

# Friends of Birch State Park, Inc.

Financial Statements  
For the Year Ended December 31, 2022



# Friends of Birch State Park, Inc.

Financial Statements  
For the Year Ended December 31, 2022

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *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, 2022, 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 present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, 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*, issued by the Comptroller General of the United States. 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.

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### ***Auditor's Responsibilities 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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 13, 2022. In our opinion, the summarized comparative information present herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Friends of Birch State Park, Inc.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2023, 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  
August 8, 2023

# FINANCIAL STATEMENTS



**Friends of Birch State Park, Inc.**  
**Statement of Financial Position**  
**December 31, 2022**  
**(with comparative totals for December 31, 2021)**

	<u>2022</u>	<u>2021</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 299,850	\$ 283,583
Other assets	10,454	6,222
Equipment, net	<u>2,675</u>	<u>2,928</u>
Total assets	<u>\$ 312,979</u>	<u>\$ 292,733</u>
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 28,426	\$ 27,749
Deferred revenue	<u>-</u>	<u>1,500</u>
Total liabilities	<u>28,426</u>	<u>29,249</u>
<b>Net Assets:</b>		
Without donor restrictions:		
Undesignated	<u>200,967</u>	<u>211,653</u>
With donor restrictions:		
Purpose restricted	<u>83,586</u>	<u>51,831</u>
Total net assets	<u>284,553</u>	<u>263,484</u>
Total liabilities and net assets	<u>\$ 312,979</u>	<u>\$ 292,733</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, 2022**  
**(with comparative totals for December 31, 2021)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>	<u>2021 Total</u>
<b>Public Support and Revenue:</b>				
Contributions and memberships	\$ 183,243	\$ 1,042	\$ 184,285	\$ 231,321
Grants	10,000	60,000	70,000	10,000
Other income - Paycheck Protection Program	-	-	-	31,550
Special events, net of direct costs of \$ 70,012	101,444	-	101,444	90,117
Interest income	40	26	66	72
	<u>294,727</u>	<u>61,068</u>	<u>355,795</u>	<u>363,060</u>
Total public support and revenue				
Net assets released from restrictions	<u>29,313</u>	<u>(29,313)</u>	<u>-</u>	<u>-</u>
Total public support, revenue, and net assets released from restrictions	<u>324,040</u>	<u>31,755</u>	<u>355,795</u>	<u>363,060</u>
<b>Expenses:</b>				
Program services:				
Park support and promotion	157,488	-	157,488	158,106
Supporting services:				
General and administrative	73,262	-	73,262	76,147
Fundraising and memberships	103,976	-	103,976	87,254
	<u>334,726</u>	<u>-</u>	<u>334,726</u>	<u>321,507</u>
Total expenses				
Change in net assets	(10,686)	31,755	21,069	41,553
<b>Net Assets, Beginning of Year</b>	<u>211,653</u>	<u>51,831</u>	<u>263,484</u>	<u>221,931</u>
<b>Net Assets, End of Year</b>	<u>\$ 200,967</u>	<u>\$ 83,586</u>	<u>\$ 284,553</u>	<u>\$ 263,484</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, 2022**  
**(with comparative totals for December 31, 2021)**

	Program Services		Supporting Services		2022 Total	2021 Total
	Park Support and Promotion	General and Administrative	Fundraising and Memberships			
<b>Expenses:</b>						
Benches	\$ 5,113	\$ -	\$ -	\$ 5,113	\$ 3,246	
Community relations	-	-	3,246	3,246	1,481	
Conference and meetings	-	-	53	53	-	
Copier	-	750	-	750	903	
Credit card processing fees	-	1,461	-	1,461	3,933	
Depreciation	-	1,750	-	1,750	1,438	
Dues and subscriptions	-	1,061	-	1,061	954	
Elk's #7 cabin	-	-	-	-	427	
Entrance Retro Sign	-	-	-	-	11,221	
Equipment, supplies and repairs	23,361	1,788	1,257	26,406	28,591	
Food, meals and entertainment	187	2,723	600	3,510	1,965	
Golf carts	6,929	-	-	6,929	-	
Insurance	-	2,461	-	2,461	2,747	
Long Lake maintenance	754	-	-	754	4,080	
Meditation garden	5,188	-	-	5,188	7,038	
Membership programming	-	-	2,042	2,042	3,396	
Personnel costs	64,016	36,999	88,891	189,906	169,372	
Postage	-	253	283	536	1,093	
Marketing and public relations	5,282	269	2,309	7,860	8,338	
Miscellaneous	5	1,255	2,081	3,341	2,371	
North gate	1,228	-	-	1,228	2,278	
Park State passes	-	-	3,214	3,214	3,150	
Professional fees	-	15,694	-	15,694	12,213	
Park staff and volunteer support	2,267	-	-	2,267	2,774	
Special events	-	-	70,012	70,012	51,041	
South playground	8,479	-	-	8,479	34,519	
Telephone and internet	-	2,040	-	2,040	1,478	
Terramar house renovations	33,360	-	-	33,360	7,500	
Training	-	230	-	230	-	
Travel	1,319	-	-	1,319	-	
Website and email	-	4,528	-	4,528	5,001	
Total expenses by function	<u>157,488</u>	<u>73,262</u>	<u>173,988</u>	<u>404,738</u>	<u>372,548</u>	
<b>Less expenses included with revenues on the statement of activities:</b>						
Direct costs - special events	-	-	(70,012)	(70,012)	(51,041)	
Total expenses included in the expenses section on the statement of activities	<u>\$ 157,488</u>	<u>\$ 73,262</u>	<u>\$ 103,976</u>	<u>\$ 334,726</u>	<u>\$ 321,507</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, 2022**  
**(with comparative totals for December 31, 2021)**

	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 21,069	\$ 41,553
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision for depreciation	1,750	1,438
(Increase) decrease in assets:		
Promises to give	-	10,500
Other assets	(4,232)	(2,215)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	677	(2,114)
Deferred revenue	(1,500)	1,500
	<u>17,764</u>	<u>50,662</u>
Net cash provided by (used in) operating activities		
<b>Cash Flows from Investing Activities:</b>		
Purchase of equipment	<u>(1,497)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(1,497)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	16,267	50,662
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>283,583</u>	<u>232,921</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 299,850</u>	<u>\$ 283,583</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.
- *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, 2022 and 2021.

**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, 2022 and 2021 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 remained recorded as a liability until the loan was fully forgiven and it had been legally released by the Small Business Administration ("SBA"). Effective January 2021, the SBA granted the Organization full forgiveness/legal release of round 2 of these loans; therefore, the income is recognized within the public support and revenues section of the accompanying Statement of Activities for fiscal year 2021.

**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, 2022 and 2021. 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, 2021, from which the comparative information was extracted.

**Date of managements review:** Subsequent events have been evaluated by management through August 8, 2023, which is the date that the financial statements were issued.

**Friends of Birch State Park, Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**  
**(with comparative totals for December 31, 2021)**

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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>299,850</u>
Financial Assets, at year-end		<u>299,850</u>
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restrictions by donor with purpose restrictions		<u>(83,586)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>216,264</u></u>

**Note 4 - Equipment**

Equipment consisted of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Office equipment	\$ 6,562	\$ 5,065
Less accumulated depreciation	<u>(3,887)</u>	<u>(2,137)</u>
	<u>\$ 2,675</u>	<u>\$ 2,928</u>

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

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

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Animal care	\$ 4,365	\$ 9,710
Birch Buddies program	5,596	5,596
Elks #7 cabin	4,573	4,573
Entrance retro sign	429	429
Future projects	-	12,117
Long Lake	59,246	-
Marti's meditation garden	4,875	6,425
South playground	<u>4,502</u>	<u>12,981</u>
Total	<u>\$ 83,586</u>	<u>\$ 51,831</u>

**Friends of Birch State Park, Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**  
**(with comparative totals for December 31, 2021)**

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

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>2022</u>	<u>2021</u>
Expiration of time restrictions	\$ -	\$ 10,500
Satisfaction of purpose restrictions:		
Animal care	5,413	1,322
Elks #7 cabin	-	427
Entrance retro sign	-	11,221
Long Lake	754	-
Marti's meditation garden	2,550	2,010
South playground	8,479	34,519
Terramar house renovations	<u>12,117</u>	<u>7,500</u>
 Total	 \$ <u>29,313</u>	 \$ <u>67,499</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 \$ 58,000 and \$ 120,000 for the years ended December 31, 2022 and 2021, respectively.

For the years ended December 31, 2022 and 2021, 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**

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.

# 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, 2022, 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 August 8, 2023.

### 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  
August 8, 2023

August 8, 2023

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

We have audited the financial statements of Friends of Birch State Park, Inc. (the “Organization”) for the year ended December 31, 2022, and will issue our report thereon dated August 8, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 28, 2022. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

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

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- In the preparation of the *Statement of Functional Expenses*, management applied an allocation methodology of indirect expenditures derived from various assumptions (estimates) appearing reasonable under the current operating conditions of the Organization. This allocation methodology may be subject to change in future periods.

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

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

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

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no corrected or uncorrected misstatements.

*Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 8, 2023.

*Management Consultations with Other Independent Accountants*

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

This information is intended solely for the use of the Board of Directors and management of Friends of Birch State Park, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



KEEFE McCULLOUGH