



**FLORIDA ANIMAL FRIEND, INC.**

**FINANCIAL STATEMENTS**

For the Year Ended June 30, 2025



# FLORIDA ANIMAL FRIEND, INC.

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## **Independent Auditors' Report**

The Board of Directors  
**Florida Animal Friend, Inc.**

### ***Opinion***

We have audited the financial statements of Florida Animal Friend, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Florida Animal Friend, Inc. as of June 30, 2025, and the changes in its net assets and their 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 ("GAAS"). 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Emphasis of Matter - Adjustments to Prior Period Financial Statements***

As discussed in Note 2 of the financial statements, the opening balances of net assets have been restated to correct errors. Our opinion is not modified with respect to this matter.

### ***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 for 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 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 GAAS, 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.

### ***Report on Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by Chapter 10.650, *Rules of the State of Florida Auditor General*, is presented for 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2026 on our consideration of the Organization's internal control over financial reporting and on our tests of their 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.

*CBIZ CPAs P.C.*

April 29, 2026  
St. Petersburg, Florida

**FLORIDA ANIMAL FRIEND, INC.**  
**STATEMENT OF FINANCIAL POSITION**

June 30, 2025

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**Assets**

**Current Assets**

Cash and cash equivalents	\$ 912,667
Advances to subrecipients	<u>33,737</u>

**Total Current Assets** 946,404

Certificate of Deposit	<u>215,060</u>
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**Total Assets** 1,161,464

**Net Assets**

Without donor restrictions	12,409
With donor restrictions	<u>1,149,055</u>

**Total Net Assets** \$ 1,161,464

*The accompanying notes are an integral part of these financial statements.*

**FLORIDA ANIMAL FRIEND, INC.**

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support, Revenue, and Gains</b>			
License plate revenue	\$ 11,755	\$ 874,992	\$ 886,747
Contributions	654	--	654
Interest Income	--	30,834	30,834
Net assets released from restrictions	<u>824,918</u>	<u>(824,918)</u>	<u>--</u>
<b>Total Revenue, Support, and Gains</b>	<u>837,327</u>	<u>80,908</u>	<u>918,235</u>
<b>Expenses</b>			
Program services	761,509	--	761,509
Supporting services	<u>63,409</u>	<u>--</u>	<u>63,409</u>
<b>Total Expenses</b>	<u>824,918</u>	<u>--</u>	<u>824,918</u>
<b>Change in Net Assets</b>	<u>12,409</u>	<u>80,908</u>	<u>93,317</u>
<b>Net Assets, Beginning of Year,</b> as Previously Reported	1,027,274	--	1,027,274
Prior Period Restatement	<u>(1,027,274)</u>	<u>1,068,147</u>	<u>40,873</u>
<b>Net Assets, Beginning of Year, as Restated</b>	<u>--</u>	<u>1,068,147</u>	<u>1,068,147</u>
<b>Net Assets, End of Year</b>	<u>\$ 12,409</u>	<u>\$ 1,149,055</u>	<u>\$ 1,161,464</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, 2025

	Supporting Services				Total Expenses
	Program Services	Management and General	Fundraising	Total Supporting Services	
Grants to support spay/neuter efforts	\$ 697,082	\$ --	\$ --	\$ --	\$ 697,082
Grant reporting expenses	2,600	--	--	--	2,600
Animal friend license plate marketing	58,827	--	29,413	29,413	88,240
Postage	--	332	--	332	332
Reviewer honoraria	3,000	--	--	--	3,000
Professional fees	--	31,119	--	31,119	31,119
Insurance	--	2,017	--	2,017	2,017
Taxes and licenses	--	72	--	72	72
Telephone	--	456	--	456	456
<b>Total Expenses</b>	<u>\$ 761,509</u>	<u>\$ 33,996</u>	<u>\$ 29,413</u>	<u>\$ 63,409</u>	<u>\$ 824,918</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, 2025

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**Cash Flows from Operating Activities**

Change in net assets	\$ 93,317
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in operating assets:	
Advances to subrecipients	7,136
Certificate of deposit interest receivable	(10,029)
Deferred grant revenue	<u>(11,755)</u>

**Net Cash Provided by Operating Activities** 78,669

**Net Increase in Cash and Cash Equivalents** 78,669

**Cash and Cash Equivalents, Beginning of Year** 833,998

**Cash and Cash Equivalents, End of Year** \$ 912,667

*The accompanying notes are an integral part of these financial statements.*

# FLORIDA ANIMAL FRIEND, INC.

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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### NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

#### *NATURE OF ACTIVITIES*

Florida Animal Friend, Inc. (the “Organization”) was incorporated in October 2005 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, 2025, the Organization received \$25 for each spay/neuter license plate that was purchased or renewed during the year.

#### *FINANCIAL STATEMENT PRESENTATION*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions:* Net assets without donor restrictions are available for use at the discretion of the Organization’s Board of Directors (the “Board”) and/or management for general operating purposes. From time to time, the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management’s discretion.

*Net Assets With Donor Restrictions:* Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions 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 a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the accompanying statement of activities and changes in net assets as net assets released from restrictions.

**FLORIDA ANIMAL FRIEND, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended June 30, 2025

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**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***CASH AND CASH EQUIVALENTS***

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

***CERTIFICATES OF DEPOSIT***

Certificates of deposit with original maturities greater than 90 days are classified as investments and carried at fair value. Fair value is determined using observable inputs provided by the issuing financial institutions, including current market rates for similar instruments and contractual cash flows. Changes in fair value and interest income are included in investment income.

***FAIR VALUE MEASUREMENTS***

The Organization has adopted the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 820, *Fair Value Measurement*, which requires the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices that are observable for the assets or liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

Certificates of deposit measured at fair value are classified within Level 2 of the fair value hierarchy, as their valuations are based on observable inputs other than quoted prices in active markets for identical assets. The Organization had no Level 3 measurements at June 30, 2025.

***ESTIMATES***

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

***ADVERTISING***

Advertising costs are expensed as incurred and approximated \$88,200 during the year ended June 30, 2025.

# FLORIDA ANIMAL FRIEND, INC.

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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### NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *REVENUE RECOGNITION*

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

The Organization’s primary source of revenue is the Florida “Animal Friend” specialty license plate annual use fee collected by the Florida Department of Highway Safety and Motor Vehicles (“FLHSMV”) and distributed to the Organization pursuant to section 320.08058(53), Florida Statutes. Specialty plate annual use fees and any related interest are subject to donor-imposed purpose restrictions established by Florida law. Accordingly, those amounts are reported as net assets with donor restrictions until expended for permitted purposes. The Organization records net assets released from restrictions when qualifying expenditures are incurred. Any interest earned on specialty plate annual use fees is restricted to the same purposes as the underlying fees under section 320.08056(10)(a), Florida Statutes.

#### *INCOME TAXES*

The Organization is organized as a Florida nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation.. Annually, the Organization is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. The Organization has adopted the provisions of FASB ASC 740, *Income Taxes*, and does not believe it has any material income tax exposure relating to uncertain tax positions.

#### *GOING CONCERN EVALUATION*

On an annual basis, as required by FASB ASC Topic 205, *Presentation of Financial Statements - Going Concern*, the Organization performs an evaluation to determine whether there are conditions or events (known and reasonably knowable), 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. Management’s assessment did not indicate that substantial doubt is raised about the ability to remain a going concern for one year from the date the financial statements were available for issuance.

# FLORIDA ANIMAL FRIEND, INC.

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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### NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *FUNCTIONAL ALLOCATION OF EXPENSES*

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses directly attributable to a specific functional area of the Organization are reported as a direct expense of those functional areas by program or supporting function.

Certain costs benefit more than one function and, therefore, are allocated between program and supporting services on a reasonable basis that is consistently applied. The Organization's primary indirect expense relates to its marketing and promotion activities performed under a third-party contract. These activities include website development and maintenance, grant opportunity research, monthly content creation (including blog postings), and digital and social media advertising. Management evaluates the nature of these activities and their relationship to the Organization's mission. The allocation methodology is reviewed periodically and adjusted, if necessary, to reflect changes in the underlying activities and benefit received.

### NOTE 2 – ADJUSTMENTS TO PRIOR PERIOD FINANCIAL STATEMENTS

Subsequent to the issuance of the fiscal 2024 financial statements, the Organization identified certain errors affecting periods prior to July 1, 2024. Previously issued financial statements for those periods were misstated. Because comparative prior-period financial statements are not presented, the Organization recorded a prior-period adjustment to opening net assets and adjusted the opening balances of affected accounts as of July 1, 2024, in accordance with ASC 250, *Accounting Changes and Error Corrections*.

In prior fiscal years, grants to subrecipients were expensed when cash was disbursed. The awards are conditional due to the existence of both a barrier to entitlement and right of return to the Organization. Accordingly, advances to subrecipients should have been recorded and expense recognized as eligible costs were incurred by the subrecipients. The effect of the correction was to increase the change in net assets for 2024 by \$30,532. The cumulative effect increased beginning net assets with donor restrictions as of July 1, 2024, by \$40,873.

Additionally, annual use fees related to license plate revenue and related interest earned from those fees were recorded as unrestricted revenue, whereas such amounts are contributions with donor-imposed purpose restrictions and should have been reported in net assets with donor restrictions until spent for permitted purposes, including limited allowable administrative costs. Accordingly, the Organization has restated the opening balances at July 1, 2024. There was no effect of the correction on the change in net assets for 2024. The cumulative effect of the correction was to increase beginning net assets with donor restrictions and an offsetting decrease of net assets without donor restriction as of July 1, 2024, by \$1,027,274.

**FLORIDA ANIMAL FRIEND, INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended June 30, 2025

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**NOTE 2 – ADJUSTMENTS TO PRIOR PERIOD FINANCIAL STATEMENTS – CONTINUED**

The collective effect of these corrections was to increase the change in net assets for 2024 by \$30,532. The cumulative effect of these corrections on opening net assets as of July 1, 2024, was a decrease of \$1,027,274 in net assets without donor restrictions and an increase of \$1,068,147 in net assets with donor restrictions, resulting in a net increase in total net assets of \$40,873.

**NOTE 3 – RELATED PARTY TRANSACTIONS**

During the year ended June 30, 2025, 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, 2025. The Organization paid the management company \$14,000 for their services.

**NOTE 4 – LIQUIDITY, AVAILABILITY OF RESOURCES**

The Organization is supported by both contributions with and without donor restrictions. The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

**Financial Assets**

Cash and cash equivalents	\$ 912,667
Certificate of deposit	215,060
Advances to subrecipients	<u>33,737</u>

**Total Financial Assets** 1,161,464

**Less Amounts Unavailable for General Expenditure**

**Within One Year Due to**

Contractual or donor-imposed restrictions:

Restricted for qualifying expenses based on specific requirements of authorizing statutes	<u>(1,149,055)</u>
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**Financial Assets Available to Meet Cash Needs**

**for General Expenditures Within One Year** \$ 12,409

As part of the Organization’s liquidity management, it invests cash in excess of daily requirements in short-term investments, typically money market sweep accounts and certificates of deposit.

# FLORIDA ANIMAL FRIEND, INC.

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

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### NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

The Organization's net assets with donor restrictions consist of specialty license plate annual use fees collected by the FLHSMV and distributed to the Organization, together with any interest earned on those funds. Under applicable statutes, the funds may be used only for the Organization's spay and neuter program activities in Florida. Florida law further limits administrative and marketing costs directly associated with the specialty plate and the distribution of funds to no more than 10 percent of fees collected in the same fiscal year and specifies that any unused portion of that administrative/marketing limit does not carry forward to subsequent years and remains available only for program purposes. As a result, the Organization's net assets with donor restrictions at year-end are restricted in their entirety for future program activities and are not available for administrative or marketing expenditures in subsequent periods. At June 30, 2025, the Organization had \$1,149,055 of net assets with donor restrictions.

### NOTE 6 – FUNDING AND CREDIT CONCENTRATIONS

The FLHSMV specialty license plate annual use fee represents the primary source of revenue of the Organization. For the year ended June 30, 2025, approximately 100% of the Organization's total revenue and support was derived from this single source (including any interest earned on those funds).

The Organization maintains its deposits with a large, commercial bank which management believes to be of high credit quality. At June 30, 2025, the Organization's deposits with this bank exceeded FDIC insurance coverage by approximately \$881,000.

### NOTE 7 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 29, 2026, the date the financial statements were available for issuance.

**SUPPLEMENTAL INFORMATION**

**FLORIDA ANIMAL FRIEND, INC.**

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

For the Year Ended June 30, 2025

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<b>Grantor/Project Title</b>	<b>Contract Number</b>	<b>State CSFA Number</b>	<b>Current Year Expenditures</b>	<b>Transfers to Subrecipients</b>
<b>Department of Highway Safety and Motor Vehicles:</b>				
Animal Friend License Plate	n/a	76.076	\$ 824,918	\$ 697,082
Subtotal - Department of Highway Safety and Motor Vehicles			<u>824,918</u>	<u>697,082</u>
Total Expenditures of State Financial Assistance			<u>\$ 824,918</u>	<u>\$ 697,082</u>

**FLORIDA ANIMAL FRIEND, INC.**

**NOTES TO SCHEDULE OF EXPENDITURES  
OF STATE FINANCIAL ASSISTANCE**

For the Year Ended June 30, 2025

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of state financial assistance (the “Schedule”) includes the state grant activity of Florida Animal Friend, Inc. (collectively, the “Organization”) under projects of the State of Florida for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the State of Florida Auditor General*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Department of Financial Services’ State Projects Compliance Supplement, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 – CONTINGENCIES**

The State project is 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 of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

## **INTERNAL CONTROL AND COMPLIANCE**

**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 the Florida Animal Friend, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 29, 2026.

**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) 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 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 internal control was for the limited purpose described in the first paragraph of this section 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 that we consider to be material weaknesses.

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

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from 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*.

## **Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*CBIZ CPAs P.C.*

April 29, 2026  
St. Petersburg, Florida

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

The Board of Directors  
**Florida Animal Friend, Inc.**

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

We have audited Florida Animal Friend, Inc. (the "Organization") compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on the Organization's major state project for the year ended June 30, 2025. The Organization's major state project is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended June 30, 2025.

### **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 the audit requirements of Chapter 10.650, *Rules of the State of Florida Auditor General*. Our responsibilities under those standards and Chapter 10.650, *Rules of the State of Florida Auditor General*, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the Organization 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 the Organization's compliance with the compliance requirements referred to above.

### **Management's Responsibility**

Management is responsible for compliance with State statutes, regulations and the terms and conditions of its State projects applicable to its major state project.

## **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 the Organization's state projects.

## **Auditors' 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 to do with fraud or error, and express an opinion on the Organization'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 GAAS, *Government Auditing Standards*, and Chapter 10.650, *Rules of the State of Florida Auditor General*, will always detect a material noncompliance when it exists. The risk of not detecting a 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 the Organization's compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, *Rules of the State of Florida Auditor General*, 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 the Organization'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 the Organization'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 State of Florida Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been 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 Chapter 10.650, *Rules of the State of Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

*CBIZ CPAs P.C.*

April 29, 2026  
St. Petersburg, Florida

FLORIDA ANIMAL FRIEND, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

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(A) **Summary of Auditors' Results**

1. The auditors' report expresses an unmodified opinion on the financial statements of the Florida Animal Friend, Inc. (collectively, the "Organization").
2. Material weaknesses relating to the audit of the financial statements were reported in the 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*.
3. No instances of noncompliance material to the financial statements of the Organization which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major state project are reported in the independent auditors' report on compliance for each major state project and on internal control over compliance required by Chapter 10.650, *Rules of the State of Florida Auditor General*.
5. The auditors' report on compliance for the major state projects of the Organization expresses an unmodified opinion.
6. Audit findings, if any, that are required to be reported in accordance with Chapter 10.650, *Rules of the State of Florida Auditor General*, are reported in Part C, of this schedule.
7. The project tested as a major state project was:

Animal Friend License Plate (CSFA No. 76.076)
8. The threshold for distinguishing Types A and B projects was \$750,000 for major projects.

(B) **Findings - Audit of Financial Statements**

*MATERIAL WEAKNESSES*

*ITEM 2025-001 – GRANT EXPENSES*

*Condition:* During the audit, we identified material errors in the Organization's previously issued financial statements. Grants to subrecipients were expensed when cash was disbursed and adjusted only when refunds were received in subsequent periods. The grant award letters include both a barrier to entitlement (incurrence of eligible spay/neuter costs during the grant period) and an explicit right of return for unspent amounts; accordingly, the awards are conditional. Because the Organization employed a cash-basis approach to grant expense and recorded refunds as current-period activity instead of correcting the original period, grant expense and advances/receivables from subrecipients were misstated by period.

FLORIDA ANIMAL FRIEND, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

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**(B) Findings - Audit of Financial Statements - Continued**

*MATERIAL WEAKNESSES - CONTINUED*

*Criteria:* Internal controls should provide reasonable assurance that grants made are appropriately recorded as conditional awards and recognized as expense on an accrual basis of accounting in accordance with FASB ASC 720-25, *Contributions Made* (“ASC 720-25”).

*Effect:* Prior-period grant expense was misstated (overstated in periods of disbursement; understated in periods of refund) and assets related to conditional awards (advances/receivables) were misstated.

*Cause:* Controls were not designed effectively to ensure conditional grant accounting (advances and releases as barriers are met).

*Recommendation:* Adopt written accounting policies consistent with ASC 720-25 for conditional contributions made. Record cash disbursed as “advances to subrecipients” and recognize grant expense as grantees incur eligible costs (barriers met).

*Views of Responsible Officials and Planned Corrective Actions:* Management concurs with the finding. The Organization has restated opening balances as of July 1, 2024 to correct the identified errors and included the required disclosures in the financial statements. Management has implemented corrective actions, enhanced financial oversight and review procedures, and adopting written accounting policies consistent with ASC 720-25 for conditional contributions made going forward.

**ITEM 2025-002 – NET ASSET CLASSIFICATION**

*Condition:* During the audit, we identified material errors in the Organization’s previously issued financial statements. Specialty license plate annual use fees received from the State, included related interest earned on state financial assistance were recorded as unrestricted revenue and accumulated in net assets without donor restrictions, rather than as contributions with donor-imposed purpose restrictions reported in net assets with donor restrictions until released for permissible purposes. The Organization reported \$0 in net assets with donor restrictions in the prior year despite restricted resources remaining unspent at year-end.

*Criteria:* Internal controls should provide reasonable assurance that contributions are classified in accordance with donor intent and U.S. GAAP to ensure proper financial statement presentation and compliance. This includes maintaining properly designed and operating controls to prevent and detect errors in the classification and release of net assets with timely review of net assets activity and balances, supported by appropriate documentation and reconciliation.

*Effect:* Without properly designed and operating controls, errors in the classification and release of net assets may go undetected, which could result in a material misstatement in the financial statements and noncompliance with donor restrictions and U.S. GAAP.

FLORIDA ANIMAL FRIEND, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

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**(B) Findings - Audit of Financial Statements - Continued**

*MATERIAL WEAKNESSES – CONTINUED*

*Recommendation:* We recommend management review and strengthen internal controls and related financial reporting to ensure that all contributions are properly classified, releases from restriction are in accordance with U.S. GAAP, and classification of net assets is in accordance with supporting documentation and donor intent.

*Views of Responsible Officials and Planned Corrective Actions:* Management concurs with the finding. The Organization has restated opening balances as of July 1, 2024 to correct the identified errors and included the required disclosures in the financial statements. Management has implemented corrective actions, enhanced financial oversight and review procedures, and targeted training, to support consistent net asset classification and reporting going forward.

**(C) Findings and Questioned Costs - Major State Project**

None.

**(D) Other Issues**

A Summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to a major state project.

## **Management Letter**

To the Board of Directors of the  
**Florida Animal Friend, Inc.**

### **Report on the Financial Statements**

We have audited the financial statements of Florida Animal Friend, Inc., (the “Organization”) as of and for the year ended June 30, 2025, and have issued our report thereon dated April 29, 2026.

### **Auditors’ Responsibility**

We conducted our audit 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; the audit requirements of Chapter 10.650, *Rules of the State of Florida Auditor General* (“Chapter 10.650”).

### **Other Reports and Schedule**

We have issued our 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*, our Independent Auditors’ Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.650, and the Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated April 29, 2026, should be considered in conjunction with this management letter.

### **Other Matter**

Section 10.654(1)(e), *Rules of the State of Florida Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or State project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not identify any such findings.

## **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

*CBIZ CPAs P.C.*

April 29, 2026  
St. Petersburg, Florida