



Department of Environmental Protection Office of Inspector General

November 12, 2025

Report A-2425DEP-013

Audit of Citizen Support Organization Friends of Camp Helen State Park

INTRODUCTION

The Florida Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an audit of Citizen Support Organization Friends of Camp Helen State Park (CSO). This audit was initiated as a result of the OIG Annual Audit Plan for Fiscal Year 2024-2025.

AUDIT SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of the audit included the financial records, activities, and Agreement requirements of the CSO for the period between January 1, 2023, to present. The objectives of the audit were to:

1. Evaluate whether controls were in place over CSO revenue and expenses.
2. Determine the CSO's compliance with the Agreement and applicable requirements.
3. Evaluate Division Management oversight of CSO activities.

To achieve our audit objectives, our methodology included:

- Reviewing applicable statutes, regulations, and governing documents.
- Obtaining documentation for review and analysis of Department and CSO records.
- Interviewing CSO members and Department 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 Department's Division of Recreation and Parks (Division) provides management oversight of the CSO program.

The Agreement between the CSO and the Department was executed in 2015 and grants the CSO the right to serve as a CSO for the Camp Helen State Park (Park). The CSO is dedicated to preserving, maintaining, and improving the Park through volunteer projects, community events and fundraising. The CSO generated revenue from kayak and

**Department of Environmental Protection
Office of Inspector General
Audit of Citizen Support Organization Friends of Camp Helen State Park**

paddleboard rentals, merchandise sales, special events, memberships, and donations. Some of their most recent projects include: The Americana Concert series, Movies & More, Fall Festival, Pumpkin Patch, International Coastal Clean-up, and Park improvements.

RESULTS OF AUDIT

During the audit, we reviewed documentation from the CSO and the Division for the audit period, including but not limited to, monthly bank statements, records associated with CSO events, CSO policies and Bylaws, Volunteer records, annual reports, and meeting minutes. In addition, we reviewed CSO revenue and expense source documents for the sample months of March and October 2024. Based on our review we found the following:

CSO Revenue and Expenditures

The Division’s Operations Manual (OM) 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 Park. The CSO’s 2024 calendar year was reported as follows:

| 2024 CSO Revenue and Expenses | |
|------------------------------------------|------------------|
| Visitor Services Revenue | |
| Merchandise sales | \$75,176 |
| Programs and Special Events | \$5,378 |
| Vending | \$90 |
| Rentals | \$89,953 |
| Other Visitor Services | \$3,185 |
| Total | \$173,782 |
| Program Service Expenses | |
| Park employees or volunteers support | \$103,134 |
| Park publications, brochures, maps, etc. | \$2,324 |
| Total | \$105,458 |

During the audit, we compared the CSO’s general ledger and other financial documents provided for the sample months of March and October 2024. Based on our review, we determined the CSO’s general ledger did not always reconcile with the supporting documentation provided and supporting documentation was not always maintained or provided in accordance with the Agreement. We also determined that the CSO’s 2025 Annual Legislative Report did not accurately reflect the CSO’s expenses that directly supported the Park. A summary of our review of revenue and expenses is below.

CSO Revenue

Based on our review, the CSO generates revenue from kayak and paddleboard rentals, merchandise sales, special events, memberships, and donations. In addition to cash or check, the CSO accepts payment through its third-party booking software as well as its third-party point-of-sale system. Payments through each system are deposited into

**Department of Environmental Protection
Office of Inspector General
Audit of Citizen Support Organization Friends of Camp Helen State Park**

separate bank accounts. We reviewed the revenue supporting documentation for the two sample months of March and October 2024.

For March 2024, the CSO's total revenue collected was approximately \$8,431.03. Our review determined that the majority of the CSO's daily deposits correlated across their General Ledger, bank statements, and supporting documentation. Out of 31 deposits reviewed, there was one deposit that included notable discrepancies in the supporting documentation provided. Specifically, the CSO's bank statement showed a manual deposit of \$2,530.60 was made on March 27, 2024. The CSO provided a deposit spreadsheet with a breakdown of the cash collected totaling the deposited amount. However, our review found some of the recorded cash collected in the deposit spreadsheet did not match other supporting documentation provided by the CSO. Most notably, we found the following:

- The deposit spreadsheet did not list the date cash was collected for each entry included in the total deposit amount.
- The dates that were listed in the deposit spreadsheet varied from December 2023 to December 2024, which was not in keeping with the CSO's Financial Policies for timely deposits. Additionally, it was not possible to collect cash in December 2024 for a deposit that was made in March 2024.
- The recorded cash collected for kayak rentals, Americana Concert series, merchandise sales, and donations were not supported with detailed records as required by the CSO's Financial Policies, including Cash Count Verification Forms, deposit slips, and the names of the individuals who counted and deposited the cash.
- The recorded cash collected for merchandise sales did not match the supporting documentation from the CSO's point-of-sale system.

For October 2024, the CSO's total revenue collected was approximately \$68,420.25. Our review determined that the majority of the CSO's daily deposits correlated across their General Ledger, bank statements, and supporting documentation. Out of 61 deposits reviewed, there were 5 deposits that included notable discrepancies in the supporting documentation provided. Specifically, five manual deposits were recorded as follows:

| CSO Bank Statement October 2024 | |
|--------------------------------------------|-----------------------|
| Deposit Date | Deposit Amount |
| October 9, 2024 | \$1,878 |
| October 16, 2024 | \$3,550 |
| October 21, 2024 | \$5,685 |
| October 30, 2024 | \$2,800 |
| October 31, 2024 | \$4,057.70 |

The CSO provided a deposit spreadsheet with a breakdown of the cash collected for the deposit amounts. However, our review found some of the recorded cash collected in the spreadsheet did not match other supporting documentation provided by the CSO. Most notably, we found the following:

**Department of Environmental Protection
Office of Inspector General
Audit of Citizen Support Organization Friends of Camp Helen State Park**

- The deposit spreadsheet provided did not include the deposits of \$3,550 or \$2,800, and no other supporting documentation was provided for these deposits, as requested.
- The deposit spreadsheet did not list any dates cash was collected for the deposit of \$1,878. Some dates were listed for the deposit of \$5,685 and \$4,057.70 but not for every entry.
- The recorded cash collected for kayak rentals, pumpkin sales, merchandise sales, and donations were not supported with detailed records as required by the CSO's Financial Policies, including Cash Count Verification Forms, deposit slips, and the names of the individuals who counted and deposited the cash.
- The recorded cash collected for kayak rentals did not match the supporting documentation from the CSO's booking software. Additionally, the recorded cash collected for pumpkin sales did not match the supporting documentation from the CSO's point-of-sale system.

Our review also determined that the CSO's documentation was not always sufficient to support its revenue and expenditures, and we noted the CSO's General Ledger did not accurately record the CSO's revenue earned. Specifically, the CSO's General Ledger did not separate its revenue earned through its booking software, which collects payments for kayak rentals, fishing pole rentals, fishing clinics, Americana Concert series, and memberships. For example, \$556.83 was deposited into the CSO's bank account used for kayak rentals on March 6, 2024. The \$556.83 was recorded in the CSO's General Ledger as kayak rentals. Based on the CSO's supporting documentation, three kayak rentals and two membership payments comprised the \$556.83 deposited. However, the CSO's General Ledger did not record the two membership payments (totaling \$387.80) as membership income. Additionally, the CSO's General Ledger only records two entries of membership income totaling \$60 for 2024.

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, F.S.* We reviewed expenditures for the sample months of March and October 2024. The CSO did not provide supporting documentation for the majority of expenses we reviewed, making it difficult to determine whether they were for the direct or indirect benefit of the Park. Additionally, the CSO's Annual Legislative Report reports that the CSO expended \$103,134 on **Park employees or volunteers support** and \$2,324 on **Park publications, brochures, maps, etc.** during the 2024 calendar year. However, we noted the CSO's 2024 IRS Form reports that the CSO expended \$103,134 on salaries, other compensation, and employee benefits, and \$2,324 on printing, publications, postage, and shipping. We confirmed the CSO's General Ledger reports approximately \$103,133.68 expended on payroll services and expenses, and \$2,324.17 expended on printing. Therefore, the CSO's 2025 Annual Legislative Report appears to misrepresent the CSO's actual expenses that directly support the Park.

Concession Services

Chapter 62D-2.014(8)(d), Florida Administrative Code (F.A.C.) states, *No person other than a Division employee or a concessionaire of the Division shall rent or hire, for profit or charge, any kind of watercraft in any park waters.* Our review determined that one of the CSO's revenue sources includes kayak and paddleboard rentals. However, the CSO does not have a Concession Agreement with the Department. Based on the CSO's Legislative Reports, the CSO has provided kayak and paddleboard rentals at the Park since 2020 at least.

Before March 1, 2024, the Division's OM stated, *A CSO that already provides visitor services as regular business must formalize its relationship with the Division by entering into a more formal Agreement, which may include a Memorandum of Understanding or a Concession Agreement.* After March 1, 2024, the Division's OM was updated to state, *The Division enters into formal Concession Agreements with private businesses, or concessionaires, to provide goods and services to park visitors (e.g., recreational equipment rentals, amusement and vending machines, gift shops, etc.) ... CSOs can seek to serve as a concessionaire. A CSO can submit a proposal in response to any Call for Business Plan for concession services advertised by the Division.* However, our review determined that the CSO's relationship with the Division was not formalized with a Memorandum of Understanding or Concession Agreement for its kayak and paddleboard rentals. Additionally, during our review we determined the CSO had not maintained insurance for its kayak operation since 2023.

Florida Fish and Wildlife Conservation Commission (FWC) Livery Requirements

The CSO is also required to follow Section 327.54, F.S., and Rule 68D-34, F.A.C., regarding liveries and safety regulations for its kayak and paddleboard rentals. Our review determined that the CSO did not always comply with Section 327.54, F.S. Specifically, Section 327.54(2), F.S., states, *A livery may not offer a vessel for lease or rent without first being issued a no-cost livery permit by the commission. The permit must be renewed annually.* As mentioned previously, the CSO's Legislative Reports show the CSO has provided kayak and paddleboard rentals at least since 2020. The CSO provided a copy of its Livery Operator Permit as requested, which was issued April 7, 2025. However, we confirmed with the FWC that the CSO's permit issued in April 2025 was late. The FWC also confirmed that the CSO was first issued a permit on February 12, 2024. Yet, the CSO's General Ledger provided for the 2023 calendar year shows the CSO received year-round revenue for its kayak and paddleboard rentals.

CSO Compliance with Agreement and Division Requirements

A CSO is established and should operate in compliance with Section 258.015, F.S. Based on our audit, the following was noted:

- **Annual Program Plan:** Paragraph 5(b) of the Agreement states, *the CSO shall develop and submit an Annual Program Plan to the Park Manager for review.* Based on our review, we determined the CSO's 2024 Annual Program Plan was submitted as required.
- **Not-for-Profit Corporation Annual Report:** Paragraph 13 of the Agreement states, *The CSO shall file and renew the Not-For-Profit Corporation Annual Report*

**Department of Environmental Protection
Office of Inspector General
Audit of Citizen Support Organization Friends of Camp Helen State Park**

annually with the Department of State, in accordance with Chapter 617, Florida Statutes. Based on our review, we determined this report was filed as required.

- Code of Ethics: Paragraph 15 of the Agreement states, *Pursuant to Section 112.3251, Florida Statutes, the CSO's code of ethics must be posted conspicuously to the CSO's website.* During the audit, we verified the code of ethics was available on the CSO's website.
- Payment Card Industry (PCI) Data Security Standards (DSS): Section 4.11 of 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, we determined the CSO completed these forms by May 1, 2025, as required.

Annual Reporting

The Agreement requires the CSO to submit specific items to the Division each year on or before July 1st, in order to comply with Section 20.058, F.S. One of the listed items includes: *A copy of the CSO's most recent federal Internal Revenue Service Return of Organization Exempt from Income Tax form (Form 990).* Additionally, Section 20.058(5), F.S., states, *If an organization fails to submit the required information for 2 consecutive years, the agency head shall terminate any contract between the agency and the organization.* The Agreement also states, *The CSO acknowledges that Fla. Stat. § 20.058(4) provides that the CSO's failure to submit these items for two (2) consecutive years will result in termination of this Agreement.*

Instead of providing the Form 990, the CSO provided Form 8868 (Application for Automatic Extension of Time to File an Exempt Organization Return) requesting a time extension and Form 990-EZ from the previous year with their Annual Legislative Report for 2022, 2023, and 2024. However, during the audit, we determined the CSO had last filed their Form 990-EZ with the IRS in 2019. We also determined the IRS revoked the CSO's tax-exempt status on May 15, 2023. Therefore, the CSO was not a tax-exempt organization when they submitted their Form 990-EZ to the Division with their Annual Legislative Report for 2024 and 2025. As the CSO did not submit the required items to the Division for more than two consecutive years, this should have prompted termination of the Agreement pursuant to Section 20.058(5), F.S., and the Agreement.

During the audit, this issue was discussed with the Division, who notified the CSO they must provide a corrective action plan to the Division and provide assurances that all fiscal and reporting requirements will be met going forward. The CSO responded with a corrective action plan, stating they had filed their Form 990 for tax years 2020 through 2024 and had filed Form 1023 to get reinstatement of their federal tax-exempt status.

Sales Tax

According to the CSO Handbook, Florida Sales and Use Tax Returns (DR-15) are required of CSOs that collect sales tax on items sold. The CSO Handbook states, *Each sale, admission charge, storage, or rental is taxable unless the transaction is exempt... A return must be filed for each reporting period, even if no tax is due.* We requested the

**Department of Environmental Protection
Office of Inspector General
Audit of Citizen Support Organization Friends of Camp Helen State Park**

CSO's DR-15s for 2023 and 2024 as well as a copy of the CSO's Consumer Certificate of Exemption (DR-14) at the start of the audit engagement. Neither DR-15s or the DR-14 was provided by the CSO. The CSO's former Treasurer was not aware the CSO was required to fill out these forms. Based on our review, the CSO collected taxes through its third-party point-of-sale system. Our review determined that the CSO did not appear to file DR-15s as required by the CSO Handbook.

Volunteer Coordination

The Agreement states, *Each CSO officer and member of its Board of Directors must annually sign the Division's Volunteer Agreement.* The Division's OM states, *All CSO Board of Directors, like all FPS regular service volunteers must follow the Division's volunteer requirements. Prior to appointing or employing a person, whether for compensation or as a volunteer, a sexual predators and offender's registration search must be conducted. Regular service volunteers in state parks are required to complete the Annual DEP Volunteer Combo Training. A CSO is required to track the service hours of its Board of Directors and officers contributing to its park(s) and record service hours in VSys no later than the 10th of the following month.* Therefore, the Volunteer Agreement, a record of the number of hours served, completed training, and offender searches should be maintained in the CSO's board members' VSys profile¹. Based on our review, we found the following:

- Volunteer Agreements: We reviewed each board member's VSys profile for their Volunteer Agreement in 2022, 2023, and 2024. We determined that the CSO's board members did not sign the Division's Volunteer Agreement annually as required. Specifically, we found:
 - 5 of the 15 board members did not sign a Volunteer Agreement in 2022.
 - 8 of the 15 board members did not sign a Volunteer Agreement in 2023.
 - 13 of the 14 board members did not sign a Volunteer Agreement in 2024.
 - 2 board members did not sign a Volunteer Agreement for three consecutive years.
- Volunteer Hours: We reviewed the CSO's 2025 Legislative Report where the CSO reported 79 total volunteer hours for its board members during the 2024 calendar year. We then reviewed each board member's VSys profile for volunteer hours recorded in 2024. We found that four of the 14 board members recorded volunteer hours in 2024, which totaled 79 hours.
- Sexual Offender Searches: We reviewed each board member's VSys profile for their national and state sexual offender search. The Division's OM also states these searches must be run and saved before the volunteer service starts at the park. We determined the CSO board members completed and uploaded the national and state sexual offender searches as required.
- Annual DEP Volunteer Combo Training: We reviewed each board member's VSys profile for their Annual DEP Volunteer Combo Training for 2023 and 2024. We determined that the CSO's board members did not complete the Annual DEP

¹ The Division's Volunteer Management System (VSys) is an application system used to maintain all volunteer records.

**Department of Environmental Protection
Office of Inspector General
Audit of Citizen Support Organization Friends of Camp Helen State Park**

Volunteer Combo Training each year as required by the Division's OM. Specifically, we found:

- 7 of the 15 board members did not complete the Annual DEP Volunteer Combo Training in 2023.
- 12 of the 14 board members did not complete the Annual DEP Volunteer Combo Training in 2024.

CSO Event Documentation

The Agreement states, *the CSO shall develop and submit an Annual Program Plan to the Park Manager for review, which 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.* The CSO held an Easter Egg Hunt in March 2024 and a Pumpkin Patch event in October 2024, both of which were included in the CSO's 2024 Annual Program Plan. The Division's OM requires a signed Special Events Request and Planning worksheet (DRP-061). Once an event is approved, the Division's OM also requires the following:

- Execute a Short-Term Special Event Permit and a Vendor and Demonstrator Authorization with all vendors who will be involved with the special event.
- Provide copies of all event contracts, proof of insurance, and vendor permits to the Park Manager at least one month prior to the event date.

The CSO Handbook previously required a written Essential Eligibility Criteria (EEC) for all in-park events. However, the CSO Handbook was updated on March 25, 2024, to no longer require a written EEC. We requested the CSO's event documentation for March and October 2024. The CSO provided an EEC, a Short-Term Special Event Permit, a receipt for payment of the Short-Term Special Event Permit fee, and proof of insurance for the Easter Egg Hunt in March 2024. The CSO provided similar documentation for the Pumpkin Patch event in October 2024. However, a signed DRP-061 and a Vendor and Demonstrator Authorization form were not provided for either event.

Division Oversight

Park Entrance Fee Waiver Days

The Agreement states, *The Park Manager is authorized to allow up to twelve CSO member appreciation (entrance fee waiver) days per year.* The Division's OM requires the CSO entrance fee waiver days be offered as a 12-hole punch card provided on the CSO's membership cards. The membership cards should also include, at minimum, the member's name, expiration date, and information that the card is good for one vehicle, up to eight people (including the passholder). Our review determined that the CSO offers the entrance fee waiver days to its members as a 12-hole punch card, which includes the minimum information, as required.

CSO Management Review

In accordance with Section 215.981, F.S., the Division will conduct management reviews of all CSO's falling below the annual \$300,000 expenditure limit once every four years. The CSO's 2025 Annual Legislative Report confirmed the CSO did not expend more than \$300,000. Based on our review, a management review was completed in May 2024 and included the participants' signatures as required.

CONCLUSION

During the audit, we reviewed documentation from the CSO and the Division for the audit period, including but not limited to, monthly bank statements, records associated with CSO events, CSO policies and Bylaws, Volunteer records, annual reports, and meeting minutes. In addition, we reviewed CSO revenue and expense source documents for the sample months of March and October 2024. Our findings and recommendations are listed below.

FINDINGS AND RECOMMENDATIONS

Finding 1: Revenue and Expenses – The CSO did not maintain adequate supporting documentation regarding revenue and expenses, and expenditures were not accurately categorized on the Annual Legislative Report.

The Agreement states, *The CSO shall ensure compliance with the CSO’s mission, bylaws, articles of incorporation, this Agreement, the Division’s Operation Manual, the CSO Handbook, and all state, local and federal laws and regulations.* Section 617.1601(2), F.S., states, *A corporation shall maintain accurate accounting records.* Our review determined that the CSO’s documentation was not always sufficient to support its revenue and expenses. We also determined that the CSO’s 2025 Annual Legislative Report did not accurately reflect the CSO’s expenses that directly supported the Park.

CSO Revenue

Our review determined that the CSO’s supporting documentation was not always sufficient to support revenue earned and the CSO’s General Ledger did not accurately record the CSO’s revenue. Specifically, the CSO’s General Ledger did not separate its revenue earned through its booking software, which collects payments for kayak rentals, fishing pole rentals, fishing clinics, Americana Concert series, and memberships. For example, \$556.83 was deposited into the CSO’s bank account used for kayak rentals on March 6, 2024. The \$556.83 was recorded in the CSO’s General Ledger as kayak rentals. Based on the CSO’s supporting documentation, three kayak rentals and two membership payments comprised the \$556.83 deposited. However, the CSO’s General Ledger did not record the two membership payments (totaling \$387.80) as membership income. Additionally, the CSO’s General Ledger only records two entries of membership income totaling \$60 for 2024.

CSO Expenditures

The Division’s OM requires the CSO to annually submit a Legislative Report, which summarizes their financial activity for the previous calendar year. 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, F.S.* We reviewed expenditures for the sample months of March and October 2024. The CSO did not provide supporting documentation for the majority of expenses we reviewed, making it difficult to determine whether they were for the direct or indirect benefit of the Park. Additionally, the CSO’s Annual Legislative Report reports that the CSO expended \$103,134 on **Park employees or volunteers support** and \$2,324 on **Park publications**,

brochures, maps, etc. during the 2024 calendar year. However, we noted the CSO's 2024 990-EZ Form reports that the CSO expended \$103,134 on salaries, other compensation, and employee benefits, and \$2,324 on printing, publications, postage, and shipping. We confirmed the CSO's General Ledger reports approximately \$103,133.68 expended on payroll services and expenses, and \$2,324.17 expended on printing.

Recommendations:

We recommend the Division provide additional oversight and work with the CSO to ensure supporting documentation is maintained to accurately account for the CSO's revenue and expenses, and that revenue and expenses are accurately reported on the CSO's Legislative Report.

Management's Response:

The park and district will provide quarterly oversight to ensure that all documentation is being managed appropriately.

Finding 2: Annual Reporting and Taxes – The CSO did not provide its annual tax forms to the Division, as required. Additionally, the CSO did not file tax forms with the Internal Revenue Service and had its tax-exempt status revoked, and did not complete or file sales tax forms as required.

Annual Reporting

The Agreement requires the CSO to submit specific items to the Division each year on or before July 1st, in order to comply with Section 20.058, F.S. One of the listed items includes: *A copy of the CSO's most recent federal Internal Revenue Service Return of Organization Exempt from Income Tax form (Form 990).* Additionally, Section 20.058(5), F.S., states, *If an organization fails to submit the required information for 2 consecutive years, the agency head shall terminate any contract between the agency and the organization.* The Agreement also states, *The CSO acknowledges that Fla. Stat. § 20.058(4) provides that the CSO's failure to submit these items for two (2) consecutive years will result in termination of this Agreement.*

Instead of providing the Form 990, the CSO provided Form 8868 (Application for Automatic Extension of Time to File an Exempt Organization Return) requesting a time extension and Form 990-EZ from the previous year with their Annual Legislative Report for 2022, 2023, and 2024. However, the CSO had last filed their Form 990-EZ with the IRS in 2019 and the IRS revoked the CSO's tax-exempt status on May 15, 2023. Therefore, the CSO was not a tax-exempt organization when they submitted their Form 990-EZ to the Division with their Annual Legislative Report for 2024 and 2025. As the CSO did not submit the required items to the Division for more than two consecutive years, this should have prompted termination of the Agreement pursuant to Section 20.058(5), F.S., and the Agreement.

During the audit, this issue was discussed with the Division, who notified the CSO they must provide a corrective action plan to the Division and provide assurances that all fiscal and reporting requirements will be met going forward. The CSO responded with a corrective action plan, stating they had filed their Form 990 for tax years 2020 through 2024 and had filed Form 1023 to get reinstatement of their federal tax-exempt status.

Sales Tax

According to the CSO Handbook, Florida Sales and Use Tax Returns (DR-15) are required of CSOs that collect sales tax on items sold. The CSO Handbook states, *Each sale, admission charge, storage, or rental is taxable unless the transaction is exempt... A return must be filed for each reporting period, even if no tax is due.* We requested the CSO's DR-15s for 2023 and 2024 as well as a copy of the CSO's Consumer Certificate of Exemption (DR-14) at the start of the audit engagement. Neither DR-15s or the DR-14 was provided by the CSO. The CSO's former Treasurer was not aware the CSO was required to fill out these forms. Based on our review, the CSO collected taxes through its third-party point-of-sale system. Our review determined that the CSO did not appear to file DR-15s as required by the CSO Handbook.

Recommendations:

We recommend the Division review the CSO's tax-exempt status and tax filings, and take actions deemed appropriate to ensure the CSO is operating in compliance with Statutory and Department requirements. We also recommend the Division review the requirements of Section 20.058(5), F.S., and evaluate whether termination of the Agreement is applicable.

Management's Response:

The park and District will review the status requirements annually to ensure the adherence of Section 20.058(5), F.S.

Finding 3: Concession Operations – The CSO provided kayak and paddleboard rentals without a formalized Concession Agreement, without insurance, and without a Livery Operator Permit, as required by Rule 62D-2.014(8)(d), F.A.C., Section 327.54(2), F.S., and the Division's OM.

One of the CSO's revenue sources included kayak and paddleboard rentals. Based on the CSO's Legislative Reports, the CSO has provided kayak and paddleboard rentals at the Park since 2020 at least. However, our review determined that the CSO did not have a formalized Concession Agreement with the Department for its kayak and paddleboard rentals as required by Rule 62D-2.014(8)(d), F.A.C., and the Division's OM. Additionally, during our review we determined the CSO had not maintained insurance for its kayak operation since 2023.

- Pursuant to Rule 62D-2.014(8)(d), F.A.C., *No person other than a Division employee or a concessionaire of the Division shall rent or hire, for profit or charge, any kind of watercraft in any park waters.*
- According to the Division's OM, *The Division enters into formal Concession Agreements with private businesses, or concessionaires, to provide goods and services to park visitors (e.g., recreational equipment rentals, amusement and vending machines, gift shops, etc.).... CSOs can seek to serve as a concessionaire. A CSO can submit a proposal in response to any Call for Business Plan for concession services advertised by the Division.*

The CSO is also required to follow Section 327.54, F.S., and Rule 68D-34, F.A.C., regarding liveries and safety regulations for its kayak and paddleboard rentals. Our review determined that the CSO did not always comply with Section 327.54, F.S. Specifically,

Section 327.54(2), F.S., states, *A livery may not offer a vessel for lease or rent without first being issued a no-cost livery permit by the commission. The permit must be renewed annually.* As mentioned previously, the CSO's Legislative Reports show the CSO has provided kayak and paddleboard rentals at least since 2020. The CSO provided a copy of its Livery Operator Permit as requested, which was issued April 7, 2025. However, we confirmed with the FWC that the CSO's permit issued in April 2025 was late. The FWC also confirmed that the CSO was first issued a permit on February 12, 2024. Yet, the CSO's General Ledger provided for the 2023 calendar year shows the CSO received year-round revenue for its kayak and paddleboard rentals.

Recommendations:

We recommend the Division review the CSO's operations and ensure the CSO is not renting watercraft in the Park without a Concession Agreement and valid livery permits as required by Rule 62D-2.014(8)(d), F.A.C., Section 327.54, F.S., and the Division's OM.

Management's Response:

No Concessions operations will be allowed without appropriate agreements coordinated by BOS through the park and district.

Finding 4: Volunteer Records – Volunteer records, including Volunteer Agreements and Annual DEP Volunteer Combo Training, were not maintained in VSys as required.

The Agreement states, *Each CSO officer and member of its Board of Directors must annually sign the Division's Volunteer Agreement.* The Division's OM states, *Regular service volunteers in state parks are required to complete the Annual DEP Volunteer Combo Training.* Based on our review, we found the following:

- Volunteer Agreements: The CSO's board members did not sign the Division's Volunteer Agreement annually as required.
- Annual DEP Volunteer Combo Training: The CSO's board members did not complete the Annual DEP Volunteer Combo Training each year as required by the Division's OM.

Recommendations:

We recommend that the Division work with the CSO to ensure that Volunteer Agreements are signed and submitted to the Division and Volunteer training is completed annually, as required.

Management's Response:

Park and district will work with the CSO to make sure all training and reporting requirements are adhered to.

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 Section 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 Melanie Prescott 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