



National Mango Board

Financial Statements
and Supplementary Information
Years Ended December 31, 2021 and 2020

National Mango Board

Financial Statements and Supplementary Information
Years Ended December 31, 2021 and 2020

National Mango Board

Contents

Independent Auditor’s Report	3-5
Financial Statements	
Statements of Financial Position as of December 31, 2021 and 2020	7
Statements of Activities for the Years Ended December 31, 2021 and 2020	8
Statements of Cash Flows for the Years Ended December 31, 2021 and 2020	9
Statements of Functional Expenses for the Years Ended December 31, 2021 and 2020	10-11
Notes to Financial Statements	12-17
Supplementary Information	
Independent Auditor’s Report on Supplementary Information	19
Schedule of Revenues and Expenditures - Actual Compared to Budget for the Year Ended December 31, 2021	20
Schedule of Program Expenses - Actual Compared to Budget for the Year Ended December 31, 2021	21
Schedule of General and Administrative Expenditures - Actual Compared to Budget for the Year Ended December 31, 2021	22
Schedule of Cash Receipts and Disbursements for the Year Ended December 31, 2021	23
Schedule of Property and Equipment for the Year Ended December 31, 2021	24
Report Required by <i>Government Auditing Standards</i>	
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 <i>Government Auditing Standards</i>	26-27
Other Reporting Required by United States Department of Agriculture (USDA)	
Report on Compliance with Laws, Regulations, and Contracts	29-31



Tel: 407-841-6930
Fax: 407-841-6347
www.bdo.com

450 South Orange Avenue
Suite 550
Orlando, FL 32801

Independent Auditor's Report

The Executive Committee
National Mango Board
Orlando, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the National Mango Board (the Board), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 the Board as of December 31, 2021 and 2020, 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 April 5, 2022 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, 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 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
April 5, 2022

Financial Statements

National Mango Board
Statements of Financial Position

<i>December 31,</i>	2021	2020
Assets		
Current Assets		
Cash	\$ 4,947,294	\$ 6,462,525
Certificates of deposit	8,012,427	6,008,071
Assessments receivable	2,488	-
Prepaid expenses	79,166	118,718
Total Current Assets	13,041,375	12,589,314
Property and Equipment, Net	645,132	41,805
Deposit	6,029	6,029
Total Assets	\$ 13,692,536	\$ 12,637,148
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	789,278	420,081
Assessment refund liability	107,303	126,166
Accrued payroll	88,285	89,090
Total Current Liabilities	984,866	635,337
Commitments and Contingencies (Notes 6 and 9)		
Net Assets Without Donor Restrictions	12,707,670	12,001,811
Total Liabilities and Net Assets	\$ 13,692,536	\$ 12,637,148

See accompanying notes to financial statements.

National Mango Board

Statements of Activities

<i>Year ended December 31,</i>	2021	2020
Revenues		
Assessments - fresh, net of refunds of \$421,165 and \$407,894, respectively	\$ 8,931,505	\$ 8,956,230
Assessments - frozen	237,497	1,512,671
Interest income	49,736	93,558
Total Revenues	9,218,738	10,562,459
Program Expenses		
Marketing	5,099,836	4,621,100
Research	2,546,130	1,321,392
Total Program Expenses	7,645,966	5,942,492
General and Administrative Expenses	866,913	691,869
Total Expenses	8,512,879	6,634,361
Change in Net Assets Without Donor Restrictions	705,859	3,928,098
Net Assets Without Donor Restrictions, beginning of year	12,001,811	8,073,713
Net Assets Without Donor Restrictions, end of year	\$ 12,707,670	\$ 12,001,811

See accompanying notes to financial statements.

National Mango Board

Statements of Cash Flows

<i>Year ended December 31,</i>	2021	2020
Cash Flows from Operating Activities		
Change in net assets without donor restrictions	\$ 705,859	\$ 3,928,098
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by (used in) operating activities:		
Depreciation and amortization	31,259	31,451
Loss on disposal of equipment	3,038	3,764
Change in operating assets and liabilities:		
Assessments receivable	(2,488)	48,664
Prepaid expenses	39,552	(80,545)
Accounts payable and accrued expenses	369,197	(452,638)
Assessment refund liability	(18,863)	(8,960)
Accrued payroll	(805)	16,435
Net Cash Provided by Operating Activities	1,126,749	3,486,269
Cash Flows from Investing Activities		
Purchases of equipment	(637,624)	(40,809)
Proceeds from sale of certificates of deposit	5,966,928	6,990,996
Purchase of certificates of deposit	(7,971,284)	(7,976,083)
Net Cash Used in Investing Activities	(2,641,980)	(1,025,896)
Increase (Decrease) in Cash	(1,515,231)	2,460,373
Cash, beginning of year	6,462,525	4,002,152
Cash, end of year	\$ 4,947,294	\$ 6,462,525

See accompanying notes to financial statements.

National Mango Board
Statements of Functional Expenses

Year ended December 31, 2021

	Program Expenses			General and Administrative	Total
	Marketing	Research	Total		
Professional service fees	\$ 1,563,057	\$ -	\$ 1,563,057	\$ 12,954	\$ 1,576,011
Advertising expenses	1,948,176	-	1,948,176	-	1,948,176
Payroll	566,987	401,659	968,646	353,014	1,321,660
Research studies	-	1,266,511	1,266,511	-	1,266,511
Industry outreach expenses	228,613	612,746	841,359	-	841,359
Strategic planning and workshops	402,749	-	402,749	-	402,749
Employee benefits	101,716	76,857	178,573	76,492	255,065
USDA fees	-	-	-	159,075	159,075
Industry compliance expenses	-	1,798	1,798	-	1,798
Trade advertising	75,951	-	75,951	-	75,951
Consulting fees	43,846	92,862	136,708	-	136,708
Legal expenses	49,690	9,733	59,423	14,951	74,374
Rent	29,685	20,990	50,675	21,594	72,269
Information technology expense	18,789	12,856	31,645	9,889	41,534
Depreciation and amortization	14,141	9,675	23,816	7,443	31,259
Audit fees	-	-	-	26,123	26,123
Rental equipment	7,948	5,438	13,386	4,183	17,569
Software/hardware maintenance	13,718	9,386	23,104	7,220	30,324
Other office expenses	5,279	5,263	10,542	25,408	35,950
Telephone	7,629	5,398	13,027	6,462	19,489
Insurance expenses	11,789	8,066	19,855	6,205	26,060
Board meeting expenses	-	-	-	124,626	124,626
Repairs and maintenance	5,580	3,818	9,398	2,937	12,335
Moving support	4,493	3,074	7,567	2,365	9,932
Employee recruitment	-	-	-	5,972	5,972
Total	\$ 5,099,836	\$ 2,546,130	\$ 7,645,966	\$ 866,913	\$ 8,512,879

See accompanying notes to financial statements.

National Mango Board
Statements 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
Total	\$ 4,621,100	\$ 1,321,392	\$ 5,942,492	\$ 691,869	\$ 6,634,361

See accompanying notes to financial statements.

National Mango Board

Notes to Financial Statements

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 eight importers, one first handler, two domestic producers in the United States, and seven foreign producers of mangos. 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 three months or less to be cash equivalents. The Board did not hold any cash equivalents at December 31, 2021 or 2020.

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 and are valued at cost plus accrued interest. Therefore, the Board's cash and certificates of deposit balances at December 31, 2021 and 2020 are fully insured.

As of December 31, 2021 and 2020, the Board had designated cash reserves of \$2,000,000 and \$1,200,000, respectively, 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, 2021 and 2020, the balance of assessments receivable was \$2,488 and \$0, respectively. All accounts were considered fully collectible and, accordingly, no allowance was necessary.

National Mango Board

Notes to Financial Statements

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.

As of December 31, 2021 and 2020, the Board does not have any financial assets or liabilities that are required to be fair valued on a recurring basis that would need to be disclosed as Level 1, 2, or 3 financial instruments in the fair value hierarchy.

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, as notification of amount to be received is not provided prior to the cash receipt. 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. Effective February 25, 2021, the USDA approved an amendment to remove assessments on frozen mangos. For the year ended December 31, 2021 and 2020, the assessment rate was \$0.0075 per pound for fresh mangos. For the year ended December 31, 2020 and through February 2021, the assessment rate was \$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 claim exemption annually. 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, 2021 and 2020, a refund liability of \$107,303 and \$126,166, respectively, is included on the accompanying statements of financial position. Refunds are netted against assessment revenue in the year in which they relate.

There were no penalties and interest assessed in accordance with the Act for the years ended December 31, 2021 and 2020.

National Mango Board

Notes to Financial Statements

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, 2021 and 2020 were \$1,948,176 and \$1,606,089, 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 U.S. GAAP 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

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 this standard on its financial statements.

3. Property and Equipment

Property and equipment consists of the following:

December 31,

	Useful Lives (Years)	2021	2020
Leasehold improvements	5	\$ 26,438	\$ 26,438
Computer equipment	3-5	74,012	77,331
Office equipment	10	3,657	2,993
Software	3	1,073	1,073
Furniture and fixtures	10	28,500	7,525
Website development costs	5-10	579,825	170,738
		713,505	286,098
Less: accumulated depreciation and amortization		(68,373)	(244,293)
		\$ 645,132	\$ 41,805

Depreciation and amortization expense amounted to \$31,259 and \$31,451 for the years ended December 31, 2021 and 2020, respectively.

National Mango Board
Notes to Financial Statements

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>	2021	2020
Undesignated	\$ 10,707,670	\$ 10,801,811
Board-designated for contingency reserve	1,000,000	750,000
Board-designated crisis reserve	1,000,000	450,000
	\$ 12,707,670	\$ 12,001,811

5. Liquidity and Availability of Resources

The following table reflects the Board's financial assets as of December 31, 2021 and 2020, 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>	2021	2020
Financial Assets		
Cash	\$ 4,947,294	\$ 6,462,525
Certificates of deposit	8,012,427	6,008,071
Assessments receivable- other	2,488	-
Financial Assets, end of the year	12,962,209	12,470,596
Less unavailable for general expenditures within one year due to:		
Board-designated crisis reserve	(1,000,000)	(450,000)
Board-designated contingency reserve	(1,000,000)	(750,000)
Financial Assets to Meet Cash Needs for General Expenditures Within One Year	\$ 10,962,209	\$ 11,270,596

At December 31, 2021 and 2020, the Board had \$10,962,209 and \$11,270,596, 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, 2021, the Board is party to ten contracts with unrelated third parties totaling approximately \$654,000. 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

6. Operating Leases

The Board leases its office space and equipment under operating leases that expire at various dates through April 2026. The approximate future minimum rentals under these leases are as follows:

Year ending December 31,

2022	\$	92,000
2023		78,200
2024		78,200
2025		78,200
2026		78,200
	\$	404,800

Rent expense under these leases for the years ended December 31, 2021 and 2020 was approximately \$72,300 and \$96,300, respectively.

7. Concentrations of Risk

During the years ended December 31, 2021 and 2020, two countries accounted for approximately 61% and 13%, and two countries accounted for approximately 62% and 17%, 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, 2021 and 2020 in connection with the Plan were approximately \$11,100.

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. Subsequent Events

The Board has evaluated events and transactions occurring subsequent to December 31, 2021 as of April 5, 2022, which is the date the financial statements were available to be issued. Subsequent events occurring after April 5, 2022 have not been evaluated by management. No material events have occurred since December 31, 2021 that require recognition or disclosure in the financial statements.

Supplementary Information



Tel: 407-841-6930
Fax: 407-841-6347
www.bdo.com

450 South Orange Avenue
Suite 550
Orlando, FL 32801

Independent Auditor's Report on Supplementary Information

The Executive Committee
National Mango Board
Orlando, Florida

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
April 5, 2022

National Mango Board

Schedule of Revenues and Expenditures - Actual Compared to Budget

Year ended December 31, 2021

	Actual	Budget	Variance Favorable (Unfavorable)
Revenues			
Assessments - fresh	\$ 8,931,505	\$ 8,264,767	\$ 666,738
Assessments - frozen	237,497	-	237,497
Interest income	49,736	49,589	147
Total Revenues	9,218,738	8,314,356	904,382
Program Expenses			
Marketing	5,099,836	7,248,807	2,148,971
Research	2,546,130	3,632,211	1,086,081
Total Program Expenses	7,645,966	10,881,018	3,235,052
General and Administrative Expenses	866,913	1,373,327	506,414
Total Expenses	8,512,879	12,254,345	3,741,466
Change in Net Assets Without Donor Restrictions	\$ 705,859	\$ (3,939,989)	\$ 4,645,848

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, 2021

	Actual	Budget	Variance Favorable (Unfavorable)
Marketing			
Retail promotions and marketing projects	\$ 1,737,375	\$ 2,545,527	\$ 808,152
Consumer PR and marketing	1,121,501	1,276,300	154,799
Marketing overhead	1,144,887	1,546,815	401,928
Foodservice marketing	538,290	655,000	116,710
Nutrition PR and marketing	98,637	120,000	21,363
Website	168,898	677,000	508,102
Trade shows and memberships	180,967	428,165	247,198
Allocated indirect expenses	109,281	-	(109,281)
Total Marketing	5,099,836	7,248,807	2,148,971
Research			
Research expenses	2,058,066	2,971,882	913,816
Research program overhead	412,436	660,329	247,893
Allocated indirect expenses	75,628	-	(75,628)
Total Research	2,546,130	3,632,211	1,086,081
Total Program Expenses	\$ 7,645,966	\$ 10,881,018	\$ 3,235,052

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, 2021

	Actual	Budget	Variance Favorable (Unfavorable)
General and Administrative Expenses			
Staff salaries, wages, and benefits	\$ 414,534	\$ 468,335	\$ 53,801
Telephone	19,490	30,700	11,210
Professional services	33,877	60,000	26,123
Office expenses	7,697	19,650	11,953
Information technology	71,858	90,756	18,898
GAGAS audit	26,123	30,000	3,877
Staff travel	1,216	9,560	8,344
Insurance	26,061	31,926	5,865
Miscellaneous	5,889	12,000	6,111
Education, development, and training	14,972	32,500	17,528
New and expanded initiatives	-	2,500	2,500
AMS user fee	159,075	200,000	40,925
Office rent	72,269	72,000	(269)
Equipment rental	17,570	32,800	15,230
Repairs and maintenance	12,336	14,200	1,864
Depreciation and amortization	31,259	52,100	20,841
Loss on disposal	3,038	-	(3,038)
Board meetings	124,626	154,300	29,674
Moving Support	9,932	60,000	50,068
Less allocated indirect expenses	(184,909)	-	184,909
Total General and Administrative Expenses	\$ 866,913	\$ 1,373,327	\$ 506,414

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

Year ended December 31, 2021

Sources of Cash

Receipts:

Assessments	\$	9,184,375
Interest income		49,736

Total Receipts 9,234,112

Uses of Cash

Disbursements:

Marketing	5,220,706
Research	2,363,200
Board meetings	73,258
USDA and U.S. customs fees	159,388
Administrative overhead	843,871
Rent expense	84,564

Total Disbursements 8,744,987

Increase in Cash 489,125Net Investment in Certificates of Deposit (2,004,356)

Cash, beginning of year 6,462,525

Cash, end of year \$ 4,947,294

National Mango Board
Schedule of Property and Equipment

Year ended December 31, 2021

Date Acquired	Description	Original Cost
12/15/2009	Leasehold Improvements - Office Space	\$ 26,438
	Computer Equipment	
05/01/2014	5 flat panels	1,150
01/31/2017	2 tablets	4,532
01/01/2018	1 tablets	1,879
10/01/2020	6 tablets	16,432
10/01/2020	8 laptops	24,014
4/26/2021	1 workstation	2,138
11/4/2021	1 laptop	2,967
12/31/2021	Workstations	20,900
	Total Computer Equipment	74,012
	Software	
08/03/2011	Adobe software	1,073
	Office Equipment	
09/08/2020	Color printer	364
12/31/2021	Telephone hardware	3,293
	Total Office Equipment	3,657
	Furniture and Fixtures	
12/31/2021	Office furniture	28,500
	Total Furniture and Fixtures	28,500
	Website Development Costs	
06/30/2021	Logo	120,000
09/01/2015	Website development costs	337,425
12/31/2021	Mango volume inventory system	122,400
	Total Website Development Costs	579,825
	Total Property and Equipment	\$ 713,505

Report Required by *Government Auditing Standards*



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*

The Executive Committee
National Mango Board
Orlando, Florida

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 the National Mango Board (the Board), which comprise the Board's statement of financial position as of December 31, 2021, 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 have issued our report thereon dated April 5, 2021.

Report on 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 were not identified.



Report on 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, contracts, and grant agreements, 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 results of that testing, and not to provide an opinion on the effectiveness of the Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.¹

BDO USA LLP

Certified Public Accountants
April 5, 2022

¹ This paragraph conforms to paragraph .11 of AU-C section 905, *Alert that Restricts the Use of the Auditor's Written Communication*, which provides for a "purpose" alert in lieu of a "restricted use" alert for certain communications issued under *Government Auditing Standards*. See AU-C section 905 for additional guidance.

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



Report on Compliance with Laws, Regulations, and Contracts

The Executive Committee
National Mango Board
Orlando, Florida

Report on Compliance

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the National Mango Board (the Board), which comprise the statement of financial position as of December 31, 2021, 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 April 5, 2022.

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, 2021 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
April 5, 2022