

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

**FINANCIAL STATEMENTS**

**FOR YEAR ENDED DECEMBER 31, 2023**

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STATE PARK, INC.**

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**FOR THE YEAR ENDED DECEMBER 31, 2023**

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## 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, 2023, 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, 2023, 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.

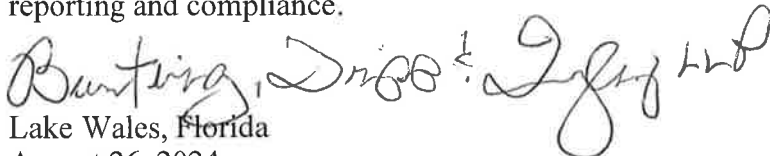
In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- 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 August 26, 2024, 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  
August 26, 2024

FRIENDS OF HIGHLANDS HAMMOCK STATE PARK, INC.

**STATEMENT OF FINANCIAL POSITION**

DECEMBER 31, 2023

**ASSETS**

**Current Assets**

Cash	\$ 105,913
Restricted cash	18,539
Investments	526,959
Inventory	61,673
	<hr/>
Total current assets	713,084

**Property and Equipment**

Furniture and equipment	111,957
Vehicles	77,335
	<hr/>
Total property and equipment	189,292
Less: accumulated depreciation	(111,164)
	<hr/>
Property and equipment - net	78,128
	<hr/>
Total assets	\$ 791,212

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Payables and accruals	\$ 24,675
	<hr/>
Total current liabilities	24,675
	<hr/>
Total liabilities	24,675

**Net Assets**

Without donor restrictions	
Undesignated	262,797
Board Designated	498,190
	<hr/>
Total without donor restrictions	760,987
	<hr/>
With donor restrictions	5,550
	<hr/>
Total net assets	766,537
	<hr/>
Total liabilities and net assets	\$ 791,212

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, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b><u>Revenues</u></b>			
Service revenue	\$ 399,449	\$ -	\$ 399,449
Contributions and grants	3,675	-	3,675
Fundraising	31,897	-	31,897
Investment income	21,432	-	21,432
Change in unrealized gains and losses	17,347	-	17,347
Other revenue	726	-	726
Net assets released from restrictions	967	(967)	-
	<u>475,493</u>	<u>(967)</u>	<u>474,526</u>
<b><u>Expenses</u></b>			
Program services	432,846	807	433,653
Management & general	4,666	-	4,666
Fundraising expenses	17,243	-	17,243
	<u>454,755</u>	<u>807</u>	<u>455,562</u>
Change in net assets	20,738	(1,774)	18,964
Net assets, beginning of the year	<u>740,249</u>	<u>7,324</u>	<u>747,573</u>
Net assets, end of the year	<u>\$ 760,987</u>	<u>\$ 5,550</u>	<u>\$ 766,537</u>

See accompanying notes to financial statements.

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

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2023**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Cost of goods sold	\$ 139,146	\$ -	\$ -	\$ 139,146
Salaries and wages	83,315	-	-	83,315
Occupancy	60,087	1,046	-	61,133
Accounting	27,650	2,550	-	30,200
Depreciation	26,562	-	-	26,562
Repairs and maintenance	20,399	-	-	20,399
Bank and credit card fees	20,227	-	-	20,227
Equipment maintenance	17,759	-	-	17,759
Direct fundraising expenses	-	-	16,287	16,287
Insurance	10,104	315	-	10,419
Payroll Taxes	6,891	-	-	6,891
Office expense	4,532	502	-	5,034
Supplies	4,321	-	-	4,321
Travel and entertainment-public officials	3,064	-	-	3,064
Auto expense	2,984	-	-	2,984
Work supplies	2,496	-	-	2,496
Storage	1,630	-	-	1,630
Contract labor	1,290	-	-	1,290
Taxes and licenses	61	-	956	1,017
Miscellaneous	926	-	-	926
Travel	-	219	-	219
Dues and subs	195	-	-	195
Investment fees	-	34	-	34
Meetings and conferences	7	-	-	7
Interest	7	-	-	7
<b>Total expenses</b>	<b>\$ 433,653</b>	<b>\$ 4,666</b>	<b>\$ 17,243</b>	<b>\$ 455,562</b>

See accompanying notes to financial statements.

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

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2023**

**Operating Activities**

Change in net assets	\$ 18,964
Adjustments to reconcile change in net assets to net to net cash provided by operating activities:	
Depreciation	26,562
Unrealized gain on investments	(17,347)
(Increase) decrease in assets	
Inventory	(11,637)
Utility deposit	540
Increase in liabilities	
Payables and accruals	<u>16,618</u>
 Net cash provided by operating activities	 <u>33,700</u>

**Investing Activities**

Purchases of property and equipment	(16,928)
Purchases of investments	<u>(208,977)</u>
 Net cash used by investing activities	 <u>(225,905)</u>
 Net decrease in cash	 (192,205)

Cash and cash equivalents - beginning of year	<u>316,657</u>
Cash and cash equivalents - end of year	<u>\$ 124,452</u>

**Reconciliation of Cash and Restricted Cash  
to Statement of Financial Position**

Cash	\$ 105,913
Restricted cash	<u>18,539</u>
 Total cash - end of year	 <u>\$ 124,452</u>

See accompanying notes to financial statements.

# FRIENDS OF HIGHLANDS HAMMOCK STATE PARK, INC.

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

### 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 Organization is granted tax exempt status by the Internal Revenue Service under Code Section 501(c)(3). The Organization's purpose is to support 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, 2023**

**Note B - Summary of Significant Accounting Policies - Continued**

**Investments**

Investments are in 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, 2023.

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, 2023**

**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 2021 - 2023 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, 2023.

**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, 2023, all cash balances are insured under FDIC coverage.

**Date of Management Review**

Subsequent events were evaluated through August 26, 2024, 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:

	<u>2023</u>
Cash and cash equivalents	<u>\$ 105,913</u>
	<u>\$ 105,913</u>

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**YEAR ENDED DECEMBER 31, 2023**

**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.

	<b><u>Fair Value</u></b>	<b><u>Level 1</u></b>
<b><u>Marketable Securities</u></b>		
Corporate stocks and mutual funds	<u>\$ 526,959</u>	<u>\$ 526,959</u>
Total	<u>\$ 526,959</u>	<u>\$ 526,959</u>

# Bunting, Tripp & Ingley, LLP

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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, 2023, 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 August 26, 2024.

## **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  
August 26, 2024