



**ARMSTRONG, BACKUS & CO., LLP**

Certified Public Accountants

**American Pecan Council**

**Compiled Financial Statements**

**For the One Month and Nine Months Ended September 30, 2017**



**ARMSTRONG, BACKUS & CO., LLP**  
Certified Public Accountants

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 nonprofit organization), which comprise the statement of financial position as of September 30, 2017 and the related statements of activities and cash flows for the one month and nine 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. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the 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 Organization's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

**Supplementary Information**

The supplementary information included in the operating budget for the one month and nine months ended September 30, 2017 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  
October 14, 2017

**AMERICAN PECAN COUNCIL**  
**Statement of Financial Position**  
**As of September 30, 2017**

**ASSETS**

**Current Assets:**

Cash and Cash Equivalents	\$	5,103,770
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Total Current Assets	\$	<u>5,103,770</u>
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**Fixed Assets:**

Equipment	\$	4,146
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Accumulated Depreciation	(	<u>139</u> )
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Total Fixed Assets	\$	<u>4,007</u>
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**Other Assets:**

Security Deposit	\$	<u>2,000</u>
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Total Other Assets	\$	<u>2,000</u>
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<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u><u>5,109,777</u></u></b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts Payable	\$	<u>821,530</u>
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Total Current Liabilities	\$	<u>821,530</u>
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Total Liabilities	\$	<u>821,530</u>
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**Equity:**

Unrestricted Net Assets	\$	<u>4,288,246</u>
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Total Equity	\$	<u>4,288,246</u>
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<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$</b>	<b><u><u>5,109,776</u></u></b>
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See Accountants' Compilation Report.

# AMERICAN PECAN COUNCIL

## Statements of Activities

**For the One Month and Nine Months Ended September 30, 2017**

	<u>One Month</u>	<u>Nine Months</u>
<b>Revenue:</b>		
Assessment Income	\$ 848,310	\$ 6,310,230
Donations	-0-	110
Interest Earned	-0-	2,535
	<hr/>	<hr/>
Total Revenue	\$ 848,310	\$ 6,312,875
	<hr/>	<hr/>
<b>Expenses:</b>		
Administrative	\$ 55,111	\$ 253,547
Communication	43	283
Finance	3	2,028
Marketing/Research and Development	793,736	1,751,657
Personnel	-0-	17,114
	<hr/>	<hr/>
Total Expenses	\$ 848,893	\$ 2,024,629
	<hr/>	<hr/>
Change in Net Assets	(\$ 583)	\$ 4,288,246
Net Assets, Beginning	4,288,829	-0-
	<hr/>	<hr/>
Net Assets, Ending	\$ 4,288,246	\$ 4,288,246
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See Accountants' Compilation Report.

# AMERICAN PECAN COUNCIL

## Statements of Cash Flow

**For the One Month and Nine Months Ended September 30, 2017**

	<u>One Month</u>	<u>Nine Months</u>
<b>Cash Flows From Operating Activities:</b>		
Cash Received from Assessments	\$ 848,310	\$ 6,310,230
Cash Received from Donors	-0-	110
Cash Received from Interest Earned	-0-	2,535
Cash Paid for Operating Expenses	<u>( 645,761)</u>	<u>( 1,204,959)</u>
Net Cash Provided by Operating Activities	<u>\$ 202,549</u>	<u>\$ 5,107,916</u>
<b>Cash Flows From Investing Activities:</b>		
Purchases of Property, Plant, and Equipment	<u>(\$ 4,146)</u>	<u>(\$ 4,146)</u>
Net Cash Used by Investing Activities	<u>(\$ 4,146)</u>	<u>(\$ 4,146)</u>
Net Increase in Cash	\$ 198,403	\$ 5,103,770
Cash, Beginning of Period	<u>4,905,367</u>	<u>-0-</u>
Cash, End of Period	<u><u>\$ 5,103,770</u></u>	<u><u>\$ 5,103,770</u></u>
<b>Reconciliation of Increase in Net Assets to</b>		
<b>Net Cash Provided by Operating Activities:</b>		
Increase in Net Assets	(\$ 583)	\$ 4,288,246
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	139	139
Changes in Assets and Liabilities:		
(Increase) Decrease in Security Deposit	-0-	( 2,000)
Increase (Decrease) in Accounts Payable	<u>202,993</u>	<u>821,531</u>
Net Cash Provided by Operating Activities	<u><u>\$ 202,549</u></u>	<u><u>\$ 5,107,916</u></u>

See Accountants' Compilation Report.

# AMERICAN PECAN COUNCIL

## Operating Budget

**For the One Month and Nine Months Ended September 30, 2017**

	One Month Ended September 30, 2017		Nine Months Ended September 30, 2017		Fiscal Year Ended September 30, 2017
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
<b>Revenue</b>					
Assessment Income	\$ 848,310	\$ 500,000	\$ 6,310,230	\$ 4,500,000	\$ 6,000,000
Donations	-0-	-0-	110	-0-	-0-
Interest Earned	-0-	-0-	2,535	-0-	-0-
<b>Total Revenue</b>	<b>\$ 848,310</b>	<b>\$ 500,000</b>	<b>\$ 6,312,875</b>	<b>\$ 4,500,000</b>	<b>\$ 6,000,000</b>
<b>Expenses</b>					
Administrative	\$ 55,111	\$ 75,000	\$ 253,547	\$ 675,000	\$ 900,000
Communication	43	8,333	283	74,997	100,000
Compliance	-0-	16,666	-0-	149,994	200,000
Finance	3	6,250	2,028	56,250	75,000
Governance	-0-	6,250	-0-	56,250	75,000
Marketing/ Research and Development	793,736	320,833	1,751,657	2,887,497	3,850,000
Personnel	-0-	4,166	17,114	37,494	50,000
Reporting and Statistics	-0-	20,833	-0-	187,497	250,000
<b>Total Expenses</b>	<b>\$ 848,893</b>	<b>\$ 458,331</b>	<b>\$ 2,024,629</b>	<b>\$ 4,124,979</b>	<b>\$ 5,500,000</b>
<b>Change in Net Assets</b>	<b>(\$ 583)</b>	<b>\$ 41,669</b>	<b>\$ 4,288,246</b>	<b>\$ 375,021</b>	<b>\$ 500,000</b>

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