



## **National Mango Board**

**Financial Statements and  
Supplementary Information**  
Years Ended December 31, 2020 and 2019

## **National Mango Board**

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Financial Statements and Supplementary Information  
Years Ended December 31, 2020 and 2019

# National Mango Board

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## Independent Auditor's Report

Executive Committee  
National Mango Board

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of National Mango Board (the Board), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of National Mango Board as of December 31, 2020 and 2019, 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.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance



and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### ***Other Matters***

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2021 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts, 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 the Board'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 Board's internal control over financial reporting and compliance.

*BDO USA LLP*

Certified Public Accountants  
March 10, 2021

## Financial Statements

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**National Mango Board**  
**Statements of Financial Position**

<i>December 31,</i>	2020	2019
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 6,462,525	\$ 4,002,152
Certificates of deposit	6,008,071	5,022,984
Assessments receivable	-	48,664
Prepaid expenses	118,718	38,173
<b>Total Current Assets</b>	<b>12,589,314</b>	<b>9,111,973</b>
<b>Property and Equipment, Net</b>	<b>41,805</b>	<b>36,211</b>
<b>Deposit</b>	<b>6,029</b>	<b>6,029</b>
<b>Total Assets</b>	<b>\$ 12,637,148</b>	<b>\$ 9,154,213</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	420,081	872,719
Assessment refund liability	126,166	135,126
Accrued payroll	89,090	72,655
<b>Total Current Liabilities</b>	<b>635,337</b>	<b>1,080,500</b>
<b>Commitments and Contingencies (Notes 6 and 9)</b>		
<b>Net Assets Without Donor Restrictions</b>	<b>12,001,811</b>	<b>8,073,713</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 12,637,148</b>	<b>\$ 9,154,213</b>

*See accompanying notes to financial statements.*

# National Mango Board

## Statements of Activities

<i>Year ended December 31,</i>	2020	2019
<b>Revenues</b>		
Assessments - fresh	\$ 8,956,230	\$ 7,683,266
Assessments - frozen	1,512,671	468,913
Interest income	93,558	110,731
<b>Total Revenues</b>	<b>10,562,459</b>	<b>8,262,910</b>
<b>Program Expenses</b>		
Marketing	4,621,100	5,529,221
Research	1,321,392	1,558,635
<b>Total Program Expenses</b>	<b>5,942,492</b>	<b>7,087,856</b>
<b>General and Administrative Expenses</b>	<b>691,869</b>	<b>806,223</b>
<b>Total Expenses</b>	<b>6,634,361</b>	<b>7,894,079</b>
<b>Change in Net Assets Without Donor Restrictions</b>	<b>3,928,098</b>	<b>368,831</b>
<b>Net Assets Without Donor Restrictions, beginning of year</b>	<b>8,073,713</b>	<b>7,704,882</b>
<b>Net Assets Without Donor Restrictions, end of year</b>	<b>\$ 12,001,811</b>	<b>\$ 8,073,713</b>

*See accompanying notes to financial statements.*



# National Mango Board

## Statements of Cash Flows

<i>Year ended December 31,</i>	2020	2019
<b>Cash Flows from Operating Activities</b>		
Change in net assets without donor restrictions	\$ 3,928,098	\$ 368,831
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities:		
Depreciation and amortization	31,451	46,174
Loss on disposal of equipment	3,764	378
Change in operating assets and liabilities:		
Assessments receivable	48,664	372,549
Prepaid expenses	(80,545)	(549)
Accounts payable and accrued expenses	(452,638)	(171,773)
Assessment refund liability	(8,960)	(27,299)
Accrued payroll	16,435	3,859
<b>Net Cash Provided by Operating Activities</b>	<b>3,486,269</b>	<b>592,170</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of equipment	(40,809)	(4,674)
Proceeds from sale of certificates of deposit	6,990,996	-
Purchase of certificates of deposit	(7,976,083)	(5,022,984)
<b>Net Cash Used in Investing Activities</b>	<b>(1,025,896)</b>	<b>(5,027,658)</b>
<b>Increase (Decrease) in Cash</b>	<b>2,460,373</b>	<b>(4,435,488)</b>
<b>Cash, beginning of year</b>	<b>4,002,152</b>	<b>8,437,640</b>
<b>Cash, end of year</b>	<b>\$ 6,462,525</b>	<b>\$ 4,002,152</b>

*See accompanying notes to financial statements.*

**National Mango Board**  
**Statement of Functional Expenses**

*Year ended December 31, 2020*

	Program Expenses			General and Administrative	Total
	Marketing	Research	Total		
Professional service fees	\$ 1,642,274	\$ -	\$ 1,642,274	\$ 3,621	\$ 1,645,895
Advertising expenses	1,606,089	-	1,606,089	-	1,606,089
Payroll	462,367	357,260	819,627	333,535	1,153,162
Research studies	-	524,645	524,645	-	524,645
Industry outreach expenses	232,460	139,024	371,484	-	371,484
Strategic planning and workshops	302,568	-	302,568	-	302,568
Employee benefits	73,001	65,308	138,309	48,400	186,709
USDA fees	-	-	-	165,173	165,173
Industry compliance expenses	-	104,174	104,174	-	104,174
Trade advertising	103,179	-	103,179	-	103,179
Consulting fees	35,847	47,485	83,332	-	83,332
Legal expenses	66,135	6,670	72,805	5,525	78,330
Rent	27,616	18,475	46,091	22,285	68,376
Information technology expense	14,392	11,693	26,085	8,995	35,080
Depreciation and amortization	12,903	10,484	23,387	8,064	31,451
Audit fees	-	-	-	28,289	28,289
Rental equipment	11,465	9,316	20,781	7,166	27,947
Software/hardware maintenance	9,895	8,039	17,934	6,184	24,118
Other office expenses	1,156	3,425	4,581	17,445	22,026
Telephone	7,444	5,394	12,838	5,954	18,792
Insurance expenses	7,515	6,105	13,620	4,697	18,317
Board meeting expenses	-	-	-	17,976	17,976
Repairs and maintenance	4,794	3,895	8,689	2,996	11,685
Employee recruitment	-	-	-	5,564	5,564
<b>Total</b>	<b>\$ 4,621,100</b>	<b>\$ 1,321,392</b>	<b>\$ 5,942,492</b>	<b>\$ 691,869</b>	<b>\$ 6,634,361</b>

*See accompanying notes to financial statements.*

**National Mango Board**  
**Statement of Functional Expenses**

*Year ended December 31, 2019*

	Program Expenses			General and Administrative	Total
	Marketing	Research	Total		
Professional service fees	\$ 2,015,825	\$ -	\$ 2,015,825	\$ 1,595	\$ 2,017,420
Advertising expenses	1,788,138	-	1,788,138	-	1,788,138
Payroll	443,134	340,078	783,212	320,273	1,103,485
Research studies	-	776,418	776,418	-	776,418
Industry outreach expenses	369,253	230,844	600,097	-	600,097
Strategic planning and workshops	535,730	-	535,730	-	535,730
Employee benefits	82,504	67,513	150,017	57,578	207,595
USDA fees	-	-	-	174,577	174,577
Board meeting expenses	-	-	-	131,664	131,664
Trade advertising	81,132	-	81,132	-	81,132
Consulting fees	44,970	32,143	77,113	-	77,113
Rent	26,754	17,902	44,656	21,590	66,246
Other office expenses	15,067	14,921	29,988	16,942	46,930
Legal expenses	56,929	4,548	61,477	6,296	67,773
Depreciation and amortization	18,943	15,391	34,334	11,840	46,174
Information technology expense	12,145	9,868	22,013	7,591	29,604
Rental equipment	11,600	9,425	21,025	7,250	28,275
Insurance expenses	10,464	8,502	18,966	6,540	25,506
Audit fees	-	-	-	23,939	23,939
Telephone	7,041	6,167	13,208	5,825	19,033
Industry compliance expenses	-	17,121	17,121	-	17,121
Software/hardware maintenance	6,784	5,512	12,296	4,240	16,536
Repairs and maintenance	2,808	2,282	5,090	1,755	6,845
Employee recruitment	-	-	-	6,728	6,728
<b>Total</b>	<b>\$ 5,529,221</b>	<b>\$ 1,558,635</b>	<b>\$ 7,087,856</b>	<b>\$ 806,223</b>	<b>\$ 7,894,079</b>

*See accompanying notes to financial statements.*

# National Mango Board

## Notes to Financial Statements

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### 1. Organization

#### *Organization and Nature of Activities*

The National Mango Board (the Board) was established on November 3, 2004 and is authorized by the Commodity Promotion Research and Information Act (the Act) of 1996 (Public Law 104-127) and is considered an instrumentality of the United States Department of Agriculture (USDA), which conducts the administrative oversight of its activities. The Mango Order of the Commodity Promotion, Research and Information Act of 1996 (the Order) is authorized under the Act and outlines the Board's structure and rules of conduct. The Board's mission is to increase demand for mangos through promotion, research and education.

The Board is composed of ten importers, one first handler, two domestic producers in the United States, seven foreign producers of mangos and one foreign processor of frozen mango. The rules and regulations the Board follows provide for assessments to be derived from all handled and imported fresh and frozen mangos into the United States.

### 2. Summary of Significant Accounting Policies

#### *Basis of Accounting*

The financial statements of the Board are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### *Cash, Certificates of Deposit, and Concentration of Credit Risk*

The Board considers all highly liquid investments purchased with a maturity date of 3 months or less to be cash equivalents. The Board did not hold any cash equivalents at December 31, 2020 or 2019.

The Board holds all cash accounts at federally insured financial institutions and any amounts over federally insured limits are collateralized. The Board's certificates of deposits (CDs) are held at a financial institution in two Certificate of Deposit Account Registry Services (CDARS) accounts which hold CDs purchased through various other financial institutions in denominations under the federally insured limits. Therefore, the Board's cash and certificates of deposit balances at December 31, 2020 and 2019 are fully insured.

As of December 31, 2020 and 2019, the Board had designated cash reserves of \$1,200,000, which are included in cash (see Note 4) on the accompanying statements of financial position.

#### *Assessments Receivable*

Assessments receivable represent assessments due from domestic first handlers. Assessments are collected by the Board directly from domestic first handlers. As of December 31, 2020 and 2019, the balance of assessments receivable was \$0 and \$48,664, respectively. All accounts were considered fully collectible and, accordingly, no allowance was necessary.

# National Mango Board

## Notes to Financial Statements

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### ***Property and Equipment***

Property and equipment are stated at cost. The Board capitalizes expenditures for property and equipment in excess of \$2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of their estimated useful lives or the remaining term of the related lease.

### ***Fair Value of Financial Instruments***

The Board reports its financial instruments at fair value using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The financial instruments level within the fair value hierarchy is based on lowest level of any input that is significant to the fair value measurement.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximate their fair values due to the short-term nature of these instruments. These financial instruments include assessments receivable, accounts payable and accrued expenses, assessment refund liability and accrued payroll.

The Board's Level 1 financial assets consist of certificates of deposit and are valued at cost plus accrued interest. The Board has no Level 2 or Level 3 financial assets or liabilities.

### ***Revenue Recognition and Assessment Refund Liability***

Revenues from assessments are derived from first handlers and importers of mangos and are recognized based on monthly reports submitted by first handlers and importers through U.S. customs. Import assessment revenue is recognized when the cash is received. Domestic assessment revenue is recognized when the Board is notified of the amount of the assessment. The rate of assessment is proposed by the Board and approved by the USDA. In July 2019, the USDA approved an amendment to include assessments on frozen mangos. For the years ended December 31, 2020 and 2019, the assessment rate was \$0.0075 per pound for fresh mangos and \$0.01 per pound for frozen mangos.

Importers and first handlers of less than 500,000 pounds of fresh mangos and less than 200,000 pounds of frozen mangos during any calendar year may claim an exemption from these assessments. Also, first handlers of mangos produced domestically and exported outside the United States may annually claim exemption. Effective February 29, 2016, the exemption was amended to include any organic mangos produced. An exemption application must be provided to the Board in order for these importers and first handlers to receive a refund of the assessments previously paid. As of December 31, 2020 and 2019, a refund liability of \$126,166 and \$135,126, respectively, is included on the accompanying statements of financial position. Refunds are netted against assessment revenue in the year in which they are determined.

There were no penalties and interest assessed in accordance with the Act for the years ended December 31, 2020 and 2019.

# National Mango Board

## Notes to Financial Statements

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### ***Net Assets Without Donor Restrictions***

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. From time to time, the Board of Directors designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. The Board of Directors has designated a portion of net assets without donor restrictions as reserves. See Note 4 for more information on the composition of net assets without donor restrictions.

### ***Advertising***

In accordance with its mission, the Board has approved the development of direct and non-direct response advertising and promotional activities. All costs related to these activities are charged to expense as incurred. Advertising expenses during the years ended December 31, 2020 and 2019 were \$1,606,089 and \$1,788,138, respectively.

### ***Functional Allocation of Expenses***

The accompanying statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Board are reported as expenses of those functional areas. Payroll and employee benefits are allocated among functional categories based on the estimated proportion of time spent relative to each function. Rent is allocated based upon square footage of office space for those programs or supporting areas. All other indirect costs, such as insurance, depreciation and amortization, equipment rental, software and information technology expenses, are allocated based on the ratio of number of employees per function.

### ***Income Taxes***

The Board is considered an instrumentality of the USDA, which conducts the administrative oversight of its activities. As such, the Board is exempt from federal and state income taxes.

### ***Budget***

The Board's Budget and Marketing Plan is prepared on an accrual basis (revenues are recognized when notified or received and expenses are recognized when incurred). Schedules comparing the budgetary basis to actual results are included in the supplementary information to the financial statements.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# National Mango Board

## Notes to Financial Statements

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### *Accounting Pronouncement Issued but Not Yet Adopted*

#### *Leases*

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02 (ASU 2016-02), *Leases (Topic 842)*. ASU 2016-02 requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments. For leases with a lease term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize a right-of-use asset or lease liability. A lessee making this accounting policy election would recognize lease expense over the term of the lease, generally in a straight-line pattern. Early adoption is permitted. In transition, a lessee and a lessor will recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients. These practical expedients relate to identifying and classifying leases that commenced before the effective date, initial direct costs for leases that commenced before the effective date and the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset. ASU 2018-11, *Leases* was issued in June 2018, which permits entities to choose to initially apply ASU 2016-02 at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities* that allows entities to elect to postpone adoption until fiscal years beginning after December 15, 2021. Management is currently evaluating the impact of these standards on its financial statements.

### 3. Property and Equipment

Property and equipment consists of the following:

<i>December 31,</i>	Useful Lives (Years)	2020		2019	
Leasehold improvements	5	\$ 26,438	\$	26,438	
Computer equipment	3-5	77,331	\$	49,278	
Office equipment	10	2,993	\$	2,629	
Software	3	1,073	\$	1,073	
Furniture and fixtures	10	7,525	\$	7,525	
Website development costs	5	170,738	\$	170,738	
		<b>286,098</b>	<b>\$</b>	<b>257,681</b>	
Less: accumulated depreciation and amortization		<b>(244,293)</b>	<b>\$</b>	<b>(221,470)</b>	
		<b>\$ 41,805</b>	<b>\$</b>	<b>36,211</b>	

Depreciation and amortization expense amounted to \$31,451 and \$46,174 for the years ended December 31, 2020 and 2019, respectively.

**National Mango Board**  
**Notes to Financial Statements**

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**4. Net Assets Without Donor Restrictions**

The Board's net assets without donor restrictions is comprised of undesignated and Board of Director designated amounts for the following purposes at:

<i>December 31,</i>	2020	2019
Undesignated	\$ 10,801,811	\$ 6,873,713
Board-designated for contingency reserve	750,000	750,000
Board-designated crisis reserve	450,000	450,000
	<b>\$ 12,001,811</b>	<b>\$ 8,073,713</b>

**5. Liquidity and Availability of Resources**

The following table reflects the Board's financial assets as of December 31, 2020 and 2019, reduced by the amount not available for general expenditures within one year. Certain financial assets are considered unavailable because the Board of Directors has set aside funds for specific reserves.

<i>December 31,</i>	2020	2019
<b>Financial Assets</b>		
Cash	\$ 6,462,525	\$ 4,002,152
Certificates of deposit	6,008,071	5,022,984
Assessments receivable	-	48,664
<b>Financial Assets, end of the year</b>	<b>12,470,596</b>	<b>9,073,800</b>
Less unavailable for general expenditures within one year due to:		
Board-designated crisis reserve	(450,000)	(450,000)
Board-designated contingency reserve	(750,000)	(750,000)
<b>Financial Assets to Meet Cash Needs for General Expenditures Within One Year</b>	<b>\$ 11,270,596</b>	<b>\$ 7,873,800</b>

At December 31, 2020 and 2019, the Board had \$11,270,596 and \$7,873,800, respectively, of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, which consists primarily of cash and certificates of deposit that are fully insured. The Board has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, the Board of Directors has designated certain net assets without donor restriction as discussed in Note 4. While the Board does not intend to spend these funds for purposes other than those identified, the funds could be made available for current operations, if necessary. As of December 31, 2020, the Board is party to three contracts with unrelated third parties totaling approximately \$274,000. These contracts relate to research services to be provided to the Board during 2021 and are, therefore, not reflected in the accompanying financial statements but are considered future general expenditures of the Board.



**National Mango Board**  
**Notes to Financial Statements**

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## 6. Operating Leases

The Board leases its office space and equipment under operating leases that expire at various dates through April 2022. The approximate future minimum rentals under these leases are as follows:

*Year ending December 31,*

2021	\$	92,400
2022		6,900
	\$	99,300

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Rent expense under these leases for the years ended December 31, 2020 and 2019 was approximately \$96,300 and \$94,500, respectively.

## 7. Concentrations of Risk

During the years ended December 31, 2020 and 2019, two countries accounted for approximately 62% and 17%, and two countries accounted for approximately 69% and 10%, respectively, of the Board's assessment revenues. The loss of these major country's mango crops could have a significant impact on the Board's revenues and operations.

## 8. Employee Benefit Plan

The Board has a defined contribution retirement plan (the Plan) covering substantially all of its employees. Under the provisions of the Plan, the Board contributes 3% of gross payroll costs on a monthly basis. Participants' rights to benefits vest immediately. Employer contributions for the years ended December 31, 2020 and 2019, in connection with the Plan, were approximately \$11,100 and \$12,700, respectively.

## 9. Contingencies

In the normal course of business, the Board occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the financial position, results of operations or cash flows of the Board.

## 10. COVID-19 and CARES Act

### *COVID-19*

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. As a result of the pandemic, the Board cancelled and delayed some projects during 2020, as well as made a shift from in-person focused projects to virtual resulting in a decrease in marketing expenses in 2020. As of the date of this report, the Board's assessments have exceeded the Board's projected amounts due to the increase in grocery store shopping from consumers. However, the full impact of the COVID-19 outbreak continues to evolve. The Board's operations are

# National Mango Board

## Notes to Financial Statements

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dependent on mango imports for its assessment funds to be collected by United States Customs and Border Protection. The outbreak may have a continued material adverse impact on economic and market conditions, triggering a period of national economic slowdown. If this occurs, then it may depress assessments in the future. As such, this may hinder management's ability to advance the Board's mission. It may also lead the Board to seek additional cancellation of projects and/or contracts under the guidance of USDA. Although the Board cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Board's results of future operations, financial position and liquidity in fiscal year 2021.

### *CARES Act*

On March 27, 2020, the Coronavirus Aid, Relief and Economics Security Act (the CARES Act) was enacted. The CARES Act was enacted to address the economic fallout of the COVID-19 outbreak on the economy. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits and deferment of employer side social security payments. It also appropriated funds for SBA Paycheck Protection Program, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. As of the date of this report, the Board has not received any relief funding from the CARES Act and has not applied for any of its provisions. Currently, the Board does not believe the CARES Act will have any substantial effect on its financial condition, results of operation or liquidity.

### **11. Subsequent Events**

The Board has evaluated events and transactions occurring subsequent to December 31, 2020 as of March 10, 2021, which is the date the financial statements were available to be issued. Subsequent events occurring after March 10, 2021 have not been evaluated by management. No material events have occurred since December 31, 2020 that require recognition or disclosure in the financial statements, except as follows:

Effective February 25, 2021, the Order was amended to remove the provisions of frozen mangos as a covered commodity. The ruling discontinued the collection of assessments on imported frozen mangos and called for the removal of three members of the Board of Directors.

## Supplementary Information

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## Independent Auditor's Report on Supplementary Information

Executive Committee  
National Mango Board

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

*BDO USA LLP*

Certified Public Accountants  
March 10, 2021

## National Mango Board

### Schedule of Revenues and Expenditures - Actual Compared to Budget

*Year ended December 31, 2020*

	Actual	Budget	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Assessments - fresh	\$ 8,956,230	\$ 7,910,570	\$ 1,045,660
Assessments - frozen	1,512,671	1,020,748	491,923
Interest income	93,558	160,764	(67,206)
<b>Total Revenues</b>	<b>10,562,459</b>	<b>9,092,082</b>	<b>1,470,377</b>
<b>Program Expenses</b>			
Marketing	4,621,100	7,134,582	2,513,482
Research	1,321,392	2,367,985	1,046,593
<b>Total Program Expenses</b>	<b>5,942,492</b>	<b>9,502,567</b>	<b>3,560,075</b>
<b>General and Administrative Expenses</b>	<b>691,869</b>	<b>1,304,473</b>	<b>612,604</b>
<b>Total Expenses</b>	<b>6,634,361</b>	<b>10,807,040</b>	<b>4,172,679</b>
<b>Change in Net Assets Without Donor Restrictions</b>	<b>\$ 3,928,098</b>	<b>\$ (1,714,958)</b>	<b>\$ 5,643,056</b>

*Note - The Budget represents the Budget and Marketing Plan approved by the USDA and is prepared on the accrual basis of accounting.*

# National Mango Board

## Schedule of Program Expenses - Actual Compared to Budget

*Year ended December 31, 2020*

	Actual	Budget	Variance Favorable (Unfavorable)
<b>Marketing</b>			
Retail promotions and marketing projects	\$ 1,496,840	\$ 2,412,610	\$ 915,770
Consumer PR and marketing	1,332,262	1,716,488	384,226
Marketing overhead	916,123	1,429,083	512,960
Foodservice marketing	421,421	903,000	481,579
Nutrition PR and marketing	93,313	145,500	52,187
Website	67,539	123,300	55,761
Trade shows and memberships	197,577	404,601	207,024
Allocated indirect expenses	96,025	-	(96,025)
<b>Total Marketing</b>	<b>4,621,100</b>	<b>7,134,582</b>	<b>2,513,482</b>
<b>Research</b>			
Research expenses	813,343	1,760,660	947,317
Research program overhead	434,648	607,325	172,677
Allocated indirect expenses	73,401	-	(73,401)
<b>Total Research</b>	<b>1,321,392</b>	<b>2,367,985</b>	<b>1,046,593</b>
<b>Total Program Expenses</b>	<b>\$ 5,942,492</b>	<b>\$ 9,502,567</b>	<b>\$ 3,560,075</b>

*Note - The Budget represents the Budget and Marketing Plan approved by the USDA and is prepared on the accrual basis of accounting.*

## National Mango Board

### Schedule of General and Administrative Expenditures - Actual Compared to Budget

*Year ended December 31, 2020*

	Actual	Budget	Variance Favorable (Unfavorable)
<b>General and Administrative Expenses</b>			
Staff salaries, wages and benefits	\$ 379,965	\$ 446,782	\$ 66,817
Telephone	18,792	30,700	11,908
Professional services	14,711	81,500	66,789
Office expenses	8,731	19,650	10,919
Information technology	59,198	125,325	66,127
GAGAS audit	28,289	30,000	1,711
Staff travel	288	9,560	9,272
Insurance	18,317	27,840	9,523
Miscellaneous	4,662	12,000	7,338
Education, development and training	1,970	27,500	25,530
New and expanded initiatives	-	2,500	2,500
AMS user fee	165,173	180,000	14,827
Office rent	68,376	68,616	240
Equipment rental	27,947	29,400	1,453
Repairs and maintenance	11,685	11,700	15
Depreciation and amortization	31,451	52,100	20,649
Loss on disposal	3,764	-	(3,764)
Board meetings	17,976	149,300	131,324
Less allocated indirect expenses	(169,426)	-	169,426
<b>Total General and Administrative Expenses</b>	<b>\$ 691,869</b>	<b>\$ 1,304,473</b>	<b>\$ 612,604</b>

*Note - The Budget represents the Budget and Marketing Plan approved by the USDA and is prepared on the accrual basis of accounting.*

# National Mango Board

## Schedule of Cash Receipts and Disbursements

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*Year ended December 31, 2020*

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### Sources of Cash

Receipts:

Assessments	\$ 10,497,773
Interest income	93,558

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**Total Receipts** 10,591,331

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### Uses of Cash

Disbursements:

Marketing	4,737,732
Research	1,444,580
Board meetings	84,410
USDA and U.S. customs fees	167,527
Administrative overhead	631,372
Rent expense	80,250

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**Total Disbursements** 7,145,871

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Increase in Cash 3,445,460

Transfer of Cash to Certificates of Deposit (985,087)

**Cash, beginning of year** 4,002,152

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**Cash, end of year** \$ 6,462,525

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**National Mango Board**  
**Schedule of Property and Equipment**

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*December 31, 2020*

Date Acquired	Description	Original Cost
12/15/2009	<b>Leasehold Improvements - Office Space</b>	\$ 26,438
	<b>Computer Equipment</b>	
09/21/2009	Camcorder	2,067
09/24/2009	Firewall	1,667
05/02/2011	Camera	1,056
05/01/2014	5 flat panels	1,150
01/31/2017	10 tablets	20,395
01/31/2017	1 tablet	1,778
01/01/2018	2 tablets	3,758
02/19/2019	Docking station	2,407
07/17/2019	1 laptop	2,607
10/01/2020	6 tablets	16,432
10/01/2020	8 laptops	24,014
	<b>Total Computer Equipment</b>	<b>77,331</b>
	<b>Software</b>	
08/03/2011	Adobe software	1,073
	<b>Office Equipment</b>	
10/06/2014	10 headsets	1,998
01/20/2015	Vertical fortress	631
09/08/2020	Color printer	364
	<b>Total Office Equipment</b>	<b>2,993</b>
	<b>Furniture and Fixtures</b>	
10/11/2006	Office furniture	5,306
12/27/2013	Desks	1,264
02/24/2015	Office chairs	955
	<b>Total Furniture and Fixtures</b>	<b>7,525</b>
	<b>Website Development Costs</b>	
09/01/2015	Website development costs	170,738
	<b>Total Property and Equipment</b>	<b>\$ 286,098</b>

**Report Required by *Government Auditing Standards***

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## **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***

Executive Committee  
National Mango Board

We have audited, in accordance with the 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 National Mango Board (the Board), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated March 10, 2021.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 or significant deficiencies may exist that have not been identified.



### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the financial statements. 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 result 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.

*BDO USA LLP*

Certified Public Accountants  
March 10, 2021

**Other Reporting Required by United States  
Department of Agriculture (USDA)**

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## Independent Auditor's Report on Compliance with Laws, Regulations, and Contracts

Executive Committee  
National Mango Board

### Report on Compliance

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of National Mango Board (the Board), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated March 10, 2021.

In connection with our audit of the Board's financial statements, we tested compliance with selected provisions of applicable laws, statutes, regulations, rules and provisions of contracts consistent with our auditor's responsibility discussed below and 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. We caution that noncompliance may occur and not be detected by these tests.

### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts applicable to the Board.

### *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance, whether due to fraud or error, with the selected provisions of applicable laws, statutes, regulations, rules, and provisions of contracts that have a direct effect on the determination of material amounts and disclosures in the financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all laws, statutes, regulations, rules, and provisions of contracts applicable to the Board. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the types of compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Board's compliance with the requirements of the selected provisions of applicable laws, statutes, regulations, rules, and provisions of contracts applicable to the Board.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.



- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Board's compliance with the selected provisions of applicable laws, statutes, regulations, rules and provisions of contracts applicable to the Board.

### ***Results of Our Tests for Compliance with Laws, Regulations and Contracts***

During the course of our testing, no instances of noncompliance for the year ended December 31, 2020 came to our attention that would be required to be reported under generally accepted auditing standards in the United States of America or under *Government Auditing Standards*, issued by the Comptroller General of the United States, that would cause us to believe that the Board failed to comply with certain provisions of the Mango Order of the Commodity Promotion, Research and Information Act of 1996, as described below in items a) through e), insofar as they relate to accounting matters.

- a) Funds were not discovered to be used for influencing government policy or action
- b) The Board adhered to the AMS investment policy
- c) The Board complied with its internal control policies
- d) Funds were used only for projects and other expenses authorized in a budget approved by USDA
- e) Funds were used in accordance with Guidelines for Agricultural Marketing Service Oversight of Commodity Research and Promotion Programs

However, the objective of our tests was not to provide an opinion on compliance with all laws, statutes, regulations, rules and provisions of contracts applicable to the Board. Accordingly, we do not express such an opinion. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Board's noncompliance with the above-referenced terms, provisions or conditions of the Order, insofar as they relate to accounting matters.

The purpose of this report on compliance with laws, statutes, regulations, rules, and provisions of contracts is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, statutes, regulations, rules, and provisions of contracts and the results of that testing, and not to provide an opinion on compliance. This report on compliance with laws, statutes, regulations, rules, and provisions of contracts is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, and contracts is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors and management of the Board, others within the organization, and the U.S. Department of Agriculture and is not intended to be, and should not be, used by anyone other than these specified parties.

*BDO USA LLP*

Certified Public Accountants  
March 10, 2021