



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

Certified Public Accountants

**American Pecan Council**

**Compiled Financial Statements**

**For the One Month and Four Months Ended April 30, 2017**

515 West Harris Avenue • Post Office Box 71 • San Angelo, Texas 76902-0071

Phone (325) 653-6854 • Fax (325) 655-5857 • [www.armstrongbackus.com](http://www.armstrongbackus.com)



**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 April 30, 2017 and the related statements of activities and cash flows for the one month and four 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 four months ended April 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  
May 12, 2017

**AMERICAN PECAN COUNCIL**  
**Statement of Financial Position**

**As of April 30, 2017**

**ASSETS**

**Current Assets:**

|                           |              |
|---------------------------|--------------|
| Cash and Cash Equivalents | \$ 4,326,801 |
| Prepaid Expenses          | <u>58</u>    |

|                      |                     |
|----------------------|---------------------|
| Total Current Assets | <u>\$ 4,326,859</u> |
|----------------------|---------------------|

|                     |                            |
|---------------------|----------------------------|
| <b>TOTAL ASSETS</b> | <b><u>\$ 4,326,859</u></b> |
|---------------------|----------------------------|

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

|                  |                 |
|------------------|-----------------|
| Accounts Payable | <u>\$ 3,483</u> |
|------------------|-----------------|

|                           |                 |
|---------------------------|-----------------|
| Total Current Liabilities | <u>\$ 3,483</u> |
|---------------------------|-----------------|

|                   |                 |
|-------------------|-----------------|
| Total Liabilities | <u>\$ 3,483</u> |
|-------------------|-----------------|

**Equity:**

|                         |                     |
|-------------------------|---------------------|
| Unrestricted Net Assets | <u>\$ 4,323,376</u> |
|-------------------------|---------------------|

|              |                     |
|--------------|---------------------|
| Total Equity | <u>\$ 4,323,376</u> |
|--------------|---------------------|

|                                     |                            |
|-------------------------------------|----------------------------|
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b><u>\$ 4,326,859</u></b> |
|-------------------------------------|----------------------------|

See Accountants' Compilation Report.

# AMERICAN PECAN COUNCIL

## Statement of Activities

**For the One Month and Four Months Ended April 30, 2017**

|                                    | <u>One Month</u> | <u>Four Months</u> |
|------------------------------------|------------------|--------------------|
| <b>Revenue:</b>                    |                  |                    |
| Assessment Income                  | \$ 794,792       | \$ 4,509,654       |
| Donations                          | -0-              | 110                |
| Interest Earned                    | 242              | 242                |
|                                    | <hr/>            | <hr/>              |
| Total Revenue                      | \$ 795,034       | \$ 4,510,006       |
|                                    | <hr/>            | <hr/>              |
| <b>Expensees:</b>                  |                  |                    |
| Administrative                     | \$ 21,242        | \$ 38,556          |
| Communication                      | 19               | 58                 |
| Finance                            | 3                | 2,016              |
| Marketing/Research and Development | 140,000          | 146,000            |
|                                    | <hr/>            | <hr/>              |
| Total Expenses                     | \$ 161,264       | \$ 186,630         |
|                                    | <hr/>            | <hr/>              |
| Change in Net Assets               | \$ 633,770       | \$ 4,323,376       |
|                                    | <hr/>            | <hr/>              |
| Net Assets, Beginning              | 3,689,606        | -0-                |
|                                    | <hr/>            | <hr/>              |
| Net Assets, Ending                 | \$ 4,323,376     | \$ 4,323,376       |
|                                    | <hr/>            | <hr/>              |

See Accountants' Compilation Report.

# AMERICAN PECAN COUNCIL

## Statements of Cash Flow

**For the One Month and Four Months Ended April 30, 2017**

|                                                    | <u>One Month</u>           | <u>Four Months</u>         |
|----------------------------------------------------|----------------------------|----------------------------|
| <b>Cash Flows From Operating Activities:</b>       |                            |                            |
| Cash Received from Assessments                     | \$ 794,792                 | \$ 4,509,654               |
| Cash Received from Donors                          | -0-                        | 110                        |
| Cash Received from Interest Earned                 | 242                        | 242                        |
| Cash Paid for Operating Expenses                   | <u>( 157,762)</u>          | <u>( 183,205)</u>          |
| Net Cash Provided by Operating Activities          | <u>\$ 637,272</u>          | <u>\$ 4,326,801</u>        |
| Net Increase in Cash                               | \$ 637,272                 | \$ 4,326,801               |
| Cash, Beginning of Period                          | <u>3,689,529</u>           | <u>-0-</u>                 |
| Cash, End of Period                                | <u><u>\$ 4,326,801</u></u> | <u><u>\$ 4,326,801</u></u> |
| <b>Reconciliation of Increase in Net Assets to</b> |                            |                            |
| <b>Net Cash Provided by Operating Activities:</b>  |                            |                            |
| Increase in Net Assets                             | \$ 633,770                 | \$ 4,323,376               |
| Adjustments to Reconcile Increase in Net Assets    |                            |                            |
| to Net Cash Provided by Operating Activities:      |                            |                            |
| Changes in Assets and Liabilities:                 |                            |                            |
| (Increase) Decrease in Prepaid Expenses            | 19                         | ( 58)                      |
| Increase in Accounts Payable                       | <u>3,483</u>               | <u>3,483</u>               |
| Net Cash Provided by Operating Activities          | <u><u>\$ 637,272</u></u>   | <u><u>\$ 4,326,801</u></u> |

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# AMERICAN PECAN COUNCIL

## Operating Budget

**For the One Month and Four Months Ended April 30, 2017**

|                                    | One Month Ended<br>April 30, 2017 |                   | Four Months Ended<br>April 30, 2017 |                     | Fiscal Year Ended<br>September 30, 2017 |
|------------------------------------|-----------------------------------|-------------------|-------------------------------------|---------------------|-----------------------------------------|
|                                    | Actual                            | Operating Budget  | Actual                              | Operating Budget    | Operating Budget                        |
| <b>Revenue</b>                     |                                   |                   |                                     |                     |                                         |
| Assessment Income                  | \$ 794,792                        | \$ 500,000        | \$ 4,509,654                        | \$ 2,000,000        | \$ 6,000,000                            |
| Donations                          | -0-                               | -0-               | 110                                 | -0-                 | -0-                                     |
| Interest Earned                    | 242                               | -0-               | 242                                 | -0-                 | -0-                                     |
| <b>Total Revenue</b>               | <b>\$ 795,034</b>                 | <b>\$ 500,000</b> | <b>\$ 4,510,006</b>                 | <b>\$ 2,000,000</b> | <b>\$ 6,000,000</b>                     |
| <b>Expenses</b>                    |                                   |                   |                                     |                     |                                         |
| Administrative                     | \$ 21,242                         | \$ 75,000         | \$ 38,556                           | \$ 300,000          | \$ 900,000                              |
| Communication                      | -0-                               | 8,333             | -0-                                 | 33,332              | 100,000                                 |
| Compliance                         | 19                                | 16,666            | 58                                  | 66,664              | 200,000                                 |
| Finance                            | 3                                 | 6,250             | 2,016                               | 25,000              | 75,000                                  |
| Governance                         | -0-                               | 6,250             | -0-                                 | 25,000              | 75,000                                  |
| Marketing/Research and Development | 140,000                           | 320,833           | 146,000                             | 1,283,332           | 3,850,000                               |
| Personnel                          | -0-                               | 4,166             | -0-                                 | 16,664              | 50,000                                  |
| Reporting and Statistics           | -0-                               | 20,833            | -0-                                 | 83,332              | 250,000                                 |
| <b>Total Expenses</b>              | <b>\$ 161,264</b>                 | <b>\$ 458,331</b> | <b>\$ 186,630</b>                   | <b>\$ 1,833,324</b> | <b>\$ 5,500,000</b>                     |
| <b>Change in Net Assets</b>        | <b>\$ 633,770</b>                 | <b>\$ 41,669</b>  | <b>\$ 4,323,376</b>                 | <b>\$ 166,676</b>   | <b>\$ 500,000</b>                       |

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