

**COLOMBIA AVOCADO BOARD, INC.**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**June 30, 2022 and 2021**

COLOMBIA AVOCADO BOARD, INC.

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## INDEPENDENT AUDITOR'S REPORT

To the Colombia Avocado Board, Inc.  
Orlando, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Colombia Avocado Board, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows 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 Colombia Avocado Board, Inc. as of June 30, 2022 and 2021, 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 Colombia Avocado Board, Inc. 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 opinions.

#### ***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 Colombia Avocado Board, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are 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 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 Colombia Avocado Board, Inc.'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 Colombia Avocado Board, Inc.'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.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenue and expenditures – actual compared to budget, schedules of expenditures – actual compared to budget, and schedules of cash receipts and disbursements, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information, except for that portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That 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, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2022 on our consideration of the Colombia Avocado Board, Inc.'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 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 Colombia Avocado Board, Inc.'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 Colombia Avocado Board, Inc.'s internal control over financial reporting and compliance.

### **Other Reporting Required by the United States Department of Agriculture**

In connection with our audits of the years ended June 30, 2022 and 2021, nothing came to our attention, insofar as it relates to financial and accounting matters, that causes us to believe that the Colombia Avocado Board, Inc.:

- Failed to comply with laws and regulations and U.S. Department of Agriculture Agricultural Marketing Service ("USDA AMS") Guidelines for AMS Oversight of Commodity Research and Promotion Programs applicable to the Colombia Avocado Board, Inc.;
- Failed to comply with Section 1219.42(b) of the Hass Avocado Promotion, Research and Information Order, relating to the use of assessment funds for the purpose of influencing legislation or governmental action or policy;
- Expended assessment funds for purposes other than those authorized by the Hass Avocado Promotion, Research and Information Act of 2000 and the Hass Avocado Promotion, Research and Information Order;
- Expended or obligated assessment funds on any projects prior to the fiscal year in which those funds were authorized to be expended by the Colombia Avocado Board, Inc.'s approved Budget and Marketing Plan;
- Did not adhere to the original or amended Budget and Marketing Plan for the years ended June 30, 2022 and 2021;
- Did not obtain a written contract or agreement with any person or entity providing goods or services to the Colombia Avocado Board, Inc.;
- Failed to comply with USDA AMS Directive 2210.2, relating to the limitations on the types of investments which may be purchased by the Organization and the insurance or collateral that must be obtained for all of the Colombia Avocado Board, Inc.'s deposits and investments;
- Failed to comply with disclosure requirements for lease commitments (when applicable);
- Failed to comply with standards established relating to contracts and USDA approval letters (if necessary); or
- Failed to comply with the Colombia Avocado Board, Inc.'s by-laws or any other policy of the Colombia Avocado Board, Inc., specifically as they relate to all financial matters, including time and attendance, and travel.

However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

*Propp Christenson Caniglia LLP*

November 9, 2022  
Roseville, California

COLOMBIA AVOCADO BOARD, INC.

STATEMENTS OF FINANCIAL POSITION  
June 30, 2022 and 2021

	ASSETS	
	<u>2022</u>	<u>2021</u>
Current assets:		
Cash	\$ 389,165	\$ 220,912
Accounts receivable	186,703	-
	<u>575,868</u>	<u>220,912</u>
Total assets	<u>\$ 575,868</u>	<u>\$ 220,912</u>
	LIABILITIES AND NET ASSETS	
Current liabilities:		
Accounts payable	\$ 23,154	\$ 5,464
Net assets		
Without donor restrictions:		
Undesignated	28,508	64,134
Designated for advertising, promotion, and research	524,206	151,314
	<u>552,714</u>	<u>215,448</u>
Total net assets	<u>552,714</u>	<u>215,448</u>
Total liabilities and net assets	<u>\$ 575,868</u>	<u>\$ 220,912</u>

The accompanying notes are an integral part  
of these financial statements.

COLOMBIA AVOCADO BOARD, INC.

STATEMENTS OF ACTIVITIES  
For the Years Ended June 30, 2022 and 2021

	2022		
	Without Donor Restrictions		Total
	Designated	Undesignated	
Revenue:			
Import assessments	\$ 523,661	\$ -	\$ 523,661
Membership dues	-	6,000	6,000
Interest income	14	-	14
Total revenue	<u>523,675</u>	<u>6,000</u>	<u>529,675</u>
Operating expenses:			
Program			
Marketing and promotional expenses:			
Consumer Advertising	63,676	-	63,676
Public relations	22,746	-	22,746
Trade marketing	43,305	-	43,305
Industry programs and memberships	2,971	-	2,971
Merchandise expenses	18,085	-	18,085
Total marketing and promotional	<u>150,783</u>	<u>-</u>	<u>150,783</u>
Support services			
General and administrative expenses:			
Accountant fees	-	1,209	1,209
Audit fees	-	10,000	10,000
Bank fees	-	527	527
Insurance	-	1,643	1,643
Legal fees	-	8,023	8,023
Managing director fees	-	20,224	20,224
Total general and administrative	<u>-</u>	<u>41,626</u>	<u>41,626</u>
Total expenses	<u>150,783</u>	<u>41,626</u>	<u>192,409</u>
Change in net assets	372,892	(35,626)	337,266
Net assets, beginning of year	<u>151,314</u>	<u>64,134</u>	<u>215,448</u>
Net assets, end of year	<u>\$ 524,206</u>	<u>\$ 28,508</u>	<u>\$ 552,714</u>

The accompanying notes are an integral part of these financial statements.

COLOMBIA AVOCADO BOARD, INC.

STATEMENTS OF ACTIVITIES (CONTINUED)

For the Years Ended June 30, 2022 and 2021

	2021		
	Without Donor Restrictions		Total
	Designated	Undesignated	
Revenue:			
Import assessments	\$ 144,214	\$ -	\$ 144,214
Membership dues	-	48,000	48,000
Total revenue	<u>144,214</u>	<u>48,000</u>	<u>192,214</u>
Operating expenses:			
Program			
Marketing and promotional expenses:			
New media	2,062	-	2,062
Merchandise expenses	11,166	-	11,166
Total marketing and promotional	<u>13,228</u>	<u>-</u>	<u>13,228</u>
Support services			
General and administrative expenses:			
Accountant fees	-	812	812
Audit fees	-	2,100	2,100
Bank fees	-	523	523
Insurance	-	1,643	1,643
Legal fees	-	6,230	6,230
Managing director fees	-	16,329	16,329
Other expenses	-	807	807
Total general and administrative	<u>-</u>	<u>28,444</u>	<u>28,444</u>
Total expenses	<u>13,228</u>	<u>28,444</u>	<u>41,672</u>
Change in net assets	130,986	19,556	150,542
Net assets, beginning of year	<u>20,328</u>	<u>44,578</u>	<u>64,906</u>
Net assets, end of year	<u>\$ 151,314</u>	<u>\$ 64,134</u>	<u>\$ 215,448</u>

The accompanying notes are an integral part of these financial statements.



COLOMBIA AVOCADO BOARD, INC.

STATEMENTS OF CASH FLOWS  
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Cash received as import assessments and membership dues	\$ 342,958	\$ 195,214
Cash paid to vendors and service providers	(174,719)	(39,716)
Interest received	14	-
	<u>168,253</u>	<u>155,498</u>
Net cash provided by operating activities	168,253	155,498
Net increase in cash	168,253	155,498
Cash, beginning of year	<u>220,912</u>	<u>65,414</u>
Cash, end of year	<u>\$ 389,165</u>	<u>\$ 220,912</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ 337,266	\$ 150,542
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in operating assets and liabilities:		
Accounts receivable	(186,703)	3,000
Accounts payable	17,690	1,956
	<u>168,253</u>	<u>155,498</u>
Net cash provided by operating activities	<u>\$ 168,253</u>	<u>\$ 155,498</u>

The accompanying notes are an integral part  
of these financial statements.

COLOMBIA AVOCADO BOARD, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021

NOTE 1: NATURE OF ORGANIZATION

The Colombia Avocado Board, Inc. (the "Organization") is a nonprofit corporation, incorporated in Florida on May 13, 2019. The principal purpose of CAB is to promote the interests of entities involved in the production, packing, exportation, importation, and commercialization of avocados from Colombia to the United States as an importer association authorized to receive funding under the Hass Avocado Board. A substantial portion of the Organization's revenues consists of assessment funds transferred to the Organization through the Hass Avocado Board. The Hass Avocado Board was established by the Hass Avocado Promotion, Research and Information Act of 2000 (the "Act") to carry on programs of advertising, promotion, and research for Hass avocados. The program is administered by the Agricultural Marketing Service Division ("AMS") of the U.S. Department of Agriculture ("USDA"). Under the Act, producers pay an assessment on fresh Hass avocados produced in or imported into the United States. The Organization qualifies under the Act as an Importer Organization and receives 85% of the assessments collected from importers of Hass avocados from Colombia.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Basis of Accounting*

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

*Basis of Presentation*

The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, Subtopic 210 (FASB ASC 958-210), *Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASC 958-210, the Organization is required to report information regarding its financial position and activities according to the following two classes of net assets:

*Net assets without donor restrictions* - Net assets that are not subject to stipulations;

*Net assets with donor restrictions* - Net assets that are subject to stipulations that will be met by actions or the passage of time.

Revenues and gains and losses from operations are reported as changes in net assets without donor restrictions. Expenses are reported as changes in net assets without donor restrictions. Expirations of donor restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

Donor-restricted contributions are reported as revenues which increase net assets with donor restrictions. However, donor-restricted contributions whose restrictions are met in the same reporting period have been reported as net assets without donor restrictions. As of June 30, 2022 and 2021, the Organization had no net assets with donor restrictions.

COLOMBIA AVOCADO BOARD, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

In order to comply with the AMS's investment policy, the Organization is responsible for investing its funds only in interest-bearing accounts that are risk-free and short-term. As of June 30, 2022 and 2021, there was no uninsured cash.

Investments

The Organization is required to follow the AMS investment policy. Accordingly, the Organization is authorized to invest in securities consisting of obligations issued or fully insured or guaranteed by the U.S. or any U.S. government agency, including obligations of government-sponsored corporations, and must mature within one year or less from the date of purchase. No investments were held by the Organization at June 30, 2022 and 2021.

Membership Dues

The Organization has adopted the provisions of FASB ASC 606 as revised by ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). Dues are assessed to members annually based upon membership type. Dues received in advance are deferred and recognized as revenues in the period to which the dues and fees relate.

Import Assessments

Importers of Hass avocados from Colombia are assessed based upon pounds of avocados imported into the United States. Assessments are collected by U.S. Customs and remitted to the Hass Avocado Board, which transfers 85% of collected assessments to the Organization. Import assessment revenues are recognized when earned.

Program and Functional Expenses

The Organization incurs advertising, promotion, and research expenses in its mission to maintain and increase the awareness and consumption of Hass avocados imported from Colombia within the United States. Program costs are expensed when paid. All functional expenses incurred by the Organization are directly allocated.

Lobbying Expenses

The Organization is prohibited from using assessment funds in activities influencing legislation, governmental action or policy. Accordingly, the Organization has incurred no lobbying expenses.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. Accordingly, these financial statements do not include any provision for federal income taxes. After they are filed, the Organization's income tax returns generally remain subject to examination by federal taxing authorities for three years.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs for the years ended June 30, 2022 and 2021 were \$63,657 and \$2,062, respectively.

COLOMBIA AVOCADO BOARD, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The presentation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Events and transactions have been evaluated for potential recognition or disclosure through November 9, 2022, the date that the financial statements were available to be issued.

NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's working capital and cash flows are consistent throughout the period as assessment fees are collected at various dates in the period. Monthly cash outflows vary each year based on the specific requirements of promotional and marketing campaigns programed in the year.

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

	<u>2022</u>	<u>2021</u>
Cash	\$ 389,165	\$ 220,912
Accounts receivable	<u>186,703</u>	<u>-</u>
Financial assets	575,868	220,912
Less those unavailable for general expenditures due to designations for advertising, promotion and research	<u>(524,206)</u>	<u>(151,314)</u>
Financial assets available to meet cash need for general expenditures within one year	<u>\$ 51,662</u>	<u>\$ 69,598</u>

NOTE 4: RISK AND UNCERTAINTIES

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration. The Organization expects this matter to negatively impact its operating environment; however, the related financial impact and duration cannot be reasonably estimated at this time.

SUPPLEMENTARY INFORMATION

COLOMBIA AVOCADO BOARD, INC.

SCHEDULES OF REVENUE AND EXPENDITURES  
ACTUAL COMPARED TO BUDGET  
For the Years Ended June 30, 2022 and 2021

	2022		
	2022 Actual	Budget (Unaudited)	Actual Over (Under) Budget
Revenue:			
Import assessments	\$ 523,661	\$ 349,860	\$ 173,801
Membership dues	6,000	48,000	(42,000)
Interest income	14	-	14
Total revenue	<u>529,675</u>	<u>397,860</u>	<u>131,815</u>
Expenditures:			
Marketing and promotion expenses	150,783	312,000	(161,217)
Administrative expenses	41,626	43,700	(2,074)
Total expenditures	<u>192,409</u>	<u>355,700</u>	<u>(163,291)</u>
Excess of revenue over expenditures	<u>\$ 337,266</u>	<u>\$ 42,160</u>	<u>\$ 295,106</u>
	2021		
	2021 Actual	Budget (Unaudited)	Actual Over (Under) Budget
Revenue:			
Import assessments	\$ 144,214	\$ 63,750	\$ 80,464
Membership dues	48,000	48,000	-
Total revenue	<u>192,214</u>	<u>111,750</u>	<u>80,464</u>
Expenditures:			
Marketing and promotion expenses	13,228	44,464	(31,236)
Administrative expenses	28,444	46,997	(18,553)
Total expenditures	<u>41,672</u>	<u>91,461</u>	<u>(49,789)</u>
Excess of revenue over expenditures	<u>\$ 150,542</u>	<u>\$ 20,289</u>	<u>\$ 130,253</u>

See independent auditor's report.

COLOMBIA AVOCADO BOARD, INC.

SCHEDULES OF EXPENDITURES  
ACTUAL COMPARED TO BUDGET

For the Years Ended June 30, 2022 and 2021

	2022 Actual	Budget (Unaudited)	Actual Over (Under) Budget
Marketing and promotion:			
Advertising	\$ 63,657	\$ 1,500	\$ 62,157
New media	-	28,000	(28,000)
Public relations	22,746	17,500	5,246
AMS-USDA user fees	18,085	17,000	1,085
Trade marketing	43,305	134,060	(90,755)
Industry programs & membership	2,971	63,440	(60,469)
Marketing & promotional expenses	19	-	19
Merchandisers	-	35,000	(35,000)
Managing director fees/expenses	-	15,500	(15,500)
	<u>150,783</u>	<u>312,000</u>	<u>(161,217)</u>
Total marketing and promotion			
General and administrative:			
Legal fees	8,023	5,000	3,023
Audit fees	10,000	11,900	(1,900)
Accountant fees	1,209	2,400	(1,191)
Bank fees	527	500	27
Insurance	1,643	1,800	(157)
Managing director fees/expenses	20,224	15,500	4,724
Supplies	-	500	(500)
Board meetings	-	100	(100)
Board leadership development program	-	6,000	(6,000)
	<u>41,626</u>	<u>43,700</u>	<u>(2,074)</u>
Total general and administrative			
Total expenditures	<u>\$ 192,409</u>	<u>\$ 355,700</u>	<u>\$ (163,291)</u>

See independent auditor's report.

COLOMBIA AVOCADO BOARD, INC.

SCHEDULES OF EXPENDITURES  
 ACTUAL COMPARED TO BUDGET (CONTINUED)  
 For the Years Ended June 30, 2022 and 2021

	2021 Actual	Budget (Unaudited)	Actual Over (Under) Budget
	<u>          </u>	<u>          </u>	<u>          </u>
Marketing and promotion:			
Advertising	\$ -	\$ 10,000	\$ (10,000)
New media	2,062	2,800	(738)
Public relations	-	10,000	(10,000)
AMS-USDA user fees	11,166	21,664	(10,498)
	<u>13,228</u>	<u>44,464</u>	<u>(31,236)</u>
Total marketing and promotion			
General and administrative:			
Legal fees	6,230	3,000	3,230
Audit fees	2,100	11,900	(9,800)
Accountant fees	812	4,742	(3,930)
Bank fees	523	455	68
Insurance	1,643	2,000	(357)
Managing director fees/expenses	16,329	20,400	(4,071)
Supplies	207	2,000	(1,793)
Board meetings	-	2,500	(2,500)
Filing fees	600	-	600
	<u>28,444</u>	<u>46,997</u>	<u>(18,553)</u>
Total general and administrative			
Total expenditures	<u>\$ 41,672</u>	<u>\$ 91,461</u>	<u>\$ (49,789)</u>

See independent auditor's report.



COLOMBIA AVOCADO BOARD, INC.

SCHEDULES OF CASH RECEIPTS AND DISBURSEMENTS  
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Receipts:		
Import assessments	\$ 336,958	\$ 144,214
Membership dues	6,000	51,000
Interest income	14	-
	<u>342,972</u>	<u>195,214</u>
Total receipts		
Disbursements:		
Marketing and promotion expenses	82,319	9,723
Public relations	6,526	-
Trade marketing	43,305	-
Industry programs and memberships	2,971	-
Administrative expenses	39,598	29,993
	<u>174,719</u>	<u>39,716</u>
Total disbursements		
Excess of receipts over disbursements	168,253	155,498
Cash, beginning of year	<u>220,912</u>	<u>65,414</u>
Cash, end of year	<u>\$ 389,165</u>	<u>\$ 220,912</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*

To the Colombia Avocado Board, Inc.  
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 Colombia Avocado Board, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 9, 2022.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Colombia Avocado Board, Inc.'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 Colombia Avocado Board, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Colombia Avocado Board, Inc.'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 Colombia Avocado Board, Inc.'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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Propp Christensen Caniglia LLP*

November 9, 2022  
Roseville, California