

Independent Auditor's Report

Board of Directors
Softwood Lumber Board

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 Softwood Lumber Board, which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated April 9, 2026.

In connection with our audit, insofar as they relate to accounting matters, nothing came to our attention that causes us to believe that Softwood Lumber Board:

- Failed to comply with laws and regulations and U.S. Department of Agriculture (USDA) Guidelines for Agricultural Marketing Services (AMS) Oversight of Commodity Research and Promotion Programs applicable to Softwood Lumber Board.
- Failed to comply with the Softwood Lumber Research, Promotion, Consumer Education and Industry Information Order relating to the use of assessment funds for the purpose of influencing legislation or governmental policy or action.
- Expended assessment funds for purposes other than those authorized by the Commodity Promotion, Research and Information Act of 1996 and the Softwood Lumber Board's approved Budget and Marketing Plan.
- Expended or obligated assessment funds on any projects prior to the fiscal year in which those funds were authorized to be expended by Softwood Lumber Board's approved Budget and Marketing Plan.
- Did not adhere to the original or amended Budget and Marketing Plan approved by USDA for the year ended December 31, 2025.
- Did not obtain a written contract or agreement with any person or entity providing goods or services to Softwood Lumber Board.
- Failed to comply with USDA-AMS Directive 2210.2, relating to the limitations on the types of investments that may be purchased by Softwood Lumber Board and the insurance or collateral that must be obtained for all Softwood Lumber Board deposits and investments.
- Failed to comply with disclosure requirements for lease commitments.
- Failed to comply with standards established relating to contracts and USDA approval letters (if necessary).
- Internal controls over funds did not meet auditing standards
- Failed to comply with the By-Laws of Softwood Lumber Board or any other policy of Softwood Lumber Board, specifically as they relate to all financial matters, including time and attendance, and travel.

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However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Softwood Lumber Board's noncompliance with laws, regulations, and policies, as indicated by the actions listed above, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board and management of Softwood Lumber Board and the Market Development Division of the Agricultural Marketing Service of the U.S. Department of Agriculture and is not intended to be and should not be used by anyone other than those specified parties.

Very truly yours,

Councilor, Buchanan + Mitchell, P.C.

Certified Public Accountants