



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

AMERICAN PECAN PROMOTION BOARD

Compiled Financial Statements

For the One Month and Four Months Ended

January 31, 2024

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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 January 31, 2024, and the related statement of activities, functional expenses, and cash flows for the one month and four 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. 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 financial position, changes in net assets 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 four months ended January 31, 2024 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
August 6, 2024

AMERICAN PECAN PROMOTION BOARD

Statement of Financial Position

As of January 31, 2024

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	8,625,146
Accounts Receivable		7,155,865
Allowance for Doubtful Accounts	(3,531,841)
Prepaid Expenses		61,112

Total Current Assets \$ 12,310,282

Noncurrent Assets:

Right of Use Asset	\$	104,029
Accumulated Amortization	(53,580)

Total Noncurrent Assets \$ 50,449

TOTAL ASSETS

\$ 12,360,731

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$	848,323
Credit Cards Payable		957
Current Portion of Operating Lease Liability		30,916

Total Current Liabilities \$ 880,196

Long Term Liabilities:

Operating Lease Liability	\$	51,159
Less: Current Portion of Operating Lease Liability	(30,916)

Total Long Term Liabilities \$ 20,243

Total Liabilities \$ 900,439

Net Assets:

Net Investment in Capital Assets	\$	50,449
Without Contractual Restrictions		11,409,843

Total Net Assets \$ 11,460,292

TOTAL LIABILITIES AND NET ASSETS

\$ 12,360,731

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the One Month Ended January 31, 2024

	Without Contractual Restrictions	With Contractual Restrictions	Total
Operating Revenue:			
Assessment Income - Domestic	\$ 1,146,888	\$ -0-	\$ 1,146,888
Assessment Income - Imports	1,262,000	-0-	1,262,000
Total Operating Revenue	\$ 2,408,888	\$ -0-	\$ 2,408,888
Operating Expenses:			
Program Services	\$ 973,428	\$ -0-	\$ 973,428
Management and General	44,237	-0-	44,237
USDA	6,833	-0-	6,833
Total Operating Expenses	\$ 1,024,498	\$ -0-	\$ 1,024,498
Operating Income	\$ 1,384,390	\$ -0-	\$ 1,384,390
Nonoperating Revenues (Expenses):			
Interest Earned	\$ 13,842	\$ -0-	\$ 13,842
Total Nonoperating Revenues	\$ 13,842	\$ -0-	\$ 13,842
Change in Net Assets	\$ 1,398,232	\$ -0-	\$ 1,398,232
Net Assets, Beginning	\$ 10,062,060	\$ -0-	\$ 10,062,060
Net Assets, Ending	\$ 11,460,292	\$ -0-	\$ 11,460,292

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the Four Months Ended January 31, 2024

	Without Contractual Restrictions	With Contractual Restrictions	Total
Operating Revenue:			
Assessment Income - Domestic	\$ 2,024,974	\$ -0-	\$ 2,024,974
Assessment Income - Imports	1,849,780	-0-	1,849,780
Total Operating Revenue	<u>\$ 3,874,754</u>	<u>\$ -0-</u>	<u>\$ 3,874,754</u>
Operating Expenses:			
Program Services	\$ 1,569,927	\$ -0-	\$ 1,569,927
Management and General	186,730	-0-	186,730
USDA	23,983	-0-	23,983
Total Operating Expenses	<u>\$ 1,780,640</u>	<u>\$ -0-</u>	<u>\$ 1,780,640</u>
Operating Income	<u>\$ 2,094,114</u>	<u>\$ -0-</u>	<u>\$ 2,094,114</u>
Nonoperating Revenues (Expenses):			
Interest Earned	\$ 40,641	\$ -0-	\$ 40,641
Total Nonoperating Revenues	<u>\$ 40,641</u>	<u>\$ -0-</u>	<u>\$ 40,641</u>
Change in Net Assets	<u>\$ 2,134,755</u>	<u>\$ -0-</u>	<u>\$ 2,134,755</u>
Net Assets, Beginning as Previously Stated	\$ 11,340,655	\$ -0-	\$ 11,340,655
Prior Period Adjustment	<u>(2,015,118)</u>	<u>-0-</u>	<u>(2,015,118)</u>
Net Assets, Beginning as Restated	<u>\$ 9,325,537</u>	<u>\$ -0-</u>	<u>\$ 9,325,537</u>
Net Assets, Ending	<u>\$ 11,460,292</u>	<u>\$ -0-</u>	<u>\$ 11,460,292</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the One Month Ended January 31, 2024

	<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>
	<u>Promotion</u>	<u>Management and General</u>	<u>USDA</u>	
Accounting	\$ -0-	\$ 8,000	\$ -0-	\$ 8,000
Bank Fees	-0-	69	-0-	69
Contract Labor	-0-	19,792	-0-	19,792
Financial/Industry Relations	10,320	-0-	-0-	10,320
Insurance	-0-	265	-0-	265
Legal	-0-	7,810	-0-	7,810
Marketing Research	17,643	-0-	-0-	17,643
Office Equipment	-0-	1,213	-0-	1,213
Promotion	944,965	-0-	-0-	944,965
Rent	-0-	3,246	-0-	3,246
Research	100	-0-	-0-	100
Software	400	-0-	-0-	400
Subscriptions	-0-	22	-0-	22
Telephone/Mobile/Internet	-0-	1,800	-0-	1,800
Travel	-0-	2,020	-0-	2,020
USDA User Fee	-0-	-0-	6,833	6,833
	<u>\$ 973,428</u>	<u>\$ 44,237</u>	<u>\$ 6,833</u>	<u>\$ 1,024,498</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the Four Months Ended January 31, 2024

	<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>
	<u>Promotion</u>	<u>Management and General</u>	<u>USDA</u>	
Accounting	\$ -0-	\$ 40,750	\$ -0-	\$ 40,750
Bank Fees	-0-	342	-0-	342
Contract Labor	-0-	75,417	-0-	75,417
Financial/Industry Relations	41,280	-0-	-0-	41,280
Insurance	-0-	1,062	-0-	1,062
Legal	-0-	37,635	-0-	37,635
Marketing Research	55,143	-0-	-0-	55,143
Miscellaneous	-0-	153	-0-	153
Office Equipment	-0-	1,904	-0-	1,904
Promotion	1,459,605	-0-	-0-	1,459,605
Rent	-0-	12,982	-0-	12,982
Research	699	-0-	-0-	699
Software - Fishhook	13,200	-0-	-0-	13,200
Subscriptions	-0-	299	-0-	299
Telephone/Mobile/Internet	-0-	7,894	-0-	7,894
Travel	-0-	8,292	-0-	8,292
USDA User Fee	-0-	-0-	23,983	23,983
	<u>\$ 1,569,927</u>	<u>\$ 186,730</u>	<u>\$ 23,983</u>	<u>\$ 1,780,640</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Cash Flows

For the One Month and Four Months Ended January 31, 2024

	<u>One Month</u>	<u>Four Months</u>
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 1,830,318	\$ 3,055,938
Cash Paid for Operating Expenses	(629,752)	(1,986,980)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,200,566</u>	<u>\$ 1,068,958</u>
Cash Flows From Investing Activities:		
Cash Received from Interest Earned	\$ 13,843	\$ 40,641
Net Cash Provided (Used) by Investing Activities	<u>\$ 13,843</u>	<u>\$ 40,641</u>
Net Increase (Decrease) in Cash	\$ 1,214,409	\$ 1,109,599
Cash, Beginning of Period	<u>7,410,737</u>	<u>7,515,547</u>
Cash, End of Period	<u><u>\$ 8,625,146</u></u>	<u><u>\$ 8,625,146</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Income (Loss) from Operations	\$ 1,384,390	\$ 2,094,114
Adjustments to Reconcile Operation Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Amortization Expense	2,739	10,919
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(578,570)	(818,816)
(Increase) Decrease in Prepaid Expenses	6,454	(20,343)
Increase (Decrease) in Accounts Payable	387,973	(185,401)
Increase (Decrease) in Credit Cards Payable	336	(538)
Increase (Decrease) in Lease Liability	(2,756)	(10,977)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 1,200,566</u></u>	<u><u>\$ 1,068,958</u></u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Four Months Ended January 31, 2024 and Year Ended September 30, 2024

	One Month Ended January 31, 2024		Four Months Ended January 31, 2024		Fiscal Year Ended September 30, 2024
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Operating Revenue:					
Assessments - Domestic	\$ 1,146,888	\$ 500,000	\$ 2,024,974	\$ 2,000,000	\$ 6,000,000
Assessments - Imports	1,262,000	166,667	1,849,780	666,668	2,000,000
Total Operating Revenue	\$ 2,408,888	\$ 666,667	\$ 3,874,754	\$ 2,666,668	\$ 8,000,000
Program Expenses:					
Financial/Industry Relations	\$ 10,320	\$ 20,833	\$ 41,280	\$ 83,333	\$ 250,000
Marketing/Research	17,643	37,500	55,143	150,000	450,000
Promotion	944,965	570,833	1,459,605	2,283,333	6,850,000
Research	100	41,667	699	166,667	500,000
Software	400	7,500	13,200	30,000	90,000
Total Program Expenses	\$ 973,428	\$ 678,333	\$ 1,569,927	\$ 2,713,333	\$ 8,140,000
Operating Expenses:					
General Administration:					
Accounting	\$ 8,000	\$ 12,500	\$ 40,750	\$ 50,000	\$ 150,000
Audit Financial	-	2,167	-	8,667	26,000
Audit Industry	-	8,333	-	33,333	100,000
Bank Fees	69	-	342	-	-
Contract Labor	19,792	19,583	75,417	78,333	235,000
Headhunter	-	3,333	-	13,333	40,000
Insurance	265	2,316	1,062	9,266	27,800
Legal	7,810	5,000	37,635	20,000	60,000
Maintenance/Buildout	-	833	-	3,333	10,000
Miscellaneous	-	83	153	333	1,000
Office Equipment	1,213	417	1,904	1,667	5,000
Postage/Printing	-	1,667	-	6,667	20,000
Rent	3,246	3,333	12,982	13,333	40,000
Subscriptions/Dues	22	1,667	299	6,667	20,000
Supplies	-	433	-	1,733	5,200
Telephone/Mobile/Internet	1,800	1,250	7,894	5,000	15,000

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Four Months Ended January 31, 2024 and Year Ended September 30, 2024

	One Month Ended January 31, 2024		Four Months Ended January 31, 2024		Fiscal Year Ended September 30, 2024
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Travel Compliance	-0-	2,083	-0-	8,333	25,000
Travel Office/Office Expense	2,020	12,500	8,292	50,000	150,000
Total General Administration	\$ 44,237	\$ 77,498	\$ 186,730	\$ 309,998	\$ 930,000
USDA Charges:					
USDA User Fee	\$ 6,833	\$ 8,333	\$ 23,983	\$ 33,337	\$ 100,000
Customs Maintenance Fees	-0-	2,500	-0-	10,000	30,000
Total USDA Charges	\$ 6,833	\$ 10,833	\$ 23,983	\$ 43,337	\$ 130,000
Total Operating Expenses	\$ 51,070	\$ 88,331	\$ 210,713	\$ 353,335	\$ 1,060,000
Total Program and Operating Expenses	\$ 1,024,498	\$ 766,664	\$ 1,780,640	\$ 3,066,668	\$ 9,200,000
Operating Income	\$ 1,384,390	(\$ 100,000)	\$ 2,094,114	(\$ 400,000)	(\$ 1,200,000)
Nonoperating Revenues and Expenses:					
Prior Year Carry-over	\$ -0-	\$ 166,667	\$ -0-	\$ 666,668	\$ 2,000,000
Reserve	-0-	(66,667)	-0-	(266,668)	(800,000)
	\$ -0-	\$ 100,000	\$ -0-	\$ 400,000	\$ 1,200,000
Other Income:					
Interest	\$ 13,842	\$ -0-	\$ 40,641	\$ -0-	\$ -0-
Total Other Income	\$ 13,842	\$ -0-	\$ 40,641	\$ -0-	\$ -0-
Total Nonoperating Revenue	\$ -0-	\$ 100,000	\$ -0-	\$ 400,000	\$ 1,200,000
Change in Net Assets	\$ 1,398,232	\$ -0-	\$ 2,134,755	\$ -0-	\$ -0-

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