



ARMSTRONG, BACKUS & CO., LLP

Certified Public Accountants

American Pecan Council

Compiled Financial Statements

For the One Month and Five Months Ended May 31, 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



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 May 31, 2017 and the related statements of activities and cash flows 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. 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 five months ended May 31, 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
June 13, 2017

AMERICAN PECAN COUNCIL
Statement of Financial Position

As of May 31, 2017

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 4,360,000
Prepaid Expenses	39

Total Current Assets	<u>\$ 4,360,039</u>
----------------------	---------------------

Other Assets:

Security Deposit	<u>\$ 2,000</u>
------------------	-----------------

Total Other Assets	<u>\$ 2,000</u>
--------------------	-----------------

TOTAL ASSETS	<u><u>\$ 4,362,039</u></u>
---------------------	-----------------------------------

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	<u>\$ 14,410</u>
------------------	------------------

Total Current Liabilities	<u>\$ 14,410</u>
---------------------------	------------------

Total Liabilities	<u>\$ 14,410</u>
-------------------	------------------

Equity:

Unrestricted Net Assets	<u>\$ 4,347,629</u>
-------------------------	---------------------

Total Equity	<u>\$ 4,347,629</u>
--------------	---------------------

TOTAL LIABILITIES AND EQUITY	<u><u>\$ 4,362,039</u></u>
-------------------------------------	-----------------------------------

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Statements of Activities

For the One Month and Five Months Ended May 31, 2017

	<u>One Month</u>	<u>Five Months</u>
Revenue:		
Assessment Income	\$ 60,308	\$ 4,569,962
Donations	-0-	110
Interest Earned	550	792
	<hr/>	<hr/>
Total Revenue	\$ 60,858	\$ 4,570,864
	<hr/>	<hr/>
Expenses:		
Administrative	\$ 16,226	\$ 54,782
Communication	19	77
Finance	-0-	2,016
Marketing/Research and Development	3,246	149,246
Personnel	17,114	17,114
	<hr/>	<hr/>
Total Expenses	\$ 36,605	\$ 223,235
	<hr/>	<hr/>
Change in Net Assets	\$ 24,253	\$ 4,347,629
	<hr/>	<hr/>
Net Assets, Beginning	4,323,376	-0-
	<hr/>	<hr/>
Net Assets, Ending	\$ 4,347,629	\$ 4,347,629
	<hr/> <hr/>	<hr/> <hr/>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Statements of Cash Flow

For the One Month and Five Months Ended May 31, 2017

	<u>One Month</u>	<u>Five Months</u>
Cash Flows From Operating Activities:		
Cash Received from Assessments	\$ 60,308	\$ 4,569,962
Cash Received from Donors	-0-	110
Cash Received from Interest Earned	550	792
Cash Paid for Operating Expenses	(27,659)	(210,864)
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	\$ 33,199	\$ 4,360,000
	<hr/>	<hr/>
Net Increase in Cash	\$ 33,199	\$ 4,360,000
	<hr/>	<hr/>
Cash, Beginning of Period	4,326,801	-0-
	<hr/>	<hr/>
Cash, End of Period	<u>\$ 4,360,000</u>	<u>\$ 4,360,000</u>
	<hr/>	<hr/>
Reconciliation of Increase in Net Assets to		
Net Cash Provided by Operating Activities:		
Increase in Net Assets	\$ 24,253	\$ 4,347,629
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	(39)
(Increase) Decrease in Security Deposit	(2,000)	(2,000)
Increase in Accounts Payable	10,927	14,410
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	<u>\$ 33,199</u>	<u>\$ 4,360,000</u>
	<hr/>	<hr/>

See Accountants' Compilation Report.

AMERICAN PECAN COUNCIL

Operating Budget

For the One Month and Five Months Ended May 31, 2017

	One Month Ended May 31, 2017		Five Months Ended May 31, 2017		Fiscal Year Ended September 30, 2017
	Actual	Operating Budget	Actual	Operating Budget	Operating Budget
Revenue					
Assessment Income	\$ 60,308	\$ 500,000	\$ 4,569,962	\$ 2,500,000	\$ 6,000,000
Donations	-0-	-0-	110	-0-	-0-
Interest Earned	550	-0-	792	-0-	-0-
Total Revenue	\$ 60,858	\$ 500,000	\$ 4,570,864	\$ 2,500,000	\$ 6,000,000
Expenses					
Administrative	\$ 16,226	\$ 75,000	\$ 54,782	\$ 375,000	\$ 900,000
Communication	19	8,333	77	41,665	100,000
Compliance	-0-	16,666	-0-	83,330	200,000
Finance	-0-	6,250	2,016	31,250	75,000
Governance	-0-	6,250	-0-	31,250	75,000
Marketing/Research and Development	3,246	320,833	149,246	1,604,165	3,850,000
Personnel	17,114	4,166	17,114	20,830	50,000
Reporting and Statistics	-0-	20,833	-0-	104,165	250,000
Total Expenses	\$ 36,605	\$ 458,331	\$ 223,235	\$ 2,291,655	\$ 5,500,000
Change in Net Assets	\$ 24,253	\$ 41,669	\$ 4,347,629	\$ 208,345	\$ 500,000

See Accountants' Compilation Report.