



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

AMERICAN PECAN PROMOTION BOARD

Compiled Financial Statements

For the One Month and Year Ended

September 30, 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 September 30, 2023, and the related statement of activities, functional expenses, and cash flows for the one month and year 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 and year ended September 30, 2023, 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
November 14, 2023

AMERICAN PECAN PROMOTION BOARD

Statement of Financial Position

As of September 30, 2023

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 7,515,547
Accounts Receivable	6,083,995
Prepaid Expenses	23,620
Allowance for Doubtful Accounts	(1,400,000)

Total Current Assets \$ 12,223,162

Noncurrent Assets:

Right of Use Asset	\$ 104,029
Accumulated Amortization	(42,661)

Total Noncurrent Assets \$ 61,368

TOTAL ASSETS

\$ 12,284,530

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 880,244
Credit Cards Payable	1,495
Current Portion of Operating Lease Liability	30,475

Total Current Liabilities \$ 912,214

Long Term Liabilities:

Operating Lease Liability	\$ 62,136
Less: Current Portion of Operating Lease Liability	(30,475)

Total Long Term Liabilities \$ 31,661

Total Liabilities \$ 943,875

Net Assets:

Net Investment in Capital Assets	\$ 61,368
Without Contractual Restrictions	11,279,287

Total Net Assets \$ 11,340,655

TOTAL LIABILITIES AND NET ASSETS

\$ 12,284,530

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the One Month Ended September 30, 2023

	Without Contractual Restrictions	With Contractual Restrictions	Total
Revenues:			
Assessment Income - Domestic	\$ 229,388	\$ -0-	\$ 229,388
Assessment Income - Imports	933,656	-0-	933,656
Assessment Refunds	(1,426)	-0-	(1,426)
Total Revenue	<u>\$ 1,161,618</u>	<u>\$ -0-</u>	<u>\$ 1,161,618</u>
Expenses:			
Program Services	\$ 824,691	\$ -0-	\$ 824,691
Management and General	39,806	-0-	39,806
USDA	30,580	-0-	30,580
Total Expenses	<u>\$ 895,077</u>	<u>\$ -0-</u>	<u>\$ 895,077</u>
Change in Net Assets	<u>\$ 266,541</u>	<u>\$ -0-</u>	<u>\$ 266,541</u>
Net Assets, Beginning as Previously Stated	\$ 11,660,939	\$ -0-	\$ 11,660,939
Prior Period Adjustment	(586,825)	-0-	(586,825)
Net Assets, Beginning as Restated	<u>\$ 11,074,114</u>	<u>\$ -0-</u>	<u>\$ 11,074,114</u>
Net Assets, Ending	<u>\$ 11,340,655</u>	<u>\$ -0-</u>	<u>\$ 11,340,655</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the Twelve Months Ended September 30, 2023

	Without Contractual Restrictions	With Contractual Restrictions	Total
Revenues:			
Assessment Income - Domestic	\$ 4,880,109	\$ -0-	\$ 4,880,109
Assessment Income - Imports	4,911,641	-0-	4,911,641
Assessment Refunds	(3,273)	-0-	(3,273)
Total Revenue	<u>\$ 9,788,477</u>	<u>\$ -0-</u>	<u>\$ 9,788,477</u>
Expenses:			
Program Services	\$ 4,889,195	\$ -0-	\$ 4,889,195
Management and General	531,956	-0-	531,956
USDA	84,417	-0-	84,417
Total Expenses	<u>\$ 5,505,568</u>	<u>\$ -0-</u>	<u>\$ 5,505,568</u>
Change in Net Assets	<u>\$ 4,282,909</u>	<u>\$ -0-</u>	<u>\$ 4,282,909</u>
Net Assets, Beginning as Previously Stated	\$ 8,106,676	\$ -0-	\$ 8,106,676
Prior Period Adjustment	(1,048,930)	-0-	(1,048,930)
Net Assets, Beginning as Restated	<u>\$ 7,057,746</u>	<u>\$ -0-</u>	<u>\$ 7,057,746</u>
Net Assets, Ending	<u><u>\$ 11,340,655</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 11,340,655</u></u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the One Month Ended September 30, 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-	\$ 10,750	\$ -0-	\$ 10,750
Bank Fees	-0-	45	-0-	45
Board Meetings/Travel	-0-	4,436	-0-	4,436
Contract Labor	-0-	18,555	-0-	18,555
Financial/Industry Relations	10,250	-0-	-0-	10,250
Insurance	-0-	265	-0-	265
Legal	-0-	3,938	-0-	3,938
Marketing Research	13,300	-0-	-0-	13,300
Office Equipment	-0-	214	-0-	214
Promotion	800,000	-0-	-0-	800,000
Rent	-0-	(14)	-0-	(14)
Research	1,141	-0-	-0-	1,141
Subscriptions	-0-	99	-0-	99
Telephone/Mobile/Internet	-0-	1,518	-0-	1,518
USDA User Fee	-0-	-0-	30,580	30,580
	<u>\$ 824,691</u>	<u>\$ 39,806</u>	<u>\$ 30,580</u>	<u>\$ 895,077</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the Twelve Months Ended September 30, 2023

	Program Services	Support Services		Total
	Promotion	Management and General	USDA	
Accounting	\$ -0-	\$ 118,025	\$ -0-	\$ 118,025
Audit Financial	-0-	24,985	-0-	24,985
Bank Fees	-0-	851	-0-	851
Board Meetings/Travel	-0-	26,993	-0-	26,993
Contract Labor	-0-	222,660	-0-	222,660
Financial/Industry Relations	117,750	-0-	-0-	117,750
Headhunter	-0-	69,189	-0-	69,189
Insurance	-0-	3,138	-0-	3,138
Legal	-0-	3,971	-0-	3,971
Marketing Research	162,600	-0-	-0-	162,600
Office Equipment	-0-	2,255	-0-	2,255
Postage/Printing	-0-	186	-0-	186
Promotion	4,537,882	-0-	-0-	4,537,882
Rent	-0-	41,381	-0-	41,381
Research	63,365	-0-	-0-	63,365
Software - Fishhook	7,598	-0-	-0-	7,598
Subscriptions	-0-	99	-0-	99
Telephone/Mobile/Internet	-0-	14,455	-0-	14,455
Travel Office	-0-	3,768	-0-	3,768
USDA User Fee	-0-	-0-	84,417	84,417
	<u>\$ 4,889,195</u>	<u>\$ 531,956</u>	<u>\$ 84,417</u>	<u>\$ 5,505,568</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Cash Flows

For the One Month and Twelve Months Ended September 30, 2023

	<u>One Month</u>	<u>Twelve Months</u>
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 509,529	\$ 7,302,443
Cash Paid for Operating Expenses	(787,486)	(4,666,925)
Net Cash Provided (Used) by Operating Activities	<u>(\$ 277,957)</u>	<u>\$ 2,635,518</u>
Net Increase (Decrease) in Cash	(\$ 277,957)	\$ 2,635,518
Cash, Beginning of Period	<u>7,793,504</u>	<u>4,880,029</u>
Cash, End of Period	<u><u>\$ 7,515,547</u></u>	<u><u>\$ 7,515,547</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Income (Loss) from Operations	\$ 266,541	\$ 4,282,909
Adjustments to Reconcile Operation Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Amortization Expense	2,714	42,662
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(652,089)	(2,486,034)
(Increase) Decrease in Prepaid Expenses	26,630	19,326
Increase (Decrease) in Accounts Payable	85,491	817,053
Increase (Decrease) in Credit Cards Payable	(4,516)	1,495
Increase (Decrease) in Lease Liability	<u>(2,728)</u>	<u>(41,893)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$ 277,957)</u></u>	<u><u>\$ 2,635,518</u></u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Year Ended September 30, 2023

	One Month Ended September 30, 2023		Year Ended September 30, 2023	
	Actual	Operating Budget	Actual	Operating Budget
Operating Revenue:				
Assessments - Domestic	\$ 229,388	\$ 500,000	\$ 4,880,109	\$ 6,000,000
Assessments - Imports	933,656	250,000	4,911,641	3,000,000
Assessment Refunds	(1,426)	-0-	(3,273)	-0-
Total Operating Revenue	\$ 1,161,618	\$ 750,000	\$ 9,788,477	\$ 9,000,000
 Program Expenses:				
Contingency Fund	\$ -0-	\$ 259,100	\$ -0-	\$ 3,109,200
Financial/Industry Relations	10,250	11,250	117,750	135,000
Marketing/Research	13,300	14,250	162,600	171,000
Promotion	800,000	463,667	4,537,882	5,564,000
Research	1,141	41,667	63,365	500,000
Software - Fishhook	-0-	7,500	7,598	90,000
Total Program Expenses	\$ 824,691	\$ 797,433	\$ 4,889,195	\$ 9,569,200
 Operating Expenses:				
General Administration:				
Accounting	\$ 10,750	\$ 12,500	\$ 118,025	\$ 150,000
Audit Financial	-0-	2,917	24,985	35,000
Bank Fees	45	-0-	851	-0-
Board Meetings/Travel	4,436	8,333	26,993	100,000
Contract Labor	18,555	18,583	222,660	223,000
Headhunter	-0-	12,500	69,189	150,000
Insurance	265	2,317	3,138	27,800
Legal	3,938	2,083	3,971	25,000
Maintenance/Buildout	-0-	1,250	-0-	15,000

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Year Ended September 30, 2023

	One Month Ended September 30, 2023		Year Ended September 30, 2023	
	Actual	Operating Budget	Actual	Operating Budget
Miscellaneous	-0-	417	-0-	5,000
Office Equipment	214	2,083	2,255	25,000
Postage/Printing	-0-	2,500	186	30,000
Rent	(14)	4,167	41,381	50,000
Subscriptions/Dues	99	1,667	99	20,000
Supplies	-0-	833	-0-	10,000
Telephone/Mobile/Internet	1,518	833	14,455	10,000
Travel Compliance	-0-	3,750	-0-	45,000
Travel Office	-0-	4,167	3,768	50,000
Total General Administration	\$ 39,806	\$ 80,900	\$ 531,956	\$ 970,800
USDA Charges:				
USDA User Fee	\$ 30,580	\$ 8,333	\$ 84,417	\$ 100,000
Customs Maintenance Fee	-0-	46,667	-0-	560,000
Total USDA Charges	\$ 30,580	\$ 55,000	\$ 84,417	\$ 660,000
Total Operating Expenses	\$ 70,386	\$ 135,900	\$ 616,373	\$ 1,630,800
Total Program and Operating Expenses	\$ 895,077	\$ 933,333	\$ 5,505,568	\$ 11,200,000
Operating Income	\$ 266,541	(\$ 183,333)	\$ 4,282,909	(\$ 2,200,000)
Change in Net Assets	\$ 266,541	(\$ 183,333)	\$ 4,282,909	(\$ 2,200,000)

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