Friends of Rainbow Springs State Park, Inc.

Financial Statements
and
Independent Auditors' Reports

December 31, 2025 and 2024

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Kattell and Company, P.L.
Certified Public Accountants Serving the Nonprofit Community
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To the Board of Directors
Friends of Rainbow Springs State Park, Inc.

Independent Auditors' Report on the Audit of the Financial Statements

Qualified Opinion.

We have audited the financial statements of Friends of Rainbow Springs State Park, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion.

We were unable to obtain sufficient appropriate audit evidence regarding the valuation of gift shop inventory on hand at December 31, 2025, 2024, and 2023. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*) issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements.
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements.
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Independent Auditors' Report on the Audit of the Financial Statements (concluded)

Auditors' Responsibilities for the Audit of the Financial Statements (concluded).

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2026, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Kattell and Company, P.L.

Gainesville, Florida

May 8, 2026

Statements of Financial Position
December 31, 2025 and 2024
Friends of Rainbow Springs State Park, Inc.

	2025	2024
Assets		
Cash on Hand	$ 700	$ 600
Cash – Checking	316,902	381,427
Cash – Certificates of Deposit	310,939	201,581
Inventory	54,480	54,480
Prepaid Insurance	4,368	--
Equipment, Net	938	1,109
Total Assets	**$ 688,327**	**$ 639,197**
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	**$ 4,131**	**$ 3,686**
Net Assets:		
Without Restrictions	**684,196**	**635,511**
Total Liabilities and Net Assets	**$ 688,327**	**$ 639,197**

See accompanying notes.

Statements of Activities
For The Years Ended December 31, 2025 and 2024
Friends of Rainbow Springs State Park, Inc.

	2025	2024
Revenues and Other Support:		
Sales	$ 397,215	$ 349,343
Cost of Goods Sold	(194,989)	(190,280)
Gross Profit	202,226	159,063
Donations	5,198	9,444
Memberships	2,510	2,695
Events	1,545	--
Interest Income	9,376	5,922
Other Income	13,116	12,155
Net Revenues and Other Support	**233,971**	**189,279**
Expenses:		
Park Support Programs	150,710	45,088
Gift Shop Operations	27,853	22,558
Supporting Activities:		
Management and General	6,190	10,651
Fund Raising	533	956
Expenses by Function	**185,286**	**79,253**
Change In Net Assets	**48,685**	**110,026**
Net Assets, Beginning of Year	**635,511**	**525,485**
Net Assets, End of Year	**$ 684,196**	**$ 635,511**

See accompanying notes.

Statements of Functional Expenses
For The Years Ended December 31, 2025 and 2024
Friends of Rainbow Springs State Park, Inc.

	Park Support	Gift Shop	Management and General	Fund-raising	Totals
			2025		
Advertising	$ 285	$ 285	$ --	$ 285	$ 855
Bank and Credit Card Fees	--	16,185	85	--	16,270
Cost of Goods Sold	--	196,527	--	--	196,527
Depreciation	171	--	--	--	171
Dues and Subscriptions	--	--	204	--	204
Engraving Brick Pavers	--	--	--	248	248
Insurance	--	--	1,812	--	1,812
Information Technology	873	873	873	--	2,619
Office	--	3,857	1,744	--	5,601
Park Support:					
Park Improvement Projects	117,181	--	--	--	117,181
Other Park Support	25,974	--	--	--	25,974
Professional Fees	5,178	--	1,200	--	6,378
Repairs and Maintenance	1,048	--	--	--	1,048
Supplies	--	--	272	--	272
Telecommunications	--	6,653	--	--	6,653
Total Expenses	**150,710**	**224,380**	**6,190**	**533**	**381,813**
Amounts reported net of Sales	--	196,527	--	--	196,527
Totals Reported by Function	**$ 150,710**	**$ 27,853**	**$ 6,190**	**$ 533**	**$ 185,286**
			2024		
Advertising	$ 831	$ 831	$ --	$ 831	$ 2,493
Bank and Credit Card Fees	--	12,985	1,644	--	14,629
Cost of Goods Sold	--	190,280	--	--	190,280
Depreciation	261	--	--	--	261
Dues and Subscriptions	--	--	160	--	160
Engraving Brick Pavers	--	--	--	125	125
Insurance	--	--	1,392	--	1,392
Office	--	--	5,881	--	5,881
Park Support:					
Park Improvement Projects	24,499	--	--	--	24,499
Other Park Support	17,848	--	--	--	17,848
Postage and Printing	--	--	186	--	186
Professional Fees	--	--	1,388	--	1,388
Repairs and Maintenance	1,649	--	--	--	1,649
Supplies	--	2,758	--	--	2,758
Telecommunications	--	5,984	--	--	5,984
Total Expenses	**45,088**	**212,838**	**10,651**	**956**	**269,533**
Amounts reported net of Sales	--	190,280	--	--	190,280
Totals Reported by Function	**$ 45,088**	**$ 22,558**	**$ 10,651**	**$ 956**	**$ 79,253**

See accompanying notes.

Statements of Cash Flows
For The Years Ended December 31, 2025 and 2024
Friends of Rainbow Springs State Park, Inc.

	2025	2024
Cash Flows from Operating Activities:		
Change in Net Assets	$ 48,685	$ 110,026
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	171	261
Interest Income Reinvested	(9,358)	(5,872)
Changes In:		
Inventory	--	3,511
Prepaid Insurance	(4,368)	--
Accounts Payable	445	(1,522)
Net Cash Provided by (Used In) Operating Activities	**35,575**	**106,404**
Cash Flows from Investing Activities:		
Investment in Certificate of Deposit	**(100,000)**	**(195,709)**
Net Change in Cash	**(64,425)**	**(89,305)**
Cash, Beginning of Year	**382,027**	**470,732**
Cash, End of Year	**$ 317,602**	**$ 382,027**

Reconciliation to Cash on the Statements of Financial Position

	2025	2024
Cash on Hand	$ 700	$ 600
Cash – Checking	316,902	381,427
Total Cash	**$ 317,602**	**$ 382,027**

See accompanying notes.

Notes to Financial Statements
December 31, 2025 and 2024
Friends of Rainbow Springs State Park, Inc.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Friends of Rainbow Springs State Park, Inc. (FORS) is a nonprofit corporation established under Chapter 617, Florida Statutes. FORS promotes community involvement in support of the Florida Park Service in its efforts to preserve, protect and perpetuate the treasure of Rainbow Springs. The activities are aimed at ensuring optimal funding to support Rainbow Springs State Park (the Park).

The financial statements of FORS have been prepared on the accrual basis of accounting and are presented using accounting principles generally accepted in the United States of America. Other significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Tax Exemption

FORS is exempt from income taxes according to provisions of Section 501(c)(3) of the Internal Revenue Code and does not earn any unrelated business income. Therefore, no provision for income taxes is reflected in the accompanying statements. In addition, FORS has been classified by the Internal Revenue Service as an organization that is not a private foundation and qualifies for the charitable contribution deduction. FORS is operated exclusively for charitable, scientific and educational purposes.

Cash and Certificate of Deposit

Cash consists of cash on hand and a demand deposit account. The demand deposit and certificate of deposit accounts are held in a federally insured bank. At December 31, 2025 and 2024, there was approximately $378,000 and $332,000 in excess of Federal Deposit Insurance Organization limits, respectively.

Inventory

FORS reports inventory at the lower of cost or market. Cost is determined using the first-in, first-out method.

Equipment

Equipment is valued at cost if purchased, or estimated fair value at the date of donation. FORS capitalizes all equipment with a value of $1,000 or more. Depreciation is computed using the straight-line method over estimated useful lives of five to fifteen years. Equipment donated to FORS is recorded as support on the date received.

Revenue Recognition - Contributions

Contributions. Contributions are recognized as revenue when they are received or unconditionally pledged. Contributions are recorded at their estimated fair values. FORS reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions. However, contributions that are restricted by a donor are reported as increases in unrestricted net assets if the restrictions expire in the same fiscal year in which the contributions are recognized.

Donated Materials and Services. Donated materials are reported as contributions and expenses at their estimated fair values at date of receipt. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Revenue Recognition – Contracts with Customers

FORS has reported no assets and no liabilities related to contracts with customers at December 31, 2025 and 2024. All contract obligations were completed and all contract revenues were collected during the year then ended. Revenue from contracts with customers is recognized at a point in time and includes:

Inventory – Gift Shop. FORS operates a gift shop where items relating to the Park are held for resale. Revenue collected from the gift shop are recognized at the point of sale.

Event Fees. FORS began hosting Music in the Park events in 2025. Revenues from admissions are recognized at the time of the event.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Expense Recognition and Allocation

The cost of programs and other activities have been summarized on a functional basis:

Park Support. FORS is a citizen support organization that supports Rainbow Springs State Park. Expenditures include purchases of equipment as well as a variety of park improvement and maintenance projects.

Gift Shop Operations. FORS operates a Gift Shop in the visitor center of the Park. The gift shop offers items that support the visitor experience of Rainbow Springs State Park and all the state parks in Florida. Costs of goods sold is reported net of sales revenues in the statement of activities.

Management and General. Management and general activities are those that provide governance, oversight, business and financial management, financial recordkeeping, and budgeting.

Fundraising. Fundraising expenses include costs of purchasing and engraving leaf and brick displays with donors' names.

FORS is staffed by volunteers. As a result, FORS reports relatively small amounts of management and general and fundraising expenses.

FORS assigns the majority of its expenses directly to the benefited function. Other costs are allocated equally to Park Support, Gift Shop Operations and Management and General.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure are all financial assets without donor or other restrictions limiting their use. Financial assets consist of the following at December 31:

Financial Assets:	2025	2024
Cash on Hand	$ 700	$ 600
Cash - Checking	316,902	381,427
Cash - Certificates of Deposit	310,939	201,581
Total Financial Assets	**$ 628,541**	**$ 583,608**

FORS has structured its financial assets to be available as its general expenditures and liabilities come due. FORS invests cash in excess of foreseeable cash needs in a certificate of deposit. FORS does not generally experience cash deficits and, therefore, has instituted no mechanism for financing them.

NOTE 3 – DONATED SERVICES

FORS has no staff and is operated by volunteers. Volunteers contribute approximately 11,000 hours annually to support visitor services. These services include board governance, gift shop operations, operating the Park's boat and kayak river patrol program, operating a Wednesday maintenance and construction crew, conducting guided interpretive nature walks, procurement of any equipment and supplies routinely used to support Park infrastructure, and the production/hosting of any special events.

No amounts have been reflected in the financial statements for volunteer services since the recognition criteria were not met. All activities are conducted on the premises of and for the benefit of Rainbow Springs State Park.

NOTE 4 – EQUIPMENT

Equipment consists of the following:

	2025	2024
Boat and Trailer	$ 15,373	$ 15,373
Storage Shed	2,559	2,559
TOTAL	**17,932**	**17,932**
Accumulated Depreciation	16,994	16,823
NET	**$ 938**	**$ 1,109**

FORS routinely acquires property and equipment for use by the Park. Such items are owned by the State of Florida and, accordingly, are not recorded as assets of FORS but are recognized as grants to the State when purchased. FORS records as property and equipment only those assets that meet its capitalization threshold and over which it retains ownership, including the ability to control their use and disposition.

NOTE 5 – SUBSEQUENT EVENTS

FORS has evaluated events and transactions for potential recognition or disclosure through May 8, 2026, which is the date the financial statements were available to be issued.

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Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters as Required by *Government Auditing Standards*

To the Board of Directors May 8, 2026
Friends of Rainbow Springs State Park, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Friends of Rainbow Springs State Park, Inc. (FORS) as of and for the year ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise FORS' basic financial statements, and have issued our report thereon dated May 8, 2026. Our report includes a qualified opinion on financial statements because we were unable to obtain sufficient appropriate audit evidence with respect the quantity and value of gift shop inventory.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies identified in the schedule of findings as Finding 2025-001 and 2025-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings as Finding 2025-003 to be a significant deficiency.

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

FORS' Response to Finding
Government Auditing Standards requires the auditor to perform limited procedures on FORS' response to the findings identified in our audit and described in the accompanying schedule of findings. FORS' response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kattell and Company, P.L.

Schedule of Findings
December 31, 2025 and 2024
Friends of Rainbow Springs State Park, Inc.

2025-001	**Material Weakness**
Criteria:	Accounting processes should include monthly reconciliation and balancing procedures that enable an organization to verify the accuracy of account balances.
Conditions:	We recommended material adjustments to balance sheet accounts for the years ended December 31, 2025 and 2024.
Cause:	The volunteer bookkeeper was unaware of the need for and value of such monthly processes.
Effect:	The lack of accuracy affects the quality of financial information for decision making.
Recommendation:	The Organization should employ monthly reconciliation and balancing procedures to verify the accuracy of its accounts and balances.

2025-002	**Material Weakness**
Criteria:	The Organization should implement procedures to provide reasonable assurance that disbursements are for authorized expenditures.
Conditions:	The Organization did not employ procedures whereby the disbursements were reviewed for proper authorization.
Cause:	The Organization's volunteers in charge of governance were not aware of the importance of a review process.
Effect:	We did not detect any unauthorized disbursements as part of our audit.
Recommendation:	The Organization should consider what procedures may be efficiently and effectively employed to address the risk of unauthorized disbursements. At a minimum, someone other than the Treasurer should review all disbursements reported on bank statements.

2025-003	**Significant Deficiency**
Criteria:	Sales taxes reported to and paid to the Florida Department of Revenue should be based on an accurate computation of sales taxes collected for each month.
Conditions:	For two months in 2024 and one month in 2025, the Organization over-reported the sales taxes collected. As a result, the Organization overpaid sales taxes by approximately $2,260. In addition, the Organization was unaware of the cause or the amount of a credit that had accumulated at the Department of Revenue.
Cause:	The Organization records sales taxes collected on a weekly basis. In each case of overpayment, one of the weekly collections was reported twice. The Organization is unaware of the cause of the other credits accumulated at the Department of Revenue.
Effect:	The Organization overpaid sales tax by approximately $2,260. It should be noted that the Organization's point-of-sale system accurately computes and collects sales tax from customers. In addition, as a result of the accumulated credit, the Organization was not required to pay sales tax for the months of September to December of 2025.
Recommendation:	The Organization should amend the sales tax returns where overpayments were reported. In addition, the Organization should implement a procedure to ensure that sales taxes are accurately reported.

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Steve Kattell
Kattell and Company, P.L.
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Steve,
I am in receipt of your draft Financial Statements and Independent Auditor's Report for 2024 & 2025.

The Schedule of Findings identified three issues concern. Please be assured that I, along with others of our organization, will follow through on implementing your recommendations.

Thank you for your efforts.

Sincerely,

Mark Rickert
President, FORS