



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

AMERICAN PECAN COUNCIL
Compiled Financial Statements
For the One Month and Two Months Ended
November 30, 2022

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To the Board of Directors of
American Pecan Council

ACCOUNTANTS' COMPILATION REPORT

Management is responsible for the accompanying financial statements of American Pecan Council (a government), which comprise the statement of net position – enterprise fund as of November 30, 2022 and the related statement of revenues, expenditures, and changes in net position – enterprise fund, and statement of cash flows – enterprise fund for the one month and two 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. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical content.

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 government's net position, results of operations, and cash flows. Accordingly, the 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, 2022 and year ended September 30, 2023 budgetary comparison schedule and operating budget are presented for the purpose of additional analysis and are 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 Council.

Armstrong, Backus & Co., L.L.P.

San Angelo, Texas
January 30, 2023

AMERICAN PECAN COUNCIL

Statement of Net Position - Enterprise Fund

As of November 30, 2022

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 3,462,048
Accounts Receivable	411,072
Prepaid Expenses	68,971
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Total Current Assets	\$ 3,942,091

Noncurrent Assets:

Depreciable Capital Assets	\$ 164,046
Accumulated Depreciation/Amortization	(57,798)
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Total Noncurrent Assets	\$ 106,248

Other Assets:

Security Deposit	\$ 5,875
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Total Other Assets	\$ 5,875

TOTAL ASSETS

\$ 4,054,214

LIABILITIES AND NET POSITION

Current Liabilities:

Accounts Payable	\$ 362,342
Current Portion of Long-term Liability	31,378
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Total Current Liabilities	\$ 393,720

Long-term Liabilities

Operating Lease	\$ 56,236
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Total Long-term Liabilities	\$ 56,236
	<hr/>
Total Liabilities	\$ 449,956

Net Position:

Net Investment in Capital Assets	\$ 106,248
Unrestricted	3,498,010
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Total Net Position	\$ 3,604,258

TOTAL LIABILITIES AND NET POSITION

\$ 4,054,214

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

**Statement of Revenues, Expenditures, and
Changes in Net Position - Enterprise Fund**

For the One Month and Two Months Ended November 30, 2022

	<u>One Month</u>	<u>Two Months</u>
Operating Revenues:		
Assessment Income	\$ 311,060	\$ 425,177
Total Operating Revenue	<u>\$ 311,060</u>	<u>\$ 425,177</u>
Operating Expenses:		
General Administrative:		
Staff and Administrative	\$ 40,005	\$ 80,010
Insurance	2,025	6,668
Compliance	-0-	18,900
Other General Administrative	11,859	26,474
Industry Relations:		
Industry Relations Activities	4,417	8,834
Industry Research	22,000	22,000
Marketing	500	52,697
Grades and Standards	<u>5,000</u>	<u>10,000</u>
Total Operating Expenses	<u>\$ 210,806</u>	<u>\$ 350,583</u>
Operating Income (Loss)	<u>\$ 100,254</u>	<u>\$ 74,594</u>
Nonoperating Revenues (Expenses):		
Interest Earned	<u>\$ 4,817</u>	<u>\$ 15,771</u>
Total Nonoperating Revenues	<u>\$ 4,817</u>	<u>\$ 15,771</u>
Change in Net Position	\$ 105,071	\$ 90,365
Net Position, Beginning	<u>3,499,187</u>	<u>3,513,893</u>
Net Position, Ending	<u>\$ 3,604,258</u>	<u>\$ 3,604,258</u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Statement of Cash Flows - Enterprise Fund

For the One Month and Two Months Ended November 30, 2022

	<u>One Month</u>	<u>Two Months</u>
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 102,751	\$ 327,777
Cash Paid for Salaries and Benefits	(40,005)	(80,010)
Cash Paid for Operating Expenses	(58,794)	(673,728)
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,952</u>	<u>(\$ 425,961)</u>
Cash Flows From Investing Activities:		
Cash Received from Interest Earned	\$ 4,817	\$ 15,771
Net Cash Provided (Used) by Investing Activities	<u>\$ 4,817</u>	<u>\$ 15,771</u>
Net Increase (Decrease) in Cash	\$ 8,769	(\$ 410,190)
Cash, Beginning of Period	<u>3,453,279</u>	<u>3,872,238</u>
Cash, End of Period	<u><u>\$ 3,462,048</u></u>	<u><u>\$ 3,462,048</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Income (Loss) from Operations	\$ 100,254	\$ 74,594
Adjustments to Reconcile Operation Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	394	955
Amortization Expense	2,985	5,970
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(208,309)	(97,400)
(Increase) Decrease in Prepaid Expenses	4,902	(1,151)
Increase (Decrease) in Accounts Payable	106,266	(403,858)
Increase (Decrease) in Operating Lease	(2,540)	(5,071)
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 3,952</u></u>	<u><u>(\$ 425,961)</u></u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Two Months Ended November 30, 2022

	Budget		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
Operating Revenue:				
2022-2023 Improved	\$ 435,000	\$ 435,000	\$ 425,177	(\$ 9,823)
Total Operating Revenue	\$ 435,000	\$ 435,000	\$ 425,177	(\$ 9,823)
Operating Expenses:				
General Administration:				
Staff and Administration:				
Contract Labor	\$ 95,500	\$ 95,500	\$ 80,010	\$ 15,490
Total Staff and Administration	\$ 95,500	\$ 95,500	\$ 80,010	\$ 15,490
Insurance:				
Travel	\$ 450	\$ 450	\$ -0-	\$ 450
General	1,284	1,284	1,854	(570)
D&O/Members	2,166	2,166	887	1,279
Fidelity	734	734	3,927	(3,193)
Total Insurance	\$ 4,634	\$ 4,634	\$ 6,668	(\$ 2,034)

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Two Months Ended November 30, 2022

	Budget		Actual	Favorable (Unfavorable)
	Original	Amended		
Compliance:				
Attorney/Crisis Management	\$ 4,166	\$ 4,166	\$ -0-	\$ 4,166
Audit Financial	3,334	3,334	-0-	3,334
Compliance Travel	7,500	7,500	-0-	7,500
Sheller/Handler Audits	25,000	25,000	18,900	6,100
Printing/Forms/Postage	1,666	1,666	-0-	1,666
Total Compliance	<u>\$ 41,666</u>	<u>\$ 41,666</u>	<u>\$ 18,900</u>	<u>\$ 22,766</u>
Rent:				
Interest Expense	\$ 8,334	\$ 8,334	\$ 1,101	\$ 7,233
Amortization Expense	-0-	-0-	554	(554)
Total Rent	<u>-0-</u>	<u>-0-</u>	<u>5,970</u>	<u>(5,970)</u>
Accounting/Financials	\$ 13,000	\$ 13,000	\$ 10,000	\$ 3,000
Telephone/Mobile/Internet	3,334	3,334	3,017	317
Travel Office	8,334	8,334	191	8,143
Travel Committee	16,666	16,666	-0-	16,666
Supplies	1,666	1,666	-0-	1,666
Maintenance/Buildout	2,500	2,500	-0-	2,500
Printing	3,334	3,334	978	2,356
IT/Furniture/Software	4,166	4,166	3,444	722
Subscriptions	3,334	3,334	185	3,149
Depreciation	-0-	-0-	955	(955)
Miscellaneous	834	834	79	755
Total General Administration	<u>\$ 207,302</u>	<u>\$ 207,302</u>	<u>\$ 132,052</u>	<u>\$ 75,250</u>
Contingency Fund	<u>\$ 90,366</u>	<u>\$ 90,366</u>	<u>\$ -0-</u>	<u>\$ 90,366</u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Two Months Ended November 30, 2022

	Budget		Actual	Favorable (Unfavorable)
	Original	Amended		
Industry Relations:				
Compliance:				
Compliance Materials	\$ 834	\$ 834	\$ -0-	\$ 834
Workshops	834	834	-0-	834
Total Compliance	<u>\$ 1,668</u>	<u>\$ 1,668</u>	<u>\$ -0-</u>	<u>\$ 1,668</u>
Industry Relations Activities:				
Annual Reports	\$ 1,334	\$ 1,334	\$ -0-	\$ 1,334
Communication Materials	8,334	8,334	5,600	2,734
Travel	8,334	8,334	-0-	8,334
Association Sponsorship	11,666	11,666	-0-	11,666
Handler Portal Maintenance	11,666	11,666	-0-	11,666
Meltwater	3,666	3,666	3,234	432
Total Industry Relations Activities	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ 8,834</u>	<u>\$ 36,166</u>
Industry Research:				
NASS	\$ 37,500	\$ 37,500	\$ 22,000	\$ 15,500
Research Contingency	16,664	16,664	-0-	16,664
Total Industry Research	<u>\$ 54,164</u>	<u>\$ 54,164</u>	<u>\$ 22,000</u>	<u>\$ 32,164</u>
Total Industry Relations	<u>\$ 100,832</u>	<u>\$ 100,832</u>	<u>\$ 30,834</u>	<u>\$ 69,998</u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Two Months Ended November 30, 2022

	Budget		Actual	Favorable (Unfavorable)
	Original	Amended		
International Relations:				
Unified Export Strategy/Emerging Market Proposal	\$ 15,834	\$ 15,834	\$ -0-	\$ 15,834
International Nut Congress-Nut Health Research	16,666	16,666	-0-	16,666
Travel	13,334	13,334	-0-	13,334
Weber Shandwick - Germany	-0-	-0-	125,000	(125,000)
Emerging Market Program Research	50,000	50,000	-0-	50,000
Market Access Program:				
UK/Germany	108,334	108,334	-0-	108,334
China	150,000	150,000	-0-	150,000
Contingency Fund	83,334	83,334	-0-	83,334
Total International Relations	<u>\$ 437,502</u>	<u>\$ 437,502</u>	<u>\$ 125,000</u>	<u>\$ 312,502</u>
Marketing:				
APC Travel for Events	\$ 6,666	\$ 6,666	\$ -0-	\$ 6,666
Aspire IQ	58,334	58,334	1,000	57,334
iHeart Media/Digital Magnet	-0-	-0-	45,000	(45,000)
Eat Well Global	83,334	83,334	6,697	76,637
IRI Reporting	25,000	25,000	-0-	25,000
RFTB Website	4,000	4,000	-0-	4,000
Research - Nut Health	64,166	64,166	-0-	64,166
Total Marketing	<u>\$ 241,500</u>	<u>\$ 241,500</u>	<u>\$ 52,697</u>	<u>\$ 188,803</u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Two Months Ended November 30, 2022

	Budget		Actual	Favorable (Unfavorable)
	Original	Amended		
Grades and Standards:				
Travel	\$ 5,000	\$ 5,000	\$ -0-	\$ 5,000
Shelf-Life Study:				
Prior Year Carry-over	16,684	16,684	-0-	16,684
Quality Assurance Program	8,334	8,334	10,000	(1,666)
Total Grades and Standards	\$ 30,018	\$ 30,018	\$ 10,000	\$ 20,018
Total Operating Expenses	\$ 1,107,520	\$ 1,107,520	\$ 350,583	\$ 756,937
Operating Income (Loss)	(\$ 672,520)	(\$ 672,520)	\$ 74,594	\$ 747,114
Nonoperating Revenues and Expenses:				
Interest Earned	\$ -0-	\$ -0-	\$ 15,771	\$ 15,771
Past Outstanding	66,668	66,668	-0-	(66,668)
Prior Year Carry-over - 2020 Expense Offset	122,518	122,518	-0-	(122,518)
Reserve	116,666	116,666	-0-	(116,666)
EMP Funding	83,334	83,334	-0-	(83,334)
Marketing Access Program (MAP)	283,334	283,334	-0-	(283,334)
Total Nonoperating Revenue	\$ 672,520	\$ 672,520	\$ 15,771	(\$ 656,749)
Change in Net Position	\$ -0-	\$ -0-	\$ 90,365	\$ 90,365

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

**For the One Month and Two Months Ended November 30, 2022 and
Year Ended September 30, 2023**

	One Month Ended November 30, 2022		Two Months November 30, 2022		Fiscal Year Ended September 30, 2023
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Operating Revenue:					
2022-2023 Improved	\$ 311,060	\$ 217,500	\$ 425,177	\$ 435,000	\$ 2,610,000
Total Operating Revenue	\$ 311,060	\$ 217,500	\$ 425,177	\$ 435,000	\$ 2,610,000
Operating Expenses:					
General Administration:					
Staff and Administration:					
Contract Labor	\$ 40,005	\$ 47,750	\$ 80,010	\$ 95,500	\$ 573,000
Total Staff and Administration	\$ 40,005	\$ 47,750	\$ 80,010	\$ 95,500	\$ 573,000
Insurance:					
Travel	\$ -0-	\$ 225	\$ -0-	\$ 450	\$ 2,700
General	1,581	642	1,854	1,284	7,700
D&O/Members	444	1,083	887	2,166	13,000
Fidelity	-0-	367	3,927	734	4,400
Total Insurance	\$ 2,025	\$ 2,317	\$ 6,668	\$ 4,634	\$ 27,800

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

**For the One Month and Two Months Ended November 30, 2022 and
Year Ended September 30, 2023**

	One Month Ended November 30, 2022		Two Months November 30, 2022		Fiscal Year Ended September 30, 2023
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Compliance:					
Attorney/Crisis Management	\$ -0-	\$ 2,083	\$ -0-	\$ 4,166	\$ 25,000
Audit Financial	-0-	1,667	-0-	3,334	20,000
Compliance Travel	-0-	3,750	-0-	7,500	45,000
Sheller/Handler Audits	-0-	12,500	18,900	25,000	150,000
Printing/Forms/Postage	-0-	833	-0-	1,666	10,000
Total Compliance	\$ -0-	\$ 20,833	\$ 18,900	\$ 41,666	\$ 250,000
Rent:	\$ 549	\$ 4,167	\$ 1,101	\$ 8,334	\$ 50,000
Interest Expense	273	-0-	554	0	-0-
Amortization Expense	2,985	-0-	5,970	0	-0-
Total Rent	\$ 3,807	\$ 4,167	\$ 7,625	\$ 8,334	\$ 50,000
Accounting/Financials	\$ 4,000	\$ 6,500	\$ 10,000	\$ 13,000	\$ 78,000
Telephone/Mobile/Internet	1,502	1,667	3,017	3,334	20,000
Travel Office	-0-	4,167	191	8,334	50,000
Travel Committee	-0-	8,333	-0-	16,666	100,000
Supplies	-0-	833	-0-	1,666	10,000
Maintenance/Buildout	-0-	1,250	-0-	2,500	15,000
Printing	650	1,667	978	3,334	20,000
IT/Furniture/Software	1,384	2,083	3,444	4,166	25,000
Subscriptions	84	1,667	185	3,334	20,000
Depreciation	394	-0-	955	-0-	-0-
Miscellaneous	38	417	79	834	5,000
Total General Administration	\$ 53,889	\$ 103,651	\$ 132,052	\$ 207,302	\$ 1,243,800
Contingency Fund	\$ -0-	\$ 45,183	\$ -0-	\$ 90,366	\$ 542,200

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

**For the One Month and Two Months Ended November 30, 2022 and
Year Ended September 30, 2023**

	One Month Ended November 30, 2022		Two Months November 30, 2022		Fiscal Year Ended September 30, 2023
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Industry Relations:					
Compliance:					
Compliance Materials	\$ -0-	\$ 417	\$ -0-	\$ 834	\$ 5,000
Workshops	-0-	417	-0-	834	5,000
Total Compliance	\$ -0-	\$ 834	\$ -0-	\$ 1,668	\$ 10,000
Industry Relations Activities:					
Annual Reports	\$ -0-	\$ 667	\$ -0-	\$ 1,334	\$ 8,000
Communication Materials	2,800	4,167	5,600	8,334	50,000
Travel	-0-	4,167	-0-	8,334	50,000
Association Sponsorship	-0-	5,833	-0-	11,666	70,000
Handler Portal Maintenance	-0-	5,833	-0-	11,666	70,000
Meltwater	1,617	1,833	3,234	3,666	22,000
Total Industry Relations Activities	\$ 4,417	\$ 22,500	\$ 8,834	\$ 45,000	\$ 270,000
Industry Research:					
NASS	\$ 22,000	\$ 18,750	\$ 22,000	\$ 37,500	\$ 225,000
Research Contingency	-0-	8,332	-0-	16,664	100,000
Total Industry Research	\$ 22,000	\$ 27,082	\$ 22,000	\$ 54,164	\$ 325,000
Total Industry Relations	\$ 26,417	\$ 50,416	\$ 30,834	\$ 100,832	\$ 605,000

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

**For the One Month and Two Months Ended November 30, 2022 and
Year Ended September 30, 2023**

	One Month Ended November 30, 2022		Two Months November 30, 2022		Fiscal Year Ended September 30, 2023
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
International Relations:					
Unified Export Strategy/Emerging Market Proposal	\$ -0-	\$ 7,917	\$ -0-	\$ 15,834	\$ 95,000
International Nut Congress-Nut Health Research	-0-	8,333	-0-	16,666	100,000
Travel	-0-	6,667	-0-	13,334	80,000
Weber Shandwick - Germany	125,000	-0-	125,000	-0-	-0-
Emerging Market Program Research	-0-	25,000	-0-	50,000	300,000
Market Access Program:					
UK/Germany	-0-	54,167	-0-	108,334	650,000
China	-0-	75,000	-0-	150,000	900,000
Contingency Fund	-0-	41,667	-0-	83,334	500,000
Total International Relations	\$ 125,000	\$ 218,751	\$ 125,000	\$ 437,502	\$ 2,625,000
Marketing:					
APC Travel for Events	\$ -0-	\$ 3,333	\$ -0-	\$ 6,666	\$ 40,000
Aspire IQ	500	29,167	1,000	58,334	350,000
iHeart Media/Digital Magnet	-0-	-0-	45,000	-0-	-0-
Eat Well Global	-0-	41,667	6,697	83,334	500,000
IRI Reporting	-0-	12,500	-0-	25,000	150,000
RFTB Website	-0-	2,000	-0-	4,000	24,000
Research - Nuth Health	-0-	32,083	-0-	64,166	385,000
Total Marketing	\$ 500	\$ 120,750	\$ 52,697	\$ 241,500	\$ 1,449,000

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

**For the One Month and Two Months Ended November 30, 2022 and
Year Ended September 30, 2023**

	One Month Ended November 30, 2022		Two Months November 30, 2022		Fiscal Year Ended September 30, 2023
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Grades and Standards:					
Travel	\$ -0-	\$ 2,500	\$ -0-	\$ 5,000	\$ 30,000
Shelf-Life Study:					
Prior Year Carry-over	-0-	8,342	-0-	16,684	100,108
Quality Assurance Program	5,000	4,167	10,000	8,334	50,000
Total Grades and Standards	\$ 5,000	\$ 15,009	\$ 10,000	\$ 30,018	\$ 180,108
Total Operating Expenses	\$ 210,806	\$ 553,760	\$ 350,583	\$ 1,107,520	\$ 6,645,108
Operating Income (Loss)	\$ 100,254	(\$ 336,260)	\$ 74,594	(\$ 672,520)	(\$ 4,035,108)
Nonoperating Revenues and Expenses:					
Interest Earned	\$ 4,817	\$ -0-	\$ 15,771	\$ -0-	\$ -0-
Past Outstanding	-0-	33,334	-0-	66,668	400,000
Prior Year Carry-over - 2022 Expense Offset	-0-	61,259	-0-	122,518	735,108
Other Income:					
Reserve	-0-	58,333	-0-	116,666	700,000
EMP Funding	-0-	41,667	-0-	83,334	500,000
Marketing Access Program (MAP)	-0-	141,667	-0-	283,334	1,700,000
Total Nonoperating Revenue	\$ 4,817	\$ 336,260	\$ 15,771	\$ 672,520	\$ 4,035,108
Change in Net Position	\$ 105,071	\$ -0-	\$ 90,365	\$ -0-	\$ -0-

See Accountants' Compilation Report.