

# Friends of Birch State Park, Inc.

Financial Statements  
For the Year Ended December 31, 2021



# Friends of Birch State Park, Inc.

Financial Statements  
For the Year Ended December 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization ability to continue as a going concern for reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Report on Summarized Comparative Information**

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 27, 2021. In our opinion, the summarized comparative information present herein as of and for the year ended December 31, 2020, 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 13, 2022, 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*

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
April 13, 2022

# FINANCIAL STATEMENTS

**Friends of Birch State Park, Inc.**  
**Statement of Financial Position**  
**December 31, 2021**  
**(with comparative totals for December 31, 2020)**

	<u>2021</u>	<u>2020</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 283,583	\$ 232,921
Promises to give	-	10,500
Other assets	6,222	4,007
Equipment, net	<u>2,928</u>	<u>4,366</u>
Total assets	<u>\$ 292,733</u>	<u>\$ 251,794</u>
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 27,749	\$ 29,863
Deferred revenue	<u>1,500</u>	<u>-</u>
Total liabilities	<u>29,249</u>	<u>29,863</u>
<b>Net Assets:</b>		
Without donor restrictions: Undesignated	<u>211,653</u>	<u>176,339</u>
With donor restrictions:		
Time-restricted for future periods	-	10,500
Purpose restricted	<u>51,831</u>	<u>35,092</u>
Total with donor restrictions	<u>51,831</u>	<u>45,592</u>
Total net assets	<u>263,484</u>	<u>221,931</u>
Total liabilities and net assets	<u>\$ 292,733</u>	<u>\$ 251,794</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, 2021  
(with comparative totals for December 31, 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
<b>Public Support and Revenue:</b>				
Contributions and memberships	\$ 157,608	\$ 73,713	\$ 231,321	\$ 204,828
Grants	10,000	-	10,000	15,000
Other income - Paycheck Protection Program	31,550	-	31,550	28,798
Special events, net of direct costs of \$ 51,041	90,117	-	90,117	57,895
In-kind services	-	-	-	10,200
Interest income	47	25	72	132
	<u>289,322</u>	<u>73,738</u>	<u>363,060</u>	<u>316,853</u>
Total public support and revenue				
Net assets released from restrictions	<u>67,499</u>	<u>(67,499)</u>	<u>-</u>	<u>-</u>
Total public support, revenue, and net assets released from restrictions	<u>356,821</u>	<u>6,239</u>	<u>363,060</u>	<u>316,853</u>
<b>Expenses:</b>				
Program services:				
Park support and promotion	158,106	-	158,106	382,717
Supporting services:				
General and administrative	76,147	-	76,147	84,616
Fundraising and memberships	87,254	-	87,254	88,951
	<u>321,507</u>	<u>-</u>	<u>321,507</u>	<u>556,284</u>
Total expenses				
Change in net assets	35,314	6,239	41,553	(239,431)
<b>Net Assets, Beginning of Year</b>	<u>176,339</u>	<u>45,592</u>	<u>221,931</u>	<u>461,362</u>
<b>Net Assets, End of Year</b>	<u>\$ 211,653</u>	<u>\$ 51,831</u>	<u>\$ 263,484</u>	<u>\$ 221,931</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, 2021**  
**(with comparative totals for December 31, 2020)**

	Program Services		Supporting Services		2021 Total	2020 Total
	Park Support and Promotion	General and Administrative	Fundraising and Memberships			
<b>Expenses:</b>						
Benches	\$ 3,246	\$ -	\$ -	\$ 3,246	\$ 8,079	
Beach tunnel improvements	-	-	-	-	30,211	
Community relations	-	-	1,481	1,481	2,371	
Copier	-	903	-	903	851	
Credit card processing fees	-	3,933	-	3,933	1,838	
Depreciation	-	1,438	-	1,438	699	
Dues and subscriptions	-	954	-	954	29	
Elk's #7 cabin	427	-	-	427	-	
Entrance Retro Sign	11,221	-	-	11,221	-	
Equipment, supplies and repairs	25,132	2,840	619	28,591	31,937	
Food, meals and entertainment	322	333	1,310	1,965	978	
Lift	-	-	-	-	28,405	
Insurance	-	2,747	-	2,747	3,442	
Long Lake maintenance	4,080	-	-	4,080	9,792	
Meditation garden	7,038	-	-	7,038	8,964	
Membership programming	-	-	3,396	3,396	1,552	
Personnel costs	53,952	43,376	72,044	169,372	164,412	
Postage	-	751	342	1,093	1,282	
Marketing and public relations	5,192	-	3,146	8,338	10,853	
Miscellaneous	425	180	1,766	2,371	2,501	
North gate	2,278	-	-	2,278	-	
Park State passes	-	-	3,150	3,150	3,158	
Professional fees	-	12,213	-	12,213	18,450	
Park staff and volunteer support	2,774	-	-	2,774	9,256	
Special events	-	-	51,041	51,041	20,464	
South playground	34,519	-	-	34,519	-	
Telephone and internet	-	1,478	-	1,478	2,140	
Terramar house renovations	7,500	-	-	7,500	75,920	
Training	-	-	-	-	200	
Trestle to Trails project	-	-	-	-	132,480	
Website and email	-	5,001	-	5,001	6,484	
<b>Total expenses by function</b>	<b>158,106</b>	<b>76,147</b>	<b>138,295</b>	<b>372,548</b>	<b>576,748</b>	
<b>Less expenses included with revenues on the statement of activities:</b>						
Direct costs - special events	-	-	(51,041)	(51,041)	(20,464)	
<b>Total expenses included in the expenses section on the statement of activities</b>	<b>\$ 158,106</b>	<b>\$ 76,147</b>	<b>\$ 87,254</b>	<b>\$ 321,507</b>	<b>\$ 556,284</b>	

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, 2021**  
**(with comparative totals for December 31, 2020)**

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 41,553	\$ (239,431)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision for depreciation	1,438	699
(Increase) decrease in assets:		
Promises to give	10,500	(5,250)
Other assets	(2,215)	(107)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(2,114)	2,530
Deferred revenue	1,500	-
	<u>50,662</u>	<u>(241,559)</u>
Net cash provided by (used in) operating activities		
<b>Cash Flows from Investing Activities:</b>		
Purchase of equipment	-	(5,065)
	<u>-</u>	<u>(5,065)</u>
Net cash provided by (used in) investing activities		
	<u>50,662</u>	<u>(246,624)</u>
Net increase (decrease) in cash and cash equivalents		
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>232,921</u>	<u>479,545</u>
<b>Cash and Cash Equivalents, End of Year</b>	\$ <u><u>283,583</u></u>	\$ <u><u>232,921</u></u>

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

**Friends of Birch State Park, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021**  
**(with comparative totals for December 31, 2020)**

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**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 unconditional or conditional promises to give as of December 31, 2021. As of December 31, 2020, the Organization had no conditional promises to give and \$ 10,500 in unconditional promises to give receivable within one year.

**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, 2021 and 2020 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 8) remained recorded as a liability until the loan was fully forgiven and it had been legally released by the Small Business Administration ("SBA").

**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, 2021 and 2020. 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, 2020, from which the comparative information was extracted.

**Date of managements review:** Subsequent events have been evaluated by management through April 13, 2022, which is the date that the financial statements were issued.

**Friends of Birch State Park, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021**  
**(with comparative totals for December 31, 2020)**

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**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	\$	<u>283,583</u>
Financial Assets, at year-end		<u>283,583</u>
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restrictions by donor with purpose restrictions		<u>(51,831)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>231,752</u></u>

**Note 4 - Equipment**

Equipment consisted of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Office equipment	\$ 5,065	\$ 5,065
Less accumulated depreciation	<u>(2,137)</u>	<u>(699)</u>
	<u>\$ 2,928</u>	<u>\$ 4,366</u>

**Note 5 - Net Assets with Donor Restrictions**

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

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Animal care	\$ 9,710	\$ 444
Birch Buddies program	5,596	5,596
Elks #7 cabin	4,573	-
Entrance retro sign	429	4,000
Future projects	12,117	19,617
Marti's meditation garden	6,425	5,435
South playground	<u>12,981</u>	<u>-</u>
	<u>51,831</u>	<u>35,092</u>

**Friends of Birch State Park, Inc.**  
**Notes to Financial Statements**  
**December 31, 2021**  
**(with comparative totals for December 31, 2020)**

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**Note 5 - Net Assets with Donor Restrictions (continued)**

	<u>2021</u>	<u>2020</u>
Subject to passage of time: Promises to give, not restricted by donors, but unavailable for expenditure until due	<u>-</u>	<u>10,500</u>
Total	\$ <u>51,831</u>	\$ <u>45,592</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>2021</u>	<u>2020</u>
Expiration of time restrictions	\$ 10,500	\$ 5,250
Satisfaction of purpose restrictions:		
Animal care	1,322	5,503
Beach tunnel	-	42,666
Elks #7 cabin	427	-
Entrance retro sign	11,221	-
Marti's meditation garden	2,010	2,565
South playground	34,519	-
Terramar house renovations	7,500	75,920
Trestle to Trails project	<u>-</u>	<u>124,480</u>
Total	\$ <u>67,499</u>	\$ <u>256,384</u>

**Note 6 - Related Party Transactions**

Total public support and revenues from employees, board members or companies board members are associated with, amounted to approximately \$ 120,000 and \$ 101,000 for the years ended December 31, 2021 and 2020, respectively. There were promises to give from members of the Board of Directors of \$ 1,000 at December 31, 2020.

For the years ended December 31, 2021 and 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

**Note 7 - Contributed Goods and Services**

In 2020, the Organization received “in-kind” accounting services as a donation from a Board member, with a fair market value at \$ 10,200 and is reflected as in-kind services in the accompanying financial statements.

During the years ended December 31, 2021 and 2020, 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 for the year ended December 31, 2020. There were no donated goods or services in 2021.

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 8 - Debt - Paycheck Protection Program**

During the year, the Organization executed a promissory note for \$ 31,550 under the second round of the Paycheck Protection Program (“PPP2”) as authorized by the Coronavirus, Aid, Relief, and Economic Security Act (the “CARES Act”). Under the PPP2, loan funds are eligible for forgiveness to the extent that they are used to cover certain payroll, rent, and utility costs, as well as software or cloud computing services and personal protective equipment. The interest rate remains at 1.00% per annum. Repayment terms remain similar to the first round of the PPP, except the maturity date is on the 5th anniversary of the note and the repayment terms for any amount not forgiven will be based on a five-year amortization table. Effective January 6, 2021, the SBA granted the Organization full forgiveness/legal release of this loan. The funds were recognized as revenue in the statement of activities.

**Note 9 - 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.

# 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, 2021, 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 13, 2022.

### Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or 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.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 13, 2022