



ARMSTRONG BACKUS & CO., LLP

Certified Public Accountants



AMERICAN PECAN COUNCIL

Compiled Financial Statements

For the One Month and Six Months Ended

March 31, 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 March 31, 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 six 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 six months ended March 31, 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
April 14, 2025

AMERICAN PECAN COUNCIL

Statement of Net Position - Enterprise Fund

As of March 31, 2025

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	4,652,184
Accounts Receivable		1,060,829
Prepaid Expenses		68,370
Total Current Assets	\$	5,781,383

Noncurrent Assets:

Depreciable Capital Assets	\$	185,908
Accumulated Depreciation and Amortization	(171,934)
Total Noncurrent Assets	\$	13,974

Other Assets:

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

TOTAL ASSETS

\$ 5,801,232

LIABILITIES AND NET POSITION

Current Liabilities:

Accounts Payable	\$	61,137
Noncurrent Lease Obligations Payable		11,595
Total Current Liabilities	\$	72,732
Total Liabilities	\$	72,732

Net Position:

Net Investment in Capital Assets	\$	2,379
Unrestricted		5,726,121
Total Net Position	\$	5,728,500

TOTAL LIABILITIES AND NET POSITION

\$ 5,801,232

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

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

For the One Month and Six Months Ended March 31, 2025

	<u>One Month</u>	<u>Six Months</u>
Operating Revenue:		
2024-2025 Improved	\$ 330,207	\$ 2,077,043
Total Operating Revenue	<u>\$ 330,207</u>	<u>\$ 2,077,043</u>
Operating Expenses:		
General Administration:		
Administration:		
Contract Labor	\$ 40,376	\$ 253,763
Total Administration	<u>\$ 40,376</u>	<u>\$ 253,763</u>
Insurance:		
Travel	\$ 4,073	\$ 4,489
General	660	3,960
D&O/Members	445	3,099
Total Insurance	<u>\$ 5,178</u>	<u>\$ 11,548</u>
Compliance:		
Attorney/Crisis Management	\$ -0-	\$ 29,565
Audit Financial	-0-	22,000
Sheller/Handler Audits	-0-	11,613
Printing/Forms/Postage	296	1,909
Total Compliance	<u>\$ 296</u>	<u>\$ 65,087</u>
Rent:	\$ 563	\$ 3,378
Interest Expense	36	351
Amortization Expense	2,985	17,909
Total Rent	<u>\$ 3,584</u>	<u>\$ 21,638</u>
Accounting/Financials	\$ 6,500	\$ 37,275
Telephone/Mobile/Internet	1,596	8,139
Travel Office	(222)	(222)
Travel Committee	3,319	41,660
Supplies	-0-	570
Printing	-0-	6,368
IT/Furniture/Software	2,555	17,230
Subscriptions	-0-	104
Depreciation	198	1,395
Total General Administration	<u>\$ 63,380</u>	<u>\$ 464,555</u>
Industry Relations Activities:		
Communication Materials	\$ 9	\$ 9
Association Sponsorship	-0-	9,641
Compliance & Reporting Portal:	-0-	3,878
FAS Compliance	-0-	38,465
Total Industry Relations Activities	<u>\$ 9</u>	<u>\$ 51,993</u>
Total Industry Relations	<u>\$ 9</u>	<u>\$ 51,993</u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

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

For the One Month and Six Months Ended March 31, 2025

	<u>One Month</u>	<u>Six Months</u>
International Relations:	\$ 171,361	\$ 190,602
Unified Export Strategy	187	1,126
Travel	-0-	9,377
Market Access Program:		
Germany Marketing	-0-	330
China	-0-	(2,907)
Total International Relations	<u>\$ 171,548</u>	<u>\$ 198,528</u>
Marketing:		
Marketing Support	\$ 11,807	\$ 82,342
APC Travel for Events	-0-	(8,200)
Influencer Marketing	500	3,000
Website Management	16,694	16,694
Total Marketing	<u>\$ 29,001</u>	<u>\$ 93,836</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>\$ 263,938</u>	<u>\$ 671,170</u>
Operating Income	<u>\$ 66,269</u>	<u>\$ 1,405,873</u>
Nonperating Revenues and Expenses:		
Interest Earned	\$ 5,394	\$ 30,986
Other Income:		
Marketing Access Program (MAP)	-0-	425,163
Regional Agricultural Promotion Program (RAPP)	-0-	333,000
Regional Agricultural Promotion Program (RAPP)-2	265,458	265,458
Total Nonoperating Revenue	<u>\$ 270,852</u>	<u>\$ 1,054,607</u>
Change in Net Position	<u>\$ 337,121</u>	<u>\$ 2,460,480</u>
Net Position, Beginning as Previously Stated	\$ 5,236,257	\$ 3,554,988
Prior Period Adjustment	155,122	(286,968)
Net Position, Beginning as Restated	<u>\$ 5,391,379</u>	<u>\$ 3,268,020</u>
Net Position, Ending	<u><u>\$ 5,728,500</u></u>	<u><u>\$ 5,728,500</u></u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Statement of Cash Flows - Enterprise Fund

For the One Month and Six Months Ended March 31, 2025

	<u>One Month</u>	<u>Six Months</u>
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 405,582	\$ 1,750,446
Cash Paid for Operating Expenses	(303,520)	(2,254,946)
Net Cash Provided (Used) by Operating Activities	<u>\$ 102,062</u>	<u>(\$ 504,500)</u>
Cash Flows From Noncapital Financing Activities:		
Cash Received from Marketing Access Program Funding (MAP)	\$ -0-	\$ 425,163
Cash Received from Regional Agricultural Promotion Program Funding (RAPP)	<u>265,458</u>	<u>598,458</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>\$ 265,458</u>	<u>\$ 1,023,621</u>
Cash Flows From Investing Activities:		
Cash Received from Interest Earned	<u>\$ 5,394</u>	<u>\$ 30,986</u>
Net Cash Provided (Used) by Investing Activities	<u>\$ 5,394</u>	<u>\$ 30,986</u>
Net Decrease in Cash	\$ 372,914	\$ 550,107
Cash, Beginning of Period	<u>4,279,270</u>	<u>4,102,077</u>
Cash, End of Period	<u><u>\$ 4,652,184</u></u>	<u><u>\$ 4,652,184</u></u>
Reconciliation of Operating Income to Net Cash		
Used by Operating Activities:		
Operating Income	\$ 66,269	\$ 1,405,873
Adjustments to Reconcile Operating Income to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	198	1,395
Amortization Expense	2,984	20,933
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	75,375	(326,597)
(Increase) Decrease in Prepaid Expenses	(16,669)	(32,932)
Increase (Decrease) in Accounts Payable	(23,218)	(1,556,047)
Increase (Decrease) in Operating Lease	<u>(2,877)</u>	<u>(17,125)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 102,062</u></u>	<u><u>(\$ 504,500)</u></u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Budgetary Comparison Schedule

For the Six Months Ended March 31, 2025

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Amended		
Operating Revenue:				
2023-2024 Improved	\$ 1,290,000	\$ 1,290,000	\$ 2,077,043	\$ 787,043
Total Operating Revenue	<u>\$ 1,290,000</u>	<u>\$ 1,290,000</u>	<u>\$ 2,077,043</u>	<u>\$ 787,043</u>
Operating Expenses:				
General Administration:				
Administration	\$ 294,149	\$ 294,149	\$ 253,763	\$ 40,386
Compliance	193,752	193,752	65,087	128,665
Other General Administrative	173,748	173,748	145,705	28,043
Total General Administration	<u>\$ 661,649</u>	<u>\$ 661,649</u>	<u>\$ 464,555</u>	<u>\$ 197,094</u>
Contingency Fund	\$ 252,504	\$ 252,504	\$ -0-	\$ 252,504
Industry Relations	54,998	54,998	51,993	3,005
International Relations	725,663	1,688,166	198,528	1,489,638
Marketing	446,850	446,850	93,836	353,014
Grades and Standards	137,502	137,500	(137,742)	275,242
Total Operating Expenses	<u>\$ 2,279,166</u>	<u>\$ 3,241,667</u>	<u>\$ 671,170</u>	<u>\$ 2,570,497</u>
Operating Income (Loss)	<u>(\$ 989,166)</u>	<u>(\$ 1,951,667)</u>	<u>\$ 1,405,873</u>	<u>\$ 3,357,540</u>
Nonoperating Revenues and Expenses:				
Interest Earned	\$ -0-	\$ -0-	\$ 30,986	\$ 30,986
Past Outstanding	199,998	199,998	-0-	(199,998)
Carry Over - Health Research	172,500	172,500	-0-	(172,500)
Other Income:				
Emerging Marking Program (EMP)	124,998	124,998	-0-	(124,998)
Marketing Access Program (MAP)	325,002	500,000	425,163	(74,837)
Quality Sample Program (QSP)	-0-	37,500	-0-	(37,500)
Regional Agricultural Promotion Program (RAPP) 1	166,668	166,671	333,000	166,329
Regional Agricultural Promotion Program (RAPP) 2	-0-	750,000	265,458	(484,542)
Total Nonoperating Revenue	<u>\$ 989,166</u>	<u>\$ 1,951,667</u>	<u>\$ 1,054,607</u>	<u>(\$ 897,060)</u>
Change in Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 2,460,480</u>	<u>\$ 2,460,480</u>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

For the One Month and Six Months Ended March 31, 2025 and Year Ended September 30, 2025

	One Month Ended March 31, 2025		Six Months Ended March 31, 2025		Fiscal Year Ended September 30, 2025
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Operating Revenue:					
2024-2025 Improved	\$ 330,207	\$ 215,000	\$ 2,077,043	\$ 1,290,000	\$ 2,580,000
Total Operating Revenue	\$ 330,207	\$ 215,000	\$ 2,077,043	\$ 1,290,000	\$ 2,580,000
Operating Expenses:					
General Administration:					
Administration	\$ 40,376	\$ 49,025	\$ 253,763	\$ 294,149	\$ 588,295
Compliance	296	32,292	65,087	193,752	387,500
Other General Administration	22,708	28,958	145,705	173,748	347,500
Total General Administration	\$ 63,380	\$ 110,275	\$ 464,555	\$ 661,649	\$ 1,323,295
Contingency Fund	\$ -0-	\$ 42,084	\$ -0-	\$ 252,504	\$ 505,005
Industry Relations	9	9,166	51,993	54,998	110,000
International Relations	171,548	281,361	198,528	1,688,166	3,376,333
Marketing	29,001	74,475	93,836	446,850	893,700
Grades and Standards	-0-	22,917	(137,742)	137,500	275,000
Total Operating Expenses	\$ 263,938	\$ 540,278	\$ 671,170	\$ 3,241,667	\$ 6,483,333
Operating Income (Loss)	\$ 66,269	(\$ 325,278)	\$ 1,405,873	(\$ 1,951,667)	(\$ 3,903,333)
Nonoperating Revenues and Expenses:					
Interest Earned	\$ 5,394	\$ -0-	\$ 30,986	\$ -0-	\$ -0-
Past Outstanding	-0-	33,333	-0-	199,998	400,000
Carry Over - Health Research	-0-	28,750	-0-	172,500	345,000
Other Income:					
Emerging Marking Program (EMP)	-0-	20,832	-0-	124,998	250,000
Marketing Access Program (MAP)	-0-	83,333	425,163	500,000	1,000,000
Quality Sample Program (QSP)	-0-	6,250	-0-	37,500	75,000
Regional Agricultural Promotion Program (RAPP) 1	-0-	27,780	333,000	166,671	333,333
Regional Agricultural Promotion Program (RAPP) 2	265,458	125,000	265,458	750,000	1,500,000
Total Nonoperating Revenue	\$ 270,852	\$ 325,278	\$ 1,054,607	\$ 1,951,667	\$ 3,903,333
Change in Net Position	\$ 337,121	\$ -0-	\$ 2,460,480	\$ -0-	\$ -0-

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