

**Audit of the Agreement with the  
Friends of Lake Louisa State Park, Inc.  
Citizen Support Organization**

**Division of Recreation and Parks**

**Report: A-1920DEP-019**

**Office of Inspector General**

**Internal Audit Section**

**Florida Department of Environmental Protection**

**August 24, 2020**

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<https://floridadep.gov/>





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The Office of Inspector General (OIG) conducted an audit of the Department of Environmental Protection (Department), Division of Recreation and Parks (Division) Agreement with the Friends of Lake Louisa State Park, Inc. Citizen Support Organization (CSO). This audit was initiated as part of the Fiscal Year (FY) 2019-2020 Annual Audit Plan.

## **Scope and Objectives**

The scope of this audit included CSO activities and financial records during the period beginning July 1, 2018. The objectives were to determine whether:

- The CSO is operating in compliance with the Agreement and applicable requirements
- Controls are in place regarding reported revenues and expenditures

## **Methodology**

This audit was conducted under the authority of Section 20.055, Florida Statutes (F.S.), and in conformance with the current International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors. Our procedures included review of authoritative information, interviews with Park and Division staff and CSO Officers and review of Park and CSO records.

## **Background**

The current Agreement with the CSO was executed in February 2015. The CSO raises funds in support of the Park through donations, sale of merchandise, and fundraising events. According to the CSO's Income Statement, the CSO reported \$35,722.54 in revenue and \$13,823.35 in expenses in 2019<sup>1</sup>.

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<sup>1</sup> The CSO's fiscal year begins on January 1 and ends on December 31.

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## Results

### CSO Statutory and Agreement Compliance

The CSO was established and operates in compliance with Section 258.015, F.S. Based on our audit, the following was noted:

- According to Paragraph 14 of the CSO Agreement, the CSO's Annual Report to the Legislature is due to the Division by July 1<sup>st</sup>. The CSO submitted the 2019 Annual Report to the Legislature on June 9, 2019. It was subsequently submitted to the District on June 27, 2019. The report contained information required under Section 20.058, F.S.
- The CSO has an established Code of Ethics, which is posted on the CSO's website as required under Section 112.3251, F.S.
- The CSO collected and paid sales tax to the Department of Revenue, as required under Chapter 5 of the CSO Handbook during the audit period.
- According to Paragraph 5.b. of the Agreement, the CSO is required to submit an Annual Program Plan on or before the end of the CSO's fiscal year. The Annual Program Plan for 2019 was signed by the CSO President on January 14, 2019, and approved by the Park Manager on January 18, 2019. According to Division leadership, an extension was granted for submittal of program plans for 2019. The Annual Program Plan for 2020 was submitted to the Park Manager by the CSO President on January 3, 2020.

Paragraph 5.b. of the Agreement states, *the Annual Program Plan shall include a complete plan as described in the CSO Handbook for all park improvement projects, activities, fundraisers, and events the CSO proposes. For any activities, programs or events anticipated to take place on Park property, the CSO's Annual Program Plan must also include the requested designation of the specific location, facilities, and time for each such use.* The CSO's 2020 Annual Program Plan included a list and description of CSO events and activities but did not include the locations and facilities associated with all planned activities.

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During the sample month of March 2019, the CSO held a Nature Fest event which was included in the 2019 approved Annual Program Plan. The event was discussed with Park management during monthly CSO Board meetings. We verified the CSO executed Exhibitor and Vendor Agreements for vendors who participated in the event. According to Chapter 1.4 (f)(6)(d) of the OM, *once the event is approved, the CSO must take the following steps: Understand the Essential Eligibility Criteria (EEC) and American Disabilities Act before planning the special event. A written EEC is required for all in-park events.* The EEC was not provided for the 2019 Nature Fest event. However, we verified an EEC was provided by the CSO for a subsequent scheduled event<sup>2</sup>.

#### CSO Finances

CSO revenues are generated from donations, merchandise sales, membership dues, and special events. The CSO's financial policies are outlined in their By-Laws with the support of a Treasurer's Standard Operations Manual. Park staff sell souvenirs at the Ranger Station. Merchandise sales are documented on a revenue collection form. Each transaction is logged and initialed, customers are provided receipts and a copy is kept for CSO records. Donations from two boxes are also recorded on the revenue collection form. Prior to deposit, funds and collection records are kept in a safe in a secure location. During special events, funds collected are verified by two volunteers. The President and Treasurer have access to the CSO credit card. On-line transactions are collected using a PayPal account and third-party registration systems for the 5K event and memberships. A mobile credit card system is used for on-site event registrations, memberships, and

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<sup>2</sup> The referenced event was subsequently altered to a virtual platform due to COVID-19.

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merchandise sales at CSO sponsored events. The CSO Treasurer makes bank deposits and reconciles collections. The CSO maintains a checking account, certificate of deposit, money market account, and Central Florida Foundation Fund. The ending balance for these accounts as of December 2019 was as follows:

Account	Ending Balance
Checking	\$12,911.51
Certificate of Deposit	\$32,017.72
Money Market	\$61,575.11
Central Florida Foundation Fund	\$25,138.92
<b>Total Account Balance</b>	<b>\$131,643.26</b>

According to the 2020 Annual Program Plan, the CSO's planned use of funds were for building a pavilion and permanent historical displays, maintaining equipment, supplies, vehicle repair, fees, and program equipment. According to 2019 monthly Income Statements and reconciling entries, revenues and expenses were as follows:

<b>2019 CSO Revenue and Expenses</b>	
<b>Income</b>	
Contributions (Gross Amount)	\$14,074.48
Program Services/Events (Poochapalooza, Nature Fest, 5K Run, Equestrian, Haunted Hike)	\$14,157.95
Merchandise Sales	\$2,441.50
Other Income	\$31.00
In Kind Contribution	\$31.88
Memberships	\$672.00
Investment Income	\$4,313.73
<b>Total Income</b>	<b>\$35,722.54</b>
<b>Expenses</b>	
Program Services/Events (Poochapalooza, Nature Fest, 5K Run, Equestrian, Haunted Hike)	\$7,827.42
Membership (Supplies, Member Benefits, Fees)	\$188.90
Merchandise Sales	\$1,790.46
Internet/Online Fees	\$428.14
Office Supplies	\$238.57
Maintenance	\$545.00
Capitalized Equipment	\$1,928.98
Postage and Delivery	\$11.00
Printing and Reproduction	\$115.08
In Kind Contribution	\$31.88
Sales Tax	\$181.20
Other Expenses (Association Fees, Miscellaneous)	\$536.72
<b>Total Expenses</b>	<b>\$13,823.35</b>
<b>Net Income</b>	<b>\$21,899.19</b>

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Based on our audit, reported income was generally consistent with bank deposits. We reviewed documentation supporting revenue and expenses for the sampled months of January and March 2019. Amounts reported in the general ledger were supported by revenue and expense invoices and receipt support documentation. During the sampled months, there were 21 expenditures totaling \$1,947.45. Expenditures were made by debit card or check. All checks were signed by the Treasurer. Of the 21 expenditures, all were supported by vendor receipts or invoices and appeared to be purchases consistent with supporting the Park.

#### Park Management Oversight of CSO Activities

CSO Officers include a President, Vice President, Secretary, and Treasurer, as well as 4 other Board members. According to Chapter 1.5(b)(5) of the OM, a sexual predator and offender's registration search must be conducted for all volunteers. We verified that the Park had conducted the required searches for the Officers and Board members. We also verified Volunteer Agreements were established in VSys for all eight members. Of the eight established Volunteer Agreements, one expired but was updated by the Park Services Specialist (PSS) during the course of this audit. Volunteer hours were documented in VSys for all eight CSO members reviewed. Of the eight volunteers reviewed, all volunteers had completed Applications either in VSys or by paper, which was provided by the PSS.

The CSO holds Board meetings as necessary. Meetings are not held in the summer months due to the lack of member availability. Meeting minutes are recorded by the Secretary and retained by the CSO. According to the meeting minutes obtained,

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Park management attended six of the nine meetings held in 2019. Chapter 1.4 of the OM requires the District to conduct a CSO Management Review every four years. The last review was conducted on October 10, 2017. The review generally reflected positive results.

## **Conclusions**

The CSO was established and operates in compliance with Section 258.015, F.S. Based on our audit, controls are in place regarding reported CSO revenues and expenditures. In addition, the CSO is operating in compliance with the Agreement and applicable requirements with minor exceptions regarding the Annual Program Plan.

## **Finding and Recommendation**

### **Finding 1: Annual Program Plan**

Based on Paragraph 5.b. of the CSO Agreement, the CSO is required to submit an Annual Program Plan on or before the end of the CSO's fiscal year. The Annual Program Plan for 2020 was submitted to the Park Manager by the CSO President on January 3, 2020.

Paragraph 5.b. of the Agreement states, *the Annual Program Plan shall include a complete plan as described in the CSO Handbook for all park improvement projects, activities, fundraisers, and events the CSO proposes. For any activities, programs or events anticipated to take place on Park property, the CSO's Annual Program Plan must also include the requested designation of the specific location, facilities, and time for each such use.* Based on Chapter 1.4 (f)(1)(a)(3) of the (OM), *for each proposed in-park activity and event, the plan must include the designation of a specific location, date, and time.* The CSO's 2020 Annual Program Plan



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included a list and description of CSO events and activities but did not include the locations and facilities associated with all planned activities.

**Recommendation:**

We recommend the Division work with the Park to provide additional oversight of CSO activities to ensure the Annual Program Plans are submitted on or before the end of the CSO's fiscal year. The Division should also work with the Park to ensure that all CSO fundraising activities and locations are designated in the Annual Program Plan prior to approval.

**Management Comment**

**CSO Financial Reporting Requirements**

According to Section 5.12 of the CSO Handbook, CSOs must submit an Annual Report to the Legislature through the appropriate District Office by July 1<sup>st</sup> each year, in accordance with Sections 20.058, and 20.2551, F.S. Under Section 5.7 of the CSO Handbook, the Division requires CSO's to submit a separate Annual Financial Report to the Division no later than six months after the end of the CSO's fiscal year. As a result of legislative changes to Section 20.2551 F.S. in 2019, the Division eliminated the required submittal of a separate Annual Financial Report to reduce duplicative information. All required financial reporting is part of the CSO's Annual Report to the Legislature. However, at the time of our audit, the Division's CSO Handbook, which is dated January 15, 2015, had not been revised to reflect this updated reporting requirement. The Division should ensure the CSO Handbook is updated to consistently reflect the clarified reporting requirement.

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*To promote accountability, integrity, and efficiency in state government, the OIG completes audits and reviews of agency programs, activities, and functions. Our audit was conducted under the authority of Section 20.055, F.S., and in conformance with the International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, and Principles and Standards for Offices of Inspector General, published by the Association of Inspectors General. The audit was conducted by Angie Cringan and supervised by Valerie J. Peacock.*

*Please address inquiries regarding this report to the OIG's Audit Director by telephone at (850) 245-3151. Copies of final reports may be viewed and downloaded via the internet at <https://floridadep.gov/oig/internal-audit/content/final-audit-reports>. Copies may also be obtained by telephone (850) 245-3151, by fax (850)245-2994, in person or by mail at Department of Environmental Protection, Office of Inspector General, 3900 Commonwealth Boulevard, Mail Station #41, Tallahassee, FL 32399.*

*Valerie J. Peacock,  
Director of Auditing*

*Candie M. Fuller,  
Inspector General*



# FLORIDA DEPARTMENT OF Environmental Protection

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**Noah Valenstein**  
Secretary

## Memorandum

**TO:** Valerie Peacock, Audit Director  
Office of the Inspector General

**FROM:** Eric Draper, Director  
Division of Recreation and Parks

**SUBJECT:** Audit of the Agreement with the Friends of Lake Louisa State Park, Inc.  
Citizen Support Organization (Report: A-1920DEP-019)

**DATE:** August 4, 2020

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This memorandum will serve as the Division's response to the following subject audit findings and recommendations:

### **Finding 1: Annual Program Plan**

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### **Recommendation:**

We recommend the Division work with the Park to provide additional oversight of CSO activities to ensure the Annual Program Plans are submitted on or before the end of the

Valerie Peacock, Audit Director

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CSO's fiscal year. The Division should also work with the Park to ensure that all CSO fundraising activities and locations are designated in the Annual Program Plan prior to approval.

**Division Response:**

The Division concurs with the finding. The Park Manager will require the CSO's Annual Program Plan to be submitted on or before the deadline of December 31<sup>st</sup> and will require that the plan designate specific locations, facilities, dates, and times for activities, programs and events anticipated to take place on park property.