



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

AMERICAN PECAN PROMOTION BOARD

Compiled Financial Statements

For the One Month and Two Months Ended

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

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 8,734,243
Accounts Receivable, Net of Allowance for Doubtful Accounts	3,122,224
Prepaid Expenses	1,445,818
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Total Current Assets	\$ 13,302,285

Noncurrent Assets:

Right of Use Assets	\$ 104,029
Right of Use Assets - Accumulated Amortization	(81,337)
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Total Noncurrent Assets	\$ 22,692

TOTAL ASSETS

\$ 13,324,977

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 706,683
Credit Cards Payable	6,912
Current Portion of Lease Obligations Payable	22,692
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Total Current Liabilities	\$ 736,287

Long-term Liabilities:

Lease Obligations Payable	\$ 23,108
Less: Current Portion of Lease Liability	(22,692)
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Total Long-term Liabilities	\$ 416

Total Liabilities

\$ 736,703

Net Assets:

Without Contractual Restrictions	\$ 12,588,274
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Total Net Assets	\$ 12,588,274

TOTAL LIABILITIES AND NET ASSETS

\$ 13,324,977

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the One Month Ended November 30, 2024

	Without Contractual Restrictions	With Contractual Restrictions	Total
Revenues:			
Assessment Income - Domestic	\$ 300,437	\$ -0-	\$ 300,437
Assessment Income - Imports	354,571	-0-	354,571
Interest Earned	15,081	-0-	15,081
Total Revenue	<u>\$ 670,089</u>	<u>\$ -0-</u>	<u>\$ 670,089</u>
Expenses:			
Program Services	\$ 672,474	\$ -0-	\$ 672,474
Compliance	5,884	-0-	5,884
Management and General Services	66,705	-0-	66,705
Total Expenses	<u>\$ 745,063</u>	<u>\$ -0-</u>	<u>\$ 745,063</u>
Change in Net Assets	<u>(\$ 74,974)</u>	<u>\$ -0-</u>	<u>(\$ 74,974)</u>
Net Assets, Beginning	<u>\$ 12,663,248</u>	<u>\$ -0-</u>	<u>\$ 12,663,248</u>
Net Assets, Ending	<u><u>\$ 12,588,274</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 12,588,274</u></u>

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the Two Months Ended November 30, 2024

	Without Contractual Restrictions	With Contractual Restrictions	Total
Revenues:			
Assessment Income - Domestic	\$ 841,440	\$ -0-	\$ 841,440
Assessment Income - Imports	561,283	-0-	561,283
Interest Income	32,209	-0-	32,209
Total Revenue	<u>\$ 1,434,932</u>	<u>\$ -0-</u>	<u>\$ 1,434,932</u>
Expenses:			
Program Services	\$ 1,257,480	\$ -0-	\$ 1,257,480
Compliance	20,386	-0-	20,386
Management and General Services	133,691	-0-	133,691
Total Expenses	<u>\$ 1,411,557</u>	<u>\$ -0-</u>	<u>\$ 1,411,557</u>
Change in Net Assets	<u>\$ 23,375</u>	<u>\$ -0-</u>	<u>\$ 23,375</u>
Net Assets, Beginning	<u>\$ 12,564,899</u>	<u>\$ -0-</u>	<u>\$ 12,564,899</u>
Net Assets, Ending	<u>\$ 12,588,274</u>	<u>\$ -0-</u>	<u>\$ 12,588,274</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the One Month Ended November 30, 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-	\$ 12,500	\$ 12,500
Audit Financial	-0-	-0-	9,750	9,750
Audit Industry	-0-	5,884	-0-	5,884
Bank Fees	-0-	-0-	30	30
Board Meetings/Travel	-0-	-0-	6,199	6,199
Insurance	-0-	-0-	317	317
Legal	-0-	-0-	2,690	2,690
Marketing Research	81,415	-0-	-0-	81,415
Office Equipment	-0-	-0-	310	310
Postage	-0-	-0-	284	284
Program Management	30,106	-0-	-0-	30,106
Promotion	519,421	-0-	-0-	519,421
Rent	-0-	-0-	(2,913)	(2,913)
Rent Amortization	-0-	-0-	2,861	2,861
Research	41,532	-0-	-0-	41,532
Staff	-0-	-0-	27,744	27,744
Subscriptions	-0-	-0-	142	142
Telephone/Mobile/Internet	-0-	-0-	1,378	1,378
Travel Office	-0-	-0-	5,413	5,413
	<u>\$ 672,474</u>	<u>\$ 5,884</u>	<u>\$ 66,705</u>	<u>\$ 745,063</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the Two Months Ended November 30, 2024

	Program Services		Support Services		Total
	Promotion	Compliance	Management and General		
Accounting	\$ -0-	\$ -0-	\$ 23,475		\$ 23,475
Audit Financial	-0-	-0-	9,750		9,750
Audit Industry	-0-	20,334	-0-		20,334
Bank Fees	-0-	-0-	60		60
Board Meetings/Travel	-0-	-0-	6,199		6,199
Insurance	-0-	-0-	634		634
Legal	-0-	-0-	5,845		5,845
Marketing Research	159,304	-0-	-0-		159,304
Miscellaneous	-0-	-0-	245		245
Office Equipment	-0-	-0-	4,131		4,131
Postage	-0-	52	409		461
Program Management	78,352	-0-	-0-		78,352
Promotion	969,957	-0-	-0-		969,957
Rent	-0-	-0-	1,126		1,126
Rent Amortization	-0-	-0-	5,721		5,721
Research	49,867	-0-	-0-		49,867
Staff	-0-	-0-	67,687		67,687
Subscriptions	-0-	-0-	185		185
Subscriptions Interest Expense	-0-	-0-	(22)	(22)	
Supplies	-0-	-0-	131		131
Telephone/Mobile/Internet	-0-	-0-	2,533		2,533
Travel Office	-0-	-0-	5,582		5,582
	<u>\$ 1,257,480</u>	<u>\$ 20,386</u>	<u>\$ 133,691</u>		<u>\$ 1,411,557</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Cash Flows

For the One Month and Two Months Ended November 30, 2024

	One Month	Two Months
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 438,908	\$ 1,083,436
Cash Paid for Operating Expenses	(670,398)	(2,362,130)
Net Cash Used by Operating Activities	(\$ 231,490)	(\$ 1,278,694)
Cash Flows From Investing Activities:		
Cash Received from Interest Earned	\$ 15,081	\$ 32,209
Net Cash Provided by Investing Activities	\$ 15,081	\$ 32,209
Net Decrease in Cash	(\$ 216,409)	(\$ 1,246,485)
Cash, Beginning of Period:		
FFB - Escrow	\$ 1,333,094	\$ 1,330,864
FFB - Reserve	7,410,848	8,649,887
Total Cash - Beginning of Period	\$ 8,743,942	\$ 9,980,751
Cash, End of Period:		
FFB - Checking	\$ 55,750	\$ 55,750
FFB - Escrow	1,335,267	1,335,266
FFB - Reserve	7,343,227	7,343,227
Total Cash - End of Period	\$ 8,734,244	\$ 8,734,243
Reconciliation of Increase (Decrease) In Net Assets to Net Cash Provided (Used) by Operating Activities:		
Increase (Decrease) in Net Assets	(\$ 90,055)	(\$ 8,834)
Net Cash Provided (Used) by Operating Activities:		
Amortization Expense	2,806	5,605
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(216,100)	(319,287)
(Increase) Decrease in Prepaid Expenses	(303,824)	(1,182,799)
Increase (Decrease) in Accounts Payable	374,078	226,676
Increase (Decrease) in Credit Cards Payable	4,463	5,654
Increase (Decrease) in Lease Liability	(2,858)	(5,709)
Net Cash Used by Operating Activities	(\$ 231,490)	(\$ 1,278,694)

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Two Months Ended November 30, 2024 and Year Ended September 30, 2025

	One Month Ended November 30, 2024		Two Months Ended November 30, 2024		Fiscal Year Ended September 30, 2025
	Actual	Budget	Actual	Budget	Operating Budget
Revenue:					
Assessments - Domestic	\$ 300,437	\$ 490,101	\$ 841,440	\$ 980,202	\$ 5,881,210
Assessments - Imports	354,571	341,138	561,283	682,275	4,093,650
Contributions/Unrestricted Cash	-0-	764,512	-0-	1,529,024	9,174,144
Total Revenue	\$ 655,008	\$ 1,595,751	\$ 1,402,723	\$ 3,191,501	\$ 19,149,004
Program Expenses:					
Program Management	\$ 30,106	\$ 68,113	\$ 78,352	\$ 136,225	\$ 817,350
Marketing/Research	81,415	127,083	159,304	254,167	1,525,000
Promotion	519,421	631,042	969,957	1,262,085	7,572,509
Research	41,532	82,000	49,867	164,000	984,000
Contingency Fund	-0-	83,333	-0-	166,667	1,000,000
Total Program Expenses	\$ 672,474	\$ 991,571	\$ 1,257,480	\$ 1,983,143	\$ 11,898,859
Expenses:					
Compliance:					
Industry Audits	\$ 5,884	\$ 14,167	\$ 20,334	\$ 28,333	\$ 170,000
Printing, Forms, & Postage	-0-	417	52	833	5,000
Software	-0-	2,500	-0-	5,000	30,000
Total Compliance Expenses	\$ 5,884	\$ 17,084	\$ 20,386	\$ 34,167	\$ 205,000
General Administration:					
Accounting	\$ 12,500	\$ 12,500	\$ 23,475	\$ 25,000	\$ 150,000
Audit Financial	9,750	2,500	9,750	5,000	30,000
Bank Fees	30	58	60	117	700
Board Meetings/Travel	6,199	5,417	6,199	10,834	65,000
Insurance	317	2,083	634	4,167	25,000
Legal	2,690	7,917	5,845	15,833	95,000
Maintenance/Buildout	-0-	417	-0-	833	5,000
Miscellaneous	-0-	83	245	167	1,000
Office Equipment	310	417	4,131	833	5,000
Postage	284	225	409	1,666	2,700
Printing	-0-	834	-0-	450	10,000
Rent	(2,913)	3,750	1,126	7,500	45,000
Rent Amortization	2,861	-0-	5,721	-0-	-0-
Staff	27,744	26,700	67,687	53,400	320,400
Subscriptions Interest Expense	-0-	-0-	(22)	-0-	-0-
Subscriptions/Dues	142	100	185	200	1,200
Supplies	-0-	417	131	833	5,000
Telephone/Mobile/Internet	1,378	1,500	2,533	3,000	18,000
Travel Office	5,413	2,167	5,582	4,333	26,000
Total General Administration	\$ 66,705	\$ 67,084	\$ 133,691	\$ 134,167	\$ 805,000

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Two Months Ended November 30, 2024 and Year Ended September 30, 2025

	One Month Ended November 30, 2024		Two Months Ended November 30, 2024		Fiscal Year Ended September 30, 2025
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
USDA Charges:					
USDA User Fee	\$ -0-	\$ 16,667	\$ -0-	\$ 33,333	\$ 200,000
Total USDA Charges	\$ -0-	\$ 16,667	\$ -0-	\$ 33,333	\$ 200,000
Total Expenses	\$ 72,589	\$ 100,835	\$ 154,077	\$ 201,667	\$ 1,210,000
Total Program and Expenses	\$ 745,063	\$ 1,092,406	\$ 1,411,557	\$ 2,184,811	\$ 13,108,860
Other Revenues and Expenses:					
Interest Income	\$ 15,081	\$ -0-	\$ 32,209	\$ -0-	\$ -0-
Prior Year Carry-Over	-0-	11,167	-0-	22,333	134,000
Unrestricted Cash	-0-	(514,512)	-0-	(1,029,024)	(6,174,144)
Total Other Revenues and Expense	\$ 15,081	(\$ 503,345)	\$ 32,209	(\$ 1,006,691)	(\$ 6,040,144)
Change in Net Assets	(\$ 74,974)	\$ -0-	\$ 23,375	\$ -0-	\$ -0-