

**FLORIDA ANIMAL FRIEND, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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## **Independent Auditors' Report**

To the Board of Directors  
Florida Animal Friend, Inc.

### **Opinion**

We have audited the accompanying financial statements of Florida Animal Friend, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Animal Friend, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Florida Animal Friend, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Florida Animal Friend, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's 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 auditor's 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted 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 Florida Animal Friend, Inc.'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 Florida Animal Friend, Inc.'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 Matters**

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of State Financial Assistance, as required by the Florida Audit General Rule 10.656(3)(d)2 is presented for the purposes of additional analysis and is not a required part of the financial

statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2025 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 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.

Kelly Partners (FRS) PLLC

St. Petersburg, Florida  
January 23, 2025

FLORIDA ANIMAL FRIEND, INC.  
STATEMENT OF FINANCIAL POSITION  
June 30, 2024

ASSETS

Current assets	
Cash and cash equivalents	\$ 833,998
Certificate of deposit	<u>205,031</u>
Total current assets	<u>1,039,029</u>
TOTAL ASSETS	<u><u>\$ 1,039,029</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	<u>\$ -</u>
Total current liabilities	<u>-</u>
Long- term liabilities	
Deferred grant revenue	<u>11,755</u>
Total liabilities	<u>11,755</u>
Net assets	
Without donor restrictions	1,027,274
With donor restrictions	<u>-</u>
Total net assets	<u>1,027,274</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,039,029</u></u>

The accompanying notes are an integral part of these financial statements

FLORIDA ANIMAL FRIEND, INC.  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE</b>			
Public Support			
License plate revenue	\$ 850,142	\$ -	\$ 850,142
Contributions	420	-	420
Interest income	9,471	-	9,471
	<u>860,033</u>	<u>-</u>	<u>860,033</u>
Total public support and revenue			
	<u>-</u>	<u>-</u>	<u>-</u>
Net assets released from restrictions			
	<u>860,033</u>	<u>-</u>	<u>860,033</u>
Total public support and revenue and net assets released from restrictions			
	<u>860,033</u>	<u>-</u>	<u>860,033</u>
<b>EXPENSES</b>			
Program services	<u>773,674</u>	<u>-</u>	<u>773,674</u>
Supporting services			
Management and general	18,524	-	18,524
Fundraising	92,088	-	92,088
	<u>110,612</u>	<u>-</u>	<u>110,612</u>
Total supporting services			
	<u>884,286</u>	<u>-</u>	<u>884,286</u>
Total expenses			
	<u>(24,253)</u>	<u>-</u>	<u>(24,253)</u>
Change in net assets			
	<u>1,051,527</u>	<u>-</u>	<u>1,051,527</u>
Net assets, beginning of year			
	<u>\$ 1,027,274</u>	<u>\$ -</u>	<u>\$ 1,027,274</u>
Net assets, end of year			
	<u>\$ 1,027,274</u>	<u>\$ -</u>	<u>\$ 1,027,274</u>

The accompanying notes are an integral part of these financial statements

FLORIDA ANIMAL FRIEND, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (24,253)
CASH FLOWS FROM INVESTING ACTIVITIES	
Redemption of certificate of deposit	205,629
Purchase of certificate of deposit	<u>(205,031)</u>
Net cash provided by investing activities	<u>598</u>
Net decrease in cash and cash equivalents	(23,655)
Cash and cash equivalents, beginning of year	<u>857,653</u>
Cash and cash equivalents, end of year	<u><u>\$ 833,998</u></u>

The accompanying notes are an integral part of these financial statements

FLORIDA ANIMAL FRIEND, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Supporting Services			Total Expenses
		Management and General	Fundraising	Total Supporting Services	
Grants to support spay/neuter efforts	\$ 769,249	\$ -	\$ -	\$ -	\$ 769,249
Grant reporting expenses	1,425	-	-	-	1,425
Animal friend license plate marketing	-	-	92,088	92,088	92,088
Postage	-	126	-	126	126
Reviewer honoraria	3,000	-	-	-	3,000
Professional fees	-	15,905	-	15,905	15,905
Insurance	-	1,953	-	1,953	1,953
Taxes and licenses	-	72	-	72	72
Telephone	-	468	-	468	468
<b>Total expenses</b>	<b>\$ 773,674</b>	<b>\$ 18,524</b>	<b>\$ 92,088</b>	<b>\$ 110,612</b>	<b>\$ 884,286</b>

The accompanying notes are an integral part of these financial statements

**FLORIDA ANIMAL FRIEND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of the Organization**

Florida Animal Friend, Inc. (the "Organization") was incorporated in October 2005 in an effort to help end pet overpopulation in the State of Florida. In 2004, at the Legislative Session, a Florida State Senator sponsored a bill for an animal license plate in which the proceeds raised would provide education on the benefits of spaying and neutering pets, as well as financial assistance to not-for-profit spay/neuter programs across the State of Florida. Soon after, the Florida Animal Control Association, the Florida Veterinary Medical Association, and the Humane Society of the United States started the Organization.

Funds raised from the sale of Animal Friend license plates are used to finance spay and neuter programs through the monetary grants across the State of Florida to help save the lives of countless unwanted cats and dogs by supporting not-for-profit organizations that offer free or low-cost spay and neuter services.

During the year ended June 30, 2024, the Organization received \$25 for each spay/neuter license plate that was purchased or renewed during the year.

**Basis of Accounting**

The Organization follows the provisions of FASB Accounting Standards Codification Topic 958 "Not-for-Profit Entities" ("ASC 958"). Under this topic, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: Net Assets with Donor Restrictions and Net Assets Without Donor Restrictions.

The Organization utilizes restricted and unrestricted groupings to account for its resources. Contributions and grants receivable are presented in these groupings as applicable, in the accompanying financial statements. ASC 958 requires a statement of financial position, a statement of activities and a statement of cash flows for not-for-profit organizations. Accordingly, the financial statements are prepared on an accrual basis of accounting.

ASC 958 requires the Organization to distinguish between contributions that increase net assets with restrictions and net assets without restrictions. It also requires recognition of contributed services meeting certain criteria at fair values.

The Organization receives substantially all of its revenue from the State of Florida Animal Friend license plate program. These funds are excluded from the definition of contributions in the accounting standards because they carry attributes of

**FLORIDA ANIMAL FRIEND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

exchange transactions, and therefore recorded as net assets without restrictions in the financial statements.

**Income Tax Exemption**

The Organization is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and is considered an organization that is not a private foundation.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all highly liquid investments, with original maturities of three months or less to be cash equivalents. Cash and cash equivalents are defined as unrestricted cash on hand, amounts in depository accounts at the bank, and money market funds.

**License Plate Income/Revenue Recognition**

In May 2014, the FASB issued ASC Update No. 2014-09, (Topic 606) *Revenue from Contracts with Customers*. This ASU is a comprehensive new revenue recognition model that requires an organization to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. This updated guidance impacts not-for-profit entities that have revenue transactions other than contributions.

The Organization receives \$25 per specialty *Animal Friend* license plate sold and receives the monies throughout the year by direct deposit from the Florida Highway Safety and Motor Vehicles Department. The Organization then provides grant allotments to various agencies who perform spaying and neutering services.

Revenues from Animal Friend License Plates are recorded based upon terms of the grantor allotment which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred. Revenues are subject to audit by the grantor and, if the examination results in a disallowance of any expenditure, repayment could be required. Management believes that all monies have been earned as of June 30, 2024.

For the year ended June 30, 2024, approximately 99% of the Organization's net assets without donor restrictions are from one agency.

**FLORIDA ANIMAL FRIEND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**Financial Accounting Standards**

The Organization follows the provisions of the Financial Accounting Standards Board *Accounting Standards Codification* (“FASB ASC”). FASB ASC 958-605 requires the Organization to distinguish between contributions that are without donor restrictions and those with donor restrictions. It also requires recognition of contributed services meeting certain criteria at fair values.

FASB ASC 958-205 established the standards for external financial reporting for not-for-profit organizations, which includes a statement of financial position, a statement of activities, and a statement of cash flows. It requires the classification of resources into two classes of net assets based on the absence or existence of donor-imposed restrictions. These two classifications of net assets are those without donor restrictions and those with donor restrictions.

Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions.

Expenses are reported as decreases in unrestricted net assets. Expirations of contributions with donor restrictions on net assets (i.e., donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions whose restrictions are met in the same reporting period are treated as without restrictions.

**Functional Allocation of Expenses**

The costs of providing various programs and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Management Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the accompanying notes thereto. Actual results could differ from those estimates.

**Income Taxes**

The Organization follows FASB ASC 740-10, Accounting for Uncertainty in Income Taxes, which provides guidance on accounting for uncertainty in income taxes recognized in the Organization’s financial statements. The guidance prescribes a recognition threshold and measurement attribute for financial statement

**FLORIDA ANIMAL FRIEND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

recognition and measurement of a tax position taken, or expected to be taken in a tax return, and provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. In addition, the standard includes the position that the Organization continues to qualify to be treated as a 501(c) (3) Organization for federal income tax purposes. As of June 30, 2024, the Organization had no uncertain tax positions that require either recognition or disclosure in the Organization's financial statements.

The Organization's informational returns are subject to examination by taxing authorities for a period of three years from the date they are filed. The Organization's open audit periods are 2022-2024.

**Concentrations of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents. The Organization manages this risk using high credit worthy financial institutions. Interest bearing and non-interest-bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor at each financial institution. At June 30, 2024, the Organization had approximately \$796,000 of cash balances in excess of Federal Deposit Insurance Corporation (FDIC) insured limits.

**NOTE B – RELATED PARTY TRANSACTIONS**

During the year ended June 30, 2024, the Organization used the services of a management company to provide bookkeeping and management services to the Organization. The owner of the management company served as Executive Director of the Organization during the year ended June 30, 2024. The Organization paid the management company \$14,000 for their services.

**NOTE C – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Investments consist of a certificate of deposit.

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their estimated fair values in the statement of financial position. Investment return is reported in the statement of activities and changes in net assets and consists of interest income.

The Organization follows accounting guidance, which defines fair value and specifies a hierarchy of valuation techniques. The disclosure of fair value estimates is based on whether the significant inputs into the valuation are observable. In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest

**FLORIDA ANIMAL FRIEND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

priority to unobservable inputs. The Organization measures investments at fair value on a recurring basis.

The following is a description of the type of valuation information (inputs) that qualifies a financial asset for each level:

Level 1: Unadjusted quoted market prices for identical assets in active markets which are accessible by the Organization.

Level 2: Observable prices in active markets for similar assets or liabilities. Prices for identical or similar assets or liabilities in markets that are not active. Market inputs that are not directly observable but are derived from or corroborated by observable market data.

Level 3: Unobservable inputs based on the Organization's own judgment as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data.

The certificate of deposit was approximately \$205,000 as of June 30, 2024. The certificate of deposit is classified as a Level 2 investment which has an annual percentage yield rate of 4.5% and matures September 2025.

**NOTE D- DEFERRED GRANT REVENUE**

During 2013, The Organization received funds from the Florida Department of Agriculture related to a benefactor who made a bequest of approximately \$59,000 for the purpose of providing grants to animal shelters for spaying and neutering services. As of June 30, 2024, the Organization had spent approximately \$47,000 for re-designing the Animal Friend license plate. The remainder of the funds of approximately \$12,000 is reported as deferred grant revenue in the accompanying statement of financial position at June 30, 2024. Although there are no restrictions on these monies, management plans to use the remaining funds for future re-design of the license plate.

**NOTE E- LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

At June 30, 2024, the Organization had \$1,039,029 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash and cash equivalents of \$833,998 and a certificate of deposit of \$205,031.

As part of a cash and liquidity management policy, the Organization structures its financial assets to be available as general expenditures and liabilities become due. The certificate of deposit matures approximately 15 months from the date of the

**FLORIDA ANIMAL FRIEND, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

financial statements and may be converted to cash to manage any unanticipated liquidity needs.

**NOTE F- SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 23, 2025, the date which the financial statements were available to be issued.

**INTERNAL CONTROL AND  
COMPLIANCE REPORTS**

FLORIDA ANIMAL FRIEND, INC.  
 SCHEDULE OF EXPENDITURES OF STATE PROJECTS  
 June 30, 2024

<u>State Grantor / Program Title</u>	<u>CSFA Number</u>	<u>Contract Number</u>	<u>State Expenditures</u>
<b>DEPARTMENT OF HIGHWAY SAFETY TITLE AND MOTOR VEHICLES</b>			
Animal Friend License Plate	76.076	-	<u>\$ 779,590</u>

Florida Animal Friend, Inc.  
Notes to Schedule of Expenditures of State Financial Assistance  
June 30, 2024

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of State Financial Assistance includes the State grant activity of the Organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of Auditor General*, State of Florida. Therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of the basic financial statements.

**2. Contingencies**

These State projects are subject to financial and compliance audits by grantor agencies, which, if instances of material noncompliance are found, may result in disallowed expenditures, and affect the Organization's continued participation in specific projects. The amount, if any, of expenditures that may be disallowed by the grantor agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

**Independent Auditors' Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

The Board of Directors  
Florida Animal Friend, 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, the financial statements of Florida Animal Friend, Inc. (a nonprofit organization) (the "Organization") which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 23, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's 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 determination of financial statement amounts. 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*.

### **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 result of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kelly Partners (FRS) PLLC

St. Petersburg, Florida  
January 23, 2025

## **Independent Auditors' Report on Compliance for each Major State Project and on Internal Control Over Compliance required by Chapter 10.650, Rules of the Auditor General**

To the State of Florida  
and Florida Animal Friend, Inc. ("Organization")

### **Report on Compliance for Each Major State Project**

#### ***Opinion on Each Major Federal Program***

We have audited the Organization's compliance with the types of compliance requirements identified in the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of the Organization's major State projects for the year ended June 30, 2024. The Organization's major State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Florida Animal Friend, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State projects for the year ended June 30, 2024.

#### ***Basis for Opinion on Each Major State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.650, Rules of the Auditor General, State of Florida. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Florida Animal Friend, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state project. Our audit does not provide a legal determination of Florida Animal Friend, Inc.'s compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Florida Animal Friend's state projects.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Florida Animal Friend, Inc.'s compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, Rules of the Auditor General, State of Florida will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Bridging Freedom, Inc.'s compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, Rules of the Auditor General, State of Florida, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Florida Animal Friend, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Florida Animal Friend, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General, State of Florida, but not for the purpose of expressing an opinion on the effectiveness of Florida Animal Friend, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material

noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Chapter 10.650, Rules of the Auditor General, State of Florida. Accordingly, this report is not suitable for any other purpose.

Kelly Partners (FRS) PLLC

St. Petersburg, Florida  
January 23, 2025

Florida Animal Friend, Inc.  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2024

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued Unmodified

Internal Control over financial reporting

    Material weakness identified?                   Yes \_\_\_\_\_                   No   X  

    Significant deficiency(ies) identified?       Yes \_\_\_\_\_   None reported   X  

Noncompliance material to financial statements noted?   Yes \_\_\_\_\_                   No   X  

**State Projects**

Internal control over major projects:

    Material weakness identified?                   Yes \_\_\_\_\_                   No   X  

    Significant deficiency(ies) identified?       Yes \_\_\_\_\_   None reported   X  

Type of auditor’s report issued on compliance for  
    major programs Unmodified

Any audit findings disclosed that are required to be  
    reported in accordance with Chapter 10.656, *Rules of  
    the Auditor General*?                   Yes \_\_\_\_\_                   No   X  

Identification of major programs:

<u>State Project</u>	<u>State CFSA number</u>
Animal Friend License Plate	76.076

Dollar threshold used to distinguish between for Type A  
and Type B State projects \$750,000

Florida Animal Friend, Inc.  
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Year ended June 30, 2024

**Section II – Financial Statement Findings**

None reported.

**Section III – State Award Findings and Questioned Costs**

None reported.

**Section IV –Other issues**

**Prior Year Audit Findings**

No Summary Schedule of Prior Audit Findings is required because there were no findings in the prior audit.

**Management Letter**

No management letter is required because there were no findings required to be reported in the management letter.

**Corrective Action Plan**

No Corrective Action Plan is required because there were no findings required to be reported under the Florida Single Audit Act.