

**FRIENDS OF MACARTHUR BEACH  
STATE PARK, INC.**

**REPORT ON AUDITS OF FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

# FRIENDS OF MACARTHUR BEACH STATE PARK, INC.

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## Independent Auditor's Report

To the Board of Directors  
Friends of MacArthur Beach State Park, Inc.  
Palm Beach Gardens, Florida

### Opinion

We have audited the accompanying financial statements of Friends of MacArthur Beach State Park, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 MacArthur Beach State Park, Inc. as of December 31, 2023 and 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 audits 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 MacArthur Beach State Park, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 MacArthur Beach 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:

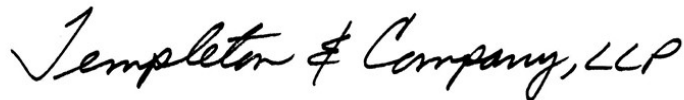
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 MacArthur Beach 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 MacArthur Beach 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 Matter**

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2024 on our consideration of Friends of MacArthur Beach 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 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 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 MacArthur Beach State Park, Inc.'s internal control over financial reporting and compliance.



West Palm Beach, Florida  
June 5, 2024

**FRIENDS OF MACARTHUR BEACH STATE PARK, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 89,491	\$ 367,238
Investments, at fair value (Note 3)	692,138	301,758
Inventory	46,016	30,809
Other current assets	<u>2,065</u>	<u>3,263</u>
Total current assets	829,710	703,068
Equipment, net of accumulated depreciation (Note 4)	<u>2,908</u>	<u>6,120</u>
Total assets	<u>\$ 832,618</u>	<u>\$ 709,188</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Due to The Nature Foundation	\$ 50,000	\$ -
Accrued expenses	<u>9,356</u>	<u>13,214</u>
Total current liabilities	<u>59,356</u>	<u>13,214</u>
Net assets:		
Without donor restrictions	735,035	667,967
With donor restrictions (Note 5)	<u>38,227</u>	<u>28,007</u>
Total net assets	<u>773,262</u>	<u>695,974</u>
Total liabilities and net assets	<u>\$ 832,618</u>	<u>\$ 709,188</u>

See accompanying notes to financial statements.

**FRIENDS OF MACARTHUR BEACH STATE PARK, INC.**

**STATEMENTS OF ACTIVITIES  
For the Years Ended December 31, 2023 and 2022**

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Contributions	\$ 41,233	\$ -	\$ 41,233	\$ 61,196	\$ -	\$ 61,196
Grants	84,660	206,902	291,562	56,766	15,000	71,766
Membership dues	163,313	-	163,313	163,370	-	163,370
Program revenue	151,465	-	151,465	141,125	-	141,125
Special events	87,043	-	87,043	58,141	-	58,141
Merchandise sales	258,419	-	258,419	272,134	-	272,134
Net investment return (loss)	24,529	-	24,529	(397,639)	-	(397,639)
Other income	1,521	-	1,521	3,595	-	3,595
Net assets released from restrictions (Note 5)	196,682	(196,682)	-	587,826	(587,826)	-
<b>Total support and revenue</b>	<b>1,008,865</b>	<b>10,220</b>	<b>1,019,085</b>	<b>946,514</b>	<b>(572,826)</b>	<b>373,688</b>
Expenses:						
Program services	693,339	-	693,339	606,006	-	606,006
Management and general	154,425	-	154,425	153,920	-	153,920
Fundraising	75,860	-	75,860	31,331	-	31,331
Special events	18,173	-	18,173	15,001	-	15,001
<b>Total expenses</b>	<b>941,797</b>	<b>-</b>	<b>941,797</b>	<b>806,258</b>	<b>-</b>	<b>806,258</b>
Transfers:						
Transfers to Nature Foundation	-	-	-	(2,485,199)	-	(2,485,199)
<b>Total transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,485,199)</b>	<b>-</b>	<b>(2,485,199)</b>
Change in net assets	67,068	10,220	77,288	(2,344,943)	(572,826)	(2,917,769)
Net assets - beginning of year	667,967	28,007	695,974	3,012,910	600,833	3,613,743
<b>Net assets - end of year</b>	<b>\$ 735,035</b>	<b>\$ 38,227</b>	<b>\$ 773,262</b>	<b>667,967</b>	<b>\$ 28,007</b>	<b>\$ 695,974</b>

See accompanying notes to financial statements.

**FRIENDS OF MACARTHUR BEACH STATE PARK, INC.**

**STATEMENTS OF CASH FLOWS**

**For the Years Ended December 31, 2023 and 2022**

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 77,288	\$ (2,917,769)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,212	3,212
Transfer of investments to Nature Foundation	-	2,485,199
Net realized and unrealized (gains) losses on investments	(24,529)	397,639
Changes in operating assets and liabilities:		
Inventory	(15,207)	(10,279)
Other current assets	1,198	(2,970)
Due to The Nature Foundation	50,000	-
Accrued expenses	(3,858)	3,936
Net cash provided by (used in) operating activities	88,104	(41,032)
Cash flows from investing activities:		
Purchases of investments, net	(365,851)	(133,163)
Net cash used in investing activities	(365,851)	(133,163)
Net decrease in cash	(277,747)	(174,195)
Cash, beginning of year	367,238	541,433
Cash, end of year	\$ 89,491	\$ 367,238

See accompanying notes to financial statements.

**FRIENDS OF MACARTHUR BEACH STATE PARK, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2023**

	Program Services				Supporting Services				Total Expenses
	Park Development	Public Education	Visitor Services	Nature Foundation	Total Program Services	Management and General	Fundraising	Special Events	
Salaries and benefits	\$ 67,584	\$ 27,034	\$ 33,793	\$ 6,759	\$ 135,170	\$ 123,316	\$ 11,851	\$ -	\$ 270,337
Postage and shipping	480	962	962	-	2,404	-	-	-	2,404
Cost of inventory items sold	102,975	-	-	-	102,975	-	-	-	102,975
Travel	1,410	2,818	2,818	-	7,046	-	-	-	7,046
Repairs and maintenance	6,615	13,222	13,222	-	33,059	-	-	-	33,059
Insurance	4,332	8,665	8,665	-	21,662	-	-	-	21,662
Advertising	1,853	3,705	3,705	-	9,263	-	-	-	9,263
Professional fees and trainers	1,361	1,361	1,361	-	4,083	15,098	6,291	-	25,472
Office expense	3,042	6,082	6,082	-	15,206	12,165	3,037	-	30,408
Kayak program expenses	-	2,384	2,383	-	4,767	-	-	-	4,767
Park support and equipment	-	27,962	27,962	-	55,924	-	-	-	55,924
Grant expenditures	245,550	-	-	-	245,550	3,846	54,681	-	304,077
Direct cost of special events	-	-	-	-	-	-	-	18,173	18,173
Depreciation	-	-	3,212	-	3,212	-	-	-	3,212
Other expenses	-	26,522	26,496	-	53,018	-	-	-	53,018
<b>Total expenses</b>	<b>\$ 435,202</b>	<b>\$ 120,717</b>	<b>\$ 130,661</b>	<b>\$ 6,759</b>	<b>\$ 693,339</b>	<b>\$ 154,425</b>	<b>\$ 75,860</b>	<b>\$ 18,173</b>	<b>\$ 941,797</b>

See accompanying notes to financial statements.

**FRIENDS OF MACARTHUR BEACH STATE PARK, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2022**

	Program Services				Supporting Services				Total Expenses
	Park Development	Public Education	Visitor Services	Nature Foundation	Total Program Services	Management and General	Fundraising	Special Events	
Salaries and benefits	\$ 64,336	\$ 25,735	\$ 32,169	\$ 6,434	\$ 128,674	\$ 117,391	\$ 11,281	\$ -	\$ 257,346
Contract services	40,405	16,162	20,203	4,040	80,810	-	-	-	80,810
Printing and publications	1,192	2,385	2,385	-	5,962	-	-	-	5,962
Postage and shipping	367	733	732	-	1,832	-	-	-	1,832
Cost of inventory items sold	154,705	-	-	-	154,705	-	-	-	154,705
Travel	1,002	2,003	2,003	-	5,008	-	-	-	5,008
Repairs and maintenance	2,358	4,711	4,711	-	11,780	-	-	-	11,780
Insurance	3,855	7,710	7,710	-	19,275	-	-	-	19,275
Advertising	445	890	891	-	2,226	-	-	-	2,226
Professional fees and trainers	2,086	2,086	2,086	-	6,258	23,140	9,642	-	39,040
Office expense	3,220	6,440	6,441	-	16,101	12,882	3,216	-	32,199
Kayak program expenses	-	4,251	4,251	-	8,502	-	-	-	8,502
Park support and equipment	-	21,805	21,804	-	43,609	-	-	-	43,609
Grant expenditures	32,301	-	-	-	32,301	507	7,192	-	40,000
Direct cost of special events	-	-	-	-	-	-	-	15,001	15,001
Depreciation	-	-	3,212	-	3,212	-	-	-	3,212
Other expenses	-	42,896	42,855	-	85,751	-	-	-	85,751
<b>Total expenses</b>	<b>\$ 306,272</b>	<b>\$ 137,807</b>	<b>\$ 151,453</b>	<b>\$ 10,474</b>	<b>\$ 606,006</b>	<b>\$ 153,920</b>	<b>\$ 31,331</b>	<b>\$ 15,001</b>	<b>\$ 806,258</b>

See accompanying notes to financial statements.

# FRIENDS OF MACARTHUR BEACH STATE PARK, INC.

## NOTES TO FINANCIAL STATEMENTS

### Note 1 – Nature of Activities and Summary of Significant Accounting Policies

#### Nature of activities

Friends of MacArthur Beach State Park, Inc. (Friends) is a nonprofit organization incorporated under the laws of the State of Florida and is a 501(c)(3) tax exempt organization under the Internal Revenue Code (IRC). Friends is funded primarily from contributions made by the public within the State of Florida, through paid programs provided to the public, and gift shop sales. Contributions are used to fund visitor services, public education, park development, and resource management.

#### Basis of accounting

Friends prepares its financial statements using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) whereby revenues are recognized when earned and expenses are recognized when incurred.

#### Basis of presentation

Net assets, revenue, expenses, and gains and losses are classified as without donor restrictions and with donor restrictions based on the existence or absence, respectively, of contractual, grantor, or donor-imposed restrictions. Accordingly, the net assets of Friends and changes therein are classified as follows:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and are available for the support of Friends' operations. These net assets may be used at the discretion of Friends' management and the Board of Directors.

*Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that may or will be met either by actions of Friends or the passage of time.

#### Revenue recognition

Membership dues are recognized as revenue when earned. Member events revenue is recognized when earned. Grant revenue is recognized when the requirements under the grant have been fulfilled and collected. Grant revenue that is by nature a charitable contribution is recognized when the contribution is received and reported as net assets with donor restrictions or net assets without donor restrictions depending on grantor-imposed restrictions. Fees for programs are recognized when the program takes place.

Revenue from merchandise sales is recognized upon the sale of items to customers in Friends' gift shop.

#### Measure of operations

The statements of activities, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to Friends' ongoing education, preservation, and member services.

#### Grants and contributions

Friends records funding from unconditional grants in the period that the grant award is received. Unconditional contributions are recorded in the period that the contribution is received. Classification of grants and contributions as without donor restrictions or with donor restrictions is based upon any external stipulations that limit the use of the funds.

# FRIENDS OF MACARTHUR BEACH STATE PARK, INC.

## NOTES TO FINANCIAL STATEMENTS, CONTINUED

### Note 1 – Nature of Activities and Summary of Significant Accounting Policies, Continued

#### Grants and contributions, continued

When a grantor or donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are then reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Grants and contributions with donor restrictions are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

#### Income taxes

Friends' activities are generally exempt from federal and state income taxes under Section 501(c)(3) of the IRC. Since Friends is exempt from federal and state income tax liability, no provision for income taxes is recorded in Friends' financial statements. Management is not aware of any transactions that would impact Friends' tax-exempt status.

Management analyzes tax positions in jurisdictions where it is required to file income tax returns. Based on its evaluation, management did not identify any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease.

Interest and penalties attributable to income taxes, if any, are included in operating expenses. No such interest or penalties were recorded for the years 2023 or 2022. Friends is no longer subject to federal, state, or local income tax examinations by taxing authorities for years prior to 2020.

#### Fair value measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. As of December 31, 2023 and 2022, Friends had no Level 2 or Level 3 assets or liabilities.

#### Contributed services

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received as in-kind contributions.

Many individuals volunteer their time and perform a variety of tasks to assist with the programs and other activities of Friends. The value of these services has not been recorded because the criteria for recognition have not been satisfied.

#### Cash

Cash includes amounts on deposit in general checking and savings accounts.

#### Inventory

Inventory held in the gift shop for resale is stated at the lower of cost or net realizable value determined on the first-in first-out method.

# FRIENDS OF MACARTHUR BEACH STATE PARK, INC.

## NOTES TO FINANCIAL STATEMENTS, CONTINUED

### Note 1 – Nature of Activities and Summary of Significant Accounting Policies, Continued

#### Investments

Investments consist of certificates of deposit, money market funds, exchange traded funds, and U.S. Treasury securities that are measured at fair value based on quoted market prices.

Investment income and realized gains and losses on investments are recognized upon realization. Unrealized gains and losses are recognized on changes in fair values during the period. Net investment returns are reported in appropriate net asset classifications based upon the existence of donor restrictions, if any.

Investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in values of investments will occur in the near-term.

#### Accounting estimates

The preparation of financial statements in conformity with the accrual basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and the differences could be material.

#### Property and equipment

Certain equipment acquisitions with a useful life of greater than one year and cost greater than \$1,000 are capitalized and stated at cost or, if donated, at the fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is 5 years.

Management reviews its equipment for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Maintenance and repairs are charged to expense when incurred.

#### Expense recognition and allocation

The cost of providing programs and other activities is summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions, such as depreciation, insurance, supplies, and maintenance have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied.

Annually, or more often when new programs are added, the bases on which costs are allocated are evaluated.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction.

Fundraising and special event costs are expensed as incurred, even though they may result in contributions received in future years. Friends generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

# FRIENDS OF MACARTHUR BEACH STATE PARK, INC.

## NOTES TO FINANCIAL STATEMENTS, CONTINUED

### Note 1 – Nature of Activities and Summary of Significant Accounting Policies, Continued

#### Concentrations of credit risk

Friends' cash balances on deposit with banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC). Friends is occasionally exposed to risk for the amount of funds held in any one account in excess of the insurance limit; no such risk existed as of December 31, 2023. In assessing its risk, Friends' policy is to bank only with the highest rated financial institutions. Friends has not experienced any losses in such accounts.

Other securities and limited amounts of cash held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to \$500,000 of protection for each brokerage account, with a limit of \$250,000 for claims of uninvested cash balances. The SIPC insurance does not protect against market losses on investments.

### Note 2 – Availability of Resources and Liquidity

As of December 31, 2023, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, were as follows:

Financial assets:		
Cash		\$ 89,491
Investments		<u>692,138</u>
Total financial assets		781,629
Less financial assets held to meet donor-imposed restrictions:		
Purpose-restricted net assets (Note 5)		<u>(38,227)</u>
Financial assets available for general expenditures in the next year		<u>\$ 743,402</u>

Friends' goal is to maintain liquid financial assets sufficient to cover 90 days of general operating expenditures. Financial assets in excess of short-term cash requirements are invested in interest-bearing accounts and money market accounts at financial institutions.

### Note 3 – Investments

Investments are measured at fair value. Fair value is determined by quoted market prices in active markets for all investments (Level 1 measurements). Investments at December 31, 2023 and 2022 consist of the following:

	2023	2022
Money market funds	\$ 87,978	\$ -
Equity securities	10,477	-
U.S. Treasury securities	391,185	-
Certificates of deposit	<u>202,498</u>	<u>301,758</u>
Total investments, at fair value	<u>\$ 692,138</u>	<u>\$ 301,758</u>

The following schedule summarizes the net investment return (loss) for the years ended December 31, 2023 and 2022:

	2023	2022
Interest and dividend income	\$ 18,446	\$ 71,768
Net realized and unrealized gains (losses)	<u>6,083</u>	<u>(469,407)</u>
Net investment return (loss)	<u>\$ 24,529</u>	<u>\$ (397,639)</u>

**FRIENDS OF MACARTHUR BEACH STATE PARK, INC.**

**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**Note 4 – Equipment**

A summary of equipment as of December 31, 2023 and 2022 is as follows:

	2023	2022
Computer	\$ 16,062	\$ 16,062
Less: accumulated depreciation	(13,154)	(9,942)
Equipment, net	\$ 2,908	\$ 6,120

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

Interpretation of relevant law

Friends follows the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA). FUPMIFA requires the Board of Directors (the Board) to use reasonable care, skill, and caution as exercised by a prudent investor in considering the investment management and expenditures of endowment funds. In accordance with FUPMIFA, the Board may expend so much of an endowment fund as the Board determines to be prudent for the uses and purposes for which the endowment fund is established, consistent with the goal of conserving the purchasing power of the endowment fund.

Net assets with donor restrictions as of December 31, 2023 and 2022 are available for the following purposes:

	2023	2022
Purpose restrictions:		
Park development	\$ 7,792	\$ 7,792
Public education	5,975	12,410
Visitor services	24,460	7,805
	\$ 38,227	\$ 28,007

Net assets are released from donor restrictions by incurring costs or expenses satisfying the restricted purposes or by the occurrence of events as specified by the donors. Net assets were released from donor restrictions for the years ended December 31, 2023 and 2022 for the following purposes:

	2023	2022
Park development	\$ 91,807	\$ 554,531
Public education	90,435	29,980
Visitor Services	14,440	3,315
	\$ 196,682	\$ 587,826

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted and Board designated endowments may fall below the level that the donor or Board requires Friends to retain as a fund of perpetual duration. There were no such funds with deficiencies as of December 31, 2023 and 2022.

## FRIENDS OF MACARTHUR BEACH STATE PARK, INC.

### NOTES TO FINANCIAL STATEMENTS, CONTINUED

#### Note 6 – Related Party

The Nature Foundation, Inc. (the Foundation) is a nonprofit organization formed to benefit and assist Friends in funding park programs and services or plant facilities that are not funded by the State of Florida. All the Foundation's board members are volunteers and have no financial interest in the Foundation or Friends. Foundation bylaws state a majority of the Foundation's trustees shall be members of the Board of Directors of Friends. Friends does not have a majority voting interest in Foundation, as defined by GAAP.

Summarized Foundation financial data as of and for the years ended December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Total assets	\$ 3,950,706	\$ 3,501,408
Total liabilities	\$ 761,117	\$ 352,915
Total net assets	\$ 3,189,589	\$ 3,148,493
Total revenue and support	\$ 134,936	\$ 2,331,122
Total expenses	\$ 93,840	\$ 6,956

During the year ended December 31, 2023, Friend's Board of Directors approved a contribution in the amount of \$50,000 to the Foundation. The contribution is reported as Due to The Nature Foundation on the statement of financial position at December 31, 2023 and as grant expenditures in the statement of functional expenses for the year ended December 31, 2023.

#### Note 7 – Subsequent Events

Management evaluated events occurring subsequent to December 31, 2023 through June 5, 2024, the date on which the financial statements were available to be issued, for matters that should be recorded in the financial statements or disclosed in the footnotes thereto.



## **Independent Auditors' 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 of  
Friends of MacArthur Beach State Park, Inc.  
Palm Beach Gardens, 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 MacArthur Beach State Park, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 5, 2024.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Friends of MacArthur Beach State Park, Inc.'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 Friends of MacArthur Beach State Park, Inc.'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 or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Friends of MacArthur Beach State Park, Inc.'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 Friends of MacArthur Beach State Park, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Friends of MacArthur Beach State Park, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Templeton & Company, LLP*

West Palm Beach, Florida  
June 5, 2024

**FRIENDS OF MACARTHUR BEACH STATE PARK, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended December 31, 2023**

**Part I – Financial Statement Findings and Questioned Costs in the Current Year**

No findings or questioned costs noted during fiscal year 2023.

**Part II – Financial Statement Findings and Questioned Costs in the Prior Year**

No findings or questioned costs noted during fiscal year 2022.