

Independent Auditor's Report

To the Board of Directors
American Egg Board

Report on the Financial Statements

We have audited the accompanying financial statements of American Egg Board (AEB), which comprise the statement of financial position as of December 31, 2017 and 2016 and the related statements of activities, accumulated excess of revenue over expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Egg Board as of December 31, 2017 and 2016 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2018 on our consideration of American Egg Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 American Egg Board's internal control over financial reporting and compliance.

Plante & Moran, PLLC

March 6, 2018

Report of Independent Public Accountants on Compliance

To the Board of Directors
American Egg Board

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, the statement of financial position of American Egg Board (AEB) as of December 31, 2017 and the related statements of activities, accumulated excess of revenue over expenses, and cash flows for the year then ended, and have issued our report thereon dated March 6, 2018.

In connection with our audit, nothing came to our attention that caused us to believe that American Egg Board failed to comply with provisions of Section 5D of the United States Department of Agriculture (USDA) Guidelines for Agricultural Marketing Service Oversight of Commodity Research and Promotion Programs (the "Guidelines") dated September 2015, insofar as they relate to accounting matters and the following:

- Monetary funds used for the purpose of influencing governmental policy or action
- Adherence to the Agricultural Marketing Service investment policy
- Internal controls over monetary funds meeting auditing standards
- Monetary funds used only for projects and other expenses authorized in the budget approved by the USDA
- Monetary funds used in accordance with the Guidelines referenced above

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

The purpose of this report is solely to describe the compliance described above and the results of that testing and not to provide an opinion on the effectiveness on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering AEB's compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

March 6, 2018