



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants



AMERICAN PECAN COUNCIL

Compiled Financial Statements

For the One Month and Nine Months Ended

June 30, 2024

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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 June 30, 2024 and the related statement of revenues, expenses, and changes in net position – enterprise fund, statement of cash flows – enterprise fund for the one month and nine 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. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 5 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. Management has omitted the management discussion and analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

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, 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 nine months ended June 30, 2024 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 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

July 25, 2024

AMERICAN PECAN COUNCIL

Statement of Net Position - Enterprise Fund

As of June 30, 2024

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	3,666,152
Accounts Receivable		562,395
Prepaid Expenses		36,225
Total Current Assets	\$	<u>4,264,772</u>

Noncurrent Assets:

Depreciable Capital Assets	\$	164,046
Accumulated Depreciation and Amortization	(120,849)
Total Noncurrent Assets	\$	<u>43,197</u>

Other Assets:

Security Deposit	\$	5,875
Total Other Assets	\$	<u>5,875</u>

TOTAL ASSETS

\$ 4,313,844

LIABILITIES AND NET POSITION

Current Liabilities:

Accounts Payable	\$	68,954
Noncurrent Lease Obligations Payable		34,213
Total Current Liabilities	\$	<u>103,167</u>

Long-term Liabilities

Lease Obligations Payable	\$	2,912
Total Long-term Liabilities	\$	<u>2,912</u>
Total Liabilities	\$	<u>106,079</u>

Net Position:

Net Investment in Capital Assets	\$	6,072
Unrestricted		4,201,693
Total Net Position	\$	<u>4,207,765</u>

TOTAL LIABILITIES AND NET POSITION

\$ 4,313,844

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

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

For the One Month and Nine Months Ended June 30, 2024

	<u>One Month</u>	<u>Nine Months</u>
Operating Revenue:		
2023-2024 Improved	\$ 24,014	\$ 2,267,393
Total Operating Revenue	<u>\$ 24,014</u>	<u>\$ 2,267,393</u>
Operating Expenses:		
General Administration:		
Administration:		
Contract Labor	\$ 49,373	\$ 339,415
Total Administration	<u>\$ 49,373</u>	<u>\$ 339,415</u>
Insurance:		
General	\$ 892	\$ 6,747
D&O/Members	445	4,003
Total Insurance	<u>\$ 1,337</u>	<u>\$ 10,750</u>
Compliance:		
Attorney/Crisis Management	\$ 6,333	\$ 51,805
Printing/Forms/Postage	256	2,642
Total Compliance	<u>\$ 6,589</u>	<u>\$ 54,447</u>
Rent:		
Interest Expense	\$ 2,186	\$ 6,555
Amortization Expense	116	1,348
Total Rent	<u>2,985</u>	<u>26,864</u>
Accounting/Financials	\$ 7,500	\$ 63,690
Telephone/Mobile/Internet	1,385	14,168
Travel Office	-0-	27,588
Travel Committee	-0-	9,384
Supplies	6	404
Printing	50	3,339
IT/Furniture/Software	1,010	26,355
Subscriptions	-0-	2,171
Depreciation	322	2,895
Miscellaneous	1	584
Total General Administration	<u>\$ 72,860</u>	<u>\$ 589,957</u>
Industry Relations Activities:		
Communication Materials	\$ -0-	\$ 12,170
Association Sponsorship	-0-	8,182
Compliance & Reporting Portal	-0-	16,500
Total Industry Relations Activities	<u>\$ -0-</u>	<u>\$ 36,852</u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

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

For the One Month and Nine Months Ended June 30, 2024

	One Month	Nine Months
Industry Research:		
NASS	\$ -0-	\$ 241,000
Total Industry Research	\$ -0-	\$ 241,000
Total Industry Relations	\$ -0-	\$ 277,852
International Relations:		
Unified Export Strategy	\$ 9,209	\$ 284,884
International Nut Congress-Nut Health Research	23,765	88,935
Market Access Program:	8,333	75,000
Germany Marketing	125	1,125
UK Marketing	-0-	325,487
Total International Relations	\$ 41,432	\$ 920,451
Marketing:		
APC Travel for Events	\$ 9,500	\$ 200,157
Influencer Marketing	-0-	(70)
Health Research	4,213	114,921
Website Management	21,531	63,593
Total Marketing	\$ 36,744	\$ 392,101
Total Operating Expenses	\$ 151,036	\$ 2,180,361
Operating Income	(\$ 127,022)	\$ 87,032
Nonoperating Revenues and Expenses:		
Interest Earned	\$ 6,696	\$ 49,589
Other Income:		
Marketing Access Program (MAP)	-0-	882,695
Total Nonoperating Revenue	\$ 6,696	\$ 932,284
Change in Net Position	(\$ 120,326)	\$ 1,019,316
Net Position, Beginning as Previously Stated	\$ 4,328,517	\$ 3,109,735
Prior Period Adjustment	(426)	78,714
Net Position, Beginning as Restated	\$ 4,328,091	\$ 3,188,449
Net Position, Ending	\$ 4,207,765	\$ 4,207,765

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Statement of Cash Flows - Enterprise Fund

For the One Month and Nine Months Ended June 30, 2024

	One Month	Nine Months
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 193,923	\$ 2,183,487
Cash Paid for Operating Expenses	(145,039)	(2,793,501)
Net Cash Provided (Used) by Operating Activities	\$ 48,884	(\$ 610,014)
Cash Flows From Investing Activities:		
Cash Received from Interest Earned	\$ 6,696	\$ 49,589
Net Cash Provided (Used) by Investing Activities	\$ 6,696	\$ 49,589
Net Increase (Decrease) in Cash	\$ 55,580	\$ 322,270
Cash, Beginning of Period	3,610,572	3,343,882
Cash, End of Period	\$ 3,666,152	\$ 3,666,152
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	(\$ 127,022)	\$ 87,032
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	322	2,895
Amortization Expense	2,985	26,864
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	169,909	(83,906)
(Increase) Decrease in Prepaid Expenses	57,419	72,281
Increase (Decrease) in Accounts Payable	(51,969)	(690,653)
Increase (Decrease) in Operating Lease	(2,760)	(24,527)
Net Cash Provided (Used) by Operating Activities	\$ 48,884	(\$ 610,014)

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Nine Months Ended June 30, 2024

	Budget		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
Operating Revenue:				
2023-2024 Improved	\$ 1,957,500	\$ 1,957,500	\$ 2,267,393	\$ 309,893
Total Operating Revenue	\$ 1,957,500	\$ 1,957,500	\$ 2,267,393	\$ 309,893
Operating Expenses:				
General Administration:				
Administration	\$ 429,750	\$ 429,750	\$ 339,415	\$ 90,335
Compliance	187,497	187,497	54,447	133,050
Other General Administrative	315,603	315,603	196,095	119,508
Total General Administration	\$ 932,850	\$ 932,850	\$ 589,957	\$ 342,893
Contingency Fund	\$ 357,984	\$ 357,984	\$ -0-	\$ 357,984
Industry Relations	378,747	378,747	277,852	100,895
International Relations	1,968,750	1,968,750	920,451	1,048,299
Marketing	685,503	685,503	392,101	293,402
Grades and Standards	60,003	60,003	-0-	60,003
Total Operating Expenses	\$ 4,383,837	\$ 4,383,837	\$ 2,180,361	\$ 2,203,476
Operating Income (Loss)	(\$ 2,426,337)	(\$ 2,426,337)	\$ 87,032	\$ 2,513,369
Nonoperating Revenues and Expenses:				
Interest Earned	\$ -0-	\$ -0-	\$ 49,589	\$ 49,589
Past Outstanding	299,997	299,997	-0-	(299,997)
Prior Year Carry-over - 2023 Expense Offset	476,334	476,334	-0-	(476,334)
Other Income:				
EMP Funding	375,003	375,003	-0-	(375,003)
Marketing Access Program (MAP)	1,275,003	1,275,003	882,695	(392,308)
Total Nonoperating Revenue	\$ 2,426,337	\$ 2,426,337	\$ 932,284	(\$ 1,494,053)
Change in Net Position	\$ -0-	\$ -0-	\$ 1,019,316	\$ 1,019,316

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

**For the One Month and Nine Months Ended June 30, 2024 and
Year Ended September 30, 2024**

	One Month Ended June 30, 2024		Nine Months Ended June 30, 2024		Fiscal Year Ended September 30, 2024
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Operating Revenue:					
2023-2024 Improved	\$ 24,014	\$ 217,500	\$ 2,267,393	\$ 1,957,500	\$ 2,610,000
Total Operating Revenue	\$ 24,014	\$ 217,500	\$ 2,267,393	\$ 1,957,500	\$ 2,610,000
Operating Expenses:					
General Administration:					
Administration	\$ 49,373	\$ 47,750	\$ 339,415	\$ 429,750	\$ 573,000
Compliance	6,589	20,833	54,447	187,497	250,000
Other General Administration	16,898	35,067	196,095	315,603	420,800
Total General Administration	\$ 72,860	\$ 103,650	\$ 589,957	\$ 932,850	\$ 1,243,800
Contingency Fund	\$ -0-	\$ 39,776	\$ -0-	\$ 357,984	\$ 477,308
Industry Relations	-0-	42,083	277,852	378,747	505,000
International Relations	41,432	218,750	920,451	1,968,750	2,625,000
Marketing	36,744	76,167	392,101	685,503	914,000
Grades and Standards	-0-	6,667	-0-	60,003	80,000
Total Operating Expenses	\$ 151,036	\$ 487,093	\$ 2,180,361	\$ 4,383,837	\$ 5,845,108
Operating Income (Loss)	(\$ 127,022)	(\$ 269,593)	\$ 87,032	(\$ 2,426,337)	(\$ 3,235,108)
Nonoperating Revenues and Expenses:					
Interest Earned	\$ 6,696	\$ -0-	\$ 49,589	\$ -0-	\$ -0-
Past Outstanding	-0-	33,333	-0-	299,997	400,000
Prior Year Carry-over - 2023 Expense Offset	-0-	52,926	-0-	476,334	635,108
Other Income:					
EMP Funding	-0-	41,667	-0-	375,003	500,000
Marketing Access Program (MAP)	-0-	141,667	882,695	1,275,003	1,700,000
Total Nonoperating Revenue	\$ 6,696	\$ 269,593	\$ 932,284	\$ 2,426,337	\$ 3,235,108
Change in Net Position	(\$ 120,326)	\$ -0-	\$ 1,019,316	\$ -0-	\$ -0-

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