



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

AMERICAN PECAN PROMOTION BOARD

Compiled Financial Statements

For the One Month Ended

October 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 October 31, 2024, and the related statement of activities, functional expenses, and cash flows for the one month 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 ended October 31, 2024 and year ended September 30, 2025, 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
February 11, 2025

AMERICAN PECAN PROMOTION BOARD

Statement of Financial Position

As of October 31, 2024

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	8,743,941
Accounts Receivable, Net of Allowance for Doubtful Accounts		3,112,835
Prepaid Expenses		1,141,994
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Total Current Assets	\$	12,998,770

Noncurrent Assets:

Right of Use Assets	\$	104,029
Right of Use Assets - Accumulated Amortization	(78,531)
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Total Noncurrent Assets	\$	25,498

TOTAL ASSETS

\$ 13,024,268

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$	332,605
Credit Cards Payable		2,450
Current Portion of Lease Obligations Payable		25,498
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Total Current Liabilities	\$	360,553

Long-term Liabilities:

Lease Obligations Payable	\$	25,966
Less: Current Portion of Lease Liability	(25,498)
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Total Long-term Liabilities	\$	468

Total Liabilities \$ 361,021

Net Assets:

Without Contractual Restrictions	\$	12,663,247
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Total Net Assets	\$	12,663,247

TOTAL LIABILITIES AND NET ASSETS

\$ 13,024,268

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the One Month Ended October 31, 2024

	Without Contractual Restrictions	With Contractual Restrictions	Total
Revenues:			
Assessment Income - Domestic	\$ 541,002	\$ -0-	\$ 541,002
Assessment Income - Imports	206,712	-0-	206,712
Interest Earned	17,128	-0-	17,128
Total Revenue	<u>\$ 764,842</u>	<u>\$ -0-</u>	<u>\$ 764,842</u>
Expenses:			
Program Services	\$ 585,006	\$ -0-	\$ 585,006
Compliance	14,501	-0-	14,501
Management and General Services	66,986	-0-	66,986
Total Expenses	<u>\$ 666,493</u>	<u>\$ -0-</u>	<u>\$ 666,493</u>
Change in Net Assets	<u>\$ 98,349</u>	<u>\$ -0-</u>	<u>\$ 98,349</u>
Net Assets, Beginning	<u>\$ 12,564,898</u>	<u>\$ -0-</u>	<u>\$ 12,564,898</u>
Net Assets, Ending	<u><u>\$ 12,663,247</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 12,663,247</u></u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the One Month Ended October 31, 2024

	<u>Program Services</u>		<u>Support Services</u>		<u>Total</u>
	<u>Promotion</u>		<u>Compliance</u>	<u>Management and General</u>	
Accounting	\$ -0-		\$ -0-	\$ 10,975	\$ 10,975
Audit Industry	-0-		14,450	-0-	14,450
Bank Fees	-0-		-0-	30	30
Insurance	-0-		-0-	317	317
Legal	-0-		-0-	3,155	3,155
Marketing Research	77,890		-0-	-0-	77,890
Miscellaneous	-0-		-0-	244	244
Office Equipment	-0-		-0-	3,821	3,821
Postage	-0-		51	125	176
Program Management	48,247		-0-	-0-	48,247
Promotion	450,536		-0-	-0-	450,536
Rent	-0-		-0-	4,038	4,038
Rent Amortization	-0-		-0-	2,861	2,861
Research	8,333		-0-	-0-	8,333
Staff	-0-		-0-	39,944	39,944
Subscriptions	-0-		-0-	43	43
Subscriptions Interest Expense	-0-		-0-	(22)	(22)
Supplies	-0-		-0-	131	131
Telephone/Mobile/Internet	-0-		-0-	1,155	1,155
Travel Office	-0-		-0-	169	169
	<u>\$ 585,006</u>		<u>\$ 14,501</u>	<u>\$ 66,986</u>	<u>\$ 666,493</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Cash Flows

For the One Month Ended October 31, 2024

	<u>One Month</u>
Cash Flows From Operating Activities:	
Cash Received from Assessments	\$ 437,815
Cash Paid for Operating Expenses	(1,691,731)
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Net Cash Used by Operating Activities	(\$ 1,253,916)
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Cash Flows From Investing Activities:	
Cash Received from Interest Earned	\$ 17,128
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Net Cash Provided by Investing Activities	\$ 17,128
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Net Decrease in Cash	(\$ 1,236,788)
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Cash, Beginning of Period:	
FFB - Escrow	\$ 1,330,864
FFB - Reserve	8,649,888
Total Cash - Beginning of Period	\$ 9,980,752
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Cash, End of Period:	
FFB - Escrow	\$ 1,333,093
FFB - Reserve	7,410,848
Total Cash - End of Period	\$ 8,743,941
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Reconciliation of Increase (Decrease) In Net Assets to Net Cash Provided (Used) by Operating Activities:	
Increase (Decrease) in Net Assets	\$ 81,221
Net Cash Provided (Used) by Operating Activities:	
Amortization Expense	2,799
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(309,899)
(Increase) Decrease in Prepaid Expenses	(878,975)
Increase (Decrease) in Accounts Payable	(147,402)
Increase (Decrease) in Credit Cards Payable	1,191
Increase (Decrease) in Lease Liability	(2,851)
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Net Cash Provided (Used) by Operating Activities	(\$ 1,253,916)
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See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month Ended October 31, 2024 and Year Ended September 30, 2025

	One Month Ended October 31, 2024		Fiscal Year Ended September 30, 2025
	Actual	Budget	Budget
Revenue:			
Assessments - Domestic	\$ 541,002	\$ 490,102	\$ 5,881,210
Assessments - Imports	206,712	341,137	4,093,650
Contributions/Unrestricted Cash	-0-	764,512	9,174,144
Total Revenue	\$ 747,714	\$ 1,595,751	\$ 19,149,004
Program Expenses:			
Program Management	\$ 48,247	\$ 68,113	\$ 817,350
Marketing/Research	77,890	127,083	1,525,000
Promotion	450,536	631,042	7,572,509
Research	8,333	82,000	984,000
Contingency Fund	-0-	83,333	1,000,000
Total Program Expenses	\$ 585,006	\$ 991,572	\$ 11,898,859
Expenses:			
Compliance:			
Industry Audits	\$ 14,450	\$ 14,167	\$ 170,000
Printing, Forms, & Postage	51	417	5,000
Software	-0-	2,500	30,000
Total Compliance Expenses	\$ 14,501	\$ 17,083	\$ 205,000
General Administration:			
Accounting	\$ 10,975	\$ 12,500	\$ 150,000
Audit Financial	-0-	2,500	30,000
Bank Fees	30	58	700
Board Meetings/Travel	-0-	5,417	65,000
Insurance	317	2,083	25,000
Legal	3,155	7,917	95,000
Maintenance/Buildout	-0-	417	5,000
Miscellaneous	244	83	1,000
Office Equipment	3,821	417	5,000
Postage	125	225	2,700
Printing	-0-	834	10,000
Rent	4,038	3,750	45,000
Rent Amortization	2,861	-0-	-0-
Staff	39,944	26,700	320,400
Subscriptions Interest Expense	(22)	-0-	-0-
Subscriptions/Dues	43	100	1,200
Supplies	131	417	5,000
Telephone/Mobile/Internet	1,155	1,500	18,000
Travel Office	169	2,167	26,000
Total General Administration	\$ 66,986	\$ 67,084	\$ 805,000

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month Ended October 31, 2024 and Year Ended September 30, 2025

	One Month Ended October 31, 2024		Fiscal Year Ended September 30, 2025
	Actual	Operating Budget	Operating Budget
USDA Charges:			
USDA User Fee	\$ -0-	\$ 16,667	\$ 200,000
Total USDA Charges	\$ -0-	\$ 16,667	\$ 200,000
Total Expenses	\$ 81,487	\$ 100,834	\$ 1,210,000
Total Program and Expenses	\$ 666,493	\$ 1,092,406	\$ 13,108,860
Other Revenues and Expenses:			
Interest Income	\$ 17,128	\$ -0-	\$ -0-
Prior Year Carry-Over	-0-	11,167	134,000
Unrestricted Cash	-0-	(514,512)	(6,174,144)
Total Other Revenues and Expenses	\$ 17,128	(\$ 503,345)	(\$ 6,040,144)
Change in Net Assets	\$ 98,349	\$ -0-	\$ -0-

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