

**CITRUS RESEARCH AND FIELD TRIAL
FOUNDATION, INC.**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

**CITRUS RESEARCH AND FIELD TRIAL
FOUNDATION, INC.**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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Bunting, Tripp & Ingley, LLP

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Independent Auditor's Report

ALSO WITH OFFICES IN
TAMPA, FLORIDA

The Board of Directors
Citrus Research and Field Trial Foundation, Inc.
Bartow, FL

Opinion

We have audited the accompanying financial statements of Citrus Research and Field Trial Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the year 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 Citrus Research and Field Trial Foundation, Inc. as of June 30, 2024, and the changes in its net position and its cash flows 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 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 Citrus Research and Field Trial Foundation, Inc. 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

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 Citrus Research and Field Trial Foundation, Inc.'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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Citrus Research and Field Trial Foundation, Inc.'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 Citrus Research and Field Trial Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

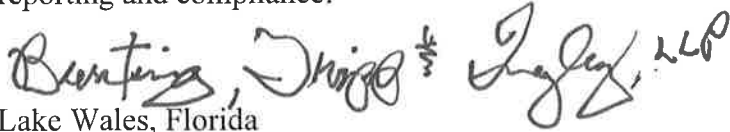
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Florida Chapter 10.650, *Rules of the Florida Auditor General*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the 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 November 21, 2024, on our consideration of Citrus Research and Field Trial Foundation, Inc.'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 Citrus Research and Field Trial Foundation, Inc.'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 Citrus Research and Field Trial Foundation, Inc.'s internal control over financial reporting and compliance.

Handwritten signature in cursive script, appearing to read "Brenting, Shiro & Legley, LLP".

Lake Wales, Florida
November 21, 2024

CITRUS RESEARCH AND FIELD TRIAL FOUNDATION, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

Introduction

Citrus Research and Field Trial Foundation, Inc. (CRAFT) is a direct support organization to provide assistance to the Division of Plant Industry of the State of Florida Department of Agriculture and Consumer Services. In 2019, CRAFT was formed to coordinate and manage broad scale field trial programs to determine the efficacy of various citrus greening/huanglongbing (HLB, also known as "citrus greening") treatments by collecting tree health data from growers that monitor and report specified effects and results.

This section of CRAFT's annual financial report presents CRAFT's analysis of its financial performance for the year ended June 30, 2024. This discussion has been prepared by management and should be read in conjunction with the financial statements and related note disclosures.

Overview of the Financial Statements

Along with management's discussion and analysis, the annual financial report includes the independent auditor's report and the financial statements of CRAFT. The financial statements also include notes that explain in more detail some of the information in the financial statements. By referring to the accompanying notes to the financial statements, a broader understanding of issues impacting financial performance can be realized.

The annual financial report also includes the 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*. Also included is the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required the Uniform Guidance. There is also a Schedule of Expenditures of Federal Awards and notes thereto together with a Schedule of Findings and Questioned Costs.

CRAFT recognizes revenues and expenses on the statement of revenues, expenses, and changes in net position as grant funds are awarded by granting agencies and expenses as the obligation to expend those grant funds is determined for approved research and field trial projects.

Statement of Net Position

The statement of net position presents the assets, liabilities and net position of CRAFT as of the end of the fiscal year. A statement of net position is a point-in-time financial statement. Its purpose is to present to the readers of the financial statements the current financial condition of CRAFT. Assets and liabilities are generally measured using current values. The net position is one indicator of the current financial condition of CRAFT, while the changes in net position is an indicator of whether the overall financial condition of the organization has improved or worsened over a period of time.

CITRUS RESEARCH AND FIELD TRIAL FOUNDATION, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

YEAR ENDED JUNE 30, 2024

The following table presents CRAFT's condensed statements of net position as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Assets		
Cash	\$31,617,853	\$ 9,226,352
Receivables	23,208	38,223
Total assets	<u>\$31,641,061</u>	<u>\$ 9,264,575</u>
Liabilities		
Operating payables	\$ 29,918	\$ -
Deferred revenue	31,278,932	9,240,023
Total liabilities	<u>\$31,308,850</u>	<u>\$ 9,240,023</u>
Net Position		
Restricted net assets	<u>\$ 332,211</u>	<u>\$ 24,552</u>

The payables/receivables are subject to delays from receipt of paperwork submitted by growers for field trials. Repayments to growers for field trials cannot be completed until they have submitted all required reports.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the Organization's revenue and expense activity, categorized as operating and nonoperating. Operating revenues consist of state and private grants for research and field trial contracts.

The following summarizes the Organization's activity for the fiscal years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating revenues	\$19,719,008	\$ 8,441,226
Operating expenses	19,411,349	8,416,787
Operating income	307,659	24,439
Nonoperating revenues	-	-
Increase in net position	<u>\$ 307,659</u>	<u>\$ 24,439</u>

CITRUS RESEARCH AND FIELD TRIAL FOUNDATION, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

YEAR ENDED JUNE 30, 2024

Statement of Cash Flows

The statement of cash flows provides information about the Organization's financial results by reporting the major sources and uses of cash. This information will assist in evaluating the organization's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash provided by the operating activities of the Organization.

The following summarizes the Organization's cash flows for the fiscal years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash flows from:		
Operating activities	\$22,391,501	\$ 7,675,639
Net increase in cash	22,391,501	7,675,639
Cash, beginning of year	9,226,352	1,550,713
Cash, end of year	<u>\$31,617,853</u>	<u>\$ 9,226,352</u>

Economic Outlook

For the year ended June 30, 2024, the Organization received funding from the United States Department of Agriculture (USDA), and funding from Florida Department of Agriculture and Consumer Services awarded through Citrus Research and Development Foundation. Funding is dependent on legislative actions which are never certain. The critical importance of containing the spread of huanglongbing (Citrus Greening) and field trial of resistant varieties makes the mission of CRAFT important to the future of Florida citrus agriculture.

Contacting the Organization's Financial Management

If you have any questions or need additional information, contact the Organization's management at:

Citrus Research and Field Trial Foundation, Inc.
600 N. Broadway Ave.
Bartow, FL

Email: steven@craftdn.org

Or visit the website: craftdn.org

CITRUS RESEARCH AND FIELD TRIAL FOUNDATION, INC.

STATEMENT OF NET POSITION

JUNE 30, 2024

ASSETS

Cash	\$ 31,617,853
Contract payments receivable	<u>23,208</u>
Total assets	<u>\$ 31,641,061</u>

LIABILITIES AND NET POSITION

Liabilities

Operating payables	\$ 29,918
Deferred revenue	<u>31,278,932</u>
Total liabilities	<u>31,308,850</u>

Net Position

Net position restricted by grantor as to purpose	<u>332,211</u>
Total net position	<u>332,211</u>
Total liabilities and net position	<u>\$ 31,641,061</u>

CITRUS RESEARCH AND FIELD TRIAL FOUNDATION, INC.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2024

Support and Revenues

Research contract funding:	
Government grants	\$ 19,411,350
Interest income	307,658
	<hr/>
Total revenue and support	19,719,008

Operating Expenses and Supporting Services

Research and field trial contracts	17,605,295
Administrative support	1,806,054
	<hr/>
Total expenses and supporting services	19,411,349

Increase in net position	307,659
Net position, beginning of period	24,552
	<hr/>
Net position, end of period	\$ 332,211
	<hr/> <hr/>

See notes to accompanying financial statements.

CITRUS RESEARCH AND FIELD TRIAL FOUNDATION, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

Operating Activities

Increase in net position	\$ 307,659
Adjustments to reconcile increase in net position to net cash provided by operating activities:	
Decrease in contract payments receivable	15,015
Increase in deferred revenue	22,038,909
Increase in operating payables	<u>29,918</u>
Net cash provided by operating activities	<u>22,391,501</u>
Net increase in cash	22,391,501
Cash, beginning of year	<u>9,226,352</u>
Cash, end of year	<u><u>\$31,617,853</u></u>

See notes to accompanying financial statements.

CITRUS RESEARCH AND FIELD TRIAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

Note A - Summary of Significant Accounting Policies

Organizational Activities

Citrus Research and Field Trial Foundation, Inc. (the Foundation) is a Florida not-for-profit organization which has been certified as a direct support organization to provide assistance to the Division of Plant Industry of the State of Florida Department of Agriculture and Consumer Services. The Foundation was incorporated June 18, 2019.

The Foundation supports research in citrus propagation, citrus disease prevention and treatment, and economic development within the Florida citrus industry. The Foundation coordinates and monitors research projects funded by the Florida Department of Agriculture and Consumer Services (FDACS), and monitors other organizations.

Basis of Accounting and Presentation

The Foundation's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for business-type activities, as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when incurred. Voluntary non-exchange transactions are recognized as revenue as soon as all eligibility requirements have been met.

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 certain reported amounts and disclosures. Actual results could differ from those estimates.

Net Position

Without Donor or Grantor Restrictions - available for use in general operations and not subject to donor (or certain grantor) restrictions.

With Donor or Grantor Restrictions - subject to donor or grantor imposed restrictions. Some donor or grantor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other donor or grantor-imposed restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity. Donor or grantor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

For the year ended June 30, 2024, \$329,765 of net position was subject to restrictions imposed by grantor agencies or donors. Those funds are designated for grower contracts for research and field trials.

CITRUS RESEARCH AND FIELD TRIAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED JUNE 30, 2024

Note A - Summary of Significant Accounting Policies - Continued

Contract Payments Receivable

Contract payments receivable are stated at their estimated net realizable value.

Revenue Recognition

The Foundation recognizes grant revenue when all of the preconditions to receipt of the funds have been met. Investment income is recognized when received or credited to the investment account.

Donated Goods and Services

The Foundation receives donated services from officers and member of the Board of Directors who assist the Foundation in research and development. No amounts are recognized for these services in the accompanying Statement of Revenues, Expenses, and Changes in Net Position.

Tax Status and Positions

The Foundation is a corporation chartered under the Florida nonprofit corporation statutes. It is also a 509(a)(3) supporting organization that is recognized as a tax-exempt charity by the U.S. Department of Treasury under Internal Revenue Code section 501(c)(3).

Although nonprofit organizations pay no tax on their exempt function income, they can be liable for taxes on income earned from activities not related to their exempt purpose. For the year ended June 30, 2024, management believes the Foundation engaged in no activities that were not related to their exempt purpose.

Management has evaluated its tax positions taken for all open tax years. Currently, the 2021-2023 tax years are open and subject to examination by the Internal Revenue Service. The Foundation is not currently under audit, nor has it been contacted by the Internal Revenue Service. Based on the evaluation of the Foundation's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended June 30, 2024.

Date of Management Review

Subsequent events were evaluated through November 21, 2024, which is the date the financial statements were available to be issued.

CITRUS RESEARCH AND FIELD TRIAL FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED JUNE 30, 2024

Note B - Research Contract Funds Awarded

During the period ended June 30, 2024, the Foundation was awarded research contract funding from the following sources:

<u>Funding Agency</u>	<u>Contract Funds</u>	<u>Purpose</u>
U.S. Department of Agriculture	\$ 5,991,236	Research and field trial contracts
U.S. Department of Agriculture	1,362,788	Administrative support
Florida Department of Agriculture and Consumer Services (FDACS) passed through: Citrus Research and Development Foundation	33,393,792	Research and field trial contracts
Florida Department of Agriculture and Consumer Services (FDACS) passed through: Citrus Research and Development Foundation	<u>699,999</u>	Administrative support
Total research contract funds awarded	<u>\$ 41,447,815</u>	

The Florida Department of Agriculture and Consumer Services is a fund recipient of the United States Department of Agriculture. The Foundation is a subrecipient of funds from the USDA.

For the year ended June 30, 2024, the Foundation incurred administrative support expenses of \$1,806,055 and therefore only received \$1,806,055 of the \$2,062,787 awarded.

For the year ended June 30, 2024, the Foundation incurred program service expenditures of \$17,605,295 in relation to the research and field trial contracts and therefore only recognized \$17,605,295 of the \$39,385,028 awarded the remainder is reported in deferred revenue, in the current year.

Note C - Concentration of Credit Risk

The carrying amount of the Foundation's cash deposits are \$31,617,853 for the year ended June 30, 2024. The bank balances were \$31,617,853 at June 30, 2024. Deposits are placed in banks that qualify as public depositories pursuant to the provisions of Chapter 280, Florida Statutes. All such deposits are insured by Federal depository insurance, up to specified limits of \$250,000. The uninsured balance at June 30, 2024 were \$31,367,853. Subsequent to year end, management entered into a sweep agreement that mitigates the risk across multiple financial institutions.

Bunting, Tripp & Ingley, LLP

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ALSO WITH OFFICES IN
TAMPA, FLORIDA

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

The Board of Directors
Citrus Research and Field Trial Foundation, Inc.
Bartow, FL

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 Citrus Research and Field Trial Foundation, Inc. (a nonprofit organization), which comprise the statement of net position as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 21, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Citrus Research and Field Trial Foundation Inc.'s (the Foundation) internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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

Our consideration of internal control 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation'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 determination of financial statement amounts. 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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Brent J. Smith". The signature is written in a cursive, somewhat stylized font.

Lake Wales, Florida
November 21, 2024

Bunting, Tripp & Ingley, LLP

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ALSO WITH OFFICES IN
TAMPA, FLORIDA

**Independent Auditor's Report on Compliance for Each
Major Federal and State Program; Report on Internal Control
Over Compliance; and Report on the Schedule of Expenditures of
Federal Awards and State Financial Assistance Required by the
Uniform Guidance, and Florida Chapter 10.650, Rules of the Florida Auditor General**

The Board of Directors
Citrus Research and Field Trial Foundation, Inc.
Bartow, Florida

Opinion on Each Major Federal and State Program

We have audited Citrus Research and Field Trial Foundation, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and Florida Chapter 10.650, *Rules of the Auditor General* that could have a direct and material effect on each of Citrus Research and Field Trial Foundation, Inc.'s major federal and state programs for the year ended June 30, 2024. Citrus Research and Field Trial Foundation, Inc.'s major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Citrus Research and Field Trial Foundation, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Florida Chapter 10.650, *Rules of the Florida Auditor General* (FL Guidance). Our responsibilities under those standards, the Uniform Guidance and FL Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Citrus Research and Field Trial Foundation, Inc. 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 for each major federal and state program. Our audit does not provide a legal determination of Citrus Research and Field Trial Foundation, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Citrus Research and Field Trial Foundation, Inc.'s federal and state programs.

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 Citrus Research and Field Trial Foundation, Inc.'s compliance based on our audit. 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*, the Uniform Guidance, and the FL guidance 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 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 Citrus Research and Field Trial Foundation, Inc.'s compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and FL Guidance 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 Citrus Research and Field Trial Foundation, Inc.'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 Citrus Research and Field Trial Foundation, Inc.'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 the Uniform Guidance and FL Guidance, but not for the purpose of expressing an opinion on the effectiveness of Citrus Research and Field Trial Foundation, Inc.'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 audit.

Report on 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 a federal and state program 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 of a federal and state program 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 a federal and state program 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 audit we did not identify any deficiencies in internal control

CITRUS RESEARCH AND FIELD TRIAL FOUNDATION, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2024

<u>Federal Grantor</u>	<u>ALN Number</u>	<u>Contract Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Agriculture	10.025	12-APPQS&T00	<u>4,708,234</u>
Total expenditures of federal awards			<u>\$ 4,708,234</u>
<u>Florida Grantor</u>	<u>State CSFA No.</u>	<u>Contract Number</u>	<u>State Expenditures</u>
Florida Department of Agriculture and Consumer Services (FDACS): Passed Through Citrus Research and Development Foundation	42.023	23-026	<u>14,703,116</u>
Total expenditures of state financial assistance programs			<u>\$ 14,703,116</u>

See accompanying Notes to Schedule of Expenditures
of Federal Awards and State Financial Assistance.

CITRUS RESEARCH AND FIELD TRIAL FOUNDATION, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2024

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the Federal and State grant activity of Citrus Research and Field Trial Foundation, Inc. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements for Federal Awards, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Florida Chapter 10.650, *Rules of the Auditor General*. Because the schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Florida Chapter 10.650, *Rules of the Auditor General* and policies in the Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C - Summary of Significant Accounting Policies

Citrus Research and Field Trial Foundation, Inc. has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CITRUS RESEARCH AND FIELD TRIAL FOUNDATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified opinion		
Internal control over financial reporting:			
• Material weakness identified?	_____	Yes	<u> X </u> No
• Significant deficiency identified?	_____	Yes	<u> X </u> No
Noncompliance material to financial statements noted?	_____	Yes	<u> X </u> No

Federal Awards and State Financial Assistance

Internal control over major state programs:			
• Material weakness identified?	_____	Yes	<u> X </u> No
• Significant deficiency identified?	_____	Yes	<u> X </u> No

Type of auditor's report issued on compliance for major state programs:	Unmodified opinion
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Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516 (a) and Section 10.654(1)(e), Rules of the Auditor General?	_____	Yes	<u> X </u> No
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Identification of major programs:

Federal Agency:

U.S. Department of Agriculture:	ALN No. 10.025
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State Agency:

Florida Department of Agriculture and Consumer Services	CSFA No. 42.023
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Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
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“Citrus Research and Field Trial Foundation, Inc., qualified as low-risk auditee?”	<u> X </u>	Yes	_____	No
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“Schedule of Prior Audit Findings and Questioned Costs - State Programs” attached?	<u> X </u>	Yes	_____	No
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“Corrective Action Plan” attached? (No findings required to be reported under the Florida Single Audit Act.)	_____	Yes	<u> X </u>	No
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CITRUS RESEARCH AND FIELD TRIAL FOUNDATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

YEAR ENDED JUNE 30, 2024

Section II - Financial Statement Findings

No matters are reported.

Section III - Federal Awards Findings and Questioned Costs

There are no findings or questioned costs.

Section IV - State Awards Findings and Questioned Costs

There are no findings or questioned costs.

CITRUS RESEARCH AND FIELD TRIAL FOUNDATION, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2023

There were no findings or questioned costs.