



BILLION POUNDS

more than a number,
a **new chapter** for our industry

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3 billion pounds represents
WHAT'S POSSIBLE
when an industry
MOVES TOGETHER

2026 Hass Avocado Board Roster

Growth at this scale requires alignment across

THE ENTIRE INDUSTRY



Gwen Jackimek
CHAIR



Jamie Johnson
VICE CHAIR



LeighAnne Neary
TREASURER



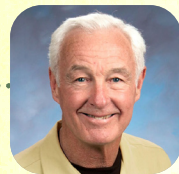
Jeff Dickinson
SECRETARY

DIRECTORS

ALTERNATES



Doug O'Hara
PRODUCER



Will Carleton
PRODUCER



Jeff Dickinson
PRODUCER



Gwen Jackimek
IMPORTER



LeighAnne Neary
IMPORTER



Adam Dominguez
PRODUCER



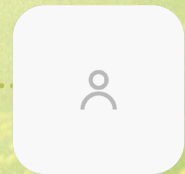
Ben Van Der Kar
PRODUCER



Hillary DeCarl
PRODUCER



Elizabeth Ayala
IMPORTER



Vacant
IMPORTER



Jamie Johnson
PRODUCER



Paula Cox
PRODUCER



Dave Billings
IMPORTER



Angela Tallant
IMPORTER



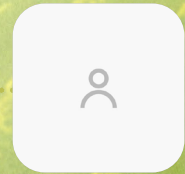
Michael Craviotto
PRODUCER



Ivor Van Wingerden
PRODUCER



Sabrina Castillo Lora
IMPORTER



Vacant
IMPORTER



John Berns
PRODUCER



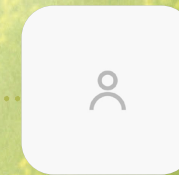
Daniel Harte
PRODUCER



Rob Ybarra
IMPORTER



Jonathan Smith
PRODUCER



Vacant
PRODUCER



Rigo Perez
IMPORTER

2026 Hass Avocado Board Staff

Our industry's strength has always been

COLLECTIVE



Monica Acosta
MANAGER OF FINANCE
AND ADMINISTRATION



Ella Bauer, PhD
NUTRITION RESEARCH
MANAGER



Feon Cheng, PhD, RDN
NUTRITION EPIDEMIOLOGIST



Emiliano Escobedo
EXECUTIVE DIRECTOR



Nikki A. Ford, PhD
SR. DIRECTOR OF
NUTRITION



Jason Garthoffner
WEB AND GRAPHIC
DESIGNER



Alejandro Gavito
DIRECTOR OF BUSINESS
INSIGHTS AND DATA



Ivonne Gomez
SOCIAL MEDIA MANAGER



**Amanda Izquierdo,
MPH, RD, LDN**
PR & ADVERTISING MANAGER



Pam Ortega
EXECUTIVE ASSISTANT
OF OPERATIONS



Robert M. Rumph
SR. DIRECTOR OF FINANCE
AND ADMINISTRATION



Silvia Standke
SR. MANAGER OF
OPERATIONS



Gina Widjaja
SR. DIRECTOR OF MARKETING
AND COMMUNICATIONS



Executive Director's Letter

Emiliano Escobedo | Executive Director

In the dynamic world of fresh produce marketing, adaptability remained essential throughout 2025. Over the past year, the U.S. avocado industry once again demonstrated the resilience, collaboration, and innovation that define its success. While the year presented structural challenges, it also reinforced our collective ability to evolve and sustain demand in an increasingly complex marketplace.

At the Hass Avocado Board (HAB), our mission is to strengthen the global avocado industry by equipping stakeholders with actionable data, insights, and nutrition research that drive demand in the U.S. market. Guided by our vision of making avocados America's most popular fruit and a staple for every meal, we remained focused in 2025 on advancing priorities that support sustainable growth, informed decision-making, and increased consumption across the category.

A central focus of HAB's work in 2025 was strategic planning. In close collaboration with stakeholders from across the entire avocado industry, including growers, importers, handlers, retailers, and foodservice partners, we developed a refreshed strategic plan to guide the industry through its next phase of growth. This collective effort reflects the strength of our industry and our shared commitment to long-term success. We extend our sincere thanks to all industry partners who contributed their time, expertise, and perspective to this important work.

Throughout the year, weather-related impacts continued to influence the industry's size structure, increasing the share of smaller fruit across all origins. In response, the industry demonstrated its ability to adapt, leveraging packaging, merchandising, and promotional strategies, particularly through the continued growth of bagged avocados, to maintain strong retail performance and deliver value across the supply chain. This evolution underscored a key strength of the avocado category: its ability to align with consumer needs while sustaining growth, even amid structural shifts in supply.

More than volume this is MOMENTUM

In 2025, the industry reached a significant milestone, with total U.S. avocado volumes achieving record-high levels. As expected in a supply-driven market, these increases contributed to periods of pricing fluctuation throughout the year, reflecting the natural balance between supply and demand. Despite this variability, the category remained resilient, supported by strong consumer demand and effective industry-wide efforts to maintain movement and value.

At the same time, the industry continued to lay the groundwork for future growth aligning demand-building efforts with increasing availability. Across the value chain, HAB, the member organizations, and industry stakeholders worked to increase consumption, enhance shopper engagement, and reinforce avocados' role as a nutritious, versatile staple in American households. HAB also supported these efforts through industry-wide data, insights, and programs designed to enable informed decision-making.

Equally important was the continued stakeholder collaboration with retail and foodservice partners. Ensuring efficient movement across all sizes, optimizing assortment strategies, and meeting evolving consumer expectations were critical to sustaining category performance throughout the year.

While 2025 presented its share of challenges, it was ultimately a year of progress and opportunity. The fundamentals of the category remained strong, consumer demand proved resilient, and the industry demonstrated its ability to adapt and grow in a dynamic environment.

Together, we advanced our shared vision: to make avocados America's preferred healthy food for every meal while delivering sustained value to consumers and stakeholders alike.

We are proud of what we accomplished in 2025 and grateful for the continued partnership across our industry. We look forward to demonstrating how our efforts align with the strategic plan in the years to come.



Chair's Letter

Gwen Jackimek | Chairperson

We are not just growing, we are LEADING

As I step into the role of Chair of the Hass Avocado Board for 2025–2026, I am energized by the opportunities ahead—especially as we look toward The Avocado Conference this November. This important gathering will bring our global industry together to reflect on our progress, align on shared priorities, and shape the path forward.

What was once considered an exotic, little-known fruit has become a defining part of American consumption, transforming the United States into the world’s leading avocado market. This evolution did not happen overnight, nor by chance. It is the result of decades of commitment, investment, and collaboration across our global industry—including the dedicated efforts of HAB, the California Avocado Commission, and our partners in Chile, Colombia, Mexico, and Peru.

Today, the United States consumes approximately half of the world’s avocados. This remarkable milestone reflects not only the strength of our supply chain, but also our collective success in positioning avocados as both a nutritional powerhouse and a versatile, everyday food.

We have built this market through consistency, persistence, and a shared vision. By clearly defining the value of avocados, and ensuring those messages reach consumers, we have expanded demand and secured a lasting place for this fruit on tables across the country.

As we move beyond our 2025 vision and into the next phase of growth, our work continues to be guided by five strategic pillars, priorities that will also help shape the conversations and outcomes at The Avocado Conference:

NUTRITION

We will continue investing in scientific research to deepen understanding of the health benefits of fresh Hass avocados and reinforce their role in a balanced diet.

COMMUNICATIONS

Our focus remains on engaging trusted health professionals who can confidently recommend avocados, translating nutritional science into everyday consumer choices.

BUSINESS SUPPORT TOOLS AND INFORMATION

Providing timely, high-quality data and insights remains essential. These tools empower stakeholders to make informed decisions and navigate an increasingly dynamic global supply environment.

SUSTAINABILITY

Sustainability remains an important and evolving priority. We will continue to evaluate where our investments can deliver the greatest impact, ensuring our approach is thoughtful, effective, and aligned with both industry needs and consumer expectations.

INDUSTRY ENGAGEMENT AND LEADERSHIP

Strong engagement across our complex supply chain is critical. We are committed to transparency, collaboration, and leadership development. Programs like BOLD are cultivating the next generation of leaders, and The Avocado Conference will serve as a key moment to bring them, and our broader industry, together.

The strength of our industry is built on these collective efforts, and our foundation is strong.

I also want to express my sincere appreciation to the Hass Avocado Board for their continued service and dedication, and to acknowledge the hard work of the Hass Avocado Committee. Their leadership and commitment are instrumental to our shared success, and I look forward to working closely with the Board in the year ahead.

As Chair, I am committed to building on this momentum, driving innovation, strengthening partnerships, and ensuring we remain focused on both the opportunities and challenges ahead. I look forward to connecting with many of you in November and to working alongside all of you as we shape the next chapter of our industry’s success.

**U.S. avocado consumption
grew nearly 280%
in two decades.**

HASS AVOCADO BOARD

Basic Financial Statements

Year ended December 31, 2025

(With Independent Auditor's Report Thereon)

HASS AVOCADO BOARD
Basic Financial Statements
Year ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hass Avocado Board
Mission Viejo, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of Hass Avocado Board (the "Board") as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Board, as of December 31, 2025, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

The Board's 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 one year after the date that the financial statements are 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 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, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

We have previously audited the Board's financial statements for the year ended December 31, 2024, and we expressed an unmodified opinion on those financial statements in our report dated April 1, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all

material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual, the Schedule of Program Expenditures – Budget and Actual, the Schedule of Administration Expenditures – Budget and Actual, the Schedule of Cash Receipts and Disbursements, and the Schedule of Total Payroll Expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual, the Schedule of Program Expenditures – Budget and Actual, the Schedule of Administration Expenditures – Budget and Actual, the Schedule of Cash Receipts and Disbursements, and the Schedule of Total Payroll Expenses are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 8, 2026 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 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.



Irvine, California
April 8, 2026

HASS AVOCADO BOARD
Management's Discussion and Analysis
Year Ended December 31, 2025

INTRODUCTION

This report, Management's Discussion and Analysis (MD&A), provides an overview and analysis of the financial activities of the Hass Avocado Board (Board) for the fiscal year ended December 31, 2025. It has been prepared by management and should be read in conjunction with the audited financial statements for the period ended December 31, 2025.

The Board is a federal government instrumentality created September 6, 2002 by the Hass Avocado Promotion, Research, and Information Act. The Board is an administrative body established pursuant to the Hass Avocado Promotion, Research, and Information Order (Order), 7 CFR Part 1219, with supervisory oversight by the United States Department of Agriculture. The purpose of the industry-funded program is to increase consumption and demand for domestic and imported Hass avocados in the U.S. market.

The Board consists of 12 Directors, 7 of whom represent domestic producers and 5 representing importers. Each Board member has an alternate. Appointed by the Secretary of Agriculture, the Board was officially seated March 18, 2003 in Washington D.C.

The board employs an Executive Director who is responsible for employing, contracting, supervision, and discharge of all Board employees, agencies, consultants, and other suppliers. The Board has 14 staff members who implement the various research and promotion programs.

Producers and importers of Hass avocados pay an assessment under the program, with first handlers involved in the domestic assessment collection process and U.S. Customs responsible for assessment collections on imported Hass avocados. The assessment 2.5 cents per pound on fresh Hass avocados produced in the U.S. and on fresh Hass avocados imported into the United States.

An association of avocado importers is eligible to receive an amount of assessment funds equal to 85% of the assessments paid on Hass avocados imported by its members. Additionally, an avocado organization established by State statute in a State with the majority of Hass avocado production in the U.S. shall receive an amount of assessment funds equal to 85% of the assessments paid on Hass avocados produced in such State. Funds received by importer associations or a State avocado organization must be used to finance promotion, research, consumer information and/or industry information programs, plans or projects in the U.S.

Producers and importers of certified organic Hass avocados can apply for an exemption from paying assessments (§ 1219.202 Exemption for organic Hass avocados). The Board is responsible for the efficient implementation of the process that issues organic exemption certificates and calculates and processes assessment refunds for those certified organic avocados.

FINANCIAL HIGHLIGHTS

- The assets of the Board exceeded its liabilities as of December 31, 2025, by \$3,762,518 (net position). Of this amount, 99% totaling \$3,736,413 is unrestricted net assets and may be used for Board promotions, research, and information obligations.
- The Board's 2025 total net position of \$3,762,518 increased by \$142,672 from the December 31, 2024 amount of \$3,619,846. Of this amount, net position invested in capital assets, net of related debt, decreased to \$26,105 from \$48,895 in 2024. Net position unrestricted for promotions, research and information increased to \$3,736,413 from \$3,570,951.

HASS AVOCADO BOARD
Management's Discussion and Analysis, Continued
Year Ended December 31, 2025

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Board's financial reports. The Board's financial reports include three basic financial statements: Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position; and Statement of Cash Flows. These *basic financial statements* are designed to present a broad overview of the financial data for the Board, in a manner similar to a private-sector business.

FUND FINANCIAL STATEMENTS:

The *Statement of Net Position* presents information on all assets and liabilities of the Board using the accrual basis of accounting, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the current financial condition of the Board. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allowance for depreciation and amortization.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other federal government entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Board's fund is considered an *enterprise fund* (which is a proprietary fund type) and accounts for assessment collections for avocado marketing programs and activities.

NOTES TO THE FINANCIAL STATEMENTS:

The notes provide additional information that is essential to a full understanding of the information provided in the basic financial statements.

FINANCIAL ANALYSIS

Comparative data for the year ended December 31, 2024, has been presented in the accompanying supplemental schedules to facilitate financial analysis for the current year ended December 31, 2025.

STATEMENT OF NET POSITION

As noted earlier, net position may serve over time as a useful indicator of the Board's financial position.

The largest portion 99% of the Board's total assets were current assets, consisting primarily of cash, investments, and accounts receivable, and prepaid expenses totaling \$10,634,646; up \$1,684,793 from the prior year amount of \$8,949,853. This increase was mainly attributable to an increase in cash on hand and an increase of accounts receivable from U.S. Customs and California handlers. Total current assets to liabilities ratio is 1.52 to 1 and indicates adequate liquidity.

Liabilities totaled \$6,989,836 as of December 31, 2025, which increased by \$1,368,644 from \$5,621,192 from the prior year. The increase is mainly attributable to increased amounts owed to avocado importer associations, California handlers, and an increase in accrued vacation balances, offset by a decrease in amortization of the building lease liability. Liabilities were primarily assessment rebates payable and vendor accounts payable and are considered current liabilities.

HASS AVOCADO BOARD
Management's Discussion and Analysis, Continued
Year Ended December 31, 2025

Net position invested in capital assets, net of related debt, represent the Board's capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Net position invested in capital assets (net of accumulated depreciation) total \$26,105 down from the prior year amount of \$48,895.

Unrestricted net position for promotions, research, and information activities are subject to imposed restrictions by federal statute governing their use. Unrestricted net position total \$3,736,413, an increase of \$165,462 over the prior year amount of \$3,570,951 mainly due to avocado volume slightly higher than forecasted, interest income higher than budget, and savings in expenditures for budgeted and approved research and promotion activities. Unrestricted net assets are 99% of total net assets and are subject to restrictions on how they can be used.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Key highlights and financial analysis are as follows:

- Actual operating revenues of \$73,940,224 in 2025 were \$2,134,491 higher than the \$71,805,733 in 2024. The increase was attributable to an increase in the volume of imported avocados, offset by a decrease in locally grown avocados. Of the operating revenue, the majority \$66,249,806 (approximately 90%) reflects assessments from imported volume; \$7,687,702 (approximately 10%) is generated from domestic volume.
- Actual operating expenses totaled \$74,125,637 in 2025, which was an increase of \$2,742,837 or approximately 4% from the prior year amount of \$71,382,800. The increase was mainly due to higher rebate expenses paid to three importer associations offset by a decrease to the rebates paid to the domestic avocado association and one of the importer associations. Hass avocado volume was up resulting in higher assessment rebate expense to importers.
- At the end of the year 2025, the Board reported ending net position of \$3,762,518, which was an increase of \$142,672 from the prior year of \$3,619,846. The increase was primarily due to increased imported avocado volume partially offset by a decrease in domestic revenue and planned budgeted and approved research and promotion expenditures. As the Board is statutorily barred from taking on debt, the Board considers its net position (reserves) an important indicator of the Board's financial strength and maintains a cash reserve. The Board's stakeholders expect funds to be expended responsibly during the year to grow consumer demand and maintain a reserve that supports continued operations through unforeseen potential market and/or government disruptions. The Order limits the Board to an operational reserve that does not exceed one fiscal period's budget (7CFR 1219.54(n)).

BUDGETARY HIGHLIGHTS

The 2025 final budget for the Board's operations represents the original budget for the 12-month period and amendments that may have occurred during the period. All staff salaries and benefits are allocated to the various departments under research, promotion, and administration programs where the work is performed. The departmental allocation percentages for staff costs under research and promotion programs are updated on an annual basis. Three 2025 budget amendments were approved and passed by the board. The first budget amendment approved by the board on September 11, 2024, increased Nutrition Research by \$172,000 and Communications by \$10,000. The second budget amendment approved on May 29, 2025, recognized the final audited results from 2024 and increased 2025 beginning reserves by \$1,444,099 from \$2,475,747 to \$3,619,846. Additionally, the second budget amendment increased Nutrition Research by \$12,000, and Administration expenses by \$31,000. The Third

HASS AVOCADO BOARD
Management's Discussion and Analysis, Continued
Year Ended December 31, 2025

Budget amendment approved on September 23, 2025, increased Business Support Tools and Information by \$67,000.

During the year, the Board engaged in developing, analyzing, and implementing current and long-range financial goals. The 2026 budget and related programs were developed, reviewed, and approved by the board and USDA for implementation.

CAPITAL ASSET AND DEBT ADMINISTRATION

The Board's investment in capital assets for its business type activities as of December 31, 2025, total \$26,105 (net of accumulated depreciation and amortization), which is a \$22,790 decrease from December 31, 2024 year-end amount of 48,895 (net of accumulated depreciation). The Board is prohibited by law from borrowing money and had no debt as of December 31, 2025.

CONTACTING THE BOARD'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Board's finances and to show the Board's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Robert Rumph, Senior Director of Finance and Administration, Hass Avocado Board, 25212 Marguerite Parkway Suite 250, Mission Viejo, California 92692.

HASS AVOCADO BOARD
Statement of Net Position
December 31, 2025
(with comparative information for prior year)

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents (note 2)	\$ 3,718,667	3,290,051
Receivables:		
Customs	6,541,858	5,643,681
Other	346,257	7
Deposits	13,217	13,217
Prepaid expenses	14,647	2,897
Total current assets	10,634,646	8,949,853
Noncurrent assets:		
Capital assets (note 4):		
Depreciable	1,008,019	1,008,019
Accumulated depreciation/amortization	(890,311)	(716,834)
Total noncurrent assets	117,708	291,185
Total assets	10,752,354	9,241,038
Liabilities		
Current liabilities:		
Accounts payable and other liabilities	6,348,956	5,167,048
Compensated absences (note 5)	247,175	211,854
Lease liability, current (note 7)	91,603	150,687
Total current liabilities	6,687,734	5,529,589
Noncurrent liabilities:		
Compensated absences, net of current (note 5)	302,102	-
Lease liability, net of current (note 7)	-	91,603
Total noncurrent liabilities	302,102	91,603
Total liabilities	6,989,836	5,621,192
Net Position		
Net investment in capital assets	26,105	48,895
Unrestricted	3,736,413	3,570,951
Total net position	\$ 3,762,518	3,619,846

See accompanying notes to the basic financial statements.

HASS AVOCADO BOARD
Statement of Revenues, Expenses and Changes in Net Position
Year ended December 31, 2025
(with comparative information for prior year)

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Assessments:		
Customs	\$ 66,249,806	63,353,586
California	7,687,702	8,451,623
Other income	<u>2,716</u>	<u>524</u>
Total operating revenues	<u>73,940,224</u>	<u>71,805,733</u>
Operating expenses:		
Rebate program:		
Mexican Hass Avocado Import Association	48,555,135	48,780,137
California Avocado Commission	6,451,601	7,184,177
Peruvian Avocado Commission	4,417,485	2,907,633
Colombia Avocado Board	2,798,641	1,584,790
Chilean Avocado Import Association	<u>408,560</u>	<u>262,887</u>
Total rebate program	<u>62,631,422</u>	<u>60,719,624</u>
Promotion, Research, and Information program:		
Communications	4,428,624	4,060,171
Nutrition	2,575,756	2,310,997
Supply and demand information	1,127,214	840,450
Industry engagement	936,657	928,768
Sustainability	<u>379,518</u>	<u>541,002</u>
Total promotion, research, and information program	<u>9,447,769</u>	<u>8,681,388</u>
Other expenses:		
USDA oversight	188,886	205,818
Depreciation/amortization	<u>173,477</u>	<u>173,477</u>
Total other expenses	<u>362,363</u>	<u>379,295</u>
Administration:		
Administration expenses	<u>1,684,083</u>	<u>1,602,493</u>
Total administration	<u>1,684,083</u>	<u>1,602,493</u>
Total operating expenses	<u>74,125,637</u>	<u>71,382,800</u>
Operating income (loss)	(185,413)	422,933
Non-operating revenues:		
Investment income	<u>328,085</u>	<u>378,567</u>
Total non-operating revenues	<u>328,085</u>	<u>378,567</u>
Increase (decrease) in net position	142,672	801,500
Net position, beginning of year	<u>3,619,846</u>	<u>2,818,346</u>
Net position, at the end of year	<u>\$ 3,762,518</u>	<u>3,619,846</u>

See accompanying notes to the basic financial statements.

HASS AVOCADO BOARD
Statement of Cash Flows
Year ended December 31, 2025
(with comparative information for prior year)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from producers and importers	\$ 72,697,781	71,420,529
Cash paid to employees	(3,042,132)	(2,841,237)
Cash rebate payments	(61,297,578)	(62,028,998)
Payments to suppliers for goods and services	<u>(8,101,628)</u>	<u>(6,870,579)</u>
Net cash provided by (used for) operating activities	<u>256,443</u>	<u>(320,285)</u>
Cash flows from capital and related financing activities:		
Principal paid on lease	(150,687)	(141,771)
Interest paid on lease	<u>(5,225)</u>	<u>(9,600)</u>
Net cash provided by (used for) financing activities	<u>(155,912)</u>	<u>(151,371)</u>
Cash flows from investing activities:		
Interest income	328,085	378,567
Purchase of capital assets	<u>-</u>	<u>(47,430)</u>
Net cash provided by (used for) investing activities	<u>328,085</u>	<u>331,137</u>
Net increase (decrease) in cash and cash equivalents	428,616	(140,519)
Cash and cash equivalents at beginning of year	<u>3,290,051</u>	<u>3,430,570</u>
Cash and cash equivalents at end of year	<u>\$ 3,718,667</u>	<u>3,290,051</u>
Reconciliation of operating income (loss) to net cash provided by (used for) for operating activities:		
Operating income (loss)	\$ (185,413)	422,933
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation/amortization	173,477	173,477
(Increase) decrease in receivables	(1,244,427)	(364,275)
(Increase) decrease in prepaid expenses	(11,750)	1,713
Increase (decrease) in accounts payable	1,187,133	(554,173)
Increase (decrease) in compensated absences	<u>337,423</u>	<u>40</u>
Net cash provided by (used for) operating activities	<u>\$ 256,443</u>	<u>(320,285)</u>

Non-cash investing, capital and financing activities:

There were no significant non-cash investing, capital or financing activities during the years ended December 31, 2025 and 2024.

See accompanying notes to the basic financial statements.

HASS AVOCADO BOARD

Notes to the Basic Financial Statements

Year ended December 31, 2025

1. Summary of Reporting Entity and Significant Accounting Policies

Reporting Entity

The Hass Avocado Board is authorized under the *United States Department of Agriculture (USDA), Code of Federal Regulations (7 CFR Part 1219) - Hass Avocado Promotion, Research, and Information Order* (the Order) to implement and manage a comprehensive research, marketing, and information program whose overarching objective is to increase the consumption of Hass Avocado in the United States. The Board is authorized to levy an assessment against producers and importers of Hass avocados for purposes of carrying out its programs. Under the Order, producers and importers pay an assessment of 2.5 cents per pound on fresh hass avocados produced in or imported into the United States for consumption in the United States. Organically grown and exported U.S. Hass avocados may be exempt from assessment.

Fund Accounting

The basic accounting and reporting entity is a *fund*. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Measurement Focus and Basis of Accounting

Enterprise funds are accounted for on the economic resources measurement focus. Accordingly, all assets and liabilities are included on the Statement of Net Position, and the reported net position provides an indication of the historical net worth of the fund. Operating statements for enterprise funds report increases (revenues) and decreases (expenses) in total historical net worth.

The Board uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recorded when the liability is incurred for receipt of the related goods and services. Organic refunds are recorded net of assessment revenue.

Enterprise funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses result from providing goods and services related to the fund's ongoing operations. Operating expenses include the cost of program services provided, general and administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

HASS AVOCADO BOARD

Notes to the Basic Financial Statements

Year ended December 31, 2025

1. Summary of Reporting Entity and Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined to include demand deposits, as well as any direct investment in short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity date of three months or less. Investments in federal agency securities are not considered to be cash equivalents as defined above and, therefore, are excluded from the statements of cash flows.

Capital Assets

Capital assets purchased by the Board are capitalized at historical cost. Capital assets that are contributed are recorded as contributed capital assets, which increases the net position of the Board. Such contributed capital assets are recorded at their acquisition value at the time of donation.

Any single item purchased by the Board with a cost greater than or equal to \$5,000 and an estimated useful life of greater than one year is capitalized and depreciated. Depreciation is charged to operations using the straight-line method based on the estimated useful life of the asset. The estimated useful lives are as follows:

Software	3-5 years
Office equipment	3-5 years
Tradeshow booth	3-5 years
Leasehold improvements	6-7 years
Right to use asset	Estimated life of the leased asset or the contracted term, whichever is shorter

Compensated Absences

The Board permits employees to accumulate earned but unused vacation and sick leave benefits. Earned vacation hours accrue and may be paid out to a maximum of 312 hours. Earned sick hours are not paid out upon termination and accrue without limit. The liability for compensated absences represents the amount that is due to employees for unused vacation and sick hours. The liability is calculated using current pay rates and includes employer-paid fringe benefits.

Leases

The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

HASS AVOCADO BOARD

Notes to the Basic Financial Statements

Year ended December 31, 2025

1. Summary of Reporting Entity and Significant Accounting Policies (Continued)

Leases

Key estimates and judgments include how the Board determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

Tax Exemption

The Office of Chief Counsel of the Internal Revenue Service, U.S. Treasury Department ruled on October 22, 1992, that research and promotion boards, such as the Hass Avocado Board, are not subject to federal income taxation. Such boards are also generally exempt from all forms of taxation, including personal, real property taxes, and sales taxes.

Use of Estimates

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

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Board's prior year financial statements, from which this selected financial data was derived. In addition, certain minor reclassifications of the prior year data have been made to enhance their comparability to the current year.

2. Cash and Cash Equivalents

Cash and cash equivalents as of December 31, 2025 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and cash equivalents	<u>\$ 3,718,667</u>
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Cash and cash equivalents as of December 31, 2025 consist of the following:

Demand deposits	<u>\$ 3,718,667</u>
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HASS AVOCADO BOARD

Notes to the Basic Financial Statements

Year ended December 31, 2025

3. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Board's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by the state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Board deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The Board's deposits were collateralized as of December 31, 2025.

4. Capital Assets

Changes in capital assets and related accumulated depreciation were as follows:

	January 1, 2025	Additions	Deletions	December 31, 2025
Capital assets:				
Office equipment	\$ 92,075	-	-	92,075
Software	130,344	-	-	130,344
Leasehold improvements	172,310	-	-	172,310
Right-to-use asset - office space	613,290	-	-	613,290
Total capital assets	<u>1,008,019</u>	<u>-</u>	<u>-</u>	<u>1,008,019</u>
Accumulated depreciation and amortization:				
Office equipment	(92,075)	-	-	(92,075)
Software	(98,724)	(15,810)	-	(114,534)
Leasehold improvements	(124,599)	(23,855)	-	(148,454)
Right-to-use asset - office space	<u>(401,436)</u>	<u>(133,812)</u>	<u>-</u>	<u>(535,248)</u>
Total accumulated depreciation and amortization	<u>(716,834)</u>	<u>(173,477)</u>	<u>-</u>	<u>(890,311)</u>
Total capital assets, net	<u>\$ 291,185</u>	<u>(173,477)</u>	<u>-</u>	<u>117,708</u>

Depreciation and amortization expense was \$173,477 for the year ended December 31, 2025.

HASS AVOCADO BOARD

Notes to the Basic Financial Statements

Year ended December 31, 2025

5. Compensated Absences

The following is a summary of changes in compensated absences, included in current liabilities, for the year ended December 31, 2025.

	January 1, 2025	Additions	Deletions	December 31, 2025	Due in One Year
Compensated absences	\$ 211,854	337,423	-	549,277	247,175

The change in compensated absences liability is presented as a net change.

6. Revenue Concentration

Approximately 54% of total operating revenue was derived from assessments collected from eight Hass Avocado handlers/importers.

7. Lease Liability

The changes in long-term liabilities for the year ended December 31, 2025, were as follows:

	Balance at January 1, 2025	Additions	Reductions	Balance at December 31, 2025	Due Within One Year
Office Space Lease	\$ 242,290	-	(150,687)	91,603	91,603

On November 9, 2014, the Hass Avocado Board entered into a lease for office space located in Mission Viejo, California. On August 23, 2021 the Board amended their lease contract to extend their original lease term and include additional office space. The Board's lease expires on September 30, 2026 with monthly payments starting at \$8,808 and increasing to \$11,745 when the Board took possession of the additional office space in May 2022. Monthly rent increases by 3% each year on anniversary of amendment. The lease liability is calculated using a discount rate of 3%.

Future lease payable requirements as of December 31, 2025, are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 91,603	918	92,521
	\$ 91,603	918	92,521

8. Contract Commitments

The Board has significant active nutrition research agreements as of December 31, 2025 in the amount of \$9,007,525. At December 31, 2025, \$2,397,263 of such contract commitments had not yet been incurred.

HASS AVOCADO BOARD

Notes to the Basic Financial Statements

Year ended December 31, 2025

9. Pension Plan

The Board contributes to the Hass Avocado Board Profit Sharing Plan (PSP), a defined contribution pension plan, for eligible Board employees. The PSP is administered by a third-party administrator. Due to the Board's limited administrative involvement, the investments of the PSP are not recorded in the Board's financial statements in accordance with the accounting standards.

Benefit terms, including contribution requirements, for PSP are established and may be amended by the Board. The plan limits contributions strictly from the Board. For each employee in the pension plan, the Board contributes 10% of the participant's compensation. Employees are eligible to receive the Board's contribution after 1,500 hours of employment. Total pension expense for the year ended December 31, 2025 was \$310,145.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in Board contributions and earnings on Board contributions after completion of 3 years of creditable service with the Board. Non-vested Board contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses and to offset future contributions. For the year ended December 31, 2025 there was no forfeiture to reduce the Board's pension expense.

10. Subsequent Event

On December 9, 2025, the Board amended their lease contract for office space located in Mission Viejo, California to extend their original lease term and surrender the additional office space upon the expiration of Second Amendment Term on September 30, 2026. The Third Extended Term will commence on October 1, 2026 and end on November 30, 2031, with monthly rent payments starting at \$8,433. The monthly rent will increase by 3% annually on anniversary of the amendment.

SUPPLEMENTARY INFORMATION

HASS AVOCADO BOARD
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year ended December 31, 2025
(with comparative information for prior year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual 2024
Operating revenues:				
Assessment revenues	\$ 75,000,000	73,937,508	(1,062,492)	71,805,209
Other income	<u>150,000</u>	<u>2,716</u>	<u>(147,284)</u>	<u>524</u>
Total operating revenues	<u>75,150,000</u>	<u>73,940,224</u>	<u>(1,209,776)</u>	<u>71,805,733</u>
Operating expenses:				
Rebate program:				
Rebates	<u>63,750,000</u>	<u>62,631,422</u>	<u>1,118,578</u>	<u>60,719,624</u>
Total rebate program	<u>63,750,000</u>	<u>62,631,422</u>	<u>1,118,578</u>	<u>60,719,624</u>
Promotion, Research, and Information program:				
Communications	4,324,062	4,428,624	(104,562)	4,060,171
Nutrition	2,750,529	2,575,756	174,773	2,310,997
Supply and demand information	1,075,735	1,127,214	(51,479)	840,450
Industry engagement	1,010,182	936,657	73,525	928,768
Sustainability	<u>689,320</u>	<u>379,518</u>	<u>309,802</u>	<u>541,002</u>
Total promotion, research, and information program	<u>9,849,828</u>	<u>9,447,769</u>	<u>402,059</u>	<u>8,681,388</u>
Other expenses:				
USDA oversight	192,500	188,886	3,614	205,818
Depreciation/amortization	<u>-</u>	<u>173,477</u>	<u>(173,477)</u>	<u>173,477</u>
Total other expenses	<u>192,500</u>	<u>362,363</u>	<u>(169,863)</u>	<u>379,295</u>
Administration:				
Administration expenses	<u>1,971,934</u>	<u>1,684,083</u>	<u>287,851</u>	<u>1,602,493</u>
Total administration	<u>1,971,934</u>	<u>1,684,083</u>	<u>287,851</u>	<u>1,602,493</u>
Total operating expenses	<u>75,764,262</u>	<u>74,125,637</u>	<u>1,638,625</u>	<u>71,382,800</u>
Net operating income (loss)	(614,262)	(185,413)	428,849	422,933
Non-operating revenues:				
Investment income	<u>-</u>	<u>328,085</u>	<u>328,085</u>	<u>378,567</u>
Total non-operating revenues	<u>-</u>	<u>328,085</u>	<u>328,085</u>	<u>378,567</u>
Operating income (loss)	(614,262)	142,672	756,934	801,500
Net position, beginning of year	<u>3,619,846</u>	<u>3,619,846</u>	<u>-</u>	<u>2,818,346</u>
Net position, at the end of year	<u>\$ 3,005,584</u>	<u>3,762,518</u>	<u>756,934</u>	<u>3,619,846</u>

HASS AVOCADO BOARD
Schedule of Program Expenditures - Budget and Actual
Year ended December 31, 2025
(with comparative information for prior year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual 2024
Communications				
Program management	\$ 946,062	1,015,824	(69,762)	912,452
Creative content	145,000	145,913	(913)	160,249
Events	351,000	350,873	127	246,266
Online/website/social media	610,000	597,138	12,862	573,201
Nutrition and research promotion	1,685,300	1,711,302	(26,002)	1,790,141
Strategic partnerships	296,000	296,038	(38)	104,522
Strategy, issues radar and reporting	290,700	311,536	(20,836)	273,340
Total communications	<u>4,324,062</u>	<u>4,428,624</u>	<u>(104,562)</u>	<u>4,060,171</u>
Nutrition				
Program management	820,862	866,411	(45,549)	781,189
Science pipeline	1,709,667	1,484,808	224,859	1,329,060
Events	28,000	20,698	7,302	5,415
Strategy/issues radar and reporting	192,000	203,839	(11,839)	195,333
Total nutrition	<u>2,750,529</u>	<u>2,575,756</u>	<u>174,773</u>	<u>2,310,997</u>
Business support tools and information				
Program management	420,735	487,874	(67,139)	372,714
Communications	55,000	58,628	(3,628)	53,414
Data services	110,200	105,146	5,054	50,127
Avis	75,100	61,791	13,309	50,163
Track and monitor	125,000	121,352	3,648	121,557
Research and information	25,000	24,373	627	22,681
Consumer insights and tracking studies	264,700	268,050	(3,350)	169,794
Total business support tools and information	<u>1,075,735</u>	<u>1,127,214</u>	<u>(51,479)</u>	<u>840,450</u>
Industry engagement and leadership:				
Program management	672,382	726,556	(54,174)	624,610
Annual report	2,000	-	2,000	-
HAB promotional materials	15,000	4,832	10,168	1,648
Industry meetings and events	95,000	87,318	7,682	99,586
Industry website	51,000	36,932	14,068	36,052
Outreach	15,000	-	15,000	11,849
Communications	109,800	32,925	76,875	117,049
Board leadership development	50,000	48,094	1,906	37,974
Total industry engagement and leadership	<u>1,010,182</u>	<u>936,657</u>	<u>73,525</u>	<u>928,768</u>
Sustainability:				
Program management	229,320	257,779	(28,459)	228,086
Strategy	140,000	120,062	19,938	121,509
Research	300,000	-	300,000	190,000
Avocado Sustainability Center	20,000	1,677	18,323	1,407
Total sustainability	<u>689,320</u>	<u>379,518</u>	<u>309,802</u>	<u>541,002</u>
Total marketing/research/communications	<u>\$ 9,849,828</u>	<u>9,447,769</u>	<u>402,059</u>	<u>8,681,388</u>

HASS AVOCADO BOARD
Schedule of Administration Expenditures - Budget and Actual
Year ended December 31, 2025
(with comparative information for prior year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual 2024
Other expenses:				
USDA oversight	\$ 192,500	188,886	3,614	205,818
Depreciation/amortization	<u>-</u>	<u>173,477</u>	<u>(173,477)</u>	<u>173,477</u>
Total other expenses	<u>\$ 192,500</u>	<u>362,363</u>	<u>(169,863)</u>	<u>379,295</u>
Administration expenses:				
Financial oversight - audit	\$ 40,000	41,308	(1,308)	34,839
Board travel/meetings/elections	338,380	266,546	71,834	349,920
Office related	396,559	196,590	199,969	188,524
Professional services and consulting	41,800	26,347	15,453	29,076
Legal services	70,000	39,543	30,457	47,850
Corporate insurance	72,000	67,641	4,359	53,228
Salaries/wages/benefits	935,195	1,032,557	(97,362)	873,013
Education/training/conferences/seminars	48,000	13,551	34,449	20,043
Corporate governance	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>6,000</u>
Total administration expenses	<u>\$ 1,971,934</u>	<u>1,684,083</u>	<u>287,851</u>	<u>1,602,493</u>

HASS AVOCADO BOARD
Schedule of Cash Receipts and Disbursements
Year ended December 31, 2025
(with comparative information for prior year)

	2025	2024
Cash receipts:		
California assessments	\$ 7,590,119	8,451,616
Customs assessments	65,107,662	62,968,913
Interest income	328,085	378,567
Total cash receipts	73,025,866	71,799,096
Cash disbursements:		
Rebates	61,297,578	62,028,998
Communications	4,390,840	3,986,214
Nutrition	2,521,817	2,194,593
Business support tools and information	1,098,169	767,348
Industry engagement	945,809	933,112
Sustainability	379,518	506,252
USDA oversight	143,264	251,440
Administration	1,820,255	1,271,658
Total cash disbursements	72,597,250	71,939,615
Excess of receipts over disbursements	428,616	(140,519)
Cash and cash equivalents, at beginning of year	3,290,051	3,430,570
Cash and cash equivalents, at end of year	\$ 3,718,667	3,290,051

HASS AVOCADO BOARD
Schedule of Total Payroll Expenses
Year ended December 31, 2025
(with comparative information for prior year)

	<u>2025</u>	<u>2024</u>
Salaries and wages	\$ 3,042,132	2,841,237
Payroll taxes	181,874	170,525
Pension expenses	310,145	294,088
Benefits (health, life, dental and vision)	<u>366,975</u>	<u>346,567</u>
Total payroll expenses	<u>\$ 3,901,126</u>	<u>3,652,417</u>

**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**

Board of Directors
Hass Avocado Board
Mission Viejo, California

Independent Auditor's Report

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 business-type activities of Hass Avocado Board (the "Board"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated April 8, 2026.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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. Such provisions included those provisions of laws and regulations identified in the *Code of Federal Regulations (7 CFR Part 1219) - Hass Avocado Promotion, Research, and Information Order*, issued by the United States Department of Agriculture (USDA) and as interpreted in the *Guidelines for Agricultural Marketing Service Oversight of Commodity Research and Promotion Programs*, issued by the USDA. 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 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.



Irvine, California
April 8, 2026

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH THE HASS AVOCADO PROMOTION, RESEARCH AND
INFORMATION ACT OF 2000 AND ORDER**

Board of Directors
Hass Avocado Board
Mission Viejo, California

Independent Auditor's Report

Report on Compliance

We have audited the Hass Avocado Board's (the "Board"), compliance with the compliance requirements of the Hass Avocado Promotion, Research and Information Act of 2000 and Order that are indicated below for the year ended December 31, 2025. Compliance with the requirements referred to below is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, and contracts, applicable to the Hass Avocado Promotion, Research and Information Act of 2000 and Order.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of the Board's requirements of the Hass Avocado Promotion, Research and Information Act of 2000 and Order based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to below that could have a direct and material effect on the Board has occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of Board's compliance with those requirements. In our opinion, the Board complied, in all material respects, with the compliance requirements referred to below that are applicable for the year ended December 31, 2025.

- Complied with the allowability provisions of the *Code of Federal Regulations (7 CFR Part 1219) - Hass Avocado Promotion, Research, and Information Order*, issued by the United States Department of Agriculture (USDA) and as interpreted in the *Guidelines for Agricultural Marketing Service Oversight of Commodity Research and Promotion Programs*, issued by the USDA.

- Complied with Section 575, Subsection (g) of the Hass Avocado Promotion, Research and Consumer Information Act of 2000 and Section 1219.42, Subsection (b) of the Order, relating to the use of assessment funds for the purpose of influencing governmental policy or action.
- Expended assessment funds for purposes authorized by the Hass Avocado Promotion, Research and Information Act and Order.
- Expended or obligated assessment funds only for projects in the fiscal year authorized to be expended by the Board's approved budget and marketing plan.
- Funds were used only for projects and other expenses in a budget approved by the USDA.
- Obtained a written contract or agreement with any person or entity providing goods or services to the Board.
- Complied with the Agriculture Marketing Service (AMS) investment policy as interpreted by Direction 2210.2 and the Research and Promotion Branch paper, "Securing Research and Promotion Brand Funds," relating to the limitations on the types of investments which may be purchased by the Board and the insurance or collateral that must be obtained for all Board deposits and investments.
- Complied with the by-laws of the Board or any other policy of the Board, specifically as they relate to all financial matters, including time, attendance, and travel.

Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with compliance requirements of the Hass Avocado Promotion, Research and Information Act of 2000 and Order, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of Hass Avocado Promotion, Research and Information Act of 2000 and Order on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of Hass Avocado Promotion, Research and Information Act of 2000 and Order will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of

deficiencies, in internal control over compliance with a type of compliance requirement of Hass Avocado Promotion, Research and Information Act of 2000 and Order that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Hass Avocado Promotion, Research and Information Act of 2000 and Order. Accordingly, this report is not suitable for any other purpose.



Irvine, California
April 8, 2026