

**AMERICAN PECAN COUNCIL**

**Financial Statements**

**For the Year Ended September 30, 2023**

**AMERICAN PECAN COUNCIL**

**Financial Statements**

**For the Year Ended September 30, 2023**

**TABLE OF CONTENTS**

Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-7
<u>Basic Financial Statements:</u>	
Statement of Net Position – Enterprise Fund	9
Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Fund	10
Statement of Cash Flows – Enterprise Fund	11
Notes to the Basic Financial Statements	12-17
<u>Supplementary Information:</u>	
Budgetary Comparison Schedule – Enterprise Fund	18-20
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21-22
Schedule of Findings and Responses	23-24



## Independent Auditor's Report

To the Members of  
American Pecan Council  
Fort Worth, Texas

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of the enterprise fund of the American Pecan Council (the Council) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the enterprise fund of the Council, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Correction of Error***

As discussed in Note 10 to the financial statements, certain errors resulting in the misstatement of expenditures, accounts payable, revenue and accounts receivable as of September 30, 2022, were discovered by management of the Council during the current year. Accordingly, a restatement has been made to the net position of the Enterprise Fund as of October 1, 2022, to correct the error. Our opinion is not modified with respect to that matter.

#### ***Adoption of New Accounting Standard***

As discussed in Note 11 to the financial statements, the Council has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, for the year ended September 30, 2023.

As a result of implementing the standard there was no effect on the beginning net position. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council’s basic financial statements. The budgetary comparison schedule for the enterprise fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedule for the enterprise fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2024 on our consideration of the Council’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Council’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Council’s internal control over financial reporting and compliance.



Abilene, Texas  
October 24, 2024

# AMERICAN PECAN COUNCIL

## Management's Discussion and Analysis

As management of the American Pecan Council (the Council), we offer readers this narrative overview and analysis of the financial activities of the Council for the year ended September 30, 2023. The Management's Discussion and Analysis should be read in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's basic financial statements are comprised of four components: 1) Statement of Net Position – Enterprise Fund, 2) Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Fund, 3) Statement of Cash Flows – Enterprise Fund, and 4) Notes to the Basic Financial Statements.

### **Financial Analysis of the Council's Funds**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Council has one proprietary fund, an enterprise fund.

### **Proprietary Fund**

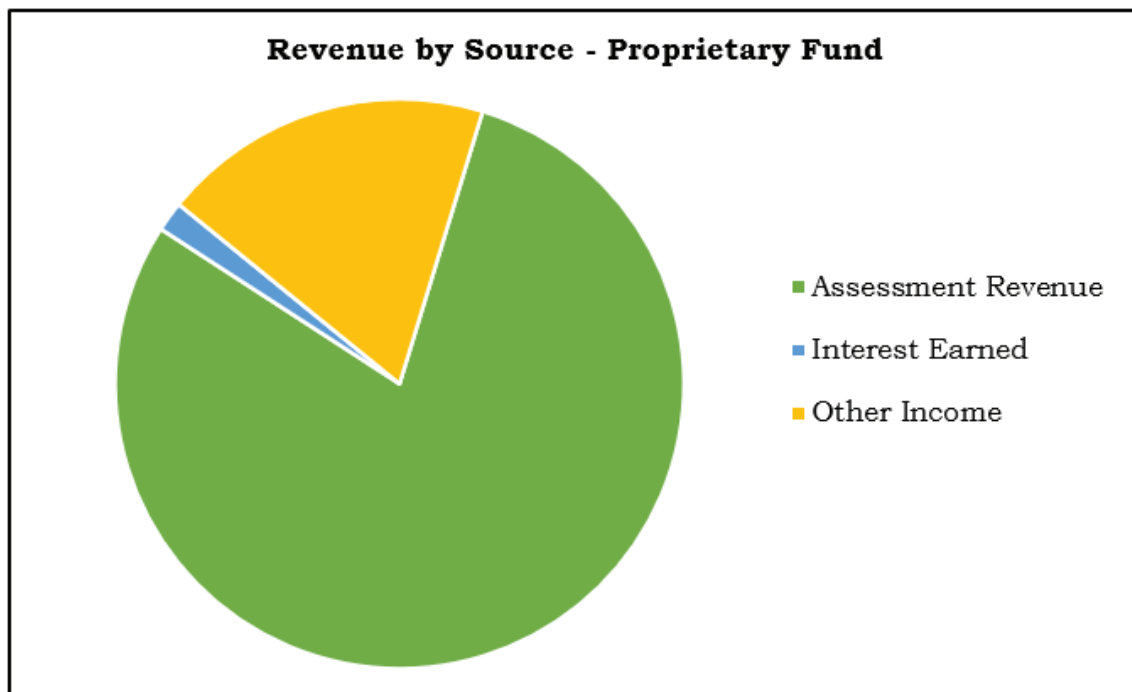
The Council's proprietary fund, specifically an enterprise fund, reported unrestricted net position of \$3,117,025, a decrease of \$225,532 or 6.75% in comparison with the prior year. The net decrease is due to the Council's decrease in assessment income due to the formation of the American Pecan Promotion Board. Assessments are no longer required for Native, Seedling, or Substandard pecans, and assessments on Improved pecans decreased from .03 to .01 per pound.

	<b>2023</b>	<b>2022 As Restated</b>
<b>ASSETS:</b>		
Current and Other Assets	\$ 3,922,688	\$ 4,227,806
Noncurrent Assets	83,451	113,173
Total Assets	<u>\$ 4,006,139</u>	<u>\$ 4,340,979</u>
<b>LIABILITIES:</b>		
Current Liabilities	\$ 842,617	\$ 885,249
Long-term Liabilities	31,981	92,685
Total Liabilities	<u>\$ 874,598</u>	<u>\$ 977,934</u>
<b>NET POSITION:</b>		
Investment in Capital Assets	\$ 14,516	\$ 20,488
Unrestricted	3,117,025	3,342,557
Total Net Position	<u>\$ 3,131,541</u>	<u>\$ 3,363,045</u>
Total Liabilities and Net Position	<u>\$ 4,006,139</u>	<u>\$ 4,340,979</u>

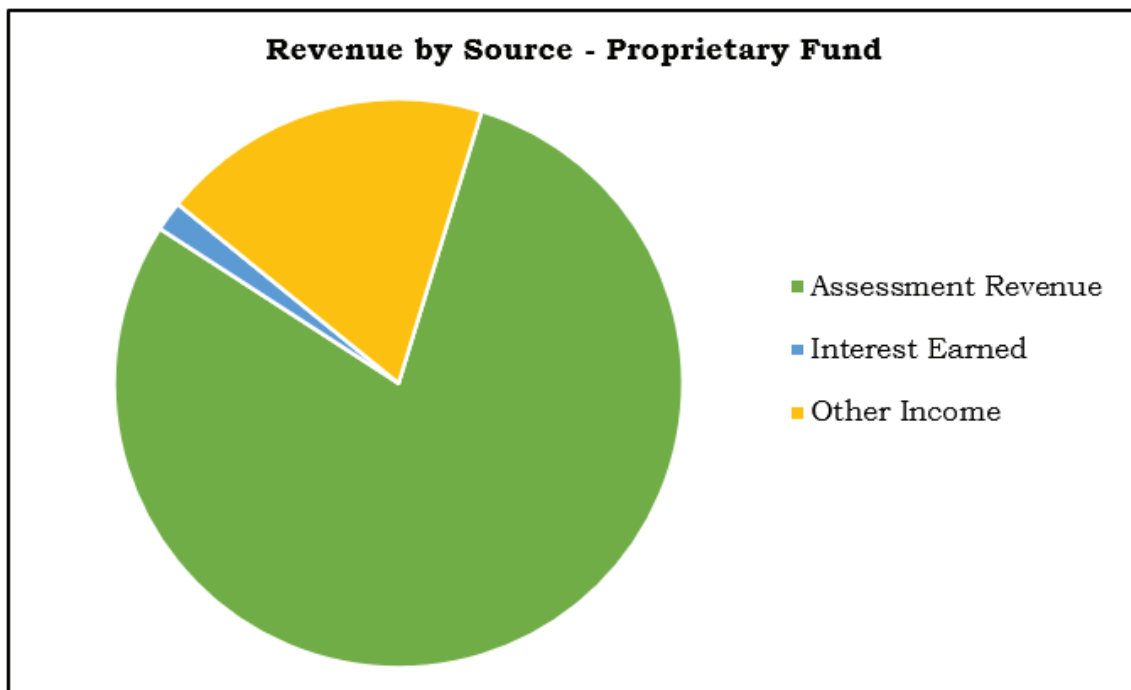
The Council's total net position decreased by \$231,504 for the fiscal year ended September 30, 2023. The current year decrease in net position is due to the delayed transition of expenses from the American Pecan Council to the American Pecan Promotion Board.

	<b>2023</b>	<b>2022</b> <b>As Restated</b>
<b>REVENUE:</b>		
Operating Revenue	\$ 2,843,920	\$ 2,545,119
Nonoperating Revenue	736,885	648,518
Total Revenue	<u>\$ 3,580,805</u>	<u>\$ 3,193,637</u>
<b>EXPENSES:</b>		
Operating Expenses	\$ 3,812,309	\$ 6,316,307
Total Expenses	<u>\$ 3,812,309</u>	<u>\$ 6,316,307</u>
Change in Net Position	(\$ 231,504)	(\$ 3,122,670)
Net Position, Beginning	3,363,045	6,636,564
Prior Period Adjustment	-0-	( 150,849)
Net Position, Ending	<u>\$ 3,131,541</u>	<u>\$ 3,363,045</u>

Revenues for the Council are categorized in the chart below. Of the Council's \$3,580,805 total revenue, \$2,843,920 or 79.42% represents assessment revenue, and \$736,885 or 20.58% represents interest revenue and marketing access program funding.



Expenses for the Council are categorized in the following chart. Of the Council’s \$3,812,309 total operating expenses, \$516,060 or 13.54% relates to general administrative expenses, \$140,329 or 3.68% relates to compliance, \$255,685 or 6.71% relates to other general and administrative expenses, \$415,926 or 10.91% relates to industry relations, \$953,366 or 25.01% relates to marketing, \$1,505,943 or 39.50% relates to international relations, and \$25,000 or 0.65% relates to grades and standards



The Council has total assets of \$4,006,139, which includes net capital assets of \$528,356. This is a decrease in total assets of \$334,840. The total change is the net effect of a \$528,356 decrease in cash, \$182,552 increase in accounts receivable, \$40,686 increase in prepaid expense, and \$29,722 decrease in capital assets.

**Capital Assets**

As of the year ended September 30, 2023, the Council had \$83,451 (net of accumulated depreciation and amortization) invested in a broad range of capital assets, including equipment, furniture and fixtures, lease improvements, and right of use assets. The increase in depreciation contributes to the decrease in net capital assets of \$29,722.

	Enterprise Activities	
	2023	2022
Equipment	\$ 16,571	\$ 16,571
Furniture and Fixtures	19,126	19,126
Right of Use Assets	150,211	128,349
Less: Accumulated Depreciation and Amortization	( 102,457)	( 50,873)
Net Capital Asset	\$ 83,451	\$ 113,173



## **Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes to the basic financial statements, this report also presents certain supplementary information concerning the original and amended budgetary schedules.

### **Budget**

The Council's members approved the fiscal 2023 budget on July 27, 2022. Operating revenues were more than budgeted by \$233,920. Additionally, the Council's operating expenses were \$2,832,799 less than budgeted.

### **Future Economic Factors and Next Year's Budget**

The Council has approved Enterprise Fund budgets in the amount of \$2,610,000 for operating revenues and \$5,845,108 for operating expenses for the year ending September 30, 2024. This is the same operating revenue budget and a decrease of \$800,000 in operating expenses for the fiscal year ending 2024. The 2023 expenses are directly offset by non-operating revenues of \$3,235,108, which is a decrease of \$800,000 for the fiscal year ending 2024.

## **REQUEST FOR INFORMATION**

The financial report is designed to provide a general overview of the Council's finances for all those with an interest in the Council's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: American Pecan Council, 3880 Hulen Street, Suite 650, Fort Worth, Texas 76107 or [info@americanpecan.com](mailto:info@americanpecan.com).



# AMERICAN PECAN COUNCIL

## Statement of Net Position - Enterprise Fund

As of September 30, 2023

### ASSETS

#### **Current Assets:**

Cash and Cash Equivalents	\$	3,343,882
Accounts Receivable, Net Allowance for Doubtful Accounts		464,425
Prepaid Expenses		108,506
Total Current Assets	\$	<u>3,916,813</u>

#### **Noncurrent Assets:**

Capital Assets	\$	185,908
Accumulated Depreciation and Amortization	(	102,457)
Total Noncurrent Assets	\$	<u>83,451</u>

#### **Other Assets:**

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

#### **TOTAL ASSETS**

\$ 4,006,139

### LIABILITIES AND NET POSITION

#### **Current Liabilities:**

Accounts Payable	\$	805,663
Noncurrent Lease Obligations Payable		30,109
Noncurrent Subscription Obligations Payable		6,845
Total Current Liabilities	\$	<u>842,617</u>

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

Lease Obligations Payable	\$	31,543
Subscription Obligations Payable		438
Total Long-term Liabilities	\$	<u>31,981</u>
Total Liabilities	\$	<u>874,598</u>

#### **Net Position:**

Net Investment in Capital Assets	\$	14,516
Unrestricted		3,117,025
Total Net Position	\$	<u>3,131,541</u>

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

\$ 4,006,139

The accompanying notes are integral part of this statement.

# AMERICAN PECAN COUNCIL

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

**For the Year Ended September 30, 2023**

### **Operating Revenues:**

Assessment Income	\$	2,843,920
Total Operating Revenue	\$	2,843,920

### **Operating Expenses:**

General Administrative:		
Staff and Administrative	\$	516,060
Insurance		14,400
Compliance		140,329
Other General Administrative		241,285
Industry Relations:		
Industry Relations Activities		190,926
Industry Research		225,000
International Relations		1,505,943
Marketing		853,366
Grades and Standards		125,000
Total Operating Expenses	\$	3,812,309

**Operating Loss** (\$ 968,389)

### **Nonoperating Revenues (Expenses):**

Interest Earned	\$	61,115
Other Income:		
Marketing Access Program		675,770
Total Nonoperating Revenues	\$	736,885

Change in Net Position (\$ 231,504)

Net Position, Beginning as Previously Stated \$ 3,513,894

Prior Period Adjustment ( 150,849)

Net Position, Beginning as Restated \$ 3,363,045

Net Position, Ending \$ 3,131,541

The accompanying notes are integral part of this statement.

# AMERICAN PECAN COUNCIL

## Statement of Cash Flows - Enterprise Fund

**For the Year Ended September 30, 2023**

**Cash Flows Used by Operating Activities:**

Cash Received from Assessments	\$ 2,661,368
Cash Paid for Operating Expenses	( 3,878,037)

Net Cash Used by Operating Activities (\$ 1,216,669)

**Cash Flows Used by Capital and Related Financing Activities:**

Cash Paid for Lease Liability - Interest Portion	(\$ 3,460)
Cash Paid for Lease Liability - Principal Portion	( 45,612)

Net Cash Used by Capital and Related Financing Activities (\$ 49,072)

**Cash Flows From Noncapital Financing Activities:**

Cash Received for Marketing Access Program Funding	<u>\$ 675,770</u>
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Net Cash From Noncapital Financing Activities \$ 675,770

**Cash Flows From Investing Activities:**

Cash Received from Interest Earned	<u>\$ 61,115</u>
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Net Cash From Investing Activities Net \$ 61,115

Decrease in Cash (\$ 528,856)

Cash, Beginning of Period 3,872,738

Cash, End of Period \$ 3,343,882

**Reconciliation of Operating Loss to Net Cash  
Used by Operating Activities:**

Operating Loss (\$ 968,389)

Adjustments to Reconcile Operating Loss to

Net Cash Used by Operating Activities:

Depreciation Expense 4,399

Amortization Expense 47,185

Changes in Assets and Liabilities:

Increase in Accounts Receivable ( 182,552)

Increase in Prepaid Expenses ( 40,686)

Decrease in Accounts Payable ( 76,626)

Net Cash Used by Operating Activities (\$ 1,216,669)

The accompanying notes are integral part of this statement.

# AMERICAN PECAN COUNCIL

## Notes to the Basic Financial Statements

**For the Year Ended September 30, 2023**

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### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity - American Pecan Council (the Council) is a federal marketing order created, organized, and exists under and pursuant to Title 7 Part 986 of the Code of Federal Regulations. The Council was established on December 19, 2016. Its purpose is to promote marketing, distribution, and consumption of pecans including product development, nutritional research, and container development. The marketing order authorizes data collection; research and promotion activities; and regulation of grade, size, quality, pack and containers for pecans. The Council is comprised of six sheller members, nine producer members representing three Councils, an accumulator member, and a public member. Each member will have one alternate. Initial members and alternates will be nominated to four-year terms. The Council assists the Secretary of Agriculture with the operations of the program: quality regulations, research and promotion, pack and container requirements, and data collection.

As of September 30, 2023, the Council's revenue was derived primarily from assessments submitted by pecan handlers. The assessment is based on the type of pecan and the number of pounds sold.

The Council is a single program government engaged in only business-type activities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The Council's basic financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

The activities of the Council are accounted for within a single proprietary fund type, specifically an enterprise fund. The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The accounting and financial reporting used by the Council is determined by its measurement focus. The transactions of the Council are accounted for on a flow of economic resources measurement focus and utilize the accrual method of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the period in which they are incurred and become measurable.

The operating revenue in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Budgetary Data - The Council adopted its final budget on July 27, 2022 for the October 1, 2022 to September 30, 2023 fiscal year. The budget is adopted on the accrual basis of accounting and is adopted by the Council's members for the purpose of management control.

# AMERICAN PECAN COUNCIL

## Notes to the Basic Financial Statements

### For the Year Ended September 30, 2023

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Cash and Cash Equivalents - The Council considers cash and cash equivalents to include all monies in banks and all highly liquid debt instruments purchased with an original maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Receivables and Payables - Accounts receivables are stated at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. As of September 30, 2023, an amount of \$17,561 was deemed to be uncollectible.

The Council believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements.

Capital Assets - Capital assets are reported in the Enterprise Fund financial statements. Such assets are stated at cost if purchased or constructed. Assets acquired by gift or bequest are recorded at their acquisition value at the date of transfer. The Council's policy is to capitalize and depreciate all capital assets with an initial, individual cost of \$500 or more and an estimated life in excess of one year.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the Statement of Net Position. Depreciation has been provided over the useful lives using the straight-line method of depreciation. The useful lives by type of asset are as follows:

Equipment	5 years
Furniture and Fixtures	5 years
Leasehold Improvements	5 years

Leases - The council is a party as lessee for a non-cancellable long-term building lease. The corresponding lease obligation payable is recorded in an amount equal to the present value of the expected future minimum lease payments paid, discounted by an applicable interest rate.

Subscription Based Information Technology Arrangement - The Council is a party to an information technology software contract in which they control the right to use the software. The software contract obligations payable is recorded in an amount equal to the present value of the expected future minimum payments paid, discounted by an applicable interest rate.

The Council generally uses an estimate based on the historical treasury rate as the discount rate for leases unless the rate that the vendor charges is known.

# AMERICAN PECAN COUNCIL

## Notes to the Basic Financial Statements

**For the Year Ended September 30, 2023**

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### **NOTE 2: DEPOSITS**

The Council maintains interest-bearing cash accounts at financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Deposits as of September 30, 2023 were fully secured by FDIC and securities pledged in the name of the Council.

### **NOTE 3: NET POSITION**

In the Statement of Net Position, equity is classified as Net Position and displayed in three components:

- Net Investment in Capital Assets - consists of capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balance of any notes or other borrowings attributable to those capital assets. For the year ended September 30, 2023, the Council had lease obligations payable of \$61,652 and subscription obligations of \$7,283.
- Restricted Net Position - consists of net position with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted Net Position - remaining net position that does not meet the definition of "Restricted" or "Net Investment in Capital Assets."

### **NOTE 4: NET POSITION FLOW ASSUMPTION**

Sometimes the government will fund expenses for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Council's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

### **NOTE 5: NET CAPITAL ASSETS**

Current year changes in net capital assets are summarized below.

	Beginning Balance			Ending Balance
	As Restated	Additions	Deletions	
Equipment	\$ 16,571	\$ -0-	\$ -0-	\$ 16,571
Furniture and Fixtures	19,126	-0-	-0-	19,126
Right of Use Asset	150,211	-0-	-0-	150,211
Less: Accumulated Depreciation/ Amortization	( 50,873)	( 51,584)	-0-	( 102,457)
Net Capital Assets	<u>\$ 135,035</u>	<u>(\$ 51,584)</u>	<u>(\$ -0-)</u>	<u>\$ 83,451</u>



# AMERICAN PECAN COUNCIL

## Notes to the Basic Financial Statements

### For the Year Ended September 30, 2023

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#### **NOTE 6: LONG-TERM LIABILITIES**

The Council, as a lessee, has entered into a lease agreement for the property located at 3880 Hulen Street, Suite 650. A summary of the lease terms and interest rates are as follows.

Office Lease: The facility is shared with the American Pecan Promotion Board with the agreement to split 50% of the cost starting June 30, 2022. Total annual installments are \$33,875. An implied interest rate was used in lieu of a stated in rate in the agreement. The installments increase annually in August of each year and end July 31, 2025.

Total Lease Obligations           \$61,652

Future minimum lease payments to be received are as follows:

For the Year Ended September 30, 2023	Principal	Interest	Total Payments
2024	\$ 30,109	\$ 1,643	\$ 34,575
2025	31,543	405	29,125
	<u>\$ 61,652</u>	<u>\$ 2,048</u>	<u>\$ 63,700</u>

Subscription Based Information Technology Arrangement: The three year contract with Egnyte had a starting date of March 24, 2022. Total annual installments are \$7,598. An implied interest rate was used in lieu of a stated in rate in the agreement.

Total SBITA Obligations           \$7,283

Future subscription-based information technology arrangement payments are as follows.

For the Year Ended September 30, 2023	Principal	Interest	Total Payments
2024	\$ 6,845	\$ 259	\$ 7,104
2025	438	405	843
	<u>\$ 7,283</u>	<u>\$ 664</u>	<u>\$ 7,947</u>

#### **NOTE 7: CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for year ended September 30, 2023.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Operating Lease	\$ 92,685	\$ -0-	(\$ 31,033)	\$ 61,652	\$ 30,109
SBITA	21,862	-0-	( 14,579)	7,283	6,845
Operating Lease	<u>\$ 114,547</u>	<u>\$ -0-</u>	<u>(\$ 45,612)</u>	<u>\$ 68,935</u>	<u>\$ 36,954</u>

#### **NOTE 8: RELATED PARTY TRANSACTIONS**

The Council reimburses Council members and employees for travel expenses to and from Council meetings. The Council paid \$36,842 in travel reimbursements for Council meetings for the year ended September 30, 2023. In addition, the Council members contributed to assessment revenue of \$1,497,990, of which \$77,144 is receivable, as of September 30, 2023.

# AMERICAN PECAN COUNCIL

## Notes to the Basic Financial Statements

**For the Year Ended September 30, 2023**

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### **NOTE 9: PRIOR PERIOD ADJUSTMENTS**

The beginning net position of the proprietary fund has been restated to record prior year assessments received in the current fiscal year as well as amendments to prior year assessments. Prior period adjustments were also made to accounts payable to account for bills received subsequent to the end of the year. A reconciliation of the prior period ending net position to the current year beginning net position is as follows.

Beginning Net Position, as Previously Stated	\$ 3,513,894
Adjustment to Correct Accounts Receivable	( 43,524)
Adjustment to Correct Accounts Payable	( 107,325)
Beginning Net Position, as Restated	<u>\$ 3,363,045</u>

The above adjustments decreased the change in net position by \$150,849 in the prior year.

### **NOTE 10: CHANGES IN ACCOUNTING PRINCIPLES**

GASB Statement No. 96: Subscription-Based Information Technology Arrangements - Statement 96 was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. This standard becomes effective for the Council in fiscal year 2023. The Council has noted a restatement of the right of use assets and recognized an obligation in the amount of \$21,862. These changes were incorporated in the Council's 2023 financial statements and had no effect on the beginning net position of the Enterprise Fund.

### **NOTE 11: NEW PRONOUNCEMENTS**

GASB issued Statement No. 100, Accounting Changes and Error Corrections. - Statement 100 was issued in June 2022 and is an amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the Council's financial statements have not yet been determined.



# AMERICAN PECAN COUNCIL

## Budgetary Comparison Schedule - Enterprise Fund

**For the Year Ended September 30, 2023**

	Budget		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
<b>Operating Revenue:</b>				
2022-2023 Improved	\$ 2,610,000	\$ 2,610,000	\$ 2,524,718	(\$ 85,282)
2023-2024 Improved	-0-	-0-	319,202	319,202
<b>Total Operating Revenue</b>	<b>\$ 2,610,000</b>	<b>\$ 2,610,000</b>	<b>\$ 2,843,920</b>	<b>\$ 233,920</b>
<b>Operating Expenses:</b>				
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
Compliance:				
Attorney/Crisis Management	\$ 25,000	\$ 25,000	\$ 3,938	\$ 21,062
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	113,215	36,785
Printing/Forms/Postage	10,000	10,000	1,176	8,824
Total Compliance	\$ 250,000	\$ 250,000	\$ 140,329	\$ 109,671
Rent:				
Interest Expense	\$ 50,000	\$ 50,000	\$ 9,469	\$ 40,531
Amortization Expense	-0-	-0-	2,842	( 2,842)
	-0-	-0-	35,818	( 35,818)
Total Rent	\$ 50,000	\$ 50,000	\$ 48,129	\$ 1,871
IT/Furniture/Software:				
Interest Expense	\$ 25,000	\$ 25,000	\$ 10,038	\$ 14,962
Amortization Expense	-0-	-0-	618	( 618)
	-0-	-0-	11,367	( 11,367)
Total IT/Furniture/Software	\$ 25,000	\$ 25,000	\$ 22,023	\$ 2,977
Accounting/Financials	\$ 78,000	\$ 78,000	\$ 75,058	\$ 2,942
Telephone/Mobile/Internet	20,000	20,000	21,852	( 1,852)
Travel Office	50,000	50,000	6,363	43,637
Travel Committee	100,000	100,000	15,649	84,351
Supplies	10,000	10,000	3,415	6,585
Maintenance/Buildout	15,000	15,000	-0-	15,000
Printing	20,000	20,000	5,826	14,174
Bad Debt Expense	-0-	-0-	17,561	( 17,561)
Subscriptions	20,000	20,000	17,785	2,215
Depreciation	-0-	-0-	4,399	( 4,399)
Miscellaneous	5,000	5,000	3,225	1,775
Total General Administration	\$ 1,243,800	\$ 1,243,800	\$ 912,074	\$ 331,726

See Independent Auditors' Report.

# AMERICAN PECAN COUNCIL

## Budgetary Comparison Schedule - Enterprise Fund

**For the Year Ended September 30, 2023**

	Budget		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
Contingency Fund	\$ 542,200	\$ 542,200	\$ -0-	\$ 542,200
Industry Relations:				
Compliance:				
Compliance Materials	\$ 5,000	\$ 5,000	\$ -0-	\$ 5,000
Workshops	5,000	5,000	-0-	5,000
Total Compliance	\$ 10,000	\$ 10,000	\$ -0-	\$ 10,000
Industry Relations Activities:				
Annual Reports	\$ 8,000	\$ 8,000	\$ -0-	\$ 8,000
Communication Materials	50,000	50,000	49,348	652
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	\$ 270,000	\$ 270,000	\$ 190,926	\$ 79,074
Industry Research:				
NASS	\$ 225,000	\$ 225,000	\$ 225,000	\$ -0-
Research Contingency	100,000	100,000	-0-	100,000
Total Industry Research	\$ 325,000	\$ 325,000	\$ 225,000	\$ 100,000
Total Industry Relations	\$ 605,000	\$ 605,000	\$ 415,926	\$ 189,074
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
Weber Shandwick - China	900,000	900,000	663,482	236,518
Weber Shandwick - Germany	650,000	650,000	625,000	25,000
Emerging Market Program Research	300,000	300,000	-0-	300,000
Contingency Fund	500,000	500,000	-0-	500,000
Total International Relations	\$ 2,625,000	\$ 2,625,000	\$ 1,505,943	\$ 1,119,057
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
Health Research	-0-	-0-	43,062	( 43,062)
Ride for the Brand Website	24,000	24,000	1,500	22,500
NPSA Chef's Summit	-0-	-0-	69,825	( 69,825)
IRI Reporting	150,000	150,000	-0-	150,000
Research - Nuth Health	385,000	385,000	40,338	344,662
Total Marketing	\$ 1,449,000	\$ 1,449,000	\$ 853,366	\$ 595,634

See Independent Auditors' Report.

# AMERICAN PECAN COUNCIL

## Budgetary Comparison Schedule - Enterprise Fund

**For the Year Ended September 30, 2023**

	Budget		Actual	Variance
	Original	Amended		Favorable (Unfavorable)
Grades and Standards:				
Research Contingency (FAIR):				
Current Year	\$ -0-	\$ -0-	\$ 60,000	(\$ 60,000)
Prior Year Carry-over	-0-	-0-	40,000	( 40,000)
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>\$ 125,000</u>	<u>\$ 55,108</u>
<b>Total Operating Expenses</b>	<u>\$ 6,645,108</u>	<u>\$ 6,645,108</u>	<u>\$ 3,812,309</u>	<u>\$ 2,832,799</u>
<b>Operating Income (Loss)</b>	<u>(\$ 4,035,108)</u>	<u>(\$ 4,035,108)</u>	<u>(\$ 968,389)</u>	<u>\$ 3,066,719</u>
<b>Nonoperating Revenues and Expenses:</b>				
Interest Earned	\$ -0-	\$ -0-	\$ 61,115	\$ 61,115
Past Outstanding	400,000	400,000	-0-	( 400,000)
Prior Year Carry-over - 2022 Expense Offset	735,108	735,108	-0-	( 735,108)
Other Income:				
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)
<b>Total Nonoperating Revenue</b>	<u>\$ 4,035,108</u>	<u>\$ 4,035,108</u>	<u>\$ 736,885</u>	<u>(\$ 3,298,223)</u>
<b>Change in Net Position</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(\$ 231,504)</u>	<u>(\$ 231,504)</u>

See Independent Auditors' Report.



**Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Members of  
American Pecan Council  
Fort Worth, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the American Pecan Council (the Council), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Council’s basic financial statements and have issued our report thereon dated October 24, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Council’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item 2023-001 that we consider to be a material weakness.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **The Council's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Council's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The Council's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Abilene, Texas  
October 24, 2024





**AMERICAN PECAN COUNCIL**  
**Schedule of Findings and Responses**  
**For the Year Ended September 30, 2023**

*Recommendation:*

We recommend the Council implement additional procedures to verify that all expenditures and revenue are recorded in the correct period.

*View of Responsible Officials:*

Refer to the Corrective Action Plan.

**AMERICAN PECAN COUNCIL**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended September 30, 2022**

**Finding 2022-001**

Finding Summary:

After the completion of the audit for the year ended September 30, 2021, a vendor submitted a bill in July 2022 for the 2021 fiscal year. It was determined that, as an individual transaction, the effect on net position was minimal and a decision was made to leave the transaction in the 2022 fiscal year. As a result, the September 30, 2022 expenditures were overstated, and current year beginning net position was overstated. During the course of the audit, a proposed audit adjustment was made to correct the Council recorded expenditures and net position for the amount of \$38,204.

Throughout the fiscal year 2022, the Council received from handlers multiple amended assessments for the prior year. As a result, the beginning net position was adjusted in the amount of \$46,283. The books are adjusted throughout the year as the amendments are received.

Responsible Individuals:

Anne Warden, Chief Executive Officer

Status:

Ongoing. Management agreed with the finding. The receivables continue to be a challenge as we are still identifying handlers and are seeing consolidation. Further education is still needed for the smaller handlers. However, the Council has begun industry audits and we are 2-3 years into this process. This area will continue to be a focus for improvement.

**AMERICAN PECAN COUNCIL**  
**Corrective Action Plan**  
**For the Year Ended September 30, 2023**

**Finding 2023-001**

Finding Summary:

After the completion of the audit for the year ended September 30, 2022, a vendor submitted a bill in fiscal year 2023 for the 2022 fiscal year. It was determined that, as an individual transaction, the effect on net position was minimal and a decision was made to leave the transaction in the 2023 fiscal year. As a result, the September 30, 2023 expenditures were overstated, and current year beginning net position was overstated. During the course of the audit, a proposed audit adjustment was made to correct the Council recorded expenditures and net position for the amount of \$107,325.

Throughout the fiscal year 2023, the Council received from handlers multiple amended assessments for the prior year. As a result, the beginning net position was adjusted in the amount of \$43,524. The books are adjusted throughout the year as the amendments are received.

Corrective Action Plan:

Management agreed with the finding. The receivables continue to be a challenge as we are still identifying handlers and are seeing consolidation. Further education is still needed for the smaller handlers. However, the Council has begun industry audits and we are 2-3 years into this process. This area will continue to be a focus for improvement.

Responsible Individuals:

Anne Warden, Chief Executive Officer

Anticipated Completion Date:

September 2024



October 24, 2024

To the Members of  
American Pecan Council  
Fort Worth, Texas

We have audited the financial statements of the American Pecan Council (the Council) as of and for the year ended September 30, 2023, and have issued our report thereon dated October 24, 2024. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and Government Auditing Standards**

As communicated in our letter dated January 9, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Council solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding a material weakness in internal control during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards dated October 24, 2024.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Note 1 and 11, the Council changed accounting policies related to the accounting of subscription agreements to adopt provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Accordingly, the accounting change has been retrospectively applied to the financial statements beginning October 1, 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is:

Management's estimate of the allowance for doubtful accounts for accounts receivable is based on collections in prior years and delinquent amounts due outstanding currently.

We evaluated the key factors and assumptions used to develop the significant accounting estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Council's financial statements relate to prior period adjustments.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no corrected misstatements identified as a result of our audit procedures.

The following summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Overstatement of accounts receivable and assessment revenue	\$6,458
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The effect of these uncorrected misstatements, including the effect of the reversal of prior year uncorrected misstatements as of and for the year ended September 30, 2023, is an overstatement of net income of approximately \$6,458 and overstatement of net position of approximately \$6,458.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Council's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. As described in Note 11 to the financial statements, due to the adoption of No. 96, Subscription-Based Information Technology Arrangements, the Council restated opening balances as of October 1, 2022. We have included an emphasis of matter in our report regarding this restatement.

As described in Note 10 to the financial statements, the Council restated opening balances as of October 1, 2022 to correct errors of the 2022 financial statements. We have included an emphasis of matter in our report regarding this restatement.

## **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated October 24, 2024.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Matters Resulting in Consultation outside the Engagement Team**

The following significant and relevant matters resulted in consultations outside of our engagement team:

The restatement of the previously issued financial statements noted above required a consultation by the engagement team with our National Assurance Office. Our National Assurance Office concurred with our conclusions as documented in this letter and Note 10 to the financial statements.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Council, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Council's auditors.

This report is intended solely for the information and use of the Members and management of the Council and is not intended to be, and should not be, used by anyone other than these specified parties.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned to the left of the text "Abilene, Texas".

Abilene, Texas