



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

AMERICAN PECAN PROMOTION BOARD

Compiled Financial Statements

For the One Month and Three Months Ended

December 31, 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 December 31, 2024, and the related statement of activities, functional expenses, and cash flows for the one month and three 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 three months ended December 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 December 31, 2024

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 8,250,817
Accounts Receivable, Net of Allowance for Doubtful Accounts	3,223,721
Prepaid Expenses	<u>1,689,953</u>
Total Current Assets	<u>\$ 13,164,491</u>

Noncurrent Assets:

Right of Use Assets	\$ 104,029
Right of Use Assets - Accumulated Amortization	<u>(84,150)</u>
Total Noncurrent Assets	<u>\$ 19,879</u>

TOTAL ASSETS

\$ 13,184,370

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 64,507
Credit Cards Payable	1,624
Current Portion of Lease Obligations Payable	<u>19,879</u>
Total Current Liabilities	<u>\$ 86,010</u>

Long-term Liabilities:

Lease Obligations Payable	\$ 20,243
Less: Current Portion of Lease Liability	<u>(19,879)</u>
Total Long-term Liabilities	<u>\$ 364</u>

Total Liabilities \$ 86,374

Net Assets:

Without Contractual Restrictions	<u>\$ 13,097,996</u>
Total Net Assets	<u>\$ 13,097,996</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 13,184,370

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the One Month Ended December 31, 2024

	Without Contractual Restrictions	With Contractual Restrictions	Total
Revenues:			
Assessment Income - Domestic	\$ 547,105	\$ -0-	\$ 547,105
Assessment Income - Imports	410,611	-0-	410,611
Interest Earned	13,648	-0-	13,648
Total Revenue	<u>\$ 971,364</u>	<u>\$ -0-</u>	<u>\$ 971,364</u>
Expenses:			
Program Services	\$ 402,215	\$ -0-	\$ 402,215
Compliance	6,543	-0-	6,543
Management and General Services	52,884	-0-	52,884
Total Expenses	<u>\$ 461,642</u>	<u>\$ -0-</u>	<u>\$ 461,642</u>
Change in Net Assets	<u>\$ 509,722</u>	<u>\$ -0-</u>	<u>\$ 509,722</u>
Net Assets, Beginning	<u>\$ 12,588,274</u>	<u>\$ -0-</u>	<u>\$ 12,588,274</u>
Net Assets, Ending	<u><u>\$ 13,097,996</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 13,097,996</u></u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Activities

For the Three Months Ended December 31, 2024

	Without Contractual Restrictions	With Contractual Restrictions	Total
Revenues:			
Assessment Income - Domestic	\$ 1,388,545	\$ -0-	\$ 1,388,545
Assessment Income - Imports	971,894	-0-	971,894
Interest Income	45,857	-0-	45,857
Total Revenue	<u>\$ 2,406,296</u>	<u>\$ -0-</u>	<u>\$ 2,406,296</u>
Expenses:			
Program Services	\$ 1,659,696	\$ -0-	\$ 1,659,696
Compliance	26,929	-0-	26,929
Management and General Services	186,574	-0-	186,574
Total Expenses	<u>\$ 1,873,199</u>	<u>\$ -0-</u>	<u>\$ 1,873,199</u>
Change in Net Assets	<u>\$ 533,097</u>	<u>\$ -0-</u>	<u>\$ 533,097</u>
Net Assets, Beginning	<u>\$ 12,564,899</u>	<u>\$ -0-</u>	<u>\$ 12,564,899</u>
Net Assets, Ending	<u>\$ 13,097,996</u>	<u>\$ -0-</u>	<u>\$ 13,097,996</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the One Month Ended December 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-	\$ 12,500	\$ 12,500
Audit Financial	-0-	-0-	6,000	6,000
Audit Industry	-0-	6,395	-0-	6,395
Bank Fees	-0-	-0-	207	207
Insurance	-0-	-0-	55	55
Marketing Research	94,415	-0-	-0-	94,415
Office Equipment	-0-	-0-	353	353
Postage	-0-	148	78	226
Program Management	25,676	-0-	-0-	25,676
Promotion	253,591	-0-	-0-	253,591
Rent	-0-	-0-	563	563
Rent Amortization	-0-	-0-	2,861	2,861
Research	28,533	-0-	-0-	28,533
Staff	-0-	-0-	28,592	28,592
Subscriptions	-0-	-0-	59	59
Supplies	-0-	-0-	186	186
Telephone/Mobile/Internet	-0-	-0-	1,355	1,355
Travel Office	-0-	-0-	75	75
	<u>\$ 402,215</u>	<u>\$ 6,543</u>	<u>\$ 52,884</u>	<u>\$ 461,642</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Functional Expenses

For the Three Months Ended December 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-	\$ 35,975	\$ 35,975
Audit Financial	-0-	-0-	15,750	15,750
Audit Industry	-0-	26,729	-0-	26,729
Bank Fees	-0-	-0-	267	267
Board Meetings/Travel	-0-	-0-	6,199	6,199
Insurance	-0-	-0-	690	690
Legal	-0-	-0-	5,845	5,845
Marketing Research	253,719	-0-	-0-	253,719
Miscellaneous	-0-	-0-	245	245
Office Equipment	-0-	-0-	4,484	4,484
Postage	-0-	200	486	686
Program Management	104,029	-0-	-0-	104,029
Promotion	1,223,548	-0-	-0-	1,223,548
Rent	-0-	-0-	1,689	1,689
Rent Amortization	-0-	-0-	8,582	8,582
Research	78,400	-0-	-0-	78,400
Staff	-0-	-0-	96,279	96,279
Subscriptions	-0-	-0-	244	244
Subscriptions Interest Expense	-0-	-0-	(22)	(22)
Supplies	-0-	-0-	316	316
Telephone/Mobile/Internet	-0-	-0-	3,888	3,888
Travel Office	-0-	-0-	5,657	5,657
	<u>\$ 1,659,696</u>	<u>\$ 26,929</u>	<u>\$ 186,574</u>	<u>\$ 1,873,199</u>

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Statement of Cash Flows

For the One Month and Three Months Ended December 31, 2024

	One Month	Three Months
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 511,048	\$ 1,939,654
Cash Paid for Operating Expenses	(1,368,113)	(3,715,423)
Net Cash Used by Operating Activities	(\$ 857,065)	(\$ 1,775,769)
Cash Flows From Investing Activities:		
Cash Received from Interest Earned	\$ 13,648	\$ 45,857
Net Cash Provided by Investing Activities	\$ 13,648	\$ 45,857
Net Decrease in Cash	(\$ 843,417)	(\$ 1,729,912)
Cash, Beginning of Period:		
FFB - Checking	\$ 55,750	\$ 0.00
FFB - Escrow	1,335,266	1,330,864
FFB - Reserve	7,343,227	8,649,887
Total Cash - Beginning of Period	\$ 8,734,243	\$ 9,980,751
Cash, End of Period:		
FFB - Escrow	\$ 1,337,330	\$ 1,337,330
FFB - Reserve	6,913,487	6,913,487
Total Cash - End of Period	\$ 8,250,817	\$ 8,250,817
Reconciliation of Increase (Decrease) In Net Assets to Net Cash Provided (Used) by Operating Activities:		
Increase (Decrease) in Net Assets	\$ 496,074	\$ 487,240
Net Cash Provided (Used) by Operating Activities:		
Amortization Expense	2,813	8,418
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(446,668)	(420,785)
(Increase) Decrease in Prepaid Expenses	(258,955)	(1,426,934)
Increase (Decrease) in Accounts Payable	(642,175)	(415,499)
Increase (Decrease) in Credit Cards Payable	(5,289)	365
Increase (Decrease) in Lease Liability	(2,865)	(8,574)
Net Cash Provided (Used) by Operating Activities	(\$ 857,065)	(\$ 1,775,769)

See Accountants' Compilation Report.

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Three Months Ended December 31, 2024 and Year Ended September 30, 2025

	One Month Ended December 31, 2024		Three Months Ended December 31, 2024		Fiscal Year Ended September 30, 2025
	Actual	Budget	Actual	Budget	Operating Budget
Revenue:					
Assessments - Domestic	\$ 547,105	\$ 490,102	\$ 1,388,545	\$ 1,470,303	\$ 5,881,210
Assessments - Imports	410,611	341,137	971,894	1,023,413	4,093,650
Contributions/Unrestricted Cash	-0-	764,512	-0-	2,293,536	9,174,144
Total Revenue	\$ 957,716	\$ 1,595,751	\$ 2,360,439	\$ 4,787,252	\$ 19,149,004
Program Expenses:					
Program Management	\$ 25,676	\$ 68,112	\$ 104,029	\$ 204,338	\$ 817,350
Marketing/Research	94,415	127,083	253,719	381,250	1,525,000
Promotion	253,591	631,043	1,223,548	1,893,128	7,572,509
Research	28,533	82,000	78,400	246,000	984,000
Contingency Fund	-0-	83,333	-0-	250,000	1,000,000
Total Program Expenses	\$ 402,215	\$ 991,571	\$ 1,659,696	\$ 2,974,716	\$ 11,898,859
Expenses:					
Compliance:					
Industry Audits	\$ 6,395	\$ 14,167	\$ 26,729	\$ 42,500	\$ 170,000
Printing, Forms, & Postage	148	417	200	1,250	5,000
Software	-0-	2,500	-0-	7,500	30,000
Total Compliance Expenses	\$ 6,543	\$ 17,084	\$ 26,929	\$ 51,250	\$ 205,000
General Administration:					
Accounting	\$ 12,500	\$ 12,500	\$ 35,975	\$ 37,500	\$ 150,000
Audit Financial	6,000	2,500	15,750	7,500	30,000
Bank Fees	207	58	267	175	700
Board Meetings/Travel	-0-	5,417	6,199	16,250	65,000
Insurance	55	2,083	690	6,250	25,000
Legal	-0-	7,917	5,845	23,750	95,000
Maintenance/Buildout	-0-	417	-0-	1,250	5,000
Miscellaneous	-0-	83	245	250	1,000
Office Equipment	353	417	4,484	1,250	5,000
Postage	78	225	486	2,500	2,700
Printing	-0-	833	-0-	675	10,000
Rent	563	3,750	1,689	11,250	45,000
Rent Amortization	2,861	-0-	8,582	-0-	-0-
Staff	28,592	26,700	96,279	80,100	320,400
Subscriptions Interest Expense	-0-	-0-	(22)	-0-	-0-
Subscriptions/Dues	59	100	244	300	1,200
Supplies	186	417	316	1,250	5,000
Telephone/Mobile/Internet	1,355	1,500	3,888	4,500	18,000
Travel Office	75	2,167	5,657	6,500	26,000
Total General Administration	\$ 52,884	\$ 67,084	\$ 186,574	\$ 201,250	\$ 805,000

AMERICAN PECAN PROMOTION BOARD

Operating Budget

For the One Month and Three Months Ended December 31, 2024 and Year Ended September 30, 2025

	One Month Ended December 31, 2024		Three Months Ended December 31, 2024		Fiscal Year Ended September 30, 2025
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
USDA Charges:					
USDA User Fee	\$ -0-	\$ 16,667	\$ -0-	\$ 50,000	\$ 200,000
Total USDA Charges	\$ -0-	\$ 16,667	\$ -0-	\$ 50,000	\$ 200,000
Total Expenses	\$ 59,427	\$ 100,835	\$ 213,503	\$ 302,500	\$ 1,210,000
Total Program and Expenses	\$ 461,642	\$ 1,092,406	\$ 1,873,199	\$ 3,277,216	\$ 13,108,859
Other Revenues and Expenses:					
Interest Income	\$ 13,648	\$ -0-	\$ 45,857	\$ -0-	\$ -0-
Prior Year Carry-Over	-0-	11,167	-0-	33,500	134,000
Unrestricted Cash	-0-	(514,512)	-0-	(1,543,536)	(6,174,145)
Total Other Revenues and Expense	\$ 13,648	(\$ 503,345)	\$ 45,857	(\$ 1,510,036)	(\$ 6,040,145)
Change in Net Assets	\$ 509,722	\$ -0-	\$ 533,097	\$ -0-	\$ -0-