

**FRIENDS OF FLORIDA HISTORY**

**FINANCIAL STATEMENTS**

**JUNE 30, 2024**

**FRIENDS OF FLORIDA HISTORY  
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JUNE 30, 2024**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of,  
Friends of Florida History:

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Friends of Florida History, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Controller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our 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 opinion.

#### ***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 Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

#### ***Auditors' 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 auditors' 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 GAAS 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.

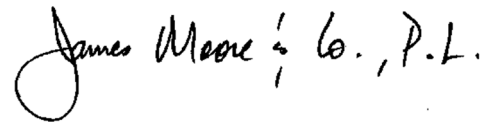
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization'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 March 27, 2025, on our consideration of Friends of Florida History'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 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 Florida History's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large initial 'J'.

Tallahassee, Florida  
March 27, 2025

**FRIENDS OF FLORIDA HISTORY, INC.**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

**ASSETS**

<b>Current assets</b>	
Cash and cash equivalents	\$ 873,469
Inventory	36,929
Investments	4,193,284
Total current assets	5,103,682
<b>Property and equipment, net</b>	7,400
<b>Total Assets</b>	\$ 5,111,082

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>	
Accounts payable	\$ 32,074
Rental and security deposits	70,773
<b>Total Liabilities</b>	102,847
<b>Net assets</b>	
Without donor restrictions:	
Undesignated	2,901,972
With donor restrictions:	
Perpetual in nature	2,106,263
Total net assets	5,008,235
<b>Total Liabilities and Net Assets</b>	\$ 5,111,082

The accompanying notes to the financial statements  
are an integral part of this statement.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues</b>			
In-kind contributions	\$ 330,939	\$ -	\$ 330,939
Gift shop sales	79,126	-	79,126
Facility rentals	86,752	-	86,752
Membership dues	68,448	-	68,448
Other income	10,889	-	10,889
Donations and contributions	41,395	-	41,395
Investment income, net	528,421	-	528,421
<b>Total revenues</b>	<u>1,145,970</u>	<u>-</u>	<u>1,145,970</u>
<b>Expenses</b>			
Fundraising	31,584	-	31,584
Program services	461,161	-	461,161
General and administrative	149,561	-	149,561
Total expenses	<u>642,306</u>	<u>-</u>	<u>642,306</u>
<b>Change in net assets</b>	<u>503,664</u>	<u>-</u>	<u>503,664</u>
<b>Net assets, beginning of year, as restated</b>	2,398,308	2,106,263	4,504,571
<b>Net assets, end of year</b>	<u>\$ 2,901,972</u>	<u>\$ 2,106,263</u>	<u>\$ 5,008,235</u>

The accompanying notes to the financial statements  
are an integral part of this statement.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Fundraising</u>	<u>Program Services</u>	<u>General and administrative</u>	<u>Total</u>
Accounting	\$ 621	\$ 9,061	\$ 31,201	\$ 40,883
Advertising	503	7,342	2,213	10,058
Catering facility	-	-	5,609	5,609
Cost of sales	-	44,054	-	44,054
Depreciation	385	5,620	1,693	7,698
Educational programs	-	21,902	-	21,902
Gift shop expenses	-	7,413	-	7,413
Landscaping	2,149	31,382	9,458	42,989
Meeting expenses	-	4,605	-	4,605
Office supplies and equipment	161	2,355	710	3,226
Other expenses	583	8,512	2,565	11,660
Payroll tax, in-kind	1,176	17,167	5,174	23,517
Salaries, in-kind	15,371	224,418	67,633	307,422
Special events	5,338	-	-	5,338
Utilities	5,297	77,330	23,305	105,932
Total Expenses	<u>\$ 31,584</u>	<u>\$ 461,161</u>	<u>\$ 149,561</u>	<u>\$ 642,306</u>

The accompanying notes to the financial statements  
are an integral part of this statement.

**FRIENDS OF FLORIDA HISTORY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

<b>Cash flows from operating activities</b>	
Cash received from members and others	\$ 547,537
Cash paid to suppliers and employees	(614,011)
Cash received from interest and dividends	136,944
Net cash provided by operating activities	70,470
 <b>Cash flows from investing activities</b>	
Purchase of investments	(162,062)
Purchase of property and equipment	(1,185)
Net cash used in investing activities	(163,247)
 <b>Net decrease in cash and cash equivalents</b>	 (92,777)
 <b>Cash and cash equivalents, beginning of year</b>	 966,246
 <b>Cash and cash equivalents, end of year</b>	 \$ 873,469
 <b>Reconciliation of increase in net assets to net cash provided by operating activities:</b>	
Increase in net assets	\$ 503,664
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	7,698
Net realized and unrealized gain on investments	(458,856)
(Increase) decrease in operating assets	
Inventory	(2,681)
Prepaid expense	48
Increase (decrease) in operating liabilities	
Accounts payable	12,950
Rental and security deposits	7,647
Total adjustments	(433,194)
 <b>Net cash provided by operating activities</b>	 \$ 70,470

The accompanying notes to the financial statements  
are an integral part of this statement.

**FRIENDS OF FLORIDA HISTORY**  
**NOTES TO FINANCIALS STATEMENTS**  
**JUNE 30, 2024**

(1) **Nature of Operations and Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of Friends of Florida History, Inc., which affect significant elements of the accompanying financial statements.

(a) **General**—Friends of Florida History, Inc. (the Organization), is a nonprofit organization that was organized and incorporated in the State of Florida on October 29, 2001, as the Friends of Mission San Luis, Inc. During the fiscal year ended June 30, 2016, the Organization was reorganized as a Citizen Support Organization with the mission of supporting and enhancing the historical programs of the Florida Department of State, including Mission San Luis, the Grove Museum, the Florida Main Street Program, and the archaeological and preservation programs of the Division of Historical Resources. The Organization supports the programs for the people of Florida through assisting and advising the Department of State in the following ways:

- Develop and maintain general membership support for the purpose of the Organization.
- Promote the use, preservation, and enhancement of Mission San Luis and other historic properties through public awareness projects, special events, tours, market research, and joint partnerships with other non-profit and for-profit organizations.
- Provide a vehicle for the acquisition of grant funding and special projects related to the Department's historical and archaeological programs and properties.
- Provide support and recognition programs for the Organization's volunteers.
- Maintain and enlarge endowment funds for the continued development of Mission San Luis interpretation, education, research, and site development.
- Develop endowment funds for the Department's other historic properties, including but not necessarily limited to the Grove Museum.

(b) **Basis of accounting**—The Organization uses the accrual basis of accounting. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

(c) **Income taxes**—The Association is generally exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code, and therefore, no provision for income taxes has been made in the accompanying financial statements.

(d) The Association files income tax returns in the U.S. Federal jurisdiction. The Association's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination. The Association has reviewed and evaluated the relevant technical merits of each of their tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements.

(e) **Cash and cash equivalents**—Cash and cash equivalents consist of deposits with a financial institution and deposits in highly liquid money market funds.

**FRIENDS OF FLORIDA HISTORY**  
**NOTES TO FINANCIALS STATEMENTS**  
**JUNE 30, 2024**

(1) **Nature of Operations and Significant Accounting Policies:** (Continued)

(f) **Property and equipment**—Property and equipment with a value greater than \$500 and an estimated useful life greater than one year are recorded at cost when purchased. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to thirty-nine years.

(g) **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 the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(h) **Investments**—Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

(i) **Inventories**—Inventories for the gift shop are stated at lower of cost or market on the first in first out (FIFO) costing method.

(j) **Advertising costs**—Advertising costs are charged to operations as incurred. There were \$10,058 of advertising expense incurred for the year ended June 30, 2024.

(k) **Contributions**—The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed property and equipment is recorded at fair value at the date of donation. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service.

The value of donated professional services, if any, is included as in-kind contributions and related expense in the financial statements. The value of these donations is based upon current rates for similar services. In addition, the Organization receives a significant amount of donated services from unpaid volunteers who assist the Organization.

Contributed materials and supplies are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution.

**FRIENDS OF FLORIDA HISTORY**  
**NOTES TO FINANCIALS STATEMENTS**  
**JUNE 30, 2024**

(1) **Nature of Operations and Significant Accounting Policies:** (Continued)

(l) **Revenue recognition**—In addition to the contribution policy discloses above, revenues from facility rentals, admissions, gift shop sales, and other income are recognized when the services have been performed or the products have been transferred. Revenue received in advance of the period in which it is earned is deferred to subsequent years. Deferred revenues are recognized as income at the later of either the date collected or on the day the performance obligation has been fulfilled.

Membership dues, which are nonrefundable, consist mostly of the benefit of complimentary admissions and is considered an exchange transaction based on the value of benefits provided. The Organization considers the benefits to be received and consumed simultaneously upon purchase.

(m) **Net assets**—Net assets, revenues, gains, and losses are classified based in the existence or absence of donor or grantor-composed 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 certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor – (or certain grantor) – imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity.

(n) **Functional allocation of expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function. The statements of functional expenses contain certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Some personnel-related expenses are allocated to the programs based on estimates of time and effort by individual employees. Expenses directly relating to or benefitting a program are allocated to that program. Otherwise, expenses are allocated to general and administrative.

(o) **Subsequent events**—The Organization has evaluated subsequent events through March 27, 2025, the date the financial statements were available to be issued. During the period from June 30, 2024 to March 27, 2025, the Organization did not have any material recognizable subsequent events.

**FRIENDS OF FLORIDA HISTORY**  
**NOTES TO FINANCIALS STATEMENTS**  
**JUNE 30, 2024**

(2) **Liquidity and Availability:**

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

Cash and cash equivalents		\$	873,469
Investments			4,193,284
Total financial assets available to meet cash needs for general expenditure			5,066,753
Less those unavailable for general expenditures within one year due to donor imposed restrictions			(2,106,263)
Total financial assets available to meet general expenditures		\$	2,960,490

(3) **Investments and Fair Value Measurements:**

On July 1, 2010, the Organization adopted the provisions of FASB ASC 820-10 which provides a framework for measuring fair value under generally accepted accounting principles. These standards define fair value, provide guidance for measuring fair value and require certain disclosures. These standards do not require any new fair value measurements, but rather apply to all other accounting pronouncements that require or permit fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The following is a brief description of the three levels within the fair value hierarchy that prioritize the inputs to valuation techniques:

- **Level 1:** Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities that are not active. Such inputs may include interest rates and yield curves, volatilities, prepayment speeds, credit risks, and default rates.
- **Level 3:** Unobservable inputs to measure fair value of assets and liabilities for which there is little, if any market activity at the measurement date, using reasonable inputs and assumptions based upon the best information at the time, to the extent that inputs are available without undue cost and effort.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**FRIENDS OF FLORIDA HISTORY**  
**NOTES TO FINANCIALS STATEMENTS**  
**JUNE 30, 2024**

(3) **Investments and Fair Value Measurements:** (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

*Mutual funds*– Valued at quoted market prices.

*Equities*– Valued at quoted market prices.

*Fixed income*– Valued at quoted market prices.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following is a summary of the valuation as of June 30, 2024, for the Organization’s investments based upon the three levels defined above:

	<b>Fair Value</b>	<b>Quoted Prices (Level 1)</b>	<b>Significant Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Mutual funds	\$ 3,507,245	\$ 3,507,245	\$ -	\$ -
Equities	613,143	613,143	-	-
Fixed income	72,896	72,896	-	-
Total investments at fair value	<u>\$ 4,193,284</u>	<u>\$ 4,193,284</u>	<u>\$ -</u>	<u>\$ -</u>

The following schedule summarizes the investment return in the statement of activities for the year ended June 30, 2024:

Interest and dividends	\$ 136,944
Realized loss	(47,749)
Unrealized gain	458,856
Investment fees	(19,630)
Investment income, net	<u>\$ 528,421</u>

(4) **Property and Equipment**

Property and equipment, net, consists of the following as of June 30, 2024:

Furniture and equipment	\$ 93,978
Less: Accumulated depreciation	(86,578)
	<u>\$ 7,400</u>

Depreciation expense totaled \$7,698 June 30, 2024.

**FRIENDS OF FLORIDA HISTORY**  
**NOTES TO FINANCIALS STATEMENTS**  
**JUNE 30, 2024**

(5) **Endowment Funds:**

*Interpretation of Relevant Law*– The Organization's Board of Directors understands that the Uniform Prudent Management of Institutional Funds Act (UPMIFA) applies to all not-for-profit organizations incorporated in the State of Florida, as of July 1, 2013.

*Endowment Net Assets Composition*–Endowment net assets consist of the following as of June 30, 2024:

Designated by board for permanent endowment	\$ 564,000
With donor restrictions	1,542,263
Total	<u>\$ 2,106,263</u>

*Changes in Endowment Net Assets*– Change in endowment net assets during the year ended June 30, 2024, is as follows:

	<u>Designated by Board</u>	<u>With Donor Restrictions</u>	<u>Total Endowment Net Assets</u>
Balance as of June 30, 2023	\$ -	\$ 2,106,263	\$ 2,106,263
Investment return, net	-	-	-
Contributions	-	-	-
Appropriation of endowment assets for expenditure	-	-	-
Board designations	-	-	-
Balance as of June 30, 2024	<u>\$ -</u>	<u>\$ 2,106,263</u>	<u>\$ 2,106,263</u>

The corpus of the endowment is made up of contributions from the state of Florida, the National Endowment for the Humanities, and matching funds from the Organization’s assets. Management elects to present all funds as donor restricted as the Organization is contractually obligated to maintain the entire corpus in the endowment permanently.

*Endowment Spending Policy*–The spending policy for endowments adopted by the Organization's Board of Directors states that the investment income generated is to be used for the Organization's programs.

*Endowment Investment Policy*–The Organization's Board of Directors adopted a policy that seeks growth of the principal to meet future objectives of the Organization.

(6) **Restatement of Net Assets:**

Subsequent to the issuance of the Organization’s June 30, 2023, financial statements, management determined that the net assets with donor restrictions were understated by \$564,000 and net assets without donor restrictions were overstated by \$564,000.

**FRIENDS OF FLORIDA HISTORY**  
**NOTES TO FINANCIALS STATEMENTS**  
**JUNE 30, 2024**

(7) **In-kind Contributions:**

In-kind contributions are reflected as direct support at their estimated fair market value when received. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

The Organization received donated services from the State of Florida, Department of State, Division of Historical Resources of \$330,939 for the year ended June 30, 2024, that met the criteria for recognition in accordance with accounting principles generally accepted in the United States of America and are therefore reflected in the accompanying financial statements. Donated services are recognized at fair value based on current rates for similar services.

Additionally, the Organization utilized office space of the State of Florida, Department of State, Division of Historical Resources. No amount has been reflected in the accompanying financial statements for this in-kind contribution as it is not feasible to determine a value of the office space.



**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 Florida History, Inc.:

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 Florida History (the Organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated March 27, 2025.

**Report On Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described below as item 2024-001, that we consider to be a material weakness.

**Finding 2024-001: Prepare Financial Statements in Accordance with GAAP and Significant Adjustments**

**Criteria:** Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

**Condition:** Adjustments were required to be made to the accounting records subsequent to the start of the audit process to be in accordance with GAAP. Since these adjustments resulted in a material misstatement of the financial statements, this deficiency is deemed to be a material weakness.

**Cause:** Audit procedures resulted in auditors proposing entries that had not been recorded at the time of the audit.

**Effect:** Incorrect recording of accounting records could lead to a material misstatement on the financial statements.

**Recommendation:** We recommend that the process for identifying year end balances be reviewed and updated.

**Report On Compliance and Other Matters**

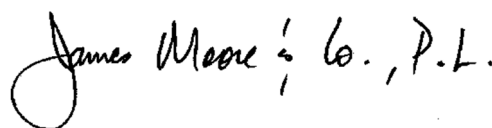
As part of obtaining reasonable assurance about whether Friends of Florida History’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Friends of Florida History, Inc.’s Response to Finding**

Friends of Florida History, Inc.’s response to the finding identified in our audit is described in the accompanying Corrective Action Plan. Friends of Florida History, Inc.’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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.



Tallahassee, Florida  
March 27, 2025

# Friends of Florida History, Inc.

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Dear Mr. Ferguson,

Thank you for sending the draft audit documents to my attention on March 27, 2025. I am writing in response to the James Moore & Co. P.A. finding (2024-001) set forth on page 14 of the draft document addressed to the Board of Directors for Friends of Florida History, Inc. Please note the following Corrective Action Plan of internal controls that management plans to implement for Friends of Florida History ("FFH").

**Criteria:** Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP").

**Condition:** Adjustments were required to be made to the accounting records subsequent to the start of the audit process to be in accordance with GAAP. Since these adjustments resulted in a material misstatement of the financial statements, this deficiency is deemed to be a material weakness.

**Cause:** Audit procedures resulted in auditors proposing entries that had not been recorded at the time of the audit.

**Effect:** Incorrect recording of accounting records could lead to a material misstatement on the financial statements.

**Friends of Florida History, Inc.'s Response to Finding:** FFH acknowledges the finding. The accounting records in question were specifically related to the Rentals Program at Mission San Luis and the timing of settling deposits. These deposits are received sometimes more than a year before an event occurs to secure the space. The deposits are considered liabilities until the event occurs; thereafter, the deposits are either returned to the client and therefore released as a liability, or deposits are retained by the organization if the contract was violated or there was damage to the facility. In some cases, the return of a client's deposit crossed into another fiscal year.

We recognize the importance of maintaining accurate and GAAP-compliant records. This finding relates to how and when the deposits transactions are recorded, therefore the FFH has proposed implementing the following: 1) Rentals Program Manager shall implement a procedure to notify the bookkeeper within one business day of a new rentals booking and within one business day of the rental event completion; 2) increase oversight by Mission San Luis site director and implement annual training with rentals personnel on all rental program financial procedures; 3) strengthen internal controls by producing a quarterly rental program report for second-level review by Division Director and Assistant Director; 4) continuous monitoring and evaluation to make adjustments as needed.

Please advise whether you have any questions regarding these new procedures.

Sincerely,



Alisha Blaine Lotanc  
Director, Division of Historical Resources  
& State Historic Preservation Officer

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The Friends of Florida History, Inc. is a 501 (c)(3) nonprofit organization

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