



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants

AMERICAN PECAN COUNCIL

Compiled Financial Statements

For the One Month and Year Ended

September 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 September 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 year 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part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical content.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 year ended September 30, 2023 and year end 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
October 26, 2023

AMERICAN PECAN COUNCIL

Statement of Net Position - Enterprise Fund

As of September 30, 2023

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	3,340,461
Accounts Receivable		186,889
Prepaid Expenses		108,506
Total Current Assets	\$	<u>3,635,856</u>

Noncurrent Assets:

Depreciable Capital Assets	\$	164,046
Accumulated Depreciation and Amortization	(91,090)
Total Noncurrent Assets	\$	<u>72,956</u>

Other Assets:

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

TOTAL ASSETS

\$ 3,714,687

LIABILITIES AND NET POSITION

Current Liabilities:

Accounts Payable	\$	543,300
Noncurrent Lease Obligations Payable		30,109
Total Current Liabilities	\$	<u>573,409</u>

Long-term Liabilities

Lease Obligations Payable	\$	31,543
Total Long-term Liabilities	\$	<u>31,543</u>
Total Liabilities	\$	<u>604,952</u>

Net Position:

Net Investment in Capital Assets	\$	11,304
Unrestricted		3,098,431
Total Net Position	\$	<u>3,109,735</u>

TOTAL LIABILITIES AND NET POSITION

\$ 3,714,687

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

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

For the One Month and Year Ended September 30, 2023

	One Month	Year
Operating Revenues:		
Assessment Income	\$ 9,662	\$ 2,552,064
Total Operating Revenue	\$ 9,662	\$ 2,552,064
Operating Expenses:		
General Administrative:		
Staff and Administrative	\$ 43,005	\$ 516,060
Insurance	718	14,400
Compliance	-0-	98,671
Other General Administrative	7,579	202,091
Industry Relations:		
Industry Relations Activities	31,741	194,926
Industry Research	-0-	325,000
International Relations	163,099	1,505,944
Marketing	101,087	817,488
Grades and Standards	-0-	25,000
Total Operating Expenses	\$ 347,229	\$ 3,699,580
Operating Income (Loss)	(\$ 337,567)	(\$ 1,147,516)
Nonoperating Revenues (Expenses):		
Interest Earned	\$ -0-	\$ 61,115
Marketing Access Program (MAP)	-0-	675,770
Total Nonoperating Revenues	\$ -0-	\$ 736,885
Change in Net Position	(\$ 337,567)	(\$ 410,631)
Net Position, Beginning as Previously Stated	\$ 3,525,062	\$ 3,513,893
Prior Period Adjustment	(77,760)	6,473
Net Position, Beginning as Restated	\$ 3,447,302	\$ 3,520,366
Net Position, Ending	\$ 3,109,735	\$ 3,109,735

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Statement of Cash Flows - Enterprise Fund

For the One Month and Year Ended September 30, 2023

	<u>One Month</u>	<u>Year</u>
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 161,971	\$ 2,685,320
Cash Paid for Salaries and Benefits	(43,005)	(516,060)
Cash Paid for Operating Expenses	(221,185)	(3,437,922)
	<hr/>	<hr/>
Net Cash Provided (Used) by Operating Activities	(\$ 102,219)	(\$ 1,268,662)
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Cash Flows From Investing Activities:		
Cash Received from Interest Earned	\$ -0-	\$ 61,115
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	\$ -0-	\$ 61,115
	<hr/>	<hr/>
Net Increase (Decrease) in Cash	(\$ 102,219)	(\$ 531,777)
Cash, Beginning of Period	3,442,680	3,872,238
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Cash, End of Period	<u>\$ 3,340,461</u>	<u>\$ 3,340,461</u>
	<hr/>	<hr/>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	(\$ 337,567)	(\$ 1,147,516)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	321	4,399
Amortization Expense	2,985	35,818
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	152,309	133,256
(Increase) Decrease in Prepaid Expenses	42,849	59,314
Increase (Decrease) in Accounts Payable	39,567	(322,900)
Increase (Decrease) in Operating Lease	(2,683)	(31,033)
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Net Cash Provided (Used) by Operating Activities	<u>(\$ 102,219)</u>	<u>(\$ 1,268,662)</u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Year Ended September 30, 2023

	Budget		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
Operating Revenue:				
2022-2023 Improved	\$ 2,610,000	\$ 2,610,000	\$ 2,544,049	(\$ 65,951)
2023-2024 Improved	-0-	-0-	8,015	8,015
Total Operating Revenue	\$ 2,610,000	\$ 2,610,000	\$ 2,552,064	(\$ 57,936)
Operating Expenses:				
General Administration:				
Staff and Administration:				
Contract Labor	\$ 573,000	\$ 573,000	\$ 516,060	\$ 56,940
Total Staff and Administration	\$ 573,000	\$ 573,000	\$ 516,060	\$ 56,940
Insurance:				
Travel	\$ 2,700	\$ 2,700	\$ 725	\$ 1,975
General	7,700	7,700	4,425	3,275
D&O/Members	13,000	13,000	5,323	7,677
Fidelity	4,400	4,400	3,927	473
Total Insurance	\$ 27,800	\$ 27,800	\$ 14,400	\$ 13,400

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Year Ended September 30, 2023

	Budget		Actual	Favorable (Unfavorable)
	Original	Amended		
Compliance:				
Attorney/Crisis Management	\$ 25,000	\$ 25,000	\$ -0-	\$ 25,000
Audit Financial	20,000	20,000	22,000	(2,000)
Compliance Travel	45,000	45,000	-0-	45,000
Sheller/Handler Audits	150,000	150,000	75,729	74,271
Printing/Forms/Postage	10,000	10,000	942	9,058
Total Compliance	\$ 250,000	\$ 250,000	\$ 98,671	\$ 151,329
Rent:	\$ 50,000	\$ 50,000	\$ 7,370	\$ 42,630
Interest Expense	-0-	-0-	2,842	(2,842)
Amortization Expense	-0-	-0-	35,818	(35,818)
Total Rent	\$ 50,000	\$ 50,000	\$ 46,030	\$ 3,970
Accounting/Financials	\$ 78,000	\$ 78,000	\$ 69,058	\$ 8,942
Telephone/Mobile/Internet	20,000	20,000	13,987	6,013
Travel Office	50,000	50,000	2,310	47,690
Travel Committee	100,000	100,000	11,536	88,464
Supplies	10,000	10,000	3,282	6,718
Maintenance/Buildout	15,000	15,000	-0-	15,000
Printing	20,000	20,000	5,826	14,174
IT/Furniture/Software	25,000	25,000	25,235	(235)
Subscriptions	20,000	20,000	17,204	2,796
Depreciation	-0-	-0-	4,399	(4,399)
Miscellaneous	5,000	5,000	3,224	1,776
Total General Administration	\$ 1,243,800	\$ 1,243,800	\$ 831,222	\$ 412,578
Contingency Fund	\$ 542,200	\$ 542,200	\$ -0-	\$ 542,200

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Year Ended September 30, 2023

	Budget		Actual	Favorable (Unfavorable)
	Original	Amended		
Industry Relations:				
Compliance:				
Compliance Materials	\$ 5,000	\$ 5,000	\$ -0-	\$ 5,000
Workshops	5,000	5,000	-0-	5,000
Total Compliance	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -0-</u>	<u>\$ 10,000</u>
Industry Relations Activities:				
Annual Reports	\$ 8,000	\$ 8,000	\$ -0-	\$ 8,000
Communication Materials	50,000	50,000	53,348	(3,348)
Travel	50,000	50,000	87,372	(37,372)
Association Sponsorship	70,000	70,000	13,463	56,537
Handler Portal Maintenance	70,000	70,000	-0-	70,000
Meltwater	22,000	22,000	40,743	(18,743)
Total Industry Relations Activities	<u>\$ 270,000</u>	<u>\$ 270,000</u>	<u>\$ 194,926</u>	<u>\$ 75,074</u>
Industry Research:				
NASS	\$ 225,000	\$ 225,000	\$ 225,000	\$ -0-
Research Contingency	100,000	100,000	100,000	-0-
Total Industry Research	<u>\$ 325,000</u>	<u>\$ 325,000</u>	<u>\$ 325,000</u>	<u>\$ -0-</u>
Total Industry Relations	<u>\$ 605,000</u>	<u>\$ 605,000</u>	<u>\$ 519,926</u>	<u>\$ 85,074</u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Year Ended September 30, 2023

	Budget		Actual	Favorable (Unfavorable)
	Original	Amended		
International Relations:				
Unified Export Strategy/Emerging Market Proposal	\$ 95,000	\$ 95,000	\$ 95,000	\$ -0-
International Nut Congress-Nut Health Research	100,000	100,000	116,667	(16,667)
Travel	80,000	80,000	5,794	74,206
Emerging Market Program Research	300,000	300,000	-0-	300,000
Market Access Program:				
UK/Germany	650,000	650,000	625,000	25,000
China	900,000	900,000	663,483	236,517
Contingency Fund	500,000	500,000	-0-	500,000
Total International Relations	<u>\$ 2,625,000</u>	<u>\$ 2,625,000</u>	<u>\$ 1,505,944</u>	<u>\$ 1,119,056</u>
Marketing:				
APC Travel for Events	\$ 40,000	\$ 40,000	\$ -0-	\$ 40,000
Aspire IQ	350,000	350,000	185,561	164,439
iHeart Media/Digital Magnet	-0-	-0-	45,000	(45,000)
Eat Well Global	500,000	500,000	468,080	31,920
NPSA Chef's Summit	-0-	-0-	69,825	(69,825)
IRI Reporting	150,000	150,000	-0-	150,000
RFTB Website	24,000	24,000	1,500	22,500
Research - Nut Health	385,000	385,000	47,522	337,478
Total Marketing	<u>\$ 1,449,000</u>	<u>\$ 1,449,000</u>	<u>\$ 817,488</u>	<u>\$ 631,512</u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Year Ended September 30, 2023

	Budget		Actual	Favorable (Unfavorable)
	Original	Amended		
Grades and Standards:				
Travel	\$ 30,000	\$ 30,000	\$ -0-	\$ 30,000
Shelf-Life Study:				
Prior Year Carry-over	100,108	100,108	-0-	100,108
Quality Assurance Program	50,000	50,000	25,000	25,000
Total Grades and Standards	<u>\$ 180,108</u>	<u>\$ 180,108</u>	<u>\$ 25,000</u>	<u>\$ 155,108</u>
Total Operating Expenses	<u>\$ 6,645,108</u>	<u>\$ 6,645,108</u>	<u>\$ 3,699,580</u>	<u>\$ 2,945,528</u>
Operating Income (Loss)	<u>(\$ 4,035,108)</u>	<u>(\$ 4,035,108)</u>	<u>(\$ 1,147,516)</u>	<u>\$ 2,887,592</u>
Nonoperating Revenues and Expenses:				
Interest Earned	\$ -0-	\$ -0-	\$ 61,115	\$ 61,115
Past Outstanding	400,000	400,000	-0-	(400,000)
Prior Year Carry-over - 2023 Expense Offset	735,108	735,108	-0-	(735,108)
Reserve	700,000	700,000	-0-	(700,000)
EMP Funding	500,000	500,000	-0-	(500,000)
Marketing Access Program (MAP)	1,700,000	1,700,000	675,770	(1,024,230)
Total Nonoperating Revenue	<u>\$ 4,035,108</u>	<u>\$ 4,035,108</u>	<u>\$ 736,885</u>	<u>(\$ 3,298,223)</u>
Change in Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(\$ 410,631)</u>	<u>(\$ 410,631)</u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

For the One Month and Year Ended September 30, 2023

	One Month Ended September 30, 2023		Year Ended September 30, 2023	
	Actual	Operating Budget	Actual	Operating Budget
Operating Revenue:				
2022-2023 Improved	\$ 1,647	\$ 217,500	\$ 2,544,049	\$ 2,610,000
2023-2024 Improved	8,015	-0-	8,015	-0-
Total Operating Revenue	\$ 9,662	\$ 217,500	\$ 2,552,064	\$ 2,610,000
Operating Expenses:				
General Administration:				
Staff and Administration:				
Contract Labor	\$ 43,005	\$ 47,750	\$ 516,060	\$ 573,000
Total Staff and Administration	\$ 43,005	\$ 47,750	\$ 516,060	\$ 573,000
Insurance:				
Travel	\$ -0-	\$ 225	\$ 725	\$ 2,700
General	273	642	4,425	7,700
D&O/Members	445	1,083	5,323	13,000
Fidelity	-0-	367	3,927	4,400
Total Insurance	\$ 718	\$ 2,317	\$ 14,400	\$ 27,800

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

For the One Month and Year Ended September 30, 2023

	One Month Ended September 30, 2023		Year Ended September 30, 2023	
	Actual	Operating Budget	Actual	Operating Budget
Compliance:				
Attorney/Crisis Management	\$ -0-	\$ 2,083	\$ -0-	\$ 25,000
Audit Financial	-0-	1,667	22,000	20,000
Compliance Travel	-0-	3,750	-0-	45,000
Sheller/Handler Audits	-0-	12,500	75,729	150,000
Printing/Forms/Postage	-0-	833	942	10,000
Total Compliance	\$ -0-	\$ 20,833	\$ 98,671	\$ 250,000
Rent:				
Interest Expense	\$ 912	\$ 4,167	\$ 7,370	\$ 50,000
Amortization Expense	192	-0-	2,842	-0-
Total Rent	2,985	-0-	35,818	-0-
Accounting/Financials	\$ -0-	\$ 6,500	\$ 69,058	\$ 78,000
Telephone/Mobile/Internet	431	1,667	13,987	20,000
Travel Office	-0-	4,167	2,310	50,000
Travel Committee	-0-	8,333	11,536	100,000
Supplies	48	833	3,282	10,000
Maintenance/Buildout	-0-	1,250	-0-	15,000
Printing	1,762	1,667	5,826	20,000
IT/Furniture/Software	804	2,083	25,235	25,000
Subscriptions	84	1,667	17,204	20,000
Depreciation	321	-0-	4,399	-0-
Miscellaneous	40	417	3,224	5,000
Total General Administration	\$ 51,302	\$ 103,651	\$ 831,222	\$ 1,243,800
Contingency Fund	\$ -0-	\$ 45,183	\$ -0-	\$ 542,200

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

For the One Month and Year Ended September 30, 2023

	One Month Ended September 30, 2023		Year Ended September 30, 2023	
	Actual	Operating Budget	Actual	Operating Budget
Industry Relations:				
Compliance:				
Compliance Materials	\$ -0-	\$ 417	\$ -0-	\$ 5,000
Workshops	-0-	417	-0-	5,000
Total Compliance	\$ -0-	\$ 834	\$ -0-	\$ 10,000
Industry Relations Activities:				
Annual Reports	\$ -0-	\$ 667	\$ -0-	\$ 8,000
Communication Materials	3,800	4,167	53,348	50,000
Travel	4,983	4,167	87,372	50,000
Association Sponsorship	-0-	5,833	13,463	70,000
Handler Portal Maintenance	-0-	5,833	-0-	70,000
Meltwater	22,958	1,833	40,743	22,000
Total Industry Relations Activities	\$ 31,741	\$ 22,500	\$ 194,926	\$ 270,000
Industry Research:				
NASS	\$ -0-	\$ 18,750	\$ 225,000	\$ 225,000
Research Contingency	-0-	8,332	100,000	100,000
Total Industry Research	\$ -0-	\$ 27,082	\$ 325,000	\$ 325,000
Total Industry Relations	\$ 31,741	\$ 50,416	\$ 519,926	\$ 605,000

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

For the One Month and Year Ended September 30, 2023

	One Month Ended September 30, 2023		Year Ended September 30, 2023	
	Actual	Operating Budget	Actual	Operating Budget
International Relations:				
Unified Export Strategy/Emerging Market Proposal	\$ -0-	\$ 7,917	\$ 95,000	\$ 95,000
International Nut Congress-Nut Health Research	8,333	8,333	116,667	100,000
Travel	-0-	6,667	5,794	80,000
Emerging Market Program Research	-0-	25,000	-0-	300,000
Market Access Program:				
UK/Germany	63,016	54,167	625,000	650,000
China	91,750	75,000	663,483	900,000
Contingency Fund	-0-	41,667	-0-	500,000
Total International Relations	\$ 163,099	\$ 218,751	\$ 1,505,944	\$ 2,625,000
Marketing:				
APC Travel for Events	\$ -0-	\$ 3,333	\$ -0-	\$ 40,000
Aspire IQ	3,713	29,167	185,561	350,000
iHeart Media/Digital Magnet	-0-	-0-	45,000	-0-
Eat Well Global	26,049	41,667	468,080	500,000
NPSA Chef's Summit	69,825	-0-	69,825	-0-
IRI Reporting	-0-	12,500	-0-	150,000
RFTB Website	1,500	2,000	1,500	24,000
Research - Nut Health	-0-	32,083	47,522	385,000
Total Marketing	\$ 101,087	\$ 120,750	\$ 817,488	\$ 1,449,000

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

For the One Month and Year Ended September 30, 2023

	One Month Ended September 30, 2023		Year Ended September 30, 2023	
	Actual	Operating Budget	Actual	Operating Budget
Grades and Standards:				
Travel	\$ -0-	\$ 2,500	\$ -0-	\$ 30,000
Shelf-Life Study:				
Prior Year Carry-over	-0-	8,342	-0-	100,108
Quality Assurance Program	-0-	4,167	25,000	50,000
Total Grades and Standards	\$ -0-	\$ 15,009	\$ 25,000	\$ 180,108
Total Operating Expenses	\$ 347,229	\$ 553,760	\$ 3,699,580	\$ 6,645,108
Operating Income (Loss)	(\$ 337,567)	(\$ 336,260)	(\$ 1,147,516)	(\$ 4,035,108)
Nonoperating Revenues and Expenses:				
Interest Earned	\$ -0-	\$ -0-	\$ 61,115	\$ -0-
Past Outstanding	-0-	33,334	-0-	400,000
Prior Year Carry-over - 2023 Expense Offset	-0-	61,259	-0-	735,108
Other Income:				
Reserve	-0-	58,333	-0-	700,000
EMP Funding	-0-	41,667	-0-	500,000
Marketing Access Program (MAP)	-0-	141,667	675,770	1,700,000
Total Nonoperating Revenue	\$ -0-	\$ 336,260	\$ 736,885	\$ 4,035,108
Change in Net Position	(\$ 337,567)	\$ -0-	(\$ 410,631)	\$ -0-

See Accountants' Compilation Report.