

Friends of Rainbow Springs State Park, Inc.

Financial Statements
and
Independent Auditors' Reports

December 31, 2019

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Kattell and Company, P.L.
Certified Public Accountants Serving the Nonprofit Community

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Friends of Rainbow Springs State Park, Inc.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Friends of Rainbow Springs State Park, Inc. (FORS), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditors' Responsibility.

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 and the standards applicable to the 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.

Opinion. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FORS, as of December 31, 2019, 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.

Report on Summarized Comparative Information. We have previously audited FORS' financial statements for the year ended December 31, 2018, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 8, 2019. In our opinion, the summarized comparative information presented herein 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 June 8, 2020, on our consideration of FORS' 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 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 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 FORS' internal control over financial reporting and compliance.

Kattell and Company, P.L.

June 8, 2020
Gainesville, Florida

“Not everything that counts can be counted, and not everything that can be counted counts.”

- Albert Einstein

Statement of Financial Position
December 31, 2019
 (with summarized information for December 31, 2018)
Friends of Rainbow Springs State Park, Inc.

Assets	2019	2018
Cash on Hand	\$ 600	\$ 600
Cash – Checking	227,399	88,423
Cash – Money Market	25,014	51,132
Cash – Certificates of Deposit	157,570	328,018
Inventory	52,058	28,996
Equipment, Net	21,997	19,154
Total Assets	\$ 484,638	\$ 516,323
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	\$ --	\$ 75
Net Assets - Without Donor Restrictions		
Designated for Capital Replacement	52,106	60,106
Designated for Capital Improvement	173,313	266,308
Undesignated	259,219	189,834
Total Net Assets	484,638	516,248
Total Liabilities and Net Assets	\$ 484,638	\$ 516,323

See accompanying notes.

Statement of Activities
For The Year Ended December 31, 2019
(with summarized information for the year ended December 31, 2018)
Friends of Rainbow Springs State Park, Inc.

	<u>2019</u>	<u>2018</u>
Revenues and Other Support:		
Sales	\$ 191,717	\$ 146,044
Cost of Sales	<u>(102,544)</u>	<u>(74,758)</u>
Net Sales	89,173	71,286
Park Events	5,730	5,181
Cost of Park Events	<u>(5,573)</u>	<u>(4,260)</u>
Net Park Events	157	921
Firewood Donations	16,635	20,456
Other Donations	3,595	2,748
Memberships	1,196	2,156
Interest Income	2,434	2,113
Miscellaneous	<u>55</u>	<u>3,243</u>
Net Revenues and Other Support	113,245	102,923
Expenses:		
Program Services:		
Park Support	129,086	189,002
Supporting Activities:		
Management and General	15,449	20,722
Fund Raising	<u>320</u>	<u>340</u>
Expenses by Function	<u>144,855</u>	<u>210,064</u>
Change In Net Assets	(31,610)	(107,141)
Net Assets, Beginning of Year	<u>516,248</u>	<u>623,389</u>
Net Assets, End of Year	<u>\$ 484,638</u>	<u>\$ 516,248</u>

See accompanying notes.

Statement of Functional Expenses
For The Year Ended December 31, 2019
(with summarized information for the year ended December 31, 2018)
Friends of Rainbow Springs State Park, Inc.

	PROGRAM SERVICES			SUPPORTING ACTIVITIES		TOTAL	TOTAL
	PARK SUPPORT	PARK EVENTS	COST OF SALES	MANAGEMENT AND GENERAL	FUND RAISING		
	2019					2018	
Advertising	\$ 1,535	\$ --	\$ --	\$ --	\$ --	\$ 1,535	\$ 525
Office	--	--	--	6,077	--	6,077	9,484
Cost of Goods Sold	--	--	96,562	--	--	96,562	69,725
Credit Card Fees	--	--	5,982	--	--	5,982	5,033
Depreciation	5,157	--	--	--	--	5,157	4,906
Donations	--	--	--	--	--	--	1,000
Dues and Subscriptions	170	--	--	--	--	170	100
Engraving Brick Pavers	--	--	--	--	130	130	340
Insurance	--	--	--	1,329	--	1,329	1,293
Park Improvement Projects:							
Garden Maintenance	--	--	--	--	--	--	824
Construction and Maintenance	8,730	--	--	--	--	8,730	1,377
Campground Firewood	13,200	--	--	--	--	13,200	10,577
Generators	--	--	--	--	--	--	71,280
Brush Chipper	--	--	--	--	--	--	38,988
Stump Cutter	--	--	--	--	--	--	19,084
Backhoe for Tractor	--	--	--	--	--	--	15,076
Lawnmower	9,699	--	--	--	--	9,699	10,082
One half of new gate	7,510	--	--	--	--	7,510	--
Cab Tractor with Loader	55,890	--	--	--	--	55,890	--
Utility Vehicle	9,681	--	--	--	--	9,681	--
Roll Up Doors	10,215	--	--	--	--	10,215	--
Other Park Equipment/Tools	7,299	--	--	--	--	7,299	15,183
Postage and Printing	--	--	--	286	--	286	317
Professional Fees	--	--	--	6,055	--	6,055	5,951
Supplies	--	5,573	--	1,702	190	7,465	7,937
TOTALS	\$ 129,086	\$ 5,573	\$ 102,544	\$ 15,449	\$ 320	\$ 252,972	\$ 289,082

See accompanying notes.

Statement of Cash Flows
For The Year Ended December 31, 2019
(with summarized information for the year ended December 31, 2018)
Friends of Rainbow Springs State Park, Inc.

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (31,610)	\$ (107,141)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation	5,157	4,906
Changes In:		
Inventory	(23,062)	6,116
Accounts Payable	<u>(75)</u>	<u>(5,403)</u>
Net Cash Provided by (Used In) Operating Activities	(49,590)	(101,522)
Cash Flows from Investing Activities:		
Purchase of Equipment	<u>(8,000)</u>	<u>--</u>
Net Change in Cash	(57,590)	(101,522)
Cash, Beginning of Year	<u>468,173</u>	<u>569,695</u>
Cash, End of Year	<u>\$ 410,583</u>	<u>\$ 468,173</u>

Reconciliation to Cash on the Statements of Financial Position

	<u>2019</u>	<u>2018</u>
Cash on Hand	\$ 600	\$ 600
Cash – Checking	227,399	88,423
Cash – Money Market	25,014	51,132
Cash – Certificates of Deposit	<u>157,570</u>	<u>328,018</u>
Total Cash	<u>\$ 410,583</u>	<u>\$ 468,173</u>

See accompanying notes.

Notes to Financial Statements
December 31, 2019
Friends of Rainbow Springs State Park, Inc.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Friends of Rainbow Springs State Park, Inc. (FORS) is a nonprofit corporation established under Chapter 617, Florida Statutes. FORS promotes community involvement in support of the Florida Park Service in its efforts to preserve, protect and perpetuate the treasure of Rainbow Springs. The activities are aimed at ensuring optimal funding to support the park.

The financial statements of the Friends of Rainbow Springs State Park, Inc. have been prepared on the accrual basis of accounting and are presented using accounting principles generally accepted in the United States of America. Other significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Tax Exemption

FORS is exempt from income taxes according to provisions of Section 501(c)(3) of the Internal Revenue Code and does not earn any unrelated business income. Therefore, no provision for income taxes is reflected in the accompanying statements. In addition, FORS has been classified by the Internal Revenue Service as an organization that is not a private foundation and qualifies for the charitable contribution deduction. FORS is operated exclusively for charitable, scientific and educational purposes.

Cash

Cash consists of cash on hand, a demand deposit account, money market accounts, and certificates of deposit. At times such deposits may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. At December 31, 2019 and 2018, there were no amounts held in excess of FDIC insurance coverage.

Inventory

FORS reports inventory at the lower of cost or market. Cost is determined using the first-in, first-out method.

Equipment

Equipment is valued at cost if purchased, or estimated fair value at the date of donation. FORS capitalizes all equipment with a value of \$1,000 or more. Depreciation is computed using the straight-line method over estimated useful lives of five to fifteen years. Equipment donated to FORS is recorded as support on the date received.

Revenue Recognition - Contributions

Contributions. Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions are recorded at their estimated fair values. The Corporation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions. However, contributions that are restricted by a donor are reported as increases in unrestricted net assets if the restrictions expire in the same fiscal year in which the contributions are recognized.

Donated Materials and Services. Donated materials are reported as contributions and expenses at their estimated fair values at date of receipt. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Revenue Recognition – Contracts with Customers

FORS has reported no assets and no liabilities related to contracts with customers at December 31, 2019. All contract obligations were completed and all contract revenues were collected during the year then ended. Revenue from contracts with customers is recognized at a point in time and includes:

Inventory – Gift Shop and Concession Stand. The Corporation operates a gift shop and a concession stand where items relating to the Park and food, respectively, are held for resale. Revenue collected from the gift shop and concession stand are recognized at the point of sale. Operation of the concession stand ceased during 2018.

Notes to Financial Statements
December 31, 2019
Friends of Rainbow Springs State Park, Inc.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Expense Recognition and Allocation

The cost of programs and other activities have been summarized on a functional basis:

Program Services. FORS is a citizen support organization that supports Rainbow Springs State Park. Services include park improvement and maintenance projects such as the Butterfly Garden, providing educational activities, and donating materials for facility improvements. Costs of goods sold at the Gift Shop operated by FORS are also included in the costs of program services.

Management and General. Management and general activities are those that provide governance, oversight, business and financial management, financial recordkeeping, and budgeting.

Fundraising. Fundraising expenses include costs of purchasing and engraving leaf and brick displays with donors' names, and costs of donor appreciation events.

FORS assigns expenses directly to the benefited function. No costs are allocated.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Change in Accounting Standards

FORS implemented Financial Accounting Standards Board Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers*, in the current year. Analysis of various provisions of this standard resulted in no significant changes in the way the FORS recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosure of revenues have been enhanced in accordance with the standard.

NOTE 2 – AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure are all financial assets without donor or other restrictions limiting their use. Financial assets consist of the following at December 31:

Financial Assets:	<u>2019</u>	<u>2018</u>
Cash on Hand	\$ 600	\$ 600
Cash - Checking	227,399	88,423
Cash - Money Market	25,014	51,132
Cash - Certificates of Deposit	<u>157,570</u>	<u>328,018</u>
Total Financial Assets	410,583	468,173
Less Board Designated Funds	<u>(233,419)</u>	<u>(326,414)</u>
Amount Available for General Expenditures within One Year	<u>\$ 177,164</u>	<u>\$ 141,759</u>

The above table reflects board designated funds as unavailable because it is the intention of FORS to invest those resources for specific support of the Park (see Note 3.) However, in the case of need, the Board of Directors could appropriate resources from its designated funds.

FORS has structured its financial assets to be available as its general expenditures and liabilities come due. FORS invests cash in excess of foreseeable cash needs in short term, highly liquid investments. FORS does not generally experience cash deficits and, therefore, has instituted no mechanism for financing them.

Notes to Financial Statements
December 31, 2019
Friends of Rainbow Springs State Park, Inc.

NOTE 3 – DESIGNATED NET ASSETS

At its October 2007 meeting, the Board of Directors of FORS identified a portion of its net assets for the following purposes:

Capital Replacement – the Board is holding cash to be used for replacement of its property and equipment.

Capital Improvement – the Board is holding cash that is used to pay for Board approved capital improvements requested by the Park Manager.

NOTE 4 – EQUIPMENT

Equipment consists of the following:

	<u>2019</u>	<u>2018</u>
Boat and Trailer	\$ 15,372	\$ 15,372
Computers and Equipment	14,238	19,928
Vehicles	8,000	--
Gift Shop Equipment	<u>2,559</u>	<u>2,559</u>
TOTAL	<u>40,169</u>	<u>37,859</u>
Accumulated Depreciation	<u>(18,172)</u>	<u>(18,705)</u>
NET	<u>\$ 21,997</u>	<u>\$ 19,154</u>

NOTE 5 – NET SALES

Net Sales consists of the following:

	<u>For the Year Ended December 31, 2019</u>		
	Revenues	Expenses	Net
Concessions & Coke Vending	\$ 97	\$ --	\$ 97
Gift Shop	191,620	102,544	89,076
Crafty Ladies	<u>--</u>	<u>--</u>	<u>--</u>
TOTAL	<u>\$ 191,717</u>	<u>\$ 102,544</u>	<u>\$ 89,173</u>

	<u>For the Year Ended December 31, 2018</u>		
	Revenues	Expenses	Net
Concessions & Coke Vending	\$ 5,985	\$ 3,994	\$ 1,991
Gift Shop	139,318	70,339	68,979
Crafty Ladies	<u>741</u>	<u>425</u>	<u>316</u>
TOTAL	<u>\$ 146,044</u>	<u>\$ 74,758</u>	<u>\$ 71,286</u>

NOTE 6 – PARK EVENTS

FORS sponsors the following events in order to generate interest in the park and its activities.

	<u>For the Year Ended December 31, 2019</u>		
	Revenues	Expenses	Net
Santa Over the Rainbow	\$ 5,076	\$ 3,138	\$ 1,938
Cracker Days	354	2,083	(1,729)
Kids Fair	<u>300</u>	<u>352</u>	<u>(52)</u>
TOTAL	<u>\$ 5,730</u>	<u>\$ 5,573</u>	<u>\$ 157</u>

Notes to Financial Statements
December 31, 2019
Friends of Rainbow Springs State Park, Inc.

NOTE 6 – PARK EVENTS (concluded)

	<u>For the Year Ended December 31, 2018</u>		
	Revenues	Expenses	Net
Santa Over the Rainbow	\$ 4,753	\$ 2,527	\$ 2,226
Cracker Days	228	1,266	(1,038)
Kids Fair	200	467	(267)
	<u>\$ 5,181</u>	<u>\$ 4,260</u>	<u>\$ 921</u>
TOTAL	\$ 5,181	\$ 4,260	\$ 921

NOTE 7 – DONATED MATERIALS, SERVICES AND FACILITIES

FORS has no staff and is operated by volunteers. Volunteers contribute an estimated 15,000 hours annually to support visitor services. These services include operations of the gift shop and concessions as well as special events. No amounts have been reflected in the financial statements for volunteer services since the recognition criteria were not met. All activities are conducted on the premises and for the benefit of Rainbow Springs State Park.

NOTE 8 – CONTINGENCIES AND COMMITMENTS

FORS had unrecognized obligations for commitments that they made with the Park at December 31, 2019 and 2018, of approximately \$90,748 and \$57,280, respectively.

NOTE 9 – SUMMARIZED COMPARATIVE INFORMATION

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2018, from which the summarized information was derived.

NOTE 10 – SUBSEQUENT EVENTS

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, stock market indices have declined, unemployment rates have increased, and global economic activity has decreased as significant portions of the world observe social distancing. The extent to which these events will affect the amounts reported in future financial statements remains uncertain.

FORS has evaluated events and transactions for potential recognition or disclosure through June 8, 2020, which is the date the financial statements were available to be issued.

Kattell and Company, P.L.

Certified Public Accountants Serving the Nonprofit Community

808-B NW 16th Avenue Gainesville, Florida 32601 352-395-6565 www.kattell.com

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters as Required by *Government Auditing Standards*

To the Board of Directors
Friends of Rainbow Springs State Park, Inc.

June 8, 2020

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 Friends of Rainbow Springs State Park, Inc. (FORS) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise FORS' basic financial statements, and have issued our report thereon dated June 8, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered FORS' 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 internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency identified in the Schedule of Findings to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free of 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*.

FORS' Response to Finding

FORS' response to the findings identified in our audit is described in the accompanying letter. FORS' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kattell and Company, P.L.

Schedule of Findings
December 31, 2019
Friends of Rainbow Springs State Park, Inc.

Material Weakness

2019-001 Inventory Control

Finding – End of year test counts of a sample of inventory items identified numerous errors.

Recommendation – Although it is not likely that this imprecision has resulted in a material misstatement in the financial statements, FORS should consider ways to make the end of year inventory valuation more efficient and effective. Specifically, FORS should research the reporting capabilities of its point-of-sale software to identify any reports that could focus the end of year counting procedures on the higher dollar items.

Significant Deficiencies

2019-002 Cash and Sales Entries and Sales Tax Calculations

Finding - When testing the Cash Intake Forms we noted the following:

- Sales taxes were being calculated on Firewood Donations. We believe these are donations that are not subject to sales tax.
- Taxable sales for some weeks were included in the calculation of sales tax in two separate months, causing an overpayment of sales tax.
- Sales tax for one month was calculated at an incorrect tax rate.

Recommendation – FORS should discontinue paying sales tax on Firewood Donations and should consider what changes should be made to ensure accurate payment of sales taxes.

2019-003 Controls over Cash Collections

Finding - Controls over cash collections generally provide reasonable assurance regarding the risks of skimming. In most cases, any theft of cash collections is likely to be identified in a timely fashion. The exception is the collection of firewood donations. FORS instituted a policy during the year whereby two people collect the firewood donations and document the amounts on a signed Shift Box Verification (SBV) form, which gives source verification. However, the amounts actually deposited are not compared to the SBV form by the Treasurer.

Recommendation - We recommend that the amounts of firewood donations deposited per the Cash Intake forms be agreed to the counted amounts on the Shift Box Verification forms each month by the Treasurer.

2019-004 Control over Cash Disbursements

Finding - One of the controls over unauthorized cash disbursements is the review of the bank statements by the President. We noted that all of the operating account bank statements were reviewed and signed during 2019, and all but one of the money market statements were reviewed and signed. However, the Edward Jones statements were reviewed and signed sporadically through the year.

Recommendation – We recommend that all of the monthly statements, including the statements for the Edward Jones account, be reviewed and signed by the President.

2019-005 Control over Cash Disbursements

Finding – During the audit we noted that two large purchases were paid from quotes or estimates, with no additional support.

Recommendation - Park employees should always obtain a final invoice or receipt when they pick up such items, and give these to the Treasurer for verification of correct payment and actual date of receipt.

2019-006 Reconciliations of Bank Statements

Finding – There were several errors in posting interest and fees for the bank accounts. For example:

- There were two checks written from the Edward Jones account that were deposited in the operating account. These checks were posted to interest income instead of reducing the Edward Jones account.
- There was interest earned and changes in valuation of the Edward Jones account that were not recorded.
- There were some incorrect entries for interest and fees for the money market account that incorrectly reflected interest income and service charge expenses.

Recommendation – Each of the bank accounts, including the Edward Jones account, should be reconciled and adjusted monthly. The amounts reported should reflect amounts per the reconciled bank (and related) balances.



The Friends of Rainbow Springs State Park, Inc.

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#1 Inventory Control: Point of Sale software has been implemented. Prior to the annual inventory count in the gift shop, the Treasurer will spot check to assure accuracy.

#2 Sales Tax: Greater care will be taken when calculating sale tax. This sales tax account will be reviewed and a refund will be asked of the sales tax division. Firewood donations are not subject to sales tax.

#3 Cash Collections: Each cash pick up will be signed for by the park shift member and pick up person and that sheet will accompany the deposit and given to the treasurer. Amount on the signed paperwork must be the same as the deposit.

#4 Signed bank reconciliations: The treasurer will double check to assure that all monthly statements are reviewed and signed by the president.

#5 Invoices versus estimates: Park employees must obtain a final invoice or receipt and given to the treasurer. All purchase checks are given to the Park Manager. No exceptions.

#6 Bank account reconciliations: All bank accounts will be reconciled and adjusted monthly.

Deane W. Katter 6/11/20