

Friends of Birch State Park, Inc.

Financial Statements
For the Year Ended December 31, 2020



Friends of Birch State Park, Inc.

Financial Statements
For the Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Friends of Birch State Park, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Friends of Birch State Park, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2020, 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.

Auditor's 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 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.

CPA's + Trusted Advisors

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020, 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 the Organization's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 9, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, 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 April 27, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
April 27, 2021

FINANCIAL STATEMENTS

Friends of Birch State Park, Inc.
Statement of Financial Position
December 31, 2020
(with comparative totals for December 31, 2019)

	<u>2020</u>	<u>2019</u>
Assets:		
Cash and cash equivalents	\$ 232,921	\$ 479,545
Promises to give	10,500	5,250
Other assets	4,007	3,900
Equipment, net	<u>4,366</u>	<u>-</u>
Total assets	<u>\$ 251,794</u>	<u>\$ 488,695</u>
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 29,863</u>	<u>\$ 27,333</u>
Total liabilities	<u>29,863</u>	<u>27,333</u>
Net Assets:		
Without donor restrictions:		
Undesignated	176,339	186,110
Board designated	<u>-</u>	<u>8,000</u>
Total without donor restrictions	<u>176,339</u>	<u>194,110</u>
With donor restrictions:		
Time-restricted for future periods	10,500	5,250
Purpose restricted	<u>35,092</u>	<u>262,002</u>
Total with donor restrictions	<u>45,592</u>	<u>267,252</u>
Total net assets	<u>221,931</u>	<u>461,362</u>
Total liabilities and net assets	<u>\$ 251,794</u>	<u>\$ 488,695</u>

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

Friends of Birch State Park, Inc.
Statement of Activities
For the Year Ended December 31, 2020
(with comparative totals for December 31, 2019)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>	<u>2019 Total</u>
Public Support and Revenue:				
Contributions and memberships	\$ 170,149	\$ 34,679	\$ 204,828	\$ 164,651
Grants	15,000		15,000	60,000
Other income - Paycheck Protection Program	28,798	-	28,798	-
Special events, net of direct costs of \$ 20,464 (including \$ 1,000 of in-kind donations)	57,895	-	57,895	166,951
In-kind services	10,200	-	10,200	12,000
Interest income	87	45	132	167
	<u>282,129</u>	<u>34,724</u>	<u>316,853</u>	<u>403,769</u>
Total public support and revenue				
Net assets released from restrictions	<u>256,384</u>	<u>(256,384)</u>	<u>-</u>	<u>-</u>
Total public support, revenue, and net assets released from restrictions	<u>538,513</u>	<u>(221,660)</u>	<u>316,853</u>	<u>403,769</u>
Expenses:				
Program services:				
Park support and promotion	382,717	-	382,717	198,520
Supporting services:				
General and administrative	84,616	-	84,616	71,291
Fundraising and memberships	88,951	-	88,951	115,784
	<u>556,284</u>	<u>-</u>	<u>556,284</u>	<u>385,595</u>
Total expenses				
Change in net assets	(17,771)	(221,660)	(239,431)	18,174
Net Assets, Beginning of Year	<u>194,110</u>	<u>267,252</u>	<u>461,362</u>	<u>443,188</u>
Net Assets, End of Year	<u>\$ 176,339</u>	<u>\$ 45,592</u>	<u>\$ 221,931</u>	<u>\$ 461,362</u>

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

Friends of Birch State Park, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2020
(with comparative totals for December 31, 2019)

	Program Services		Supporting Services		2020 Total	2019 Total
	Park Support and Promotion	General and Administrative	Fundraising and Memberships			
Expenses:						
Benches	\$ 8,079	\$ -	\$ -	\$ 8,079	\$ 7,403	
Beach tunnel improvements	30,211	-	-	30,211	8,292	
Community relations	-	-	2,371	2,371	3,515	
Copier	-	851	-	851	833	
Credit card processing fees	-	1,838	-	1,838	1,305	
Depreciation	-	699	-	699	958	
Dues and subscriptions	-	29	-	29	968	
Equipment, supplies and repairs	27,949	3,195	793	31,937	40,774	
Food, meals and entertainment	147	195	636	978	2,392	
Lift	28,405	-	-	28,405	-	
Insurance	-	3,442	-	3,442	3,522	
Long Lake maintenance	9,792	-	-	9,792	9,575	
Meditation garden	8,964	-	-	8,964	62,167	
Membership programming	-	-	1,552	1,552	3,213	
Personnel costs	49,011	44,643	70,758	164,412	162,643	
Postage	-	450	832	1,282	753	
Marketing and public relations	2,453	-	8,400	10,853	15,443	
Miscellaneous	50	2,000	451	2,501	2,780	
North gate	-	-	-	-	17,426	
Park State passes	-	-	3,158	3,158	2,400	
Professional fees	-	18,450	-	18,450	20,500	
Park staff and volunteer support	9,256	-	-	9,256	630	
Special events	-	-	20,464	20,464	80,984	
Telephone and internet	-	2,140	-	2,140	2,061	
Terramar house renovations	75,920	-	-	75,920	-	
Training	-	200	-	200	-	
Travel	-	-	-	-	712	
Trestle to Trails project	132,480	-	-	132,480	10,224	
Website and email	-	6,484	-	6,484	5,106	
Total expenses by function	<u>382,717</u>	<u>84,616</u>	<u>109,415</u>	<u>576,748</u>	<u>466,579</u>	
Less expenses included with revenues on the statement of activities:						
Direct costs - special events	-	-	(20,464)	(20,464)	(80,984)	
Total expenses included in the expenses section on the statement of activities	<u>\$ 382,717</u>	<u>\$ 84,616</u>	<u>\$ 88,951</u>	<u>\$ 556,284</u>	<u>\$ 385,595</u>	

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

Friends of Birch State Park, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2020
(with comparative totals for December 31, 2019)

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (239,431)	\$ 18,174
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision for depreciation	699	958
(Increase) decrease in assets:		
Promises to give	(5,250)	11,000
Other assets	(107)	8,607
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	2,530	(12,214)
Deferred revenue	-	(11,259)
	<u>(241,559)</u>	<u>15,266</u>
Net cash provided by (used in) operating activities		
Cash Flows from Investing Activities:		
Purchase of equipment	<u>(5,065)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(5,065)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(246,624)	15,266
Cash and Cash Equivalents, Beginning of Year	<u>479,545</u>	<u>464,279</u>
Cash and Cash Equivalents, End of Year	\$ <u><u>232,921</u></u>	\$ <u><u>479,545</u></u>

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

Note 1 - Organization and Operations

The Friends of Birch State Park, Inc. (the "Organization") is a not-for-profit organization incorporated on June 30, 1999 under the laws of the State of Florida and is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

The Organization is located in Fort Lauderdale, Florida, and is funded primarily from community fundraising events, memberships, donations and grants from the general public and private foundations. These funds are used to help preserve, conserve, enhance and promote Hugh Taylor Birch State Park through community support.

Note 2 - Summary of Significant Accounting Policies

Basis of accounting: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis of presentation: The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Update (FASB ASU) No. 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASU No. 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets as discussed in Note 6.
- *Net Assets With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Generally, contributions 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 statement of activities as net assets released from restrictions. All contributions are considered available for general use, unless specifically restricted by the donor or subject to other legal restrictions.

Cash and cash equivalents: In general, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Promises to give: Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organization had no conditional promises to give as of December 31, 2020 and 2019.

Note 2 - Summary of Significant Accounting Policies (continued)

Allowance for doubtful accounts: Management periodically reviews the promises to give balances and provides an allowance for amounts which may be uncollectible. At December 31, 2020 and 2019, management considered all of its promises to give to be collectible and no allowance was recorded.

Equipment: The Organization capitalizes equipment in excess of \$ 1,000. Equipment is stated at cost or, if donated, at estimated fair value at the date of the donation. If donors stipulate the period of time during which the assets must be used, the contributions are recorded as net assets with donor restrictions. In the absence of such stipulations, contributions of equipment are recorded as net assets without donor restrictions when placed in service. Depreciation of equipment is computed on a straight-line basis over the estimated useful lives of the assets which is three years for office equipment.

Refundable advances and deferred revenue: Revenues received in advance (nonexchange transaction) that are not recognized because the allowable costs as defined by the individual grant or contract have not been incurred, the unit of service has not been provided, and/or the conditions of release have not been substantially met or explicitly waived are considered refundable advances. In addition, revenues received in advance from special events (exchange transaction) is deferred to the applicable period.

Revenue and revenue recognition: The Organization recognizes revenues from nonexchange transactions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right to return are not recognized until the conditions on which they depend have been substantially met or explicitly waived.

Grant and contract revenue derived from units of service contracts is recognized as revenue when the unit of service has been provided in compliance with the specific contract. Revenue derived from cost-reimbursement contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses, is recognized when such expenditures are incurred in compliance with specific contract provisions.

From time to time, the Organization's resources are used to pursue grants and other funding made directly to the State of Florida Department of Environmental Protection (the "DEP") for the benefit of Hugh Taylor Birch State Park. Accordingly, the grant income generated from some of the Organization's efforts and the related expenses covered under such grants are not reflected in the accompanying financial statements since the funds are paid directly to the DEP.

Other revenues from exchange transactions are recognized when the performance obligation of transferring the products or providing the service are met.

Donated goods and services: Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. A significant number of volunteers have donated substantial hours to the Organization's programs and events during the year; however, these donated services do not meet the criteria necessary for recognition in the financial statements. Donated goods are recorded at their estimated fair market value.

Note 2 - Summary of Significant Accounting Policies (continued)

Other income - Paycheck Protection Program: In accordance with the guidance of the AICPA, in Q&A Section 3200, the Organization has the option to report the proceeds of this forgivable loan program under FASB *Accounting Standards Codification (ASC) 470, Debt* or FASB *Accounting Standards Codification (ASC) 958-605, Revenue Recognition*, as a conditional contribution. The Organization's management elected to follow the provisions of ASC 470 in which the loan proceeds (Note 10) remained recorded as a liability until the loan was fully forgiven and it had been legally released by the Small Business Administration ("SBA"). Effective November 2020, the SBA granted the Organization full forgiveness/legal release of this loan; therefore, the income is recognized within the public support and revenues section of the accompanying Statement of Activities.

Income taxes: The Organization is exempt from federal income taxes under section 501 (c)(3) of the U.S. Internal Revenue Code, except on unrelated business income. Under these provisions, no tax is paid on income it receives as long as it maintains its tax exempt status. The Organization had no material unrelated business income for the years ended December 31, 2020 and 2019. Accordingly, no provision for income taxes is provided in the accompanying financial statements.

Functional expenses: The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Program and supporting services are charged with their direct expenses. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel costs and other expenses; which are allocated on the basis of estimates of time and effort, and other methods as determined by management.

Use of estimates: The Organization makes estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures 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.

Concentration of credit risk: Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization has cash in financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC"), subject to applicable limits. At various times throughout the year, the Organization may have cash balances at financial institutions that exceed the insured amount. Deposit accounts are maintained with what management believes to be quality financial institutions.

Related parties: The Organization receives support in the form of cash and in-kind donations from various Board Members.

Summarized prior year information: The financial statements include summarized comparative information from the prior year, which is not presented by net asset type and functional expense classification and does not include sufficient detail to conform with generally accepted accounting principles. This information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the comparative information was extracted.

Date of managements review: Subsequent events have been evaluated by management through April 27, 2021, which is the date that the financial statements were issued.

Friends of Birch State Park, Inc.
Notes to Financial Statements
December 31, 2020
(with comparative totals for December 31, 2019)

Note 3 - Liquidity and Availability of Financial Assets

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial Assets:	
Cash and cash equivalents	\$ 232,921
Promises to give	<u>10,500</u>
Financial Assets, at year-end	<u>243,421</u>
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restrictions by donor with purpose restrictions	<u>(35,092)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 208,329</u>

Note 4 - Promises to Give

At December 31, 2020 and 2019, unconditional promises to give consisted of the following:

	<u>2020</u>	<u>2019</u>
Receivable in less than one year	\$ 10,500	\$ 2,750
Receivable in one to five years	<u>-</u>	<u>2,500</u>
Total promises to give	<u>\$ 10,500</u>	<u>\$ 5,250</u>

Note 5 - Equipment

Equipment consisted of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Office equipment	\$ 5,065	\$ 3,000
Less accumulated depreciation	<u>(699)</u>	<u>(3,000)</u>
	<u>\$ 4,366</u>	<u>\$ -</u>

Note 6 - Net Assets without Donor Restrictions - Board Designated

The Board designated \$ 8,000 of net assets without donor restrictions to be set-aside for the Trestle to Trails project as of December 31, 2019. As of December 31, 2020, the project was fully funded and there were no Board designations remaining.

Friends of Birch State Park, Inc.
Notes to Financial Statements
December 31, 2020
(with comparative totals for December 31, 2019)

Note 7 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Animal care	\$ 444	\$ 4,144
Beach tunnel	-	42,666
Birch Buddies program	5,596	5,596
Future projects	19,617	79,116
Marti's meditation garden	5,435	6,000
Retro Sign	4,000	-
Trestle to Trails project	-	124,480
	<u>35,092</u>	<u>262,002</u>
Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	<u>10,500</u>	<u>5,250</u>
Total	<u>\$ 45,592</u>	<u>\$ 267,252</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

	<u>2020</u>	<u>2019</u>
Expiration of time restrictions	\$ 5,250	\$ 11,000
Satisfaction of purpose restrictions:		
Animal care	5,503	8,229
Beach tunnel	42,666	8,325
Marti's meditation garden	2,565	-
North entry gate replacement	-	14,500
RNGR projects	-	4,621
Terramar house renovations	75,920	-
Trestle to Trails project	124,480	10,224
Total	<u>\$ 256,384</u>	<u>\$ 56,899</u>

Note 8 - Related Party Transactions

Total public support and revenues from employees, board members or companies board members are associated with, amounted to approximately \$ 101,000 and \$ 112,000 for the years ended December 31, 2020 and 2019, respectively. There were promises to give from members of the Board of Directors of \$ 1,000 and \$ 4,250 at December 31, 2020 and 2019, respectively.

Note 8 - Related Party Transactions (continued)

For the year ended December 31, 2020, the Organization paid \$ 1,500 to a company owned by one of its Board members for an ad in a Fort Lauderdale magazine. This transaction was based on terms equivalent or better than those that prevail in arm's-length transactions. For the year ended December 31, 2019, the Organization did not pay related parties for any goods or services.

Note 9 - Contributed Goods and Services

The Organization received "in-kind" accounting services as a donation from a Board member. The fair market value for the donated services was estimated at \$ 10,200 and \$ 12,000 for the years ended December 31, 2020 and 2019 and is reflected as in-kind services in the accompanying financial statements.

During the years ended December 31, 2020 and 2019, the Organization held events to generate community awareness, memberships and donations, for which some of the food, beverages and services were donated. The estimated fair value of the food, beverages and services received was approximately \$ 1,000 and \$ 3,200 for the years ended December 31, 2020 and 2019, respectively.

The Organization's personnel share office space with the staff at Hugh Taylor Birch State Park. The fair market value of the donated shared office space has not been determined and accordingly, the financial statements do not include any expenses or related in-kind revenue.

Note 10 - Debt - Paycheck Protection Program

During the year, the Organization executed a promissory note for \$ 28,798 under the Paycheck Protection Program ("PPP") as authorized by the Coronavirus, Aid, Relief, and Economic Security Act (the "CARES Act"). Under the PPP, loan funds are eligible for forgiveness to the extent that they are used to cover certain payroll, rent, and utility costs and if the Organization maintains certain employment levels during a specified period of time. Effective November 2020, the SBA granted the Organization full forgiveness/legal release of this loan. The funds were recognized as revenue in the statement of activities.

Note 11 - Risk and Uncertainties

In March 2020, the *World Health Organization* declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, the local and global financial markets are experiencing a sensitive environment which is causing economic uncertainties. At this time, it is unknown how this situation may impact the Organization's future operations and financial results. As described in Note 10, the Organization entered into a PPP loan through the SBA which was fully forgiven during the year. Also discussed in Note 12, the Organization applied for and received, subsequent to year-end, funding through the second round of PPP stimulus support.

Note 12 - Subsequent Event

In April 2021, the Organization received additional funding of approximately \$ 31,000 in connection with the second round of the *Paycheck Protection Program* (“PPP”), which is designed to provide a direct incentive for small businesses that experienced a revenue reduction of 25% or more in all or part of 2020 compared with all or part of 2019. The costs eligible for loan forgiveness under the PPP include payroll, rent, mortgage interest, utilities, worker protection and facility modification expenditures, costs related to property damage caused by vandalism or looting, as well as certain other costs related to business software or cloud computing services. To be eligible for full loan forgiveness, PPP borrowers will have to spend no less than 60% of the funds on payroll over a covered period between eight to twenty-four weeks. Management expects to apply for full forgiveness during the calendar year 2021, in accordance with terms of this program. No collateral or personal guarantees are required. The loan has a maturity of five years and an interest rate of 1%. The Organization remains obligated to repay the lender any amount not forgiven as described in the promissory note.

INTERNAL CONTROLS AND COMPLIANCE

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*

To the Board of Directors
Friends of Birch State Park, 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 Friends of Birch State Park, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 27, 2021.

Internal Control over Financial Reporting

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

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.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
April 27, 2021