FRIENDS OF HIGHLANDS HAMMOCK STATE PARK, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

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Bunting, Tripp & Ingley, LLP

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Independent Auditor's Report

To the Board of Directors
Friends of Highlands Hammock State Park, Inc.
Sebring, Florida

Opinion

We have audited the accompanying financial statements of Friends of Highlands Hammock State Park, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, functional expenses, 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 Friends of Highlands Hammock State Park, Inc. for the year ended December 31, 2024, 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 Friends of Highlands Hammock State Park, 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 Friends of Highlands Hammock State Park, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 Friends of Highlands Hammock State Park, 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 Friends of Highlands Hammock State Park, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2025, on our consideration of Friends of Highlands Hammock State Park, 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 Friends of Highlands Hammock State Park, 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 Friends of Highlands Hammock State Park, Inc.'s internal control over financial reporting and compliance.

Lake Wales, Florida
September 15, 2025

FRIENDS OF HIGHLANDS HAMMOCK STATE PARK, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

ASSETS

Current Assets	
Cash	$ 110,336
Accounts receivable	775
Investments	614,916
Inventory	49,654
Total current assets	775,681
Property and Equipment	
Furniture and equipment	119,097
Vehicles	77,335
Total property and equipment	196,432
Less: accumulated depreciation	(135,515)
Property and equipment - net	60,917
Total assets	$ 836,598

LIABILITIES AND NET ASSETS

Current Liabilities	
Payables and accruals	$ 13,175
Total current liabilities	13,175
Total liabilities	13,175
Net Assets	
Without donor restrictions	
Undesignated	117,710
Board Designated	694,622
Total without donor restrictions	812,332
With donor restrictions	11,091
Total net assets	823,423
Total liabilities and net assets	$ 836,598

See accompanying notes to financial statements.

FRIENDS OF HIGHLANDS HAMMOCK STATE PARK, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Service revenue	$ 357,352	$ -	$ 357,352
Contributions and grants	3,599	5,541	9,140
Fundraising	41,128	-	41,128
Investment income	29,410	-	29,410
Change in unrealized gains and losses	40,255	-	40,255
Other revenue	5,883	-	5,883
Net assets released from restrictions	-	-	-
Total revenues	477,627	5,541	483,168
Expenses			
Program services	402,794	-	402,794
Management & general	3,649	-	3,649
Fundraising expenses	19,839	-	19,839
Total expenses	426,282	-	426,282
Change in net assets	51,345	5,541	56,886
Net assets, beginning of the year	760,987	5,550	766,537
Net assets, end of the year	$ 812,332	$ 11,091	$ 823,423

See accompanying notes to financial statements.

FRIENDS OF HIGHLANDS HAMMOCK STATE PARK, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	Program Services	Management and General	Fundraising	Total
Cost of goods sold	$ 114,327	$ -	$ -	$ 114,327
Salaries and wages	87,694	-	-	87,694
Occupancy	49,836	173	-	50,009
Equipment maintenance	27,682	-	-	27,682
Accounting	23,980	2,070	-	26,050
Depreciation	24,351	-	-	24,351
Bank and credit card fees	21,733	-	-	21,733
Direct fundraising expenses	-	-	18,697	18,697
Repairs and maintenance	16,213	-	-	16,213
Office expense	9,850	980	-	10,830
Insurance	10,302	385	-	10,687
Payroll Taxes	6,936	-	-	6,936
Travel and entertainment-public officials	2,839	-	-	2,839
Auto expense	1,957	-	-	1,957
Supplies	1,432	-	-	1,432
Storage	1,347	-	-	1,347
Taxes and licenses	164	-	1,142	1,306
Miscellaneous	899	-	-	899
Work supplies	510	-	-	510
Contract labor	450	-	-	450
Dues and subs	263	-	-	263
Investment fees	-	41	-	41
Interest	15	-	-	15
Meetings and conferences	14	-	-	14
Total expenses	$ 402,794	$ 3,649	$ 19,839	$ 426,282

See accompanying notes to financial statements.

FRIENDS OF HIGHLANDS HAMMOCK STATE PARK, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024

Operating Activities		
Change in net assets	$	56,886
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		26,050
Realized gain on investments		(6,461)
Unrealized gain on investments		(40,255)
(Increase) decrease in assets		
Accounts receivable		(775)
Inventory		12,019
Decrease in liabilities		
Payables and accruals		(11,500)
Net cash provided by operating activities		35,964
Investing Activities		
Purchases of property and equipment		(8,839)
Proceeds from the sale of investments		11,317
Purchases of investments		(52,558)
Net cash used by investing activities		(50,080)
Net decrease in cash		(14,116)
Cash and cash equivalents - beginning of year		124,452
Cash and cash equivalents - end of year	$	110,336
Reconciliation of Cash and Restricted Cash to Statement of Financial Position		
Cash	$	99,245
Restricted cash		11,091
Total cash - end of year	$	110,336

See accompanying notes to financial statements.

FRIENDS OF HIGHLANDS HAMMOCK STATE PARK, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

Note A - Organization

Friends of Highlands Hammock State Park, Inc. (the "Organization) is a nonprofit organization in Highlands County Florida organized in April of 1995. The Organization is granted tax exempt status by the Internal Revenue Service under Code Section 501(c)(3). The Organization's purpose is to support State Park projects and assist in the operational needs of the park. The Organization has been certified as a Citizens Support Organization by the Florida Department of Environmental Protection.

Note B - Summary of Significant Accounting Policies

Basis of Accounting

The Organization's financial statements have been prepared on the accrual basis of accounting, which recognizes revenues when earned and expenses as incurred.

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor or grantor restrictions. The Organization has designated, from net assets without donor restrictions, net assets for the accumulation of funds from the excess of revenues over expenses as incurred each fiscal year for the purpose of meeting future operating expenses as well as the expense of liquidation in the event of termination of the Organization.

Net Assets Without Donor Restrictions - board designations - Net assets that were received from a bequest. The Organization has designated that the original amount received be used according to their investment policy.

Restricted Net Assets - Net assets with imposed donor restrictions that have not yet been expended according to purpose.

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.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Note B - Summary of Significant Accounting Policies - Continued

Investments

Investments are in marketable securities stated at fair value. See Note D for fair value measurements. Unrealized gains and losses are included in earnings and reported on the statement of activities.

Inventory

Inventory consists of park souvenirs, food and camping supplies, and is stated at lower cost or market, with cost determined on a first-in, first-out basis.

Equipment

Depreciable assets are stated at cost less accumulated depreciation. Depreciation is computed using the straight line method:

	Statutory Life
Furniture and equipment	7-15 years
Vehicles	5 years

Revenue Recognition

All contributions, including grants and bequests are considered available for operations unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as net assets with donor restrictions. When a donor restriction expires, net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released form donor restrictions. Restricted contributions whose restrictions are met during the same reporting period are show as support without donor restrictions.

The Organization recognizes revenues from sales of goods when sold.

Income Taxes

The Organization is organized as a Florida nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for federal income taxes have been made in the financial statements. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. It is management's opinion that the Organization had no unrelated business taxable income during the year ended December 31, 2024.

Management follows Accounting Standards Codification (ASC) 740-10 as it relates to uncertain tax positions. When applicable, any interest and penalties recognized associated with a tax position are classified as current in the Organization's financial statements.

Note B - Summary of Significant Accounting Policies - Continued

Income Taxes - Continued

Management has evaluated its tax positions taken for all open tax years. Currently, the 2022 - 2024 tax years are open and subject to examination by the Internal Revenue Service. The Organization is not currently under audit, nor has it been contacted by this jurisdiction. Based on the evaluation of the Organization'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 December 31, 2024.

Functional Allocation of Expenses

The costs of providing programs and supporting services have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. The expenses are charged directly to program management or fundraising services based on management's estimate of resources expended.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of eredit risk consist principally of cash and cash equivalents. The Organization places its cash and cash equivalents with creditworthy, high quality financial institutions. At times, amounts on deposit may exceed the amount that is covered by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2024, all cash balances are insured under FDIC coverage.

Date of Management Review

Subsequent events were evaluated through September 15, 2025, which is the date the financial statements were available to be issued.

Note C - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor/grantor or other restrictions limiting use, within one year of the balance sheet date, comprise the following:

	2024
Cash and cash equivalents	$ 110,336
Accounts Receivable	775
	$ 111,111

Note D - Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

	Fair Value	Level 1
Marketable Securities		
Corporate stocks and mutual funds	$ 614,916	$ 614,916
Total	$ 614,916	$ 614,916

Note E - Net Assets

Net assets with donor restrictions consist of the following as of December 31, 2024:

	2024
Specific Purpose - funds held within restricted cash:	
Concrete Slab	$ 1,500
CCC Museum	4,050
Scrub Jay	5,541
Total net assets with donor restrictions	$ 11,091

Composition of net assets without donor restrictions consist of the following as of December 31, 2024:

	2024
Undesignated	$ 117,710
Cost basis in investments	498,190
Property and equipment, net of related debt, if any	196,432
Total	$ 812,332

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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
Friends of Highlands Hammock State Park, Inc.
Sebring, Florida

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 Friends of Highlands Hammock State Park, Inc. (a nonprofit organization), which comprise the statement of net position as of December 31, 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 September 15, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Friends of Highlands Hammock State Park, Inc.'s (the Organization) 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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.

Lake Wales, Florida
September 15, 2025