



**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2023 AND 2022**

MUSHROOM COUNCIL

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DECEMBER 31, 2023 AND 2022

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## Independent Auditor's Report

Council Members and Management  
Mushroom Council  
Lee's Summit, Missouri

### *Opinion*

We have audited the accompanying financial statements of Mushroom Council, an instrumentality of the United States Department of Agriculture, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mushroom Council as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (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 Mushroom Council and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mushroom Council's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Mushroom Council'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 Mushroom Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Other Matters**

***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The information in the accompanying supplementary schedules on pages 19-23, which is the responsibility of management, is presented for purposes of additional analysis as required by U.S. Department of Agriculture, Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs, and is not a required part of the financial statements. Such information, except for the budget information marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The budget information marked "unaudited" has not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

***Report on Summarized Comparative Information in the Supplementary Information***

We have previously audited Mushroom Council's 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated March 17, 2023. In our opinion, the summarized comparative information in the supplementary information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, on our consideration of Mushroom Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, on our consideration of the Council's compliance with requirements that could have a direct and material effect over compliance in accordance with *The Mushroom Promotion, Research, and Consumer Information Act of 1990*. The purpose of that report is to describe compliance and the results of that testing, and not to provide an opinion on compliance. That report is an integral part of an audit performed in accordance with *The Mushroom Promotion, Research, and Consumer Information Act of 1990* in considering the Council's compliance.

*Councilor, Buchanan + Mitchell, P.C.*

Bethesda, Maryland  
March 28, 2024

Certified Public Accountants

MUSHROOM COUNCIL

STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 804,285	\$ 1,121,483
Assessments Receivable, Net	<u>603,705</u>	<u>568,719</u>
Total Current Assets	1,407,990	1,690,202
Property and Equipment, Net	<u>2,716</u>	<u>2,143</u>
<b>Total Assets</b>	<u><u>\$ 1,410,706</u></u>	<u><u>\$ 1,692,345</u></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 548,616	\$ 855,591
Accrued Wages and Payroll Taxes	<u>38,661</u>	<u>38,661</u>
Total Current Liabilities	<u>587,277</u>	<u>894,252</u>
<b>Net Assets</b>		
Designated Without Restrictions	400,000	400,000
Without Restrictions	<u>423,429</u>	<u>398,093</u>
Total Net Assets	<u>823,429</u>	<u>798,093</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,410,706</u></u>	<u><u>\$ 1,692,345</u></u>

See accompanying Notes to Financial Statements.

MUSHROOM COUNCIL

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>Revenue</b>		
Assessments		
Domestic	\$ 3,460,189	\$ 3,710,794
Imports	1,072,335	1,131,939
Interest and Other Income	<u>7,244</u>	<u>14,817</u>
 Total Revenue	 <u>4,539,768</u>	 <u>4,857,550</u>
<b>Expenses</b>		
Research and Information Expenses	4,094,177	5,131,616
Administrative Expenses	263,723	238,795
Government and Professional Services - Including Compliance Inspections	<u>156,532</u>	<u>132,445</u>
 Total Expenses	 <u>4,514,432</u>	 <u>5,502,856</u>
 Change in Net Assets	 25,336	 (645,306)
Net Assets, Beginning of Year	<u>798,093</u>	<u>1,443,399</u>
 <b>Net Assets, End of Year</b>	 <u><u>\$ 823,429</u></u>	 <u><u>\$ 798,093</u></u>

See accompanying Notes to Financial Statements.

**MUSHROOM COUNCIL**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Research and Information	Total Program Services	Administrative	Government and Professional Services	Total
Salaries, Taxes, and Benefits	\$ -	\$ -	\$ 185,624	\$ -	\$ 185,624
Promo Related Staff Salaries	162,564	162,564	-	-	162,564
	162,564	162,564	185,624	-	348,188
Promo Related Staff Expenses	39,750	39,750	-	-	39,750
Consumer Public Relations	1,995,353	1,995,353	-	-	1,995,353
Nutrition Research	74,120	74,120	-	-	74,120
Foodservice - Promotion	720,419	720,419	-	-	720,419
Retail Promotion and Research	285,562	285,562	-	-	285,562
Nutrition Promotion	308,149	308,149	-	-	308,149
Industry Information	247,480	247,480	-	-	247,480
Foodservice - Schools	144,153	144,153	-	-	144,153
USDA Fees	-	-	-	113,803	113,803
Foodsafety/Production	100,000	100,000	-	-	100,000
Agency Planning and Evaluation	12,488	12,488	-	-	12,488
Professional Services	-	-	-	42,729	42,729
Rent or Lease	-	-	30,983	-	30,983
Insurance	-	-	9,614	-	9,614
Memberships	4,139	4,139	-	-	4,139
Office Expenses	-	-	2,748	-	2,748
Travel and Meetings	-	-	33,915	-	33,915
Depreciation and Amortization	-	-	839	-	839
<b>Total Functional Expenses</b>	<b>\$ 4,094,177</b>	<b>\$ 4,094,177</b>	<b>\$ 263,723</b>	<b>\$ 156,532</b>	<b>\$ 4,514,432</b>

*See accompanying Notes to Financial Statements.*



**MUSHROOM COUNCIL**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Research and Information	Total Program Services	Administrative	Government and Professional Services	Total
Salaries, Taxes, and Benefits	\$ -	\$ -	\$ 155,247	\$ -	\$ 155,247
Promo Related Staff Salaries	234,127	234,127	-	-	234,127
	234,127	234,127	155,247	-	389,374
Promo Related Staff Expenses	24,867	24,867	-	-	24,867
Consumer Public Relations	2,264,932	2,264,932	-	-	2,264,932
Nutrition Research	508,045	508,045	-	-	508,045
Foodservice - Promotion	748,180	748,180	-	-	748,180
Retail Promotion and Research	473,153	473,153	-	-	473,153
Nutrition Promotion	377,864	377,864	-	-	377,864
Industry Information	172,421	172,421	-	-	172,421
Foodservice - Schools	147,119	147,119	-	-	147,119
USDA Fees	-	-	-	93,524	93,524
Foodsafety/Production	102,500	102,500	-	-	102,500
Econometric/Marketing Research	29,770	29,770	-	-	29,770
Agency Planning and Evaluation	44,048	44,048	-	-	44,048
Professional Services	-	-	-	38,921	38,921
Rent or Lease	-	-	23,274	-	23,274
Insurance	-	-	8,978	-	8,978
Memberships	4,590	4,590	-	-	4,590
Office Expenses	-	-	5,533	-	5,533
Travel and Meetings	-	-	45,328	-	45,328
Depreciation and Amortization	-	-	435	-	435
<b>Total Functional Expenses</b>	<b>\$ 5,131,616</b>	<b>\$ 5,131,616</b>	<b>\$ 238,795</b>	<b>\$ 132,445</b>	<b>\$ 5,502,856</b>

*See accompanying Notes to Financial Statements.*

**MUSHROOM COUNCIL**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 25,336	\$ (645,306)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities		
Depreciation and Amortization	839	435
Loss on Disposal of Property and Equipment	783	-
<u>(Increase) Decrease in Assets</u>		
Assessments Receivable, Net	(34,986)	(93,171)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable	(306,975)	252,384
Accrued Wages and Payroll Taxes	-	(4,127)
Net Cash Used in Operating Activities	<b>(315,003)</b>	<b>(489,785)</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of Equipment	<b>(2,195)</b>	(949)
Net Cash Used in Investing Activities	<b>(2,195)</b>	(949)
Net Decrease in Cash	<b>(317,198)</b>	(490,734)
Cash at Beginning of Year	<b>1,121,483</b>	1,612,217
<b>Cash at End of Year</b>	<b>\$ 804,285</b>	<b>\$ 1,121,483</b>

*See accompanying Notes to Financial Statements.*

## MUSHROOM COUNCIL

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

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#### 1. ORGANIZATION

Mushroom Council is authorized by *The Mushroom Promotion, Research, and Consumer Information Act of 1990* (P.L. 101-624) and complies to the guidance under The Mushroom Promotion, Research, and Consumer Information Order (the Order). Mushroom Council is considered an instrumentality of the U.S. Department of Agriculture (USDA).

Mushroom Council (the Council) commenced activity in August of 1993. Mushroom Council is governed by a Council appointed by the Secretary of Agriculture. Mushroom Council consists of nine members. Mushroom Council was formed for the purpose of mushroom promotion research, and to provide consumer and industry information. Mushroom Council is financed by assessments collected from producers and importers and funded by assessments of \$0.0055 cents per pound on any person who produces and imports over 500,000 pounds on average for the mushroom fresh market annually. Under the Mushroom Promotion, Research, and Consumer Information Order, handlers collect and remit producer assessments to the Council and assessments paid by importers are collected and remitted by the U.S. Customs and Border Protection.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### *Basis of Presentation*

As an instrumentality of the U.S. Department of Agriculture, Mushroom Council is subject to Statements of Federal Financial Accounting Concepts and Standards and other pronouncements of the Federal Accounting Standards Advisory Board (FASAB). *Statement of Federal Financial Accounting Standards 34: The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board* (SFFAS 34) provides that bodies with oversight authority, such as Agricultural Marketing Services (AMS), may determine that the needs of a reporting entity's primary users would be best met through the application of FASB (Financial Accounting Standards Board) standards. AMS, based on the Guidelines for Agricultural Marketing Service Oversight of Commodity Research and Promotion Programs has determined that the needs of the primary users of Mushroom Council's financial statements would best be met through the application of FASB standards. Accordingly, Mushroom Council presents its financial statements in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 958, Subtopic 205, *Not-for-Profit Entities - Presentation of Financial Statements* (FASB ASC 958-205).

Under FASB ASC 958-205, Mushroom Council presents the statements of financial position, activities, functional expenses, and cash flows. In addition, Mushroom Council reports information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions. As of December 31, 2023, there were no net assets with donor restrictions.

##### *Basis of Accounting*

Mushroom Council uses the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when liabilities are incurred.

## MUSHROOM COUNCIL

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *Advertising*

In accordance with its mission, Mushroom Council has approved the development of direct and non-direct response advertising and promotional activities. All costs related to these activities are charged to expenses as incurred.

##### *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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### *Budgets and the Budgetary Process*

Mushroom Council adopts an annual operating budget, which can be amended by Mushroom Council, with USDA approval, throughout the year. Formal budgetary accounting is employed as a management control for all funds of Mushroom Council. For each of the funds for which a formal budget is adopted, the same basis of accounting is used to reflect actual revenues and expenses recognized on the basis of generally accepted accounting principles.

##### *Cash and Cash Equivalents*

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Mushroom Council's cash deposits are covered by federal depository insurance or covered by collateral held by Mushroom Council's agent in Mushroom Council's name. There are no cash equivalents as of December 31, 2023 and 2022.

##### *Assessments Receivable*

All accounts are reported at their gross value and, where appropriate, are reduced by the estimated portion expected to be uncollectible. Mushroom Council uses the loss-rate method to estimate expected credit losses based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Historical credit loss experience provides the basis for the estimation of expected credit losses and adjustments are made for differences in current and forecasted risk characteristics and economic conditions. In addition, allowance for credit losses is measured on a pool basis when similar risk characteristics exist. Accounts receivables that do not share risk characteristics are evaluated on an individual basis. Mushroom Council takes into consideration the age of past due accounts and the ability of the customer to pay when determining current expected credit losses. The Council writes-off accounts receivable amounts from the allowance in the period the receivable is considered uncollectible. Any recoveries of amounts previously that were previously written off are recorded to income when the cash is received.

## MUSHROOM COUNCIL

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *Assessments Receivable (Continued)*

Assessments receivables are written off based on management's case-by-case determination of uncollectible amounts, subject to USDA approval. During the years ended December 31, 2023 and 2022, the Council had no write-offs or recoveries.

##### *Property and Equipment*

In addition to the furniture and electronic equipment noted above, Mushroom Council also has trademarks that it owns that are not recorded as assets. These include:

- *Blended Burger Project - Reg. No. 5,346,868 - 11/28/2017*
- *Blenditarian - Reg No. 5,346,797 - 11/28/2017*
- *Mushroom Council - Reg. No. 5,592,120 - 10/23/2018*
- *The Blend - Reg. No. 6,049,540 - 5/5/2020*

##### *Net Assets*

The classification of net assets are described below:

*Net Assets with Restrictions* - describes the portion of net assets that have constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally would include restrictions for capital projects, or other special purposes.

*Net Assets Without Restrictions* - describes the portion of net assets that is not restricted for any project or other purpose.

##### *Revenue Recognition*

Assessment revenue, or exchange revenue, is reported as the amount of revenue earned that is commensurate with the value of the transfer of promised goods or services at the time of transfer.

##### *Income Taxes*

Based on Mushroom Council's status as an instrumentality of USDA, Mushroom Council is exempt from income taxes.

#### 3. ADOPTION OF ACCOUNTING STANDARDS AND NEW ACCOUNTING PRONOUNCEMENTS

During the year ended December 31, 2023, the Council adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability.

MUSHROOM COUNCIL

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

3. **ADOPTION OF ACCOUNTING STANDARDS AND NEW ACCOUNTING PRONOUNCEMENTS  
(CONTINUED)**

Assets must be presented in the financial statements at the net amount expected to be collected. All assets that fall within the scope of ASU 2016-13 were evaluated to determine if the measurement of expected credit losses is material. The Council adopted ASU 2016-13 and the effect of the adoption was not material to the financial statements.

4. **LIQUIDITY AND AVAILABILITY OF RESOURCES**

As of December 31, 2023 and 2022, the following financial assets and liquidity sources were available for general operating expenses, respectively:

	<u>2023</u>	<u>2022</u>
<i>Financial Assets</i>		
Cash	\$ 804,285	\$ 1,121,483
Assessments Receivable, Net	<u>603,705</u>	<u>568,719</u>
	1,407,990	1,690,202
Less Required Designated Reserves	<u>(400,000)</u>	<u>(400,000)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 1,007,990</u>	<u>\$ 1,290,202</u>

5. **RISKS AND UNCERTAINTIES**

*Credit Risk*

Cash deposits as of the balance sheet date are insured in the amount of \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Balances in excess of FDIC limits are collateralized with obligations issued and insured by the United States Government and held by Bank of America under the supervision of the Agricultural Marketing Service. Collateral held by Bank of America on behalf of Mushroom Council totals \$2,000,000 as of the statements of financial position date.

*Concentrations*

For the year ended December 31, 2023, two customers made up 40% of total assessments receivable, one customer made up 24% of total assessments revenue, one vendor made up 58% of total expenses, and three vendors made up 76% of accounts payable.

For the year ended December 31, 2022, two customers made up 26% of total assessments receivable, one customer made up 23% of total assessments revenue, one vendor made up 65% of total expenses, and three vendors made up 82% of accounts payable.

6. **REFUNDS**

For the years ended December 31, 2023 and 2022, refunds for assessment overpayments amounted to \$-0- and \$104, respectively.

## MUSHROOM COUNCIL

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

#### 7. INVESTMENTS

Mushroom Council is required to follow the Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs investment policy. Accordingly, Mushroom Council is authorized to invest in securities consisting of obligations issued or fully insured or guaranteed by the United States or any U.S. government agency, including obligations of government-sponsored corporations, and must mature within one year or less from the date of purchase. Investments are carried at cost, which approximates fair value. There are no investments other than cash deposits with Bank of America.

#### 8. ASSESSMENTS RECEIVABLE

Assessments receivable consists of assessments from current and prior month's sales of fresh mushrooms by handlers, plus assessments and non-compliance penalties and interest.

Generally Accepted Accounting Principles require all revenues be reported net of discounts and allowances. However, uncollectible amounts related to revenues already reported in previous years should be reported as an expense.

As of December 31, 2023 and 2022, allowance for expected credit losses totaled \$50,236 and \$51,339, respectively. As of December 31, 2023 and 2022, there were no write offs or bad debt expense. The allowance was reduced \$1,103 for forecasted or expected credit losses.

#### 9. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2023 and 2022, consisted of the following:

	2022	Additions	Retirements	2023
Computer Equipment	\$ 10,802	\$ 1,745	\$ (949)	\$ 11,598
Furniture and Miscellaneous	5,204	450	-	5,654
	16,006	2,195	(949)	17,252
Less Accumulated Depreciation	(13,863)	(839)	166	(14,536)
	\$ 2,143	\$ 1,356	\$ (783)	\$ 2,716

Depreciation and amortization expense totaled \$839 and \$435 in 2023 and 2022, respectively.

#### 10. COMMITMENTS AND CONTINGENCIES

##### *Operating Leases*

Mushroom Council is obligated to treat certain lease agreements as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore, the results of the lease agreements are not reflected in Mushroom Council's account groups.

Mushroom Council leased office space in Missouri, which was extended to November 30, 2025. Future minimum rental payments for the office lease is \$20,340 for 2024 and \$18,645 for 2025.

For the years ended December 31, 2023 and 2022, Mushroom Council paid \$30,983 and \$23,274 for rents related to office leases and offsite storage, respectively.

MUSHROOM COUNCIL

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022

10. COMMITMENTS AND CONTINGENCIES (CONTINUED)

*Contract Commitments*

There are no contract commitments as of December 31, 2023. Contract commitments are payable from existing fund resources and are related to unperformed contracts for goods or services as of the end of the year.

11. GOVERNMENT AND PROFESSIONAL EXPENSES

	<u>2023</u>	<u>2022</u>
Agricultural Marketing Service (AMS) User Fees		
Billed through December 31	\$ 103,803	\$ 86,806
Audit and Accounting Services Provided	38,077	36,540
Legal and Consulting Services Provided	<u>14,652</u>	<u>9,099</u>
	<u>\$ 156,532</u>	<u>\$ 132,445</u>

12. COMPENSATED ABSENCES

Employees of Mushroom Council are entitled to paid vacation; full-time and part-time employees depending on length of service. Employees are expected to take their earned vacation in the calendar year in which it is accrued. In the event earned vacation is not taken in the year accrued, employees can carry over the unused balance and continue to accrue vacation, subject to a maximum accrual of one and three quarters (1.75) of their applicable annual accrual rate. The liability for compensated absences is determined annually. Amounts expected to be paid out of current financial resources are recorded as current fund liabilities.

Full-time employees accrue sick leave at the rate of one day per month. Sick leave may be accrued up to a maximum of sixty days. Unused or accrued sick leave is not paid to employees upon the termination of employment. Accumulated sick leave benefits are not recognized as liabilities of Mushroom Council. Mushroom Council's policy is to record sick leave as an operating expense in the period sick leave is used by the employee. Compensation for illness is only paid as illness occurs.

13. FUNCTIONAL ALLOCATION OF EXPENSES

It is Mushroom Council's policy to allocate employee compensation, employer payroll taxes, workman's compensation, and employee benefits amongst the Research Information and Program Elements (RIPE) expense categories.



**MUSHROOM COUNCIL**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

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**13. FUNCTIONAL ALLOCATION OF EXPENSES (CONTINUED)**

Accordingly, these compensation elements are divided equally into the following RIPE general ledger accounts:

<b>Employee Compensation</b>	<b>Employer Payroll Taxes</b>	<b>WC Insurance &amp; Benefits</b>
• Industry Information	• Payroll Tax Expense Account	• WC Expense Account
• Promotion Related Staff Salaries	• Industry Information	• Industry Information
• Administration	• Promotion Related Staff Salaries	• Promotion Related Staff Salaries

Mushroom Council summarizes the costs of providing and managing its programs and supporting activities on a functional basis in the accompanying statements of activities. Accordingly, expenses are allocated among the benefiting program and supporting services based on specific identification or reasonable allocation methodologies, which are consistently applied using the compensation allocation policy above.

Program services, as presented in the statements of functional expenses, include the expenses directly related to research and information.

Supporting services include expenses indirectly related to the various projects and are of an administrative and development nature.

**14. RETIREMENT PLAN**

A defined contribution safe harbor 401k plan was established September 2017. The name of the plan is MC Safe Harbor 401(k) Plan (the Plan). The Plan is administered by a third-party administrator. Immediate participation for eligible employees was permitted when the Plan was established. Employees must complete three months of service to become eligible to participate in the Plan and receive matching employer contributions. Mushroom Council will make matching contributions for all participating employees in an amount equal to 100% of their contributions that are not in excess of 4% of each employee’s compensation. As of December 31, 2023 and 2022, employer matching contributions totaled \$6,536 and \$5,393, respectively.

Employees are immediately vested in their own contributions and earnings on those contributions and on the matching contributions by Mushroom Council.

**15. SUBSEQUENT EVENTS**

Mushroom Council has evaluated subsequent events through March 28, 2024, the date on which the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**MUSHROOM COUNCIL**

**STATEMENT OF ACTIVITIES - ACTUAL COMPARED TO BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)**

	Original Budget (Unaudited) 2023	Final Budget (Unaudited) 2023	Actual Expended 2023	Commitments		Variance Favorable (Unfavorable) 2023	Actual Expended 2022
				Unexpended 2022	Paid in 2022 for 2022		
<b>Revenue</b>							
Assessments							
Domestic	\$ 3,710,641	\$ 3,536,319	\$ 3,460,189	\$ -	\$ -	\$ 76,130	\$ 3,710,794
Imports	1,309,586	1,065,155	1,072,335	-	-	(7,180)	1,131,939
Interest	375	375	211	-	-	164	208
Refunds	(600)	(600)	-	-	-	(600)	(104)
	<u>5,020,002</u>	<u>4,601,249</u>	<u>4,532,735</u>	-	-	<u>68,514</u>	<u>4,842,837</u>
Other Income and Expense	(50,000)	(50,000)	7,033	-	-	(57,033)	14,713
Total Revenue	<u>4,970,002</u>	<u>4,551,249</u>	<u>4,539,768</u>	-	-	<u>11,481</u>	<u>4,857,550</u>
<b>Expenses</b>							
Administrative Costs	319,100	297,500	263,723	-	-	33,777	238,795
Government and Professional Services - Including Compliance Audits	204,200	210,700	156,532	-	-	54,168	132,445
Research and Information	<u>4,660,444</u>	<u>4,268,004</u>	<u>4,094,177</u>	-	-	<u>173,827</u>	<u>5,131,616</u>
Total Expenses	<u>5,183,744</u>	<u>4,776,204</u>	<u>4,514,432</u>	-	-	<u>261,772</u>	<u>5,502,856</u>
Excess of Revenues over (under) Expenses	(213,742)	(224,955)	25,336	-	-	(250,291)	(645,306)
Total Net Assets, December 31, 2022	<u>647,147</u>	<u>798,093</u>	<u>798,093</u>	-	-	-	<u>1,443,399</u>
<b>Total Net Assets, December 31, 2023</b>	<u>\$ 433,405</u>	<u>\$ 573,138</u>	<u>\$ 823,429</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (250,291)</u>	<u>\$ 798,093</u>

**MUSHROOM COUNCIL**

**SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES - ACTUAL COMPARED TO BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)**

	Final Budget (Unaudited) 2023	Actual Expenses 2023	Commitments		Variance Favorable (Unfavorable) 2023	Actual Expended 2022
			Unexpended 2022	Paid in 2022 for 2022		
<b>Administrative Expenses</b>						
<b>Office Expenses</b>						
Computer System	\$ 1,000	\$ 145	\$ -	\$ -	\$ 855	\$ 904
Office Equipment/Supplies	2,000	847	-	-	1,153	450
Rent	34,000	30,983	-	-	3,017	23,274
Telephone/Internet	2,000	1,011	-	-	989	1,221
Printing	1,000	-	-	-	1,000	-
Postage/Shipping	2,500	2,301	-	-	199	1,484
Miscellaneous	1,500	(1,556)	-	-	3,056	1,474
Total Office Expenses	44,000	33,731	-	-	10,269	28,807
<b>Other Operating Expenses</b>						
Insurance and Bonds	9,800	9,614	-	-	186	8,978
Auto Allowance	4,800	4,800	-	-	-	4,800
Meeting Expense	20,000	15,427	-	-	4,573	30,496
Council Members Travel	20,000	8,235	-	-	11,765	5,156
Staff Travel	10,000	5,453	-	-	4,547	4,876
Bad Debt	-	-	-	-	-	-
Depreciation Expense	-	839	-	-	(839)	435
Miscellaneous Expense	-	-	-	-	-	-
Total Other Operating Expenses	64,600	44,368	-	-	20,232	54,741
<b>Payroll Expenses</b>						
Administrative Expenses	150,000	144,840	-	-	5,160	128,707
Workers Compensation Insurance	1,500	804	-	-	696	652
Employer FICA	8,800	10,774	-	-	(1,974)	5,930
Payroll Expense	1,000	3,363	-	-	(2,363)	124
Health Insurance	18,000	14,802	-	-	3,198	12,327
Employer Medicare	3,100	4,505	-	-	(1,405)	2,114
Deferred Compensation	6,500	6,536	-	-	(36)	5,393
Total Payroll Expenses	188,900	185,624	-	-	3,276	155,247
<b>Total Administrative Expenses</b>	<b>\$ 297,500</b>	<b>\$ 263,723</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 33,777</b>	<b>\$ 238,795</b>

**MUSHROOM COUNCIL**

**SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES - ACTUAL COMPARED TO BUDGET (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)**

	Final Budget (Unaudited) 2023	Actual Expenses 2023	Commitments		Variance Favorable (Unfavorable) 2023	Actual Expended 2022
			Unexpended 2022	Paid in 2022 for 2022		
<b>Professional and Governmental Expenses</b>						
<b>Governmental Expenses</b>						
AMS User Fees	\$ 100,000	\$ 103,803	\$ -	\$ -	\$ (3,803)	\$ 86,806
General Counsel	-	10,000	-	-	(10,000)	6,718
Total Governmental Expenses	<u>100,000</u>	<u>113,803</u>	<u>-</u>	<u>-</u>	<u>(13,803)</u>	<u>93,524</u>
<b>Professional Services Expenses</b>						
Audit	25,500	25,500	-	-	-	24,000
Accounting	13,200	12,577	-	-	623	12,540
Legal	10,000	3,145	-	-	6,855	550
Miscellaneous	2,000	1,507	-	-	493	1,831
Compliance Inspections	50,000	-	-	-	50,000	-
Total Professional Services Expenses	<u>100,700</u>	<u>42,729</u>	<u>-</u>	<u>-</u>	<u>57,971</u>	<u>38,921</u>
<b>Total Governmental and Professional Services Expenses</b>	<u>\$ 200,700</u>	<u>\$ 156,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,168</u>	<u>\$ 132,445</u>

**MUSHROOM COUNCIL**

**SCHEDULE OF PROGRAM EXPENSES - ACTUAL COMPARED TO BUDGET  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022)**

	Final Budget (Unaudited) 2023	Actual Expenses 2023	Commitments		Variance Favorable (Unfavorable) 2023	Actual Expended 2022
			Unexpended 2022	Paid in 2022 for 2022		
<b>Research and Information Expenses</b>						
Econometric/Marketing Research	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,000	\$ 29,770
Retail Promotion and Research	313,350	285,562	-	-	27,788	473,153
Food Service - Schools	153,500	144,153	-	-	9,347	147,119
Food Service - Promotion and Research	730,000	720,419	-	-	9,581	748,180
Strategic Counseling/Agency Planning	41,500	12,488	-	-	29,012	44,048
Industry Information	242,054	247,480	-	-	(5,426)	247,421
Consumer Public Relations	2,000,000	1,995,353	-	-	4,647	2,264,932
Nutrition Research	123,600	74,120	-	-	49,480	508,045
Nutrition Promotion	310,000	308,149	-	-	1,851	377,864
Food Safety/Production Services	100,000	100,000	-	-	-	102,500
Promotion Related Staff Salaries	195,000	162,564	-	-	32,436	159,127
Crisis Management	10,000	-	-	-	10,000	-
Memberships	6,000	4,139	-	-	1,861	4,590
Promotion Related Staff Expenses	40,000	39,750	-	-	250	24,867
<b>Total Research and Information Expenses</b>	<b>\$ 4,268,004</b>	<b>\$ 4,094,177</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 173,827</b>	<b>\$ 5,131,616</b>

MUSHROOM COUNCIL

SCHEDULES OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>Receipts</b>		
Assessments	\$ 4,497,538	\$ 4,749,562
Interest and Other Income	<u>7,244</u>	<u>14,817</u>
Total Receipts	4,504,782	4,764,379
<b>Disbursements</b>		
Program Expenses	4,401,725	4,879,746
General and Administrative	263,723	242,922
Government and Professional Services	<u>156,532</u>	<u>132,445</u>
Total Disbursements	<u>4,821,980</u>	<u>5,255,113</u>
Excess of Receipts over Disbursements	(317,198)	(490,734)
Cash at Beginning of Year	<u>1,121,483</u>	<u>1,612,217</u>
<b>Cash at End of Year</b>	<u><u>\$ 804,285</u></u>	<u><u>\$ 1,121,483</u></u>

**Independent Auditor’s Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Council Members and Management  
Mushroom Council  
Lee’s Summit, Missouri

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 Mushroom Council, which collectively comprise Mushroom Council’s basic financial statements as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2024.

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

In planning and performing our audits of the financial statements, we considered Mushroom Council’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 Mushroom Council’s internal control. Accordingly, we do not express an opinion on the effectiveness of Mushroom Council’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 Mushroom Council’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 audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Mushroom Council’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 audits 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*.



Council Members and Management  
Mushroom Council

***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 Mushroom Council's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mushroom Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Councilor, Buchanan + Mitchell, P.C.*

Bethesda, Maryland  
March 28, 2024

Certified Public Accountants

**Report on Compliance with Requirements That Could Have a Direct and  
Material Effect over Compliance in Accordance with  
*The Mushroom Promotion, Research, and Consumer Information Act of 1990***

Council Members and Management  
Mushroom Council  
Lee's Summit, Missouri

***Opinion***

We have audited the financial statements of Mushroom Council, an instrumentality of the United States Department of Agriculture, as of and for the years ended December 31, 2023 and 2022, and issued our report dated March 28, 2024. In connection with our audit, we performed procedures to provide the United States Department of Agriculture, Agricultural Marketing Service (USDA/AMS) reasonable assurance that the Council complied with the compliance requirements referred to below. Our responsibility is to express and opinion on the Council's compliance with the compliance requirements of *The Mushroom Promotion, Research, and Consumer Information Act of 1990* as of and for the years ended December 31, 2023 and 2022.

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to herein that could have a direct and material effect on each over compliance requirements of *The Mushroom Promotion, Research, and Consumer Information Act of 1990* as of and for the years ended December 31, 2023 and 2022.

***Basis for Opinion***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and *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 Compliance section of our report.

We are required to be independent of Mushroom Council and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance. Our audit does not provide a legal determination of Mushroom Council's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements of laws, regulations, and contracts, applicable to *The Mushroom Promotion, Research, and Consumer Information Act of 1990*.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council's compliance of requirements of *The Mushroom Promotion, Research, and Consumer Information Act of 1990* based on our audits of the types of compliance requirements referred to above.

***Auditor's Responsibilities for the Audit of Compliance (Continued)***

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Council's compliance with the requirements of *The Mushroom Promotion, Research, and Consumer Information Act of 1990* as a whole.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Mushroom Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Mushroom Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with requirements of *The Mushroom Promotion, Research, and Consumer Information Act of 1990*, but not for the purpose of expressing an opinion on the effectiveness of Mushroom Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audits.

***Compliance***

We believe that our audits provide a reasonable basis for our opinion on compliance. However, our audits do not provide a legal determination of Mushroom Council's compliance with those requirements. In our opinion, Mushroom Council complied in all material respects with the compliance requirements referred to below that are applicable for the years ended December 31, 2023 and 2022.

- 1) Complied with the Code of Federal Regulations (7 CFR Part 1209) - The Mushroom Promotion, Research, and Consumer Information Order (the Order), issued by USDA;
- 2) Whether funds were used in accordance with USDA Guidelines for AMS Oversight of Commodity Research and Promotion Programs, issued January 2020;
- 3) Complied with the Section 1925, Subsection (h) of *The Mushroom Promotion, Research, and Consumer Information Act of 1990* (Act) and Section 1209.53 of the Order, relating to the use of assessment funds for the purpose of influencing governmental policy and action;
- 4) Whether internal controls over funds met auditing standards;

***Compliance (Continued)***

- 5) Whether funds were expensed for projects and other expenses authorized in a budget and marketing plan approved by the Council and USDA;
- 6) Complied with the by-laws of the Council or any other policy of the Council, specifically as they relate to financial matters, including Council and employee reimbursements, lease commitments, and employee benefits;
- 7) Obtained a written contract or agreement with any entity or person providing goods and services to the Council; and
- 8) Complied with the Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs investment policy pertaining to the limitations on the types of investments the Council may purchase and the insurance and collateral that must be obtained for all deposits and investments.

***Report on Internal Control over Compliance***

Management of the Council 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 audits of compliance, we considered the Council'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 Mushroom Promotion, Research, and Consumer Information Act of 1990*, 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 Council'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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audits we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audits were not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Council Members and Management  
Mushroom Council

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 Mushroom Promotion, Research, and Consumer Information Act of 1990*. Accordingly, this report is not suitable for any other purpose.

*Councilor, Buchanan + Mitchell, P.C.*

Bethesda, Maryland  
March 28, 2024

Certified Public Accountants