



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

AMERICAN PECAN PROMOTION BOARD

Compiled Financial Statements

For the One Month and Seven Months Ended

April 30, 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 April 30, 2024, and the related statement of activities, functional expenses, and cash flows for the one month and seven 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 seven months ended April 30, 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 April 30, 2024

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 10,714,053
Accounts Receivable	6,578,157
Allowance for Doubtful Accounts	(3,531,841)
Prepaid Expenses	61,143

Total Current Assets \$ 13,821,512

Noncurrent Assets:

Right of Use Asset	\$ 104,029
Accumulated Amortization	(61,838)

Total Noncurrent Assets \$ 42,191

TOTAL ASSETS

\$ 13,863,703

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 1,030,928
Credit Cards Payable	442
Current Portion of Operating Lease Liability	31,250

Total Current Liabilities \$ 1,062,620

Long Term Liabilities:

Operating Lease Liability	\$ 42,858
Less: Current Portion of Operating Lease Liability	(31,250)

Total Long Term Liabilities \$ 11,608

Total Liabilities \$ 1,074,228

Net Assets:

Net Investment in Capital Assets	\$ 42,191
Without Contractual Restrictions	12,747,284

Total Net Assets \$ 12,789,475

TOTAL LIABILITIES AND NET ASSETS

\$ 13,863,703

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the One Month Ended April 30, 2024

	Without Contractual Restrictions	With Contractual Restrictions	Total
Operating Revenue:			
Assessment Income - Domestic	\$ 541,471	\$ -0-	\$ 541,471
Assessment Income - Imports	331,791	-0-	331,791
Assessment Refunds	(349)	-0-	(349)
Total Operating Revenue	<u>\$ 872,913</u>	<u>\$ -0-</u>	<u>\$ 872,913</u>
Operating Expenses:			
Program Services	\$ 1,278,642	\$ -0-	\$ 1,278,642
Management and General	66,244	-0-	66,244
USDA	7,744	-0-	7,744
Total Operating Expenses	<u>\$ 1,352,630</u>	<u>\$ -0-</u>	<u>\$ 1,352,630</u>
Operating Income	<u>(\$ 479,717)</u>	<u>\$ -0-</u>	<u>(\$ 479,717)</u>
Nonoperating Revenues (Expenses):			
Interest Earned	\$ 19,646	\$ -0-	\$ 19,646
Total Nonoperating Revenues	<u>\$ 19,646</u>	<u>\$ -0-</u>	<u>\$ 19,646</u>
Change in Net Assets	<u>(\$ 460,071)</u>	<u>\$ -0-</u>	<u>(\$ 460,071)</u>
Net Assets, Beginning	<u>\$ 13,249,546</u>	<u>\$ -0-</u>	<u>\$ 13,249,546</u>
Net Assets, Ending	<u>\$ 12,789,475</u>	<u>\$ -0-</u>	<u>\$ 12,789,475</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the Seven Months Ended April 30, 2024

	Without Contractual Restrictions	With Contractual Restrictions	Total
Operating Revenue:			
Assessment Income - Domestic	\$ 4,341,520	\$ -0-	\$ 4,341,520
Assessment Income - Imports	3,238,001	-0-	3,238,001
Assessment Refunds	(3,590)	-0-	(3,590)
Total Operating Revenue	\$ 7,575,931	\$ -0-	\$ 7,575,931
Operating Expenses:			
Program Services	\$ 3,713,753	\$ -0-	\$ 3,713,753
Management and General	441,057	-0-	441,057
USDA	49,558	-0-	49,558
Total Operating Expenses	\$ 4,204,368	\$ -0-	\$ 4,204,368
Operating Income	\$ 3,371,563	\$ -0-	\$ 3,371,563
Nonoperating Revenues (Expenses):			
Interest Earned	\$ 92,375	\$ -0-	\$ 92,375
Total Nonoperating Revenues	\$ 92,375	\$ -0-	\$ 92,375
Change in Net Assets	\$ 3,463,938	\$ -0-	\$ 3,463,938
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	\$ 12,789,475	\$ -0-	\$ 12,789,475

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the One Month Ended April 30, 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-	\$ 15,500	\$ -0-	\$ 15,500
Bank Fees	-0-	84	-0-	84
Board Meetings/Travel	-0-	1,277	-0-	1,277
Contract Labor	-0-	19,790	-0-	19,790
Financial/Industry Relations	20,320	-0-	-0-	20,320
Insurance	-0-	276	-0-	276
Legal	-0-	13,393	-0-	13,393
Marketing Research	62,274	-0-	-0-	62,274
Office Equipment	-0-	262	-0-	262
Postage/Printing	-0-	141	-0-	141
Promotion	1,195,628	-0-	-0-	1,195,628
Rent	-0-	3,246	-0-	3,246
Research	420	-0-	-0-	420
Subscriptions	-0-	22	-0-	22
Supplies	-0-	-0-	-0-	-0-
Telephone/Mobile/Internet	-0-	5,380	-0-	5,380
Travel	-0-	6,873	-0-	6,873
USDA User Fee	-0-	-0-	7,744	7,744
	<u>\$ 1,278,642</u>	<u>\$ 66,244</u>	<u>\$ 7,744</u>	<u>\$ 1,352,630</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the Seven Months Ended April 30, 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-	\$ 87,750	\$ -0-	\$ 87,750	
Bank Fees	-0-	486	-0-	486	
Board Meetings/Travel	-0-	27,212	-0-	27,212	
Contract Labor	-0-	144,710	-0-	144,710	
Financial/Industry Relations	107,490	-0-	-0-	107,490	
Headhunter	-0-	40,150	-0-	40,150	
Insurance	-0-	2,686	-0-	2,686	
Legal	-0-	72,818	-0-	72,818	
Marketing Research	153,995	-0-	-0-	153,995	
Miscellaneous	-0-	153	-0-	153	
Office Equipment	-0-	3,605	-0-	3,605	
Postage/Printing	-0-	1,302	-0-	1,302	
Promotion	3,426,799	-0-	-0-	3,426,799	
Rent	-0-	22,719	-0-	22,719	
Research	12,269	-0-	-0-	12,269	
Software - Fishhook	13,200	-0-	-0-	13,200	
Subscriptions	-0-	364	-0-	364	
Supplies	-0-	5	-0-	5	
Telephone/Mobile/Internet	-0-	17,339	-0-	17,339	
Travel	-0-	19,758	-0-	19,758	
USDA User Fee	-0-	-0-	49,558	49,558	
	<u>\$ 3,713,753</u>	<u>\$ 441,057</u>	<u>\$ 49,558</u>	<u>\$ 4,204,368</u>	

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Cash Flows

For the One Month and Seven Months Ended April 30, 2024

	One Month	Seven Months
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 1,472,844	\$ 7,334,823
Cash Paid for Operating Expenses	(693,686)	(4,228,692)
Net Cash Provided (Used) by Operating Activities	\$ 779,158	\$ 3,106,131
Cash Flows From Investing Activities:		
Cash Received from Interest Earned	\$ 19,646	\$ 92,375
Net Cash Provided (Used) by Investing Activities	\$ 19,646	\$ 92,375
Net Increase (Decrease) in Cash	\$ 798,804	\$ 3,198,506
Cash, Beginning of Period	9,915,249	7,515,547
Cash, End of Period	\$ 10,714,053	\$ 10,714,053
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Income (Loss) from Operations	(\$ 479,717)	\$ 3,371,563
Adjustments to Reconcile Operation Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Amortization Expense	2,760	19,177
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	599,931	(241,108)
(Increase) Decrease in Prepaid Expenses	1,990	(20,374)
Increase (Decrease) in Accounts Payable	657,842	(2,796)
Increase (Decrease) in Credit Cards Payable	(873)	(1,053)
Increase (Decrease) in Lease Liability	(2,775)	(19,278)
Net Cash Provided (Used) by Operating Activities	\$ 779,158	\$ 3,106,131

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Seven Months Ended April 30, 2024 and Year Ended September 30, 2024

	One Month Ended		Seven Months Ended		Fiscal Year Ended
	April 30, 2024		April 30, 2024		September 30, 2024
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Operating Revenue:					
Assessments - Domestic	\$ 541,471	\$ 500,000	\$ 4,341,520	\$ 3,500,000	\$ 6,000,000
Assessments - Imports	331,791	166,667	3,238,001	1,166,669	2,000,000
Assessment Refunds	(349)	-0-	(3,590)	-0-	-0-
Total Operating Revenue	\$ 872,913	\$ 666,667	\$ 7,575,931	\$ 4,666,669	\$ 8,000,000
Program Expenses:					
Financial/Industry Relations	\$ 20,320	\$ 20,833	\$ 107,490	\$ 145,833	\$ 250,000
Marketing/Research	62,274	37,500	153,995	262,500	450,000
Promotion	1,195,628	570,833	3,426,799	3,995,833	6,850,000
Research	420	41,667	12,269	291,667	500,000
Software	-0-	7,500	13,200	52,500	90,000
Total Program Expenses	\$ 1,278,642	\$ 678,333	\$ 3,713,753	\$ 4,748,333	\$ 8,140,000
Operating Expenses:					
General Administration:					
Accounting	\$ 15,500	\$ 12,500	\$ 87,750	\$ 87,500	\$ 150,000
Audit Financial	-0-	2,167	-0-	15,167	26,000
Audit Industry	-0-	8,333	-0-	58,333	100,000
Bank Fees	84	-0-	486	-0-	-0-
Board Meetings/Travel	1,277	-0-	27,212	-0-	-0-
Contract Labor	19,790	19,583	144,710	137,083	235,000
Headhunter	-0-	3,333	40,150	23,333	40,000
Insurance	276	2,316	2,686	16,216	27,800
Legal	13,393	5,000	72,818	35,000	60,000
Maintenance/Buildout	-0-	833	-0-	5,833	10,000
Miscellaneous	-0-	83	153	583	1,000
Office Equipment	262	417	3,605	2,917	5,000
Postage/Printing	141	1,667	1,302	11,667	20,000
Rent	3,246	3,333	22,719	23,333	40,000
Subscriptions/Dues	22	1,667	364	11,667	20,000

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Seven Months Ended April 30, 2024 and Year Ended September 30, 2024

	One Month Ended April 30, 2024		Seven Months Ended April 30, 2024		Fiscal Year Ended September 30, 2024
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Supplies	-0-	433	5	3,033	5,200
Telephone/Mobile/Internet	5,380	1,250	17,339	8,750	15,000
Travel Compliance	-0-	2,083	-0-	14,583	25,000
Travel Office/Office Expense	6,873	12,500	19,758	87,500	150,000
Total General Administration	\$ 66,244	\$ 77,498	\$ 441,057	\$ 542,498	\$ 930,000
USDA Charges:					
USDA User Fee	\$ 7,744	\$ 8,333	\$ 49,558	\$ 58,333	\$ 100,000
Customs Maintenance Fee	-0-	2,500	-0-	17,500	30,000
Total USDA Charges	\$ 7,744	\$ 10,833	\$ 49,558	\$ 75,833	\$ 130,000
Total Operating Expenses	\$ 73,988	\$ 88,331	\$ 490,615	\$ 618,331	\$ 1,060,000
Total Program and Operating Expenses	\$ 1,352,630	\$ 766,664	\$ 4,204,368	\$ 5,366,664	\$ 9,200,000
Operating Income	(\$ 479,717)	(\$ 100,000)	\$ 3,371,563	(\$ 700,000)	(\$ 1,200,000)
Nonoperating Revenues and Expenses:					
Prior Year Carry-over	\$ -0-	\$ 166,667	\$ -0-	\$ 1,166,669	\$ 2,000,000
Reserve	-0-	(66,667)	-0-	(466,669)	(800,000)
	\$ -0-	\$ 100,000	\$ -0-	\$ 700,000	\$ 1,200,000
Other Income:					
Interest	\$ 19,646	\$ -0-	\$ 92,375	\$ -0-	\$ -0-
Total Other Income	\$ 19,646	\$ -0-	\$ 92,375	\$ -0-	\$ -0-
Total Nonoperating Revenue	\$ -0-	\$ 100,000	\$ -0-	\$ 700,000	\$ 1,200,000
Change in Net Assets	(\$ 460,071)	\$ -0-	\$ 3,463,938	\$ -0-	\$ -0-

See Accountants' Compilation Report.