



**Homosassa River  
Restoration Project, Inc.**

**FINANCIAL STATEMENTS**

**December 31, 2021**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Homosassa River Restoration Project, Inc.  
Homosassa, Florida

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Homosassa River Restoration Project, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in its net assets 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 the Organization 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### *Auditors' 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 auditors' 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 state financial assistance is presented for purposes of additional analysis as required by Chapter 10.650, Rules of the Auditor General, 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 information 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 September 30, 2022, on our consideration of the Organization'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 Organization'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 Organization's internal control over financial reporting and compliance.

*Caru, Riggs & Ingram, L.L.C.*

Gainesville, Florida  
September 30, 2022

**Homosassa River Restoration Project, Inc.**  
**Statement of Financial Position**

*December 31, 2021*

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**Assets**

Current assets

Cash \$ 428,794

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Total assets \$ 428,794

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**Liabilities and Net Assets**

Current liabilities

Accounts payable \$ 11,200

Unearned revenue 411,177

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Total liabilities 422,377

Net assets, without donor restrictions 6,417

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Total liabilities and net assets \$ 428,794

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*The accompanying notes are an integral part of these financial statements.*

**Homosassa River Restoration Project, Inc.**  
**Statement of Activities**

<i>For the year ended December 31, 2021</i>	<b>Without donor restrictions</b>
<b>Revenues</b>	
<i>Unrestricted support:</i>	
State government	\$ 4,199,364
Contributions	3,529
Interest income	168
Total revenue and other support	4,203,061
<b>Expenses</b>	
<i>Program services:</i>	
Department of Environmental Protection operations	4,200,738
Administrative and general	3,681
Total expenses	4,204,419
<b>Change in net assets</b>	<b>(1,358)</b>
Net assets, beginning of year	7,775
Net assets, end of year	\$ 6,417

*The accompanying notes are an integral part of these financial statements.*

**Homosassa River Restoration Project, Inc.**  
**Statement of Functional Expenses**

For the year ended December 31, 2021

	Program Services	Supporting Services		
	Department of Environmental Protection	Administrative & General	Total Expenses	
Professional fees	-	312	312	\$ 312
Printing and publication	-	151	151	151
Office supplies and expense	-	237	237	237
Program supplies and expense	4,200,253	-	4,200,253	4,200,253
Meetings, training and seminars	-	1,986	1,986	1,986
Insurance	-	720	720	720
Bank charges and interest	485	24	509	509
Taxes and licenses	-	251	251	251
<b>Total expenses</b>	<b>\$ 4,200,738</b>	<b>\$ 3,681</b>	<b>\$ 4,204,419</b>	<b>\$ 4,204,419</b>

The accompanying notes are an integral part of these financial statements.

**Homosassa River Restoration Project, Inc.**  
**Statement of Cash Flows**

*For the year ended December 31, 2021*

<b>Operating Activities</b>	
Cash received from state government	\$ 3,564,024
Cash from contributions and other sources	3,697
Cash paid for goods and services	<b>(4,461,425)</b>
Net decrease in cash	<b>(893,704)</b>
Cash, beginning of year	<b>1,322,498</b>
Cash, end of year	<b>\$ 428,794</b>
<b>Reconciliation of change in net assets to net cash used by operating activities:</b>	
Changes in net assets	\$ (1,358)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Decrease in unearned revenue	<b>(635,340)</b>
Decrease in accounts payable	<b>(257,006)</b>
Net cash provided by operating activities	<b>\$ (893,704)</b>

*The accompanying notes are an integral part of these financial statements.*

## **Homosassa River Restoration Project, Inc. Notes to Financial Statements**

### **NOTE 1: DESCRIPTION OF THE ORGANIZATION**

Homosassa River Restoration Project, Inc. (the "Organization") is a nonprofit Florida corporation committed to restoring and preserving the ecological integrity of the Homosassa River System by both, instruction and application, of existing and future technologies. The Organization is primarily supported through grants from the State of Florida.

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

#### ***Use of Estimates***

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to allocation of expenses by function.

#### ***Net Assets***

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions represent net assets that are not subject to or are no longer subject to donor-imposed stipulations. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restriction represent net assets whose use is limited by donor-imposed time and/or purpose restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

## **Homosassa River Restoration Project, Inc. Notes to Financial Statements**

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

#### ***Revenue Recognition***

#### ***Contributions***

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions. The Organization receives contributions from individuals and corporations. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Organization does not receive any restricted contributions.

#### ***Grants***

Grant revenue is recognized in the period when the eligible expenses are incurred for the program services. Resources received in advance related to program services to be provided are recorded as unearned revenue. The Organization receives funds from the State of Florida, which is administered by the Department of Environmental Protection, Division of Water Restoration Assistance. Grant revenues are recognized when the requirements under the grant have been fulfilled.

#### ***Functional Allocation of Expenses***

The statement of functional expenses reports certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Expenses not charged to a specific program or supporting function require allocation on a reasonable basis that is consistently applied as follows: office space rent, insurance, general postage and printing, certain professional fees, and training are treated as general expenditures recorded in the administrative and general function. Expenses are assigned directly to the program as expenditures are made.

#### ***Income Taxes***

The Organization is, under most circumstances, exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). Under these provisions, no tax is paid on income it receives as long as it maintains its tax exempt status. Accordingly, no provision for income taxes is provided in the accompanying financial statements. Management has determined that Homosassa River Restoration Project, Inc. had no uncertain tax positions that require recognition or disclosure for the year ended December 31, 2021.

## Homosassa River Restoration Project, Inc. Notes to Financial Statements

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 30, 2022, and determined there were no events that occurred that require disclosure.

#### ***Accounting Pronouncements Issued but Not Yet Adopted***

##### Accounting Standards Update 2016-02

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize assets and liabilities on the consolidated statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact of this ASU on the Organization's financial reporting.

##### Accounting Standards Update 2020-07

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This change in accounting principal is effective for fiscal years beginning after June 15, 2021. The Organization is evaluating the impact of this ASU on the Organization's financial reporting.

### NOTE 3: FINANCIAL ASSET AVAILABILITY

The Organization maintains its financial assets primarily in cash to provide liquidity to ensure funds are available as the Organization's expenditures come due. As of December 31, 2021, the Organization had \$428,794 of financial assets available within one year to meet needs for general expenditures. None of the financial assets are subject to donor restrictions. Accordingly, all such funds are available to meet the cash needs of the Organization in the next 12 months. The Organization regularly monitors liquidity required to meet its operational needs and other contractual commitments. Operating expenses are reviewed on a periodic basis and financial assets on hand are spent as necessary. As part of its liquidity management, the Organization monitors the water restoration progress to structure financial assets to be available as related expenditures, liabilities and other obligations become due. Cash needs of the Organization are expected to be met on a periodic basis from the state grant.

Net assets without restrictions was \$6,417 as of December 31, 2021. There were no net assets with donor restrictions.

## **Homosassa River Restoration Project, Inc. Notes to Financial Statements**

### **NOTE 4: OTHER CONCENTRATIONS**

The Organization has one major vendor, Sea and Shoreline, LLC, that accounted for approximately 98% and \$4,123,284 of cost of services for the year ended December 31, 2021. The Organization expects to maintain this relationship with Sea and Shoreline, LLC.

The Organization is dependent on the continuation of state and local government support. Such revenue amounted to \$4,199,364 and constituted 99% of total support earned by the Organization in 2021. Should the Organization fail to receive grant funding in the future, it would have a significant impact on their ability to continue their conservation efforts at current levels.

### **NOTE 5: RELATED PARTIES**

The Organization has one member of management who also own a company that provide services to the Organization.

The Contract Project Manager owns Wolf Run, LLC, which provides project management services. The Organization remitted \$24,000 to Wolf Run for the year ended December 31, 2021.

### **NOTE 6: CONCENTRATIONS OF CREDIT RISK**

Financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Organization maintains its cash in bank deposits. At times, cash balances may be in excess of Federal Deposit Insurance Corporation (FDIC) insured limits, which provides \$250,000 deposit coverage per qualified bank. The Organization maintains all of its cash investments with high-credit, quality financial institutions. The Organization had \$178,816 in excess of FDIC-insured limits at December 31, 2021. Management does not believe there is any significant credit risk relative to these deposits.

## **SUPPLEMENTARY INFORMATION**

**Homosassa River Restoration Project, Inc.  
Schedule of Expenditures of State Financial Assistance  
For the Year Ended December 31, 2021**

	State CSFA Number	Contract Number	State Expenditures
<b>State financial assistance</b>			
State of Florida Department of Environmental Protection:			
Florida Springs Grant Program	37.052	LPS0034	\$ 2,929,008
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPS0034	1,271,730
<b>Total expenditures of state financial assistance</b>			<b>\$ 4,200,738</b>

Note: The Organization did not make sub-awards of state financial assistance during the year ended December 31, 2021.

**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE:**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of State Financial Assistance includes the state grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not represent the financial position of the Organization.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures are recognized following the cost principles contained in the Florida Single Audit Act.

The Organization did not elect to use the 10 percent de minimis indirect cost rate.

The Organization does not participate in any loan or loan guarantee programs, nor did the Organization receive any non-cash state assistance in fiscal year 2021.

**Additional Elements Required by the  
Rules of the Auditor General**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Homosassa River Restoration Project, Inc.  
Homosassa, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Homosassa River Restoration Project, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 have issued our report thereon dated September 30, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Homosassa River Restoration Project, Inc.'s internal control over financial reporting (internal control) to determine the 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 Homosassa River Restoration Project, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Homosassa River Restoration Project, Inc.'s internal control.

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

Our consideration of the 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.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Homosassa River Restoration Project, Inc.'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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Carri Riggs & Ingram, L.L.C.*

Gainesville, Florida  
September 30, 2022

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR STATE PROJECTS AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

Board of Directors  
Homosassa River Restoration Project, Inc.  
Homosassa, Florida

### **Report on Compliance for the Major State Project**

#### ***Opinion on the Major State Project***

We have audited Homosassa River Restoration Project, Inc. (the Organization) compliance with the types of compliance requirements identified in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the Organization's major state projects for the year ended December 31, 2021. The Organization's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major state project for the year ended December 31, 2021.

#### ***Basis for Opinion on the Major State Project***

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 Chapter 10.650, Rules of the Auditor General. Our responsibilities under those standards and Chapter 10.650, Rules of the Auditor General, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization 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 state project. Our audit does not provide a legal determination of the Organization'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 the Organization's state projects.

#### ***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 Organization'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*, and Chapter 10.650, Rules of the Auditor General, 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 the Organization's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, Rules of the Auditor General, 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 the Organization'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 the Organization'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 Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 state project 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 state project 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 state project 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 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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

*Caru, Riggs & Ingram, L.L.C.*

Gainesville, Florida  
September 30, 2022

## Homosassa River Restoration Project, Inc. Schedule of Findings and Questioned Costs

### SECTION I - SUMMARY OF AUDITORS' RESULTS

#### *Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors' report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted?                     | No         |

#### *State Awards:*

- |   |            |
|---|------------|
| 1. Type of auditors' report issued on compliance for major projects   | Unmodified |
| 2. Internal control over major projects:  |            |
| a. Material weaknesses identified?  | No         |
| b. Significant deficiencies identified not considered to be material weaknesses?                              | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with the major state projects? | No         |
| 4. Identification of major projects:  |            |

CSFA Number	State Project
37.052	Florida Springs Grant Program
37.039	Statewide Surface Water Restoration and Wastewater Projects

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B projects: | \$750,000 |
|---|-----------|

### PART II – FINANCIAL STATEMENT FINDINGS

No matters are reportable.

### PART III – STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters are reportable. Additionally, no other matters are reportable pursuant to Chapter 10.650, Rules of the Auditor General.

## **Homosassa River Restoration Project, Inc. Summary Schedule of Prior Audit Findings**

There were no prior audit findings for the year ended December 31, 2020. Additionally, there are no current year findings that require corrective action.