

National Mango Board
Financial Statements and
Supplementary Information
December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors
National Mango Board
Orlando, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of National Mango Board (a nonprofit organization) (the Board), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Board as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. 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 audits. 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter

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 generally accepted auditing standards 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 generally accepted auditing standards 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2025 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.

Moss, Krusick & Associates, LLC

Winter Park, Florida
March 11, 2025

National Mango Board

STATEMENTS OF FINANCIAL POSITION

December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,596,302	\$ 2,754,299
Certificates of deposit	6,588,189	7,632,170
Accounts receivable	172	8,192
Prepaid expenses	114,133	186,937
	<hr/>	<hr/>
Total current assets	9,298,796	10,581,598
Operating lease right-of-use asset	433,610	495,136
Property and equipment, net	278,267	319,121
Deposits	3,399	3,399
	<hr/>	<hr/>
Total assets	<u>\$ 10,014,072</u>	<u>\$ 11,399,254</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 971,559	\$ 411,833
Assessment refund liability	208,128	107,749
Accrued payroll	102,759	66,217
Operating lease liability	65,618	62,116
	<hr/>	<hr/>
Total current liabilities	1,348,064	647,915
Non-current operating lease liability	372,170	437,789
	<hr/>	<hr/>
Total liabilities	1,720,234	1,085,704
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Total net assets without donor restrictions	8,293,838	10,313,550
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 10,014,072</u>	<u>\$ 11,399,254</u>

See independent auditor's report and accompanying notes.

National Mango Board

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
REVENUES		
Assessments - imports, net of organic refunds of \$518,447 and \$377,034, respectively	\$ 8,084,618	\$ 9,435,147
Assessments - domestic	40,996	14,097
Contributions of non-financial assets	5,000	5,000
Interest income	<u>367,019</u>	<u>315,153</u>
 Total revenues	 <u>8,497,633</u>	 <u>9,769,397</u>
EXPENSES		
Program expenses		
Marketing	7,196,900	6,959,438
Research	<u>2,373,660</u>	<u>2,729,046</u>
 Total program expenses	 9,570,560	 9,688,484
 General and administrative expenses	 <u>946,785</u>	 <u>1,032,233</u>
 Total expenses	 <u>10,517,345</u>	 <u>10,720,717</u>
 Changes in net assets without donor restrictions	 (2,019,712)	 (951,320)
 Net assets without donor restrictions, beginning of year	 <u>10,313,550</u>	 <u>11,264,870</u>
 Net assets without donor restrictions, end of year	 <u><u>\$ 8,293,838</u></u>	 <u><u>\$ 10,313,550</u></u>

See independent auditor's report and accompanying notes.

National Mango Board

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets without donor restrictions	\$ (2,019,712)	\$ (951,320)
Adjustments to reconcile changes in net assets without donor restrictions to net cash used in operating activities:		
Depreciation and amortization	133,946	225,755
Loss on disposal of assets	28,119	-
Non-cash rent	(591)	(590)
Changes in operating assets and liabilities:		
Accounts receivable	8,020	17,618
Prepaid expenses	72,804	(131,521)
Accounts payable and accrued expenses	559,726	(549,561)
Assessment refund liability	100,379	(39,971)
Accrued payroll	36,541	(31,507)
Net cash used in operating activities	<u>(1,080,768)</u>	<u>(1,461,097)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(121,210)	(22,358)
Proceeds from sale of certificates of deposit	13,658,206	7,900,741
Purchase of certificates of deposit	<u>(12,614,225)</u>	<u>(7,500,000)</u>
Net cash provided by investing activities	<u>922,771</u>	<u>378,383</u>
Decrease in cash	(157,997)	(1,082,714)
Cash, beginning of year	<u>2,754,299</u>	<u>3,837,013</u>
Cash, end of year	<u><u>\$ 2,596,302</u></u>	<u><u>\$ 2,754,299</u></u>

See independent auditor's report and accompanying notes.

National Mango Board

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2024

	Program Expenses			General and Administrative	Total
	Marketing	Research	Total		
Professional service fees	\$ 2,872,013	\$ -	\$ 2,872,013	\$ 4,707	\$ 2,876,720
Advertising expenses	2,404,706	-	2,404,706	-	2,404,706
Payroll	702,565	527,428	1,229,993	435,959	1,665,952
Research studies	-	1,066,608	1,066,608	-	1,066,608
Strategic planning and workshops	592,670	-	592,670	-	592,670
Industry outreach expenses	148,593	390,974	539,567	-	539,567
Employee benefits	115,685	74,433	190,118	71,300	261,418
USDA fees	-	-	-	217,840	217,840
Consulting fees	31,000	105,299	136,299	-	136,299
Depreciation and amortization	66,973	47,838	114,811	19,135	133,946
Legal expenses	53,327	39,259	92,586	17,510	110,096
Board meeting expenses	-	-	-	87,751	87,751
Trade advertising	80,401	-	80,401	-	80,401
Rent	29,718	17,742	47,460	23,338	70,798
Other office expenses	9,144	36,909	46,053	16,180	62,233
Information technology expense	30,708	21,934	52,642	8,774	61,416
Software/hardware maintenance	22,867	16,334	39,201	6,533	45,734
Loss on disposal of assets	14,059	10,042	24,101	4,018	28,119
Audit fees	-	-	-	20,250	20,250
Rental equipment	9,948	7,105	17,053	2,842	19,895
Insurance expenses	8,832	6,301	15,133	2,582	17,715
Telephone	3,691	4,083	7,774	2,572	10,346
Non-financial expense	-	-	-	5,000	5,000
Industry compliance expenses	-	1,371	1,371	-	1,371
Employee recruitment	-	-	-	494	494
Total	\$ 7,196,900	\$ 2,373,660	\$ 9,570,560	\$ 946,785	\$ 10,517,345

See independent auditor's report and accompanying notes.

National Mango Board

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023

	Program Expenses			General and Administrative	Total
	Marketing	Research	Total		
Professional service fees	\$ 2,638,866	\$ -	\$ 2,638,866	\$ 5,516	\$ 2,644,382
Advertising expenses	2,220,149	-	2,220,149	-	2,220,149
Payroll	602,277	460,274	1,062,551	412,888	1,475,439
Research studies	-	1,342,595	1,342,595	-	1,342,595
Industry outreach expenses	400,281	566,204	966,485	-	966,485
Strategic planning and workshops	561,160	-	561,160	-	561,160
Depreciation and amortization	102,127	69,877	172,004	53,751	225,755
Employee benefits	85,364	69,878	155,242	63,105	218,347
USDA fees	-	-	-	196,309	196,309
Board meeting expenses	-	-	-	173,239	173,239
Legal expenses	96,789	31,779	128,568	5,711	134,279
Consulting fees	44,492	86,770	131,262	-	131,262
Trade advertising	98,905	-	98,905	-	98,905
Rent	29,718	17,742	47,460	23,338	70,798
Information technology expense	27,958	19,129	47,087	14,715	61,802
Other office expenses	3,517	30,955	34,472	20,485	54,957
Insurance expenses	17,258	11,851	29,109	8,739	37,848
Software/hardware maintenance	15,251	10,435	25,686	8,027	33,713
Audit fees	-	-	-	23,500	23,500
Rental equipment	8,781	6,008	14,789	4,622	19,411
Telephone	6,545	5,019	11,564	3,905	15,469
Employee recruitment	-	-	-	9,383	9,383
Non-financial expense	-	-	-	5,000	5,000
Industry compliance expenses	-	530	530	-	530
Total	\$ 6,959,438	\$ 2,729,046	\$ 9,688,484	\$ 1,032,233	\$ 10,720,717

See independent auditor's report and accompanying notes.

National Mango Board
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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 of America, 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 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 on December 31, 2024 or 2023.

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), which consists of cash, 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 on December 31, 2024 and 2023 are fully insured.

As of December 31, 2024 and 2023, the Board had designated cash reserves of \$2,000,000, which are included in cash (see Note 5) on the accompanying statements of financial position.

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. Website development costs are amortized using the straight-line method over the estimated useful lives of the assets.

National Mango Board
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

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, 2024 and 2023, the Board's Level 2 investments consist of debt securities, which include certificates of deposit.

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. For the years ended December 31, 2024 and 2023, the assessment rate was \$0.0075 per pound for fresh mangos.

Importers and first handlers of less than 500,000 pounds of fresh 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 and mangos deemed organic under the National Organic Program 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, 2024 and 2023, a refund liability of \$208,128 and \$107,749 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, 2024 and 2023.

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 may designate 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 5 for more information on the composition of net assets without donor restrictions.

National Mango Board
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed restrictions, time and/or purpose restrictions.

The Board reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

As of December 31, 2024 and 2023, the Board has no net assets with donor restrictions and is unable to receive donor-restricted funds, respectively.

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, 2024 and 2023 were \$2,404,706 and \$2,220,149, respectively.

Contributions of Non-financial Assets

Contributions of non-financial assets are recognized as revenue in the period received at their fair value. During the fiscal years ended December 31, 2024 and 2023, contributions of non-financial assets totaled \$5,000 for accounting services, 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, rental equipment, depreciation and amortization, and loss on disposal of assets are allocated based upon asset usage or the square footage of space used by each program or supporting areas. All other indirect costs, such as insurance, software/hardware maintenance, information technology, industry outreach, consulting fees, legal, telephone, and other expenses, are allocated across programs and general and administrative based on each function's share of total organizational resources, such as usage levels.

Leases

The Board is a party as lessee for a non-cancellable long-term office lease and equipment leases. The corresponding lease obligation is recorded in an amount equal to the present value of the expected future minimum lease payments paid, discounted by an applicable interest rate. The Board has elected to apply the short term lease exception to all leases with a term of one year or less. As of December 31, 2024, the Board does not have any short-term leases.

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.

National Mango Board
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

2. Summary of Significant Accounting Policies (continued)

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.

Accounting Pronouncement Adopted

Effective January 1, 2023, the Board adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses* (ASC 326): *Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The adoption had no significant impact on the Board's financial statements.

3. Debt Securities

Debt securities have been classified according to management's intent. The amortized cost of held-to-maturity securities, which include Certificates of Deposit, totaled \$6,588,189 and \$7,632,170 as of December 31, 2024 and 2023, respectively. These securities have interest rates ranging from 3.65% to 4.5% and maturities of less than one year.

4. Property and Equipment

Property and equipment consists of the following at December 31:

	Useful Lives (Years)	2024	2023
Computer equipment	3-5	\$ 77,082	\$ 84,300
Office equipment	3-10	3,657	3,657
Software	3	-	1,073
Furniture and fixtures	7-10	49,932	44,347
Website development costs	15	342,400	579,825
		<u>473,071</u>	<u>713,202</u>
Less: accumulated depreciation and amortization		<u>(194,804)</u>	<u>(394,081)</u>
		<u>\$ 278,267</u>	<u>\$ 319,121</u>

National Mango Board
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

4. Property and Equipment (continued)

Depreciation and amortization expense was \$133,946 and \$225,755 for the years ended December 31, 2024 and 2023, respectively.

5. 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 December 31:

	2024	2023
Undesignated	\$ 6,293,838	\$ 8,313,550
Board-designated for contingency reserve	1,000,000	1,000,000
Board-designated for crisis reserve	1,000,000	1,000,000
	<u>\$ 8,293,838</u>	<u>\$ 10,313,550</u>

6. Liquidity and Availability of Resources

The following table reflects the Board's financial assets as of December 31, 2024 and 2023, reduced by the amount unavailable for general expenditures within one year. Certain financial assets are considered unavailable because the Board of Directors has set aside funds for specific reserves.

	2024	2023
Financial Assets		
Cash	\$ 2,596,302	\$ 2,754,299
Certificates of deposit	6,588,189	7,632,170
Accounts receivable	172	8,192
Financial assets available at the end of the year	9,184,663	10,394,661
Less financial assets unavailable for general expenditures within one year due to:		
Board-designated for crisis reserve	(1,000,000)	(1,000,000)
Board-designated for contingency reserve	(1,000,000)	(1,000,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,184,663</u>	<u>\$ 8,394,661</u>

National Mango Board
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

6. Liquidity and Availability of Resources (continued)

At December 31, 2024 and 2023, the Board had \$7,184,663 and \$8,394,661, 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 for reserves, as discussed in Note 5. 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, 2024, the Board is party to eleven contracts with unrelated third parties totaling approximately \$835,565. These contracts relate to research services to be provided to the Board during 2025 and are, therefore, not reflected in the accompanying financial statements but are considered future general expenditures of the Board.

7. Operating Leases

As of December 31, 2024 and 2023, the right-of-use (ROU) asset had a balance of \$433,610 and \$495,136, respectively, as shown in non-current assets on the statement of financial position; the lease liability is included in current liabilities (\$65,618) and (\$62,116) and long-term liabilities (\$372,170) and (\$437,789), respectively. The lease asset and liability were calculated utilizing the risk-free discount rate (5.5%), according to the Board's elected policy. There is a 5-year renewal for the office lease, which was considered when assessing the value of the ROU asset because the Board is reasonably certain that it will exercise its options to renew the lease.

Lease costs (included in rent and rental equipment):

Operating lease cost	\$ 87,469
Total lease cost	<u>\$ 87,469</u>

Other information:

Cash paid for amounts included in measuring operating lease liability:

Operating cash flows from operating lease	\$ 88,060
Total cash paid for amounts included in measuring operating lease liability	<u>\$ 88,060</u>

The difference between the lease cost and the lease cash flows of \$590 relates to the one month of free rent being allocated over the term of the lease.

National Mango Board
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

7. Operating Leases (continued)

Maturities of operating lease liabilities as of December 31:

Years ending December 31:

2025	\$ 88,060
2026	74,737
2027	71,901
2028	71,388
2029	71,388
Thereafter	148,725
Total lease payments	526,199
Less: interest	(88,411)
Present value of lease liability	<u>\$ 437,788</u>

8. Concentrations of Risk

During the years ended December 31, 2024 and 2023, two countries accounted for approximately 66% and 12%, and two countries accounted for approximately 67% and 14%, 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.

9. 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, 2024 and 2023 in connection with the Plan were approximately \$43,800 and \$37,400, respectively.

10. 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.

11. Subsequent Events

The Board has evaluated events and transactions occurring subsequent to December 31, 2024 as of March 11, 2025, which is the date the financial statements were available to be issued. Subsequent events occurring after March 11, 2025 have not been evaluated by management. No material events have occurred since December 31, 2024 that require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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To the Board of Directors
National Mango Board
Orlando, Florida

We have audited the financial statements of National Mango Board (a nonprofit organization) (the Board) as of and for the year ended December 31, 2024, and our report thereon dated March 11, 2025, which expressed an unmodified opinion on those financial statements, appears on page 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Revenues and Expenditures – Actual Compared to Budget, Schedule of Program Expenses – Actual Compared to Budget, Schedule of General and Administrative Expenses – Actual Compared to Budget, Schedule of Cash Receipts and Disbursements, and Schedule of Property and Equipment are presented for purposes of additional analysis and are not a required part of the financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and 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 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.

Moss, Krusick & Associates, LLC

Winter Park, Florida
March 11, 2025

National Mango Board

SCHEDULE OF REVENUES AND EXPENDITURES - ACTUAL COMPARED TO BUDGET

Year Ended December 31, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Assessments - imports	\$ 8,084,618	\$ 8,675,830	\$ (591,212)
Assessments - domestic	40,996	55,000	(14,004)
Contributions of non-financial assets	5,000	-	5,000
Interest income	<u>367,019</u>	<u>305,579</u>	<u>61,440</u>
Total revenues	<u>8,497,633</u>	<u>9,036,409</u>	<u>(538,776)</u>
PROGRAM EXPENSES			
Marketing	7,196,900	8,576,253	1,379,353
Research	<u>2,373,660</u>	<u>2,967,957</u>	<u>594,297</u>
Total program expenses	9,570,560	11,544,210	1,973,650
General and administrative expenses	<u>946,785</u>	<u>1,595,346</u>	<u>648,561</u>
Total expenses	<u>10,517,345</u>	<u>13,139,556</u>	<u>2,622,211</u>
Changes in net assets without donor restrictions	<u>\$ (2,019,712)</u>	<u>\$ (4,103,147)</u>	<u>\$ 2,083,435</u>

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

See independent auditor's report.

National Mango Board

SCHEDULE OF PROGRAM EXPENSES - ACTUAL COMPARED TO BUDGET

Year Ended December 31, 2024

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
MARKETING EXPENSES			
Retail promotions and marketing projects	\$ 2,399,795	\$ 3,104,037	\$ 704,242
Consumer PR and marketing	2,231,210	2,399,545	168,335
Marketing overhead	1,472,605	1,845,379	372,774
Food service marketing	287,876	317,792	29,916
Nutrition PR and marketing	215,514	225,500	9,986
Website	48,056	192,000	143,944
Tradeshows and memberships	264,760	362,000	97,240
New and expanded initiatives	81,158	130,000	48,842
Allocated indirect expenses	<u>195,926</u>	<u>-</u>	<u>(195,926)</u>
 Total marketing expenses	 <u>7,196,900</u>	 <u>8,576,253</u>	 <u>1,379,353</u>
RESEARCH			
Research expenses	1,509,082	2,107,342	598,260
Research program overhead	726,892	860,615	133,723
Allocated indirect expenses	<u>137,686</u>	<u>-</u>	<u>(137,686)</u>
 Total research expenses	 <u>2,373,660</u>	 <u>2,967,957</u>	 <u>594,297</u>
 Total program expenses	 <u>\$ 9,570,560</u>	 <u>\$ 11,544,210</u>	 <u>\$ 1,973,650</u>

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

See independent auditor's report.

National Mango Board

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES - ACTUAL COMPARED TO BUDGET

Year Ended December 31, 2024

	Actual	Budget	Variance Favorable (Unfavorable)
ADMINISTRATIVE EXPENSES			
Staff salaries, wages and benefits	\$ 502,675	\$ 522,507	\$ 19,832
Telephone	10,346	20,400	10,054
Professional services	22,711	55,700	32,989
Office expenses	11,561	21,150	9,589
Information technology	107,150	157,475	50,325
GAGAS audit	20,250	22,500	2,250
Staff travel	523	9,513	8,990
Insurance	17,715	50,694	32,979
Miscellaneous	2,657	12,000	9,343
Education, development and training	17,092	37,500	20,408
AMS user fee	217,840	245,000	27,160
Office rent	70,798	72,000	1,202
Equipment rental	19,895	21,500	1,605
Repairs and maintenance	4,368	19,000	14,632
Depreciation and amortization	133,946	154,687	20,741
Board meetings	87,751	173,720	85,969
Loss on disposal of assets	28,119	-	(28,119)
Non-financial expense	5,000	-	(5,000)
Less: allocated indirect expenses	<u>(333,612)</u>	<u>-</u>	<u>333,612</u>
 Total general and administrative expenses	 <u>\$ 946,785</u>	 <u>\$ 1,595,346</u>	 <u>\$ 648,561</u>

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

See independent auditor's report.

National Mango Board

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended December 31, 2024

SOURCES OF CASH

Receipts:

Assessments - imports	\$ 8,304,430
Assessments - domestic	40,996
Interest income	<u>367,019</u>

Total receipts	<u>8,712,445</u>
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USES OF CASH

Disbursements:

Marketing	6,632,206
Research	2,140,082
Board meetings	88,064
USDA and U.S. customs fees	184,296
Administrative overhead	794,017
Rent expense	<u>75,758</u>

Total disbursements	<u>9,914,423</u>
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Decrease in cash	(1,201,978)
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Net investment in certificates of deposit	1,043,981
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Cash, beginning of year	<u>2,754,299</u>
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Cash, end of year	<u><u>\$ 2,596,302</u></u>
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See independent auditor's report.

National Mango Board

SCHEDULE OF PROPERTY AND EQUIPMENT

Year Ended December 31, 2024

Date Acquired	Description	Original Cost
Computer Equipment		
05/01/2014	5 flat panels	\$ 1,150
10/01/2020	8 laptops	24,014
04/26/2021	1 workstation	2,138
11/04/2021	1 laptop	2,967
12/31/2021	Workstations	20,900
06/14/2022	1 laptop	3,776
02/21/2023	2 laptops	6,512
01/01/2024	6 laptops	15,625
	Total computer equipment	<u>77,082</u>
Office Equipment		
09/08/2020	Color printer	364
12/31/2021	Telephone hardware	3,293
	Total office equipment	<u>3,657</u>
Furniture and Fixtures		
12/31/2021	Office furniture	28,500
06/01/2023	Cubicles	15,847
05/01/2024	Storage units	5,585
	Total furniture and fixtures	<u>49,932</u>
Website Development Costs		
06/30/2021	Logo	120,000
12/31/2021	Mango volume inventory system	122,400
08/01/2024	Website development costs	100,000
	Total website development costs	<u>342,400</u>
	Total	<u><u>\$ 473,071</u></u>

See independent auditor's report.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga

To the Board of Directors
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 (a nonprofit organization) (the Board), which comprise the statement of financial position as of December 31, 2024, 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 March 11, 2025.

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

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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 result 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.

Moss, Krusick & Associates, LLC

Winter Park, Florida
March 11, 2025



REPORT ON COMPLIANCE WITH LAWS, REGULATIONS, AND CONTRACTS

Partners

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To the Board of Directors
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 National Mango Board (the Board), which comprise the statement of financial position as of December 31, 2024, 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 11, 2025.

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 generally accepted auditing standards 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.

Auditor's Responsibilities for the Audit of Compliance (continued)

In performing an audit in accordance with generally accepted auditing standards 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, 2024 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 (the 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 (Agricultural Marketing Service) 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, and
- 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 Act, 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.

Moss, Krusick & Associates, LLC

Winter Park, Florida
March 11, 2025