



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants



AMERICAN PECAN COUNCIL

Compiled Financial Statements

For the One Month and Ten Months Ended

July 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 July 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 ten 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 ten months ended July 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
September 23, 2024



AMERICAN PECAN COUNCIL

Statement of Net Position - Enterprise Fund

As of July 31, 2024

ASSETS

Current Assets:

| | | |
|---------------------------|----|-----------|
| Cash and Cash Equivalents | \$ | 3,555,011 |
| Accounts Receivable | | 592,389 |
| Prepaid Expenses | | 53,056 |
| | | <hr/> |
| Total Current Assets | \$ | 4,200,456 |

Noncurrent Assets:

| | | |
|---|----|----------|
| Depreciable Capital Assets | \$ | 185,908 |
| Accumulated Depreciation and Amortization | (| 141,748) |
| | | <hr/> |
| Total Noncurrent Assets | \$ | 44,160 |

Other Assets:

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

TOTAL ASSETS

\$ 4,250,491

LIABILITIES AND NET POSITION

Current Liabilities:

| | | |
|--------------------------------------|----|---------|
| Accounts Payable | \$ | 201,825 |
| Noncurrent Lease Obligations Payable | | 34,356 |
| | | <hr/> |
| Total Current Liabilities | \$ | 236,181 |
| | | <hr/> |
| Total Liabilities | \$ | 236,181 |

Net Position:

| | | |
|----------------------------------|----|-----------|
| Net Investment in Capital Assets | \$ | 9,804 |
| Unrestricted | | 4,004,506 |
| | | <hr/> |
| Total Net Position | \$ | 4,014,310 |

TOTAL LIABILITIES AND NET POSITION

\$ 4,250,491

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

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

For the One Month and Ten Months Ended July 31, 2024

| | <u>One Month</u> | <u>Ten Months</u> |
|-------------------------------------|------------------|---------------------|
| Operating Revenue: | | |
| 2023-2024 Improved | \$ 38,746 | \$ 2,343,510 |
| Total Operating Revenue | \$ 38,746 | \$ 2,343,510 |
| Operating Expenses: | | |
| General Administration: | | |
| Administration: | | |
| Contract Labor | \$ 36,358 | \$ 378,711 |
| Total Administration | \$ 36,358 | \$ 378,711 |
| Insurance: | | |
| General | \$ 19 | \$ 6,766 |
| D&O/Members | 445 | 4,448 |
| Total Insurance | \$ 464 | \$ 11,214 |
| Compliance: | | |
| Attorney/Crisis Management | \$ 10,247 | \$ 62,627 |
| Printing/Forms/Postage | 15,642 | 37,561 |
| Total Compliance | \$ 25,889 | \$ 100,188 |
| Rent: | \$ 549 | \$ 7,104 |
| Interest Expense | 107 | 1,455 |
| Amortization Expense | 2,985 | 29,849 |
| Total Rent | \$ 3,641 | \$ 38,408 |
| Accounting/Financials | \$ 7,500 | \$ 71,190 |
| Telephone/Mobile/Internet | 1,192 | 15,360 |
| Travel Office | -0- | 27,588 |
| Travel Committee | 14,774 | 24,158 |
| Supplies | -0- | 404 |
| Printing | -0- | 3,794 |
| IT/Furniture/Software | 2,047 | 26,723 |
| Subscriptions | -0- | 2,171 |
| Depreciation | 322 | 3,217 |
| Miscellaneous | 48 | 633 |
| Total General Administration | \$ 92,235 | \$ 703,759 |
| Industry Relations Activities: | | |
| Communication Materials | \$ -0- | \$ 12,170 |
| Association Sponsorship | -0- | 8,181 |
| Compliance & Reporting Portal | -0- | 16,500 |
| Total Industry Relations Activities | \$ -0- | \$ 36,851 |

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

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

For the One Month and Ten Months Ended July 31, 2024

| | <u>One Month</u> | <u>Ten Months</u> |
|--|------------------|-------------------|
| Industry Research: | | |
| NASS | \$ -0- | \$ 194,946 |
| Total Industry Research | \$ -0- | \$ 194,946 |
| Total Industry Relations | \$ -0- | \$ 231,797 |
| International Relations: | | |
| Unified Export Strategy | \$ 10,331 | \$ 295,215 |
| International Nut Congress-Nut Health Research | 2,450 | 91,385 |
| Market Access Program: | 8,333 | 83,333 |
| Germany Marketing | 125 | 1,250 |
| UK Marketing | -0- | 325,487 |
| Total International Relations | 69,763 | 214,783 |
| Marketing: | | |
| APC Travel for Events | \$ 9,500 | \$ 209,657 |
| Influencer Marketing | -0- | (70) |
| Health Research | 500 | 115,421 |
| Website Management | -0- | 108,341 |
| Total Marketing | 1,500 | 15,000 |
| Total Operating Expenses | \$ 11,500 | \$ 448,349 |
| Operating Income | \$ 194,737 | \$ 2,395,358 |
| Nonoperating Revenues and Expenses: | | |
| Interest Earned | (\$ 155,991) | (\$ 51,848) |
| Other Income: | | |
| Marketing Access Program (MAP) | \$ 6,471 | \$ 56,060 |
| Total Nonoperating Revenue | -0- | 882,695 |
| Change in Net Position | \$ 6,471 | \$ 938,755 |
| Net Position, Beginning as Previously Stated | (\$ 149,520) | \$ 886,907 |
| Prior Period Adjustment | \$ 4,207,765 | \$ 3,131,541 |
| Net Position, Beginning as Restated | (43,935) | (4,138) |
| Net Position, Ending | \$ 4,163,830 | \$ 3,127,403 |
| | \$ 4,014,310 | \$ 4,014,310 |

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Statement of Cash Flows - Enterprise Fund

For the One Month and Ten Months Ended July 31, 2024

| | One Month | Ten Months |
|---|------------------|-------------------|
| Cash Flows From Operating Activities: | | |
| Cash Received from Assessments | \$ 45,480 | \$ 2,228,969 |
| Cash Paid for Operating Expenses | (163,093) | (2,956,593) |
| Net Cash Provided (Used) by Operating Activities | (\$ 117,613) | (\$ 727,624) |
| Cash Flows From Noncapital Financing Activities: | | |
| Cash Received for Marketing Access Program Funding (MAP) | \$ -0- | \$ 882,695 |
| Net Cash Provided by Noncapital Financing Activities | \$ -0- | \$ 882,695 |
| Cash Flows From Investing Activities: | | |
| Cash Received from Interest Earned | \$ 6,471 | \$ 56,060 |
| Net Cash Provided (Used) by Investing Activities | \$ 6,471 | \$ 56,060 |
| Net Increase (Decrease) in Cash | (\$ 111,142) | \$ 211,131 |
| Cash, Beginning of Period | 3,666,153 | 3,343,880 |
| Cash, End of Period | \$ 3,555,011 | \$ 3,555,011 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | |
| Operating Income (Loss) | (\$ 155,991) | (\$ 51,848) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | |
| Depreciation Expense | 322 | 3,217 |
| Amortization Expense | 3,607 | 36,074 |
| Changes in Assets and Liabilities: | | |
| (Increase) Decrease in Accounts Receivable | 6,734 | (114,541) |
| (Increase) Decrease in Prepaid Expenses | (34,393) | 37,889 |
| Increase (Decrease) in Accounts Payable | 64,877 | (603,836) |
| Increase (Decrease) in Operating Lease | (2,769) | (34,579) |
| Net Cash Provided (Used) by Operating Activities | (\$ 117,613) | (\$ 727,624) |

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Ten Months Ended July 31, 2024

| | Budget | | Actual | Variance |
|---|-----------------------|-----------------------|---------------------|----------------------------|
| | Original | Amended | | Favorable (Unfavorable) |
| Operating Revenue: | | | | |
| 2023-2024 Improved | \$ 2,175,000 | \$ 2,114,376 | \$ 2,343,510 | \$ 229,134 |
| Total Operating Revenue | \$ 2,175,000 | \$ 2,114,376 | \$ 2,343,510 | \$ 229,134 |
| Operating Expenses: | | | | |
| General Administration: | | | | |
| Administration | \$ 477,500 | \$ 495,000 | \$ 378,711 | \$ 116,289 |
| Compliance | 208,330 | 288,750 | 100,188 | 188,562 |
| Other General Administrative | 350,670 | 385,726 | 224,860 | 160,866 |
| Total General Administration | \$ 1,036,500 | \$ 1,169,476 | \$ 703,759 | \$ 465,717 |
| Contingency Fund | \$ 397,760 | \$ -0- | \$ -0- | \$ -0- |
| Industry Relations | 420,830 | 320,837 | 231,797 | 89,040 |
| International Relations | 2,187,500 | 2,075,337 | 1,011,453 | 1,063,884 |
| Marketing | 761,670 | 569,778 | 448,349 | 121,429 |
| Grades and Standards | 66,670 | -0- | -0- | -0- |
| Total Operating Expenses | \$ 4,870,930 | \$ 4,135,428 | \$ 2,395,358 | \$ 1,740,070 |
| Operating Income (Loss) | (\$ 2,695,930) | (\$ 2,021,052) | (\$ 51,848) | \$ 1,969,204 |
| Nonoperating Revenues and Expenses: | | | | |
| Interest Earned | \$ -0- | \$ -0- | \$ 56,060 | \$ 56,060 |
| Past Outstanding | 333,330 | 324,170 | -0- | (324,170) |
| Prior Year Carry-over - 2023 Expense Offset | 529,260 | 582,186 | -0- | (582,186) |
| Other Income: | | | | |
| EMP Funding | 416,670 | 194,788 | -0- | (194,788) |
| Marketing Access Program (MAP) | 1,416,670 | 614,350 | 882,695 | 268,345 |
| RAPP Funding | -0- | 305,558 | -0- | (305,558) |
| Total Nonoperating Revenue | \$ 2,695,930 | \$ 2,021,052 | \$ 938,755 | (\$ 1,082,297) |
| Change in Net Position | \$ -0- | \$ -0- | \$ 886,907 | \$ 886,907 |

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

For the One Month and Ten Months Ended July 31, 2024 and Year Ended September 30, 2024

| | One Month Ended July 31, 2024 | | Ten Months Ended July 31, 2024 | | Fiscal Year Ended September 30, 2024 |
|---|----------------------------------|---------------------|-----------------------------------|-----------------------|---|
| | Actual | Operating Budget | Actual | Operating Budget | Operating Budget |
| Operating Revenue: | | | | | |
| 2023-2024 Improved | \$ 38,746 | \$ 192,216 | \$ 2,343,510 | \$ 2,114,376 | \$ 2,306,594 |
| Total Operating Revenue | \$ 38,746 | \$ 192,216 | \$ 2,343,510 | \$ 2,114,376 | \$ 2,306,594 |
| Operating Expenses: | | | | | |
| General Administration: | | | | | |
| Administration | \$ 36,358 | \$ 45,000 | \$ 378,711 | \$ 495,000 | \$ 540,000 |
| Compliance | 25,889 | 26,250 | 100,188 | 288,750 | 315,000 |
| Other General Administration | 29,988 | 35,066 | 224,860 | 385,726 | 420,800 |
| Total General Administration | \$ 92,235 | \$ 106,316 | \$ 703,759 | \$ 1,169,476 | \$ 1,275,800 |
| Industry Relations | -0- | 29,167 | 231,797 | 320,837 | 350,000 |
| International Relations | 91,002 | 188,667 | 1,011,453 | 2,075,337 | 2,264,000 |
| Marketing | 11,500 | 51,798 | 448,349 | 569,778 | 621,574 |
| Total Operating Expenses | \$ 194,737 | \$ 375,948 | \$ 2,395,358 | \$ 4,135,428 | \$ 4,511,374 |
| Operating Income (Loss) | (\$ 155,991) | (\$ 183,732) | (\$ 51,848) | (\$ 2,021,052) | (\$ 2,204,780) |
| Nonoperating Revenues and Expenses: | | | | | |
| Interest Earned | \$ 6,471 | \$ -0- | \$ 56,060 | \$ -0- | \$ -0- |
| Past Outstanding | -0- | 29,470 | -0- | 324,170 | 353,644 |
| Prior Year Carry-over - 2023 Expense Offset | -0- | 52,926 | -0- | 582,186 | 635,108 |
| Other Income: | | | | | |
| EMP Funding | -0- | 17,708 | -0- | 194,788 | 212,500 |
| Marketing Access Program (MAP) | -0- | 55,850 | 882,695 | 614,350 | 670,195 |
| RAPP Funding | -0- | 27,778 | -0- | 305,558 | 333,333 |
| Total Nonoperating Revenue | \$ 6,471 | \$ 183,732 | \$ 938,755 | \$ 2,021,052 | \$ 2,204,780 |
| Change in Net Position | (\$ 149,520) | \$ -0- | \$ 886,907 | \$ -0- | \$ -0- |

See Accountants' Compilation Report.