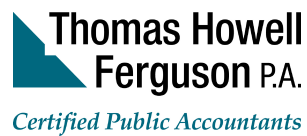


Financial Statements

Florida State Parks Foundation, Inc.

*Years ended December 31, 2019 and 2018
with Report of Independent Auditors*



Florida State Parks Foundation, Inc.

Financial Statements

Years ended December 31, 2019 and 2018

Contents

Report of Independent Auditors1

Financial Statements

Statements of Financial Position3
Statements of Activities and Changes in Net Assets4
Statements of Functional Expenses5
Statements of Cash Flows6
Notes to Financial Statements7

Other Report

Report of Independent Auditors 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 Standards13

Report of Independent Auditors

Board of Directors
Florida State Parks Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Florida State Parks Foundation, Inc. (the Foundation) which comprise the statements of financial position as of December 31, 2019 and 2018, the related statement of activities and changes in net assets, functional expenses, 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. 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 risks of material misstatement 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.

Page Two

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida State Parks Foundation, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2019, the Foundation adopted new accounting guidance ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited Florida State Parks Foundation, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 29, 2019. In our opinion, the summarized comparative information presented in the statements of activities and changes in net assets and functional expenses as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2020 on our consideration of the Foundation'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 Foundation'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 Foundation's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
August 7, 2020

Florida State Parks Foundation, Inc.

Statements of Financial Position

	December 31,	
	<u>2019</u>	<u>2018</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,027,266	\$ 699,299
Prepaid expenses and other assets	<u>7,080</u>	<u>6,554</u>
Total current assets	1,034,346	705,853
Investments	<u>17,467,201</u>	<u>14,589,274</u>
Total assets	<u>\$ 18,501,547</u>	<u>\$ 15,295,127</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ <u>6,709</u>	\$ <u>4,680</u>
Total current liabilities	6,709	4,680
Amounts held for the accounts of others	<u>844</u>	<u>824</u>
Total liabilities	<u>7,553</u>	<u>5,504</u>
Net assets:		
Without donor restrictions		
Undesignated	18,294,224	15,269,877
With donor restrictions		
Restricted for purpose or time	<u>199,770</u>	<u>19,746</u>
Total net assets	<u>18,493,994</u>	<u>15,289,623</u>
Total liabilities and net assets	<u>\$ 18,501,547</u>	<u>\$ 15,295,127</u>

See accompanying notes.

Florida State Parks Foundation, Inc.

Statements of Activities and Changes in Net Assets

	Years ended December 31,			2018
	2019			
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Changes in net assets:				
Revenues and other support:				
Contribution revenue	\$ 949,104	\$ 204,930	\$ 1,154,034	\$ 5,920,129
Grant revenue	-	-	-	36,193
Membership dues	35,988	-	35,988	23,875
Net investment income (loss)	2,479,897	-	2,479,897	(738,210)
Net assets released from restrictions	24,906	(24,906)	-	-
Other revenue	6,337	-	6,337	-
Total revenues and other support	<u>3,496,232</u>	<u>180,024</u>	<u>3,676,256</u>	<u>5,241,987</u>
Expenses:				
Fundraising	116,753	-	116,753	3,358
Program services	148,944	-	148,944	112,672
General and administrative	206,188	-	206,188	156,558
Total expenses	<u>471,885</u>	<u>-</u>	<u>471,885</u>	<u>272,588</u>
Change in net assets	3,024,347	180,024	3,204,371	4,969,399
Net assets at beginning of year	<u>15,269,877</u>	<u>19,746</u>	<u>15,289,623</u>	<u>10,320,224</u>
Net assets at end of year	<u>\$18,294,224</u>	<u>\$ 199,770</u>	<u>\$18,493,994</u>	<u>\$15,289,623</u>

See accompanying notes.

Florida State Parks Foundation, Inc.

Statements of Functional Expenses

	For the years ended December 31,				2018
	2019			Total	
	Fundraising	Program Services	General and Administrative		
Functional expenses:					
Supplies	\$ -	\$ 157	\$ 1,832	\$ 1,989	\$ 2,008
Bank and credit card fees	-	-	2,927	2,927	11,760
Accounting fees	-	-	39,154	39,154	7,256
Professional services	1,109	-	24,698	25,807	12,318
Postage and shipping	63	553	474	1,090	668
Insurance	-	353	12,396	12,749	11,824
Computer services	-	-	723	723	434
Printing and copying	427	317	4,816	5,560	212
Subscriptions	40,283	5,508	1,527	47,318	4,366
Conferences and meetings	1,821	2,980	21,908	26,709	16,058
Advertising	-	-	16,245	16,245	2,611
Salaries and related expenses	73,026	76,353	67,231	216,610	70,223
Bad debt expense	-	-	-	-	345
Travel	-	-	8,046	8,046	19,833
Office rental	-	-	3,631	3,631	-
Miscellaneous expenses	-	-	580	580	-
Grant programs	-	22,702	-	22,702	41,216
Education outreach	-	-	-	-	28,689
Workshop	-	-	-	-	480
Volunteer and staff recognition	-	13,977	-	13,977	1,848
State parks gathering	-	4,455	-	4,455	284
Access for all	24	718	-	742	12,293
Disaster fund	-	1,760	-	1,760	19,347
LIFE program	-	1,672	-	1,672	2,456
Yellow buses	-	17,439	-	17,439	6,059
Total functional expenses	\$ 116,753	\$ 148,944	\$ 206,188	\$ 471,885	\$ 272,588

See accompanying notes.

Florida State Parks Foundation, Inc.

Statements of Cash Flows

	Years ended	December 31,
	2019	2018
	<u>2019</u>	<u>2018</u>
Operating activities		
Change in net assets	\$ 3,204,371	\$ 4,969,399
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized (gain) loss on investments	(2,000,629)	1,150,809
Realized loss (gain) on investments	53,114	(69,537)
Changes in operating assets and liabilities:		
Accounts receivable	-	345
Prepaid expenses and other assets	(526)	315
Accounts payable	2,029	(1,457)
Amounts held for the accounts of others	20	-
Net cash provided by operating activities	<u>1,258,379</u>	<u>6,049,874</u>
Investing activities		
Purchases of investments	(4,917,239)	(8,674,189)
Proceeds from sale of investments	<u>3,986,827</u>	<u>3,056,403</u>
Net cash used in investing activities	<u>(930,412)</u>	<u>(5,617,786)</u>
Increase in cash and cash equivalents	327,967	432,088
Cash and cash equivalents at beginning of year	<u>699,299</u>	<u>267,211</u>
Cash and cash equivalents at end of year	<u>\$ 1,027,266</u>	<u>\$ 699,299</u>

See accompanying notes.

Florida State Parks Foundation, Inc.

Notes to Financial Statements

Years ended December 31, 2019 and 2018

1. Nature of Operations and Significant Accounting Policies

Nature of Activities

The Florida State Parks Foundation, Inc. (the Foundation), founded in 1993, is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), with its central office located in Tallahassee, Florida. The primary purpose of the Foundation is to support and help sustain the Florida Park Service and to preserve the natural beauty and resources of the Real Florida for generations to come. The Foundation supports the entire Florida State Parks system through programs that preserve and protect state parks, educate visitors and provide financial support to supplement state funding.

Basis of Presentation

Effective January 1, 2019, the Foundation has adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU superseded nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity is expected to be entitled for those goods or services. The adoption of the standard had no effect on previously reported financial statements.

Basis of Accounting

The Foundation uses the accrual basis of accounting. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies are described below.

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits with a financial institution and deposits in highly liquid money market funds.

For purposes of the statements of cash flows, the Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments

Investments consist of equity securities and mutual funds. Investments are reported at fair value, which is based on quoted market values for these instruments. Net investment income (loss) is reported in the statements of activities and changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment fees.

Florida State Parks Foundation, Inc.

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies (continued)

Concentration of Credit Risk

The Foundation's financial instruments exposed to concentrations of credit risk consist primarily of its cash, cash equivalents, and investments. The Foundation maintains its cash and cash equivalents at one financial institution. Deposits with the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. Bank deposits at times may exceed federally insured limits. The Foundation has not experienced any losses in such accounts.

All investment transactions have credit exposure to the extent that a counterparty may default on an obligation to the Foundation. Credit risk is a consequence of carrying investment positions. To manage credit risk, the Foundation focuses primarily on higher quality, fixed income and equity securities, reviews the credit strength of all entities in which it invests, limits its exposure in any one investment, and monitors portfolio quality, taking into account credit ratings assigned by recognized credit rating organizations.

The Foundation received approximately 77% and 99% of its contributions from a single donor during the years ended December 31, 2019 and 2018, respectively.

Net Assets

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 certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Donor-imposed restrictions can be temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

Contributions that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Florida State Parks Foundation, Inc.

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies (continued)

Revenue and Revenue Recognition

Revenue is recognized when earned and contributions are recognized when cash is received. Membership dues are comprised of a contribution element based on the benefits received. The Foundation considers the benefits to be received and consumed simultaneously during the membership period. The Foundation recognizes the membership dues as income when received.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses presents the natural classification detail of expenses by function. The statements of functional expenses contains certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. According, certain costs have been allocated among the programs and supporting services benefited. Expenses directly relating to or benefitting a program are allocated to that program. Otherwise, expenses are allocated to general and administrative.

Income Taxes

The Association is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the IRC and has been classified as an other-than-private foundation. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Association is no longer subject to examinations by major tax jurisdictions for years ended December 31, 2015 and prior.

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 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. Accordingly, actual results could differ from those estimates.

Subsequent Events

The Foundation has evaluated subsequent events through August 7, 2020, the date the financial statements were available to be issued. During the period from December 31, 2019 to August 7, 2020, the Foundation did not have any material recognizable subsequent events, with the exception of the one described in Note 7.

Florida State Parks Foundation, Inc.

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies (continued)

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

2. Available Resources and Liquidity

The Foundation receives contributions, grants and investment income and considers these revenue streams to be without donor restrictions (if unspecified) and available to meet cash needs for general expenditures.

The table below presents financial assets available for general expenditures within one year at December 31:

	2019	2018
Financial assets at year end:		
Cash and cash equivalents	\$ 1,027,266	\$ 699,299
Prepaid expenses and other assets	7,080	6,554
Investments	17,467,201	14,589,274
Total financial assets available to meet cash needs for general expenditures	\$ 18,501,547	\$ 15,295,127

3. Investments

The Fair Value Measurement and Disclosures Topic of the FASB Accounting Standards Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the Fair Value Measurement and Disclosure Topic are described as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by the market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Investments consist of the following at December 31, 2019:

	Cost	Unrealized Gains	Market and Carrying Value	Level 1
Equity securities	\$ 2,648,632	\$ 356,662	\$ 3,005,294	\$ 3,005,294
Mutual funds	13,726,616	735,291	14,461,907	14,461,907
Total	\$ 16,375,248	\$ 1,091,953	\$ 17,467,201	\$ 17,467,201

Florida State Parks Foundation, Inc.

Notes to Financial Statements

3. Investments (continued)

Investments consist of the following at December 31, 2018:

	<u>Cost</u>	<u>Unrealized Losses</u>	<u>Market and Carrying Value</u>	<u>Level 1</u>
Equity securities	\$ 2,358,119	\$ (241,961)	\$ 2,116,158	\$ 2,116,158
Mutual funds	<u>13,139,831</u>	<u>(666,715)</u>	<u>12,473,116</u>	<u>12,473,116</u>
Total	<u>\$ 15,497,950</u>	<u>\$ (908,676)</u>	<u>\$ 14,589,274</u>	<u>\$ 14,589,274</u>

Investment activity consists of the following:

	Years ended December 31,	
	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 598,276	\$ 378,374
Net realized (loss) gain	(53,114)	69,537
Net unrealized gain (loss)	2,000,629	(1,150,809)
Investment fees	<u>(65,894)</u>	<u>(35,312)</u>
Total investment gain (loss)	<u>\$ 2,479,897</u>	<u>\$ (738,210)</u>

4. Amounts Held for the Account of Others

The Foundation serves as custodian of funds for certain local state parks. These funds are included on the statements of financial position in cash and cash equivalents. The Foundation maintained custody of the following local state park funds as of December 31:

	<u>2019</u>	<u>2018</u>
John Pennekamp Coral Reef State Park	\$ 144	\$ 124
St. Lucie Inlet Preserve State Park	<u>700</u>	<u>700</u>
	<u>\$ 844</u>	<u>\$ 824</u>

5. Advertising

Advertising costs are charged to operations when incurred and are reported by functional allocation. Advertising expenses were \$16,245 and \$2,611 for the years ended December 31, 2019 and 2018, respectively.

Florida State Parks Foundation, Inc.

Notes to Financial Statements

6. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of December 31:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Felburn Foundation grant for Accessible Boat	\$ 100,000	\$ -
Nextera grant for MacArther Tram	12,226	-
St. Joe Community Foundation for St. Andrews Pavillion	60,000	-
Learning in Florida's Environment grant	5,936	5,936
Mizell-Johnson State Park grant	13,729	10,492
Access for All donations	1,477	1,275
Disaster fund donations	2,645	-
Other minor grant programs	3,757	2,043
	<u>\$ 199,770</u>	<u>\$ 19,746</u>

7. Other Matters

In late 2019, a novel strain of coronavirus was reported in Wuhan, Hubei, China. The World Health Organization determined the resulting outbreak of COVID-19, the disease caused by this novel coronavirus, to be a pandemic. The pandemic is disrupting supply chains worldwide as national and local governments implement measures intended to slow the spread of COVID-19, with production and sales across a range of industries impacted in different ways. The extent of the impact of COVID-19 on the Foundation's operations and its financial performance will depend on certain developments outside of the Foundation's control, including the duration and spread of the outbreak; its impact on donors, employees, and vendors; and broader economic conditions, all of which are uncertain and cannot be predicted at this time.

In June 2020, the Foundation was granted a loan in the amount of \$38,895 pursuant to the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief and Economic Security Act (CARES Act) enacted on March 27, 2020. Under terms of the PPP, certain amounts of the loan may be forgiven if its proceeds are used for qualifying expenses as described in the CARES Act. The Foundation intends to use the entire loan amount for qualifying expenses consistent with the intent of the PPP.

Other Reports

Report of Independent Auditors 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*

To Management and the Board of Directors
Florida State Parks Foundation, Inc.

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 Florida State Parks Foundation, Inc. (the Foundation), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated August 7, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation'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 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 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 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.

Page Two

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 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.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
August 7, 2020