



April 4, 2019

To the Members of of  
American Pecan Council  
Fort Worth, Texas

We have audited the financial statements of American Pecan Council as of and for the year ended September 30, 2018, and have issued our report thereon dated April 4, 2019. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and Government Auditing Standards**

As communicated in our engagement letter dated September 17, 2018, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of American Pecan Council solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal control during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated April 4, 2019.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

**Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by American Pecan Council is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2018. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There are no sensitive estimates affecting American Pecan Council's financial statements.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the American Pecan Council's financial statements relate to concentration of credit risk.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. We did not identify any corrected or uncorrected misstatements as a result of our audit procedures.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management that are included in the management representation letter dated April 4, 2019.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with American Pecan Council, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as American Pecan Council's auditors.

This information is intended solely for the information and use of the Members and management of American Pecan Council and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Abilene, Texas



**AMERICAN PECAN COUNCIL**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
SEPTEMBER 30, 2018

**AMERICAN PECAN COUNCIL**

**Financial Statements**

**For the Year Ended September 30, 2018**

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## Independent Auditor's Report

To the Members of  
American Pecan Council  
Fort Worth, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of American Pecan Council (a nonprofit organization), which comprise the statement of financial position as of September 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Pecan Council as of September 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The budget to actual schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budget to actual schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budget to actual schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2019, on our consideration of the American Pecan Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of American Pecan Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the American Pecan Council's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Abilene, Texas  
April 4, 2019





**AMERICAN PECAN COUNCIL**

**Statement of Financial Position**

**As of September 30, 2018**

**ASSETS**

**Current Assets:**

Cash and Cash Equivalents	\$	7,572,030
Prepaid Expenses		<u>103,259</u>
Total Current Assets	\$	<u>7,675,289</u>

**Fixed Assets:**

Property, Plant, and Equipment	\$	47,289
Accumulated Depreciation	(	<u>8,181)</u>
Total Fixed Assets	\$	<u>39,108</u>

**Other Assets:**

Security Deposit	\$	<u>2,400</u>
Total Other Assets	\$	<u>2,400</u>

<b>TOTAL ASSETS</b>	\$	<u><u>7,716,797</u></u>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts Payable	\$	<u>2,357,146</u>
Total Current Liabilities	\$	<u>2,357,146</u>
Total Liabilities	\$	<u>2,357,146</u>

**Net Assets:**

Without Donor Restriction	\$	<u>5,359,651</u>
Total Net Assets	\$	<u>5,359,651</u>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$	<u><u>7,716,797</u></u>
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The accompanying notes are an integral part of this statement.

# AMERICAN PECAN COUNCIL

## Statement of Activities

**For the Year Ended September 30, 2018**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue:</b>			
Assessment Income	\$ 10,873,669	\$ -0-	\$ 10,873,669
Donations	5	-0-	5
Interest Earned	96,527	-0-	96,527
Other Income	1,963	-0-	1,963
	<hr/>	<hr/>	<hr/>
Total Revenue	\$ 10,972,164	\$ -0-	\$ 10,972,164
	<hr/>	<hr/>	<hr/>
<b>Expenses:</b>			
Program Services	\$ 8,076,346	\$ -0-	\$ 8,076,346
Management and General	875,108	-0-	875,108
	<hr/>	<hr/>	<hr/>
Total Expenses	\$ 8,951,454	\$ -0-	\$ 8,951,454
	<hr/>	<hr/>	<hr/>
Change in Net Assets	\$ 2,020,710	\$ -0-	\$ 2,020,710
Net Assets, Beginning	\$ 3,338,941	\$ -0-	\$ 3,338,941
	<hr/>	<hr/>	<hr/>
Net Assets, Ending	\$ 5,359,651	\$ -0-	\$ 5,359,651
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this statement.

# AMERICAN PECAN COUNCIL

## Statement of Functional Expenses

**For the Year Ended September 30, 2018**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Council expenses			
Travel	\$ -	\$ 99,828	\$ 99,828
Meetings	-0-	50,112	50,112
Working group and committees	-0-	21,926	21,926
Director and officer insurance	-0-	251	251
Capital Items	-0-	2,480	2,480
Compliance			
Sheller/handler visit and audits	13,246	-0-	13,246
Travel	9,308	-0-	9,308
Financial audit	11,275	-0-	11,275
Printing, forms, postage	4,559	-0-	4,559
Depreciation	-0-	8,042	8,042
Data and Statistics	39,241	-0-	39,241
General and Administrative			
Salaries and benefits	-0-	246,945	246,945
Professional services and fees	-0-	38,204	38,204
Travel	-0-	51,860	51,860
Accounting services	-0-	21,129	21,129
Rent and utilities	-0-	32,437	32,437
Contract labor	-0-	113,671	113,671
Office expenses	-0-	49,364	49,364
Executive search firm fees	-0-	119,433	119,433
Subscriptions, conferences, dues	-0-	8,349	8,349
Telephone, internet, mobile	-0-	8,288	8,288
Miscellaneous	-0-	2,789	2,789
Industry Communication and Database Management	5,780	-0-	5,780
Marketing	6,697,096	-0-	6,697,096
Research	195,841	-0-	195,841
Strategic Planning	1,100,000	-0-	1,100,000
	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenses	\$ 8,076,346	\$ 875,108	\$ 8,951,454

The accompanying notes are an integral part of this statement.

# AMERICAN PECAN COUNCIL

## Statement of Cash Flows

**For the Year Ended September 30, 2018**

**Cash Flows From Operating Activities:**

Cash Received from Assessments	\$ 10,873,669
Cash Received from Donors	5
Cash Received from Interest Earned	96,527
Cash Paid for Salary and Benefits	( 246,945)
Cash Paid for Operating Expenses	( 8,211,854)
	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ 2,511,402

**Cash Flows From Investing Activities:**

Purchases of Property, Plant, and Equipment	(\$ 43,142)
	<hr/>
Net Cash Provided (Used) by Investing Activities	(\$ 43,142)

Net Increase (Decrease) in Cash	\$ 2,468,260
Cash, Beginning of Period	<hr/> 5,103,770
Cash, End of Period	<hr/> <hr/> \$ 7,572,030

**Reconciliation of Increase (Decrease) in Net Assets to  
Net Cash Provided (Used) by Operating Activities:**

Increase (Decrease) in Net Assets	\$ 2,020,710
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	8,042
Changes in Assets and Liabilities:	
(Increase) Decrease in Prepaid Expenses	( 103,259)
(Increase) Decrease in Security Deposit	( 400)
Increase (Decrease) in Accounts Payable	586,309
	<hr/>
Net Cash Provided (Used) by Operating Activities	<hr/> <hr/> \$ 2,511,402

The accompanying notes are an integral part of this statement.

# AMERICAN PECAN COUNCIL

## Notes to the Financial Statements

**For the Year Ended September 30, 2018**

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### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Council and Nature of Activities – American Pecan Council (the Council) is a nonprofit federal marketing order established on December 19, 2016. Its purpose is to promote marketing, distribution, and consumption of pecans including product development, nutritional research, and container development. As of September 30, 2018, the Council's revenue was derived primarily from voluntary assessments submitted by pecan handlers. The assessment is based on the type of pecan and the number of pounds sold.

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Under this basis of accounting, revenues are recognized when earned, and expenses are generally recognized when incurred.

Use of Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Federal Income Tax – As of September 30, 2018, the Council has applied for status as a 501(c)(6) organization. Under Section 501(c)(6) of the Internal Revenue Code, the Council would be exempt from federal income tax on all income except unrelated business income as noted under Section 511 of the Internal Revenue Code. As of the date of this report, the application is still pending.

Cash and Cash Equivalents – The Council considers cash and cash equivalents to include all monies in banks and all highly liquid debt instruments purchased with an original maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

### **NOTE 2: CONCENTRATIONS OF CREDIT RISK**

The Council maintains interest-bearing cash accounts at financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash held by the Council may at times exceed the FDIC coverage limit. At September 30, 2018, deposits subject to credit risk were \$7,216,768.

### **NOTE 3: LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and Cash Equivalents	\$ 7,572,030
	<u>\$ 7,572,030</u>

The Council regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purpose of analyzing resources available to meet general expenditures within one year of the statement of financial position date, the Council considers all expenditures related to its ongoing programmatic activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

# AMERICAN PECAN COUNCIL

## Notes to the Financial Statements

### **For the Year Ended September 30, 2018**

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In addition to financial assets available to meet general expenditures over the next twelve months, the Council follows a policy of operating with a balanced budget.

#### **NOTE 4: NET ASSETS**

The Council has adopted the Financial Accounting Standards Board (FASB) Codification 958, *Not-for-Profit Entities*. FASB 958 requires the Council to classify its net assets based on the existence or absence of donor-imposed restrictions. These classifications of net assets are described as follows:

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of September 30, 2018, there were no donor restrictions placed on net assets.

#### **NOTE 5: PROPERTY, PLANT, AND EQUIPMENT**

The Council capitalizes all expenditures in excess of \$500 for property and equipment at cost. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Depreciation expense was \$8,042 for the year ended September 30, 2018.

Property, plant, and equipment consists of the following at September 30, 2018:

Equipment	\$ 15,780
Furniture and Fixtures	23,472
Leasehold Improvements	8,037
Total Property, Plant, and Equipment	\$ 47,289
Less: Accumulated Depreciation	( 8,181)
Property, Plant, and Equipment, Net	<u>\$ 39,108</u>

#### **NOTE 6: RELATED PARTY**

The Council reimburses Council members and employees for travel expenses to and from Council meetings. The Council paid \$99,828 in travel reimbursements for Council meetings for period ended September 30, 2018.

# AMERICAN PECAN COUNCIL

## Notes to the Financial Statements

**For the Year Ended September 30, 2018**

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### **NOTE 7: RECENT ACCOUNTING PRONOUNCEMENTS**

In February 2016, the FASB issued ASU 2016-02 "Leases (Topic 842)" The FASB issued ASU 2016-02 to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under ASU 2016-02, a lessee will recognize in the statement of financial position a liability to make lease payments and a right-to-use asset representing its right to use the underlying asset for the lease term. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from current GAAP. ASU 2016-02 retains a distinction between finance leases (i.e. capital leases under current GAAP). The amendments of this ASU are effective for reporting periods beginning after December 15, 2018, with early adoption permitted. An entity will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. Management is currently assessing the impact the adoption of ASU 2016-02 will have on its financial statements.

### **NOTE 8: SUBSEQUENT EVENTS**

The date to which events occurring after September 30, 2018, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is April 4, 2019, the date on which the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

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**AMERICAN PECAN COUNCIL**

**Budget to Actual Comparison Schedule**

**For the Year Ended September 30, 2018**

	Operating Budget	Actual	Variance
<b>Revenue:</b>			
Assessment Income	\$ 10,272,000	\$ 10,873,669	\$ 601,669
Donations	-0-	5	5
Interest Earned	47,000	96,527	49,527
Other Income	3,000	1,963	( 1,037)
<b>Total Revenue</b>	<b>\$ 10,322,000</b>	<b>\$ 10,972,164</b>	<b>\$ 650,164</b>
<b>Expenses:</b>			
APC Expenses	\$ 247,000	\$ 172,117	\$ 74,883
Capital Items	40,000	2,480	37,520
Compliance	202,000	38,388	163,612
Depreciation Expense	-0-	8,042	( 8,042)
Data and Statistics	360,000	39,241	320,759
General and Administrative	749,000	692,469	56,531
Industry Communication and Database Management	62,000	5,780	56,220
Marketing	7,787,000	6,697,096	1,089,904
Research	375,000	195,841	179,159
Strategic Planning	1,100,000	1,100,000	-0-
<b>Total Expenses</b>	<b>\$ 10,922,000</b>	<b>\$ 8,951,454</b>	<b>\$ 1,970,546</b>
<b>Change in Net Assets</b>	<b>(\$ 600,000)</b>	<b>\$ 2,020,710</b>	<b>(\$ 2,620,710)</b>

See Independent Auditors' Report.



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Members of  
American Pecan Council  
Fort Worth, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of American Pecan Council (the Council), which comprise the statement of financial position as of September 30, 2018 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 4, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Abilene, Texas  
April 4, 2019

**AMERICAN PECAN COUNCIL  
Schedule of Findings and Responses  
For the Year Ended September 30, 2018**

**A. Summary of Auditor's Results**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	None reported
• Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

**B. Findings Related to the Financial Statements which are Required to be Reported in Accordance with *Government Auditing Standards***

None reported in current year.