



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

AMERICAN PECAN COUNCIL
Compiled Financial Statements
For the One Month and Seven Months Ended
April 30, 2023

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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 April 30, 2023 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 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. 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part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical content.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 seven months ended April 30, 2023 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
May 19, 2023

AMERICAN PECAN COUNCIL

Statement of Net Position - Enterprise Fund

As of April 30, 2023

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 3,920,690
Accounts Receivable	278,731
Prepaid Expenses	58,545
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Total Current Assets	\$ 4,257,966

Noncurrent Assets:

Depreciable Capital Assets	\$ 164,046
Accumulated Depreciation and Amortization	(74,531)
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Total Noncurrent Assets	\$ 89,515

Other Assets:

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

TOTAL ASSETS

\$ 4,353,356

LIABILITIES AND NET POSITION

Current Liabilities:

Accounts Payable	\$ 145,758
Noncurrent Lease Obligations Payable	32,161
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Total Current Liabilities	\$ 177,919

Long-term Liabilities

Lease Obligations Payable	\$ 42,636
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Total Long-term Liabilities	\$ 42,636
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Total Liabilities	\$ 220,555

Net Position:

Net Investment in Capital Assets	\$ 89,515
Unrestricted	4,043,286
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Total Net Position	\$ 4,132,801

TOTAL LIABILITIES AND NET POSITION

\$ 4,353,356

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

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

For the One Month and Seven Months Ended April 30, 2023

	One Month	Seven Months
Operating Revenues:		
Assessment Income	\$ 115,604	\$ 2,098,342
Total Operating Revenue	\$ 115,604	\$ 2,098,342
Operating Expenses:		
General Administrative:		
Staff and Administrative	\$ 40,005	\$ 298,035
Insurance	717	10,876
Compliance	234	19,842
Other General Administrative	9,295	125,750
Contingency Fund	-0-	20,000
Industry Relations:		
Industry Relations Activities	16,628	104,880
Industry Research	-0-	225,000
International Relations	9,000	234,794
Marketing	80,110	455,626
Grades and Standards	-0-	25,000
Total Operating Expenses	\$ 155,989	\$ 1,519,803
Operating Income (Loss)	(\$ 40,385)	\$ 578,539
Nonoperating Revenues (Expenses):		
Interest Earned	\$ 10,654	\$ 40,329
Total Nonoperating Revenues	\$ 10,654	\$ 40,329
Change in Net Position	(\$ 29,731)	\$ 618,868
Net Position, Beginning as Previously Stated	\$ 4,222,194	\$ 3,513,893
Prior Period Adjustment	(59,662)	40
Net Position, Beginning as Restated	\$ 4,162,532	\$ 3,513,933
Net Position, Ending	\$ 4,132,801	\$ 4,132,801

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Statement of Cash Flows - Enterprise Fund

For the One Month and Seven Months Ended April 30, 2023

	<u>One Month</u>	<u>Seven Months</u>
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 445,215	\$ 2,133,323
Cash Paid for Salaries and Benefits	(40,005)	(298,035)
Cash Paid for Operating Expenses	(194,294)	(1,827,165)
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Net Cash Provided (Used) by Operating Activities	\$ 210,916	\$ 8,123
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Cash Flows From Investing Activities:		
Cash Received from Interest Earned	\$ 10,654	\$ 40,329
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Net Cash Provided (Used) by Investing Activities	\$ 10,654	\$ 40,329
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Net Increase (Decrease) in Cash	\$ 221,570	\$ 48,452
Cash, Beginning of Period	3,699,120	3,872,238
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Cash, End of Period	\$ 3,920,690	\$ 3,920,690
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Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	(\$ 40,385)	\$ 578,539
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	349	2,764
Amortization Expense	2,985	20,894
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	329,611	34,981
(Increase) Decrease in Prepaid Expenses	68	9,275
Increase (Decrease) in Accounts Payable	(79,133)	(620,442)
Increase (Decrease) in Operating Lease	(2,579)	(17,888)
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Net Cash Provided (Used) by Operating Activities	\$ 210,916	\$ 8,123
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See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Seven Months Ended April 30, 2023

	Budget		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
Operating Revenue:				
2022-2023 Improved	\$ 1,522,500	\$ 1,522,500	\$ 2,098,342	\$ 575,842
Total Operating Revenue	\$ 1,522,500	\$ 1,522,500	\$ 2,098,342	\$ 575,842
Operating Expenses:				
General Administration:				
Staff and Administration:				
Contract Labor	\$ 334,250	\$ 334,250	\$ 298,035	\$ 36,215
Total Staff and Administration	\$ 334,250	\$ 334,250	\$ 298,035	\$ 36,215
Insurance:				
Travel	\$ 1,575	\$ 1,575	\$ 725	\$ 850
General	4,494	4,494	3,119	1,375
D&O/Members	7,581	7,581	3,105	4,476
Fidelity	2,569	2,569	3,927	(1,358)
Total Insurance	\$ 16,219	\$ 16,219	\$ 10,876	\$ 5,343

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Seven Months Ended April 30, 2023

	Budget		Actual	Favorable (Unfavorable)
	Original	Amended		
Compliance:				
Attorney/Crisis Management	\$ 14,581	\$ 14,581	\$ -0-	\$ 14,581
Audit Financial	11,669	11,669	-0-	11,669
Compliance Travel	26,250	26,250	-0-	26,250
Sheller/Handler Audits	87,500	87,500	18,900	68,600
Printing/Forms/Postage	5,831	5,831	942	4,889
Total Compliance	<u>\$ 145,831</u>	<u>\$ 145,831</u>	<u>\$ 19,842</u>	<u>\$ 125,989</u>
Rent:	\$ 29,169	\$ 29,169	\$ 4,476	\$ 24,693
Interest Expense	-0-	-0-	1,799	(1,799)
Amortization Expense	-0-	-0-	20,894	(20,894)
Total Rent	<u>\$ 29,169</u>	<u>\$ 29,169</u>	<u>\$ 27,169</u>	<u>\$ 2,000</u>
Accounting/Financials	\$ 45,500	\$ 45,500	\$ 40,708	\$ 4,792
Telephone/Mobile/Internet	11,669	11,669	9,832	1,837
Travel Office	29,169	29,169	1,744	27,425
Travel Committee	58,331	58,331	10,108	48,223
Supplies	5,831	5,831	2,109	3,722
Maintenance/Buildout	8,750	8,750	-0-	8,750
Printing	11,669	11,669	2,516	9,153
IT/Furniture/Software	14,581	14,581	19,244	(4,663)
Subscriptions	11,669	11,669	6,526	5,143
Depreciation	-0-	-0-	2,764	(2,764)
Miscellaneous	2,919	2,919	3,030	(111)
Total General Administration	<u>\$ 725,557</u>	<u>\$ 725,557</u>	<u>\$ 454,503</u>	<u>\$ 271,054</u>
Contingency Fund	<u>\$ 316,281</u>	<u>\$ 316,281</u>	<u>\$ 20,000</u>	<u>\$ 296,281</u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Seven Months Ended April 30, 2023

	Budget		Actual	Favorable (Unfavorable)
	Original	Amended		
Industry Relations:				
Compliance:				
Compliance Materials	\$ 2,919	\$ 2,919	\$ -0-	\$ 2,919
Workshops	2,919	2,919	-0-	2,919
Total Compliance	<u>\$ 5,838</u>	<u>\$ 5,838</u>	<u>\$ -0-</u>	<u>\$ 5,838</u>
Industry Relations Activities:				
Annual Reports	\$ 4,669	\$ 4,669	\$ -0-	\$ 4,669
Communication Materials	29,169	29,169	33,348	(4,179)
Travel	29,169	29,169	52,668	(23,499)
Association Sponsorship	40,831	40,831	7,547	33,284
Handler Portal Maintenance	40,831	40,831	-0-	40,831
Meltwater	12,831	12,831	11,317	1,514
Total Industry Relations Activities	<u>\$ 157,500</u>	<u>\$ 157,500</u>	<u>\$ 104,880</u>	<u>\$ 52,620</u>
Industry Research:				
NASS	\$ 131,250	\$ 131,250	\$ 225,000	(\$ 93,750)
Research Contingency	58,324	58,324	-0-	58,324
Total Industry Research	<u>\$ 189,574</u>	<u>\$ 189,574</u>	<u>\$ 225,000</u>	<u>(\$ 35,426)</u>
Total Industry Relations	<u>\$ 352,912</u>	<u>\$ 352,912</u>	<u>\$ 329,880</u>	<u>\$ 23,032</u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Seven Months Ended April 30, 2023

	Budget		Actual	Favorable (Unfavorable)
	Original	Amended		
International Relations:				
Unified Export Strategy/Emerging Market Proposal	\$ 55,419	\$ 55,419	\$ 95,000	(\$ 39,581)
International Nut Congress-Nut Health Research	58,331	58,331	9,000	49,331
Travel	46,669	46,669	5,794	40,875
Emerging Market Program Research	175,000	175,000	-0-	175,000
Market Access Program:				
UK/Germany	379,169	379,169	125,000	254,169
China	525,000	525,000	-0-	525,000
Contingency Fund	291,669	291,669	-0-	291,669
Total International Relations	\$ 1,531,257	\$ 1,531,257	\$ 234,794	\$ 1,296,463
Marketing:				
APC Travel for Events	\$ 23,331	\$ 23,331	\$ -0-	\$ 23,331
Aspire IQ	204,169	204,169	93,140	111,029
iHeart Media/Digital Magnet	-0-	-0-	45,000	(45,000)
Eat Well Global	291,669	291,669	221,895	69,774
IRI Reporting	87,500	87,500	-0-	87,500
RFTB Website	14,000	14,000	-0-	14,000
Research - Nut Health	224,581	224,581	-0-	224,581
Total Marketing	\$ 845,250	\$ 845,250	\$ 455,626	\$ 389,624

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Seven Months Ended April 30, 2023

	Budget		Actual	Favorable (Unfavorable)
	Original	Amended		
Grades and Standards:				
Travel	\$ 17,500	\$ 17,500	\$ -0-	\$ 17,500
Shelf-Life Study:				
Prior Year Carry-over	58,394	58,394	-0-	58,394
Quality Assurance Program	29,169	29,169	25,000	4,169
Total Grades and Standards	\$ 105,063	\$ 105,063	\$ 25,000	\$ 80,063
Total Operating Expenses	\$ 3,876,320	\$ 3,876,320	\$ 1,519,803	\$ 2,356,517
Operating Income (Loss)	(\$ 2,353,820)	(\$ 2,353,820)	\$ 578,539	\$ 2,932,359
Nonoperating Revenues and Expenses:				
Interest Earned	\$ -0-	\$ -0-	\$ 40,329	\$ 40,329
Past Outstanding	233,338	233,338	-0-	(233,338)
Prior Year Carry-over - 2020 Expense Offset	428,813	428,813	-0-	(428,813)
Reserve	408,331	408,331	-0-	(408,331)
EMP Funding	291,669	291,669	-0-	(291,669)
Marketing Access Program (MAP)	991,669	991,669	-0-	(991,669)
Total Nonoperating Revenue	\$ 2,353,820	\$ 2,353,820	\$ 40,329	(\$ 2,313,491)
Change in Net Position	\$ -0-	\$ -0-	\$ 618,868	\$ 618,868

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

**For the One Month and Seven Months Ended April 30, 2023 and
Year Ended September 30, 2023**

	One Month Ended April 30, 2023		Seven Months Ended April 30, 2023		Fiscal Year Ended September 30, 2023
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Operating Revenue:					
2022-2023 Improved	\$ 115,604	\$ 217,500	\$ 2,098,342	\$ 1,522,500	\$ 2,610,000
Total Operating Revenue	\$ 115,604	\$ 217,500	\$ 2,098,342	\$ 1,522,500	\$ 2,610,000
Operating Expenses:					
General Administration:					
Staff and Administration:					
Contract Labor	\$ 40,005	\$ 47,750	\$ 298,035	\$ 334,250	\$ 573,000
Total Staff and Administration	\$ 40,005	\$ 47,750	\$ 298,035	\$ 334,250	\$ 573,000
Insurance:					
Travel	\$ -0-	\$ 225	\$ 725	\$ 1,575	\$ 2,700
General	273	642	3,119	4,494	7,700
D&O/Members	444	1,083	3,105	7,581	13,000
Fidelity	-0-	367	3,927	2,569	4,400
Total Insurance	\$ 717	\$ 2,317	\$ 10,876	\$ 16,219	\$ 27,800

See Accountants' Compilation Report.