



**ARMSTRONG BACKUS & CO., LLP**

Certified Public Accountants



**AMERICAN PECAN COUNCIL**

**Compiled Financial Statements**

**For the One Month and Eight Months Ended**

**May 31, 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 May 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 eight 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 eight months ended May 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

July 18, 2024

# AMERICAN PECAN COUNCIL

## Statement of Net Position - Enterprise Fund

As of May 31, 2024

### ASSETS

#### **Current Assets:**

Cash and Cash Equivalents	\$	3,610,571
Accounts Receivable		717,492
Prepaid Expenses		93,644
Total Current Assets	\$	<u>4,421,707</u>

#### **Noncurrent Assets:**

Depreciable Capital Assets	\$	164,046
Accumulated Depreciation and Amortization	(	117,542)
Total Noncurrent Assets	\$	<u>46,504</u>

#### **Other Assets:**

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

#### **TOTAL ASSETS**

\$ 4,474,086

### LIABILITIES AND NET POSITION

#### **Current Liabilities:**

Accounts Payable	\$	105,685
Noncurrent Lease Obligations Payable		34,069
Total Current Liabilities	\$	<u>139,754</u>

#### **Long-term Liabilities**

Lease Obligations Payable	\$	5,815
Total Long-term Liabilities	\$	<u>5,815</u>
Total Liabilities	\$	<u>145,569</u>

#### **Net Position:**

Net Investment in Capital Assets	\$	6,620
Unrestricted		4,321,897
Total Net Position	\$	<u>4,328,517</u>

#### **TOTAL LIABILITIES AND NET POSITION**

\$ 4,474,086

See Accountants' Compilation Report.

**AMERICAN PECAN COUNCIL**

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

**For the One Month and Eight Months Ended May 31, 2024**

	<u>One Month</u>	<u>Eight Months</u>
<b>Operating Revenue:</b>		
2023-2024 Improved	\$ 75,311	\$ 2,231,977
<b>Total Operating Revenue</b>	<u>\$ 75,311</u>	<u>\$ 2,231,977</u>
<b>Operating Expenses:</b>		
General Administration:		
Administration:		
Contract Labor	\$ 38,847	\$ 283,041
Total Administration	<u>\$ 38,847</u>	<u>\$ 283,041</u>
Insurance:		
General	\$ 731	\$ 5,855
D&O/Members	445	3,558
Total Insurance	<u>\$ 1,176</u>	<u>\$ 9,413</u>
Compliance:		
Attorney/Crisis Management	\$ -0-	\$ 45,473
Printing/Forms/Postage	256	2,386
Total Compliance	<u>\$ 256</u>	<u>\$ 47,859</u>
Rent:		
Interest Expense	\$ 385	\$ 4,369
Amortization Expense	124	1,232
Total Rent	<u>2,985</u>	<u>23,879</u>
Accounting/Financials	\$ 6,000	\$ 56,190
Telephone/Mobile/Internet	1,192	12,783
Travel Office	-0-	27,588
Travel Committee	1,428	9,384
Supplies	5	398
Printing	-0-	3,289
IT/Furniture/Software	6,548	20,756
Subscriptions	-0-	2,171
Depreciation	322	2,573
Miscellaneous	99	583
Total General Administration	<u>\$ 59,367</u>	<u>\$ 505,508</u>
Industry Relations Activities:		
Communication Materials	\$ 2,100	\$ 12,170
Association Sponsorship	-0-	8,182
Compliance & Reporting Portal	-0-	12,850
Total Industry Relations Activities	<u>\$ 2,100</u>	<u>\$ 33,202</u>

See Accountants' Compilation Report.

# AMERICAN PECAN COUNCIL

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

**For the One Month and Eight Months Ended May 31, 2024**

	<b>One Month</b>	<b>Eight Months</b>
Industry Research:		
NASS	\$ -0-	\$ 241,000
Total Industry Research	\$ -0-	\$ 241,000
Total Industry Relations	\$ 2,100	\$ 274,202
International Relations:		
Unified Export Strategy	\$ 19,785	\$ 275,675
International Nut Congress-Nut Health Research	15,190	65,170
Market Access Program:	8,333	66,667
Germany Marketing	125	1,000
UK Marketing	-0-	325,487
Total International Relations	\$ 43,433	\$ 879,019
Marketing:		
APC Travel for Events	\$ 9,500	\$ 190,657
Influencer Marketing	-0-	( 70)
Health Research	3,963	110,707
Website Management	-0-	42,062
Total Marketing	\$ 14,963	\$ 355,356
<b>Total Operating Expenses</b>	\$ 119,863	\$ 2,014,085
<b>Operating Income</b>	(\$ 44,552)	\$ 217,892
<b>Nonoperating Revenues and Expenses:</b>		
Interest Earned	\$ 6,231	\$ 42,893
Other Income:		
Marketing Access Program (MAP)	-0-	882,695
Total Nonoperating Revenue	\$ 6,231	\$ 925,588
Change in Net Position	(\$ 38,321)	\$ 1,143,480
Net Position, Beginning as Previously Stated	\$ 4,315,507	\$ 3,109,734
Prior Period Adjustment	51,331	75,303
Net Position, Beginning as Restated	\$ 4,366,838	\$ 3,185,037
Net Position, Ending	\$ 4,328,517	\$ 4,328,517

See Accountants' Compilation Report.

# AMERICAN PECAN COUNCIL

## Statement of Cash Flows - Enterprise Fund

**For the One Month and Eight Months Ended May 31, 2024**

	<b>One Month</b>	<b>Eight Months</b>
<b>Cash Flows From Operating Activities:</b>		
Cash Received from Assessments	\$ 114,377	\$ 1,988,597
Cash Paid for Operating Expenses	( 145,982)	( 2,645,043)
Net Cash Provided (Used) by Operating Activities	(\$ 31,605)	(\$ 656,446)
<b>Cash Flows From Investing Activities:</b>		
Cash Received from Interest Earned	\$ 6,231	\$ 42,893
Net Cash Provided (Used) by Investing Activities	\$ 6,231	\$ 42,893
Net Increase (Decrease) in Cash	(\$ 25,374)	\$ 269,142
Cash, Beginning of Period	3,635,945	3,341,429
Cash, End of Period	\$ 3,610,571	\$ 3,610,571
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>		
Operating Income (Loss)	(\$ 44,552)	\$ 217,892
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	322	2,573
Amortization Expense	2,985	23,879
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	39,066	( 243,380)
(Increase) Decrease in Prepaid Expenses	( 12,583)	14,862
(Increase) Decrease in Other Current Assets	-0-	3,421
Increase (Decrease) in Accounts Payable	( 14,092)	( 653,925)
Increase (Decrease) in Operating Lease	( 2,751)	( 21,768)
Net Cash Provided (Used) by Operating Activities	(\$ 31,605)	(\$ 656,446)

See Accountants' Compilation Report.

# AMERICAN PECAN COUNCIL

## Budgetary Comparison Schedule

**For the Eight Months Ended May 31, 2024**

	Budget		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
<b>Operating Revenue:</b>				
2023-2024 Improved	\$ 1,740,000	\$ 1,740,000	\$ 2,231,977	\$ 491,977
<b>Total Operating Revenue</b>	<b>\$ 1,740,000</b>	<b>\$ 1,740,000</b>	<b>\$ 2,231,977</b>	<b>\$ 491,977</b>
<b>Operating Expenses:</b>				
General Administration:				
Administration	\$ 382,000	\$ 382,000	\$ 283,041	\$ 98,959
Compliance	166,664	166,664	47,859	118,805
Other General Administrative	280,536	280,536	174,608	105,928
Total General Administration	\$ 829,200	\$ 829,200	\$ 505,508	\$ 323,692
Contingency Fund	\$ 318,208	\$ 318,208	\$ -0-	\$ 318,208
Industry Relations	336,664	336,664	274,202	62,462
International Relations	1,750,000	1,750,000	879,019	870,981
Marketing	609,336	609,336	355,356	253,980
Grades and Standards	53,336	53,336	-0-	53,336
<b>Total Operating Expenses</b>	<b>\$ 3,896,744</b>	<b>\$ 3,896,744</b>	<b>\$ 2,014,085</b>	<b>\$ 1,882,659</b>
<b>Operating Income (Loss)</b>	<b>(\$ 2,156,744)</b>	<b>(\$ 2,156,744)</b>	<b>\$ 217,892</b>	<b>\$ 2,374,636</b>
<b>Nonoperating Revenues and Expenses:</b>				
Interest Earned	\$ -0-	\$ -0-	\$ 42,893	\$ 42,893
Past Outstanding	266,664	266,664	-0-	( 266,664)
Prior Year Carry-over - 2023 Expense Offset	423,408	423,408	-0-	( 423,408)
Other Income:				
EMP Funding	333,336	333,336	-0-	( 333,336)
Marketing Access Program (MAP)	1,133,336	1,133,336	882,695	( 250,641)
<b>Total Nonoperating Revenue</b>	<b>\$ 2,156,744</b>	<b>\$ 2,156,744</b>	<b>\$ 925,588</b>	<b>(\$ 1,231,156)</b>
<b>Change in Net Position</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 1,143,480</b>	<b>\$ 1,143,480</b>

See Accountants' Compilation Report.



# AMERICAN PECAN COUNCIL

## Operating Budget

### For the One Month and Eight Months Ended May 31, 2024 and Year Ended September 30, 2024

	One Month Ended May 31, 2024		Eight Months Ended May 31, 2024		Fiscal Year Ended September 30, 2024
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
<b>Operating Revenue:</b>					
2023-2024 Improved	\$ 75,311	\$ 217,500	\$ 2,231,977	\$ 1,740,000	\$ 2,610,000
<b>Total Operating Revenue</b>	<b>\$ 75,311</b>	<b>\$ 217,500</b>	<b>\$ 2,231,977</b>	<b>\$ 1,740,000</b>	<b>\$ 2,610,000</b>
<b>Operating Expenses:</b>					
General Administration:					
Administration	\$ 38,847	\$ 47,750	\$ 283,041	\$ 382,000	\$ 573,000
Compliance	256	20,833	47,859	166,664	250,000
Other General Administration	20,264	35,067	174,608	280,536	420,800
Total General Administration	\$ 59,367	\$ 103,650	\$ 505,508	\$ 829,200	\$ 1,243,800
Contingency Fund	\$ -0-	\$ 39,776	\$ -0-	\$ 318,208	\$ 477,308
Industry Relations	2,100	42,083	274,202	336,664	505,000
International Relations	43,433	218,750	879,019	1,750,000	2,625,000
Marketing	14,963	76,167	355,356	609,336	914,000
Grades and Standards	-0-	6,667	-0-	53,336	80,000
<b>Total Operating Expenses</b>	<b>\$ 119,863</b>	<b>\$ 487,093</b>	<b>\$ 2,014,085</b>	<b>\$ 3,896,744</b>	<b>\$ 5,845,108</b>
<b>Operating Income (Loss)</b>	<b>(\$ 44,552)</b>	<b>(\$ 269,593)</b>	<b>\$ 217,892</b>	<b>(\$ 2,156,744)</b>	<b>(\$ 3,235,108)</b>
<b>Nonoperating Revenues and Expenses:</b>					
Interest Earned	\$ 6,231	\$ -0-	\$ 42,893	\$ -0-	\$ -0-
Past Outstanding	-0-	33,333	-0-	266,664	400,000
Prior Year Carry-over - 2023 Expense Offset	-0-	52,926	-0-	423,408	635,108
Other Income:					
EMP Funding	-0-	41,667	-0-	333,336	500,000
Marketing Access Program (MAP)	-0-	141,667	882,695	1,133,336	1,700,000
<b>Total Nonoperating Revenue</b>	<b>\$ 6,231</b>	<b>\$ 269,593</b>	<b>\$ 925,588</b>	<b>\$ 2,156,744</b>	<b>\$ 3,235,108</b>
<b>Change in Net Position</b>	<b>(\$ 38,321)</b>	<b>\$ -0-</b>	<b>\$ 1,143,480</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

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