

**STEPHEN FOSTER CITIZEN SUPPORT
ORGANIZATION, INC.**

FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

**STEPHEN FOSTER CITIZEN SUPPORT
ORGANIZATION, INC.**

BOARD OF DIRECTORS

December 31, 2023

Officers

Shauna Adams Farries	President
Muna Keeney	Vice President
Greg Pool	Treasurer
Mike Radel	Secretary

Board Members

Mick Shea	Board Member
Bebe Willis	Board Member
Bruce Witton	Board Member

**STEPHEN FOSTER CITIZEN SUPPORT
ORGANIZATION, INC.**

FINANCIAL STATEMENTS

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December 31, 2023

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FINANCIAL SECTION

KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Stephen Foster Citizen Support Organization, Inc.
White Springs, Florida

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of the Stephen Foster Citizen Support Organization, Inc., a non-profit organization, which comprise the statement of financial position as of December 31, 2023, 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 my opinion, the financial statements present fairly, in all material respects, the financial position of the Stephen Foster Citizen Support Organization, Inc., as of 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

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Stephen Foster Citizens Support Organization, Inc., and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 the Stephen Foster Citizen Support Organization, 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

My 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 My 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, I:

- 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 Stephen Foster Citizens Support Organization, 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Stephen Foster Citizens Support Organization, Inc.'s, ability to continue as a going concern for a reasonable period of time.

I am 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, I have also issued my report dated September 20, 2024, on my consideration of Stephen Foster Citizens Support Organization, Inc.'s, internal control over financial reporting and on my 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 my 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 Stephen Foster Citizens Support Organization, 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 Stephen Foster Citizens Support Organization, Inc.'s, internal control over financial reporting and compliance.



Kenneth M. Daniels
Certified Public Accountant
September 20, 2024

FINANCIAL STATEMENTS

STEPHEN FOSTER CITIZEN SUPPORT ORGANIZATION, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2023

Assets

Current assets

Cash	\$	331,991
Accounts receivable		<u>5,755</u>
Total current assets		<u>337,746</u>

Noncurrent assets

Certificate of deposit - board designated		<u>210,729</u>
Fixed assets		
Improvements		899
Equipment		2,893
Accumulated depreciation		<u>(3,757)</u>
Net fixed assets		<u>35</u>
Total noncurrent assets		<u>210,764</u>
Total assets	\$	<u><u>548,510</u></u>

Liabilities and Net Assets

Current liabilities

Accounts payable	\$	<u>6,548</u>
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Net assets

Without donor restrictions		
Designated		210,729
Undesignated		<u>331,233</u>
Total net assets		<u>541,962</u>
Total liabilities and net assets	\$	<u><u>548,510</u></u>

STEPHEN FOSTER CITIZEN SUPPORT ORGANIZATION, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

Revenues and Other Support

Revenues

Programs and events

Admissions and registrations \$ 133,895

Advertising 1,975

Commission 23,415

Sales 22,807

Vendor fees 1,241

Interest 2,068

Miscellaneous

Other 156

Vending machine fees 900

Refunds 8,874

Total revenues 195,331

Other support

Contributions 69,285

Grants 177,500

Reimbursements - FL Dept of Environmental Protection 32,660

Total other support 279,445

Total revenues and other support 474,776

Expenses

Program Services

Park Support 13,308

Grants 178,500

Membership 1,490

Programs and events 218,071

Total program services 411,369

Supporting Services

Management and general 34,477

Total expenses 445,846

Change in net assets 28,930

Net assets at beginning of year 513,032

Net assets at end of year \$ 541,962

STEPHEN FOSTER CITIZEN SUPPORT ORGANIZATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2023

Expenses	Program Support					Totals
	<u>Park Support</u>	<u>Grants</u>	<u>Membership</u>	<u>Programs and Events</u>	<u>Management and General</u>	
Advertising	\$ -	\$ 2,500	\$ -	\$ 6,706	\$ -	\$ 9,206
Bank fees	-	-	-	-	294	294
Capital purchases	2,275	-	-	-	1,995	4,270
Credit card fees	-	-	-	3,252	2,903	6,155
Depreciation	-	-	-	-	30	30
Dues and subscription	-	-	-	228	5,227	5,455
Insurance	-	-	-	-	1,551	1,551
Licenses and permits	-	-	-	685	-	685
Lodging	-	-	-	1,054	203	1,257
Meals and food	-	-	1,490	15,163	409	17,062
Merchandise	-	-	-	7,652	-	7,652
Miscellaneous	-	-	-	-	4,727	4,727
Park fees	-	-	-	83,054	-	83,054
Postage	-	-	-	81	98	179
Printing	-	-	-	2,200	-	2,200
Professional fees	-	-	-	-	5,850	5,850
Provider fees	-	26,000	-	58,392	400	84,792
Recognition	-	-	-	3,004	-	3,004
Rental equipment	-	-	-	8,741	-	8,741
Repairs and maintenance	10,575	150,000	-	14	742	161,331
Supplies office	-	-	-	(148)	311	163
Supplies other	458	-	-	27,538	992	28,988
Travel	-	-	-	200	-	200
Utilities - phone	-	-	-	255	8,745	9,000
Total expenses	<u>\$ 13,308</u>	<u>\$ 178,500</u>	<u>\$ 1,490</u>	<u>\$ 218,071</u>	<u>\$ 34,477</u>	<u>\$ 445,846</u>

See notes to financial statements.

STEPHEN FOSTER CITIZEN SUPPORT ORGANIZATION, INC.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

Cash flows from operating activities	
Cash received from programs and events	\$ 180,862
Cash received from contributions	69,285
Cash received from reimbursements	32,660
Cash received from interest	2,068
Cash received from grants	171,250
Cash received from miscellaneous	9,930
Cash paid to suppliers, performers, and others	<u>(448,845)</u>
Net cash provided (used) by operating activities	<u>17,210</u>
Cash flows from investing activities	
Redemption (purchase) of certificates of deposit	<u>(2,054)</u>
Net increase (decrease) in cash	15,156
Cash - beginning	<u>316,835</u>
Cash - ending	<u><u>\$ 331,991</u></u>
Reconciliation of increase (decrease) in net assets to net cash used by operating activities	
Increase (decrease) in net assets	<u>\$ 28,930</u>
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities	
Depreciation	30
Decrease (increase) in operating assets	
Accounts receivable	(2,471)
Increase (decrease) in operating liabilities	
Accounts payable	(3,029)
Unearned revenue	<u>(6,250)</u>
Total adjustments	<u>(11,720)</u>
Net cash provided (used) by operating activities	<u>\$ 17,210</u>
Noncash transactions	<u>\$ -</u>
Reconciliation of cash per the statement of financial position to the statement of cash flows:	
Cash per statement of financial position	
Cash	\$ 331,991
Certificate of deposit - board designated	<u>210,729</u>
Total cash	542,720
Less certificates of deposit	<u>(210,729)</u>
Cash per statement of cash flows	<u><u>\$ 331,991</u></u>

**STEPHEN FOSTER CITIZEN SUPPORT
ORGANIZATION, INC.**

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

Organization and Purpose

The Stephen Foster Citizen Support Organization, Inc., was incorporated on December 21, 1988, as a Florida non-stock, not-for-profit corporation, with objectives and purposes as follows:

“to conduct programs and activities, sponsor research, sponsor promotions, raise funds, request and receive grants, funds, contributions, dues, and bequests of money, real and personal property; or acquire, receive, hold, invest, and administer, in its own name, securities, funds, objects of value, or other property, real or personal, and make expenditures and distributions to or for the benefit of the Florida Division of Recreation and Parks and the Stephen Foster Folk Culture Center State Park.”

Nature of Activities

The Organization’s activities are achieved at the Stephen Foster Folk Culture Center in White Springs, Florida, through the following major programs:

Park Support – The Organization enhances visitors’ experiences in the Park through expenditures on maintenance, equipment, and infrastructure.

Grants – Grants fund ongoing awareness of Folk Culture and provide funds for Park maintenance.

Membership – Interest in Folk Culture is enhanced by members who take an active role in the Park and related activities. The funds generated further the Organization’s mission.

Programs and Events – Numerous folk events are funded and promoted by the Organization annually: Wild Azalea Festival, Antique Tractor and Engine Show, Florida Folk Festival, Rural Folklife Days, Quilt Show and Sale, Old Time Music Weekend, Dulcimer Retreat, Festival of Lights, and numerous craft demonstrations.

Revenues supporting the above services are primarily local grants and reimbursements, special events’ fees, and contributions. The relative importance of the Organization’s activities based on revenues (percent of total) is as follows: programs and events 38%, other support 59%, miscellaneous 2%, and interest 1%.

Basis of Accounting

The Stephen Foster Citizen Support Organization, Inc., follows standards of accounting and financial reporting prescribed for voluntary health and welfare organizations. It uses the accrual basis of accounting, which recognizes revenue when earned and expenses as incurred. Federal,

state, local government, and public grants are recorded as support when performance occurs under the terms of the grant agreement.

The costs of providing the various programs and other activities have been detailed in the Statement of Functional Expenses and are summarized on a functional basis in the Statement of Activities.

Financial Statement Presentation

The financial statement presentation is presented as required by the Section 958, Not for Profit Entities, in the Financial Accounting Standards Board (FASB) Accounting Standards Codification.

Under the Codification, the Stephen Foster Citizens Support Organization, Inc., is required to report information regarding its financial position and activities according to two classes of net assets:

1. Without donor restrictions: net assets available for use in general operations and not subject to donor restrictions. Grants and contributions gifted for recurring programs are generally not considered “restricted.” However, the Organization tracks such grants and contributions to verify that the disbursement matches the intent.
2. With donor restrictions: Net assets subject to donor-imposed stipulations that are more restrictive than the Organization’s mission and purpose. Some donor-imposed restrictions are temporary in nature, such as those met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires – either time elapses or the purpose has been fulfilled or both. Certain donor restricted net assets are perpetual in nature and must be maintained in perpetuity.

Contributions

Contributions and grants are reported as without or with donor restrictions, depending on the existence or nature of any restrictions, or both. Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires, the net assets are reclassified to net assets without donor restrictions. Noncash contributions are recorded at their fair market value at the date of contribution.

Revenue Recognition

Revenues from grants are recognized when earned, generally, when the related costs are incurred under the grant agreement. Contributions are recognized when cash, other assets, or an unconditional promise to give is received.

Expenses

Expenses are reported as decreases in net assets without donor restrictions. When applicable, expirations of donor restrictions on net assets are reported as net assets without donor restrictions in the statement of activities (the donor-stipulated purpose has been fulfilled or time has elapsed or both).

All transactions are considered from operations unless specifically excluded on the statement of activities.

Promises to Give

Based on FASB Codification 958-605-25, Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in donor restricted net assets depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Cash and Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within ninety (90) days of purchase. At December 31, 2023, the Organization held no amounts that are considered a cash equivalent.

Property and Equipment

Property and equipment are valued at historical cost. Donated property and equipment are valued at estimated fair value at the date of donation. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

The Organization's policy regarding donated property and equipment is the same as for contributions: donations of property and equipment are reported in the period received as increases in net assets without donor restrictions if the applicable requirements are met during the year.

Depreciation of property and equipment (with cost exceeding \$1,000 – lesser amounts are expensed) is computed using the straight-line method over the estimated useful lives of the respective assets carried at historical cost or fair market value. The estimated useful lives of the various classes of depreciable assets are as follows:

<u>Fixed Assets</u>	<u>Cost</u>	<u>Life (years)</u>
Improvements	\$ 899	7
Equipment	<u>2,893</u>	5
Total	3,792	
Accumulated depreciation	<u>(3,757)</u>	
Net property and equipment	<u>\$ 35</u>	

In a prior year, the Organization approved the donation of all future capital expenditures to the Stephen Foster Folk Culture Center State Park.

Donations to the Park (Florida Department of Environmental Protection) are documented via a “Donated Property Report.” During the year ended December 31, 2023, a storage container and six burner range stove were donated.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Board Designated Net Assets

The Organization’s Board has designated funds as follows:

Florida Folk Festival – funds set aside to underwrite the Florida Folk Festival in the event that state funding is not available.

Park enhancement – funds set aside to promote the folk life mission but shall not be used for repairs and maintenance, temporary assets (life expectancy of less than twenty years), and minor programs or a one-time event.

The designated amounts are as follows:

Florida Folk Festival	\$	151,476
Park enhancement		<u>59,253</u>
Total designated funds	\$	<u>210,729</u>

Net assets with donor restrictions

At December 31, 2023, the Organization held no net assets with donor restrictions.

Contributed services and materials

The Organization receives contributed services from various individuals. When applicable, volunteer services are recorded in accordance with FASB Codification 958-605-25-16 if they: 1. create or enhance nonfinancial assets or 2. require specialized skills and are provided by the individuals possessing those skills and would typically need to be purchased if not provided by donation.

Functional Allocation of Expenses

The Organization uses the direct charge off method of allocating costs to the various programs. The method charges the costs directly to the program as the expense is incurred. Costs are not allocated between programs.

Uncertain Tax Positions

The Organization considered FASB Codification 740-10-50-15. As a result, it determined that the primary tax position of the Organization is its filing status as a tax-exempt entity. In addition, the Organization determined that it is more likely than not that its tax positions would be sustained upon examination by the Internal Revenue Service (IRS).

NOTE 2. CASH AND CERTIFICATES OF DEPOSIT

Cash includes amounts in demand deposits as well as short-term money market investment accounts. It is held in seven accounts.

The certificate of deposit is recorded at its carrying value which is the equivalent of fair value.

The total cash held is as follows:

Cash	\$	331,991
Certificate of deposit		<u>210,729</u>
Total	\$	<u>542,720</u>

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable of \$5,755 consist of sponsorships and vendor commissions owed to the Organization at December 31, 2023. No allowance for doubtful accounts is established. All amounts were collected post year end.

NOTE 4. CONTINGENCIES

There is a contingent liability due to the fact that regulatory audits of the Organization's operations and project closeout procedures have not been completed for all projects administered. Any eventual expenses determined not to be in compliance with laws and regulations would be subject to repayment by the Organization.

The Organization's administration believes that all expenditures were significantly in compliance with applicable laws, grant agreements, and regulations.

NOTE 5. INCOME TAXES

The Organization has been granted an exemption from income taxes under Internal Revenue Code, Section 501 (c)(3) as a non-profit corporation. As required by Internal Revenue Service (IRS) regulations, the Organization annually files a Form 990, "Return of Organization Exempt from Income Tax" with the Internal Revenue Service.

No taxes were owed by the Organization for the year ended December 31, 2023. However, tax years ending December 31, 2021, 2022, and 2023 remain open for assessment of additional taxes or claims for credit or refunds of any overpayments.

NOTE 6. CONTRIBUTED SERVICES AND FACILITIES

The Organization also receives contributed services from various individuals.

The contributed services provided to the Organization during the year ending December 31, 2023, did not meet the revenue recognition criteria above (Note 1) and were not recorded. In addition, the fair market value of the unrecorded donated services has not been estimated.

Volunteer services were provided to all programs.

NOTE 7. COMMITMENTS

Special Category Grant – Stephen Foster Carillon Restoration – Phase I

The Organization has been awarded the above grant in the amount of \$300,000. The grant is to be paid as follows:

<u>Payment #</u>	<u>Deliverable Description</u>	<u>Payment Amount</u>	<u>Completed</u>
1	Credentials and timeline	\$ 75,000	Y
2	30% of project completed	75,000	Y
3	60% of project completed	75,000	N
4	100% of project completed	<u>75,000</u>	N
	Total award	<u>\$ 300,000</u>	

Documentation of grant progress is required to be provided before payment is made.

Florida Folk Festival Coordination Agreement

The Organization (CSO) entered into the above referenced agreement with the Florida Department of Environmental Protection regarding the Florida Folk Festival.

A summary of the agreement's general terms is as follows:

Term: five years from the date of execution (February 21, 2019)

Commissions: established by the Florida Folk Festival Participant Guidelines and retained by the CSO

Performer and Provider Payments: performer fees to be paid by CSO and reimbursed by Florida Department of State

Ticket Revenue: establishes ticket expense to be remitted to the Park and excess profits, after costs, to be split between the Park and CSO.

NOTE 8. CONCENTRATION OF CREDIT RISK

The Organization has no policy requiring collateral or other security to support its deposits. At December 31, 2023, the Organization's bank balances were \$543,145. Of this balance, \$460,834 was covered by federal depository insurance.

The Organization has no policy requiring collateral or other security to support its receivables

NOTE 9. CONCENTRATION OF REVENUE SOURCES

Approximately sixty percent of the Organization's revenues are derived from contributions, reimbursements from the Florida Department of Environmental Protection, and fees from the annual events held at the Park. A significant reduction in the level of these activities and funding, if this were to occur, could have an adverse effect on the Organization's programs and activities.

NOTE 10. LIQUIDITY AND AVAILABILITY

Liquidity

The Organization is primarily supported by fees associated with programs and events held within the Stephen Foster State Park and contributions. The Board of Directors reviews its liquidity at its monthly meetings and maintains operating funds of approximately \$330,000. The operating funds have historically been sufficient to satisfy any liquidity needs during months of lower revenues.

The following provides a summary of financial assets available for general expenses at December 31, 2023:

Available financial assets		
Cash	\$	331,991
Accounts receivable		<u>5,755</u>
Total	\$	<u><u>337,746</u></u>

Availability

As indicated above, the Organization has approximately \$337,746 on hand to meet the cash needs for general expenses. The Organization has \$6,548 in liabilities at year end. None of the financial assets indicated above are subject to donor or other contractual restrictions. The Organization's goal is to maintain financial assets on hand to meet six to twelve months of normal operating expenses.

NOTE 11. SUBSEQUENT EVENTS

The Organization's management has evaluated subsequent events through September 20, 2024, the date which the financial statements were available for issuance.

COMPLIANCE SECTION

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CERTIFIED PUBLIC ACCOUNTANT

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**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
Stephen Foster Citizen Support Organization, Inc.
White Springs, Florida

I 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 the Stephen Foster Citizen Support Organization, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated September 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Stephen Foster Citizen Support Organization, Inc.’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Stephen Foster Citizen Support Organization, Inc.’s internal control. Accordingly, I 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.

My 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 my audit I did not identify any deficiencies in internal control that I 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 Stephen Foster Citizen Support Organization, Inc.'s financial statements are free of material misstatement, I 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 the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my 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 my 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.



Kenneth M. Daniels
Certified Public Accountant
September 20, 2024

KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

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MANAGEMENT LETTER

To the Board of Directors of
Stephen Foster Citizen Support Organization, Inc.
White Springs, Florida

Report on the Financial Statements

I have audited the financial statements of the Stephen Foster Citizen Support Organization, Inc., as of and for the year ended December 31, 2023, and have issued my report thereon dated September 20, 2024.

Auditor's Responsibility

I conducted my audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Reporting Requirements

I have issued my 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*. Disclosures in that report, which is dated September 20, 2024, should be considered in conjunction with this management letter.

Additional Matters

Communicated below are findings and recommendations to improve internal controls/financial reporting and/or enhance compliance with the provisions of laws or regulations. The findings and recommendations address amounts that are less than material but warrant the attention of those charged with governance. There were no prior year findings.

Current Year Immaterial Audit Findings and Recommendations

2023-001 Beer Garden Sales – Auditable Support

Criteria: Auditable support should accompany sales from the Organization's annual Beer Garden Fundraiser held during the Florida Folk Festival.

Condition: From my audit of Beer Garden sales, I noted deposits totaling \$11,504 for the period May 26-28, 2023. The deposits were not supported by auditable support: z-tape totals, ticket reconciliations, or other auditable support.

Cause: Tickets have been used in the past to document sales. There was no indication of tickets used on the dates above. Alternatively, no cash count sheets were used.

Effect: Potential for loss of funds due to failure to agree collections to auditable support.

Context: The event is held annually and collects approximately \$11,500 depending upon attendance.

Recommendation: Identify and support sales with z-tape totals (use cash register), tickets (sell tickets and reconcile tickets sold/remaining to proceeds), or use a daily cash count sheet in which the proceeds are verified by two individuals.

Purpose of this Letter

This management letter is intended solely for the information and use of the Stephen Foster Citizen Support Organization, Inc. and management and is not intended to be and should not be used by anyone other than these specified parties.



Kenneth M. Daniels, CPA
September 20, 2023



Citizen Support Organization

P.O. BOX 666 WHITE SPRINGS, FL 32096

September 20, 2024

RE: Response to Audit Finding

Mr. Kenneth M Daniels, CPA:

Please find below the Organization's responses to the audit findings indicated in the Management Letter above:

2023-001 Beer Garden Sales – Auditable Support

The Organization will review the event and support the daily Beer Garden sales with one of the following: cash register z-tape totals, tickets with a daily recap of tickets sold to cash on hand, or a cash count sheet verified via signature of two individuals.

Sincerely,

Signature: 

Title: Board President

Stephen Foster Citizen Support Organization, Inc.