



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

AMERICAN PECAN PROMOTION BOARD

Compiled Financial Statements

For the One Month and Two Months Ended

November 30, 2023

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 November 30, 2023, and the related statement of activities, functional expenses, and cash flows for the one month and two 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 and two months ended November 30, 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 5, 2024

AMERICAN PECAN PROMOTION BOARD

Statement of Financial Position

As of November 30, 2023

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 6,960,630
Accounts Receivable	6,831,950
Prepaid Expenses	57,832
Allowance for Doubtful Accounts	(1,400,000)

Total Current Assets \$ 12,450,412

Noncurrent Assets:

Right of Use Asset	\$ 104,029
Accumulated Amortization	(48,108)

Total Noncurrent Assets \$ 55,921

TOTAL ASSETS

\$ 12,506,333

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 53,865
Credit Cards Payable	662
Current Portion of Operating Lease Liability	30,695

Total Current Liabilities \$ 85,222

Long Term Liabilities:

Operating Lease Liability	\$ 56,661
Less: Current Portion of Operating Lease Liability	(30,695)

Total Long Term Liabilities \$ 25,966

Total Liabilities \$ 111,188

Net Assets:

Net Investment in Capital Assets	\$ 55,921
Without Contractual Restrictions	12,339,224

Total Net Assets \$ 12,395,145

TOTAL LIABILITIES AND NET ASSETS

\$ 12,506,333

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the One Month Ended November 30, 2023

	Without Contractual Restrictions	With Contractual Restrictions	Total
Operating Revenue:			
Assessment Income - Domestic	\$ 476,899	\$ -0-	\$ 476,899
Assessment Income - Imports	173,764	-0-	173,764
Total Operating Revenue	\$ 650,663	\$ -0-	\$ 650,663
Operating Expenses:			
Program Services	\$ 128,099	\$ -0-	\$ 128,099
Management and General	37,390	-0-	37,390
Total Operating Expenses	\$ 165,489	\$ -0-	\$ 165,489
Operating Income	\$ 485,174	\$ -0-	\$ 485,174
Nonoperating Revenues (Expenses):			
Interest Earned	\$ 13,915	\$ -0-	\$ 13,915
Total Nonoperating Revenues	\$ 13,915	\$ -0-	\$ 13,915
Change in Net Assets	\$ 499,089	\$ -0-	\$ 499,089
Net Assets, Beginning	\$ 11,896,056	\$ -0-	\$ 11,896,056
Net Assets, Ending	\$ 12,395,145	\$ -0-	\$ 12,395,145

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the Two Month Ended November 30, 2023

	Without Contractual Restrictions	With Contractual Restrictions	Total
Operating Revenue:			
Assessment Income - Domestic	\$ 1,007,562	\$ -0-	\$ 1,007,562
Assessment Income - Imports	403,685	-0-	403,685
Total Operating Revenue	<u>\$ 1,411,247</u>	<u>\$ -0-</u>	<u>\$ 1,411,247</u>
Operating Expenses:			
Program Services	\$ 158,509	\$ -0-	\$ 158,509
Management and General	74,398	-0-	74,398
Total Operating Expenses	<u>\$ 232,907</u>	<u>\$ -0-</u>	<u>\$ 232,907</u>
Operating Income	<u>(\$ 232,817)</u>	<u>\$ -0-</u>	<u>(\$ 232,817)</u>
Nonoperating Revenues (Expenses):			
Interest Earned	\$ 13,915	\$ -0-	\$ 13,915
Total Nonoperating Revenues	<u>\$ 13,915</u>	<u>\$ -0-</u>	<u>\$ 13,915</u>
Change in Net Assets	<u>\$ 1,192,255</u>	<u>\$ -0-</u>	<u>\$ 1,192,255</u>
Net Assets, Beginning as Previously Stated	\$ 11,340,655	\$ -0-	\$ 11,340,655
Prior Period Adjustment	<u>(137,765)</u>	<u>-0-</u>	<u>(137,765)</u>
Net Assets, Beginning as Restated	<u>\$ 11,202,890</u>	<u>\$ -0-</u>	<u>\$ 11,202,890</u>
Net Assets, Ending	<u><u>\$ 12,395,145</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 12,395,145</u></u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the One Month Ended November 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-	\$ 10,000	\$ -0-	\$ 10,000
Bank Fees	-0-	69	-0-	69
Contract Labor	-0-	18,542	-0-	18,542
Financial/Industry Relations	10,250	-0-	-0-	10,250
Insurance	-0-	265	-0-	265
Marketing Research	3,000	-0-	-0-	3,000
Office Equipment	-0-	214	-0-	214
Promotion	114,250	-0-	-0-	114,250
Rent	-0-	3,246	-0-	3,246
Research	599	-0-	-0-	599
Subscriptions	-0-	256	-0-	256
Telephone/Mobile/Internet	-0-	1,518	-0-	1,518
Travel Compliance	-0-	3,127	-0-	3,127
Travel Office	-0-	153	-0-	153
	<u>\$ 128,099</u>	<u>\$ 37,390</u>	<u>\$ -0-</u>	<u>\$ 165,489</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the Two Months Ended November 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-	\$ 20,000	\$ -0-	\$ 20,000
Bank Fees	-0-	144	-0-	144
Contract Labor	-0-	40,230	-0-	40,230
Financial/Industry Relations	20,220	-0-	-0-	20,220
Insurance	-0-	531	-0-	531
Marketing Research	9,140	-0-	-0-	9,140
Office Equipment	-0-	429	-0-	429
Promotion	115,750	-0-	-0-	115,750
Rent	-0-	6,491	-0-	6,491
Research	599	-0-	-0-	599
Software - Fishhook	12,800	-0-	-0-	12,800
Subscriptions	-0-	256	-0-	256
Telephone/Mobile/Internet	-0-	3,037	-0-	3,037
Travel Compliance	-0-	3,127	-0-	3,127
Travel Office	-0-	153	-0-	153
	<u>\$ 158,509</u>	<u>\$ 74,398</u>	<u>\$ -0-</u>	<u>\$ 232,907</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Cash Flows

For the One Month and Two Months Ended November 30, 2023

	<u>One Month</u>	<u>Two Months</u>
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 362,424	\$ 663,292
Cash Paid for Operating Expenses	(301,012)	(1,232,124)
Net Cash Provided (Used) by Operating Activities	<u>\$ 61,412</u>	<u>(\$ 568,832)</u>
Cash Flows From Investing Activities:		
Cash Received from Interest Earned	<u>\$ 13,915</u>	<u>\$ 13,915</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ 13,915</u>	<u>\$ 13,915</u>
Net Increase (Decrease) in Cash	\$ 75,327	(\$ 554,917)
Cash, Beginning of Period	<u>6,885,303</u>	<u>7,515,547</u>
Cash, End of Period	<u><u>\$ 6,960,630</u></u>	<u><u>\$ 6,960,630</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Income (Loss) from Operations	\$ 485,174	\$ 1,178,340
Adjustments to Reconcile Operation Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Amortization Expense	2,727	5,446
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(288,239)	(747,955)
(Increase) Decrease in Prepaid Expenses	(4,705)	(34,213)
Increase (Decrease) in Accounts Payable	(131,207)	(964,143)
Increase (Decrease) in Credit Cards Payable	403	(833)
Increase (Decrease) in Lease Liability	<u>(2,741)</u>	<u>(5,474)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 61,412</u></u>	<u><u>(\$ 568,832)</u></u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Two Months Ended November 30, 2023 and Year Ended September 30, 2024

	One Month Ended November 30, 2023		Two Months Ended November 30, 2023		Fiscal Year Ended September 30, 2024	
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget	
Operating Revenue:						
Assessments - Domestic	\$ 476,899	\$ 500,000	\$ 1,007,562	\$ 1,000,000	\$ 6,000,000	
Assessments - Imports	173,764	166,667	403,685	333,334	2,000,000	
Total Operating Revenue	\$ 650,663	\$ 666,667	\$ 1,411,247	\$ 1,333,334	\$ 8,000,000	
Program Expenses:						
Contingency Fund	\$ -0-	\$ 91,100	\$ -0-	\$ 182,200	\$ 1,093,200	
Financial/Industry Relations	10,250	11,250	20,220	22,500	135,000	
Marketing/Research	3,000	14,250	9,140	28,500	171,000	
Promotion	114,250	465,000	115,750	930,000	5,580,000	
Research	599	41,667	599	83,333	500,000	
Software	-0-	7,500	12,800	15,000	90,000	
Total Program Expenses	\$ 128,099	\$ 630,767	\$ 158,509	\$ 1,261,533	\$ 7,569,200	
Operating Expenses:						
General Administration:						
Accounting	\$ 10,000	\$ 12,500	\$ 20,000	\$ 25,000	\$ 150,000	
Audit Financial	-0-	2,917	-0-	5,833	35,000	
Audit Industry	-0-	12,500	-0-	25,000	150,000	
Bank Fees	69	-0-	144	-0-	-0-	
Board Meetings/Travel	-0-	8,333	-0-	16,667	100,000	
Contract Labor	18,542	18,583	40,230	37,166	223,000	
Insurance	265	2,317	531	4,633	27,800	
Legal	-0-	2,083	-0-	4,167	25,000	
Maintenance/Buildout	-0-	1,250	-0-	2,500	15,000	
Miscellaneous	-0-	417	-0-	833	5,000	
Office Equipment	214	2,083	429	4,167	25,000	
Postage/Printing	-0-	2,500	-0-	5,000	30,000	
Rent	3,246	4,167	6,491	8,333	50,000	
Subscriptions/Dues	256	1,667	256	3,333	20,000	
Supplies	-0-	833	-0-	1,667	10,000	

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Two Months Ended November 30, 2023 and Year Ended September 30, 2024

	One Month Ended November 30, 2023		Two Months Ended November 30, 2023		Fiscal Year Ended September 30, 2024
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Telephone/Mobile/Internet	1,518	833	3,037	1,667	10,000
Travel Compliance	3,127	3,750	3,127	7,500	45,000
Travel Office/Office Expense	153	4,167	153	8,333	49,999
Total General Administration	\$ 37,390	\$ 80,900	\$ 74,398	\$ 161,800	\$ 970,800
USDA Charges:					
USDA User Fee	\$ -0-	\$ 8,333	\$ -0-	\$ 16,668	\$ 100,000
Customs Maintenance Fee	-0-	46,667	-0-	93,332	560,000
Total USDA Charges	\$ -0-	\$ 55,000	\$ -0-	\$ 110,000	\$ 660,000
Total Operating Expenses	\$ 37,390	\$ 135,900	\$ 74,398	\$ 271,800	\$ 1,630,800
Total Program and Operating Expenses	\$ 165,489	\$ 766,667	\$ 232,907	\$ 1,533,333	\$ 9,200,000
Operating Income	\$ 485,174	(\$ 100,000)	\$ 1,178,340	(\$ 199,999)	(\$ 1,200,000)
Nonoperating Revenues and Expenses:					
Prior Year Carry-over	\$ -0-	\$ 166,667	\$ -0-	\$ -0-	\$ 2,000,000
Reserve	-0-	(66,667)	-0-	-0-	(800,000)
	\$ -0-	\$ 100,000	\$ -0-	\$ -0-	\$ 1,200,000
Other Income:					
Interest	\$ 13,915	\$ -0-	\$ 13,915	\$ -0-	\$ -0-
Total Other Income	\$ 13,915	\$ -0-	\$ 13,915	\$ -0-	\$ -0-
Total Nonoperating Revenue	\$ -0-	\$ 200,000	\$ -0-	\$ -0-	\$ 2,400,000
Change in Net Assets	\$ 499,089	\$ 100,000	\$ 1,192,255	(\$ 199,999)	\$ 1,200,000

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