal readership as a reliable voice and connecting point with coverage of the people, news, genetics and events shaping the breed. *Baldy Advantage* expanded the breed's commercial presence with relevant analysis, management information and profiles of producers using Hereford genetics to improve and sustain their operations.
- Following an intensive strategic planning process, the AHA rebranded Hereford Publications Inc. (HPI) as 1881 Creative, launching new assets to enhance Hereford breeders' opportunity to effectively tell their story and market their genetics. Opportunities include marketing plan development, advertising design, sale catalog production, designing and executing geo-targeted digital campaigns and creating direct-mail marketing assets. The AHA field staff serves as the conduit between breeders and the 1881 Creative team to elevate branding and marketing.
- AHA social media followers grew to more than 85,000 with 6,700 new Facebook followers and 2,700 new Instagram followers. The Association's website views totaled nearly 500,000.
- The 44th episode of the Association's popular podcast, *1881* aired. More than 54,000 listeners have downloaded the podcast.

INTERNATIONAL IMPACT

AHA welcomed 850 Hereford breeders from 20 countries and 40 states when it hosted the 19th World Hereford Conference (WHC) in FY26. Held in conjunction with the AHA Educational Forum and Annual Membership Meeting, the WHC, along with pre- and post-tours highlighted the breed's impact on the U.S. cattle industry and growing demand for Hereford genetics.

The WHC takes place every four years when delegates of the World Hereford Council meet to conduct official business aimed at breed improvement and opportunity development. The first conference was held in Herefordshire, England, in 1951. The United States first hosted the conference in 1960 in Kansas City, Mo., then again in Fort Collins, Colo., in 1996.

Highlights from 2026 were many, including the presentation of groundbreaking research results; the international Young Breeders Competition, featuring 11 teams from seven countries; recognition of U.S. breed leaders and achievers; and ample opportunity to see some of the nation's leading Hereford genetics. These highlights and many more are chronicled in *Hereford World* and the commemorative book — *A Global Gathering.*

Of course, the key highlight for many was meeting so many like-minded breeders from around the world and sharing insights about how to make the breed ever stronger.

TOP 10 REGISTRATIONS

State	
Texas	9,028
Nebraska	5,866
South Dakota	4,769
Oklahoma	4,676
Kansas	4,456
Missouri	3,651
Montana	3,475
North Dakota	3,411
Wyoming	2,652
Iowa	2,607

Breeders	
Upstream Ranch, *Taylor, Neb.*	935
Topp Herefords, *Grace City, N.D.*	854
Rausch Herefords, *Hoven, S.D.*	845
GKB Cattle, *Desdemona, Texas*	842
Bill King, *Moriarty, N.M.*	765
Shaw Cattle Co. Inc, *Caldwell, Idaho*	654
Mrnak Herefords, *Bowman, N.D.*	613
Van Newkirk Herefords, *Oshkosh, Neb.*	612
Holden Herefords, *Valier, Mont.*	476
Durbin Creek Herefords LLC, *Thermopolis, Wyo.*	473

2025-2026 Registrations, Transfers and Memberships

State	Registrations	Transfers	Cow Inventory	Adult Members	Juniors	Registration Rank
Alabama	1,090	807	1,034	89	38	22
Arizona	44	59	80	13	11	42
Arkansas	1,004	745	1,667	81	71	23
California	813	377	1,361	62	83	29
Colorado	1,185	376	1,687	68	41	21
Connecticut	93	60	195	12	14	40
Delaware	14	9	9	3	4	46
Florida	288	148	596	30	22	39
Georgia	1,738	1,145	2,149	80	50	15
Idaho	1,828	598	1,731	58	38	13
Illinois	1,892	1,462	3,558	190	257	12
Indiana	1,275	1,014	1,607	169	216	20
Iowa	2,607	1,338	3,302	175	252	10
Kansas	4,456	1,951	7,695	119	148	5
Kentucky	1,568	913	2,439	127	68	17
Louisiana	642	641	996	81	99	33
Maine	62	21	53	13	15	41
Maryland	432	459	509	44	121	35
Massachusetts	25	13	21	6	12	45
Michigan	590	460	792	93	57	34
Minnesota	1,644	803	2,965	146	101	16
Mississippi	1,482	957	1,985	93	67	18
Missouri	3,651	2,353	6,343	224	153	6
Montana	3,475	1,678	3,621	74	35	7
Nebraska	5,866	2,327	8,248	145	162	2
Nevada	307	239	839	13	1	38
New Hampshire	42	41	37	9	2	43
New Jersey	37	26	45	6	11	44
New Mexico	1,430	447	2,104	31	20	19
New York	383	279	751	57	67	36
North Carolina	870	597	1,793	74	41	26
North Dakota	3,411	980	4,512	66	21	8
Ohio	987	820	1,292	181	149	24
Oklahoma	4,676	2,692	6,927	198	290	4
Oregon	921	417	1,263	58	50	25
Pennsylvania	855	441	1,081	106	53	28
Rhode Island	3	11	0	0	1	48
South Carolina	370	305	562	30	12	37
South Dakota	4,769	1,535	7,710	115	96	3
Tennessee	2,055	1,605	2,967	138	92	11
Texas	9,028	6,082	12,380	500	594	1
Utah	680	146	1,123	32	4	32
Vermont	7	3	16	2	1	47
Virginia	765	501	1,215	89	53	30
Washington	856	299	1,189	61	51	27
West Virginia	695	716	1,090	76	29	31
Wisconsin	1,780	1,080	2,602	163	156	14
Wyoming	2,652	711	3,379	49	32	9
Total	**75,347**	**40,686**	**109,523**	**4,249**	**3,961**	









HETEROSIS ***PAYS.***

AMERICAN HEREFORD ASSOCIATION AND SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT

To the Board of Directors, American Hereford Association, Kansas City, Missouri

Opinion

We have audited the consolidated financial statements of American Hereford Association; Hereford Publications, Inc.; Certified Hereford Beef, LLC; and Hereford Legacy Fund, LLC (collectively, the Association), which comprise the consolidated statements of financial position as of August 31, 2026 and 2025; the related consolidated statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Association as of August 31, 2026 and 2025, 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 (GAAP).

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 Audits of the Consolidated Financial Statements section of our report. We are required to be independent of the Association and to meet our other 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of 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 consolidated 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 consolidated 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 consolidated 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 Association'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

-K. Coe Isom, LLP, October 9, 2026, Lenexa, Kansas

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION - August 31

ASSETS	2026	2025
Current Assets		
Cash and cash equivalents	$818,588	$1,105,330
Short-term investments	476,731	378,319
Accounts receivable – net	732,921	576,446
Prepaid expenses	18,732	53,468
Inventories	167,031	166,650
Due from Hereford Youth Foundation of America	1,015	-
Income tax receivable	6,322	6,239
Total Current Assets	2,221,340	2,286,452
Property and Equipment – Net	399,442	439,169
Noncurrent Assets		
Investments	20,482,759	19,099,483
Operating lease right-of-use assets	411,499	671,080
Deferred income tax	225,000	216,000
Total Noncurrent Assets	21,119,258	19,986,563
TOTAL ASSETS	$23,740,040	$22,712,184
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$190,072	$157,277
Checks written in excess of deposits	-	4,423
Accrued expenses	461,045	812,091
Prepayments from breeders	81,620	81,328
Prepayments for advertising and subscriptions	140,508	133,339
Due to Hereford Youth Foundation of America	-	9,968
Due to Junior National Hereford Expo	5,259	49,720
Operating lease liabilities - current portion	282,692	273,021
Total Current Liabilities	1,161,196	1,521,167
Noncurrent Liabilities		
Operating lease liabilities - less current portion	152,184	432,704
Total Liabilities	1,313,380	1,953,871
Net Assets		
Without donor restrictions	22,426,660	20,758,313
TOTAL LIABILITIES AND NET ASSETS	$23,740,040	$ 22,712,184

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF ACTIVITIES - Years Ended August 31

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	2026	2025
Revenue and Support		
Services	$4,781,609	$4,532,499
Advertising and subscriptions	2,136,100	2,125,851
Program revenues	556,905	517,602
Other revenue	1,887,491	969,125
Total Revenue and Support	9,362,105	8,145,077
Expenses		
Program expenses	7,178,903	6,316,798
General and administrative expenses	2,675,116	2,169,824
Total Expenses	9,854,019	8,486,622
Other Income (Expense)		
Gain on sale of investments	1,444,610	546,037
Gain (Loss) on sale of property and equipment	20,766	(162)
Net appreciation in fair value of investments	446,241	1,036,174
Other income	239,986	192,222
Total Other Income (Expense)	2,151,603	1,774,271
Change in Net Assets Without Donor Restrictions Before Tax	1,659,689	1,432,726
Income tax benefit	8,658	33,475
Net Change in Net Assets	1,668,347	1,466,201
Net Assets - Beginning of Year	20,758,313	19,292,112
Net Assets - End of Year	$22,426,660	$20,758,313

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES - Year Ended August 31, 2026

	2026			2025		
	Program Expenses	General and Administrative	Total	Program Expenses	General and Administrative	Total
Salaries and wages	$1,609,856	$1,289,630	$2,899,486	$1,603,457	$1,188,279	$2,791,736
Employee benefits	297,901	218,941	516,842	307,947	205,521	513,468
Accounting and professional fees	40,183	426,876	467,059	23,365	106,552	129,917
Supplies	16,267	25,012	41,279	15,862	19,774	35,636
Telephone and utilities	-	35,267	35,267	-	34,894	34,894
Postage and shipping	156,200	68,302	224,502	117,649	49,589	167,238
Equipment rental	2,203	18,411	20,614	1,995	14,769	16,764
Printing	298,112	19,805	317,917	286,075	14,645	300,720
Travel	516,500	142,064	658,564	459,243	136,238	595,481
Office rent	248,816	27,646	276,462	245,193	27,244	272,437
Meeting and conferences	1,124,656	10,005	1,134,661	184,741	4,696	189,437
Dues and subscriptions	35,848	36,905	72,753	33,897	38,123	72,020
Insurance	39,570	59,272	98,842	26,868	50,005	76,873
Publicity and promotional materials	177,257	-	177,257	126,322	-	126,322
Credit card fees	-	117,189	117,189	-	114,434	114,434
Maintenance and repairs	52,937	97,827	150,764	93,270	85,730	179,000
DNA testing	983,701	-	983,701	1,327,162	-	1,327,162
Advertising	405,905	-	405,905	310,088	-	310,088
Premiums	10,113	-	10,113	10,453	-	10,453
Genetic evaluation	131,186	-	131,186	121,587	-	121,587
Research and development	15,994	-	15,994	4,693	-	4,693
Miscellaneous	14,492	78,224	92,716	14,379	74,901	89,280
National Junior Hereford Assn. expenses	64,339	-	64,339	57,827	-	57,827
Creative services	551,715	-	551,715	576,339	-	576,339
Consumer marketing	144,391	-	144,391	146,325	-	146,325
Outside services	35,868	-	35,868	-	-	-
Export	8,047	-	8,047	7,281	-	7,281
Depreciation expenses	193,718	-	193,718	211,882	-	211,882
Taxes	3,128	3,740	6,868	2,898	4,430	7,328
Total Functional Expenses	$7,178,903	$2,675,116	$9,854,019	$6,316,798	$2,169,824	$8,486,622

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS - Years Ended August 31

CASH FLOWS FROM OPERATING ACTIVITIES	2026	2025
Cash received from members and subscribers	$8,746,507	$7,807,660
Cash paid to vendors and employees	(9,824,304)	(7,832,952)
Interest and dividends received	519,963	509,191
Income taxes paid	(425)	(393)
Interest paid	-	(429)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(558,259)	483,077
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(4,475,411)	(2,293,585)
Purchases of property and equipment	(178,083)	(112,295)
Proceeds from sales of investments	4,884,576	2,877,306
Proceeds from sales of property and equipment	44,858	2,502
NET CASH PROVIDED BY INVESTING ACTIVITIES	275,940	473,928
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	-	(110,377)
Check written in excess of deposits	(4,423)	(160,960)
NET CASH USED IN FINANCING ACTIVITIES	(4,423)	(271,337)
Net Change in Cash and Cash Equivalents	(286,742)	685,668
Cash and Cash Equivalents - Beginning of Year	1,105,330	419,662
Cash and Cash Equivalents - End of Year	$818,588	$1,105,330

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 — NATURE OF ORGANIZATION AND OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation The accompanying consolidated financial statements include the accounts of American Hereford Association (AHA) and its wholly owned subsidiaries: Hereford Publications, Inc. (HPI); Certified Hereford Beef, LLC (CHB); and Hereford Legacy Fund, LLC (HLF). All significant intercompany transactions have been eliminated in the consolidation. Collectively, the consolidation is hereafter referred to as the Association.

Nature of Organization and Operations AHA is a not-for-profit association that conducts research and experiments in the breeding of Hereford cattle; compiles and preserves pedigree records for owners and breeders; participates in and promotes the arrangement of fairs, exhibitions, and cattle shows to encourage the breeding of Hereford cattle; and assists with the promotion of the end product produced from Hereford cattle on behalf of CHB.

Members and subscribers of AHA are primarily owners and breeders of Hereford cattle. The members and subscribers are located worldwide; however, the largest concentration is within the United States.

HPI is a for-profit corporation that provides publication services to Hereford cattle ranches and publishes a magazine periodically.

CHB is a not-for-profit association whose sole member is AHA. CHB strives to increase demand for Hereford cattle by promoting Hereford beef as a premium beef product under the Certified Hereford Beef® trademark. CHB was formed as a limited liability company on September 27, 2000. Prior to that date, CHB's activities were performed and accounted for within the Association. The duration of CHB is perpetual.

HLF is a not-for-profit association whose sole member is AHA. HLF holds the proceeds from the sale of AHA's building in 2018 and makes distributions to the parent for a portion of its investment income to pay for the rent of the consolidated Association. HLF was formed as a limited liability company on April 12, 2018. The duration of HLF is perpetual.

A majority of the Association's business activities are with supporters in the cattle industry. Therefore, a substantial portion of its supporters' ability to honor their commitments is dependent upon the cattle economic sector.

Consolidated Financial Statement Presentation The Association classifies its information regarding net assets and revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets in this category are not subject to donor- imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets in this category are subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions on the consolidated statements of activities. The Association has no net assets with donor restrictions.

Measure of Operations The consolidated statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Association's ongoing animal services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Basis of Accounting The accrual method of accounting is used, which recognizes income in the period earned and expenses in the period incurred.

Cash and Cash Equivalents For purposes of the consolidated statements of cash flows, the Association considers all money market investments and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Investments amounting to $630,670 and $740,455 were considered to be cash equivalents at August 31, 2026 and 2025, respectively.

The Association maintains cash on deposit in various financial institutions. Due to the nature of the Association's cash flow, amounts on deposit in individual banks may temporarily exceed the applicable coverage of the Federal Deposit Insurance Corporation throughout the year.

Accounts Receivable and Allowance for Credit Losses Accounts receivable are stated at the amount the Association expects to collect. The Association maintains allowances for credit losses for estimated losses resulting from the inability of its supporters to make required payments. Management considers the following factors when determining the collectibility of specific supporter accounts: supporter creditworthiness, past transaction

history with supporter, current economic industry trends, forecast of future events, and changes in supporter payment terms. Past due balances of 90 days and other higher-risk amounts are reviewed individually for collectibility. If the financial condition of the Association's supporters were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Association provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. The Association's receivables are considered past due based upon contractual terms and are automatically charged off after three years. HPI's policy states that accounts with outstanding balances beyond 60 days will accrue interest at 1.5% per month; balances beyond 90 days will no longer be provided with services; and balances beyond 120 days may be turned over to a collection agency.

Management believes the compiled historical-loss information is a reasonable base on which to determine expected credit losses for trade receivables held at August 31, 2026 and 2025, because the composition of the trade receivables at that date is consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its supporters and its lending practices have not changed significantly over time). Management has determined that the current, reasonable, and supportable forecasted economic conditions are similar to the economic conditions included in the historical information.

Inventories Inventories are stated at the lower of cost or net realizable value, with cost determined on the first-in, first-out method.

Investments The Association's investment portfolio is subject to the investment policy set forth by the Board of Directors. Investments are comprised of debt and equity securities and are carried at fair value. The fair value of investments is based on quoted fair prices for those investments or similar investments at August 31, 2026 and 2025. Gains or losses on sales of investments are determined on a specific-cost identification method. Unrealized gains and losses are determined based on year-end market values and are reported on the consolidated statements of activities as increases or decreases in net assets.

Fair Value Measurement Accounting standards generally accepted in the United States of America (GAAP) define a fair value as the price that would be received for an asset, or paid to transfer a liability, in an orderly transaction between market participants on the measurement date.

The Association determines the fair value of investments using three broad levels of input as defined by related accounting standards.

Level 1: Observable inputs – unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2: Observable inputs – other than quoted prices included in level 1 that are observable for the asset or liability through corroboration with market data; and

Level 3: Unobservable inputs – include amounts derived from valuation models where one or more significant inputs are unobservable.

There have been no changes in level 1, level 2, or level 3 and no changes in valuation techniques for these assets or liabilities for years ended August 31, 2026 and 2025.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the years ended August 31, 2026 and 2025.

Equity Securities: Equity securities are valued at the closing price reported on the active market on which the individual securities are traded.

Fixed-Income Securities: Corporate, government, agency, and municipal bonds and fixed-income securities are generally valued by a computerized pricing service or, for less actively traded issues, by utilizing a yield-based matrix system to arrive at an estimated market value.

Revenue Recognition Revenues from member dues, advertising and subscription, and hosting database services are recognized over the term of the contract. The contracts are generally for a term of one to three years. Advertising and subscription revenue is deferred and included in prepayments for advertising and subscription on the consolidated statements of financial position. Revenue is deferred at the time of sale to the supporter and is recognized monthly, as outlined in the contract. At the end of the subscription period, the remaining balance is recognized as revenue, and reported as advertising and subscription revenue on the consolidated statements of activities. The balances of the prepayments for advertising and subscription revenues were $140,508 and $133,339 for the years ended August 31, 2026 and 2025, respectively.

Publication and advertising, genetic services, creative services, retail, and marketing services are recognized when the service is provided. A five-step model is used to determine the amount and timing of revenue recognized.

Property and Equipment Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful life of each asset. The estimated useful lives of assets range from 3 to 30 years for consolidated financial statement purposes. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected on the consolidated statements of activities for the period. The Association capitalizes all assets, major replacements, and betterments with a useful life greater than one year and cost in excess of $1,000. Maintenance and repairs are charged to expenses as incurred.

Long-lived assets to be held and used in the course of business are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount of an asset may not be recoverable. When required, impairment losses on assets to be disposed of by sales are reported at the lower of carrying amount or fair value, less cost to sell.

Operating Lease Right-of-Use Assets and Liabilities The Association obtains the right to control the use of various assets under long-term agreements. The Association evaluates contracts to determine whether they include lease and nonlease components. The Association has elected to exclude any variable payments for nonlease components, such as maintenance and insurance, from lease expense. Leases are recognized on the consolidated statements of financial position as operating lease right-of-use (ROU) assets with a corresponding lease liability.

Compensated Absences Employees are entitled to one week of paid time off each year. Unused paid time off cannot be carried over from one year to the next and is not paid out upon termination. Accordingly, no liability for accrued paid time off has been recorded. The Association's policy is to recognize the costs of compensated absences when actually used by employees.

Functional Expenses The costs of providing program and other activities have been summarized on a functional basis on the consolidated statements of activities. The presentation of expenses by function and nature is included on the consolidated statements of functional expenses. The Association charges direct expenses incurred for a specific function directly to the program or supporting service category. These costs can be specifically identified as being incurred for the activities of that program or supporting service. Other costs that are incurred by the Association that benefit more than one program or supporting service are allocated on a reasonable basis that is consistently applied. Payroll and related costs are allocated based on estimates of time and effort; other costs, including depreciation, certain occupancy and office costs, and consulting, are allocated based on estimates of usage or benefit received by each function. The Association reevaluates its allocation method each year to determine if there are adjustments that are necessary to the allocation method based on actual activities conducted during the year.

Advertising Costs Advertising costs are charged to expense when incurred. The amounts expensed during the years ended August 31, 2026 and 2025, were $405,905 and $310,088, respectively.

Income Taxes AHA, CHB, and HLF are exempt from federal income tax under section 501(c)(5) of the Internal Revenue Code; therefore, no provision for federal or state income taxes has been made in the accompanying consolidated financial statements. However, AHA, CHB, and HLF are subject to income taxes on any net income from unrelated business activities. AHA, CHB, and HLF have been classified by the Internal Revenue Service as organizations that are not private foundations under Section 509(a)(2).

HPI is a taxable entity, and is therefore subject to federal and state income taxes. Deferred taxes are provided on a liability method, whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards; deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. HPI includes interest and penalties related to income tax liabilities, if any, in income tax expense. Income tax credits are accounted for by the flow-through method, which recognizes the credits as reductions of income tax expense in the year utilized.

Use of Estimates The preparation of consolidated financial statements in conformity with GAAP requires the use of estimates and assumptions that affect certain amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, the reported amounts of revenues and expenses during the reporting period, and the disclosures in the consolidated financial statements. Actual results could differ from those estimates.

Evaluation of Subsequent Events The Association has evaluated subsequent events through October 9, 2026, the date the consolidated financial statements were available to be issued.

2 — AVAILABILITY AND LIQUIDITY

The Association is substantially supported by the services it provides its members. Revenue from services provided can be affected by the number of registered cattle and current economic conditions. The following represents the Association's financial assets:

August 31	2026	2025
Financial Assets - End of Year		
Cash and cash equivalents	$818,588	$1,105,330
Accounts receivable – net	732,921	576,446
Investments	20,959,490	19,477,802
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$22,510,999	$21,159,578

The Association has $22,510,999 available for general expenditures. This would cover approximately two years of expenses, even without the income it has budgeted.

3 — ACCOUNTS RECEIVABLE - NET

Accounts receivable consisted of the following:

August 31	2026	2025
Trade receivables	$602,701	$523,589
Allowance for credit losses	(6,422)	(5,194)
Subtotals	596,279	518,395
Other receivables	136,642	58,051
Total Accounts Receivable – Net	$732,921	$576,446

The accounts receivable, net of the allowance for credit losses of $4,088 was $628,555 at August 31, 2024.

4 — FAIR VALUE MEASUREMENTS

The following tables set forth by level, within the fair value hierarchy, the Association's assets at fair value:

August 31, 2026	Level 1	Level 2	Level 3	Total
Equity securities	$13,583,091	$ -	$ -	$13,583,091
Government and agency bonds	-	2,954,264	-	2,954,264
Corporate bonds	2,629,772	-	-	2,629,772
Fixed-income securities	1,792,363	-	-	1,792,363
Total	$18,005,226	$2,954,264	$ -	$20,959,490

August 31, 2025	Level 1	Level 2	Level 3	Total
Equity securities	$12,956,456	$ -	$ -	$12,956,456
Government and agency bonds	-	3,078,351	-	3,078,351
Corporate bonds	2,666,050	-	-	2,666,050
Fixed-income securities	776,945	-	-	776,945
Total	$16,399,451	$3,078,351	$ -	$19,477,802

5 — PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

August 31	2026	2025
Leasehold improvements	$100,356	$100,356
Furniture and fixtures	343,034	329,714
Vehicles	308,661	326,791
Data processing equipment	265,631	273,740
Software	493,844	484,194
Equipment	295,540	295,540
Subtotals	1,807,066	1,810,335
Accumulated depreciation	(1,407,624)	(1,371,166)
Total Property and Equipment – Net	$399,442	$439,169

6 — LEASE OBLIGATIONS

The Association leases a copier from an unrelated third party under an operating lease. The lease requires monthly lease payments of $306, with a termination or renewal date in December 2028.

The Association leases a postage machine from an unrelated third party under an operating lease. The lease requires monthly lease payments of $491, with a termination or renewal date in November 2028.

The Association leases an office building from an unrelated third party under an operating lease. The lease requires monthly lease payments that increase each March, according to a set payment schedule based on a price per square footage rented. The monthly lease payments through August 31, 2026 and 2025, were $23,254 and $22,946, respectively, with a termination or renewal date in March 2028.

Generally, the Association has elected to exclude any variable payments for nonlease components, such as maintenance and insurance, from lease expense. The operating lease does not specify an implicit interest rate. Therefore, the incremental borrowing rate was used, based on information available at the commencement date, to determine the present value of future payments when capitalizing the operating lease ROU assets and operating lease liabilities.

The Association's lease expense was as follows:

Years Ended August 31	2026	2025
Operating leases	$275,497	$275,498
Short-term leases	21,579	13,703
Total Lease Expense	$297,076	$289,201

Amounts paid through cash were $286,764 and $283,064, respectively, for the years ended August 31, 2026 and 2025.

The aggregate minimum annual lease payments under operating lease arrangements and discount factors used in calculating minimum lease payments on ROU assets are as follows:

Years Ending August 31	
2027	$290,466
2028	150,939
2029	2,697
Subtotal	444,102
Less: Amount representing interest	9,226
Present Value of Minimum Lease Payments	434,876
Less: Current portion of lease liabilities	282,692
Lease Liabilities - Less Current Portion	$152,184

Years Ended August 31	2026	2025
Weighted-average remaining lease term	1.46 years	2.45 years
Weighted-average discount rate	2.85%	2.84%

7 — LONG-TERM DEBT

On April 21, 2020, the Association received a loan pursuant to the Paycheck Protection Program (PPP), a program implemented by the U.S. Small Business Administration (SBA) under the CARES Act (Coronavirus Aid, Relief, and Economic Security Act) for an aggregate principal amount of $535,600. The PPP loan bears interest at a fixed rate of 1% per annum, with the first 10 months of interest deferred, and has a term of five years.

The Association applied for forgiveness of the PPP loan on November 30, 2020, with respect to these covered expenses, but was not granted forgiveness by the SBA. On November 11, 2021, the Association renewed the PPP loan with UMB Bank for the principal amount of $535,600. The note was paid in full on April 21, 2025, and had a fixed rate of 1% per annum.

Interest expense on long-term debt was $-0- and $429 for the years ended August 31, 2026 and 2025, respectively.

8 — LINE OF CREDIT

The Association had an unsecured line of credit with UMB Bank, which provided a maximum available amount of $250,000 at August 31, 2026. The balance on the line of credit at August 31, 2026, was $-0-. The line of credit matures on November 30, 2030, and had a variable interest rate of 7.00% at August 31, 2026. Interest expense during the year ended August 31, 2026, was $-0-.

The Association had an unsecured line of credit with UMB Bank which provided a maximum available amount of $250,000 at August 31, 2025. The balance on the line of credit at August 31, 2025, was $-0-. The line of credit matured on November 30, 2025, and had a variable interest rate of 7.75% at August 31, 2025. Interest expense during the year ended August 31, 2025, was $-0-.

9 — INCOME TAXES

The provisions for income taxes consisted of the following components:

Years Ended August 31	2026	2025
Current Income Tax Benefit		
Federal	$ -	$ -
State	(342)	(525)
City	-	-
Total Income Current Tax Benefit	(342)	(525)
Deferred Income Tax Benefit (Expense)		
Relating to:		
Net operating loss	15,000	30,000
Depreciation	(6,000)	4,000
Total Deferred Income Tax Benefit (Expense)	9,000	34,000
Total Provision for Income Tax Benefit (Expense)	$8,658	$33,475

Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of HPI's assets and liabilities.

The tax provision differs from the expense that would result from applying statutory rates to income before income taxes because of the valuation allowance applied against the deferred income tax assets. The components of the deferred tax assets were as follows:

Years Ended August 31	2026	2025
Deferred Tax Assets		
Net operating loss	$213,000	$198,000
Depreciation	12,000	18,000
Net Deferred Tax Asset	$225,000	$216,000

10 — COLLECTION OF ARTWORK

The Association has a collection of artwork, appraised at approximately $639,200 at August 31, 2026 and 2025, that is on public display at the Association's headquarters. The most recent appraisal is as of April 2015 for new pieces added in 2015, and as of August 2011 for the rest of the collection. The Association has adopted a policy of not capitalizing the collection of artwork on its consolidated financial statements. Accordingly, no collection items are recognized as assets, whether they are purchased or received as a donation. Purchases of collection items are charged to expenses in the period when purchased. Proceeds from the sale of collection items are used to purchase new collection items. The Association plans to hold the collection items indefinitely.

There were no pieces added to the collection or disposed of during the years ended August 31, 2026 and 2025.

The Association insures the collections with a policy that has a face value consistent with the appraised values.

11 — RETIREMENT PLAN

The Association provides eligible employees with a 401(k) qualified retirement plan. The Association also established a profit sharing plan for all eligible employees. The plan provides for employer and employee contributions based upon a percentage of annual compensation. Employer contributions for the years ended August 31, 2026 and 2025, were $102,705 and $108,914, respectively.

12 — REVENUE RECOGNITION

The Association's major revenues are all within the United States of America and recognized as follows:

Membership Services: Membership services include registrations, dues, and service fees that fund research, advertising, and software development, as well as discounts for subscriptions and genetic services for the current fiscal year. Revenues are recognized over the term of the contract.

Advertising and Subscriptions: Advertising and subscriptions include revenues earned from catalog and magazine subscriptions and advertising, generally for a term of 12 months. Revenues are recognized over the term of the contract.

Publication and Advertising Services: Publication and advertising services include fees from advertising in Hereford World, as well as annual publications and banner ads on the website. Revenues are recognized as the services are performed at a point in time.

Genetic Services: Genetic services include revenues from improving the Hereford breed, DNA testing, blood typing, and genomic services. Revenues are recognized as the services are performed at a point in time.

Hosting Database Services: Hosting database services include fees from hosting database services on the Association's servers, generally for a term of one to three years. Revenues are recognized over the term of the contract.

Creative Services: Creative services include revenues from promotional media services. Revenues are recognized as the services are performed at a point in time.

Marketing Services: Marketing services include revenues from certifications and retail sales. Revenues are recognized as the services are performed at a point in time.

13 — COMMITMENTS AND CONTINGENCIES

The Association is subject to legal proceedings and claims that arise in the ordinary course of business. Management intends to defend the case vigorously and has filed motions of dismissal. It is impossible at this stage either to determine the probability of a favorable or unfavorable outcome resulting from this case, or to reasonably estimate the amount of protentional loss or range of potential loss, if any.



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2026 AMERICAN HEREFORD ASSOCIATION ANNUAL REPORT