Financial Statements
and Other Reports

Friends of Florida State Forests, Inc.

Years ended June 30, 2026 and 2025
with Report of Independent Auditors



Friends of Florida State Forests, Inc.

Financial Statements
and Other Reports

Years ended June 30, 2026 and 2025

Contents

Report of Independent Auditors 1

Statements of Fund Net Position 5

Statements of Revenues, Expenditures, and Changes in Fund Net Position 6

Statements of Cash Flows 7

Notes to the Financial Statements 8

Report of Independent Auditors 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* 16

Report of Independent Auditors

Board of Directors
Friends of Florida State Forests, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Friends of Florida State Forests, Inc. (Friends) which comprise the statements of fund net position as of June 30, 2026 and 2025, the related statements of revenues, expenses, and changes in fund net position, and cash flows for the years 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 Friends, as of June 30, 2026 and 2025, and the changes in its fund net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Friends 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 Friends' ability to continue as a going concern within one year after the date that the financial statements are 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 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.

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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 Friends' 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 Friends' 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.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2026 on our consideration of Friends' 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 solely 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 effectiveness of Friends' 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 Friends' internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
September 25, 2026

Friends of Florida State Forests, Inc.

Statements of Fund Net Position

	Years ended June 30,	
	2026	**2025**
Assets		
Current assets:		
Cash and cash equivalents	$ 4,811,911	$ 1,240,834
Short-term investments	1,220,000	4,476,000
Inventory	1,779	2,165
Prepaid expenses	1,361	1,394
Total assets	$ 6,035,051	$ 5,720,393
Liabilities and fund net position		
Current liabilities:		
Accounts payable and accrued expenses	$ 140	$ 4,316
Unearned member dues	550	914
Total liabilities	690	5,230
Fund net position:		
Restricted:		
Expendable contributions	5,891,310	5,575,291
Nonexpendable contributions	7,000	7,000
Unrestricted	136,051	132,872
Total fund net position	6,034,361	5,715,163
Total liabilities and fund net position	$ 6,035,051	$ 5,720,393

See accompanying notes.

Friends of Florida State Forests, Inc.

Statements of Revenues, Expenditures, and Changes in Fund Net Position

	Years ended June 30,	
	2026	**2025**
Changes in fund net position		
Operating revenues and other support:		
Dues and fees	$ 1,444	$ 1,883
Administrative fees	4,524	5,608
Miscellaneous revenues	292	1,025
Program contributions and other revenues - restricted	621,923	658,553
Total operating revenues and other support	628,183	667,069
Operating expenses:		
Program expenses - restricted	460,232	544,255
Professional fees	13,927	16,752
Advertising	475	955
Insurance	2,211	2,116
Bank fees	1,442	1,543
Website expenses	1,146	475
Other expenses	5,431	2,350
Total operating expenses	484,864	568,446
Operating income	143,319	98,623
Nonoperating revenues:		
Investment income - unrestricted	21,551	12,679
Investment income - restricted	154,328	80,805
Total nonoperating revenues	175,879	93,484
Increase in fund net position	319,198	192,107
Fund net position at beginning of year	5,715,163	5,523,056
Fund net position at end of year	$ 6,034,361	$ 5,715,163

See accompanying notes.

Friends of Florida State Forests, Inc.

Statements of Cash Flows

	Years ended June 30,	
	2026	**2025**
Cash flows from operating activities		
Receipts from members and donors - unrestricted	$ 5,896	$ 8,592
Receipts from donors and other sources - restricted	621,923	658,553
Payments to suppliers and vendors	(488,621)	(587,216)
Net cash provided by operating activities	139,198	79,929
Cash flows from investing activities		
Purchases of investments	(1,220,000)	(4,966,065)
Proceeds from the maturities of investments	4,651,879	4,150,904
Net cash provided by (used in) investing activities	3,431,879	(815,161)
Net increase (decrease) in cash and cash equivalents	3,571,077	(735,232)
Cash and cash equivalents at beginning of year	1,240,834	1,976,066
Cash and cash equivalents at end of year	$ 4,811,911	$ 1,240,834
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ 143,319	$ 98,623
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Inventory	386	317
Prepaid expenses	33	(104)
Accounts payable and accrued expenses	(4,176)	(18,983)
Unearned member dues	(364)	76
Net cash provided by operating activities	$ 139,198	$ 79,929

See accompanying notes.

Friends of Florida State Forests, Inc.

Notes to the Financial Statements

Years ended June 30, 2026 and 2025

1. Summary of Significant Accounting Policies

Reporting Entity

Friends of Florida State Forests, Inc. (Friends) is a direct support organization as provided for in Section 570.903, Florida Statutes. Friends is considered a component unit of the Florida Department of Agriculture and Consumer Services (the Department). Friends was organized to provide a vehicle for funding and expanding opportunities for recreation, environmental education, fire prevention, and forest management programs within Florida's state forests. Friends works to keep Florida's state forests accessible to the public and to provide a deeper appreciation for the natural environment.

Basis of Accounting

Friends follows financial reporting requirements for enterprise funds, which use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred. These financial statements are those of Friends alone and, accordingly, are not intended to present the financial position or the results of operations of the Department.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to Friends, the accounts of Friends are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, for financial statement reporting purposes all funds are combined.

1. **Summary of Significant Accounting Policies (continued)**

Cash and Cash Equivalents

Cash and cash equivalents consist of deposits with a financial institution and deposits in highly liquid money market funds. Friends' financial instruments exposed to concentrations of credit risk consist primarily of its cash and cash equivalents and its certificates of deposit. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per FDIC-insured financial institution. Bank deposits at times may exceed federally insured limits. Friends has not experienced any losses in such accounts.

Investments

Investments consist of one and two-year brokered certificates of deposit and are reported at fair value. Friends considers investments to be short-term if they have original maturities of one year or less at the time of purchase. As of June 30, 2026 and 2025, all brokered certificates of deposit held by Friends had original maturities of one year or less and are therefore reported as short term investments on the Statement of Fund Net Position.

Inventory

Inventories consist of t-shirts, maps, and hats and are stated at lower of cost or market determined by the first-in, first-out method.

Revenue Recognition

Revenues are recognized as they are earned and when they become measurable and available. For most contributions received, Friends may retain up to 10% of the contributions received for general (unrestricted) purposes.

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Friends reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit their use. Contributions from participating members are voluntary and are generally recorded as unrestricted revenue when received.

Operating revenues and expenses

Operating revenues and expenses generally result from providing services in connection with ongoing operations and special projects. Operating revenues of Friends consist of member dues, unrestricted contributions, and program contributions that are restricted as to purpose. Operating expenses include general and administrative expenses and the costs associated with fulfilling special projects. Interest and dividends earned are categorized as nonoperating revenues.

Income Taxes

Pursuant to a determination letter received from the Internal Revenue Service, Friends is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and as such, is liable for tax only on business income unrelated to the purpose for which it is exempt. As a direct support organization of the Department, Friends is not required to file a Federal Form 990.

1. Summary of Significant Accounting Policies (continued)

Subsequent Events

Friends has evaluated subsequent events through September 25, 2026, the date the financial statements were available to be issued. During the period from June 30, 2026 to September 25, 2026, no subsequent events were identified that required recognition or disclosure in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Accordingly, actual results could differ from those estimates.

2. Investments

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under GASB 72 are described as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that a government can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for an asset or liability.

2. Investments (continued)

Friends utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair Value on a Recurring Basis

The table below presents the balances of assets and liabilities measured at fair value on a recurring basis.

Investments consist of the following at June 30, 2026:

	Cost	Unrealized Loss	Market and Carrying Value	Level 2
Brokered certificates of deposit	$ 1,220,023	$ (23)	$ 1,220,000	$ 1,220,000

Investments consist of the following at June 30, 2025:

	Cost	Unrealized Loss	Market and Carrying Value	Level 2
Brokered certificates of deposit	$ 4,476,000	$ -	$ 4,476,000	$ 4,476,000

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodial entity, Friends' deposits may not be returned to it. Custody of Friends' investments is currently maintained in Friends' name by Six Pillars Financial Advisors, an affiliate of LPL Financial.

2. Investments (continued)

Interest Rate Risk

Interest rate risk arises from investments in debt instruments and is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. Friends is not directly subject to interest rate risk for its investment in brokered certificates of deposits, as Friends is able to sell their interest in these certificates of deposits at will.

Credit Quality Risk

Friends' policy is to invest in high quality instruments with the lowest level of risk. Brokered certificates of deposits are listed and valued as a whole. Information about specific ratings cannot be obtained due to the nature of the brokered certificates of deposit.

Foreign Currency Risk

Friends has no investments with foreign currency risk at June 30, 2026.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of Friends' investment in a single issuer. Investments in brokered certificates of deposits are diversified through numerous banks and savings institutions through Six Pillars Financial Advisors, an affiliate of LPL Financial.

3. Fund Net Position

At June 30, 2026 and 2025, restricted expendable and non-expendable fund net position consist of amounts related to the following programs:

	June 30,	
	2026	**2025**
Blackwater FL Gas Easement	$ 20,039	$ 20,589
The Preserve	75,689	72,201
Point Washington Mitigation	149,345	147,275
Point Washington - General	154,965	154,391
NFRC Gulf Power Easement	29,230	29,230
Lake Talquin - General	64,136	63,015
Belmore	-	25,430
Ralph Simmons	79,821	79,821
Satsuma - SJRWMD	32,079	22,305
Seacoast Pipeline - Etoniah	77,349	65,467
Tiger Bay - Gopher Tortoise	64,634	84,621
Baird Tract	384,584	386,986
Suncoast II	139,872	148,477
Withlacoochee Gopher Tortoise	138,700	138,700
Wekevia Parkway	240,630	252,412
Babcock Ranch	80,889	65,335
Phase 2B Pipeline Easement	123,150	123,150
Peace River State Forest	2,087,886	2,025,082
Belle Meade	62,690	65,227
Calusa Pines	177,510	174,441
San Marino	197,260	202,668
Picayune Strand Campground	97,000	97,000
Picayune Strand Equipment	68,281	68,281
Rose Prairie General	164,018	-
OOF - HAT	22,090	8,045
OOF - Statewide	29,760	29,260

3. Fund Net Position (continued)

	June 30,	
	2026	**2025**
OOF - Rotary Club	162,629	146,040
OOF - M&B Products	46,709	100,000
OOF - Orlando	12,567	21,251
OOF - Goethe Sportsman Tract	20,000	20,000
OOF - Chipola General	21,761	11,099
DOT Gopher Tortoise Mitigation	454,000	454,000
Teachers' Tour	25,780	33,149
Other purposes, less than $20,000 each	393,257	247,343
	$ 5,898,310	$ 5,582,291

Other Reports

Report of Independent Auditors 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*

Board of Directors
Friends of Florida State Forests, 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 the Florida State Forests, Inc. (Friends), which comprise the statement of fund net position as of June 30, 2026, and the related statements of revenues, expenses, and changes in fund net position and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated September 25, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Friends' 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 Friends' internal control. Accordingly, we do not express an opinion on the effectiveness of Friends' internal control.

Report on Internal Control over Financial Reporting (continued)

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. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Friends' 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*.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Friends'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.*

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.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
September 25, 2026

thf
CERTIFIED PUBLIC ACCOUNTANTS

To Management and the Board of Directors
Friends of Florida State Forests, Inc.

In planning and performing our audit of the financial statements of Friends of Florida State Forests, Inc. (Friends), as of and for the year ended June 30, 2026, in accordance with auditing standards generally accepted in the United States of America, we considered Friends' 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 Friends' internal control. Accordingly, we do not express an opinion on the effectiveness of Friends' 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 deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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.

Following are descriptions of identified deficiencies in internal control that we determined did not constitute significant deficiencies or material weaknesses:

Bank Statement Reconciliations and Month-end/Year-end Review of Journal Entries

During our audit, we identified monthly bank statement reconciliations that were not performed in accordance with Friends' internal control policies and procedures. Under Friends' current procedures, monthly bank statements are received by the Accountant IV and then reviewed and approved by the Program Coordinator. The Accountant IV then performs a pre-reconciliation of the bank activity to the QuickBooks general ledger, while formal bank reconciliations are performed by the outsourced accountant on a quarterly basis.

Our procedures identified four bank statement reconciliations that were completed more than 90 days after month-end. We also identified errors in the related month-end journal entries. Delays in completing bank reconciliations and review of the related journal entries increase the risk that errors or irregularities may not be identified and corrected on a timely basis.

We recommend that Friends update its policies and procedures to require bank reconciliations be completed within 60 days of month-end to facilitate the timely identification and correction of errors. Additionally, completed bank reconciliations and related month-end and year-end journal entries should be reviewed and approved by the Accountant IV and/or Program Coordinator, with evidence of such review maintained.

This communication is intended solely for the information and use of management and the Board of Directors, and is not intended to be, and should not be, used by anyone other than these specified parties.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
September 25, 2026

September 25, 2026

Friends of Florida State Forests, Inc.
c/o Bureau of Forest Management
Tallahassee, FL
32399-1650

Dear Board of Directors,

We are writing this letter in connection with our audit of the financial statements of Friends of Florida State Forests, Inc. (Friends) as of and for the years ended June 30, 2026 as communicated to you in our engagement letter dated August 28, 2026.

We are required by our professional standards to have certain communications with you to promote effective two-way communication between us, in our role as independent auditor, and yourselves, in your role as those charged with governance of Friends of Florida State Forests, Inc. In this letter, we will provide you with timely observations arising from our audit of the financial statements of Friends of Florida State Forests, Inc., that are significant and relevant to your responsibility to oversee the financial reporting process.

Responsibilities

The respective responsibilities of ourselves and of management in relation to the audit of the financial statements are set out in our engagement letter dated August 28, 2026.

Our responsibilities, as described by professional standards, are:

- to form and express an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States.

- to issue a report on Friends's internal control over financial reporting and 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 the financial statements amounts in accordance with *Government Auditing Standards*.

We are responsible for performing the audit in accordance with generally accepted auditing standards (GAAS) and *Government Auditing Standards*. The matters that GAAS and *Government Auditing Standards* require to be communicated, therefore, include significant matters arising during the audit of the consolidated financial statements that are relevant to you in overseeing the financial reporting process. We are not required to design procedures for the purpose of identifying other matters to communicate to you.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

There were no changes in our previously communicated planned scope and timing.

Independence

We are not aware of any circumstances or relationships that would impair our independence and have complied with all relevant ethical requirements.

Audit Findings or Issues

Significant Accounting Policies

The significant accounting policies used by Friends are outlined in Note 1 to the financial statements. There were no significant changes in accounting policies.

We did not identify any significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.

We did not identify any significant accounting policies in controversial or emerging areas.

Significant Accounting Estimates

We did not identify significant estimates in the financial statements.

Current Period Misstatements

We accumulated misstatements that we identified during our audit and communicated them to management. We then requested that management correct these misstatements.

Audit adjustments proposed by us and recorded by Friends are shown on the attached **Exhibit A**.

All identified misstatements for the current period have been corrected.

Significant Financial Statement Disclosures

We did not identify any particularly significant or sensitive financial statement disclosures in the financial statements.

Significant Unusual Transactions

There were no significant unusual transactions encountered during our audit.

Significant Difficulties Encountered

There were no significant difficulties encountered during our audit.

Disagreements with Management

There were no disagreements with management.

Written Representations

We have requested a number of written representations from management in respect to their responsibility for the preparation of the financial statements in accordance with U.S. GAAP. A copy of those representations is attached to this letter at **Exhibit C**.

Internal Control Over Financial Reporting

We have separately communicated significant deficiencies and material weaknesses in internal control and compliance findings over financial reporting identified during our audit of the financial statements, as required by *Government Auditing Standards*. We did not identify any significant deficiencies or material weaknesses; this communication is included in the Other Reports section of the financial statements. We did, however, identify internal control deficiencies. This communication is attached as **Exhibit B**.

Restriction of Use

This letter is intended solely for the information and use of those charged with governance of Friends of Florida State Forests, Inc. and, if appropriate, management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Thomas Howell Ferguson P.A.

Exhibit A

Friends of Florida State Forests, Inc.
Adjustments
Year End: June 30, 2026
Generated Date: September 29, 2026

AJE1 - 2026

Correcting entry for FFSF entry error for Bealle Meade and Baird Tract.
Type:Normal

Friends of Florida State Forests, Inc.	
1090.3 1090 L.P.L Financial Portfolio:1090.3 L.P.L - Belle Meade	7,442.00
4013.16 4013 Restricted Interest Income:4013.16 ML - Baird Tract	(7,442.00)

AJE2 - 2026

To roll net assets
Type:Normal

Friends of Florida State Forests, Inc.	
3.1.104.200.200_Adjustments 3.1.104.200.200_Adjustments	4.00
2401 2401 BOA- Credit Card Payable	(4.00)

RJE1 - 2026

For financial reporting purposes, to reclassify restricted net income for FS presentation.
Type:Reclassifying

Friends of Florida State Forests, Inc.	
THF-282 Contra-income for FS presentation	316,019.00
THF-283 Contra-income account for FS presentation	(316,019.00)

RJE2 - 2026

For financial reporting purposes, to properly reclass the CDs out of Cash and into short-term investments
Type:Reclassifying

Friends of Florida State Forests, Inc.	
1090.12 1090 L.P.L Financial Portfolio:1090.12 L.P.L - Gopher Tortoise	(250,000.00)
1090.1 1090 L.P.L Financial Portfolio:1090.1 L.P.L - Peace River	(750,000.00)
1090.11 1090 L.P.L Financial Portfolio:1090.11 L.P.L - Wekiva Parkway	(220,000.00)
THF113 Short-term CD Invesments	1,220,000.00

RJE3 - 2026

For financial reporting purposes, to properly classify non-expendable amounts in the new Tiger Bay Gopher Tortoise fund (2512.21). (FFSF to create new 2512 non-expendable GL account)

Type:Reclassifying

Friends of Florida State Forests, Inc.

2512.21 2500 Restricted Custodial Funds:2512 D12 Orlando:2512.21 TB - Gopher Tortoise	7,000.00
2510.12 Restricted Custodial Funds:D10 Bunnell:Gopher Tort	(7,000.00)

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CERTIFIED PUBLIC ACCOUNTANTS

Exhibit B

To Management and the Board of Directors
Friends of Florida State Forests, Inc.

In planning and performing our audit of the financial statements of Friends of Florida State Forests, Inc. (Friends), as of and for the year ended June 30, 2026, in accordance with auditing standards generally accepted in the United States of America, we considered Friends' 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 Friends' internal control. Accordingly, we do not express an opinion on the effectiveness of Friends' 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 deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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.

Following are descriptions of identified deficiencies in internal control that we determined did not constitute significant deficiencies or material weaknesses:

Bank Statement Reconciliations and Month-end/Year-end Review of Journal Entries

During our audit, we identified monthly bank statement reconciliations that were not performed in accordance with Friends' internal control policies and procedures. Under Friends' current procedures, monthly bank statements are received by the Accountant IV and then reviewed and approved by the Program Coordinator. The Accountant IV then performs a pre-reconciliation of the bank activity to the QuickBooks general ledger, while formal bank reconciliations are performed by the outsourced accountant on a quarterly basis.

Our procedures identified four bank statement reconciliations that were completed more than 90 days after month-end. We also identified errors in the related month-end journal entries. Delays in completing bank reconciliations and review of the related journal entries increase the risk that errors or irregularities may not be identified and corrected on a timely basis.

We recommend that Friends update its policies and procedures to require bank reconciliations be completed within 60 days of month-end to facilitate the timely identification and correction of errors. Additionally, completed bank reconciliations and related month-end and year-end journal entries should be reviewed and approved by the Accountant IV and/or Program Coordinator, with evidence of such review maintained.

This communication is intended solely for the information and use of management and the Board of Directors, and is not intended to be, and should not be, used by anyone other than these specified parties.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
September 25, 2026

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September 25, 2026

Exhibit C

THF
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Tallahassee Florida
32308

This representation letter is provided in connection with your audit of the financial statements of Friends of Florida State Forests, Inc. ("Friends") as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, 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.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 28, 2026, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- We acknowledge our responsibility 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.

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
- Significant judgments made in the making of accounting estimates have taken into account all relevant information of which we are aware.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- The assumptions appropriately reflect our intent and ability to carry out a specific course of action on behalf of the entity when relevant to the accounting estimates and disclosures.
- Disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and reasonable in the context of the applicable financial reporting framework.
- Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related party transactions engaged in by Friends include:
    - Those with the primary government having accountability for Friends.
    - Those with other organizations for which the nature and significance of their relationship with Friends are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.
    - Those with component units for which Friends is accountable.
    - Interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees.
- The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
- The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.
- No subsequent event requires adjustment to the accounting estimates and related disclosures included in the financial statements.
- In addition, you have proposed adjusting journal entries that have been posted in the Friends's accounts. We are in agreement with those adjustments.

- We are not aware of any known actual, possible, pending, or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with accounting principles generally accepted in the United States, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- In accordance with your engagement letter, you provided nonaudit services including:
    - Drafting of the financial statements and the notes to the financial statements
- With respect to those nonaudit services, we acknowledge our responsibility as it relates to those nonattest/nonaudit services, including:
    - Assuming all management responsibilities;
    - Maintaining oversight of the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed;
    - Accepting responsibility for the results of the services.
- We have made all management decisions and performed all management functions in relation to drafting of the financial statements and the notes to the financial statements. We have designated competent individuals with suitable skills, knowledge, and experience to oversee the services rendered. We have also established and maintained internal controls, including monitoring activities, related to the nonattest services provided. We have evaluated and accepted responsibility for the adequacy and results of the nonattest services provided.
- We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and supplementary information. These statements are fairly presented in accordance with U.S. GAAP.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have no knowledge of instances of identified or suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements whose effects should be considered by management when preparing the financial statements (for example, tax or debt limits and debt covenants).
- We have a process to track the status of audit findings and recommendations.
- We have followed applicable laws and regulations in adopting, approving, and amending budgets.
- Friends has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or fund balance or net position.

- Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- Investments are properly valued.
- Risk disclosures associated with deposit and investment securities are presented in accordance with GASB requirements.
- We are responsible for the estimation methods and assumptions used in measurement assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as of the measurement date in accordance with the requirement of GASB Statement No. 72, *Fair Value Measurement.* In addition, our disclosures related to fair value measurements are consistent with the objectives outlined in GASB Statement No. 72. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements.
- Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- The following have been properly recorded and/or disclosed in the financial statements:
    - Guarantees, whether written or oral, under which Friends' is contingently liable.
    - All liabilities that are subordinated to any other actual or possible liabilities of the Friends.
    - The fair value of investments.
    - Deposits and investment securities categories of risk.
    - Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed.
    - Net positions and fund balance classifications.
    - All material concentrations known to management that are required to be disclosed. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances within the next year.

- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available ad appropriately disclosed and that net position is properly recognized under the policy.
- The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- We have evaluated Friends' ability to continue as a going concern and that appropriate disclosures are made in the financial statements as necessary under GASB requirements.

Information Provided

- We have provided you with:
    - Financial records and related data;
    - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
    - Additional information that you have requested from us for the purpose of the audit; and
    - Unrestricted access to persons within friends from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects friends and involves:
    - Management;
    - Employees who have significant roles in internal control; or
    - Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting friends's financial statements communicated by employees, former employees, analysts, regulators or others.
- The methods and significant assumptions used to determine fair values of financial instruments are as follows: Friends considers investments to be short-term if they have original maturities of one year or less at the time of purchase. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

- There are no loss contingencies that are required to be accrued or disclosed by U.S. GAAP.
- We are not aware of any gain contingencies that are required to be accrued or disclosed by U.S. GAAP.
- Adequate provisions and allowances have been accrued to appropriately reduce receivables to their estimated net realizable value.
- Friends has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged.
- We have made available to you all minutes of the meetings of the Board of Directors or agendas and summaries of actions of recent meetings for which minutes have not yet been prepared through the date of this letter.
- We have appropriately considered and disclosed its vulnerabilities due to certain concentrations or constraints in accordance with GASB Statement No. 102, *Certain Risk Disclosures.*
- It is our responsibility to inform you of all current and potential affiliates of Friends' as defined by the "State and Local Government Client Affiliates" interpretation (ET sec. 1.224.020). Financial interests in, and other relationships with, affiliates of the Friends may create threats to independence. We have:
    - Provided you with all information we are aware of with respect to current and potential affiliates, including degree of influence assessments and materiality assessments.
    - Notified you of all changes to relevant considerations that may impact our determination of the existence of current or potential affiliates involving (i) changes in the determination of the materiality of an entity to Friends' financial statements as a whole, (ii) the level of influence Friends has over an entity's financial reporting process or (iii) the level of control or influence Friends or a potential or current affiliate has over an investee that is not trivial or clearly inconsequential, sufficiently in advance of their effective dates to enable Friends and THF to identify and eliminate potential impermissible services and relationships between THF or its associated entities and those potential affiliates, prior to the effective dates.
    - Made you aware, to the best of our knowledge and belief, of any nonaudit services that Friends or any of our affiliates has engaged THF or any of its associated entities to perform.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.

- We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations, if any.
- We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

- With respect to supplementary information presented in relation to the financial statements as a whole:
- We acknowledge our responsibility for the presentation of such information.
- We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.
- When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

- Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
- Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.
- Is not aware of any instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.

- Is responsible 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.
- Acknowledges its responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
- Has a process to track the status of audit findings and recommendations.
- Has identified for the auditor previous audits, attestation engagements and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- Is not aware of any investigations or legal proceedings that have been initiated with respect to the period under audit.
- Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.
- Acknowledges its responsibilities as it relates to nonaudit services performed by the auditor, including that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

Richard Dolan

Richard Dolan, President

Karen Lehnert

Karen Lehnert, Accountant IV