



FINANCIAL STATEMENTS

Years Ended December 31, 2024 and 2023



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A Professional Corporation of
Certified Public Accountants

Independent Auditor's Report

Board of Directors
National Honey Board
Erie, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the National Honey Board (the Board), which comprise the balance sheets – modified accrual basis as of December 31, 2024 and 2023, and the related statements of revenue, expenses, and changes in fund balance- modified accrual basis and cash flows – modified accrual basis for the years then ended, and the related notes to the financial statements (collectively, 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, 2024 and 2023, and the results of its operations and cash flows for the years then ended in accordance with the modified accrual basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Audit 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 the modified accrual basis of accounting, which is a comprehensive basis of accounting other than 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified accrual basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedules of Revenue, Expenses, and Changes in Fund Balance – Budget to Actual – Non-GAAP Basis on pages 15-17 along with the Schedule of Functional Expenses Budget to Actual– Non-GAAP Basis on page 18, are presented for additional analysis and are not a required part of the basic 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 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025 on our consideration of the National Honey Board's internal control over financial reporting and 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 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 National Honey Board's internal control over financial reporting and compliance.

Anderson & Whitney, P.C.

March 31, 2025

NATIONAL HONEY BOARD

BALANCE SHEETS - MODIFIED ACCRUAL BASIS

December 31	2024	2023
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 3,702,317	\$ 2,629,819
Prepaid items	19,351	18,853
Total Current Assets	3,721,668	2,648,672
Other Assets:		
Lease deposits	8,700	8,700
Capital Assets:		
Computer equipment	23,142	20,289
Office equipment & furniture	33,644	33,644
Images portfolio	50,000	50,000
Lease asset - office space	304,386	304,386
	411,172	408,319
Less: Accumulated depreciation and amortization	(283,933)	(214,653)
Total Capital Assets	127,239	193,666
TOTAL ASSETS	\$ 3,857,607	\$ 2,851,038
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	\$ 244,906	\$ 542,609
Accrued expenses	5,124	7,198
Current portion lease liability	65,654	61,112
Total Current Liabilities	315,684	610,919
Long-term Liabilities:		
Lease liability - long-term	58,271	123,925
Total Liabilities	373,955	734,844
<u>FUND BALANCE</u>		
Unrestricted	2,483,652	1,116,194
Assigned for reserves	1,000,000	1,000,000
Total Fund Balance	3,483,652	2,116,194
TOTAL LIABILITIES AND FUND BALANCE	\$ 3,857,607	\$ 2,851,038

See Accompanying Notes to Financial Statements.

NATIONAL HONEY BOARD

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN FUND BALANCE - MODIFIED ACCRUAL BASIS

Years Ended December 31	2024	2023
Operating Revenue:		
Assessments	\$ 9,939,070	\$ 8,261,726
Assessment refunds	(974,094)	(829,692)
Net assessments	8,964,976	7,432,034
Merchandise sales and donations	14,000	12,281
Interest income	2,922	3,663
Total Operating Revenue	8,981,898	7,447,978
Program Expenses:		
Research	1,111,642	924,123
Marketing and promotion	5,596,602	6,903,283
Emerging opportunities	78,350	44,981
Total Program Expenses	6,786,594	7,872,387
Administrative expenses:		
Office	581,655	637,809
Board	113,281	109,669
Federal	132,910	109,176
Total Administrative Expenses	827,846	856,654
Total Expenses	7,614,440	8,729,041
Revenue Over (Under) Expenses	1,367,458	(1,281,063)
Fund Balance, Beginning of Year	2,116,194	3,397,257
Fund Balance, End of Year	\$ 3,483,652	\$ 2,116,194

See Accompanying Notes to Financial Statements.

NATIONAL HONEY BOARD

STATEMENTS OF CASH FLOWS - MODIFIED ACCRUAL BASIS

Years Ended December 31	2024	2023
Cash Flows from Operating Activities:		
Cash received:		
From producers and importers	\$ 8,981,899	\$ 7,447,977
Cash payments:		
To suppliers for goods and services	(6,747,599)	(7,371,877)
To employees	(1,096,069)	(1,102,962)
Net Cash Provided (Used) by Operating Activities	<u>1,138,231</u>	<u>(1,026,862)</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of equipment	(4,620)	(6,396)
Reduction in lease liability	(61,113)	(56,818)
Net Cash Used by Capital and Related Financing Activities	<u>(65,733)</u>	<u>(63,214)</u>
Cash Flows from Investing Activities	-	-
Net Increase (Decrease) in Cash	1,072,498	(1,090,076)
Cash, beginning of year	2,629,819	3,719,895
Cash, end of year	<u>\$ 3,702,317</u>	<u>\$ 2,629,819</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Revenue Over (Under) Expenses	\$ 1,367,458	\$ (1,281,063)
Depreciation and amortization	71,047	68,229
Change in assets and liabilities:		
(Increase) decrease in:		
Prepaid items	(498)	(2,494)
Increase (decrease) in:		
Accounts payable	(297,703)	185,806
Accrued liabilities	(2,073)	2,660
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,138,231</u>	<u>\$ (1,026,862)</u>

See Accompanying Notes to Financial Statements.

NATIONAL HONEY BOARD

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies:

The accounting and reporting policies of the National Honey Board (the Board) conform to the modified accrual basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following summary of significant accounting policies is presented to assist the reader in evaluating the Board's financial statements.

Organization:

In 2008, the United States Department of Agriculture conducted a referendum to determine if eligible first handlers and importers of honey or honey products favored the implementation of a new order that would cover those packers and importers who handled more than 250,000 pounds of honey annually. The referendum received a favorable vote and, accordingly a new Honey Packers and Importers Research, Promotion, Consumer Education, and Industry Information Order (the Order) was established on May 21, 2008. Official operations began on October 1, 2008.

The purpose of the National Honey Board is to establish an effective coordination program of research, promotion and consumer education designed to strengthen the position of the honey industry in the marketplace and maintain, develop and expand markets for honey and honey products. For financial reporting purposes, the Board is considered a quasi-governmental agency of the United States government. The Board is exempt from income taxes under the Internal Revenue Code.

As stipulated by the Order, the Secretary of Agriculture must conduct a referendum every seven years to determine if first handlers and importers of honey or honey products favor the continuation, suspension or termination of the Order.

The National Honey Board is governed by the Agricultural Marketing Service (AMS) of the United States Department of Agriculture (USDA). In September 2015, as revised in January 2020, AMS issued *Guidelines for AMS Oversight of Commodity Research and Promotion Programs*, which is applicable to all research and promotion boards governed by AMS under the Specialty Crops Program. These financial statements are prepared in accordance with those guidelines.

Basis of Presentation:

Activities of the Board are accounted for as an individual enterprise fund. Enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises.

NATIONAL HONEY BOARD

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Basis of Presentation – Continued:

Enterprise funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheet. Enterprise fund operating statements present increases (revenue) and decreases (expenses) in total fund balance.

Enterprise funds distinguish *operating* revenues from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Board are assessments for providing support services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both assigned and unassigned resources are available for use, it is the Board's policy to use assigned resources first, then unassigned resources as they are needed.

Basis of Accounting:

These financial statements are prepared on the modified accrual basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified accrual basis, revenues are recognized when they are both measurable and available. Expenditures are recorded on a full accrual basis because they are always measurable when they are incurred. Consequently, the financial statements do not include amounts due from first handlers or importers.

Property and Equipment:

Property and equipment are recorded at acquisition cost or at fair value if contributed. Depreciation is computed using the straight-line method over the estimated useful lives of three to seven years. Expenditures for maintenance and repairs are charged to expense as incurred whereas major property replacements and betterments which extend the useful life of the asset are capitalized and subsequently depreciated. It is the Board's policy to capitalize all capital expenditures over \$1,000. The Board has no infrastructure assets.

NATIONAL HONEY BOARD

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Assessment Revenue:

Assessment revenue is generated by a mandatory assessment of \$.015 per pound of honey and honey products domestically produced or imported into the United States for the years ended December 31, 2024 and 2023. The first handler is responsible for paying the assessment to the Board. The assessment on imported honey and honey products is paid by the importer at the time of entry into the United States and is remitted to the Board by the United States Customs Service. A first handler who handles less than 250,000 pounds of honey or honey products per calendar year, a first handler who operates under an approved National Organic Program (7 CFR part 205) system plan, or an importer who imports less than 250,000 pounds of honey or honey products per calendar year is exempt from paying assessments. The Order includes provisions for the granting of exemptions and refunds of assessments where deemed appropriate by the Board.

Budget:

All annual appropriations are at the fund balance level and lapse at year-end. The budget for 2024 and all amendments thereto were approved by the Governing Board and the Agricultural Marketing Service of the USDA.

Statement of Cash Flows:

For purposes of the statements of cash flows, the Board considers all highly liquid investments purchased with a maturity of three months or less, if any, to be cash equivalents.

Use of Estimates:

The preparation of financial statements in conformity with the modified accrual basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Program Expenses:

Program expenses include payments to subcontractors in conjunction with the Board's research, promotion, and consumer education projects. Additionally, a portion of the Board's expenses for salaries and wages, payroll taxes and workers compensation, employee insurance and benefits, employee pension plan contributions and office expenses are recorded as program expenses.

NATIONAL HONEY BOARD

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies - Continued:

Leases:

Effective January 1, 2022, the Board implemented *Statement No. 87 of the Governmental Accounting Standards Board, Leases*. The Board determines if an arrangement is a lease at inception. Leases are included in capital assets and lease liabilities.

Lease assets represent the Board's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange transaction. Lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payment made to the lessor at or before the commencement of the lease term and certain direct costs. Lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the Board's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Board will exercise that option.

The Board has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses are incurred, and these leases are not included as lease liabilities or lease assets on the balance sheet. For individual lease contracts where the information about the discount rate implicit in the lease is not included, the Board has elected to use the incremental borrowing rate to calculate the present value of expected lease payments. As of December 31, 2024, that rate is 5%.

Compensated Absences - GASB Statement No. 101:

Beginning on the first day of the first full month of employment, each employee scheduled to work 30 or more hours per pay period will receive their paid time off (PTO) balance. PTO is used for both personal and sick leave and is granted based on the employee's length of service, as defined in the employee handbook. PTO balances do not carry over from year to year, and employee's full annual grant is available to them on the first day of each year. Employees who leave the National Honey Board during the year will have their remaining PTO balance paid to them.

The National Honey Board has evaluated the requirements of GASB Statement No. 101, *Compensated Absences*, and determined that the impact of these requirements is immaterial to the financial statements for the current reporting period. As a result, no additional recognition or disclosures related to compensated absences have been included in these financial statements.

NATIONAL HONEY BOARD

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - Cash and Investments:

The board is required to follow the Agricultural Marketing Service (AMS) investment policy. Accordingly, the Board 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. Investment securities, if any, are carried at fair value.

At December 31, 2024 and 2023, the carrying value of cash consisted of the following:

	2024	2023
Demand deposit accounts at U.S. Bank	\$3,702,317	\$ 2,629,819

For the years ended December 31, 2024 and 2023, the bank balance of the Board's operating cash deposits was covered by federal depository insurance of \$250,000 and by eligible collateral of \$5,564,222 and \$5,696,017, respectively, held in the Board's name.

NOTE 3 – Benefit Plans:

In 2017 the Board established a 401(k) plan for its employees, administered by TruStage Financial Group, Inc., with securities distributed by CUNA Brokerage Services, Inc. The Board contributes 6% of an eligible employee's annual earning to the employee's 401(k) account. An employee must be at least 21 years of age and have completed six months of service. Participation entry date will be the first day of the month following the date the employee satisfies the eligibility requirements. The Board's 401(k) contribution was \$65,764 and \$64,787 for the years ended December 31, 2024 and 2023, respectively.

On January 1, 1992, the predecessor Board adopted a qualified cafeteria plan pursuant to Internal Revenue Code Section 125, which provides employee health care insurance, group term life insurance, dependent care assistance, dental insurance, and/or medical reimbursements to substantially all employees. This plan was transferred to the new Board on October 1, 2008. The Board's cost for health insurance and other employee benefits was \$96,456 and \$124,687 for the years ended December 31, 2024 and 2023, respectively.

NATIONAL HONEY BOARD

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Changes in Capital Assets:

	Balance, 01/01/24	Additions	Deletions	Balance, 12/31/24
Lease asset – office space	\$ 304,386	\$ --	\$ --	\$ 304,386
Computer equipment	20,289	4,620	1,767	23,142
Office furniture	33,644	--	--	33,644
Images portfolio	50,000	--	--	50,000
Total Cost	408,319	4,620	1,767	411,172
Less Accumulated Depreciation:				
Lease asset – office space	131,901	60,877	--	192,778
Computer equipment	8,451	7,702	1,767	14,386
Office furniture	24,301	2,468	--	26,769
Images portfolio	50,000	--	--	50,000
Total Accumulated Depreciation	214,653	71,047	1,767	283,933
Capital Assets, Net	\$ 193,666	\$ (66,427)	\$ --	\$ 127,239

	Balance, 01/01/23	Additions	Deletions	Balance, 12/31/23
Lease asset – office space	\$304,386	\$ --	\$ --	\$ 304,386
Computer equipment	21,802	5,083	6,596	20,289
Office furniture	33,137	1,313	806	33,644
Images portfolio	50,000	--	--	50,000
Total Cost	409,325	6,396	7,402	408,319
Less Accumulated Depreciation:				
Lease asset – office space	71,025	60,876	--	131,901
Computer equipment	10,640	4,407	6,596	8,451
Office furniture	22,159	2,948	806	24,301
Images portfolio	50,000	--	--	50,000
Total Accumulated Depreciation	153,824	68,231	7,402	214,653
Capital Assets, Net	\$ 255,501	\$ (61,835)	\$ --	\$ 193,666

NATIONAL HONEY BOARD

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Lease:

The Board entered into a five-year office lease in November 2021. The lease required monthly payments of \$5,617 in 2023 and increased to \$5,729 in November 2023. In November 2024, lease payments increased to \$5,844. The lease terms state that monthly payments will increase 2% per year. The lease term expires in October 2026 and the two possible lease extensions of five years are not considered likely to be exercised.

For the years ended December 31, 2024 and 2023, total lease cost including common area maintenance, was \$99,406 and \$92,257, respectively.

The following schedule represents the Board's requirements to maturity for outstanding lease liabilities at December 31, 2024:

Year Ending December 31	Principal	Interest	Total
2025	\$ 65,654	\$ 4,710	\$ 70,364
2026	58,271	1,344	59,615
Total Lease Payments	\$ 123,925	\$ 6,054	\$ 129,979

Changes in long-term debt during the year were as follows:

	Balance 1/1/24	Additions	Retirements	Balance 12/31/24	Due within One Year
Lease Liability	\$185,037	\$ --	\$61,112	\$123,925	\$70,364
Total	\$185,037	\$ --	\$61,112	\$123,925	\$70,364

NOTE 6 – Commitments and Contingencies:

Funding Agreements:

The Board has entered into various funding agreements and contracts with various contractors and vendors during the years ended December 31, 2024 and 2023, in order to carry out the Board's activities.

NOTE 7 – Related Party Transactions:

As of December 31, 2024 and 2023, the National Honey Board has received domestic and import assessments that had been paid by Board members' companies.

NATIONAL HONEY BOARD

SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN FUND BALANCE-BUDGET TO ACTUAL - NON-GAAP BASIS

Year Ended December 31, 2024	Actual	Original Budget	Final Budget	Variance from Final
Net Carryover balances	\$ 1,794,433	\$ 1,200,000	\$ 1,794,433	\$ -
Revenue:				
Assessments - net	8,964,976	7,000,000	7,250,000	1,714,976
Merchandise sales and donations	14,000	10,900	10,900	3,100
Interest	2,922	4,000	4,000	(1,078)
Net Operating Revenue	10,776,331	8,214,900	9,059,333	1,716,998
Expenses:				
Administrative:				
Office	581,655	680,999	685,611	103,956
Board	113,281	140,000	140,000	26,719
Federal	132,910	120,000	160,000	27,090
Total Administrative Expenses	827,846	940,999	985,611	157,765
Program expenses:				
Research	1,111,642	946,461	1,206,164	94,522
Marketing and Promotion	5,596,602	5,260,440	5,760,558	163,956
Emerging opportunities	78,350	50,000	100,000	21,650
Total Program Expenses	6,786,594	6,256,901	7,066,722	280,128
Total Expenses	7,614,440	7,197,900	8,052,333	437,893
Excess of Operating Revenue over Expenses	3,161,891	1,017,000	1,007,000	2,154,891
Nonoperating Revenue and Reserves:				
Operating cash reserves	-	(800,000)	(800,000)	800,000
Board reserve	-	(217,000)	(207,000)	207,000
Total Nonoperating Revenue and Reserves	-	(1,017,000)	(1,007,000)	1,007,000
Excess of Revenue over Expenses and Reserves, Non-GAAP Budget Basis	\$ 3,161,891	\$ -	\$ -	\$ 3,161,891
Reconciliation of Revenue Over Expenses To Changes in Fund Balance:				
Carryover balances	(1,794,433)			
Net Excess, Modified Accrual Basis	\$ 1,367,458			

NATIONAL HONEY BOARD

SCHEDULE OF PROGRAM EXPENSES- BUDGET TO ACTUAL - NON-GAAP BASIS

Year Ended December 31, 2024	Actual	Original Budget	Final Budget	Variance from Final
Program expenses:				
Advertising, Public Relations and Research:				
Focus Area 1: Research				
Research - production and other	\$ 1,025,168	\$ 855,000	\$ 1,115,000	\$ 89,832
Salaries, wages, and payroll taxes	76,800	78,904	79,125	2,325
Employee insurance and benefits	9,341	11,557	11,039	1,698
Program office expense	333	1,000	1,000	667
Total Research Focus Area	1,111,642	946,461	1,206,164	94,522
Focus Area 2: Marketing and Promotion:				
Marketing and promotion	4,629,869	4,228,864	4,735,000	105,131
Salaries, wages and payroll taxes	794,430	818,946	819,157	24,727
Employee insurance and benefits	114,273	144,630	137,901	23,628
Program office expense	58,030	68,000	68,500	10,470
Total Marketing and Promotion	5,596,602	5,260,440	5,760,558	163,956
Emerging opportunities:				
Contract fees and expenses	78,350	50,000	100,000	21,650
Total Emerging Opportunities	78,350	50,000	100,000	21,650
Total Program Expenses	\$ 6,786,594	\$ 6,256,901	\$ 7,066,722	\$ 280,128

NATIONAL HONEY BOARD

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES- BUDGET TO ACTUAL - NON-GAAP BASIS

Year Ended December 31, 2024	Actual	Original Budget	Final Budget	Variance from Final
Expenses:				
Administrative (Office):				
Salaries, wages, and payroll taxes	\$ 297,597	\$ 305,079	\$ 306,385	\$ 8,788
Employee insurance and benefits	41,216	52,406	50,076	8,860
Office expenses	214,628	246,764	252,400	37,772
Professional services	25,928	63,750	63,750	37,822
Travel	2,286	13,000	13,000	10,714
Total Administrative (office)	581,655	680,999	685,611	103,956
Board expenses:				
Board of Directors	113,281	140,000	140,000	26,719
Federal expenses:				
USDA User fee	132,910	120,000	160,000	27,090
Total General and Administrative Expenses	\$ 827,846	\$ 940,999	\$ 985,611	\$ 157,765

NATIONAL HONEY BOARD

SCHEDULE OF FUNCTIONAL EXPENSES- BUDGET TO ACTUAL - NON-GAAP BASIS

Year Ended December 31, 2024	Focus Area				Administrative				
	1 - Research	2 - Marketing & Promotion	3 - Emerging Opportunities	Subtotal	Office	Board	Federal	Subtotal	Total
Program Expenses	\$ 1,025,168	\$ 4,629,869	\$ -	\$ 5,655,037	\$ -	\$ -	\$ -	\$ -	\$ 5,655,037
Salaries, wages, and payroll taxes	76,800	794,430	-	871,230	297,597	-	-	297,597	1,168,827
Employee insurance and benefits	9,341	114,273	-	123,614	41,216	-	-	41,216	164,830
Office expenses	333	58,030	-	58,363	214,628	-	-	214,628	272,991
Subtotal	86,474	966,733	-	1,053,207	553,441	-	-	553,441	1,606,648
Professional services	-	-	78,350	78,350	25,928	-	-	25,928	104,278
Administrative travel	-	-	-	-	2,286	-	-	2,286	2,286
Board expenses	-	-	-	-	-	113,281	-	113,281	113,281
Federal fees and expenses	-	-	-	-	-	-	132,910	132,910	132,910
Total functional expenses	\$ 1,111,642	\$ 5,596,602	\$ 78,350	\$ 6,786,594	\$ 581,655	\$ 113,281	\$ 132,910	\$ 827,846	\$ 7,614,440



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*

National Honey Board
Erie, Colorado

We have audited 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, the financial statements of the National Honey Board, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated March 31, 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the National Honey Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the 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 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 31, 2025

Anderson's Whiskey, P.C.