

*BARRIER ISLAND PARKS SOCIETY, INC.*  
*AUDITED FINANCIAL STATEMENTS*  
*AS OF DECEMBER 31, 2016*

BARRIER ISLAND PARKS SOCIETY, INC.

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December 31, 2016

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## INDEPENDENT AUDITORS' REPORT

February 5<sup>th</sup>, 2018

To the Board of Directors  
Barrier Island Parks Society, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Barrier Island Parks Society, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016 and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility for the Financial Statements**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Directors  
Barrier Island Parks Society, Inc.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Barrier Island Parks Society, Inc. as of December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Alejandra M. Juffe*  
Alejandra M. Juffe  
Certified Public Accountant

**BARRIER ISLAND PARK SOCIETY, INC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2016**

**ASSETS**

**Current Assets:**

Cash and Cash Equivalents	426,505
Prepaid Expenses	19,068
Inventory	<u>56,876</u>

Total Current Assets 502,449

**Fixed Assets:**

LH Museum Fixtures & Equipment	82,092
Cayo Costa Fixtures & Equipment	8,254
Office & Computer Equipment	2,796
Speaker System	2,068
Cayo Costa Land	1
Less: Accumulated Depreciation	<u>(87,039)</u>

Total Fixed Assets 8,172

**Other Assets**

Equipment for Future Donations	<u>63,708</u>
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Total Other Assets 63,708

**TOTAL ASSETS** 574,329

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	1,753
Credit Card Payable	9,231
Amory Chapel Key Deposit	<u>2,763</u>

Total Current Liabilities 13,747

**Long Term Liabilities**

John Deere 5065E Loan	15,314
ATV Loan	7,949
Utility Tractor Loan Payable	<u>1,520</u>

Total Long Term Liabilities 24,783

**Net Assets**

Permanently Restricted	
Cayo Costa Land	<u>1</u>

Total Permanently Restricted Net Assets 1

Temporary Restricted	
Range Light	347,679
Woman's Club	5,000
FPL Land	<u>1,206</u>

Total Temporary Restricted Net Assets 353,885

Unrestricted Assets	
Unrestricted Net Assets	<u>181,913</u>

Total Unrestricted Assets 181,913

Total Net Assets 535,798

**Total Liabilities and Net Assets** 574,329

The accompanying notes are an integral part of these financial statements

**BARRIER ISLAND PARK SOCIETY, INC**  
**STATEMENT OF ACTIVITIES**  
**AS OF DECEMBER 31, 2016**

	Unrestricted	Temporarily Restricted	Total
<b>Public Support &amp; Revenues</b>			
Contributions & Grants	88,751	1,067,944	1,156,695
Memberships	44,004		44,004
Kayak & Bike Rental Program	38,525		38,525
Retail Sales Revenues	349,014		349,014
Other Income	-		-
Fundraising Events	48,263	20,360	68,623
Investment Income	33	83	116
	<u>568,590</u>	<u>1,088,387</u>	<u>1,656,977</u>
<b>Total Revenues</b>	<b>568,590</b>	<b>1,088,387</b>	<b>1,656,977</b>
<b>Expenses</b>			
Retail Merchandise	192,527		192,527
Sales Tax Paid	19,354		19,354
Newsletter & Postage	5,828		5,828
Special Events & Projects	4,498		4,498
Support Services	203,919	843,912	1,047,831
Administrative Support	53,860		53,860
	<u>479,986</u>	<u>843,912</u>	<u>1,323,898</u>
<b>Total Expenses</b>	<b>479,986</b>	<b>843,912</b>	<b>1,323,898</b>
<b>Other Income/Expenses</b>			
Unrealized Gain (Loss)	<u>-</u>	<u>(372)</u>	<u>(372)</u>
<b>Total Other Income/ Expenses</b>	<b>-</b>	<b>(372)</b>	<b>(372)</b>
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Increase (Decrease) in Net Assets</b>	<b>\$ 88,604</b>	<b>\$ 244,103</b>	<b>\$ 332,707</b>
Net Assets Beginning of Year	<u>93,309</u>	<u>109,782</u>	<u>203,091</u>
Net Assets End of Year	<u><b>\$ 181,913</b></u>	<u><b>\$ 353,885</b></u>	<u><b>\$ 535,798</b></u>

The accompanying notes are an integral part of these financial statements

**BARRIER ISLAND PARK SOCIETY, INC**  
**STATEMENT OF CASH FLOWS**  
**AS OF DECEMBER 31, 2016**

**Cash Flows from Operating Activities**

Increase in Net Assets Restricted & Temporary Restricted	332,706
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Adjustments to reconcile increase in net assets  
to net cash provided by operating activities:

Depreciation Expense	2,071
Increase in Prepaid Expenses	(19,068)
Increase in Accounts Payable	9,590
Increase in Inventory	<u>(56,875)</u>

Net Cash Provided by Operating Activities	(64,282)
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**Cash Flows from Investing Activities**

Unrealized Loss	<u>372</u>
Net Cash from Investing Activities	372

Beginning Cash and Cash Equivalents	<u>157,709</u>
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<b>Ending Cash and Cash Equivalents</b>	<b><u><u>\$ 426,505</u></u></b>
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The accompanying notes are an integral part of these financial statements

Barrier Island Parks Society, Inc  
Notes to Financial Statements  
As of December 31, 2016

NOTE 1- NATURE OF ACTIVITIES

Barrier Island Parks Society, Inc. (the Organization) is a private, nonprofit entity organized under Florida Statute as a Citizens Support Organization. The Organization's mission is to preserve, conserve, and support the natural assets, lighthouses, and history of Cayo Costa, Gasparilla Island, Don Pedro Island, and Stump Pass Beach State Parks.

Barrier Island Parks Society, Inc. was incorporated in November of 1989. The Organization manages and operates historic Port Boca Grande Lighthouse and Museum. Barrier Island Parks Society, Inc. is supported by retail sales of their merchandise at two gift shops (one located inside Gasparilla Island State Park and the other one, known as the "Camp Store", located inside Cayo Costa State Park, fundraising thru special events, memberships, and private grants and donations.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. The Organization currently has a calendar year ending December 31, 2016. Due to a determination from The Florida Department of Environmental Protection, all Citizen Support Organizations were required to report on a calendar year ending on December 31<sup>st</sup>. Therefore, starting on January 1<sup>st</sup>, 2016, Barrier Island Parks Society, Inc. switched from a fiscal year to a calendar year.

Classification of the Organization's net assets and their revenues and expenses are based on the existence or absence of donor-imposed restrictions. Barrier Island Parks Society, Inc. classifies net assets by the following categories:

Unrestricted net assets consist of net assets that are neither permanently nor temporarily restricted by donor-imposed stipulations. However, certain amounts of unrestricted net assets have been designated for specific purposes by the Board of Directors of the Organization.

Barrier Island Parks Society, Inc  
Notes to Financial Statements  
As of December 31, 2016

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

1. Basis of Accounting and Presentation- continued

Temporarily restricted net assets represent net assets with a donor-imposed restriction that is satisfied either by the passage of time or by actions of the organization.

Permanently restricted net assets result primarily from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization. Barrier Island Parks Society, Inc. does not currently have any permanently restricted net assets.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

2. Accounting Estimates

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Cash and Cash Equivalents

The Organization maintains its cash at commercial banks. The total cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. At December 31, 2016, amounts on deposit at commercial banks were fully insured by FDIC.

4. Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimates service lives ranging from 3 to 7 years principally on a straight-line basis. Major renewals, betterments and replacements are capitalized. Maintenance and repairs are charged to expense as incurred.

Barrier Island Parks Society, Inc  
Notes to Financial Statements  
As of December 31, 2016

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED

5. Services of Volunteers/ Contributed Services

During the year ended December 31, 2016, the value of donated services with specialized skills meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals and Board members volunteer their time and perform a variety of tasks that do not require specialized skills. The financial statements do not reflect the value of these donated services because an objective basis of measurement is unavailable.

6. Income Taxes

The Organization is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code. Management has evaluated significant tax positions against the criteria established by professional standards and believes there are no such tax positions requiring accounting recognition in the financial statements. The Organization's income tax return is subject to examination by taxing authorities generally for the years ended June 30, 2014, June 30, 2015, and December 31, 2016. There has been no tax examinations commenced during 2016 or through the dates of these financial statements.

NOTE 3- MAJOR DONORS

There were no individual donors whose aggregate donations exceeded 10% of total revenues for the year ended December 31, 2016.

NOTE 4- RELATED PARTY TRANSACTIONS

There was not related party transactions during the year ended December 31, 2016.

NOTE 5- NOTE PAYABLE

The Organization has two outstanding notes payable with John Deere Financial for the purchase of two tractors. Both loans are interest free. As of December 31, 2016, the balance on the notes are \$15,314 (final payment due on May 30, 2019) and \$1,520 (final payment due on May 4, 2017).

Also, The Organization acquired an ATV for future donation and there is a loan associated with the asset thru Englewood Bank. The loan is subject to an annual interest rate of 4.6%. As of December 31, 2016, the balance on the loan is \$7,949 (final payment due on May 30, 2019).

Barrier Island Parks Society, Inc  
Notes to Financial Statements  
As of December 31, 2016

NOTE 6- PERMANENTLY RESTRICTED NET ASSETS

The permanently restricted asset on the Organization's book is a donated parcel of land located at Cayo Costa. The land can not be sold or developed. Due to this contingency and by agreement between the donor and the Organization, the value of the land was estimated at \$1.

NOTE 7- TEMPORARY RESTRICTED NET ASSETS

The following funds are listed as temporarily restricted on the Organization's Statement of Financial Position:

- 1) Range Light: This fund was originated by grants and donations with the purpose of the restoration of the Gasparilla Island Light. The historical restoration cost has been estimated to be at \$1,783,000. A fundraising campaign to meet the fund's goal has been in place during 2016. The ending balance as of December 31, 2016 is \$347,679.
- 2) Woman's Club: This was a \$5,000 grant from Boca Grande Women's Club to install landscaping lights at the Armory Chapel. The balance as of December 31, 2016 remains \$5,000.
- 3) FPL Land: This was a private donation for the purchase of FPL land. The land was sold to a developer. The Board has contacted the original donors and they have returned most of the funds to the donors. The Board is trying to contact the remaining donor to establish if the donor wishes to allocate the donation to a different fund or have the funds returned. This fund will be removed once the donor decides how to proceed with the donation. The balance as of December 31, 2016 is \$1,207.

NOTE 8-SUBSEQUENT EVENTS

Barrier Island Parks Society, Inc. has evaluated events and transaction for potential recognition or disclosure through February 5, 2018, which is the date the financial statements were available to be issued.

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February 5, 2018

Board of Directors  
Barrier Island Parks Society, Inc.

We have audited the financial statements of Barrier Island Parks Society, Inc. (the Organization) for the year ended December 31, 2016, and have issued our report thereon dated February 5, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 5, 2018. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted other than the change of accounting reporting period due to the Florida Department of Environmental Protection's determination which was disclosed on the prior year's audit notes, and the application of existing policies were not changed during 2016.

We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance of consensus.

All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

#### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated February 5, 2018.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or issues**

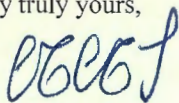
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other information in Documents Containing Audited Financial Statements**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and Management for Barrier Island Parks Society, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Alejandra M. Juffe, CPA