American Brahman Breeders Association

Finance Committee Meeting Agenda

February 19, 2026, 3:00 PM CST
MCM Elegante
Beaumont, TX

Present
Terry Novak
David Domsch
Carolyn Falgout
Kelvin Moreno

Staff
Paul Maulsby
Iridiana Ibarra

Terry Novak has completed the review of the balance sheet and the profit and loss statement. During the review, there was significant concern over the interest rate at Merrill Lynch dropping to 4.5%. Kelvin Moreno recalled it being closer to 6% during his tenure as treasurer, emphasizing the critical need for ongoing communication with bankers. He stressed that consistent follow-ups are essential to maintaining smooth business operations and ensuring favorable financial terms.

Josefina Lecuna inquired about a $52,000 debit on the Merrill Lynch money market account, noting that no corresponding credit was showing. Iridiana Ibarra clarified that when Merrill Lynch drafts funds from the Chase account, they are first deposited into the money market account. From there, the funds are transferred to one of the other two accounts. The $52,000 in question is likely the remaining balance from the 100-year anniversary event. However, Iridiana Ibarra assured Josefina Lecuna that she would reach out to Merrill Lynch for further clarification on the matter.

It was also clarified that the $100,000 debit from the money market account was the amount transferred to the new Chase bank account opened for the World Brahman Congress.

Terry Novak expressed that he had never seen this information because Iridiana Ibarra does not send it to him. In response, Kelvin Moreno clarified that Terry's statement wasn’t entirely fair. He explained that when he took over as treasurer, he had no prior knowledge of the situation and found it quite disorganized. Mr. Moreno took it upon himself to schedule a meeting with the Chilton team and learn the necessary details. He emphasized that it’s important to take initiative and actively seek out information, rather than expecting it to be handed over.

Mr. Moreno further explained that he never took any of this home with him. When he needed to find something out or when someone called him, he would go to the office, sit down, and figure it out. He questioned Terry Novak about whether he had asked about Chilton or met with them, emphasizing the need to follow up, especially when the committee doesn’t meet regularly enough and the office staff has many responsibilities. He pointed out that it’s the responsibility of those in these positions to take initiative and follow up.

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Kelvin Moreno also mentioned that every account has a representative from the bank who can meet with the treasurer to answer questions and provide advice. He recalled having the Chilton representatives present a full report at one of his meetings because he did not want to manage the accounts without their input. He noted that it's important to invite the bank representatives to meetings as part of the process.

Mr. Moreno shared his frustrations about issues like the CDs from years ago that no one knew about until they asked the previous CPA about them. The CPA admitted to manually calculating the interest without having seen the statements. Kelvin Moreno stressed the importance of staying on top of these matters and taking responsibility, stating that those in the role of secretary/treasurer must learn these things, even if they don't know them at first. He emphasized the need to ask questions and take the responsibility seriously.

Paul Maulsby expressed that he wanted to defend Terry Novak a bit, acknowledging that while he may be new to the role, he understands the challenges that come with it. He highlighted that one of the key issues he's noticing is the lack of standard operating procedures for committees. He pointed out that if Mr. Novak had been provided with a clear list of responsibilities and contacts, it would have been incredibly helpful. Mr. Maulsby emphasized that while he can't undo what has already happened, listening to feedback from committee members it's clear that there is a need for clear standard operating procedures that outline roles and expectations.

Paul Maulsby expressed his commitment to addressing this gap and mentioned that, moving forward, he plans to ensure these procedures are in place. He acknowledged that, as someone who is often pulled in many different directions, he is doing his best to address everyone's needs. However, he recognized the monumental importance of the secretary/treasurer position and expressed a willingness to work closely with past treasurers to gather their insights and improve the process.

Mr. Maulsby suggested that once a new secretary/treasurer is elected, a meeting should be scheduled shortly after to review expectations and clarify responsibilities. He agreed that this approach should be applied not only to the secretary/treasurer but to other committees as well. He concluded by noting that they are working on developing standard operating procedures for committee chairs and officers and invited input from those with historical experience. While Paul admitted he couldn't change past events, he emphasized that establishing these procedures moving forward could improve clarity and efficiency, helping everyone involved to work more effectively.

Kelvin Moreno then addressed the ongoing issue, emphasizing the challenges they continue to face during transitions. He agreed with Paul Maulsby's point about the difficulties of adjusting to new roles but stressed that a common misconception is the idea of not having the necessary information. Mr. Moreno explained that when he took on the role, he faced the same lack of information, but he made it his responsibility to seek it out and educate himself. He made it clear that whoever takes on the role needs to be prepared to take full responsibility and actively learn what's needed.

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Mr. Moreno shared his experience of calling various individuals, including former treasurers like David Miller, Pasquale Swaner, as well as reaching out to people like Chris Shivers, to track down information about the CDs. He explained that in his search, he discovered that the situation was so disorganized that even the names of the banks had changed, leaving them unsure of where their money was. He underscored the importance of taking initiative and learning the ins and outs of the role, rather than waiting for information to be handed over.

David Miller then shared his own experience, explaining that when he started, he too was nervous about managing the books and the finances. To gain clarity, he reached out to several former secretary/treasurers for advice. He specifically mentioned calling Craig Fontenot, who was not only a neighbor but also a former president. Mr. Miller sought his guidance to help understand where to look and what information he needed to find in order to navigate the role more effectively.

Kelvin Moreno then addressed Terry Novak directly, noting that while he had nothing against him, he had offered his support from day one when Mr. Novak took the position in Houston. Mr. Moreno reminded Terry Novak that he had told him he could call anytime for advice or guidance, but Mr. Novak had never reached out with questions or for assistance. He emphasized that he would have been more than happy to provide the information Mr. Novak needed, and he was equally willing to help the next person in the role. Kelvin Moreno made it clear that his primary goal was always to ensure the best outcome for the organization.

Kelvin Moreno expressed confidence that these accounts were solid investments, generating reliable passive income for the association. He warned, however, that it was crucial to stay on top of these investments to prevent them from declining. The income from these accounts, which could generate upwards of $100,000 annually, was a significant source of funding that helped avoid the need for increased fees for members. Mr. Moreno stressed that the committee needed to ensure a clear plan was in place to keep the investments on track and maintain their value for the future.

Terry Novak then acknowledged that it was his responsibility to ensure the necessary systems were in place, but he also emphasized the importance of guidance in establishing those systems. He agreed that having a clear plan moving forward was crucial and expressed his willingness to support efforts to identify what would have been helpful in the past. Terry also noted that, as someone who is hands-on, he needed to see things firsthand, but it was challenging when the information was only available shortly before meetings.

He pointed out that, in an office setting like Iridiana's, the person who works directly with the information every day is the one most familiar with it and should be the one to provide reports and updates. In his view, the secretary/treasurer needed to be well-informed about everything going on, ensuring they were always in the loop.

Terry Novak then pointed out a concern on the second sheet, specifically in accounts receivable. He explained that this has been a recurring issue for him throughout the year, as collecting outstanding payments has been a priority. He mentioned that he had previously requested an additional letter be sent to all individuals who owed money, with the intention of personally signing and helping to collect these funds. Mr. Novak expressed concern about having such a significant amount of money on the books at any given time.

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He further noted that in November, the account balance had jumped to over $300,000, which he found troubling, especially when the previous month's balance was only in the $70,000 range. Terry Novak emphasized that the accounts receivable appeared to fluctuate significantly and expressed confusion over the cause. He stated that if payments were being made as expected, there shouldn't be such discrepancies in the account balances.

Iridiana Ibarra clarified that the high accounts receivable balance in November was primarily due to outstanding payments from a sale, where many of the transactions were still recorded but hadn't been paid until December or January. She explained that the balance was a combination of amounts owed for Digital Beef registrations, transfers, and other related services. Additionally, any ongoing sales or Congress sponsorships, which might have still been pending at the time, contributed to the higher-than-usual balance. This was why the accounts receivable figure appeared particularly elevated in November.

Iridiana Ibarra then outlined the components that contributed to the accounts receivable balance. She explained that the World Brahman Congress sale accounted for $18,390, while unpaid sponsorships for the event totaled $14,550. Additionally, $7,000 from the 2023 National Show Sale, which was intended to support the 100-Year Anniversary, was still outstanding.

Terry Novak explained that both vehicles had been sold, with the second vehicle fetching approximately $27,000. The proceeds from the sale were recorded on the balance sheet under fixed assets, which is why there is also a credit showing the removal of the vehicles from the accounts. He emphasized that since the vehicles were sold, they no longer exist as assets.

He also addressed the research fund, noting that the $7,500 allocated was set aside for future research projects. Mr. Novak clarified that this fund was earmarked for any research initiatives the committee decides to pursue. During a committee meeting, it was discussed, and Paul Maulsby mentioned that he had already contacted Dr. Gill regarding where the funds should be directed. He and Dr. Gill were working together to ensure the proper documentation was in place to release the funds.

Iridiana Ibarra explained that she and the CPA worked together to clean up the balance sheet. They identified several long-standing entries, such as the national carcass evaluation prepaid fees, which totaled $2,300, and international communication fees of $1,200. These amounts had been sitting on the books for over 10 years without being addressed. To resolve this, they moved the amounts to the profit and loss statement. The national carcass evaluation fees were reallocated to the Research and Breed Improvement fund, while the international fees were placed under the International Committee's account.

Iridiana Ibarra added that the balance sheet is now as clean as it can get. The only remaining item is the AJBA dues, which are for December. She explained that, moving forward, ABBA has been issuing checks to AJBA, and they plan to switch to a quarterly payment schedule to align with their due dates.
Josefina Lecuna raised concerns about her digital beef account, and Kylie McIntosh agreed to review the account and follow up with her with the necessary information.

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Iridiana Ibarra explained to the committee that the "move in and move out" process is a new feature implemented by Digital Beef for handling credits. She clarified that, currently, the system does not allow multiple charges to be processed at once. For example, if there are six work orders, ABBA has to charge each one separately, which can be cumbersome. To work around this limitation, the staff uses a physical credit card machine to process payments. If, for instance, someone owes $1,000 across six work orders, they can charge the total amount on the handheld machine.

With the new "move in, move out" feature, however, ABBA can post the full $1,000 at once. At midnight, the Digital Beef system automatically updates and reallocates the payment, moving the money from the original work order into the corresponding balances of the other work orders. This system will streamline the payment process and make managing charges more efficient.

Kelvin Moreno shared his concerns about the current credit card processing system, stating that he didn't like it during his time in the organization and still doesn't due to the potential for human error. He explained that student workers or new staff can access a member's card and make charges without the cardholder receiving a detailed breakdown.

He recalled seeing large charges—like $4,000—on his card labeled only as "American Brahman Breeders," with no indication if the amount was for registrations, transfers, or DNA. This lack of clarity forced him to call the office for answers. He emphasized that the system isn't ideal, as members could be charged multiple times without realizing it if they're not closely monitoring their accounts.

Iridiana Ibarra acknowledged the concern and noted that the team is fully aware of the issue. She mentioned that if payments could be handled directly through Digital Beef, it would be a much better solution.

She explained that ABBA recently met with representatives from 701X, the new owners of Digital Beef, and shared their frustrations with the current system. They specifically requested improvements like a payoff button or a more stable merchant interface that doesn't freeze. 701X responded by saying that other breed associations have raised similar concerns. While no promises were made, the company is currently gathering input from associations to identify areas for improvement.

Paul Maulsby provided a brief overview of key updates, beginning with registrations, which are currently down by 12%. He noted that while the decline was expected, it still highlights the need to explore additional revenue streams. Transfers have also decreased, but not as significantly as anticipated, which he viewed as a positive.

Mr. Maulsby emphasized the importance of expanding efforts in the F1, commercial, and international sectors to boost both registrations and transfers. He mentioned working with a large producer in College Station who has around 200 registered cows and is transitioning from producing F1 females to purebred cattle. While the producer initially considered not registering them, Paul is encouraging him to do so, noting that every registration counts.

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He also highlighted that DNA verification activity is up, which aligns with the organization's five-year plan and ongoing implementation efforts. While acknowledging the growing pains associated with DNA requirements, he stressed that such challenges are common across all breeds. He referenced a conversation with Brangus representatives, who were surprised by ABBA's progress in DNA verification, particularly with walking sires—something their breed hasn't implemented. Mr. Maulsby viewed this as a sign that ABBA is making strong strides, and he noted that the increased DNA activity has also contributed to a rise in revenue.

Paul Maulsby emphasized the importance of ultrasound data collection, noting that while ABBA is slightly behind on implementation and uploads, progress is being made. He shared that a conversation with Allison earlier that morning confirmed efforts are now underway to get the data uploaded, with hopes of increasing overall participation in data collection moving forward. He also addressed a significant change reflected in the financials: a 92.31% increase in postage paid by members. Paul attributed this rise to higher mailing costs, particularly through FedEx. While moving entirely to digital communication could reduce expenses, he acknowledged that such a shift would likely face strong resistance, as many members still rely on mailed documents. For now, mailing remains a necessary part of operations.

Paul Maulsby noted that efforts are ongoing to increase merchandise sales, which will continue to be a key focus. He acknowledged that recent events drove a spike in sales, but emphasized the importance of maintaining that momentum to generate more consistent revenue. Merchandise is a growing part of ABBA's overall business model, and expanding it is becoming increasingly necessary. He also pointed out that customers are responsible for covering the shipping costs, which helps offset expenses.

Paul Maulsby highlighted that membership income has seen an increase, particularly in new member fees, with noticeable growth in the F1 categories. He attributed much of this to the success of the Brahman Bucks program, which he sees as a strong marketing tool. He mentioned that the Marketing Committee has discussed the potential of being even more aggressive in promoting the program. While the revenue gains may not be massive, he believes this area presents an opportunity for growth and added value. In his view, Brahman Bucks has played a significant role in driving this positive trend.

There was discussion about the five-year DNA plan, Iridiana Ibarra clarified that the plan does not apply to F1 registrations.

It was emphasized the need for increased marketing and promotion of the DNA program to ensure members are informed of important deadlines and steps. It was noted that clearer communication is necessary to prevent issues where members cannot register cattle due to timing or missed steps in the process.

Paul Maulsby introduced the upcoming newsletters, which will be targeted to specific member interests. These include: Show Report (focused on show cattle), F1 Advantage (targeted toward commercial breeders), Voice of the Youth (for youth-related news), and International News (covering international Brahman events and updates). A bi-weekly newsletter will also be

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available, providing updates on the DNA program, membership income, and other relevant topics.

Membership income for January-December 2024 was $335,810, and performance and promotional income saw a substantial spike of $462,400, primarily attributed to the 100th anniversary and World Brahman Congress events. Merchandise sales were up due to these events, helping offset a decrease in registration revenue. The committee recognized that such large events are unlikely to repeat but efforts will continue to promote merchandise sales.

A staff of two had been handling the workload of six during a transitional period. A new role was created by hybridizing the positions of Kylie (AJBA and shows) and splitting salary costs with AJBA, resulting in savings. The new hire for the advertising and communications position was given a reduced salary due to part-time status while finishing their education. The commercial research and development role remains unfilled, but the committee intends to hire a graduate student by May. This position is expected to save on costs initially.

It was questioned the high expenses related to the National Show Board Meeting. Iridiana Ibarra explained that $25,000 of the costs were carried over from 2023, with the final billing received in January 2024. Future expenses related to the Congress are expected to carry over into next year's financials due to delays in invoicing from the county.

A motion was made to approve the balance sheet and income statement as presented. The motion was seconded by Carolyn. The motion was approved unanimously.

Paul Maulsby outlined the research into potential new CPA firms, noting that Thompson, Derrick, and Craig from College Station submitted a bid of $27,900 for full financial support, including monthly bookkeeping and annual Form 990 preparation. Seidel and Schrader, another firm considered, proposed a fee between $17,000 and $20,000, but this was primarily for the financial audit only. Mr. Maulsby recommended hiring Thompson, Derrick, and Craig, as they would handle all the tasks previously managed by the old CPA and provide a more comprehensive service.

There was clarification that the audit fee would be capped at $20,000, as per the recommendation, and confirmed that all financial tasks, including monthly reports and Form 990 preparations, would be handled by the selected CPA firm.

David Domsch made a motion to approve the new CPA and audit firms at the proposed costs: $17,000-$20,000 for the audit and $27,900 for the CPA services. Seconded By Kelvin Moreno, motion passed.

It was brought up the question of who would file the 2024 tax returns. Paul Maulsby confirmed that the current CPA had already started working on the returns. It was suggested that the current CPA firm should file the 2024 returns to ensure continuity and that the firm would be liable if any issues arise. The committee agreed, noting that the current firm clears liability on all statements.

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Terry Novak addressed the need for approval of the budget. It was mentioned that the budget had already been approved by the Budget Committee and questioned if a second approval was necessary from the Finance Committee. Terry Novak clarified that the budget had been approved by the Budget Committee and would be submitted to the board for final approval. It was confirmed that there are separate Finance and Budget Committees, and the approval from the Budget Committee was sufficient for the Finance Committee. The budget will be presented to the board for final ratification.

There was discussion regarding the concern regarding the $84,000 deficit in the proposed budget. He expressed dissatisfaction with the process, noting that more registrations and transfers were added to close the gap. Paul Maulsby clarified that historical data from previous years was used to estimate the budget for 2025.

It was agreed that while the budget was not perfect, it reflected an educated estimate and that ABBA has solid investments.

Carolyn Falgout made a motion to approve the proposed 2025 budget as presented, seconded by Kelvin Moreno, motion carried.

After no new business, meeting adjourned.

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