



**ARMSTRONG BACKUS & CO., LLP**

Certified Public Accountants

**AMERICAN PECAN PROMOTION BOARD**

**Compiled Financial Statements**

**For the One Month and Six Months Ended**

**March 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 March 31, 2024, and the related statement of activities, functional expenses, and cash flows for the one month and six 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 six months ended March 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 March 31, 2024**

**ASSETS**

**Current Assets:**

|                                 |              |
|---------------------------------|--------------|
| Cash and Cash Equivalents       | \$ 9,915,249 |
| Accounts Receivable             | 7,178,087    |
| Allowance for Doubtful Accounts | ( 3,531,841) |
| Prepaid Expenses                | 63,133       |

Total Current Assets \$ 13,624,628

**Noncurrent Assets:**

|                          |            |
|--------------------------|------------|
| Right of Use Asset       | \$ 104,029 |
| Accumulated Amortization | ( 59,078)  |

Total Noncurrent Assets \$ 44,951

**TOTAL ASSETS**

\$ 13,669,579

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

|  |            |
|--|------------|
| Accounts Payable                             | \$ 373,086 |
| Credit Cards Payable                         | 1,315      |
| Current Portion of Operating Lease Liability | 31,138     |

Total Current Liabilities \$ 405,539

**Long Term Liabilities:**

|  |           |
|--|-----------|
| Operating Lease Liability                          | \$ 45,632 |
| Less: Current Portion of Operating Lease Liability | ( 31,138) |

Total Long Term Liabilities \$ 14,494

Total Liabilities \$ 420,033

**Net Assets:**

|                                  |            |
|----------------------------------|------------|
| Net Investment in Capital Assets | \$ 44,951  |
| Without Contractual Restrictions | 13,204,595 |

Total Net Assets \$ 13,249,546

**TOTAL LIABILITIES AND NET ASSETS**

\$ 13,669,579

See Accountants' Compilation Report.

# AMERICAN PECAN PROMOTION BOARD

## Statement of Activities

For the One Month Ended March 31, 2024

|  | <b>Without<br/>Contractual<br/>Restrictions</b> | <b>With<br/>Contractual<br/>Restrictions</b> | <b>Total</b>                |
|--|---|--|-----------------------------|
| <b>Operating Revenue:</b>                |   |  |                             |
| Assessment Income - Domestic             | \$ 733,307                                      | \$ -0-                                       | \$ 733,307                  |
| Assessment Income - Imports              | 505,721   | -0-  | 505,721                     |
| Assessment Refunds                       | ( 3,240)  | -0-  | ( 3,240)                    |
| Total Operating Revenue                  | <u>\$ 1,235,788</u>                             | <u>\$ -0-</u>                                | <u>\$ 1,235,788</u>         |
| <b>Operating Expenses:</b>               |   |  |                             |
| Program Services                         | \$ 623,717                                      | \$ -0-                                       | \$ 623,717                  |
| Management and General                   | 76,699  | -0-  | 76,699                      |
| USDA                                     | 8,496   | -0-  | 8,496                       |
| Total Operating Expenses                 | <u>\$ 708,912</u>                               | <u>\$ -0-</u>                                | <u>\$ 708,912</u>           |
| <b>Operating Income</b>                  | <u>\$ 526,876</u>                               | <u>\$ -0-</u>                                | <u>\$ 526,876</u>           |
| <b>Nonoperating Revenues (Expenses):</b> |   |  |                             |
| Interest Earned                          | \$ 17,014                                       | \$ -0-                                       | \$ 17,014                   |
| Total Nonoperating Revenues              | <u>\$ 17,014</u>                                | <u>\$ -0-</u>                                | <u>\$ 17,014</u>            |
| Change in Net Assets                     | <u>\$ 543,890</u>                               | <u>\$ -0-</u>                                | <u>\$ 543,890</u>           |
| Net Assets, Beginning                    | <u>\$ 12,705,656</u>                            | <u>\$ -0-</u>                                | <u>\$ 12,705,656</u>        |
| Net Assets, Ending                       | <u><u>\$ 13,249,546</u></u>                     | <u><u>\$ -0-</u></u>                         | <u><u>\$ 13,249,546</u></u> |

See Accountants' Compilation Report.

# AMERICAN PECAN PROMOTION BOARD

## Statement of Activities

For the Six Months Ended March 31, 2024

|  | <b>Without<br/>Contractual<br/>Restrictions</b> | <b>With<br/>Contractual<br/>Restrictions</b> | <b>Total</b>  |
|--|---|--|---------------|
| <b>Operating Revenue:</b>                  |   |  |               |
| Assessment Income - Domestic               | \$ 3,800,049                                    | \$ -0-                                       | \$ 3,800,049  |
| Assessment Income - Imports                | 2,906,210                                       | -0-  | 2,906,210     |
| Assessment Refunds                         | ( 3,240)  | -0-  | ( 3,240)      |
| Total Operating Revenue                    | \$ 6,703,019                                    | \$ -0-                                       | \$ 6,703,019  |
| <b>Operating Expenses:</b>                 |   |  |               |
| Program Services                           | \$ 2,435,112                                    | \$ -0-                                       | \$ 2,435,112  |
| Management and General                     | 374,814   | -0-  | 374,814       |
| USDA                                       | 41,814  | -0-  | 41,814        |
| Total Operating Expenses                   | \$ 2,851,740                                    | \$ -0-                                       | \$ 2,851,740  |
| <b>Operating Income</b>                    | \$ 3,851,279                                    | \$ -0-                                       | \$ 3,851,279  |
| <b>Nonoperating Revenues (Expenses):</b>   |   |  |               |
| Interest Earned                            | \$ 72,729                                       | \$ -0-                                       | \$ 72,729     |
| Total Nonoperating Revenues                | \$ 72,729                                       | \$ -0-                                       | \$ 72,729     |
| Change in Net Assets                       | \$ 3,924,008                                    | \$ -0-                                       | \$ 3,924,008  |
| Net Assets, Beginning as Previously Stated | \$ 11,340,655                                   | \$ -0-                                       | \$ 11,340,655 |
| Prior Period Adjustment                    | ( 2,015,117)                                    | -0-  | ( 2,015,117)  |
| Net Assets, Beginning as Restated          | \$ 9,325,538                                    | \$ -0-                                       | \$ 9,325,538  |
| Net Assets, Ending                         | \$ 13,249,546                                   | \$ -0-                                       | \$ 13,249,546 |

See Accountants' Compilation Report.

**AMERICAN PECAN PROMOTION BOARD**

**Statement of Functional Expenses**

**For the One Month Ended March 31, 2024**

|                              | <u>Program Services</u> | <u>Support Services</u>           |                 | <u>Total</u>      |
|------------------------------|-------------------------|-----------------------------------|-----------------|-------------------|
|                              | <u>Promotion</u>        | <u>Management<br/>and General</u> | <u>USDA</u>     |                   |
| Accounting                   | \$ -0-                  | \$ 15,000                         | \$ -0-          | \$ 15,000         |
| Bank Fees                    | -0-                     | 69                                | -0-             | 69                |
| Board Meetings/Travel        | -0-                     | 23,695                            | -0-             | 23,695            |
| Contract Labor               | -0-                     | 19,792                            | -0-             | 19,792            |
| Financial/Industry Relations | 10,320                  | -0-                               | -0-             | 10,320            |
| Insurance                    | -0-                     | 265                               | -0-             | 265               |
| Legal                        | -0-                     | 11,133                            | -0-             | 11,133            |
| Marketing Research           | 19,328                  | -0-                               | -0-             | 19,328            |
| Office Equipment             | -0-                     | 262                               | -0-             | 262               |
| Postage/Printing             | -0-                     | 923                               | -0-             | 923               |
| Promotion                    | 582,919                 | -0-                               | -0-             | 582,919           |
| Rent                         | -0-                     | 3,246                             | -0-             | 3,246             |
| Research                     | 11,150                  | -0-                               | -0-             | 11,150            |
| Subscriptions                | -0-                     | 22                                | -0-             | 22                |
| Supplies                     | -0-                     | 5                                 | -0-             | 5                 |
| Telephone/Mobile/Internet    | -0-                     | 2,201                             | -0-             | 2,201             |
| Travel                       | -0-                     | 86                                | -0-             | 86                |
| USDA User Fee                | -0-                     | -0-                               | 8,496           | 8,496             |
|                              | <u>\$ 623,717</u>       | <u>\$ 76,699</u>                  | <u>\$ 8,496</u> | <u>\$ 708,912</u> |

See Accountants' Compilation Report.

# AMERICAN PECAN PROMOTION BOARD

## Statement of Functional Expenses

**For the Six Months Ended March 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-                  | \$ 72,250                     | \$ -0-           | \$ 72,250           |
| Bank Fees                    | -0-                     | 402                           | -0-              | 402                 |
| Board Meetings/Travel        | -0-                     | 25,935                        | -0-              | 25,935              |
| Contract Labor               | -0-                     | 124,920                       | -0-              | 124,920             |
| Financial/Industry Relations | 87,170                  | -0-                           | -0-              | 87,170              |
| Headhunter                   | -0-                     | 40,150                        | -0-              | 40,150              |
| Insurance                    | -0-                     | 2,410                         | -0-              | 2,410               |
| Legal                        | -0-                     | 59,425                        | -0-              | 59,425              |
| Marketing Research           | 91,721                  | -0-                           | -0-              | 91,721              |
| Miscellaneous                | -0-                     | 153                           | -0-              | 153                 |
| Office Equipment             | -0-                     | 3,343                         | -0-              | 3,343               |
| Postage/Printing             | -0-                     | 1,161                         | -0-              | 1,161               |
| Promotion                    | 2,231,172               | -0-                           | -0-              | 2,231,172           |
| Rent                         | -0-                     | 19,473                        | -0-              | 19,473              |
| Research                     | 11,849                  | -0-                           | -0-              | 11,849              |
| Software - Fishhook          | 13,200                  | -0-                           | -0-              | 13,200              |
| Subscriptions                | -0-                     | 342                           | -0-              | 342                 |
| Supplies                     | -0-                     | 5                             | -0-              | 5                   |
| Telephone/Mobile/Internet    | -0-                     | 11,958                        | -0-              | 11,958              |
| Travel                       | -0-                     | 12,887                        | -0-              | 12,887              |
| USDA User Fee                | -0-                     | -0-                           | 41,814           | 41,814              |
|                              | <u>\$ 2,435,112</u>     | <u>\$ 374,814</u>             | <u>\$ 41,814</u> | <u>\$ 2,851,740</u> |

See Accountants' Compilation Report.

# AMERICAN PECAN PROMOTION BOARD

## Statement of Cash Flows

**For the One Month and Six Months Ended March 31, 2024**

|   | <u>One Month</u>           | <u>Six Months</u>          |
|---|----------------------------|----------------------------|
| <b>Cash Flows From Operating Activities:</b>  |                            |                            |
| Cash Received from Assessments  | \$ 953,391                 | \$ 5,861,980               |
| Cash Paid for Operating Expenses  | ( 1,390,768)               | ( 3,535,008)               |
| Net Cash Provided (Used) by Operating Activities  | <u>(\$ 437,377)</u>        | <u>\$ 2,326,972</u>        |
| <b>Cash Flows From Investing Activities:</b>  |                            |                            |
| Cash Received from Interest Earned  | \$ 17,014                  | \$ 72,729                  |
| Net Cash Provided (Used) by Investing Activities  | <u>\$ 17,014</u>           | <u>\$ 72,729</u>           |
| Net Increase (Decrease) in Cash   | (\$ 420,363)               | \$ 2,399,701               |
| Cash, Beginning of Period   | <u>10,335,612</u>          | <u>7,515,548</u>           |
| Cash, End of Period   | <u><u>\$ 9,915,249</u></u> | <u><u>\$ 9,915,249</u></u> |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b> |                            |                            |
| Income (Loss) from Operations   | \$ 526,876                 | \$ 3,851,279               |
| Adjustments to Reconcile Operation Income (Loss) to Net Cash Provided (Used) by Operating Activities: |                            |                            |
| Amortization Expense  | 2,752                      | 16,417                     |
| Changes in Assets and Liabilities:  |                            |                            |
| (Increase) Decrease in Accounts Receivable  | ( 282,397)                 | ( 841,039)                 |
| (Increase) Decrease in Prepaid Expenses   | ( 16,474)                  | ( 22,364)                  |
| Increase (Decrease) in Accounts Payable   | ( 666,198)                 | ( 660,638)                 |
| Increase (Decrease) in Credit Cards Payable   | 831                        | ( 180)                     |
| Increase (Decrease) in Lease Liability  | ( 2,767)                   | ( 16,503)                  |
| Net Cash Provided (Used) by Operating Activities  | <u><u>(\$ 437,377)</u></u> | <u><u>\$ 2,326,972</u></u> |

See Accountants' Compilation Report.



# AMERICAN PECAN PROMOTION BOARD

## Operating Budget

**For the One Month and Six Months Ended March 31, 2024 and Year Ended September 30, 2024**

|                                | One Month Ended<br>March 31, 2024 |                   | Six Months Ended<br>March 31, 2024 |                     | Fiscal Year Ended<br>September 30, 2024 |
|--------------------------------|-----------------------------------|-------------------|------------------------------------|---------------------|---|
|                                | Actual                            | Operating Budget  | Actual                             | Operating Budget    | Operating Budget                        |
| <b>Operating Revenue:</b>      |                                   |                   |                                    |                     |   |
| Assessments - Domestic         | \$ 733,307                        | \$ 500,000        | \$ 3,800,049                       | \$ 3,000,000        | \$ 6,000,000                            |
| Assessments - Imports          | 505,721                           | 166,667           | 2,906,210                          | 1,000,002           | 2,000,000                               |
| Assessment Refunds             | ( 3,240)                          | -0-               | ( 3,240)                           | -0-                 | -0-                                     |
| <b>Total Operating Revenue</b> | <b>\$ 1,235,788</b>               | <b>\$ 666,667</b> | <b>\$ 6,703,019</b>                | <b>\$ 4,000,002</b> | <b>\$ 8,000,000</b>                     |
| <b>Program Expenses:</b>       |                                   |                   |                                    |                     |   |
| Financial/Industry Relations   | \$ 10,320                         | \$ 20,833         | \$ 87,170                          | \$ 125,000          | \$ 250,000                              |
| Marketing/Research             | 19,328                            | 37,500            | 91,721                             | 225,000             | 450,000                                 |
| Promotion                      | 582,919                           | 570,833           | 2,231,172                          | 3,425,000           | 6,850,000                               |
| Research                       | 11,150                            | 41,667            | 11,849                             | 250,000             | 500,000                                 |
| Software                       | -0-                               | 7,500             | 13,200                             | 45,000              | 90,000                                  |
| <b>Total Program Expenses</b>  | <b>\$ 623,717</b>                 | <b>\$ 678,333</b> | <b>\$ 2,435,112</b>                | <b>\$ 4,070,000</b> | <b>\$ 8,140,000</b>                     |
| <b>Operating Expenses:</b>     |                                   |                   |                                    |                     |   |
| General Administration:        |                                   |                   |                                    |                     |   |
| Accounting                     | \$ 15,000                         | \$ 12,500         | \$ 72,250                          | \$ 75,000           | \$ 150,000                              |
| Audit Financial                | -0-                               | 2,167             | -0-                                | 13,000              | 26,000                                  |
| Audit Industry                 | -0-                               | 8,333             | -0-                                | 50,000              | 100,000                                 |
| Bank Fees                      | 69                                | -0-               | 402                                | -0-                 | -0-                                     |
| Board Meetings/Travel          | 23,695                            | -0-               | 25,935                             | -0-                 | -0-                                     |
| Contract Labor                 | 19,792                            | 19,583            | 124,920                            | 117,500             | 235,000                                 |
| Headhunter                     | -0-                               | 3,333             | 40,150                             | 20,000              | 40,000                                  |
| Insurance                      | 265                               | 2,316             | 2,410                              | 13,900              | 27,800                                  |
| Legal                          | 11,133                            | 5,000             | 59,425                             | 30,000              | 60,000                                  |
| Maintenance/Buildout           | -0-                               | 833               | -0-                                | 5,000               | 10,000                                  |
| Miscellaneous                  | -0-                               | 83                | 153                                | 500                 | 1,000                                   |
| Office Equipment               | 262                               | 417               | 3,343                              | 2,500               | 5,000                                   |
| Postage/Printing               | 923                               | 1,667             | 1,161                              | 10,000              | 20,000                                  |
| Rent                           | 3,246                             | 3,333             | 19,473                             | 20,000              | 40,000                                  |
| Subscriptions/Dues             | 22                                | 1,667             | 342                                | 10,000              | 20,000                                  |

See Accountants' Compilation Report.

# AMERICAN PECAN PROMOTION BOARD

## Operating Budget

**For the One Month and Six Months Ended March 31, 2024 and Year Ended September 30, 2024**

|   | One Month Ended<br>March 31, 2024 |                  | Six Months Ended<br>March 31, 2024 |                  | Fiscal Year Ended<br>September 30, 2024 |
|---|-----------------------------------|------------------|------------------------------------|------------------|---|
|   | Actual                            | Operating Budget | Actual                             | Operating Budget | Operating Budget                        |
| Supplies                                    | 5                                 | 433              | 5                                  | 2,600            | 5,200                                   |
| Telephone/Mobile/Internet                   | 2,201                             | 1,250            | 11,958                             | 7,500            | 15,000                                  |
| Travel Compliance                           | -0-                               | 2,083            | -0-                                | 12,500           | 25,000                                  |
| Travel Office/Office Expense                | 86                                | 12,500           | 12,887                             | 75,000           | 150,000                                 |
| Total General Administration                | \$ 76,699                         | \$ 77,498        | \$ 374,814                         | \$ 465,000       | \$ 930,000                              |
| USDA Charges:                               |                                   |                  |                                    |                  |   |
| USDA User Fee                               | \$ 8,496                          | \$ 8,333         | \$ 41,814                          | \$ 50,000        | \$ 100,000                              |
| Customs Maintenance Fee                     | -0-                               | 2,500            | -0-                                | 15,000           | 30,000                                  |
| Total USDA Charges                          | \$ 8,496                          | \$ 10,833        | \$ 41,814                          | \$ 65,000        | \$ 130,000                              |
| <b>Total Operating Expenses</b>             | \$ 85,195                         | \$ 88,331        | \$ 416,628                         | \$ 530,000       | \$ 1,060,000                            |
| <b>Total Program and Operating Expenses</b> | \$ 708,912                        | \$ 766,664       | \$ 2,851,740                       | \$ 4,600,000     | \$ 9,200,000                            |
| <b>Operating Income</b>                     | \$ 526,876                        | (\$ 100,000)     | \$ 3,851,279                       | (\$ 600,000)     | (\$ 1,200,000)                          |
| <b>Nonoperating Revenues and Expenses:</b>  |                                   |                  |                                    |                  |   |
| Prior Year Carry-over                       | \$ -0-                            | \$ 166,667       | \$ -0-                             | \$ 1,000,002     | \$ 2,000,000                            |
| Reserve                                     | -0-                               | ( 66,667)        | -0-                                | ( 400,002)       | ( 800,000)                              |
|   | \$ -0-                            | \$ 100,000       | \$ -0-                             | \$ 600,000       | \$ 1,200,000                            |
| <b>Other Income:</b>                        |                                   |                  |                                    |                  |   |
| Interest                                    | \$ 17,014                         | \$ -0-           | \$ 72,729                          | \$ -0-           | \$ -0-                                  |
| <b>Total Other Income</b>                   | \$ 17,014                         | \$ -0-           | \$ 72,729                          | \$ -0-           | \$ -0-                                  |
| <b>Total Nonoperating Revenue</b>           | \$ -0-                            | \$ 100,000       | \$ -0-                             | \$ 600,000       | \$ 1,200,000                            |
| <b>Change in Net Assets</b>                 | \$ 543,890                        | \$ -0-           | \$ 3,924,008                       | \$ -0-           | \$ -0-                                  |

See Accountants' Compilation Report.