



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

AMERICAN PECAN PROMOTION BOARD

Compiled Financial Statements

For the One Month and Six Months Ended

March 31, 2025

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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 March 31, 2025, and the related statement of activities, functional expenses, and cash flows for the one month and six 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 six months ended March 31, 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
April 9, 2025

AMERICAN PECAN PROMOTION BOARD

Statement of Financial Position

As of March 31, 2025

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 9,991,141
Accounts Receivable, Net of Allowance for Doubtful Accounts	3,859,597
Prepaid Expenses	<u>1,664,412</u>
Total Current Assets	<u>\$ 15,515,150</u>

Noncurrent Assets:

Right of Use Assets	\$ 104,029
Right of Use Assets - Accumulated Amortization	<u>(92,628)</u>
Total Noncurrent Assets	<u>\$ 11,401</u>

TOTAL ASSETS

\$ 15,526,551

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 244,317
Credit Cards Payable	2,842
Current Portion of Lease Obligations Payable	<u>11,401</u>
Total Current Liabilities	<u>\$ 258,560</u>

Long-term Liabilities:

Lease Obligations Payable	\$ 11,609
Less: Current Portion of Lease Liability	<u>(11,401)</u>
Total Long-term Liabilities	<u>\$ 208</u>
Total Liabilities	<u>\$ 258,768</u>

Net Assets:

Without Contractual Restrictions	<u>\$ 15,267,783</u>
Total Net Assets	<u>\$ 15,267,783</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 15,526,551

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the One Month Ended March 31, 2025

	Without Contractual Restrictions	With Contractual Restrictions	Total
Revenues:			
Assessment Income - Domestic	\$ 1,187,371	\$ -0-	\$ 1,187,371
Assessment Income - Imports	374,994	-0-	374,994
Interest Earned	13,348	-0-	13,348
Total Revenue	<u>\$ 1,575,713</u>	<u>\$ -0-</u>	<u>\$ 1,575,713</u>
Expenses:			
Program Services	\$ 543,099	\$ -0-	\$ 543,099
Management and General Services	63,395	-0-	63,395
USDA Services	9,151	-0-	9,151
Total Expenses	<u>\$ 615,665</u>	<u>\$ -0-</u>	<u>\$ 615,665</u>
Change in Net Assets	<u>\$ 960,048</u>	<u>\$ -0-</u>	<u>\$ 960,048</u>
Net Position, Beginning as Previously Stated	\$ 14,310,365	\$ -0-	\$ 14,310,365
Prior Period Adjustment	(2,630)	-0-	(2,630)
Net Assets, Beginning as Restated	<u>\$ 14,307,735</u>	<u>\$ -0-</u>	<u>\$ 14,307,735</u>
Net Assets, Ending	<u><u>\$ 15,267,783</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 15,267,783</u></u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the Six Months Ended March 31, 2025

	Without Contractual Restrictions	With Contractual Restrictions	Total
Revenues:			
Assessment Income - Domestic	\$ 4,767,586	\$ -0-	\$ 4,767,586
Assessment Income - Imports	2,351,990	-0-	2,351,990
Interest Income	86,086	-0-	86,086
Total Revenue	<u>\$ 7,205,662</u>	<u>\$ -0-</u>	<u>\$ 7,205,662</u>
Expenses:			
Program Services	\$ 4,020,221	\$ -0-	\$ 4,020,221
Compliance	42,619	-0-	42,619
Management and General Services	383,186	-0-	383,186
USDA Services	46,721	-0-	46,721
Total Expenses	<u>\$ 4,492,747</u>	<u>\$ -0-</u>	<u>\$ 4,492,747</u>
Change in Net Assets	<u>\$ 2,712,915</u>	<u>\$ -0-</u>	<u>\$ 2,712,915</u>
Net Position, Beginning as Previously Stated	\$ 12,564,899	\$ -0-	\$ 12,564,899
Prior Period Adjustment	(10,031)	-0-	(10,031)
Net Assets, Beginning as Restated	<u>\$ 12,554,868</u>	<u>\$ -0-</u>	<u>\$ 12,554,868</u>
Net Assets, Ending	<u><u>\$ 15,267,783</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 15,267,783</u></u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the One Month Ended March 31, 2025

	Program Services		Support Services		
	Promotion	Compliance	Management and General	USDA	Total
Accounting	\$ -0-	\$ -0-	\$ 12,350	\$ -0-	\$ 12,350
Board Meetings/Travel	-0-	-0-	2,882	-0-	2,882
Insurance	-0-	-0-	322	-0-	322
Legal	-0-	-0-	5,830	-0-	5,830
Marketing Research	143,481	-0-	-0-	-0-	143,481
Office Equipment	-0-	-0-	333	-0-	333
Postage	-0-	20	630	-0-	650
Printing	-0-	-0-	786	-0-	786
Program Management	34,747	-0-	-0-	-0-	34,747
Promotion	257,832	-0-	-0-	-0-	257,832
Rent	-0-	-0-	563	-0-	563
Rent Amortization	-0-	-0-	2,861	-0-	2,861
Research	107,039	-0-	-0-	-0-	107,039
Staff	-0-	-0-	27,592	-0-	27,592
Subscriptions	-0-	-0-	80	-0-	80
Telephone/Mobile/Internet	-0-	-0-	1,331	-0-	1,331
Travel Office	-0-	-0-	7,835	-0-	7,835
USDA User Fee	-0-	-0-	-0-	9,151	9,151
	<u>\$ 543,099</u>	<u>\$ 20</u>	<u>\$ 63,395</u>	<u>\$ 9,151</u>	<u>\$ 615,665</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the Six Months Ended March 31, 2025

	Program Services		Support Services			Total
	Promotion	Compliance	Management and General	USDA		
Accounting	\$ -0-	\$ -0-	\$ 77,300	\$ -0-	\$ 77,300	
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-	23,287	-0-	23,287	
Insurance	-0-	-0-	1,095	-0-	1,095	
Legal	-0-	-0-	23,898	-0-	23,898	
Marketing Research	627,579	-0-	-0-	-0-	627,579	
Miscellaneous	-0-	-0-	425	-0-	425	
Office Equipment	-0-	-0-	5,625	-0-	5,625	
Postage	-0-	320	1,520	-0-	1,840	
Printing	-0-	-0-	786	-0-	786	
Program Management	224,839	-0-	-0-	-0-	224,839	
Promotion	2,864,238	-0-	-0-	-0-	2,864,238	
Rent	-0-	-0-	3,378	-0-	3,378	
Rent Amortization	-0-	-0-	17,163	-0-	17,163	
Research	303,565	-0-	-0-	-0-	303,565	
Software - Fishhook	-0-	1,485	-0-	-0-	1,485	
Staff	-0-	-0-	179,054	-0-	179,054	
Subscriptions	-0-	-0-	461	-0-	461	
Supplies	-0-	-0-	616	-0-	616	
Telephone/Mobile/Internet	-0-	-0-	7,962	-0-	7,962	
Travel Office	-0-	-0-	15,349	-0-	15,349	
USDA User Fee	-0-	-0-	-0-	46,721	46,721	
	\$ 4,020,221	\$ 42,619	\$ 383,186	\$ 46,721	\$ 4,492,747	

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Cash Flows

For the One Month and Six Months Ended March 31, 2025

	<u>One Month</u>	<u>Six Months</u>
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 1,626,972	\$ 6,138,971
Cash Paid for Operating Expenses	(1,602,335)	(6,128,581)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ 24,637	\$ 10,390
	<hr/>	<hr/>
Net Increase (Decrease) in Cash	\$ 24,637	\$ 10,390
	<hr/>	<hr/>
Cash, Beginning of Period:		
FFB - Checking	\$ 945,711	\$ 0.00
FFB - Escrow	1,341,451	1,330,864
FFB - Reserve	7,683,875	8,649,887
Total Cash - Beginning of Period	<hr/> \$ 9,971,037 <hr/>	<hr/> \$ 9,980,751 <hr/>
Cash, End of Period:		
FFB - Checking	\$ 181,012	\$ 181,012
FFB - Escrow	1,343,297	1,343,297
FFB - Reserve	8,466,832	8,466,832
Total Cash - End of Period	<hr/> \$ 9,991,141 <hr/>	<hr/> \$ 9,991,141 <hr/>
Reconciliation of Increase (Decrease) In Net Assets to Net Cash Provided (Used) by Operating Activities:		
Increase (Decrease) in Net Assets	\$ 960,048	\$ 2,712,915
Net Cash Provided (Used) by Operating Activities:		
Amortization Expense	2,833	16,896
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	51,259	(1,066,713)
(Increase) Decrease in Prepaid Expenses	(917,112)	(1,401,393)
Increase (Decrease) in Accounts Payable	(69,299)	(235,690)
Increase (Decrease) in Credit Cards Payable	(207)	1,583
Increase (Decrease) in Lease Liability	(2,885)	(17,208)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	<hr/> \$ 24,637 <hr/>	<hr/> \$ 10,390 <hr/>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Six Months Ended March 31, 2025 and Year Ended September 30, 2025

	One Month Ended March 31, 2025		Six Months Ended March 31, 2025		Fiscal Year Ended September 30, 2025
	Actual	Budget	Actual	Budget	Operating Budget
Revenue:					
Assessments - Domestic	\$ 1,187,371	\$ 490,102	\$ 4,767,586	\$ 2,940,604	\$ 5,881,210
Assessments - Imports	374,994	341,137	2,351,990	2,046,826	4,093,650
Contributions/Unrestricted Cash	-0-	764,512	-0-	4,587,072	9,174,144
Total Revenue	\$ 1,562,365	\$ 1,595,751	\$ 7,119,576	\$ 9,574,502	\$ 19,149,004
Program Expenses:					
Program Management	\$ 34,747	\$ 68,112	\$ 224,839	\$ 408,675	\$ 817,350
Marketing/Research	143,481	127,083	627,579	762,500	1,525,000
Promotion	257,832	631,043	2,864,238	3,786,255	7,572,509
Research	107,039	82,000	303,565	492,000	984,000
Contingency Fund	-0-	83,333	-0-	500,000	1,000,000
Total Program Expenses	\$ 543,099	\$ 991,571	\$ 4,020,221	\$ 5,949,430	\$ 11,898,859
Expenses:					
Compliance:					
Industry Audits	\$ -0-	\$ 14,167	\$ 40,814	\$ 85,000	\$ 170,000
Printing, Forms, & Postage	20	417	320	2,500	5,000
Software	-0-	2,500	1,485	15,000	30,000
Total Compliance Expenses	\$ 20	\$ 17,084	\$ 42,619	\$ 102,500	\$ 205,000
General Administration:					
Accounting	\$ 12,350	\$ 12,500	\$ 77,300	\$ 75,000	\$ 150,000
Audit Financial	-0-	2,500	25,000	15,000	30,000
Bank Fees	-0-	58	267	350	700
Board Meetings/Travel	2,882	5,417	23,287	32,500	65,000
Insurance	322	2,083	1,095	12,500	25,000
Legal	5,830	7,917	23,898	47,500	95,000
Maintenance/Buildout	-0-	417	-0-	2,500	5,000
Miscellaneous	-0-	83	425	500	1,000
Office Equipment	333	417	5,625	2,500	5,000
Postage	630	225	1,520	5,000	2,700
Printing	786	833	786	1,350	10,000
Rent	563	3,750	3,378	22,500	45,000
Rent Amortization	2,861	-0-	17,163	-0-	-0-
Staff	27,592	26,700	179,054	160,200	320,400
Subscriptions/Dues	80	100	461	600	1,200
Supplies	-0-	417	616	2,500	5,000
Telephone/Mobile/Internet	1,331	1,500	7,962	9,000	18,000
Travel Office	7,835	2,167	15,349	13,000	26,000
Total General Administration	\$ 63,395	\$ 67,084	\$ 383,186	\$ 402,500	\$ 805,000

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Six Months Ended March 31, 2025 and Year Ended September 30, 2025

	One Month Ended March 31, 2025		Six Months Ended March 31, 2025		Fiscal Year Ended September 30, 2025
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
USDA Charges:					
USDA User Fee	\$ 9,151	\$ 16,667	\$ 46,721	\$ 100,000	\$ 200,000
Total USDA Charges	\$ 9,151	\$ 16,667	\$ 46,721	\$ 100,000	\$ 200,000
Total Expenses	\$ 72,566	\$ 100,835	\$ 472,526	\$ 605,000	\$ 1,210,000
Total Program and Expenses	\$ 615,665	\$ 1,092,406	\$ 4,492,747	\$ 6,554,430	\$ 13,108,859
Other Revenues and Expenses:					
Interest Income	\$ 13,348	\$ -0-	\$ 86,086	\$ -0-	\$ -0-
Prior Year Carry-Over	-0-	11,167	-0-	67,000	134,000
Unrestricted Cash	-0-	(514,512)	-0-	(3,087,072)	(6,174,145)
Total Other Revenues and Expense	\$ 13,348	(\$ 503,345)	\$ 86,086	(\$ 3,020,072)	(\$ 6,040,145)
Change in Net Assets	\$ 960,048	\$ -0-	\$ 2,712,915	\$ -0-	\$ -0-

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