



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants



AMERICAN PECAN COUNCIL

Compiled Financial Statements

For the One Month and Five Months Ended

February 28, 2025

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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 February 28, 2025 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 five 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 America 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 five months ended February 28, 2025 and the year ended September 30, 2025 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
March 21, 2025

AMERICAN PECAN COUNCIL

Statement of Net Position - Enterprise Fund

As of February 28, 2025

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	4,279,270
Accounts Receivable		975,147
Prepaid Expenses		51,986
Total Current Assets	\$	5,306,403

Noncurrent Assets:

Depreciable Capital Assets	\$	185,908
Accumulated Depreciation and Amortization	(168,751)
Total Noncurrent Assets	\$	17,157

Other Assets:

Security Deposit	\$	5,875
Total Other Assets	\$	5,875

TOTAL ASSETS

\$ 5,329,435

LIABILITIES AND NET POSITION

Current Liabilities:

Accounts Payable	\$	78,705
Noncurrent Lease Obligations Payable		14,472
Total Current Liabilities	\$	93,177
Total Liabilities	\$	93,177

Net Position:

Net Investment in Capital Assets	\$	2,685
Unrestricted		5,233,573
Total Net Position	\$	5,236,258

TOTAL LIABILITIES AND NET POSITION

\$ 5,329,435

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

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

For the One Month and Five Months Ended February 28, 2025

	<u>One Month</u>	<u>Five Months</u>
Operating Revenue:		
2024-2025 Improved	\$ 319,657	\$ 1,578,574
Total Operating Revenue	\$ 319,657	\$ 1,578,574
Operating Expenses:		
General Administration:		
Administration:		
Contract Labor	\$ 40,376	\$ 213,386
Total Administration	\$ 40,376	\$ 213,386
Insurance:		
General	\$ 660	\$ 3,300
D&O/Members	445	2,654
Total Insurance	\$ 1,105	\$ 5,954
Compliance:		
Attorney/Crisis Management	\$ 6,820	\$ 29,565
Audit Financial	-0-	22,000
FAS Compliance	3,430	38,465
Sheller/Handler Audits	4,188	11,613
Printing/Forms/Postage	233	1,584
Total Compliance	\$ 14,671	\$ 103,227
Rent:	\$ 563	\$ 2,815
Interest Expense	45	314
Amortization Expense	2,985	14,924
Total Rent	\$ 3,593	\$ 18,053
Accounting/Financials	\$ 7,675	\$ 30,775
Telephone/Mobile/Internet	1,771	6,543
Travel Committee	24,718	38,340
Supplies	570	570
Printing	-0-	6,368
IT/Furniture/Software	2,076	14,390
Subscriptions	-0-	104
Depreciation	198	1,198
Miscellaneous	-0-	3
Total General Administration	\$ 96,753	\$ 438,911
Industry Relations Activities:		
Association Sponsorship	\$ 1,500	\$ 9,641
Compliance & Reporting Portal:	-0-	3,878
Total Industry Relations Activities	\$ 1,500	\$ 13,519
Total Industry Relations	\$ 1,500	\$ 13,519

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

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

For the One Month and Five Months Ended February 28, 2025

	<u>One Month</u>	<u>Five Months</u>
International Relations:	\$ -0-	\$ 19,242
Unified Export Strategy	188	938
Travel	-0-	4,169
Market Access Program:		
Germany Marketing	-0-	330
China	-0-	(2,907)
Total International Relations	<u>\$ 188</u>	<u>\$ 21,772</u>
Marketing:		
Marketing Support	\$ 11,807	\$ 70,535
APC Travel for Events	-0-	(8,200)
Influencer Marketing	500	2,500
Total Marketing	<u>\$ 12,307</u>	<u>\$ 64,835</u>
Grades and Standards:		
Surveys	\$ -0-	\$ 19,758
Quality Assurance Program	-0-	(157,500)
Total Grades and Standards	<u>\$ -0-</u>	<u>(\$ 137,742)</u>
Total Operating Expenses	<u>\$ 110,748</u>	<u>\$ 401,295</u>
Operating Income	<u>\$ 208,909</u>	<u>\$ 1,177,279</u>
Nonoperating Revenues and Expenses:		
Interest Earned	\$ 5,043	\$ 25,592
Other Income:		
Marketing Access Program (MAP)	425,163	425,163
Regional Agricultural Promotion Program (RAPP)	333,000	333,000
Total Nonoperating Revenue	<u>\$ 763,206</u>	<u>\$ 783,755</u>
Change in Net Position	<u>\$ 972,115</u>	<u>\$ 1,961,034</u>
Net Position, Beginning as Previously Stated	\$ 4,091,985	\$ 3,554,988
Prior Period Adjustment	172,158	(279,764)
Net Position, Beginning as Restated	<u>\$ 4,264,143</u>	<u>\$ 3,275,224</u>
Net Position, Ending	<u><u>\$ 5,236,258</u></u>	<u><u>\$ 5,236,258</u></u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Statement of Cash Flows - Enterprise Fund

For the One Month and Five Months Ended February 28, 2025

	<u>One Month</u>	<u>Five Months</u>
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 273,204	\$ 1,344,863
Cash Paid for Operating Expenses	(117,520)	(1,951,425)
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Net Cash Used by Operating Activities	\$ 155,684	(\$ 606,562)
	<hr/>	<hr/>
Cash Flows From Investing Activities:		
Cash Received from Interest Earned	\$ 5,043	\$ 25,592
	<hr/>	<hr/>
Net Cash Provided by Investing Activities	\$ 5,043	\$ 25,592
	<hr/>	<hr/>
Net Decrease in Cash	\$ 918,890	\$ 177,193
Cash, Beginning of Period	<hr/> 3,360,380	<hr/> 4,102,077
Cash, End of Period	<hr/> <u>\$ 4,279,270</u>	<hr/> <u>\$ 4,279,270</u>
Reconciliation of Operating Income to Net Cash Used by Operating Activities:		
Operating Income	\$ 208,909	\$ 1,177,279
Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:		
Depreciation Expense	198	1,198
Amortization Expense	3,518	5,704
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(46,453)	(233,711)
(Increase) Decrease in Prepaid Expenses	2,133	(4,305)
Increase (Decrease) in Accounts Payable	(9,754)	(1,538,479)
Increase (Decrease) in Operating Lease	(2,867)	(14,248)
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Net Cash Used by Operating Activities	<u>\$ 155,684</u>	<u>(\$ 606,562)</u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Five Months Ended February 28, 2025

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Amended		
Operating Revenue:				
2023-2024 Improved	\$ 1,075,000	\$ 1,075,000	\$ 1,578,574	\$ 503,574
Total Operating Revenue	\$ 1,075,000	\$ 1,075,000	\$ 1,578,574	\$ 503,574
Operating Expenses:				
General Administration:				
Administration	\$ 245,124	\$ 245,124	\$ 213,386	\$ 31,738
Compliance	161,460	161,460	103,227	58,233
Other General Administrative	144,790	144,790	122,298	22,492
Total General Administration	\$ 551,374	\$ 551,374	\$ 438,911	\$ 112,463
Contingency Fund	\$ 210,420	\$ 210,420	\$ -0-	\$ 210,420
Industry Relations	45,831	45,831	13,519	32,312
International Relations	604,720	1,406,805	21,772	1,385,033
Marketing	372,375	372,375	64,835	307,540
Grades and Standards	114,585	114,585	(137,742)	252,327
Total Operating Expenses	\$ 1,899,305	\$ 2,701,390	\$ 401,295	\$ 2,300,095
Operating Income (Loss)	(\$ 824,305)	(\$ 1,626,390)	\$ 1,177,279	\$ 2,803,669
Nonoperating Revenues and Expenses:				
Interest Earned	\$ -0-	\$ -0-	\$ 25,592	\$ 25,592
Past Outstanding	166,665	166,665	-0-	(166,665)
Carry Over - Health Research	143,750	143,750	-0-	(143,750)
Other Income:				
Emerging Marking Program (EMP)	104,165	104,165	-0-	(104,165)
Marketing Access Program (MAP)	270,835	416,670	425,163	8,493
Quality Sample Program (QSP)	-0-	31,250	-0-	(31,250)
Regional Agricultural Promotion Program (RAPP) 1	138,890	138,890	333,000	194,110
Regional Agricultural Promotion Program (RAPP) 2	-0-	625,000	-0-	(625,000)
Total Nonoperating Revenue	\$ 824,305	\$ 1,626,390	\$ 783,755	(\$ 842,635)
Change in Net Position	\$ -0-	\$ -0-	\$ 1,961,034	\$ 1,961,034

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

For the One Month and Five Months Ended February 28, 2025 and Year Ended September 30, 2025

	One Month Ended February 28, 2025		Five Months Ended February 28, 2025		Fiscal Year Ended September 30, 2025
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Operating Revenue:					
2024-2025 Improved	\$ 319,657	\$ 215,000	\$ 1,578,574	\$ 1,075,000	\$ 2,580,000
Total Operating Revenue	\$ 319,657	\$ 215,000	\$ 1,578,574	\$ 1,075,000	\$ 2,580,000
Operating Expenses:					
General Administration:					
Administration	\$ 40,376	\$ 49,025	\$ 213,386	\$ 245,124	\$ 588,295
Compliance	14,671	32,292	103,227	161,460	387,500
Other General Administration	41,706	28,958	122,298	144,790	347,500
Total General Administration	\$ 96,753	\$ 110,275	\$ 438,911	\$ 551,374	\$ 1,323,295
Contingency Fund	\$ -0-	\$ 42,084	\$ -0-	\$ 210,420	\$ 505,005
Industry Relations	1,500	9,166	13,519	45,831	110,000
International Relations	188	281,361	21,772	1,406,805	3,376,333
Marketing	12,307	74,475	64,835	372,375	893,700
Grades and Standards	-0-	22,917	(137,742)	114,585	275,000
Total Operating Expenses	\$ 110,748	\$ 540,278	\$ 401,295	\$ 2,701,390	\$ 6,483,333
Operating Income (Loss)	\$ 208,909	(\$ 325,278)	\$ 1,177,279	(\$ 1,626,390)	(\$ 3,903,333)
Nonoperating Revenues and Expenses:					
Interest Earned	\$ 5,043	\$ -0-	\$ 25,592	\$ -0-	\$ -0-
Past Outstanding	-0-	33,333	-0-	166,665	400,000
Carry Over - Health Research	-0-	28,750	-0-	143,750	345,000
Other Income:					
Emerging Marking Program (EMP)	-0-	20,832	-0-	104,165	250,000
Marketing Access Program (MAP)	425,163	83,333	425,163	416,670	1,000,000
Quality Sample Program (QSP)	-0-	6,250	-0-	31,250	75,000
Regional Agricultural Promotion Program (RAPP) 1	333,000	27,780	333,000	138,890	333,333
Regional Agricultural Promotion Program (RAPP) 2	-0-	125,000	-0-	625,000	1,500,000
Total Nonoperating Revenue	\$ 763,206	\$ 325,278	\$ 783,755	\$ 1,626,390	\$ 3,903,333
Change in Net Position	\$ 972,115	\$ -0-	\$ 1,961,034	\$ -0-	\$ -0-

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