

**FRIENDS OF HIGHLANDS HAMMOCK
STATE PARK, INC.**

FINANCIAL STATEMENTS

FOR YEAR ENDED DECEMBER 31, 2022

**FRIENDS OF HIGHLANDS HAMMOCK
STATE PARK, INC.**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statement of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-10
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 <i>Government Auditing Standards</i>	11-12

Bunting, Tripp & Ingley, LLP

CERTIFIED PUBLIC ACCOUNTANTS

A Tradition of Excellence Since 1926



ROGER A. INGLEY, CPA
MICHELLE G. HURST, CPA
DAVID W. ALLEN, CPA
WILLIAM M. JACOBS, CPA
SUZANNE B. FLETCHER, CPA

230 EAST TILLMAN AVENUE
P.O. BOX 990
LAKE WALES, FLORIDA 33859-0990
863/676-7981
FAX 863/676-8899
e-mail: info@bticpa.com
www.bticpa.com

DWIGHT L. REEVES, CPA (OF COUNSEL)
PAUL T. SWYGERT, CPA
SALVATORE D. TROPEA, CPA
SARAH E. CLEMONS, CPA
TOM LEE, CPA

Independent Auditor's Report

ALSO WITH OFFICES IN
TAMPA, FLORIDA

To the Board of Directors
Friends of Highlands Hammock State Park, Inc.
Sebring, Florida

Opinion

We have audited the accompanying financial statements of Friends of Highlands Hammock State Park, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, 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 Friends of Highlands Hammock State Park, Inc. for the year ended December 31, 2022, 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.

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 Friends of Highlands Hammock State Park, Inc. and to meet our other ethical responsibilities, in accordance with the 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 the 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 Friends of Highlands Hammock State Park, Inc.'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 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.

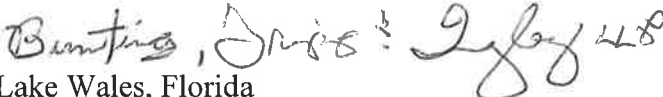
In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- 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 Friends of Highlands Hammock State Park, Inc.'s internal control. 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Friends of Highlands Hammock State Park, Inc.'s ability to continue as a going concern for a 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023, on our consideration of Friends of Highlands Hammock State Park, Inc.'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 Friends of Highlands Hammock State Park, Inc.'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 Friends of Highlands Hammock State Park, Inc.'s internal control over financial reporting and compliance.



Lake Wales, Florida
December 8, 2023

FRIENDS OF HIGHLANDS HAMMOCK STATE PARK, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

ASSETS

Current Assets

Cash	\$ 111,778
Restricted cash	204,879
Investments	300,635
Inventory	50,036

Total current assets 667,328

Property and Equipment

Furniture and equipment	95,029
Vehicles	77,335

Total property and equipment 172,364
Less: accumulated depreciation (84,602)

Property and equipment - net 87,762

Other Assets

Utility deposits	540
------------------	-----

Total other assets 540

Total assets \$ 755,630

LIABILITIES AND NET ASSETS

Current Liabilities

Payables and accruals	\$ 8,057
-----------------------	----------

Total current liabilities 8,057

Total liabilities 8,057

Net Assets

Without donor restrictions	
Undesignated	242,059
Board Designated	498,190

Total without donor restrictions 740,249

With donor restrictions 7,324

Total net assets 747,573

Total liabilities and net assets \$ 755,630

See accompanying notes to financial statements.

FRIENDS OF HIGHLANDS HAMMOCK STATE PARK, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2022

Revenues

Service revenue	\$ 365,396
Contributions and grants	12,445
Fundraising	32,370
Investment income	11,805
Gains on sale of investments	3,045
Change in unrealized gains and losses	(14,024)
Other revenue	251
	<hr/>
Total revenues	411,288

Expenses

Program services	380,836
Management & general	2,283
Fundraising expenses	13,716
	<hr/>
Total expenses	396,835
	<hr/>
Change in net assets	14,453
	<hr/>
Net assets, beginning of the year	733,120
	<hr/>
Net assets, end of the year	\$ 747,573

See accompanying notes to financial statements.

FRIENDS OF HIGHLANDS HAMMOCK STATE PARK, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Cost of goods sold	\$ 136,422	\$ -	\$ -	\$ 136,422
Salaries and wages	85,160	-	-	85,160
Occupancy	50,140	1,112	-	51,252
Depreciation	25,630	-	-	25,630
Repairs and maintenance	15,296	-	-	15,296
Equipment maintenance	14,202	-	-	14,202
Bank and credit card fees	13,637	-	-	13,637
Direct fundraising expenses	-	-	12,579	12,579
Insurance	10,059	340	-	10,399
Payroll Taxes	6,853	-	-	6,853
Office expense	4,887	696	-	5,583
Auto expense	5,286	-	-	5,286
Supplies	4,995	-	-	4,995
Travel and entertainment-public officials	3,210	-	-	3,210
Storage	1,402	-	-	1,402
Taxes and licenses	335	-	1,037	1,372
Advertising and promotion	716	100	100	916
Education	730	-	-	730
Work supplies	654	-	-	654
Commissions	517	-	-	517
Miscellaneous	352	-	-	352
Meetings and conferences	157	-	-	157
Dues and subscriptions	146	-	-	146
Travel	50	-	-	50
Investment fees	-	35	-	35
Total expenses	\$ 380,836	\$ 2,283	\$ 13,716	\$ 396,835

See accompanying notes to financial statements.

FRIENDS OF HIGHLANDS HAMMOCK STATE PARK, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022

Operating Activities

Change in net assets	\$ 14,453
Adjustments to reconcile change in net assets to net to net cash provided by operating activities:	
Depreciation	25,630
Realized and unrealized loss on sale of investments	10,979
Increase in assets	
Inventory	(12,297)
Increase in liabilities	
Payables and accruals	<u>1,148</u>
Net cash provided by operating activities	<u>39,913</u>

Investing Activities

Purchases of property and equipment	(41,095)
Proceeds from sale of investments	74,514
Purchases of investments	<u>(49,705)</u>
Net cash used by investing activities	<u>(16,286)</u>
Net increase in cash	23,627
Cash and cash equivalents - beginning of year	<u>293,030</u>
Cash and cash equivalents - end of year	<u>\$ 316,657</u>

See accompanying notes to financial statements.

FRIENDS OF HIGHLANDS HAMMOCK STATE PARK, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

Note A - Organization

Friends of Highlands Hammock State Park, Inc. (the "Organization") is a nonprofit organization in Highlands county Florida organized in April of 1995. The Organizations is granted tax exempt status by the Internal Revenue Service under Code Section 501(C) (3). The Organization's purpose is to support the State Park projects and assist in the operational needs of the park. The Organization has been certified as a citizens support organization by the Florida Department of Environmental Protection.

Note B - Summary of Significant Accounting Policies

Basis of Accounting

The Organization's financial statements have been prepared on the accrual basis of accounting, which recognizes revenues when earned and expenses as incurred.

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor or grantor restrictions. The Organization has designated, from net assets without donor restrictions, net assets for the accumulation of funds from the excess of revenues over expenses as incurred each fiscal year for the purpose of meeting future operating expenses as well as the expense of liquidation in the event of termination of the Organization.

Net Assets Without Donor Restrictions - board designations - Net assets that were received from a bequest. The Organization has designated that the original amount received be used according to their investment policy.

Restricted Net Assets - Net assets with imposed donor restrictions that have not yet been expended according to purpose.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

FRIENDS OF HIGHLANDS HAMMOCK STATE PARK, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2022

Note B - Summary of Significant Accounting Policies - Continued

Investments

Investments are in money market funds and marketable securities stated at fair value. See Note D for fair value measurements. Unrealized gains and losses are included in earnings and reported on the statement of activities.

Inventory

Inventory consists of park souvenirs, food and camping supplies, and is stated at lower cost or market, with cost determined on a first-in, first-out basis.

Equipment

Depreciable assets are stated at cost less accumulated depreciation. Depreciation is computed using the straight line method:

	<u>Statutory Life</u>
Furniture and equipment	7-15 years
Vehicles	5 years

Revenue Recognition

All contributions, including grants and bequests are considered available for operations unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as net assets with donor restrictions. When a donor restriction expires, net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions. Restricted contributions whose restrictions are met during the same reporting period are shown as support without donor restrictions.

The Organization recognizes revenues from sales of goods when sold.

Income Taxes

The Organization is organized as a Florida nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for federal income taxes have been made in the financial statements. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. It is management's opinion that the Organization had no unrelated business taxable income during the year ended December 31, 2022.

Management follows Accounting Standards Codification (ASC) 740-10 as it relates to uncertain tax positions. When applicable, any interest and penalties recognized associated with a tax position are classified as current in the Organization's financial statements.

FRIENDS OF HIGHLANDS HAMMOCK STATE PARK, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2022

Note B - Summary of Significant Accounting Policies - Continued

Income Taxes - Continued

Management has evaluated its tax positions taken for all open tax years. Currently, the 2020 - 2022 tax years are open and subject to examination by the Internal Revenue Service. The Organization is not currently under audit, nor has it been contacted by this jurisdiction. Based on the evaluation of the Organization's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended December 31, 2022.

Functional Allocation of Expenses

The costs of providing programs and supporting services have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. The expenses are charged directly to program management or fundraising services based on management's estimate of resources expended.

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 places its cash and cash equivalents with creditworthy, high quality financial institutions. At times, amounts on deposit may exceed the amount that is covered by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2022, all cash balances are insured under FDIC coverage.

Date of Management Review

Subsequent events were evaluated through December 8, 2023, which is the date the financial statements were available to be issued.

Note C - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor/grantor or other restrictions limiting use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 114,959
	<u>\$ 114,959</u>

FRIENDS OF HIGHLANDS HAMMOCK STATE PARK, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED DECEMBER 31, 2022

Note D - Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

	<u>Fair Value</u>	<u>Level 1</u>
<u>Marketable Securities</u>		
Corporate stocks	<u>\$ 300,635</u>	<u>\$ 300,635</u>
Total	<u>\$ 300,635</u>	<u>\$ 300,635</u>

Bunting, Tripp & Ingley, LLP

CERTIFIED PUBLIC ACCOUNTANTS

A Tradition of Excellence Since 1926



ROGER A. INGLEY, CPA
MICHELLE G. HURST, CPA
DAVID W. ALLEN, CPA
WILLIAM M. JACOBS, CPA
SUZANNE B. FLETCHER, CPA

230 EAST TILLMAN AVENUE
P.O. BOX 990
LAKE WALES, FLORIDA 33859-0990
863/676-7981
FAX 863/676-8899
e-mail: info@bticpa.com
www.bticpa.com

DWIGHT L. REEVES, CPA (OF COUNSEL)
PAUL T. SWYGERT, CPA
SALVATORE D. TROPEA, CPA
SARAH E. CLEMONS, CPA
TOM LEE, CPA

ALSO WITH OFFICES IN
TAMPA, FLORIDA

**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**

The Board of Directors
Friends of Highlands Hammock State Park, Inc.
Sebring, Florida

We have audited, 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, the financial statements of Friends of Highlands Hammock State Park, Inc. (a nonprofit organization), which comprise the statement of net position as of December 31, 2022, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 8, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Friends of Highlands Hammock State Park, Inc.'s (the Organization) 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 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.

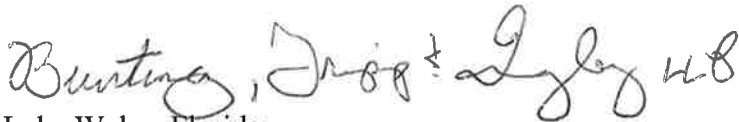
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 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.



Lake Wales, Florida
December 8, 2023

