



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

AMERICAN PECAN PROMOTION BOARD

Compiled Financial Statements

For the One Month Ended

October 31, 2023

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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 October 31, 2023, and the related statement of activities, functional expenses, and cash flows for the one month and twelve months then 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. Accordingly, 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 government's net position, results of operations, and cash flows. Accordingly, the 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 ended October 31, 2023 and year ended September 30, 2024, are 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 and, accordingly, 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
January 2, 2024

AMERICAN PECAN PROMOTION BOARD

Statement of Financial Position

As of October 31, 2023

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 6,885,303
Accounts Receivable	6,543,711
Prepaid Expenses	53,127
Allowance for Doubtful Accounts	(1,400,000)

Total Current Assets \$ 12,082,141

Noncurrent Assets:

Right of Use Asset	\$ 104,029
Accumulated Amortization	(45,381)

Total Noncurrent Assets \$ 58,648

TOTAL ASSETS

\$ 12,140,789

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 185,072
Credit Cards Payable	259
Current Portion of Operating Lease Liability	30,585

Total Current Liabilities \$ 215,916

Long Term Liabilities:

Operating Lease Liability	\$ 59,402
Less: Current Portion of Operating Lease Liability	(30,585)

Total Long Term Liabilities \$ 28,817

Total Liabilities \$ 244,733

Net Assets:

Net Investment in Capital Assets	\$ 58,648
Without Contractual Restrictions	11,837,408

Total Net Assets \$ 11,896,056

TOTAL LIABILITIES AND NET ASSETS

\$ 12,140,789

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the One Month Ended October 31, 2023

	Without Contractual Restrictions	With Contractual Restrictions	Total
Revenues:			
Assessment Income - Domestic	\$ 530,663	\$ -0-	\$ 530,663
Assessment Income - Imports	229,920	-0-	229,920
Total Revenue	<u>\$ 760,583</u>	<u>\$ -0-</u>	<u>\$ 760,583</u>
Expenses:			
Program Services	\$ 30,690	\$ -0-	\$ 30,690
Management and General	37,007	-0-	37,007
Total Expenses	<u>\$ 67,697</u>	<u>\$ -0-</u>	<u>\$ 67,697</u>
Change in Net Assets	<u>\$ 692,886</u>	<u>\$ -0-</u>	<u>\$ 692,886</u>
Net Assets, Beginning as Previously Stated	\$ 11,340,655	\$ -0-	\$ 11,340,655
Prior Period Adjustment	(137,485)	-0-	(137,485)
Net Assets, Beginning as Restated	<u>\$ 11,203,170</u>	<u>\$ -0-</u>	<u>\$ 11,203,170</u>
Net Assets, Ending	<u>\$ 11,896,056</u>	<u>\$ -0-</u>	<u>\$ 11,896,056</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the One Month Ended October 31, 2023

	<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>
	<u>Promotion</u>	<u>Management and General</u>	<u>USDA</u>	
Accounting	\$ -0-	\$ 10,000	\$ -0-	\$ 10,000
Bank Fees	-0-	75	-0-	75
Contract Labor	-0-	21,688	-0-	21,688
Financial/Industry Relations	10,250	-0-	-0-	10,250
Insurance	-0-	265	-0-	265
Marketing Research	6,140	-0-	-0-	6,140
Office Equipment	-0-	214	-0-	214
Promotion	1,500	-0-	-0-	1,500
Rent	-0-	3,246	-0-	3,246
Software	12,800	-0-	-0-	12,800
Telephone/Mobile/Internet	-0-	1,519	-0-	1,519
	<u>\$ 30,690</u>	<u>\$ 37,007</u>	<u>\$ -0-</u>	<u>\$ 67,697</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Cash Flows

For the One Month Ended October 31, 2023

	<u>One Month</u>
Cash Flows From Operating Activities:	
Cash Received from Assessments	\$ 300,867
Cash Paid for Operating Expenses	(931,112)
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Net Cash Provided (Used) by Operating Activities	(\$ 630,245)
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Net Increase (Decrease) in Cash	(\$ 630,245)
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Cash, Beginning of Period	7,515,548
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Cash, End of Period	\$ 6,885,303
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Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Income (Loss) from Operations	\$ 692,886
Adjustments to Reconcile Operation Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Amortization Expense	2,719
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(459,716)
(Increase) Decrease in Prepaid Expenses	(29,507)
Increase (Decrease) in Accounts Payable	(832,657)
Increase (Decrease) in Credit Cards Payable	(1,236)
Increase (Decrease) in Lease Liability	(2,734)
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Net Cash Provided (Used) by Operating Activities	(\$ 630,245)
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See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month Ended October 31, 2023 and Year Ended September 30, 2024

	One Month Ended October 31, 2023		Fiscal Year Ended September 30, 2024
	Actual	Operating Budget	Operating Budget
Operating Revenue:			
Assessments - Domestic	\$ 530,663	\$ 500,000	\$ 6,000,000
Assessments - Imports	229,920	166,667	2,000,000
Total Operating Revenue	\$ 760,583	\$ 666,667	\$ 8,000,000
Program Expenses:			
Contingency Fund	\$ -0-	\$ 91,100	\$ 1,093,200
Financial/Industry Relations	10,250	11,250	135,000
Marketing/Research	6,140	14,250	171,000
Promotion	1,500	465,000	5,580,000
Research	-0-	41,667	500,000
Software	12,800	7,500	90,000
Total Program Expenses	\$ 30,690	\$ 630,767	\$ 7,569,200
Operating Expenses:			
General Administration:			
Accounting	\$ 10,000	\$ 12,500	\$ 150,000
Audit Financial	-0-	2,917	35,000
Bank Fees	75	-0-	-0-
Board Meetings/Travel	-0-	8,333	100,000
Contract Labor	21,688	18,583	223,000
Insurance	265	2,317	27,800
Legal	-0-	2,083	25,000
Maintenance/Buildout	-0-	1,250	15,000
Miscellaneous	-0-	417	5,000
Office Equipment	214	2,083	25,000
Postage/Printing	-0-	2,500	30,000
Rent	3,246	4,167	50,000
Subscriptions/Dues	-0-	1,667	20,000
Supplies	-0-	833	10,000
Telephone/Mobile/Internet	1,519	833	10,000
Travel Compliance	-0-	3,750	45,000
Travel Office	-0-	4,167	49,999
Total General Administration	\$ 37,007	\$ 80,900	\$ 970,800
USDA Charges:			
USDA User Fee	\$ -0-	\$ 8,333	\$ 100,000
Customs Maintenance Fee	-0-	46,667	560,000
Total USDA Charges	\$ -0-	\$ 55,000	\$ 660,000
Total Operating Expenses	\$ 37,007	\$ 135,900	\$ 1,630,800
Total Program and Operating Expenses	\$ 67,697	\$ 766,667	\$ 9,200,000
Operating Income	\$ 692,886	(\$ 100,000)	(\$ 1,200,000)

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month Ended October 31, 2023 and Year Ended September 30, 2024

	One Month Ended October 31, 2023		Fiscal Year Ended September 30, 2024
	Actual	Operating Budget	Operating Budget
Nonoperating Revenues and Expenses:			
Prior Year Carry-over	\$ -0-	\$ 166,667	\$ 2,000,000
Reserve	-0-	(66,667)	(800,000)
Total Nonoperating Revenue	\$ -0-	\$ 100,000	\$ 1,200,000
Change in Net Assets	\$ 692,886	\$ -0-	\$ -0-

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