



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants



AMERICAN PECAN COUNCIL

Compiled Financial Statements

For the One Month and Six Months Ended

March 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 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 March 31, 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 six 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 American 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 six months ended March 31, 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
April 25, 2024



AMERICAN PECAN COUNCIL

Statement of Net Position - Enterprise Fund

As of March 31, 2024

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	3,469,846
Accounts Receivable		647,208
Prepaid Expenses		83,280
		<hr/>
Total Current Assets	\$	4,200,334

Noncurrent Assets:

Depreciable Capital Assets	\$	164,046
Accumulated Depreciation and Amortization	(110,929)
		<hr/>
Total Noncurrent Assets	\$	53,117

Other Assets:

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

TOTAL ASSETS

\$ 4,259,326

LIABILITIES AND NET POSITION

Current Liabilities:

Accounts Payable	\$	193,807
Noncurrent Lease Obligations Payable		33,782
		<hr/>
Total Current Liabilities	\$	227,589

Long-term Liabilities

Lease Obligations Payable	\$	11,596
		<hr/>
Total Long-term Liabilities	\$	11,596
		<hr/>
Total Liabilities	\$	239,185

Net Position:

Net Investment in Capital Assets	\$	7,739
Unrestricted		4,012,402
		<hr/>
Total Net Position	\$	4,020,141

TOTAL LIABILITIES AND NET POSITION

\$ 4,259,326

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

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

For the One Month and Six Months Ended March 31, 2024

	<u>One Month</u>	<u>Six Months</u>
Operating Revenue:		
2023-2024 Improved	\$ 195,310	\$ 1,777,987
Total Operating Revenue	\$ 195,310	\$ 1,777,987
Operating Expenses:		
General Administration:		
Administration:		
Contract Labor	\$ 36,958	\$ 225,499
Total Administration	\$ 36,958	\$ 225,499
Insurance:		
General	\$ 731	\$ 4,393
D&O/Members	445	2,669
Total Insurance	\$ 1,176	\$ 7,062
Compliance:		
Attorney/Crisis Management	\$ -0-	\$ 15,807
Printing/Forms/Postage	256	1,875
Total Compliance	\$ 256	\$ 17,682
Rent:		
Interest Expense	\$ 385	\$ 4,036
Amortization Expense	141	975
Total Rent	\$ 2,985	\$ 17,909
Accounting/Financials	\$ 10,500	\$ 42,600
Telephone/Mobile/Internet	1,997	14,418
Travel Office	10,436	25,495
Travel Committee	729	7,956
Supplies	-0-	326
Printing	-0-	(117)
IT/Furniture/Software	8,704	12,488
Subscriptions	-0-	2,171
Depreciation	322	1,930
Miscellaneous	-0-	130
Total General Administration	\$ 74,589	\$ 380,560
Industry Relations Activities:		
Communication Materials	\$ 398	\$ 5,870
Association Sponsorship	293	8,181
Compliance & Reporting Portal	-0-	12,850
Total Industry Relations Activities	\$ 691	\$ 26,901

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

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

For the One Month and Six Months Ended March 31, 2024

	One Month	Six Months
Industry Research:		
Nut Health	\$ 25,917	\$ 266,917
Total Industry Research	\$ 25,917	\$ 266,917
Total Industry Relations	\$ 26,608	\$ 293,818
International Relations:		
International Nut Congress-Nut Health Research	\$ 79,616	\$ 255,890
Market Access Program:	12,376	71,070
Germany Marketing	125	750
Total International Relations	\$ 95,386	\$ 405,507
Marketing:		
Website Management	\$ 17,246	\$ 290,512
Total Marketing	\$ 1,500	\$ 9,000
Total Operating Expenses	\$ 18,746	\$ 299,512
Operating Income	(\$ 307,446)	\$ 1,707,107
Nonoperating Revenues and Expenses:		
Interest Earned	\$ 5,592	\$ 30,596
Other Income:		
Marketing Access Program (MAP)	-0-	670,195
Total Nonoperating Revenue	\$ 5,592	\$ 700,791
Change in Net Position	(\$ 106,544)	\$ 771,671
Net Position, Beginning as Previously Stated	\$ 3,870,685	\$ 3,109,734
Prior Period Adjustment	256,000	138,736
Net Position, Beginning as Restated	\$ 4,126,685	\$ 3,248,470
Net Position, Ending	\$ 4,020,141	\$ 4,020,141

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Statement of Cash Flows - Enterprise Fund

For the One Month and Six Months Ended March 31, 2024

	One Month	Six Months
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 380,161	\$ 1,669,292
Cash Paid for Operating Expenses	(290,723)	(2,240,698)
Net Cash Provided (Used) by Operating Activities	\$ 89,438	(\$ 571,406)
Cash Flows From Investing Activities:		
Cash Received from Interest Earned	\$ 5,592	\$ 30,596
Net Cash Provided (Used) by Investing Activities	\$ 5,592	\$ 30,596
Net Increase (Decrease) in Cash	\$ 95,030	\$ 129,385
Cash, Beginning of Period	3,374,816	3,340,461
Cash, End of Period	\$ 3,469,846	\$ 3,469,846
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	(\$ 112,136)	\$ 70,880
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	322	1,930
Amortization Expense	2,985	17,909
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	184,851	(108,695)
(Increase) Decrease in Prepaid Expenses	10,154	25,226
(Increase) Decrease in Other Current Assets	47,200	3,421
Increase (Decrease) in Accounts Payable	(41,205)	(565,803)
Increase (Decrease) in Operating Lease	(2,733)	(16,274)
Net Cash Provided (Used) by Operating Activities	\$ 89,438	(\$ 571,406)

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Six Months Ended March 31, 2024

	Budget		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
Operating Revenue:				
2023-2024 Improved	\$ 1,305,000	\$ 1,305,000	\$ 1,777,987	\$ 472,987
Total Operating Revenue	\$ 1,305,000	\$ 1,305,000	\$ 1,777,987	\$ 472,987
Operating Expenses:				
General Administration:				
Administration	\$ 286,500	\$ 286,500	\$ 225,499	\$ 61,001
Compliance	124,998	124,998	17,682	107,316
Other General Administrative	210,402	210,402	137,379	73,023
Total General Administration	\$ 621,900	\$ 621,900	\$ 380,560	\$ 241,340
Contingency Fund	\$ 238,656	\$ 238,656	\$ -0-	\$ 238,656
Industry Relations	252,498	252,498	293,818	(41,320)
International Relations	1,312,500	1,312,500	733,217	579,283
Marketing	457,002	457,002	299,512	157,490
Grades and Standards	40,002	40,002	-0-	40,002
Total Operating Expenses	\$ 2,922,558	\$ 2,922,558	\$ 1,707,107	\$ 1,215,451
Operating Income (Loss)	(\$ 1,617,558)	(\$ 1,617,558)	\$ 70,880	\$ 1,688,438
Nonoperating Revenues and Expenses:				
Interest Earned	\$ -0-	\$ -0-	\$ 30,596	\$ 30,596
Past Outstanding	199,998	199,998	-0-	(199,998)
Prior Year Carry-over - 2023 Expense Offset	317,556	317,556	-0-	(317,556)
Other Income:				
EMP Funding	250,002	250,002	-0-	(250,002)
Marketing Access Program (MAP)	850,002	850,002	670,195	(179,807)
Total Nonoperating Revenue	\$ 1,617,558	\$ 1,617,558	\$ 700,791	(\$ 916,767)
Change in Net Position	\$ -0-	\$ -0-	\$ 771,671	\$ 771,671

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

For the One Month and Six Months Ended March 31, 2024 and Year Ended September 30, 2024

	One Month Ended March 31, 2024		Six Months Ended March 31, 2024		Fiscal Year Ended September 30, 2024
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Operating Revenue:					
2023-2024 Improved	\$ 195,310	\$ 217,500	\$ 1,777,987	\$ 1,305,000	\$ 2,610,000
Total Operating Revenue	\$ 195,310	\$ 217,500	\$ 1,777,987	\$ 1,305,000	\$ 2,610,000
Operating Expenses:					
General Administration:					
Administration	\$ 36,958	\$ 47,750	\$ 225,499	\$ 286,500	\$ 573,000
Compliance	256	20,833	17,682	124,998	250,000
Other General Administration	37,375	35,067	137,379	210,402	420,800
Total General Administration	\$ 74,589	\$ 103,650	\$ 380,560	\$ 621,900	\$ 1,243,800
Contingency Fund	\$ -0-	\$ 39,776	\$ -0-	\$ 238,656	\$ 477,308
Industry Relations	26,608	42,083	293,818	252,498	505,000
International Relations	187,503	218,750	733,217	1,312,500	2,625,000
Marketing	18,746	76,167	299,512	457,002	914,000
Grades and Standards	-0-	6,667	-0-	40,002	80,000
Total Operating Expenses	\$ 307,446	\$ 487,093	\$ 1,707,107	\$ 2,922,558	\$ 5,845,108
Operating Income (Loss)	(\$ 112,136)	(\$ 269,593)	\$ 70,880	(\$ 1,617,558)	(\$ 3,235,108)
Nonoperating Revenues and Expenses:					
Interest Earned	\$ 5,592	\$ -0-	\$ 30,596	\$ -0-	\$ -0-
Past Outstanding	-0-	33,333	-0-	199,998	400,000
Prior Year Carry-over - 2023 Expense Offset	-0-	52,926	-0-	317,556	635,108
Other Income:					
EMP Funding	-0-	41,667	-0-	250,002	500,000
Marketing Access Program (MAP)	-0-	141,667	670,195	850,002	1,700,000
Total Nonoperating Revenue	\$ 5,592	\$ 269,593	\$ 700,791	\$ 1,617,558	\$ 3,235,108
Change in Net Position	(\$ 106,544)	\$ -0-	\$ 771,671	\$ -0-	\$ -0-

See Accountants' Compilation Report.