Department of Environmental Protection
Office of Inspector General

November 13, 2025 Report A-2324DEP-032

Audit of Citizen Support Organization with Barrier Island Parks Society, Inc

INTRODUCTION

The Florida Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an audit of the Citizen Support Organization Agreement (Agreement) with Barrier Island Parks Society, Inc (CSO). This audit was initiated as a result of the OIG Annual Plan for Fiscal Year 2023-2024.

AUDIT SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of this audit included a review of activities performed under the Agreement between the Department, the Division of Recreation and Parks (Division), and the CSO to provide services and support to the Gasparilla Island Administration. The scope included records and activities beginning July 1, 2022, to the present.

The objectives of the audit were to:

1. Evaluate controls over CSO financial activities, including revenues and expenditures.
2. Determine the CSO's overall compliance with the Agreement.
3. Evaluate Division Management's oversight of CSO activities.

To achieve our audit objectives, our methodology included:

- Reviewing applicable statutes, regulations, and Department policies.
- Conducting analyses of Division and CSO documentation.
- Interviewing Park Management, CSO Officers and CSO staff.

BACKGROUND

In accordance with Section 258.015, Florida Statutes, (F.S.), a CSO is an organization which is a Florida not-for-profit corporation and approved in writing by the Department to operate for the direct or indirect benefit of the state park system. The statute authorizes a CSO to conduct programs and activities; raise funds; request and receive grants, gifts, and bequests of money; acquire, receive, hold, invest, and administer, in its own name, securities, funds, objects of value, or other property, real or personal; and make expenditures to or for the direct or indirect benefit of the state park system or individual units of the state park system. The Division provides management oversight of the CSO program.

The Agreement was executed in 2015 and grants the CSO the right to serve as a CSO for the Gasparilla Island Administration, which includes Gasparilla Island State Park, Don

Pedro Island State Park, Cayo Costa State Park, and Stump Pass Beach State Park (Parks). According to the Articles of Incorporation, the CSO was organized *exclusively for nonprofit purposes, as a charitable organization to enhance the historical, scientific and educational programs of the state parks operating in Charlotte and Lee Counties.* In addition to supporting the Parks, the CSO maintains the Gasparilla Island Lighthouse (GIL) property, a federally owned property located 1.7 miles north of Gasparilla Island State Park. According to the CSO, they entered into a lease agreement with the United States Coast Guard to maintain the GIL property.

The CSO receives revenue from grants, donations, special events, interest, and membership dues. The CSO also generated revenue from merchandise sales online and also from two gift shops operated at Gasparilla Island State Park and Cayo Costa State Park.

RESULTS OF AUDIT

During the audit, we reviewed documentation from the CSO for the audit period, including but not limited to, monthly bank statements, general ledgers, annual budgets, meeting minutes, membership lists, volunteer records, and documentation for special events. In addition, we reviewed CSO revenue and expense source documentation for the sample months of February and March 2024. A summary of our review is below.

CSO Revenue and Expenditures

The Agreement requires the CSO to annually submit a Legislative Report, which summarizes their financial activity for the previous calendar year. The report includes revenues and funds generated from fundraising on Park property, as well as expenses that directly support the Parks. The CSO's revenue and expenses for 2023 were reported on the 2024 Legislative Report as shown in the table below.

2023 CSO Revenue and Expenses	
Visitor Services Revenue	
Park gift shops, craft stores, and concession sales	$33,666
Merchandise Sales	$0
Programs and Special Events	$3,731
Vending	$0
Rentals	$0
In-park donation boxes	$844
Other visitor services revenue	$806,529
Total Revenue Reported	**$844,770**
Program Service Expenses	
Building improvements	$1,087
Vehicles	$15,408
Amenities	$870
Park employees or volunteers support	$6,550
Park exhibits	$140
Programing/interpretation support material purchases	$2,747
Other program services	$856,260
Total Expenses Reported	**$883,062**

During the audit, we compared the CSO's general ledger, bank statements, and other financial documents to determine the accuracy of the reported revenue and expenses. According to the Legislative Report, the revenue reported should be from fundraising on Park property, and the expenses reported should be those that directly support the Parks.

Pursuant to the CSO Agreement, the CSO must deliver complete and accurate reports to the Division. According to the CSO's 2023 Annual Financial Statements, total income was reported as $334,124.17 and total expenses were $314,170.92. These amounts are significantly lower than the amounts reported on the Legislative Report, as shown in the table above. Our review determined the CSO included revenue and expenses from the Federal GIL property in their Legislative Report. Additionally, the CSO's financial reports, including revenues and expenditures, indicated that the CSO was operating and maintaining the Federal GIL property in the CSO's name. Management and operation of the Federal GIL property is not for the direct or indirect benefit of the state park system and conflicts with the CSO's purpose in both the Agreement and Articles of Incorporation.

CSO Revenue

Based on our review, the CSO generated revenue from grants, donations, special events, interest, and membership dues. The CSO also generated revenue through visitor services such as the operation of gift shops, tours, and rental of recreational equipment. The CSO maintained multiple bank accounts. We reviewed the revenue and supporting documentation for the scope of the audit as well as the two sample months of February and March 2024. We found that the CSO conducted financial activities for both the Parks and the Federal GIL property within the same point-of-sale system and bank accounts, making it difficult to determine where the revenue originated. Additionally, the CSO's General Ledger includes revenue and expenses for both the Parks and the Federal GIL property. For example: According to financial documents provided by the CSO, $33,799.82 was recorded as sales for the Parks in 2023. During that same period, the CSO recorded $27,860.67 in retail sales for Federal GIL property. We reviewed the sales and supporting documentation for the month of February 2024; however, it was not possible to clearly determine what transactions in the point-of-sale system were related to the Federal GIL property and which were related to the Parks.

CSO Expenditures

The Agreement states, *The CSO agrees that all funds generated by the CSO through use of the Park's fixed property and facilities, the Park's name and/or the Park's identity, will be applied to and for the direct or indirect benefit of the Park as required in Section 258.015, Florida Statutes and be consistent with this Agreement and otherwise support of the CSO's purposes set forth in its articles of incorporation….* Our review determined that some of the CSO's expenditures were for the Federal GIL property and did not appear to be for the direct or indirect benefit of the Parks as required by the Agreement and Section 258.015, F.S.

- Expenses: We reviewed the sample months of February and March 2024 to determine whether the CSO's expenditures were in the direct or indirect benefit of the Parks and were consistent with the Agreement and Articles of Incorporation. Based on our review of expenditures for the sample months, we found $157,671.95 in expenses between the CSO's accounts and the CSO's credit cards. However, we were unable to verify the purpose for all expenditures. We also

received receipts that were incomplete, without totals, screenshots from devices, and pasted into Word documents. Additionally, our review noted multiple expenditures during the sample months were related to the maintenance and operation of the Federal GIL property. This included purchases which were combined expenditures related to both the GIL and the Parks. According to the CSO, the CSO's credit card may be used to pay expenses for the Federal GIL property and we noted transactions labeled as *Transfer Gil reimbursements*. We also noted a transfer from the CSO's bank account for $5,501.34, labeled as a transfer for *GIL Monthly Reimbursements*. According to the CSO, this transfer was for January and February *automatic* allocations, and *the allocations are based on a percentage of the budgeted expenses of $2750.67 per month that is considered GIL, so there aren't any timecards or receipts for these.*

- Payroll: Our review also noted payroll expenses from the CSO's bank accounts included salaries and bonuses for both the Parks and the Federal GIL property. In 2023, the CSO paid $190,508.94 in salaries. Based on 2023 payroll statements, employees were paid for approximately 6,056 regular hours, 342 overtime hours, and 104 additional hours classified as other. According to monthly payroll statements, approximately 1,872 payroll hours were processed to employees with the title of Sales Associate, although the Cayo Costa Gift Shop, Port Boca Grande Gift Shop, and Museum were all closed due to hurricane damage. The CSO Executive Director stated that Sales Associates sorted merchandise, documented inventory, and cleaned up the sand from the storm while the gift shops were closed.

- Overtime/Bonuses: Our review determined that all of the 342 overtime hours were allocated to one employee with the title of Museum Assistant. In addition to the 342 overtime hours, the employee received a $500 bonus check in June 2023 and a $5,000 bonus check in November 2023. Six employees, including the Museum Assistant, received a *Christmas Bonus* during December 2023. The CSO's Financial Policy does not address employee bonuses or overtime, and we found no approvals for these types of payments in the Annual Budget.

- GIL Transfers: Over the course of the audit scope, we found approximately $746,212.85 was transferred into the accounts for the Federal GIL property from Parks' accounts. The number of transfers between GIL and Parks bank accounts has made it difficult to confirm what funding was used for each expenditure.

CSO Financial Policies

The CSO Handbook outlines best practices for financial policies and states, *it is important for CSOs to address financial policies either in their Bylaws or through a separate stand-alone financial policy.* The CSO provided a copy of their Financial Policy, which included some of the recommended best practices, such as deposits, gift acceptance, and annual budgets. However, our review found the following inconsistencies:

- Expenditure Authority: The CSO's Financial Policy included some procedures for expenses to be paid. According to the policy, credit card purchases and limits are monitored and approved by the Executive Director. For other expenses, the Executive Director or Treasurer approves check requests. Based on discussions

with the CSO, the Executive Director, the Administrative Assistant, and the Treasurer were authorized to sign checks. The CSO President stated that two signatures are required for checks over $1,000. Based on our review, we found multiple checks that contained only the Executive Director's signature. This included two checks for $200,000 each to *sweep* funds into another account.

- Debit/Credit Cards: The CSO Financial Policy stated that credit cards were reconciled on a monthly basis by the bookkeeper, and staff are to send receipts to the Executive Director and bookkeeper. For the sample months we reviewed, we found supporting documentation provided by the CSO included receipts which were incomplete, did not contain totals, appeared to be screenshots of receipts cutting off information, and receipt text copied and pasted into a Word document. In addition, we noted that multiple purchases did not have supporting documentation.

- Annual Budget: The CSO's Financial Policy stated that *the Annual Budget is formally adopted by a vote of the Board of Directors*. Our review of the Board Meeting Minutes did not show the approval of a formally adopted Annual Budget for 2023. We did find the approval of the 2024 Annual Budget in the Board Meeting Minutes for February 2024. The CSO Handbook's recommended best practice stated that an annual budget for the upcoming fiscal year should be adopted prior to the end of the current fiscal year.

CSO Compliance with Agreement and Division Requirements

CSOs are established by and should operate in compliance with Section 258.015, F.S. Based on our audit, the following was noted:

Membership

According to the CSO's Bylaws, membership eligibility was available to all persons, corporations, and entities with an interest in the purposes of the CSO. Membership was obtained by completing a membership form approved by the Board of Directors, and a payment of any fees, donations, or dues determined by the Board of Directors. A failure to pay the required fees would result in termination of the membership. The CSO's website indicated that membership benefits included free admission to most educational programs and a 10% discount on purchases from the CSO's gift shops. In the 2024 Legislative Report, the CSO reported 481 members in 2023. The CSO provided a list of 461 names as supporting documentation. However, our review of the membership donation list indicated that payments were only received from 184 different parties. The Executive Director stated that the list of names provided was based on a membership mailing list. Additionally, the Executive Director stated that a board member may request an individual to be left on the list without paying the annual membership fee.

Grants

The CSO Handbook and Agreement required all grant proposals to be approved by the Division to ensure work funded by the grant was consistent with the Division's goals. A review of the CSO's Profit and Loss statement for 2023 showed restricted grants of $75,695.00 and unrestricted grants of $81,000.48. These amounts were consistent with the CSO's General Ledger; however, our review determined the CSO had not submitted any grant proposals to the Division for approval.

Annual Plan

The Division's Operation Manual and the Agreement required the CSO to develop and submit an Annual Program Plan to the Park Manager. The plan is required to include all proposed projects, events, and fund-raising activities of the CSO and was to be consistent with the Parks' Unit Management Plans. Our review noted the 2024 Annual Program Plan also included activities, goals, and events related to the Federal GIL property. Comparing the CSO Annual Plans to the Legislative Reports and Annual Budgets, it appears the revenue goal may also include the GIL property.

CSO Events

The CSO must include a list of all proposed events as part of their Annual Program Plan or receive approval in advance of the event. The Annual Program Plan for 2023 included each event noted on the General Ledger aside from one event, the Trendy Bus Tour. Based on the CSO's financial documentation, this event took place in May 2023; however, the Park did not have any documentation submitted for the event. Another event, Lighting of the Lighthouse, was included on the Annual Plan and took place at the Port Boca Grande Lighthouse within the Parks. The event included the sale of alcoholic beverages; however, no permit or license was obtained by the CSO and approval to serve alcohol was not obtained from the Park Manager as required. The consumption of alcoholic beverages in State parks is prohibited, except in areas that already provide the sale of alcohol and in designated areas during approved events. The CSO must obtain written approval from the Park Manager to serve alcohol at an event. The CSO Handbook states, that according to Section 561.422, F.S., *not for profit civic organizations can obtain a temporary permit for the sale of alcoholic beverages, for consumption on the premises only, and for a period not to exceed three (3) days per event.*

We also reviewed event documentation for the CSO's Annual Green Gala. The event was advertised as assisting the CSO in preserving both the Parks and the Federal GIL Property. Per the Agreement, …*all funds generated by the CSO through the use of the Park's fixed property and facilities, the Park's name and/or the Park's identity, will be applied to and for the direct or indirect benefit of the Park as required by Section 258.015, Florida Statutes.* While the event was not held on Park property, it was held in the name of the Parks. Additional fundraising events that had advertisements that included the Federal GIL property include the Giving Challenge and the Tent Sales.

Volunteer Records

According to the Division's Operation Manual and Agreement, the CSO's Board of Directors must complete a volunteer profile in the Division's Volunteer Management System (VSys) and sign the Division's Volunteer Agreement annually. The CSO Board and its volunteers must submit any volunteer hours monthly to the Parks' volunteer manager or self-enter information into VSys. Based on our review, we found that of the 13 Board of Directors reviewed in VSys, only two had volunteer applications. According to the 2024 Legislative Report, the total number of volunteer hours for the Board of Directors was 743 hours in 2023. However, our review of the VSys showed that only one Board Member submitted volunteer hours in 2023 in the amount of 78 hours.

Independent Audits

According to Section 215.981(2), F.S., the CSO was required to provide an annual financial audit of its accounts and records if expenditures exceeded $300,000 annually.

The audit was to be conducted by an independent Certified Public Accountant (CPA) and submitted to the Auditor General and the Department, nine months after the end of the CSO's fiscal year. The CSO completed the 2021 CPA audit on May 31, 2023 and submitted the audit to the Division on August 14, 2023. This was two years after the required submission. The CSO provided the 2022 audit after it was requested during our review. This audit was completed in October 2023 which was also after the nine-month requirement.

Payment Card Industry (PCI) Data Security Standards (DSS)
The Division's CSO Handbook requires the CSO to comply with PCI DSS if the organization accepts payment cards. To comply, the CSO must annually complete a PCI Self-Assessment Questionnaire and an Attestation of Compliance. These forms are to be completed by May 1 of each year and kept by the Park Manager. Based on our review, the CSO provided PCI DSS certification documentation.

CONCLUSION

During the audit, we reviewed documentation from the CSO for the audit period, including but not limited to, monthly bank statements, general ledgers, annual budgets, meeting minutes, membership lists, volunteer records, and documentation for special events. In addition, we reviewed CSO revenue and expense source documentation for the sample months of February and March 2024. Based on our review, we determined the CSO's financial records contained revenue and expenditures that were not for the direct or indirect benefit of the Parks, supporting documentation was not always sufficient or maintained, and the CSO did not comply with some requirements in the Agreement. Our findings and recommendations are listed below.

FINDINGS AND RECOMMENDATIONS

Finding 1: Accuracy of Financial Reporting – The CSO's Legislative Report and supporting financial documents included revenue and expenses for the Federal GIL property managed by the CSO, which is not for the direct or indirect benefit of the Parks. Additionally, supporting documentation for revenue and expenses was not always complete or maintained.

The Agreement states, *The CSO agrees that all funds generated by the CSO through use of the Park's fixed property and facilities, the Park's name and/or the Park's identity, will be applied to and for the direct or indirect benefit of the Park as required in Section 258.015, Florida Statutes and be consistent with this Agreement and otherwise support of the CSO's purposes set forth in its articles of incorporation….* Additionally, pursuant to the CSO Agreement, the CSO must deliver complete and accurate reports to the Division. During the audit, we compared the CSO's general ledger, bank statements, and other financial documents to determine the accuracy of the reported revenue and expenses.

Legislative Report
The Agreement requires the CSO to annually submit a Legislative Report, which summarizes their financial activity for the previous calendar year. The report should include revenue and funds generated from fundraising on Park property, as well as

expenses that directly support the Parks. According to the CSO's 2023 Annual Financial Statements, total income was reported as $334,124.17 and total expenses were $314,170.92. These amounts are significantly lower than the amounts reported on the Legislative Report, which was $844,770 and $883,062, respectively. Our review determined the CSO included revenue and expenses from the Federal GIL property in their Legislative Report. Additionally, the CSO's financial reports, including revenues and expenditures, indicated that the CSO was operating and maintaining the Federal GIL property in the CSO's name. Management and operation of the Federal GIL property is not for the direct or indirect benefit of the state park system and conflicts with the CSO's purpose in the Agreement and the Articles of Incorporation.

CSO Revenue

Based on our review, the CSO generated revenue from grants, donations, special events, interest, and membership dues. The CSO also generated revenue through visitor services such as the operation of gift shops, tours, and rental of recreational equipment. The CSO conducts financial activities for both the Parks and the Federal GIL property using the same point-of-sale system and bank accounts, making it difficult to determine where the revenue originated. Additionally, the CSO's General Ledger included revenue and expenses for both the Parks and the Federal GIL property. We reviewed a sample of sales and supporting documentation; however, it was not possible to clearly determine what transactions in the point-of-sale system were related to the Federal GIL property and which were related to the Parks.

CSO Expenditures

Our review determined that some of the CSO's expenditures were for the Federal GIL property and did not appear to be for the direct or indirect benefit of the Parks as required by the Agreement and Section 258.015, F.S. For example:

- Supporting Documentation: Based on our review of expenditures for the sample months, we found $157,671.95 in expenses between the CSO bank accounts and the CSO credit cards. However, we were unable to verify the purpose for all expenditures as we received receipts that were incomplete, without totals, screenshots from devices or pasted into Word documents. Additionally, our review noted multiple expenditures during the sample months were related to the maintenance and operation of the Federal GIL property. This included purchases which were combined expenditures related to both the GIL and the Parks. According to the CSO, the CSO's credit card may be used to pay expenses for the Federal GIL property, and we noted transactions labeled as *Transfer Gil reimbursements*. We also noted a transfer from the CSO's bank account for $5,501.34, labeled as a transfer for *GIL Monthly Reimbursements*. According to the CSO, this transfer was for January and February "automatic" allocations and *The allocations are based on a percentage of the budgeted expenses of $2750.67 per month that is considered GIL, so there aren't any timecards or receipts for these.*

- Payroll: Our review also noted payroll expenses from the CSO's bank accounts included salaries and bonuses for both the Parks and the Federal GIL property. In 2023, the CSO paid $190,508.94 in salaries. Based on 2023 payroll statements, employees were paid for approximately 6,056 regular hours, 342 overtime hours,

and 104 additional hours classified as other. According to monthly payroll statements, approximately 1,872 payroll hours were processed to employees with the title of Sales Associate, although the Cayo Costa Gift Shop, Port Boca Grande Gift Shop, and Museum were all closed due to hurricane damage. The CSO Executive Director stated that Sales Associates sorted merchandise, documented inventory, and cleaned up the sand from the storm while the gift shops were closed.

- Overtime/Bonuses: Our review determined that all of the 342 overtime hours were allocated to one employee with the title of Museum Assistant. In addition to the 342 overtime hours, the employee received a $500 bonus check in June 2023 and a $5,000 bonus check in November 2023. Six employees, including the Museum Assistant, received a *Christmas Bonus* during December 2023. The CSO's Financial Policy does not address employe bonuses or overtime, and we found no approvals for these types of payments in the Annual Budget.

- GIL Transfers: Over the course of the audit scope, we found approximately $746,212.85 was transferred into the accounts for the Federal GIL property from Parks' accounts. The number of transfers between GIL and Parks bank accounts has made it difficult to confirm what funding was used for each expenditure.

Recommendations:
We recommend the Division provide additional oversight to ensure that funds generated by the CSO through the use of the Parks' fixed property and facilities or in the Parks' name are used for the direct or indirect benefit of the Parks in accordance with the Agreement and Section 258.015, F.S. We also recommend the Division work with the CSO to ensure the CSO maintains revenue and expense documentation that only includes transactions related to the direct or indirect benefit of the Parks, and that information is accurately reported on the CSO's Legislative Report. We also recommend the Division work with the CSO to ensure supporting documentation of revenue and expenses is complete and maintained.

Management's Response:
The Division will work with the CSO to separate management of the Federal GIL Property from all CSO operations and remind the CSO to maintain clear and accurate records.

CSO's Response:
See attached, the CSO's response.

Finding 2: Financial Policies – The CSO did not always follow its Financial Policies.

The CSO Handbook outlines best practices for financial policies and states, *it is important for CSOs to address financial policies either in their Bylaws or through a separate stand-alone financial policy.* The CSO provided a copy of their Financial Policy, which included some of the recommended best practices, such as deposits, gift acceptance, and annual budgets. However, our review found the following inconsistencies:

- Expenditure Authority: The CSO's Financial Policy included some procedures for expenses to be paid. According to the policy, credit card purchases and limits are monitored and approved by the Executive Director. For other expenses, the Executive Director or Treasurer approves check requests. Based on discussions with the CSO, the Executive Director, the Administrative Assistant, and the Treasurer were authorized to sign checks. The CSO President stated that two signatures are required for checks over $1,000. Based on our review, we found multiple checks that contained only the Executive Director's signature. This included two checks for $200,000 each to *sweep* funds into another account.

- Debit/Credit Cards: The CSO Financial Policy stated that credit cards were reconciled on a monthly basis by the bookkeeper, and staff are to send receipts to the Executive Director and bookkeeper. For the sample months we reviewed, we found supporting documentation provided by the CSO included receipts which were incomplete, did not contain totals, appeared to be screenshots of receipts cutting off information, and receipt text copied and pasted into a Word document. In addition, we noted that multiple purchases did not have supporting documentation.

- Annual Budget: The CSO's Financial Policy stated that *the Annual Budget is formally adopted by a vote of the Board of Directors*. Our review of the Board Meeting Minutes did not show the approval of a formally adopted Annual Budget for 2023. We did find the approval of the 2024 Annual Budget in the Board Meeting Minutes for February 2024. The CSO Handbook's recommended best practice stated that an annual budget for the upcoming fiscal year should be adopted prior to the end of the current fiscal year.

Recommendations:
We recommend the Division work with the CSO to ensure compliance with their Financial Policies.

Management's Response:
The Division will work with the CSO to ensure compliance with their financial policies and remind them of the best recommended practices within the CSO handbook.

CSO's Response:
See attached, the CSO's response.

Finding 3: Compliance with the Agreement and CSO Bylaws – The CSO did not always comply with the Agreement regarding grant approvals, the annual plan, independent audits, and volunteer records. Additionally, the CSO did not always comply with its Bylaw requirements for membership.

CSO's are established by and should operate in compliance with Section 258.015, F.S. Based on our audit, the following was noted:

Grants
The CSO Handbook and Agreement required all grant proposals to be approved by the Division to ensure work funded by the grant was consistent with the Division's goals. A

review of the CSO's Profit and Loss statement for 2023 showed restricted grants of $75,695.00 and unrestricted grants of $81,000.48. These amounts were consistent with the CSO's General Ledger; however, our review determined the CSO had not submitted any grant proposals to the Division for approval.

Annual Plan

The Division's Operation Manual and the Agreement required the CSO to develop and submit an Annual Program Plan to the Park Manager. The plan is required to include all proposed projects, events, and fund-raising activities of the CSO and was to be consistent with the Parks' Unit Management Plans. Our review noted the 2024 Annual Program Plan also included activities, goals, and events related to the Federal GIL property. Comparing the CSO's Annual Plans to the Legislative Reports and Annual Budgets, it appears the revenue goal may also include the GIL property.

Independent Audits

According to Section 215.981(2), F.S., the CSO was required to provide an annual financial audit of its accounts and records if expenditures exceeded $300,000 annually. The audit was to be conducted by an independent Certified Public Accountant (CPA) and submitted to the Auditor General and the Department, nine months after the end of the CSO's fiscal year. The CSO completed the 2021 CPA audit on May 31, 2023, and submitted the audit to the Division on August 14, 2023. This was two years after the required submission. The CSO provided the 2022 audit after it was requested during our review. This audit was completed in October 2023 which was also after the nine-month requirement.

Membership

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Volunteer Records

According to the Division's Operation Manual and Agreement, the CSO's Board of Directors must complete a volunteer profile in VSys and sign the Division's Volunteer Agreement annually. The CSO's Board and its volunteers must submit any volunteer hours monthly to the Parks' volunteer manager or self-enter information into VSys. Based on our review, we found that of the 13 Board of Directors reviewed in VSys, only two had volunteer applications. According to the 2024 Legislative Report, the total number of volunteer hours for the Board of Directors was 743 hours in 2023. However, our review

of the VSys showed that only one Board Member submitted volunteer hours in 2023 in the amount of 78 hours.

Recommendations:
We recommend the Division work with the CSO to ensure compliance with the Agreement and the CSO's Bylaws, including, grant proposals are submitted and approved; the Annual Plan only contains information related to the Parks; independent audits are completed and submitted timely; accurate membership records are maintained and policies regarding members and benefits are followed; and volunteer records are accurate and maintained in VSys, as required.

Management's Response:
The Division will work with the CSO to ensure compliance with the Agreement, Bylaws and grant approval processes. In addition, annual work plans will focus on park-related activities, independent audits will be tracked, and the Division will remind the CSO to accurately track and record volunteer hours and benefits.

CSO's Response:
See attached, the CSO's response.

Finding 4: Special Events – The CSO did not always adhere to the requirements for special events, including approvals and permits.

The CSO must include a list of all proposed events as part of their Annual Program Plan or receive approval in advance of the event. The Annual Program Plan for 2023 included each event noted on the General Ledger aside from one event, the Trendy Bus Tour. Based on the CSO's financial documentation, this event took place in May 2023; however, the Park did not have any documentation submitted for the event. Another event, Lighting of the Lighthouse, was included on the Annual Plan and took place at the Port Boca Grande Lighthouse within the Parks. The event included the sale of alcoholic beverages; however, no permit or license was obtained by the CSO and approval to serve alcohol was not obtained from the Park Manager as required. The consumption of alcoholic beverages in State parks is prohibited, except in areas that already provide the sale of alcohol and in designated areas during approved events. The CSO must obtain written approval from the Park Manager to serve alcohol at an event. The CSO Handbook states, that according to Section 561.422, F.S., *not for profit civic organizations can obtain a temporary permit for the sale of alcoholic beverages, for consumption on the premises only, and for a period not to exceed three (3) days per event.*

We also reviewed event documentation for the CSO's Annual Green Gala. The event was advertised as assisting the CSO in preserving both the Parks and the Federal GIL Property. Per the Agreement, …*all funds generated by the CSO through the use of the Park's fixed property and facilities, the Park's name and/or the Park's identity, will be applied to and for the direct or indirect benefit of the Park as required by Section 258.015, Florida Statutes.* While the event was not held on Park property, it was held in the name of the Parks. Additional fundraising events that had advertisements that included the Federal GIL property include the Giving Challenge and the Tent Sales.

Recommendations:
We recommend that the Division work with the CSO to ensure CSO sponsored events are included in CSO's Annual Program Plan or receives Park Manager and Division approval prior to the event. We also recommend that the Park Manager work with the CSO to ensure that proper permits are obtained.

Management Response:
The Division will ensure submittal of special event request forms for approval to include a determination of alcohol where appropriate and will work with the CSO to obtain permits and licenses where required.

CSO's Response:
See attached, the CSO's response.

STATEMENT OF ACCORDANCE

Statement of Accordance

The Mission of the OIG is to promote accountability, integrity, and efficiency by providing quality audits, investigations, management reviews, and technical assistance.

This work product was prepared pursuant to § 20.055, Florida Statutes, in accordance with the *Principles and Standards for Offices of Inspectors General* as published by the Association of Inspectors General and the *International Standards for the Professional Practice of Internal Auditing*, as published by the Institute of Internal Auditors, Inc. The audit was conducted by Andrea Kramer and Robert Oakley and supervised by Susan Cureton.

This report and other reports prepared by the OIG can be obtained through the Department's website at https://floridadep.gov/oig or by contacting:

Office of Ombudsman and Public Services
public.services@floridadep.gov
(850) 245-2118

Candie M. Fuller,
Inspector General

Attachment
CSO's Response






BARRIER ISLAND PARKS SOCIETY

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To learn more about BIPS, go to **www.BIPS.org** or scan the QR code.

November 5, 2025

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3900 Commonwealth Boulevard, M.S. 51
Tallahassee, FL 32399

Dear Ms. Cureton,

Thank you for sending us your department's preliminary report. We see audits not only as learning opportunities to help us better structure our internal procedures and By-Laws, but also as a channel to offer clarification in areas of confusion or any misunderstandings.

Our president and treasurer have reviewed the audit comments and recommendations carefully. We expect to continue our close collaboration with our partners in local parks management and the DEP to ensure that as a CSO, we comply with all statutory and regulatory reporting requirements, making it as accurate and transparent as possible, and that we are in compliance with all legal requirements expected of us.

We understand the additional oversight at this time but believe that once all the open resolutions are completed that this additional oversight will not be necessary.

Barrier Island Parks Society has been a nonprofit 501c3 for 36 years and we pride ourselves on transparency. We have been recognized by Lee County, Florida Trust, Florida Lighthouse Association and local community foundations as good stewards. We strive to meet our mission every day which includes caring for and supporting our four affiliated state parks and beautiful historic structures and museum.

We look forward to working with your office to ensure our good works will continue and that we meet everyone's expectations as an honorable CSO and partner of the Florida Park Service and the DEP.

If you have any questions regarding any of our responses, please do not hesitate to call me at our office (941) 964-0060 or email me at smckenziebips@gmail.com.

Kindest regards,

Sharon McKenzie

Sharon McKenzie, Executive Director

BACKGROUND

In accordance with Section 258.015, Florida Statutes, (F.S.), a CSO is an organization which is a Florida not-for-profit corporation and approved in writing by the Department to operate for the direct or indirect benefit of the state park system. The statute authorizes a CSO to conduct programs and activities; raise funds; request and receive grants, gifts, and bequests of money; acquire, receive, hold, invest, and administer, in its own name, securities, funds, objects of value, or other property, real or personal; and make expenditures to or for the direct or indirect benefit of the state park system or individual units of the state park system. The Division provides management oversight of the CSO program. The Agreement was executed in 2015 and grants the CSO the right to serve as a CSO for the Gasparilla Island Administration, which includes Gasparilla Island State Park, Don Pedro Island State Park, Cayo Costa State Park, and Stump Pass Beach State Park (Parks). According to the Articles of Incorporation, the CSO was organized *exclusively for nonprofit purposes, as a charitable organization to enhance the historical, scientific and educational programs of the state parks operating in Charlotte and Lee Counties.*

In addition to supporting the Parks, the CSO maintains the Gasparilla Island Lighthouse (GIL) property, a federally owned property located 1.7 miles north of Gasparilla Island State Park. According to the CSO, they entered into a lease agreement with the United States Coast Guard to maintain the GIL property. The CSO receives revenue from grants, donations, special events, interest, and membership dues. The CSO also generated revenue from merchandise sales online and also from two gift shops operated at Gasparilla Island State Park and Cayo Costa State Park.

ITEM #1 RESPONSE: This item relates to the expanded role the BIPS CSO now plays regarding its efforts to rehabilitate and manage the GIL property that is consistent with its governing documents. The language quoted above as to this CSO's Articles of Incorporation are outdated and not accurate. The Articles were amended in 2015 with a copy being provided to the parks service (please see attached correct version of the articles).

Please note the following language from the operative Articles:

> *5. To establish, use, secure, maintain, operate, manage, protect, rebuild, acquire and/or promote historic or other lands and structures of significance to the exempt purposes of the Society, including (but not limited to) those associated with: (a) the Boca Grande Lighthouse & Museum, as a museum or otherwise; (b) lands or structures to which the Society currently holds (or at some future date does hold) a beneficial interest; (c) Gasparilla Island Light (a/k/a Rear Range Light); and (d) any other assets or other features thereof or appurtenant thereto.*

The amended Articles of Incorporation were sent to the assigned park manager for incorporation into the annual report as per the following:

From: BRET CLARK ESQUIRE <BretClark@webnetlawyer.com>
Date: June 1, 2016 at 8:44:12 PM EDT
To: Chad Lach <Chad.Lach@dep.state.fl.us>
Cc: Sharon McKenzie <smckenziebips@gmail.com>, Pete Roberts <lcrpgr@gmail.com>
Subject: Annual Report - BIPS governing documents

Hi Chad. Sharon asked that I forward the attached Articles of Incorporation (as amended) to you to include in your Annual Report (see her email below).
I also included the amended by-laws so you have a complete set of the governing documents in one email.

Let me know if you have questions, comments or concerns.

Bret Clark
Attorney At Law
(941) 404-4704

From: Sharon McKenzie [mailto:smckenziebips@gmail.com]
Sent: Wednesday, May 25, 2016 3:38 PM
To: Chad Lach
Cc: <BretClark@WebNetLawyer.Com>; Pete Roberts
Subject: Annual Report Docs

Chad,

As discussed, attached are the documents you need for the Annual report. Bret Clark will be sending you the final version of our Articles of Incorporation that he will be filing with The State on our behalf, and Pete Roberts (or Christina Venarsky) will be sending you the "President's Letter." I have copied them both so they have your email.

Thanks!
Sharon

Sharon R. McKenzie, *Executive Director*
Barrier Island Parks Society, Inc.
Port Boca Grande Lighthouse & Museum
P.O. Box 637 ~ Boca Grande, FL 33921
941.964.0060
www.barrierislandparkssociety.org

RESULTS OF AUDIT

During the audit, we reviewed documentation from the CSO for the audit period, including but not limited to, monthly bank statements, general ledgers, annual budgets, meeting minutes, membership lists, volunteer records, and documentation for special events. In addition, we reviewed CSO revenue and expense source documentation for the sample months of February and March 2024. A summary of our review is below.

CSO Revenue and Expenditures

The Agreement requires the CSO to annually submit a Legislative Report, which summarizes their financial activity for the previous calendar year. The report includes revenues and funds generated from fundraising on Park property, as well as expenses that directly support the Parks. The CSO's revenue and expenses for 2023 were reported on the 2024 Legislative Report as shown in the table below.

2023 CSO Revenue and Expenses	
Visitor Services Revenue	
Park gift shops, craft stores, and concession sales	$33,666
Merchandise Sales	$0
Programs and Special Events	$3,731
Vending	$0
Rentals	$0
In-park donation boxes	$844
Other visitor services revenue	$806,529
Total Revenue Reported	**$844,770**
Program Service Expenses	
Building improvements	$1,087
Vehicles	$15,408
Amenities	$870
Park employees or volunteers support	$6,550
Park exhibits	$140
Programing/interpretation support material purchases	$2,747
Other program services	$856,260
Total Expenses Reported	**$883,062**

During the audit, we compared the CSO's general ledger, bank statements, and other financial documents to determine the accuracy of the reported revenue and expenses. According to the Legislative Report, the revenue reported should be from fundraising on Park property, and the expenses reported should be those that directly support the Parks. Pursuant to the CSO Agreement, the CSO must deliver complete and accurate reports to the Division. According to the CSO's 2023 Annual Financial Statements, total income was reported as $334,124.17 and total expenses were $314,170.92. These amounts are significantly lower than the amounts reported on the Legislative Report, as shown in the table above. Our review determined the CSO included revenue and expenses from the Federal GIL property in their Legislative Report. Additionally, the CSO's financial reports, including revenues and expenditures, indicated that the CSO

was operating and maintaining the Federal GIL property in the CSO's name. Management and operation of the Federal GIL property is not for the direct or indirect benefit of the state park system and conflicts with the CSO's purpose in both the Agreement and Articles of Incorporation.

ITEM #2 RESPONSE: The audit correctly points out that the Legislative Report includes ALL of the results of operations of this CSO, including those that do not *directly* support the parks. In the past, this CSO, in the interest of complete transparency and sound accounting practices, has ensured that the report is reconciled to the corresponding IRS Form 990 for the year in question. This has been true for a number of years and no objections to this enhanced level of reporting has been questioned in prior years. BIPS has been separating out non-CSO stewardship that goes beyond *direct* support of the DEP parks in the *Other* category on the form. Going forward, we will ensure that the results of operations that DEP has deemed to not *directly* benefit the parks are no longer included in the Legislative Reports.

CSO Revenue

Based on our review, the CSO generated revenue from grants, donations, special events, interest, and membership dues. The CSO also generated revenue through visitor services such as the operation of gift shops, tours, and rental of recreational equipment. The CSO maintained multiple bank accounts. We reviewed the revenue and supporting documentation for the scope of the audit as well as the two sample months of February and March 2024. We found that the CSO conducted financial activities for both the Parks and the Federal GIL property within the same point-of-sale system and bank accounts, making it difficult to determine where the revenue originated. Additionally, the CSO's General Ledger includes revenue and expenses for both the Parks and the Federal GIL property. For example: According to financial documents provided by the CSO, $33,799.82 was recorded as sales for the Parks in 2023. During that same period, the CSO recorded $27,860.67 in retail sales for Federal GIL property. We reviewed the sales and supporting documentation for the month of February 2024; however, it was not possible to clearly determine what transactions in the point-of-sale system were related to the Federal GIL property and which were related to the Parks.

ITEM #3 RESPONSE: Our internal system tags in QuickBooks any transfer of funds in or out of either account. BIPS thoroughly maintains separate sets of books for its main operations and those related to the GIL property. All retail sales for GIL are reported directly to the bookkeeper to maintain accuracy in both sets of books. We have a lot of visitors who want souvenirs from both lighthouses and during the summer GIL is closed. In the summer when GIL merchandise was low at the museum, it would be sold to the museum shop and entered into their POS inventory. The cost

of inventory was expensed from the museum shop and in turn entered as revenue into GIL's books. This occurred annually around the end of May and would reverse, for any unsold merchandise around every October. However, we understand how this might look confusing and will discontinue selling leftover GIL merchandise to museum shop.

In addition, we realized the Square system used for all outdoor sales was going to one account in BIPS. Although all sales were tracked and reported from the GIL site to the bookkeeper to ensure accuracy in revenue, a separate Square account will be set up for the GIL location with all GIL revenue going directly to the GIL bank account.

CSO Expenditures

The Agreement states, *The CSO agrees that all funds generated by the CSO through use of the Park's fixed property and facilities, the Park's name and/or the Park's identity, will be applied to and for the direct or indirect benefit of the Park as required in Section 258.015, Florida Statutes and be consistent with this Agreement and otherwise support of the CSO's purposes set forth in its articles of incorporation….* Our review determined that some of the CSO's expenditures were for the Federal GIL property and did not appear to be for the direct or indirect benefit of the Parks as required by the Agreement and Section 258.015, F.S.

Expenses: We reviewed the sample months of February and March 2024 to determine whether the CSO's expenditures were in the direct or indirect benefit of the Parks and were consistent with the Agreement and Articles of Incorporation. Based on our review of expenditures for the sample months, we found $157,671.95 in expenses between the CSO's accounts and the CSO's credit cards. However, we were unable to verify the purpose for all expenditures. We also received receipts that were incomplete, without totals, screenshots from devices, and pasted into Word documents. Additionally, our review noted multiple expenditures during the sample months were related to the maintenance and operation of the Federal GIL property. This included purchases which were combined expenditures related to both the GIL and the Parks. According to the CSO, the CSO's credit card may be used to pay expenses for the Federal GIL property and we noted transactions labeled as *Transfer Gil reimbursements*. We also noted a transfer from the CSO's bank account for $5,501.34, labeled as a transfer for *GIL Monthly Reimbursements*. According to the CSO, this transfer was for January and February *automatic* allocations, and *the allocations are based on a percentage of the budgeted expenses of $2750.67 per month that is considered GIL, so there aren't any timecards or receipts for these.*

ITEM #4 RESPONSE: As noted above, we account for items related to BIPS versus those related to GIL. The BIPS credit card is used for both the parks and GIL, but every transaction is reported to the bookkeeper who maintains two separate sets of books to ensure reporting accuracy. However, we can

understand how this can be confusing to some and will open a separate credit card account for GIL to provide a better audit trail.

We do appreciate the information about lost receipts which was brought to our attention when the Audit first began some time ago. Based on this, the bookkeeper now attaches receipts directly to the related expense in QuickBooks to ensure there will be no future issues.

Please note that our staff are now spread out in part because we no longer have an office due to its destruction from Hurricane Milton, so receipts will continue to be sent in different formats. Some of this is beyond our control, like online orders or certain vendors that only offer receipts on Word or in formats that have to be copied and pasted. We will, as always, ensure that the total receipt is sent even when it contains non-essential information.

Also, as mentioned our response to Item #1 above, Barrier Island Parks Society's Articles of Incorporation were updated in 2015.

> Payroll: Our review also noted payroll expenses from the CSO's bank accounts included salaries and bonuses for both the Parks and the Federal GIL property. In 2023, the CSO paid $190,508.94 in salaries. Based on 2023 payroll statements, employees were paid for approximately 6,056 regular hours, 342 overtime hours, and 104 additional hours classified as other. According to monthly payroll statements, approximately 1,872 payroll hours were processed to employees with the title of Sales Associate, although the Cayo Costa Gift Shop, Port Boca Grande Gift Shop, and Museum were all closed due to hurricane damage. The CSO Executive Director stated that Sales Associates sorted merchandise, documented inventory, and cleaned up the sand from the storm while the gift shops were closed.

ITEM #5 RESPONSE: As noted above, BIPS maintains accurate records for both sets of books, including items related to payroll.

BIPS compensates the park bank account for BIPS staff time spent at GIL which accounts for some of the transfers between accounts. We are checking to see if there is a way to better segregate these hours and have them directly billed to individual bank accounts to avoid continued transfers and provide a better audit trail.

At BIPS, we care deeply about our staff. We had reduced staff after the hurricane and there was plenty of work to be done in assessing damage and recovery. The staff not only performed some of their normal duties they also took on additional duties in other areas.

- Overtime/Bonuses: Our review determined that all of the 342 overtime hours were allocated to one employee with the title of Museum Assistant. In addition to the 342 overtime hours, the employee received a $500 bonus check in June 2023 and a $5,000 bonus check in November 2023. Six employees, including the Museum Assistant, received a *Christmas Bonus* during December 2023. The CSO's Financial Policy does not address employee bonuses or overtime, and we found no approvals for these types of payments in the Annual Budget.

ITEM #6 RESPONSE: BIPS was hit by three (3) major hurricanes in two (2) years. Hurricane Ian hit as a Category 5 in our area devastating all our historic structures and homes. We lost half our staff at that time; many chose to leave the State of Florida. During that time and because of the lack of staff, we had an exemplary staff person step up to work countless hours to help keep BIPS' operations up and running which accounts for the overtime hours. Her bonus check in June 2023 was for going above and beyond. During the late summer of the same year, the Executive Director became severely ill and underwent two major surgeries and radiation therapy at Moffitt Cancer Center leaving this staff person to run all of BIPS operations on her own for multiple months. The BIPS Board of Directors discussed this and determined that she deserved financial compensation for conducting work above her pay grade during that time. It was a unanimous decision, witnessed by all present, however because this staff person was taking Board Minutes at the time, she was asked to leave the meeting while the discussion and vote took place. Unfortunately, the Minutes were not amended to include information and moving forward, the Secretary will maintain separate Minutes anytime it goes into executive session.

- GIL Transfers: Over the course of the audit scope, we found approximately $746,212.85 was transferred into the accounts for the Federal GIL property from Parks' accounts. The number of transfers between GIL and Parks bank accounts has made it difficult to confirm what funding was used for each expenditure.

ITEM #7 RESPONSE: As noted above, two separate sets of books are maintained by BIPS. We are confident that we maintain accurate records for both sets of books and that all transfers are and continue to be valid and accurately reported, leaving a sufficient FASB audit trail to confirm that fact. BIPS undergoes an audit by an external licensed CPA firm annually.

CSO Financial Policies

The CSO Handbook outlines best practices for financial policies and states, *it is important for CSOs to address financial policies either in their Bylaws or through a separate stand-alone financial policy.* The CSO provided a copy of their Financial

Policy, which included some of the recommended best practices, such as deposits, gift acceptance, and annual budgets. However, our review found the following inconsistencies:

Expenditure Authority: The CSO's Financial Policy included some procedures for expenses to be paid. According to the policy, credit card purchases and limits are monitored and approved by the Executive Director. For other expenses, the Executive Director or Treasurer approves check requests. Based on discussions with the CSO, the Executive Director, the Administrative Assistant, and the Treasurer were authorized to sign checks. The CSO President stated that two signatures are required for checks over $1,000. Based on our review, we found multiple checks that contained only the Executive Director's signature. This included two checks for $200,000 each to *sweep* funds into another account.

ITEM #8 RESPONSE: Thank you for bringing this to our attention. The second signature on checks was an internal procedure, not outlined in our policies. The Treasurer and the Executive Director are the only ones with bank signature authority (second signatures are not recognized by banks).

Several procedures have had to change with BIPS not having an office nor an Administrative Assistant for a prolonged period of time. We are in the process of reviewing and amending all our financial procedures to ensure their efficacy and, where appropriate, update them.

Debit/Credit Cards: The CSO Financial Policy stated that credit cards were reconciled on a monthly basis by the bookkeeper, and staff are to send receipts to the Executive Director and bookkeeper. For the sample months we reviewed, we found supporting documentation provided by the CSO included receipts which were incomplete, did not contain totals, appeared to be screenshots of receipts cutting off information, and receipt text copied and pasted into a Word document. In addition, we noted that multiple purchases did not have supporting documentation.

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ITEM #9 RESPONSE: We do appreciate the information about lost receipts which was brought to our attention when the Audit first began on April 26, 2024. It is always our goal to do the best job we can. Based on this, the bookkeeper now attaches receipts directly to the related expense in QuickBooks to ensure there will be no future issues.

As mentioned above, please note that our staff are spread out in part because we no longer have an office due to its destruction from Hurricane Milton, so receipts will continue to be sent in different formats. Some of this is beyond

our control, like online orders or certain vendors that only offer receipts in Word or in formats that have to be copied and pasted.

Annual Budget: The CSO's Financial Policy stated that *the Annual Budget is formally adopted by a vote of the Board of Directors*. Our review of the Board Meeting Minutes did not show the approval of a formally adopted Annual Budget for 2023. We did find the approval of the 2024 Annual Budget in the Board Meeting Minutes for February 2024. The CSO Handbook's recommended best practice stated that an annual budget for the upcoming fiscal year should be adopted prior to the end of the current fiscal year.

ITEM #10 RESPONSE: Thank you for bringing this to our attention. We typically have the budget approved before year end. In November of 2022, Hurricane Ian hit the island as a Category 5 storm. Our parks and historic structures as well as our personal homes were compromised, with traumatic devastation everywhere. At the time, we held an emergency board meeting but were focused primarily on the damage and recovery at hand and not normal business. We do understand the importance of having the board vote to approve the budget as we normally do. In the future we will do our best to ensure it is done regardless of extenuating circumstances.

CSO Compliance with Agreement and Division Requirements

CSOs are established by and should operate in compliance with Section 258.015, F.S. Based on our audit, the following was noted:

Membership

According to the CSO's Bylaws, membership eligibility was available to all persons, corporations, and entities with an interest in the purposes of the CSO. Membership was obtained by completing a membership form approved by the Board of Directors, and a payment of any fees, donations, or dues determined by the Board of Directors. A failure to pay the required fees would result in termination of the membership. The CSO's website indicated that membership benefits included free admission to most educational programs and a 10% discount on purchases from the CSO's gift shops. In the 2024 Legislative Report, the CSO reported 481 members in 2023. The CSO provided a list of 461 names as supporting documentation. However, our review of the membership donation list indicated that payments were only received from 184 different parties. The Executive Director stated that the list of names provided was based on a membership mailing list. Additionally, the Executive Director stated that a board member may request an individual to be left on the list without paying the annual membership fee.

ITEM #11 RESPONSE: Thank you for bringing this to our attention. This notation helped us realize that internally we needed to better define what a BIPS member is and ensure procedures match our By-Laws. We are

currently reviewing both the By-Laws and procedures in Membership and will amend where needed once a final determination is made.

Grants

The CSO Handbook and Agreement required all grant proposals to be approved by the Division to ensure work funded by the grant was consistent with the Division's goals. A review of the CSO's Profit and Loss statement for 2023 showed restricted grants of $75,695.00 and unrestricted grants of $81,000.48. These amounts were consistent with the CSO's General Ledger; however, our review determined the CSO had not submitted any grant proposals to the Division for approval.

ITEM #12 RESPONSE: Thank you for bringing this to our attention. In the future, we will do our best, given the amount of small grants written, to ensure any grants related to park property or park needs be submitted for approval to the Division.

Annual Plan

The Division's Operation Manual and the Agreement required the CSO to develop and submit an Annual Program Plan to the Park Manager. The plan is required to include all proposed projects, events, and fund-raising activities of the CSO and was to be consistent with the Parks' Unit Management Plans. Our review noted the 2024 Annual Program Plan also included activities, goals, and events related to the Federal GIL property. Comparing the CSO Annual Plans to the Legislative Reports and Annual Budgets, it appears the revenue goal may also include the GIL property.

ITEM #13 RESPONSE: Please note that some events and activities were held at the Federal GIL property when the park was closed to the public. We feel that an argument can be made that the activities related to GIL may not *directly* support the parks, more often they do so *indirectly*.

Nonetheless, BIPS understands that only activities, goals and events are to be reported to the Legislature are those held inside park grounds.

CSO Events

The CSO must include a list of all proposed events as part of their Annual Program Plan or receive approval in advance of the event. The Annual Program Plan for 2023 included each event noted on the General Ledger aside from one event, the Trendy Bus Tour. Based on the CSO's financial documentation, this event took place in May 2023; however, the Park did not have any documentation submitted for the event. Another event, Lighting of the Lighthouse, was included on the Annual Plan and took place at the Port Boca Grande Lighthouse within the Parks. The event included the sale of alcoholic beverages; however, no permit or license was obtained by the CSO and approval to serve alcohol was not obtained from the Park Manager as required. The consumption of alcoholic beverages in State parks is prohibited, except in areas

that already provide the sale of alcohol and in designated areas during approved events. The CSO must obtain written approval from the Park Manager to serve alcohol at an event. The CSO Handbook states, that according to Section 561.422, F.S., *not for profit civic organizations can obtain a temporary permit for the sale of alcoholic beverages, for consumption on the premises only, and for a period not to exceed three (3) days per event.*

ITEM # 14 RESPONSE: The Trendy Bus Tour was not an event. It was an interpretative program. As a major museum on Boca Grande, requests for special interpretative programs/museum tours from schools, scout clubs, homeschool groups, adult clubs, families/friends, and tour groups are not made far in advance and are requested throughout the year. BIPS staff and the park manager and his staff have a strong working relationship and communicate as these things occur.

BIPS has held the Annual Lighting of the Lighthouse for over 30 years. It has always given away complimentary food and wine. No wine was sold. However, there is sometimes confusion over use of the term "suggested donation." We have since amended all flyers and trained all volunteers and staff to not offer a suggested donation, unless asked, in which case they will reply that BIPS greatly appreciates any tips/donations that they give to help pay for the wine/beer and food being provided.

We also verified with Lee County that no permit, even for complimentary alcohol, is required. Please see below:

From: Bigler, Nina <NBigler@leegov.com>

Sec. 34-3041. - Temporary use permits, generally.

(a)*Permit required.* No temporary use may be established until a temporary use permit has been obtained from the Department. Events that have a duration less than six hours, not occurring more than once a month, and not in conjunction with an alcoholic beverage permit, such as ribbon cuttings, company events or other similar uses, are not required to obtain a temporary use permit.

//Nina Bigler | Supervisor
Zoning Counter

We also reviewed event documentation for the CSO's Annual Green Gala. The event was advertised as assisting the CSO in preserving both the Parks and the Federal GIL Property. Per the Agreement, …*all funds generated by the CSO through the use of the Park's fixed property and facilities, the Park's name and/or the Park's identity, will be applied to and for the direct or indirect benefit of the Park as required by Section*

258.015, Florida Statutes. While the event was not held on Park property, it was held in the name of the Parks. Additional fundraising events that had advertisements that included the Federal GIL property include the Giving Challenge and the Tent Sales.

ITEM #15 RESPONSE: At the annual Green Gala, BIPS has always presented their organization in its entirety to help the community fully understand and support all that BIPS does. All funds for the annual Green Gala have always gone to support the parks and its historic structures, not the Federal Gil property or structure. However, we are aware that it is important to mention to the donors at the event and in signage/marketing that all support goes directly to support our four parks, Port Boca Grande Lighthouse & Museum and Amory Memorial Chapel. We are making a concerted effort to ensure our donors fully understand what their Green Gala donations support.

Also, please note that Museum tent sales were held at GIL to help bring in additional revenue to the parks when the parks were closed. All the revenue from the dedicated museum tents went directly back to the parks account.

BIPS has been selected for the Giving Challenge by Southwest Community Foundation of Sarasota County as a 501c3 which includes GIL Property, although GIL has never benefited from the Giving Challenge because all funds have always been given to the parks and not split with the Federal GIL Property. However, this has brought to our attention that donors could believe by supporting BIPS, they are supporting both lighthouses and the parks, not just park property. This year, if selected, we will focus marketing on Port Boca Grande and our parks and not include the GIL Property.

Volunteer Records

According to the Division's Operation Manual and Agreement, the CSO's Board of Directors must complete a volunteer profile in the Division's Volunteer Management System (VSys) and sign the Division's Volunteer Agreement annually. The CSO Board and its volunteers must submit any volunteer hours monthly to the Parks' volunteer manager or self-enter information into VSys. Based on our review, we found that of the 13 Board of Directors reviewed in VSys, only two had volunteer applications. According to the 2024 Legislative Report, the total number of volunteer hours for the Board of Directors was 743 hours in 2023. However, our review of the VSys showed that only one Board Member submitted volunteer hours in 2023 in the amount of 78 hours.

ITEM #16 RESPONSE: We do understand the importance of completing volunteer profiles in the Division's VSys system and are working diligently with the Park PSS to help obtain compliance in this area by our volunteers and board of directors.

Independent Audits

According to Section 215.981(2), F.S., the CSO was required to provide an annual financial audit of its accounts and records if expenditures exceeded $300,000 annually. The audit was to be conducted by an independent Certified Public Accountant (CPA) and submitted to the Auditor General and the Department, nine months after the end of the CSO's fiscal year. The CSO completed the 2021 CPA audit on May 31, 2023 and submitted the audit to the Division on August 14, 2023. This was two years after the required submission. The CSO provided the 2022 audit after it was requested during our review. This audit was completed in October 2023 which was also after the nine-month requirement.

ITEM #17 RESPONSE: An independent CPA does annually conduct a BIPS' audit. Due to extenuating circumstances surrounding Hurricane Ian and the loss of our regular CPA, and the many attempts to locate a new CPA, the 2021 audit was delayed. The 2022 audit was also delayed due to circumstances beyond our control.

We have discussed these issues in detail with our new CPA's and expect to provide future audits by the September 30 deadline.

Payment Card Industry (PCI) Data Security Standards (DSS)

The Division's CSO Handbook requires the CSO to comply with PCI DSS if the organization accepts payment cards. To comply, the CSO must annually complete a PCI Self-Assessment Questionnaire and an Attestation of Compliance. These forms are to be completed by May 1 of each year and kept by the Park Manager. Based on our review, the CSO provided PCI DSS certification documentation.

ITEM #18 RESPONSE: We are gratified to know that on this item, we seem to be performing well.

CONCLUSION

During the audit, we reviewed documentation from the CSO for the audit period, including but not limited to, monthly bank statements, general ledgers, annual budgets, meeting minutes, membership lists, volunteer records, and documentation for special events. In addition, we reviewed CSO revenue and expense source documentation for

the sample months of February and March 2024. Based on our review, we determined the CSO's financial records contained revenue and expenditures that were not for the direct or indirect benefit of the Parks, supporting documentation was not always sufficient or maintained, and the CSO did not comply with some requirements in the Agreement. Our findings and recommendations are listed below.

FINDINGS AND RECOMMENDATIONS

Finding 1: Accuracy of Financial Reporting – The CSO's Legislative Report and supporting financial documents included revenue and expenses for the Federal GIL property managed by the CSO, which is not for the direct or indirect benefit of the Parks. Additionally, supporting documentation for revenue and expenses was not always complete or maintained.

The Agreement states, *The CSO agrees that all funds generated by the CSO through use of the Park's fixed property and facilities, the Park's name and/or the Park's identity, will be applied to and for the direct or indirect benefit of the Park as required in Section 258.015, Florida Statutes and be consistent with this Agreement and otherwise support of the CSO's purposes set forth in its articles of incorporation….* Additionally, pursuant to the CSO Agreement, the CSO must deliver complete and accurate reports to the Division. During the audit, we compared the CSO's general ledger, bank statements, and other financial documents to determine the accuracy of the reported revenue and expenses.

Legislative Report

The Agreement requires the CSO to annually submit a Legislative Report, which summarizes their financial activity for the previous calendar year. The report should include revenue and funds generated from fundraising on Park property, as well as expenses that directly support the Parks. According to the CSO's 2023 Annual Financial Statements, total income was reported as $334,124.17 and total expenses were $314,170.92. These amounts are significantly lower than the amounts reported on the Legislative Report, which was $844,770 and $883,062, respectively. Our review determined the CSO included revenue and expenses from the Federal GIL property in their Legislative Report. Additionally, the CSO's financial reports, including revenues and expenditures, indicated that the CSO was operating and maintaining the Federal GIL property in the CSO's name. Management and operation of the Federal GIL property is not for the direct or indirect benefit of the state park system and conflicts with the CSO's purpose in the Agreement and the Articles of Incorporation.

PLEASE SEE OUR RESPONSE TO ITEM #1 & 2 ABOVE.

CSO Revenue

Based on our review, the CSO generated revenue from grants, donations, special events, interest, and membership dues. The CSO also generated revenue through visitor services such as the operation of gift shops, tours, and rental of recreational equipment. The CSO conducts financial activities for both the Parks and the Federal GIL property using the same point-of-sale system and bank accounts, making it difficult to determine where the revenue originated. Additionally, the CSO's General Ledger included revenue and expenses for both the Parks and the Federal GIL property. We reviewed a sample of sales and supporting documentation; however, it was not possible to clearly determine what transactions in the point-of-sale system were related to the Federal GIL property and which were related to the Parks.

PLEASE SEE OUR RESPONSE TO ITEM #3 ABOVE.

CSO Expenditures

Our review determined that some of the CSO's expenditures were for the Federal GIL property and did not appear to be for the direct or indirect benefit of the Parks as required by the Agreement and Section 258.015, F.S. For example:

- Supporting Documentation: Based on our review of expenditures for the sample months, we found $157,671.95 in expenses between the CSO bank accounts and the CSO credit cards. However, we were unable to verify the purpose for all expenditures as we received receipts that were incomplete, without totals, screenshots from devices or pasted into Word documents. Additionally, our review noted multiple expenditures during the sample months were related to the maintenance and operation of the Federal GIL property. This included purchases which were combined expenditures related to both the GIL and the Parks. According to the CSO, the CSO's credit card may be used to pay expenses for the Federal GIL property, and we noted transactions labeled as *Transfer Gil reimbursements*. We also noted a transfer from the CSO's bank account for $5,501.34, labeled as a transfer for *GIL Monthly Reimbursements*. According to the CSO, this transfer was for January and February "automatic" allocations and *The allocations are based on a percentage of the budgeted expenses of $2750.67 per month that is considered GIL, so there aren't any timecards or receipts for these.*

  PLEASE SEE OUR RESPONSE TO ITEM #4 ABOVE.

- Payroll: Our review also noted payroll expenses from the CSO's bank accounts included salaries and bonuses for both the Parks and the Federal GIL property. In 2023, the CSO paid $190,508.94 in salaries. Based on 2023 payroll statements, employees were paid for approximately 6,056 regular hours, 342 overtime hours, and 104 additional hours classified as other. According to monthly payroll statements, approximately 1,872 payroll hours were processed to employees with the title of Sales Associate, although the Cayo Costa Gift Shop, Port Boca Grande Gift Shop, and Museum were all closed due to

hurricane damage. The CSO Executive Director stated that Sales Associates sorted merchandise, documented inventory, and cleaned up the sand from the storm while the gift shops were closed.

PLEASE SEE OUR RESPONSE TO ITEM #5 ABOVE.

- Overtime/Bonuses: Our review determined that all of the 342 overtime hours were allocated to one employee with the title of Museum Assistant. In addition to the 342 overtime hours, the employee received a $500 bonus check in June 2023 and a $5,000 bonus check in November 2023. Six employees, including the Museum Assistant, received a *Christmas Bonus* during December 2023. The CSO's Financial Policy does not address employee bonuses or overtime, and we found no approvals for these types of payments in the Annual Budget.

PLEASE SEE OUR RESPONSE TO ITEM #6 ABOVE.

- GIL Transfers: Over the course of the audit scope, we found approximately $746,212.85 was transferred into the accounts for the Federal GIL property from Parks' accounts. The number of transfers between GIL and Parks bank accounts has made it difficult to confirm what funding was used for each expenditure.

PLEASE SEE OUR RESPONSE TO ITEM #7 ABOVE.

Recommendations:

We recommend the Division provide additional oversight to ensure that funds generated by the CSO through the use of the Parks' fixed property and facilities or in the Parks' name are used for the direct or indirect benefit of the Parks in accordance with the Agreement and Section 258.015, F.S. We also recommend the Division work with the CSO to ensure the CSO maintains revenue and expense documentation that only includes transactions related to the direct or indirect benefit of the Parks, and that information is accurately reported on the CSO's Legislative Report. We also recommend the Division work with the CSO to ensure supporting documentation of revenue and expenses is complete and maintained.

RESPONSE: We expect to continue our close collaboration with our partners in local parks management and the DEP to ensure that as a CSO, we comply with all statutory and regulatory reporting requirements, making it as accurate and transparent as possible, and that we are in compliance with all legal requirements expected of us.

We understand the additional oversight at this time but believe that once all the open resolutions are completed that this additional oversight will not be necessary.

Finding 2: Financial Policies – The CSO did not always follow its Financial Policies.

The CSO Handbook outlines best practices for financial policies and states, *it is important for CSOs to address financial policies either in their Bylaws or through a separate stand- alone financial policy.* The CSO provided a copy of their Financial Policy, which included some of the recommended best practices, such as deposits, gift acceptance, and annual budgets. However, our review found the following inconsistencies:

- Expenditure Authority: The CSO's Financial Policy included some procedures for expenses to be paid. According to the policy, credit card purchases and limits are monitored and approved by the Executive Director. For other expenses, the Executive Director or Treasurer approves check requests. Based on discussions with the CSO, the Executive Director, the Administrative Assistant, and the Treasurer were authorized to sign checks. The CSO President stated that two signatures are required for checks over $1,000. Based on our review, we found multiple checks that contained only the Executive Director's signature. This included two checks for $200,000 each to *sweep* funds into another account.

  PLEASE SEE OUR RESPONSE TO ITEM #8 ABOVE.

- Debit/Credit Cards: The CSO Financial Policy stated that credit cards were reconciled on a monthly basis by the bookkeeper, and staff are to send receipts to the Executive Director and bookkeeper. For the sample months we reviewed, we found supporting documentation provided by the CSO included receipts which were incomplete, did not contain totals, appeared to be screenshots of receipts cutting off information, and receipt text copied and pasted into a Word document. In addition, we noted that multiple purchases did not have supporting documentation.

  PLEASE SEE OUR RESPONSE TO ITEM #9 ABOVE.

- Annual Budget: The CSO's Financial Policy stated that *the Annual Budget is formally adopted by a vote of the Board of Directors*. Our review of the Board Meeting Minutes did not show the approval of a formally adopted Annual Budget for 2023. We did find the approval of the 2024 Annual Budget in the Board Meeting Minutes for February 2024. The CSO Handbook's recommended best practice stated that an annual budget for the upcoming fiscal year should be adopted prior to the end of the current fiscal year.

PLEASE SEE OUR RESPONSE TO ITEM #10 ABOVE.

Recommendations:
We recommend the Division work with the CSO to ensure compliance with their Financial Policies.

RESPONSE: Please see our response to the first Recommendation made above.

Finding 3: Compliance with the Agreement and CSO Bylaws – The CSO did not always comply with the Agreement regarding grant approvals, the annual plan, independent audits, and volunteer records. Additionally, the CSO did not always comply with its Bylaw requirements for membership.

CSO's are established by and should operate in compliance with Section 258.015, F.S. Based on our audit, the following was noted:

Grants
The CSO Handbook and Agreement required all grant proposals to be approved by the Division to ensure work funded by the grant was consistent with the Division's goals. A review of the CSO's Profit and Loss statement for 2023 showed restricted grants of $75,695.00 and unrestricted grants of $81,000.48. These amounts were consistent with the CSO's General Ledger; however, our review determined the CSO had not submitted any grant proposals to the Division for approval.

PLEASE SEE OUR RESPONSE TO ITEM #12 ABOVE.

Annual Plan
The Division's Operation Manual and the Agreement required the CSO to develop and submit an Annual Program Plan to the Park Manager. The plan is required to include all proposed projects, events, and fund-raising activities of the CSO and was to be consistent with the Parks' Unit Management Plans. Our review noted the 2024 Annual Program Plan also included activities, goals, and events related to the Federal GIL property. Comparing the CSO's Annual Plans to the Legislative Reports and Annual Budgets, it appears the revenue goal may also include the GIL property.

PLEASE SEE OUR RESPONSE TO ITEM #13 ABOVE.

Independent Audits
According to Section 215.981(2), F.S., the CSO was required to provide an annual financial audit of its accounts and records if expenditures exceeded $300,000 annually. The audit was to be conducted by an independent Certified Public Accountant (CPA) and submitted to the Auditor General and the Department, nine months after the end of the CSO's fiscal year. The CSO completed the 2021 CPA audit on May 31, 2023, and submitted the audit to the Division on August 14, 2023. This was two years after the required submission. The CSO provided the 2022 audit after it was requested

during our review. This audit was completed in October 2023 which was also after the nine-month requirement.

PLEASE SEE OUR RESPONSE TO ITEM #17 ABOVE.

Membership

According to the CSO's Bylaws, membership eligibility was available to all persons, corporations, and entities with an interest in the purposes of the CSO. Membership was obtained by completing a membership form approved by the Board of Directors, and a payment of any fees, donations, or dues determined by the Board of Directors. A failure to pay the required fees would result in termination of the membership. The CSO's website indicated that membership benefits included free admission to most educational programs and a 10% discount on purchases from the CSO's gift shops. In the 2024 Legislative Report, the CSO reported 481 members in 2023. The CSO provided a list of 461 names as supporting documentation. However, our review of the membership donation list indicated that payments were only received from 184 different parties. The Executive Director stated that the list of names provided was based on a membership mailing list. Additionally, the Executive Director stated that a board member may request an individual to be left on the list without paying the annual membership fee.

PLEASE SEE OUR RESPONSE TO ITEM #11 ABOVE.

Volunteer Records

According to the Division's Operation Manual and Agreement, the CSO's Board of Directors must complete a volunteer profile in VSys and sign the Division's Volunteer Agreement annually. The CSO's Board and its volunteers must submit any volunteer hours monthly to the Parks' volunteer manager or self-enter information into VSys. Based on our review, we found that of the 13 Board of Directors reviewed in VSys, only two had volunteer applications. According to the 2024 Legislative Report, the total number of volunteer hours for the Board of Directors was 743 hours in 2023. However, our review of the VSys showed that only one Board Member submitted volunteer hours in 2023 in the amount of 78 hours.

PLEASE SEE OUR RESPONSE TO ITEM #16 ABOVE.

Recommendations:

We recommend the Division work with the CSO to ensure compliance with the Agreement and the CSO's Bylaws, including, grant proposals are submitted and approved; the Annual Plan only contains information related to the Parks; independent audits are completed and submitted timely; accurate membership records are maintained and policies regarding members and benefits are followed; and volunteer records are accurate and maintained in VSys, as required.

RESPONSE: Please see our response to Recommendations #1 & #2 made above.

Finding 4: Special Events – The CSO did not always adhere to the requirements for special events, including approvals and permits.

The CSO must include a list of all proposed events as part of their Annual Program Plan or receive approval in advance of the event. The Annual Program Plan for 2023 included each event noted on the General Ledger aside from one event, the Trendy Bus Tour. Based on the CSO's financial documentation, this event took place in May 2023; however, the Park did not have any documentation submitted for the event. Another event, Lighting of the Lighthouse, was included on the Annual Plan and took place at the Port Boca Grande Lighthouse within the Parks. The event included the sale of alcoholic beverages; however, no permit or license was obtained by the CSO and approval to serve alcohol was not obtained from the Park Manager as required. The consumption of alcoholic beverages in State parks is prohibited, except in areas that already provide the sale of alcohol and in designated areas during approved events. The CSO must obtain written approval from the Park Manager to serve alcohol at an event. The CSO Handbook states, that according to Section 561.422, F.S., *not for profit civic organizations can obtain a temporary permit for the sale of alcoholic beverages, for consumption on the premises only, and for a period not to exceed three (3) days per event.*

PLEASE SEE OUR RESPONSE TO ITEM #14 ABOVE.

We also reviewed event documentation for the CSO's Annual Green Gala. The event was advertised as assisting the CSO in preserving both the Parks and the Federal GIL Property. Per the Agreement, …*all funds generated by the CSO through the use of the Park's fixed property and facilities, the Park's name and/or the Park's identity, will be applied to and for the direct or indirect benefit of the Park as required by Section 258.015, Florida Statutes.* While the event was not held on Park property, it was held in the name of the Parks. Additional fundraising events that had advertisements that included the Federal GIL property include the Giving Challenge and the Tent Sales.

PLEASE SEE OUR RESPONSE TO ITEM #15 ABOVE.

Recommendations:

We recommend that the Division work with the CSO to ensure CSO sponsored events are included in CSO's Annual Program Plan or receives Park Manager and Division approval prior to the event. We also recommend that the Park Manager work with the CSO to ensure that proper permits are obtained.

RESPONSE: Please see our response to Recommendations #1 - 3 made above.