



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

AMERICAN PECAN COUNCIL
Compiled Financial Statements
For the One Month and Four Months Ended
January 31, 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 January 31, 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 four 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part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical content.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 four months ended January 31, 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
March 6, 2023

AMERICAN PECAN COUNCIL

Statement of Net Position - Enterprise Fund

As of January 31, 2023

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	3,118,351
Accounts Receivable		872,729
Prepaid Expenses		67,370
Total Current Assets	\$	4,058,450

Noncurrent Assets:

Depreciable Capital Assets	\$	164,046
Accumulated Depreciation/Amortization	(64,508)
Total Noncurrent Assets	\$	99,538

Other Assets:

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

TOTAL ASSETS

\$ 4,163,863

LIABILITIES AND NET POSITION

Current Liabilities:

Accounts Payable	\$	81,497
Current Portion of Long-term Liability		31,675
Total Current Liabilities	\$	113,172

Long-term Liabilities

Operating Lease	\$	50,836
Total Long-term Liabilities	\$	50,836
Total Liabilities	\$	164,008

Net Position:

Net Investment in Capital Assets	\$	99,538
Unrestricted		3,900,317
Total Net Position	\$	3,999,855

TOTAL LIABILITIES AND NET POSITION

\$ 4,163,863

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

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

For the One Month and Four Months Ended January 31, 2023

	<u>One Month</u>	<u>Four Months</u>
Operating Revenues:		
Assessment Income	\$ 350,215	\$ 1,302,585
	<hr/>	<hr/>
Total Operating Revenue	\$ 350,215	\$ 1,302,585
	<hr/>	<hr/>
Operating Expenses:		
General Administrative:		
Staff and Administrative	\$ 40,005	\$ 160,020
Insurance	717	8,001
Compliance	-0-	19,271
Other General Administrative	18,951	65,305
Industry Relations:		
Industry Relations Activities	10,120	24,812
Industry Research	110,000	176,000
International Relations	-0-	225,794
Marketing	500	142,910
Grades and Standards	5,000	20,000
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Total Operating Expenses	\$ 185,293	\$ 842,113
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Operating Income (Loss)	\$ 164,922	\$ 460,472
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Nonoperating Revenues (Expenses):		
Interest Earned	\$ 4,694	\$ 25,450
	<hr/>	<hr/>
Total Nonoperating Revenues	\$ 4,694	\$ 25,450
	<hr/>	<hr/>
Change in Net Position	\$ 169,616	\$ 485,922
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Net Position, Beginning as Previously Stated	\$ 3,689,985	\$ 3,513,893
	<hr/>	<hr/>
Prior Period Adjustment	140,254	40
	<hr/>	<hr/>
Net Position, Beginning as Restated	\$ 3,830,239	\$ 3,513,933
	<hr/>	<hr/>
Net Position, Ending	\$ 3,999,855	\$ 3,999,855
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See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Statement of Cash Flows - Enterprise Fund

For the One Month and Four Months Ended January 31, 2023

	One Month	Four Months
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 271,942	\$ 743,568
Cash Paid for Salaries and Benefits	(40,005)	(160,020)
Cash Paid for Operating Expenses	(550,631)	(1,362,885)
	(\$ 318,694)	(\$ 779,337)
Cash Flows From Investing Activities:		
Cash Received from Interest Earned	\$ 4,694	\$ 25,450
	\$ 4,694	\$ 25,450
Net Increase (Decrease) in Cash	(\$ 314,000)	(\$ 753,887)
Cash, Beginning of Period	3,432,351	3,872,238
Cash, End of Period	\$ 3,118,351	\$ 3,118,351
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Income (Loss) from Operations	\$ 164,922	\$ 460,472
Adjustments to Reconcile Operation Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	371	1,696
Amortization Expense	2,985	11,939
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(78,273)	(559,017)
(Increase) Decrease in Prepaid Expenses	(1,949)	450
Increase (Decrease) in Accounts Payable	(404,195)	(684,703)
Increase (Decrease) in Operating Lease	(2,555)	(10,174)
	(\$ 318,694)	(\$ 779,337)

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Four Months Ended January 31, 2023

	Budget		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
Operating Revenue:				
2022-2023 Improved	\$ 870,000	\$ 870,000	\$ 1,302,585	\$ 432,585
Total Operating Revenue	\$ 870,000	\$ 870,000	\$ 1,302,585	\$ 432,585
Operating Expenses:				
General Administration:				
Staff and Administration:				
Contract Labor	\$ 191,000	\$ 191,000	\$ 160,020	\$ 30,980
Total Staff and Administration	\$ 191,000	\$ 191,000	\$ 160,020	\$ 30,980
Insurance:				
Travel	\$ 900	\$ 900	\$ -0-	\$ 900
General	2,568	2,568	2,300	268
D&O/Members	4,332	4,332	1,774	2,558
Fidelity	1,468	1,468	3,927	(2,459)
Total Insurance	\$ 9,268	\$ 9,268	\$ 8,001	\$ 1,267

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Four Months Ended January 31, 2023

	Budget		Actual	Favorable (Unfavorable)
	Original	Amended		
Compliance:				
Attorney/Crisis Management	\$ 8,332	\$ 8,332	\$ -0-	\$ 8,332
Audit Financial	6,668	6,668	-0-	6,668
Compliance Travel	15,000	15,000	-0-	15,000
Sheller/Handler Audits	50,000	50,000	18,900	31,100
Printing/Forms/Postage	3,332	3,332	371	2,961
Total Compliance	\$ 83,332	\$ 83,332	\$ 19,271	\$ 64,061
Rent:	\$ 16,668	\$ 16,668	\$ 2,198	\$ 14,470
Interest Expense	-0-	-0-	1,076	(1,076)
Amortization Expense	-0-	-0-	11,939	(11,939)
Total Rent	\$ 16,668	\$ 16,668	\$ 15,213	\$ 1,455
Accounting/Financials	\$ 26,000	\$ 26,000	\$ 23,875	\$ 2,125
Telephone/Mobile/Internet	6,668	6,668	5,616	1,052
Travel Office	16,668	16,668	1,744	14,924
Travel Committee	33,332	33,332	453	32,879
Supplies	3,332	3,332	574	2,758
Maintenance/Buildout	5,000	5,000	-0-	5,000
Printing	6,668	6,668	1,373	5,295
IT/Furniture/Software	8,332	8,332	7,217	1,115
Subscriptions	6,668	6,668	4,885	1,783
Depreciation	-0-	-0-	1,696	(1,696)
Miscellaneous	1,668	1,668	2,659	(991)
Total General Administration	\$ 414,604	\$ 414,604	\$ 252,597	\$ 162,007
Contingency Fund	\$ 180,732	\$ 180,732	\$ -0-	\$ 180,732

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Four Months Ended January 31, 2023

	Budget		Actual	Favorable (Unfavorable)
	Original	Amended		
Industry Relations:				
Compliance:				
Compliance Materials	\$ 1,668	\$ 1,668	\$ -0-	\$ 1,668
Workshops	1,668	1,668	-0-	1,668
Total Compliance	<u>\$ 3,336</u>	<u>\$ 3,336</u>	<u>\$ -0-</u>	<u>\$ 3,336</u>
Industry Relations Activities:				
Annual Reports	\$ 2,668	\$ 2,668	\$ -0-	\$ 2,668
Communication Materials	16,668	16,668	15,548	1,120
Travel	16,668	16,668	-0-	16,668
Association Sponsorship	23,332	23,332	2,797	20,535
Handler Portal Maintenance	23,332	23,332	-0-	23,332
Meltwater	7,332	7,332	6,467	865
Total Industry Relations Activities	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 24,812</u>	<u>\$ 65,188</u>
Industry Research:				
NASS	\$ 75,000	\$ 75,000	\$ 156,000	(\$ 81,000)
Research Contingency	33,328	33,328	20,000	13,328
Total Industry Research	<u>\$ 108,328</u>	<u>\$ 108,328</u>	<u>\$ 176,000</u>	<u>(\$ 67,672)</u>
Total Industry Relations	<u>\$ 201,664</u>	<u>\$ 201,664</u>	<u>\$ 200,812</u>	<u>\$ 852</u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Four Months Ended January 31, 2023

	Budget		Actual	Favorable (Unfavorable)
	Original	Amended		
International Relations:				
Unified Export Strategy/Emerging Market Proposal	\$ 31,668	\$ 31,668	\$ 95,000	(\$ 63,332)
International Nut Congress-Nut Health Research	33,332	33,332	-0-	33,332
Travel	26,668	26,668	5,794	20,874
Emerging Market Program Research	100,000	100,000	-0-	100,000
Market Access Program:				
UK/Germany	216,668	216,668	125,000	91,668
China	300,000	300,000	-0-	300,000
Contingency Fund	166,668	166,668	-0-	166,668
Total International Relations	\$ 875,004	\$ 875,004	\$ 225,794	\$ 649,210
Marketing:				
APC Travel for Events	\$ 13,332	\$ 13,332	\$ -0-	\$ 13,332
Aspire IQ	116,668	116,668	62,000	54,668
iHeart Media/Digital Magnet	-0-	-0-	45,000	(45,000)
Eat Well Global	166,668	166,668	35,910	130,758
IRI Reporting	50,000	50,000	-0-	50,000
RFTB Website	8,000	8,000	-0-	8,000
Research - Nut Health	128,332	128,332	-0-	128,332
Total Marketing	\$ 483,000	\$ 483,000	\$ 142,910	\$ 340,090

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Four Months Ended January 31, 2023

	Budget		Actual	Favorable (Unfavorable)
	Original	Amended		
Grades and Standards:				
Travel	\$ 10,000	\$ 10,000	\$ -0-	\$ 10,000
Shelf-Life Study:				
Prior Year Carry-over	33,368	33,368	-0-	33,368
Quality Assurance Program	16,668	16,668	20,000	(3,332)
Total Grades and Standards	\$ 60,036	\$ 60,036	\$ 20,000	\$ 40,036
Total Operating Expenses	\$ 2,215,040	\$ 2,215,040	\$ 842,113	\$ 1,372,927
Operating Income (Loss)	(\$ 1,345,040)	(\$ 1,345,040)	\$ 460,472	\$ 1,805,512
Nonoperating Revenues and Expenses:				
Interest Earned	\$ -0-	\$ -0-	\$ 25,450	\$ 25,450
Past Outstanding	133,336	133,336	-0-	(133,336)
Prior Year Carry-over - 2020 Expense Offset	245,036	245,036	-0-	(245,036)
Reserve	233,332	233,332	-0-	(233,332)
EMP Funding	166,668	166,668	-0-	(166,668)
Marketing Access Program (MAP)	566,668	566,668	-0-	(566,668)
Total Nonoperating Revenue	\$ 1,345,040	\$ 1,345,040	\$ 25,450	(\$ 1,319,590)
Change in Net Position	\$ -0-	\$ -0-	\$ 485,922	\$ 485,922

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

**For the One Month and Four Months Ended January 31, 2023 and
Year Ended September 30, 2023**

	One Month Ended January 31, 2023		Four Months January 31, 2023		Fiscal Year Ended September 30, 2023
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Operating Revenue:					
2022-2023 Improved	\$ 350,215	\$ 217,500	\$ 1,302,585	\$ 870,000	\$ 2,610,000
Total Operating Revenue	\$ 350,215	\$ 217,500	\$ 1,302,585	\$ 870,000	\$ 2,610,000
Operating Expenses:					
General Administration:					
Staff and Administration:					
Contract Labor	\$ 40,005	\$ 47,750	\$ 160,020	\$ 191,000	\$ 573,000
Total Staff and Administration	\$ 40,005	\$ 47,750	\$ 160,020	\$ 191,000	\$ 573,000
Insurance:					
Travel	\$ -0-	\$ 225	\$ -0-	\$ 900	\$ 2,700
General	273	642	2,300	2,568	7,700
D&O/Members	444	1,083	1,774	4,332	13,000
Fidelity	-0-	367	3,927	1,468	4,400
Total Insurance	\$ 717	\$ 2,317	\$ 8,001	\$ 9,268	\$ 27,800

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

**For the One Month and Four Months Ended January 31, 2023 and
Year Ended September 30, 2023**

	One Month Ended January 31, 2023		Four Months January 31, 2023		Fiscal Year Ended September 30, 2023
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Compliance:					
Attorney/Crisis Management	\$ -0-	\$ 2,083	\$ -0-	\$ 8,332	\$ 25,000
Audit Financial	-0-	1,667	-0-	6,668	20,000
Compliance Travel	-0-	3,750	-0-	15,000	45,000
Sheller/Handler Audits	-0-	12,500	18,900	50,000	150,000
Printing/Forms/Postage	-0-	833	371	3,332	10,000
Total Compliance	\$ -0-	\$ 20,833	\$ 19,271	\$ 83,332	\$ 250,000
Rent:					
Interest Expense	\$ 549	\$ 4,167	\$ 2,198	\$ 16,668	\$ 50,000
Amortization Expense	257	-0-	1,076	-0-	-0-
Total Rent	2,985	-0-	11,939	-0-	-0-
Total Rent	\$ 3,791	\$ 4,167	\$ 15,213	\$ 16,668	\$ 50,000
Accounting/Financials	\$ 9,875	\$ 6,500	\$ 23,875	\$ 26,000	\$ 78,000
Telephone/Mobile/Internet	1,088	1,667	5,616	6,668	20,000
Travel Office	-0-	4,167	1,744	16,668	50,000
Travel Committee	-0-	8,333	453	33,332	100,000
Supplies	-0-	833	574	3,332	10,000
Maintenance/Buildout	-0-	1,250	-0-	5,000	15,000
Printing	(229)	1,667	1,373	6,668	20,000
IT/Furniture/Software	1,430	2,083	7,217	8,332	25,000
Subscriptions	84	1,667	4,885	6,668	20,000
Depreciation	371	-0-	1,696	-0-	-0-
Miscellaneous	2,541	417	2,659	1,668	5,000
Total General Administration	\$ 59,673	\$ 103,651	\$ 252,597	\$ 414,604	\$ 1,243,800
Contingency Fund	\$ -0-	\$ 45,183	\$ -0-	\$ 180,732	\$ 542,200

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

**For the One Month and Four Months Ended January 31, 2023 and
Year Ended September 30, 2023**

	One Month Ended January 31, 2023		Four Months January 31, 2023		Fiscal Year Ended September 30, 2023
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Industry Relations:					
Compliance:					
Compliance Materials	\$ -0-	\$ 417	\$ -0-	\$ 1,668	\$ 5,000
Workshops	-0-	417	-0-	1,668	5,000
Total Compliance	\$ -0-	\$ 834	\$ -0-	\$ 3,336	\$ 10,000
Industry Relations Activities:					
Annual Reports	\$ -0-	\$ 667	\$ -0-	\$ 2,668	\$ 8,000
Communication Materials	7,148	4,167	15,548	16,668	50,000
Travel	-0-	4,167	-0-	16,668	50,000
Association Sponsorship	1,355	5,833	2,797	23,332	70,000
Handler Portal Maintenance	-0-	5,833	-0-	23,332	70,000
Meltwater	1,617	1,833	6,467	7,332	22,000
Total Industry Relations Activities	\$ 10,120	\$ 22,500	\$ 24,812	\$ 90,000	\$ 270,000
Industry Research:					
NASS	\$ 90,000	\$ 18,750	\$ 156,000	\$ 75,000	\$ 225,000
Research Contingency	20,000	8,332	20,000	33,328	100,000
Total Industry Research	\$ 110,000	\$ 27,082	\$ 176,000	\$ 108,328	\$ 325,000
Total Industry Relations	\$ 120,120	\$ 50,416	\$ 200,812	\$ 201,664	\$ 605,000

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

**For the One Month and Four Months Ended January 31, 2023 and
Year Ended September 30, 2023**

	One Month Ended January 31, 2023		Four Months January 31, 2023		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	\$ 95,000	\$ 31,668	\$ 95,000
International Nut Congress-Nut Health Research	-0-	8,333	-0-	33,332	100,000
Travel	-0-	6,667	5,794	26,668	80,000
Emerging Market Program Research	-0-	25,000	-0-	100,000	300,000
Market Access Program:					
UK/Germany	-0-	54,167	125,000	216,668	650,000
China	-0-	75,000	-0-	300,000	900,000
Contingency Fund	-0-	41,667	-0-	166,668	500,000
Total International Relations	\$ -0-	\$ 218,751	\$ 225,794	\$ 875,004	\$ 2,625,000
Marketing:					
APC Travel for Events	\$ -0-	\$ 3,333	\$ -0-	\$ 13,332	\$ 40,000
Aspire IQ	500	29,167	62,000	116,668	350,000
iHeart Media/Digital Magnet	-0-	-0-	45,000	-0-	-0-
Eat Well Global	-0-	41,667	35,910	166,668	500,000
IRI Reporting	-0-	12,500	-0-	50,000	150,000
RFTB Website	-0-	2,000	-0-	8,000	24,000
Research - Nuth Health	-0-	32,083	-0-	128,332	385,000
Total Marketing	\$ 500	\$ 120,750	\$ 142,910	\$ 483,000	\$ 1,449,000

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

**For the One Month and Four Months Ended January 31, 2023 and
Year Ended September 30, 2023**

	One Month Ended January 31, 2023		Four Months January 31, 2023		Fiscal Year Ended September 30, 2023
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Grades and Standards:					
Travel	\$ -0-	\$ 2,500	\$ -0-	\$ 10,000	\$ 30,000
Shelf-Life Study:					
Prior Year Carry-over	-0-	8,342	-0-	33,368	100,108
Quality Assurance Program	5,000	4,167	20,000	16,668	50,000
Total Grades and Standards	\$ 5,000	\$ 15,009	\$ 20,000	\$ 60,036	\$ 180,108
Total Operating Expenses	\$ 185,293	\$ 553,760	\$ 842,113	\$ 2,215,040	\$ 6,645,108
Operating Income (Loss)	\$ 164,922	(\$ 336,260)	\$ 460,472	(\$ 1,345,040)	(\$ 4,035,108)
Nonoperating Revenues and Expenses:					
Interest Earned	\$ 4,694	\$ -0-	\$ 25,450	\$ -0-	\$ -0-
Past Outstanding	-0-	33,334	-0-	133,336	400,000
Prior Year Carry-over - 2022 Expense Offset	-0-	61,259	-0-	245,036	735,108
Other Income:					
Reserve	-0-	58,333	-0-	233,332	700,000
EMP Funding	-0-	41,667	-0-	166,668	500,000
Marketing Access Program (MAP)	-0-	141,667	-0-	566,668	1,700,000
Total Nonoperating Revenue	\$ 4,694	\$ 336,260	\$ 25,450	\$ 1,345,040	\$ 4,035,108
Change in Net Position	\$ 169,616	\$ -0-	\$ 485,922	\$ -0-	\$ -0-

See Accountants' Compilation Report.