



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

AMERICAN PECAN PROMOTION BOARD

Compiled Financial Statements

For the One Month and Five Months Ended

February 28, 2025

515 West Harris Avenue • Post Office Box 71 • San Angelo, Texas 76902-0071

Phone (325) 653-6854 • Fax (325) 655-5857 • www.armstrongbackus.com



To the Board of Directors of
American Pecan Promotion Board

ACCOUNTANTS' COMPILATION REPORT

Management is responsible for the accompanying financial statements of American Pecan Promotion Board (a nonprofit organization), which comprise the statement of financial position as of February 28, 2025, and the related statement of activities, functional expenses, and cash flows for the one month and five months ended, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the organization's net position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The supplementary information included in the operating budget for the one month and five months ended February 28, 2025 and year ended September 30, 2025, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information. We do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to the American Pecan Promotion Board.

Armstrong, Backus & Co., L.L.P.

San Angelo, Texas
March 27, 2025

AMERICAN PECAN PROMOTION BOARD

Statement of Financial Position

As of February 28, 2025

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 9,971,036
Accounts Receivable, Net of Allowance for Doubtful Accounts	3,913,486
Prepaid Expenses	747,301
	<hr/>
Total Current Assets	\$ 14,631,823

Noncurrent Assets:

Right of Use Assets	\$ 104,029
Right of Use Assets - Accumulated Amortization	(89,795)
	<hr/>
Total Noncurrent Assets	\$ 14,234

TOTAL ASSETS

\$ 14,646,057

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 313,616
Credit Cards Payable	3,049
Current Portion of Lease Obligations Payable	14,234
	<hr/>
Total Current Liabilities	\$ 330,899

Long-term Liabilities:

Lease Obligations Payable	\$ 14,494
Less: Current Portion of Lease Liability	(14,234)
	<hr/>
Total Long-term Liabilities	\$ 260
	<hr/>
Total Liabilities	\$ 331,159

Net Assets:

Without Contractual Restrictions	\$ 14,314,898
	<hr/>
Total Net Assets	\$ 14,314,898

TOTAL LIABILITIES AND NET ASSETS

\$ 14,646,057

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the One Month Ended February 28, 2025

	Without Contractual Restrictions	With Contractual Restrictions	Total
Revenues:			
Assessment Income - Domestic	\$ 1,254,585	\$ -0-	\$ 1,254,585
Assessment Income - Imports	482,633	-0-	482,633
Interest Earned	13,611	-0-	13,611
Total Revenue	<u>\$ 1,750,829</u>	<u>\$ -0-</u>	<u>\$ 1,750,829</u>
Expenses:			
Program Services	\$ 542,227	\$ -0-	\$ 542,227
Compliance	11,545	-0-	11,545
Management and General Services	70,491	-0-	70,491
USDA Services	10,373	-0-	10,373
Total Expenses	<u>\$ 634,636</u>	<u>\$ -0-</u>	<u>\$ 634,636</u>
Change in Net Assets	<u>\$ 1,116,193</u>	<u>\$ -0-</u>	<u>\$ 1,116,193</u>
Net Position, Beginning as Previously Stated	\$ 13,221,433	\$ -0-	\$ 13,221,433
Prior Period Adjustment	(22,728)	-0-	(22,728)
Net Assets, Beginning as Restated	<u>\$ 13,198,705</u>	<u>\$ -0-</u>	<u>\$ 13,198,705</u>
Net Assets, Ending	<u><u>\$ 14,314,898</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 14,314,898</u></u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the Five Months Ended February 28, 2025

	Without Contractual Restrictions	With Contractual Restrictions	Total
Revenues:			
Assessment Income - Domestic	\$ 3,587,349	\$ -0-	\$ 3,587,349
Assessment Income - Imports	1,976,996	-0-	1,976,996
Interest Income	72,738	-0-	72,738
Total Revenue	<u>\$ 5,637,083</u>	<u>\$ -0-</u>	<u>\$ 5,637,083</u>
Expenses:			
Program Services	\$ 3,477,122	\$ -0-	\$ 3,477,122
Compliance	42,599	-0-	42,599
Management and General Services	319,792	-0-	319,792
USDA Services	37,570	-0-	37,570
Total Expenses	<u>\$ 3,877,083</u>	<u>\$ -0-</u>	<u>\$ 3,877,083</u>
Change in Net Assets	<u>\$ 1,760,000</u>	<u>\$ -0-</u>	<u>\$ 1,760,000</u>
Net Position, Beginning as Previously Stated	\$ 12,564,899	\$ -0-	\$ 12,564,899
Prior Period Adjustment	(10,001)	-0-	(10,001)
Net Assets, Beginning as Restated	<u>\$ 12,554,898</u>	<u>\$ -0-</u>	<u>\$ 12,554,898</u>
Net Assets, Ending	<u><u>\$ 14,314,898</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 14,314,898</u></u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the One Month Ended February 28, 2025

	<u>Program Services</u>		<u>Support Services</u>		
	<u>Promotion</u>	<u>Compliance</u>	<u>Management and General</u>	<u>USDA</u>	<u>Total</u>
Accounting	\$ -0-	\$ -0-	\$ 13,975	\$ -0-	\$ 13,975
Audit Industry	-0-	9,980	-0-	-0-	9,980
Board Meetings/Travel	-0-	-0-	13,837	-0-	13,837
Insurance	-0-	-0-	42	-0-	42
Legal	-0-	-0-	8,310	-0-	8,310
Marketing Research	136,585	-0-	-0-	-0-	136,585
Office Equipment	-0-	-0-	333	-0-	333
Postage	-0-	80	177	-0-	257
Program Management	21,677	-0-	-0-	-0-	21,677
Promotion	296,267	-0-	-0-	-0-	296,267
Rent	-0-	-0-	563	-0-	563
Rent Amortization	-0-	-0-	2,861	-0-	2,861
Research	87,698	-0-	-0-	-0-	87,698
Software - Fishhook	-0-	1,485	-0-	-0-	1,485
Staff	-0-	-0-	27,592	-0-	27,592
Subscriptions	-0-	-0-	80	-0-	80
Supplies	-0-	-0-	299	-0-	299
Telephone/Mobile/Internet	-0-	-0-	1,188	-0-	1,188
Travel Office	-0-	-0-	1,234	-0-	1,234
USDA User Fee	-0-	-0-	-0-	10,373	10,373
	<u>\$ 542,227</u>	<u>\$ 11,545</u>	<u>\$ 70,491</u>	<u>\$ 10,373</u>	<u>\$ 634,636</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the Five Months Ended February 28, 2025

	Program Services		Support Services			
	Promotion	Compliance	Management and General	USDA	Total	
Accounting	\$ -0-	\$ -0-	\$ 64,950	\$ -0-	\$ 64,950	
Audit Financial	-0-	-0-	25,000	-0-	25,000	
Audit Industry	-0-	40,814	-0-	-0-	40,814	
Bank Fees	-0-	-0-	267	-0-	267	
Board Meetings/Travel	-0-	-0-	20,405	-0-	20,405	
Insurance	-0-	-0-	773	-0-	773	
Legal	-0-	-0-	18,068	-0-	18,068	
Marketing Research	498,918	-0-	-0-	-0-	498,918	
Miscellaneous	-0-	-0-	425	-0-	425	
Office Equipment	-0-	-0-	5,292	-0-	5,292	
Postage	-0-	300	890	-0-	1,190	
Program Management	175,272	-0-	-0-	-0-	175,272	
Promotion	2,606,406	-0-	-0-	-0-	2,606,406	
Rent	-0-	-0-	2,815	-0-	2,815	
Rent Amortization	-0-	-0-	14,303	-0-	14,303	
Research	196,526	-0-	-0-	-0-	196,526	
Software - Fishhook	-0-	1,485	-0-	-0-	1,485	
Staff	-0-	-0-	151,462	-0-	151,462	
Subscriptions	-0-	-0-	381	-0-	381	
Supplies	-0-	-0-	616	-0-	616	
Telephone/Mobile/Internet	-0-	-0-	6,631	-0-	6,631	
Travel Office	-0-	-0-	7,514	-0-	7,514	
USDA User Fee	-0-	-0-	-0-	37,570	37,570	
	<u>\$ 3,477,122</u>	<u>\$ 42,599</u>	<u>\$ 319,792</u>	<u>\$ 37,570</u>	<u>\$ 3,877,083</u>	

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Cash Flows

For the One Month and Five Months Ended February 28, 2025

	<u>One Month</u>	<u>Five Months</u>
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 1,168,859	\$ 4,516,511
Cash Paid for Operating Expenses	(401,735)	(4,526,226)
Net Cash Provided (Used) by Operating Activities	\$ 767,124	(\$ 9,715)
Net Increase (Decrease) in Cash	\$ 767,124	(\$ 9,715)
Cash, Beginning of Period:		
FFB - Checking	\$ 922,747	\$ 0.00
FFB - Escrow	1,339,405	1,330,864
FFB - Reserve	6,941,760	8,649,887
Total Cash - Beginning of Period	\$ 9,203,912	\$ 9,980,751
Cash, End of Period:		
FFB - Checking	\$ 945,711	\$ 945,711
FFB - Escrow	1,341,450	1,341,450
FFB - Reserve	7,683,875	7,683,875
Total Cash - End of Period	\$ 9,971,036	\$ 9,971,036
Reconciliation of Increase (Decrease) In Net Assets to Net Cash Provided (Used) by Operating Activities:		
Increase (Decrease) in Net Assets	\$ 1,116,193	\$ 1,760,000
Net Cash Provided (Used) by Operating Activities:		
Amortization Expense	2,826	14,063
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(581,970)	(1,120,572)
(Increase) Decrease in Prepaid Expenses	93,845	(484,282)
Increase (Decrease) in Accounts Payable	136,960	(166,391)
Increase (Decrease) in Credit Cards Payable	2,148	1,790
Increase (Decrease) in Lease Liability	(2,878)	(14,323)
Net Cash Provided (Used) by Operating Activities	\$ 767,124	(\$ 9,715)

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Five Months Ended February 28, 2025 and Year Ended September 30, 2025

	One Month Ended February 28, 2025		Five Months Ended February 28, 2025		Fiscal Year Ended September 30, 2025
	Actual	Budget	Actual	Budget	Operating Budget
Revenue:					
Assessments - Domestic	\$ 1,254,585	\$ 490,102	\$ 3,587,349	\$ 2,450,505	\$ 5,881,210
Assessments - Imports	482,633	341,137	1,976,996	1,705,688	4,093,650
Contributions/Unrestricted Cash	-0-	764,512	-0-	3,822,560	9,174,144
Total Revenue	\$ 1,737,218	\$ 1,595,751	\$ 5,564,345	\$ 7,978,753	\$ 19,149,004
Program Expenses:					
Program Management	\$ 21,677	\$ 68,112	\$ 175,272	\$ 340,563	\$ 817,350
Marketing/Research	136,585	127,083	498,918	635,416	1,525,000
Promotion	296,267	631,043	2,606,406	3,155,212	7,572,509
Research	87,698	82,000	196,526	410,000	984,000
Contingency Fund	-0-	83,333	-0-	416,666	1,000,000
Total Program Expenses	\$ 542,227	\$ 991,571	\$ 3,477,122	\$ 4,957,857	\$ 11,898,859
Expenses:					
Compliance:					
Industry Audits	\$ 9,980	\$ 14,167	\$ 40,814	\$ 70,834	\$ 170,000
Printing, Forms, & Postage	80	417	300	2,084	5,000
Software	1,485	2,500	1,485	12,500	30,000
Total Compliance Expenses	\$ 11,545	\$ 17,084	\$ 42,599	\$ 85,418	\$ 205,000
General Administration:					
Accounting	\$ 13,975	\$ 12,500	\$ 64,950	\$ 62,500	\$ 150,000
Audit Financial	-0-	2,500	25,000	12,500	30,000
Bank Fees	-0-	58	267	291	700
Board Meetings/Travel	13,837	5,417	20,405	27,084	65,000
Insurance	42	2,083	773	10,416	25,000
Legal	8,310	7,917	18,068	39,584	95,000
Maintenance/Buildout	-0-	417	-0-	2,084	5,000
Miscellaneous	-0-	83	425	416	1,000
Office Equipment	333	417	5,292	2,084	5,000
Postage	177	225	890	4,166	2,700
Printing	-0-	833	-0-	1,125	10,000
Rent	563	3,750	2,815	18,750	45,000
Rent Amortization	2,861	-0-	14,303	-0-	-0-
Staff	27,592	26,700	151,462	133,500	320,400
Subscriptions/Dues	80	100	381	500	1,200
Supplies	299	417	616	2,084	5,000
Telephone/Mobile/Internet	1,188	1,500	6,631	7,500	18,000
Travel Office	1,234	2,167	7,514	10,834	26,000
Total General Administration	\$ 70,491	\$ 67,084	\$ 319,792	\$ 335,418	\$ 805,000

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Five Months Ended February 28, 2025 and Year Ended September 30, 2025

	One Month Ended February 28, 2025		Five Months Ended February 28, 2025		Fiscal Year Ended September 30, 2025	
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget	
USDA Charges:						
USDA User Fee	\$ 10,373	\$ 16,667	\$ 37,570	\$ 83,334	\$ 200,000	
Total USDA Charges	\$ 10,373	\$ 16,667	\$ 37,570	\$ 83,334	\$ 200,000	
Total Expenses	\$ 92,409	\$ 100,835	\$ 399,961	\$ 504,170	\$ 1,210,000	
Total Program and Expenses	\$ 634,636	\$ 1,092,406	\$ 3,877,083	\$ 5,462,027	\$ 13,108,859	
Other Revenues and Expenses:						
Interest Income	\$ 13,611	\$ -0-	\$ 72,738	\$ -0-	\$ -0-	
Prior Year Carry-Over	-0-	11,167	-0-	55,834	134,000	
Unrestricted Cash	-0-	(514,512)	-0-	(2,572,560)	(6,174,145)	
Total Other Revenues and Expense	\$ 13,611	(\$ 503,345)	\$ 72,738	(\$ 2,516,726)	(\$ 6,040,145)	
Change in Net Assets	\$ 1,116,193	\$ -0-	\$ 1,760,000	\$ -0-	\$ -0-	

See Accountants' Compilation Report.