



Report to The Executive Committee

NATIONAL MANGO BOARD

Audit Wrap Up:
Year Ended December 31,
2020

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Contents

QUICK ACCESS TO THE FULL REPORT

<u>INTRODUCTION</u>	3
<u>EXECUTIVE SUMMARY</u>	4
<u>INTERNAL CONTROL OVER FINANCIAL REPORTING</u>	9
<u>ADDITIONAL REQUIRED COMMUNICATIONS</u>	11
<u>APPENDIX</u>	15

The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors and Audit Committee) and, if appropriate, management of the Organization and is not intended and should not be used by anyone other than these specified parties.

Welcome

March 10, 2021

Executive Committee

National Mango Board

Professional standards require us to communicate with you regarding matters related to the audit, that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. On January 25, 2021 we presented an overview of our plan for the audit of the financial statements of National Mango Board (the Organization) as of and for the year ended December 31, 2020, including a summary of our overall objectives for the audit, and the nature, scope, and timing of the planned audit work.

This communication is intended to elaborate on the significant findings from our audit, including our views on the qualitative aspects of the Organization's accounting practices and policies, management's judgments and estimates, financial statement disclosures, and other required matters.

We are pleased to be of service to the Organization and look forward to meeting with you to discuss our audit findings, as well as other matters that may be of interest to you, and to answer any questions you might have.

Respectfully,

BDO USA LLP



Executive Summary

Status of Our Audit

We have substantially completed our audit of the financial statements as of and for the year ended December 31, 2020. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. This audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

- ▶ The objective of our audit was to obtain reasonable - not absolute - assurance about whether the financial statements are free from material misstatements.
- ▶ The scope of the work performed was substantially the same as that described to you in our earlier Audit Planning communications.
- ▶ We expect to issue an unmodified opinion on the financial statements.
- ▶ As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Organization's compliance with those requirements. We did not report any findings in our report on compliance.
- ▶ Our responsibility for other information in documents containing the Organization's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform procedures to corroborate such other information. The 2020 annual report was not available as of the date of the audit report. However, in accordance with professional standards, we have read the information included by the Organization in the 2019 annual report and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the 2019 financial statements. Our responsibility also includes calling to management's attention any information that we believe is a material misstatement of fact. We have not identified any material inconsistencies or concluded there are any material misstatements of facts in the other information that management has chosen not to correct.
- ▶ All records and information requested by BDO were freely available for our inspection.
- ▶ Management's cooperation was excellent. We received full access to all information that we requested while performing our audit, and we acknowledge the full cooperation extended to us by all levels of Organization personnel throughout the course of our work.



Results of the Audit

ACCOUNTING PRACTICES, POLICIES, ESTIMATES

The following summarizes the more significant required communications related to our audit concerning the Organization's accounting practices, policies, and estimates:

The Organization's significant accounting practices and policies are those included in Note 2 to the financial statements. These accounting practices and policies are appropriate, comply with generally accepted accounting principles and industry practice, were consistently applied, and are adequately described within Note 2 to the financial statements.

- ▶ A summary of recently issued accounting pronouncements is included in Note 2 to the Organization's financial statements.
- ▶ There were no changes in significant accounting policies and practices during 2020.

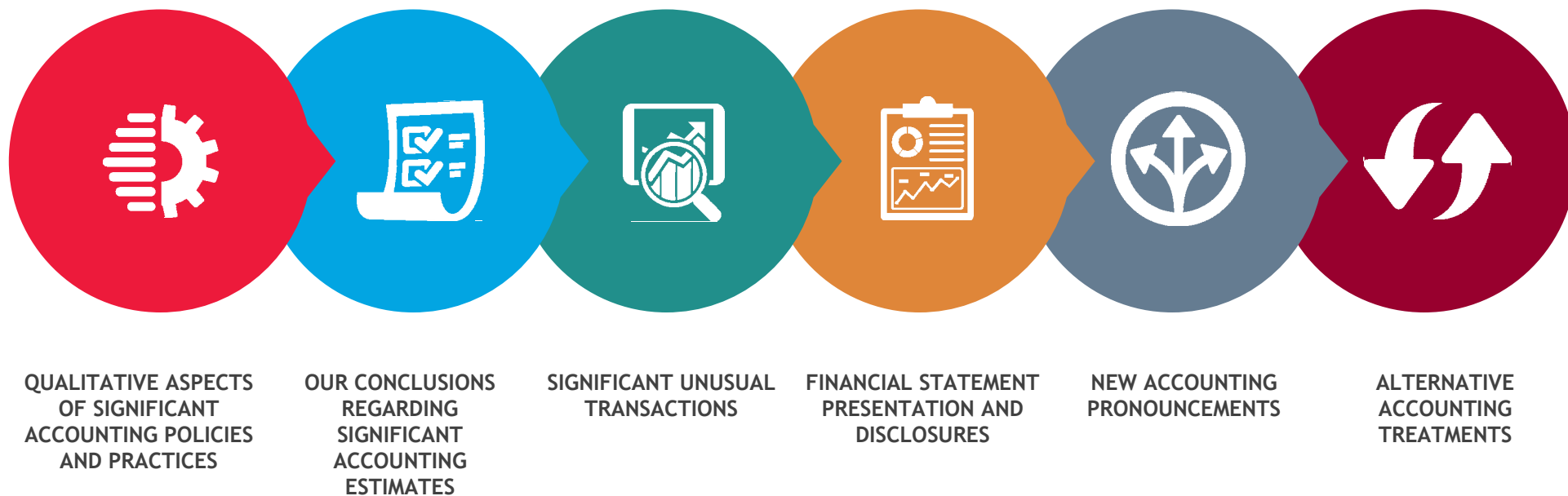
Significant estimates are those that require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The Organization's significant accounting estimates, including a description of management's processes and significant assumptions used in development of the estimates, are disclosed in Note 2 of the financial statements and include the allocation of functional expenses.

- ▶ Management did not make any significant changes to the processes or significant assumptions used to develop the significant accounting estimates in 2020.

Results of the Audit

QUALITATIVE ASPECTS OF THE COMPANY'S FINANCIAL REPORTING

A discussion was held regarding the quality of the Company's financial reporting, which included:



Results of the Audit

CORRECTED AND UNCORRECTED MISSTATEMENTS

The following represents an audit adjustment related to accounts that we presented to management which were recorded to the financial statements:

Corrected Misstatements

Item #	Account Name and Adjustment Description	Debit	Credit
1	20010 - Accounts Payable	\$63,375	
	51001 - Retail Expense		\$63,375
	<i>To remove retail expenses related to fiscal year 2021 from accounts payable at December 31, 2020</i>		

There were no uncorrected misstatements, other than those that were clearly trivial, related to accounts and/or disclosures that we presented to management.





Internal Control Over Financial Reporting

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

We are required to communicate, in writing, to those charged with governance all material weaknesses and significant deficiencies that have been identified in the Organization's internal control over financial reporting. The definitions of control deficiency, significant deficiency and material weakness follow:

Category	Definition
Control Deficiency	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.
Significant Deficiency	A deficiency or 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.
Material Weakness	A deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis.

In conjunction with our audit of the financial statements, we noted no material weaknesses.



Additional Required Communications

Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the Organization:

Requirement	Discussion Point
Significant changes to planned audit strategy or significant risks initially identified	There were no significant changes to the planned audit strategy or significant risks initially identified and previously communicated to those charged with governance as part of our Audit Planning communications.
Obtain information from those charged with governance relevant to the audit	There were no matters noted relevant to the audit, including, but not limited to: violations or possible violations of laws or regulations; risk of material misstatements, including fraud risks; or tips or complaints regarding the Organization's financial reporting that we were made aware of as a result of our inquiry of those charged with governance.
If applicable, nature and extent of specialized skills or knowledge needed related to significant risks	There were no specialized skills or knowledge needed, outside of the core engagement team, to perform the planned audit procedures or evaluate audit results related to significant risks.
Consultations with other accountants	We are not aware of any consultations about accounting or auditing matters between management and other independent public accountants. Nor are we aware of opinions obtained by management from other independent public accountants on the application of generally accepted accounting principles.
Significant findings and issues arising during the audit in connection with the Organization's related parties	We have evaluated whether the identified related party relationships and transactions have been appropriately identified, accounted for, and disclosed and whether the effects of the related party relationships and transactions, based on the audit evidence obtained, prevent the financial statements from achieving fair presentation.
Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management	There were no significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management.
If applicable, results of procedures performed related to other information included in annual report	<p>The Organization releases additional annual information with their financial statements, as a result additional procedures were required to be performed on this information. See below.</p> <p>BDO has read the information included by the Organization in the 2019 annual report and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the 2019 financial statements</p>

Other Required Communications

Following is a summary of other required items, along with specific discussion points as they pertain to the Organization:

Requirement	Discussion Point
Disagreements with management	There were no disagreements with management about matters, whether or not satisfactorily resolved, that individually or in aggregate could be significant to the Organization's financial statements or to our auditor's report.
Significant difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Matters that are difficult or contentious for which the auditor consulted outside the engagement team	There were no difficult or contentious matters that we consulted with others outside the engagement team that we reasonably determined to be relevant to those charged with governance regarding their oversight of the financial reporting process.
Representations requested from management	Please refer to the management representation letter.

Independence

Our engagement letter to you dated December 2, 2020 describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of the Organization with respect to independence as agreed to by the Organization. Please refer to that letter for further information.





Appendix

ASU 2020-05, Effective dates of the Revenue and Leases standards for certain entities

- ▶ Limited deferral of the effective dates
- ▶ Original effective dates may still be applied.
- ▶ Interaction with SEC guidance codified in ASU 2020-02 regarding certain PBEs - affected entities should monitor potential SEC developments
- ▶ [BDO ASU 2020-05 Alert](#)

ASU 2016-02, *Leases* (Topic 842)

Private companies and private NFPs

FYs beginning after 12/15/2021
interim periods beginning after 12/15/2022

Public NFPs¹

FYs and interim periods
beginning after 12/15/2019

ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606)

Privately held entities¹

FYs beginning after 12/15/2019 and interim periods
beginning after 12/15/2020

¹ Only applies to entities that have not yet issued their financial statements (or made financial statements available for issuance) as of June 3, 2020.

FASB: Lease Accounting

Visit BDO's Lease Accounting Resource Center:

<https://www.bdo.com/email-landing-pages/lease-accounting>

BDO KNOWS LEASE ACCOUNTING

Meeting The Lease Accounting Standard, Head On

Even though the Financial Accounting Standards Board (FASB) pushed back the deadline for private companies and non-profits to comply with new lease accounting rules – now applicable for the fiscal year and interim periods beginning after Dec. 15, 2020 – organizations can't afford to let more time pass by before acting on implementation.

The FASB's Accounting Standards Update (ASU) 2016-02 ("Topic 842" or "the new standard") applies to both lessees and lessors, and it brings significant changes to balance sheets. The extra time granted by the FASB reflects the mammoth task ahead, which will require more work, more resources and more time than most businesses realize.

BDO professionals help our clients prepare for lease accounting through a range of services that educate client teams, identify full lease populations, evaluate necessary changes, assist in the implementation process, and anticipate broader business implications. We have a number of resources and insights available to help your teams understand the road ahead.

Understanding the New Standard: Lease Accounting Frequently Asked Questions

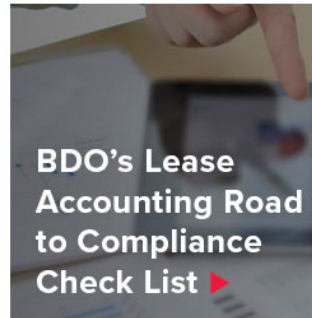
Click each question below to reveal the answers.

[What is Lease Accounting \(ASC 842\)?](#)



3 Reasons Why You Need to Forge Ahead With Lease Accounting Implementation

[READ MORE ►](#)



BDO's Lease Accounting Road to Compliance Check List ►


Questions about Lease Accounting?

Fill out the short form below and one of our practice leaders will be in contact with you.

FASB: Lease Accounting

Effective Dates	Public Business Entities	Other Entities
	FYs beginning after 12/15/2018	FYs beginning after 12/15/2021 (<i>as amended</i>)

- ▶ Establishes the right-of-use asset model, which shifts from the risk-and-reward approach to a control-based approach.
- ▶ Lessees will recognize an asset on the balance sheet, representing their right to use the leased asset over the lease term, and
- ▶ Recognize a corresponding lease liability to make the lease payments.
- The lease liability is based on the present value of future lease payments using a discount rate to determine the present value based on the rate implicit in the lease, if readily determinable, or the lessee's incremental borrowing rate.
- ▶ As a result, a lessee's operating lease accounting model will change significantly.
- ▶ The new standard requires the lease arrangements to be classified as either finance leases or operating leases.



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