



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

AMERICAN PECAN PROMOTION BOARD

Compiled Financial Statements

For the One Month and Five Months Ended

February 29, 2024

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 February 29, 2024, and the related statement of activities, functional expenses, and cash flows for the one month and five 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 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 five months ended February 29, 2024 and year ended September 30, 2024, 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
August 6, 2024

AMERICAN PECAN PROMOTION BOARD

Statement of Financial Position

As of February 29, 2024

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 10,335,612
Accounts Receivable	6,895,691
Allowance for Doubtful Accounts	(3,531,841)
Prepaid Expenses	46,659

Total Current Assets \$ 13,746,121

Noncurrent Assets:

Right of Use Asset	\$ 104,029
Accumulated Amortization	(56,326)

Total Noncurrent Assets \$ 47,703

TOTAL ASSETS

\$ 13,793,824

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 1,039,284
Credit Cards Payable	484
Current Portion of Operating Lease Liability	31,027

Total Current Liabilities \$ 1,070,795

Long Term Liabilities:

Operating Lease Liability	\$ 48,400
Less: Current Portion of Operating Lease Liability	(31,027)

Total Long Term Liabilities \$ 17,373

Total Liabilities \$ 1,088,168

Net Assets:

Net Investment in Capital Assets	\$ 47,703
Without Contractual Restrictions	12,657,953

Total Net Assets \$ 12,705,656

TOTAL LIABILITIES AND NET ASSETS

\$ 13,793,824

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the One Month Ended February 29, 2024

	Without Contractual Restrictions	With Contractual Restrictions	Total
Operating Revenue:			
Assessment Income - Domestic	\$ 1,041,768	\$ -0-	\$ 1,041,768
Assessment Income - Imports	550,709	-0-	550,709
Total Operating Revenue	\$ 1,592,477	\$ -0-	\$ 1,592,477
Operating Expenses:			
Program Services	\$ 241,468	\$ -0-	\$ 241,468
Management and General	111,384	-0-	111,384
USDA	9,335	-0-	9,335
Total Operating Expenses	\$ 362,187	\$ -0-	\$ 362,187
Operating Income	\$ 1,230,290	\$ -0-	\$ 1,230,290
Nonoperating Revenues (Expenses):			
Interest Earned	\$ 15,074	\$ -0-	\$ 15,074
Total Nonoperating Revenues	\$ 15,074	\$ -0-	\$ 15,074
Change in Net Assets	\$ 1,245,364	\$ -0-	\$ 1,245,364
Net Assets, Beginning	\$ 11,460,292	\$ -0-	\$ 11,460,292
Net Assets, Ending	\$ 12,705,656	\$ -0-	\$ 12,705,656

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the Five Months Ended February 29, 2024

	Without Contractual Restrictions	With Contractual Restrictions	Total
Operating Revenue:			
Assessment Income - Domestic	\$ 3,066,742	\$ -0-	\$ 3,066,742
Assessment Income - Imports	2,400,489	-0-	2,400,489
Total Operating Revenue	\$ 5,467,231	\$ -0-	\$ 5,467,231
Operating Expenses:			
Program Services	\$ 1,811,395	\$ -0-	\$ 1,811,395
Management and General	298,115	-0-	298,115
USDA	33,318	-0-	33,318
Total Operating Expenses	\$ 2,142,828	\$ -0-	\$ 2,142,828
Operating Income	\$ 3,324,403	\$ -0-	\$ 3,324,403
Nonoperating Revenues (Expenses):			
Interest Earned	\$ 55,716	\$ -0-	\$ 55,716
Total Nonoperating Revenues	\$ 55,716	\$ -0-	\$ 55,716
Change in Net Assets	\$ 3,380,119	\$ -0-	\$ 3,380,119
Net Assets, Beginning as Previously Stated	\$ 11,340,655	\$ -0-	\$ 11,340,655
Prior Period Adjustment	(2,015,118)	-0-	(2,015,118)
Net Assets, Beginning as Restated	\$ 9,325,537	\$ -0-	\$ 9,325,537
Net Assets, Ending	\$ 12,705,656	\$ -0-	\$ 12,705,656

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the One Month Ended February 29, 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-	\$ 16,500	\$ -0-	\$ 16,500
Bank Fees	-0-	(10)	-0-	(10)
Board Meetings/Travel	-0-	2,240	-0-	2,240
Contract Labor	-0-	29,712	-0-	29,712
Financial/Industry Relations	35,570	-0-	-0-	35,570
Headhunter	-0-	40,150	-0-	40,150
Insurance	-0-	1,083	-0-	1,083
Legal	-0-	10,658	-0-	10,658
Marketing Research	17,250	-0-	-0-	17,250
Office Equipment	-0-	1,178	-0-	1,178
Postage/Printing	-0-	237	-0-	237
Promotion	188,648	-0-	-0-	188,648
Rent	-0-	3,246	-0-	3,246
Subscriptions	-0-	22	-0-	22
Telephone/Mobile/Internet	-0-	1,863	-0-	1,863
Travel	-0-	4,505	-0-	4,505
USDA User Fee	-0-	-0-	9,335	9,335
	<u>\$ 241,468</u>	<u>\$ 111,384</u>	<u>\$ 9,335</u>	<u>\$ 362,187</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the Five Months Ended February 29, 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-	\$ 57,250	\$ -0-	\$ 57,250	
Bank Fees	-0-	333	-0-	333	
Board Meetings/Travel	-0-	2,240	-0-	2,240	
Contract Labor	-0-	105,128	-0-	105,128	
Financial/Industry Relations	76,850	-0-	-0-	76,850	
Headhunter	-0-	40,150	-0-	40,150	
Insurance	-0-	2,145	-0-	2,145	
Legal	-0-	48,293	-0-	48,293	
Marketing Research	72,394	-0-	-0-	72,394	
Miscellaneous	-0-	153	-0-	153	
Office Equipment	-0-	3,081	-0-	3,081	
Postage/Printing	-0-	237	-0-	237	
Promotion	1,648,252	-0-	-0-	1,648,252	
Rent	-0-	16,228	-0-	16,228	
Research	699	-0-	-0-	699	
Software - Fishhook	13,200	-0-	-0-	13,200	
Subscriptions	-0-	321	-0-	321	
Telephone/Mobile/Internet	-0-	9,757	-0-	9,757	
Travel	-0-	12,799	-0-	12,799	
USDA User Fee	-0-	-0-	33,318	33,318	
	<u>\$ 1,811,395</u>	<u>\$ 298,115</u>	<u>\$ 33,318</u>	<u>\$ 2,142,828</u>	

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Cash Flows

For the One Month and Five Months Ended February 29, 2024

	One Month	Five Months
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 1,852,651	\$ 4,908,589
Cash Paid for Operating Expenses	(157,259)	(2,144,240)
Net Cash Provided (Used) by Operating Activities	\$ 1,695,392	\$ 2,764,349
Cash Flows From Investing Activities:		
Cash Received from Interest Earned	\$ 15,074	\$ 55,716
Net Cash Provided (Used) by Investing Activities	\$ 15,074	\$ 55,716
Net Increase (Decrease) in Cash	\$ 1,710,466	\$ 2,820,065
Cash, Beginning of Period	8,625,146	7,515,547
Cash, End of Period	\$ 10,335,612	\$ 10,335,612
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Income (Loss) from Operations	\$ 1,230,290	\$ 3,324,403
Adjustments to Reconcile Operation Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Amortization Expense	2,746	13,665
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	260,174	(558,642)
(Increase) Decrease in Prepaid Expenses	14,453	(5,890)
Increase (Decrease) in Accounts Payable	190,961	5,560
Increase (Decrease) in Credit Cards Payable	(473)	(1,011)
Increase (Decrease) in Lease Liability	(2,759)	(13,736)
Net Cash Provided (Used) by Operating Activities	\$ 1,695,392	\$ 2,764,349

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Four Months Ended February 29, 2024 and Year Ended September 30, 2024

	One Month Ended February 29, 2024		Five Months Ended February 29, 2024		Fiscal Year Ended September 30, 2024
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Operating Revenue:					
Assessments - Domestic	\$ 1,041,768	\$ 500,000	\$ 3,066,742	\$ 2,500,000	\$ 6,000,000
Assessments - Imports	550,709	166,667	2,400,489	833,335	2,000,000
Total Operating Revenue	\$ 1,592,477	\$ 666,667	\$ 5,467,231	\$ 3,333,335	\$ 8,000,000
Program Expenses:					
Financial/Industry Relations	\$ 35,570	\$ 20,833	\$ 76,850	\$ 104,166	\$ 250,000
Marketing/Research	17,250	37,500	72,394	187,500	450,000
Promotion	188,648	570,833	1,648,252	2,854,166	6,850,000
Research	-0-	41,667	699	208,334	500,000
Software	-0-	7,500	13,200	37,500	90,000
Total Program Expenses	\$ 241,468	\$ 678,333	\$ 1,811,395	\$ 3,391,666	\$ 8,140,000
Operating Expenses:					
General Administration:					
Accounting	\$ 16,500	\$ 12,500	\$ 57,250	\$ 62,500	\$ 150,000
Audit Financial	-0-	2,167	-0-	10,833	26,000
Audit Industry	-0-	8,333	-0-	41,666	100,000
Bank Fees	(10)	-0-	333	-0-	-0-
Board Meetings/Travel	2,240	-0-	2,240	-0-	-0-
Contract Labor	29,712	19,583	105,128	97,916	235,000
Headhunter	40,150	3,333	40,150	16,666	40,000
Insurance	1,083	2,316	2,145	11,583	27,800
Legal	10,658	5,000	48,293	25,000	60,000
Maintenance/Buildout	-0-	833	-0-	4,166	10,000
Miscellaneous	-0-	83	153	416	1,000
Office Equipment	1,178	417	3,081	2,084	5,000
Postage/Printing	237	1,667	237	8,334	20,000
Rent	3,246	3,333	16,228	16,666	40,000
Subscriptions/Dues	22	1,667	321	8,334	20,000
Supplies	-0-	433	-0-	2,166	5,200

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Four Months Ended February 29, 2024 and Year Ended September 30, 2024

	One Month Ended February 29, 2024		Five Months Ended February 29, 2024		Fiscal Year Ended September 30, 2024
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Telephone/Mobile/Internet	1,863	1,250	9,757	6,250	15,000
Travel Compliance	-0-	2,083	-0-	10,416	25,000
Travel Office/Office Expense	4,505	12,500	12,799	62,500	150,000
Total General Administration	\$ 111,384	\$ 77,498	\$ 298,115	\$ 387,496	\$ 930,000
USDA Charges:					
USDA User Fee	\$ 9,335	\$ 8,333	\$ 33,318	\$ 41,666	\$ 100,000
Customs Maintenance Fee	-0-	2,500	-0-	12,500	30,000
Total USDA Charges	\$ 9,335	\$ 10,833	\$ 33,318	\$ 54,166	\$ 130,000
Total Operating Expenses	\$ 120,719	\$ 88,331	\$ 331,433	\$ 441,662	\$ 1,060,000
Total Program and Operating Expenses	\$ 362,187	\$ 766,664	\$ 2,142,828	\$ 3,833,328	\$ 9,200,000
Operating Income	\$ 1,230,290	(\$ 100,000)	\$ 3,324,403	(\$ 500,000)	(\$ 1,200,000)
Nonoperating Revenues and Expenses:					
Prior Year Carry-over	\$ -0-	\$ 166,667	\$ -0-	\$ 833,335	\$ 2,000,000
Reserve	-0- (66,667)	-0- (333,335)	(800,000)
	\$ -0-	\$ 100,000	\$ -0-	\$ 500,000	\$ 1,200,000
Other Income:					
Interest	\$ 15,074	\$ -0-	\$ 55,716	\$ -0-	\$ -0-
Total Other Income	\$ 15,074	\$ -0-	\$ 55,716	\$ -0-	\$ -0-
Total Nonoperating Revenue	\$ -0-	\$ 100,000	\$ -0-	\$ 500,000	\$ 1,200,000
Change in Net Assets	\$ 1,245,364	\$ -0-	\$ 3,380,119	\$ -0-	\$ -0-

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