

1000 FRIENDS OF FLORIDA, INC.
FINANCIAL STATEMENTS



For the Years Ended June 30, 2025 and 2024

CARROLL and COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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FREDERICK CARROLL III
FOUNDER (RETIRED)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
1000 Friends of Florida, Inc.
Tallahassee, Florida

Opinion

We have audited the accompanying financial statements of 1000 Friends of Florida, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of 1000 Friends of Florida, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 1000 Friends of Florida, Inc. 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 1000 Friends of Florida, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 1000 Friends of Florida, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 1000 Friends of Florida, Inc.'s ability to continue as a going concern for a reasonable period of time.

To the Board of Directors
1000 Friends of Florida, Inc.
Page Three

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.

Carroll and Company

July 15, 2026

1000 FRIENDS OF FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

ASSETS

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,182,925	\$ 186,329
Grant receivable	181,500	62,441
Prepaid expenses	45,992	24,365
Right of use asset – operating lease	10,186	33,579
Right of use asset – finance lease	10,376	13,143
Cash and cash equivalents designated for reserve	711,091	418,305
Investments designated for reserve	2,004,522	2,070,996
Other assets	2,000	2,214
Property and equipment, net	<u>7,310</u>	<u>7,946</u>
TOTAL ASSETS	<u><u>\$ 4,155,902</u></u>	<u><u>\$ 2,819,318</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 88,845	\$ 81,837
Due to beneficiaries under agency transactions	20,648	37,026
Lease liability – operating lease	10,186	33,579
Lease liability – finance lease	<u>10,645</u>	<u>13,226</u>

TOTAL LIABILITIES	<u>130,324</u>	<u>165,668</u>
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NET ASSETS

Without donor restrictions		
Board designated	2,715,613	2,489,301
Undesignated	<u>1,134,758</u>	<u>120,352</u>
	3,850,371	2,609,653
With donor restrictions		
Purpose restricted	<u>175,207</u>	<u>43,997</u>

TOTAL NET ASSETS	<u>4,025,578</u>	<u>2,653,650</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,155,902</u></u>	<u><u>\$ 2,819,318</u></u>
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1000 FRIENDS OF FLORIDA, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2025 and 2024

2025

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants and contributions	\$ 2,153,960	\$ 138,350	\$ 2,292,310
Other income	5,447	-0-	5,447
Investment return, net	181,878	-0-	181,878
Net assets released from restrictions	<u>7,140</u>	<u>(7,140)</u>	<u>-0-</u>
 TOTAL REVENUE AND SUPPORT	 <u>2,348,425</u>	 <u>131,210</u>	 <u>2,479,635</u>
EXPENSES			
Program services	871,745	-0-	871,745
Management and general	156,787	-0-	156,787
Fundraising	<u>79,175</u>	<u>-0-</u>	<u>79,175</u>
 TOTAL EXPENSES	 <u>1,107,707</u>	 <u>-0-</u>	 <u>1,107,707</u>
 CHANGE IN NET ASSETS	 1,240,718	 131,210	 1,371,928
 NET ASSETS, BEGINNING OF YEAR	 <u>2,609,653</u>	 <u>43,997</u>	 <u>2,653,650</u>
 NET ASSETS, END OF YEAR	 <u>\$ 3,850,371</u>	 <u>\$ 175,207</u>	 <u>\$ 4,025,578</u>

See accompanying notes.

1000 FRIENDS OF FLORIDA, INC.
STATEMENTS OF ACTIVITIES (CONTINUED)
For the Years Ended June 30, 2025 and 2024

2024

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants and contributions	\$ 795,848	\$ 34,140	\$ 829,988
Other income	1,686	-0-	1,686
Investment return, net	177,386	-0-	177,386
Net assets released from restrictions	<u>7,538</u>	<u>(7,538)</u>	<u>-0-</u>
 TOTAL REVENUE AND SUPPORT	 <u>982,458</u>	 <u>26,602</u>	 <u>1,009,060</u>
EXPENSES			
Program services	777,604	-0-	777,604
Management and general	165,416	-0-	165,416
Fundraising	<u>89,440</u>	<u>-0-</u>	<u>89,440</u>
 TOTAL EXPENSES	 <u>1,032,460</u>	 <u>-0-</u>	 <u>1,032,460</u>
 CHANGE IN NET ASSETS	 (50,002)	 26,602	 (23,400)
 NET ASSETS, BEGINNING OF YEAR	 <u>2,659,655</u>	 <u>17,395</u>	 <u>2,677,050</u>
 NET ASSETS, END OF YEAR	 <u>\$ 2,609,653</u>	 <u>\$ 43,997</u>	 <u>\$ 2,653,650</u>

See accompanying notes.

1000 FRIENDS OF FLORIDA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2025 and 2024

2025

	<u>Program</u>	<u>Management</u>	<u>Fundraising</u>	<u>Total</u>
	<u>Services</u>	<u>and General</u>		
Salaries	\$ 433,312	\$ 102,434	\$ 16,923	\$ 552,669
Professional fees	150,850	15,089	367	166,306
Employee benefits	62,414	10,573	8,824	81,811
Printing and copying	26,608	613	32,749	59,970
Payroll taxes	32,315	6,263	1,280	39,858
Postage and freight	13,735	633	16,476	30,844
Meals and travel	26,796	830	84	27,710
Office rent	17,523	6,660	237	24,420
Dues and subscriptions	21,876	-0-	369	22,245
Webinars	21,975	-0-	-0-	21,975
Miscellaneous	8,758	970	551	10,279
Technology	9,197	-0-	1,033	10,230
Graphic design	8,358	672	-0-	9,030
Bank fees	4,485	3,322	51	7,858
Supplies	6,776	712	39	7,527
Repair and maintenance	5,150	1,957	70	7,177
Meetings	4,006	2,602	-0-	6,608
Website	6,247	-0-	-0-	6,247
Depreciation and amortization	3,867	1,470	52	5,389
Insurance	3,476	1,321	47	4,844
Telephone	1,751	666	23	2,440
Donations and sponsorships	<u>2,270</u>	<u>-0-</u>	<u>-0-</u>	<u>2,270</u>
TOTAL	<u>\$ 871,745</u>	<u>\$ 156,787</u>	<u>\$ 79,175</u>	<u>\$ 1,107,707</u>

1000 FRIENDS OF FLORIDA, INC.
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
For the Years Ended June 30, 2025 and 2024

2024

	<u>Program</u>	<u>Management</u>	<u>Fundraising</u>	<u>Total</u>
	<u>Services</u>	<u>and General</u>		
Salaries	\$ 418,580	\$ 98,376	\$ 29,427	\$ 546,383
Professional fees	118,501	13,825	376	132,702
Employee benefits	28,896	15,269	9,800	53,965
Printing and copying	23,846	311	28,852	53,009
Payroll taxes	31,505	7,546	2,228	41,279
Meals and travel	32,610	531	76	33,217
Graphic design	28,226	1,014	-0-	29,240
Miscellaneous	16,303	6,820	322	23,445
Postage and freight	14,083	889	8,075	23,047
Office rent	13,285	5,939	201	19,425
Dues and subscriptions	10,664	2,140	3,295	16,099
Supplies	5,667	1,273	6,531	13,471
Webinars	8,776	-0-	-0-	8,776
Bank fees	3,719	3,864	56	7,639
Repair and maintenance	4,623	2,067	69	6,759
Meetings	4,598	1,623	-0-	6,221
Telephone	3,178	1,421	48	4,647
Insurance	2,988	1,336	45	4,369
Website	3,935	-0-	-0-	3,935
Depreciation and amortization	2,621	1,172	39	3,832
Donations and sponsorships	<u>1,000</u>	<u>-0-</u>	<u>-0-</u>	<u>1,000</u>
TOTAL	\$ <u>777,604</u>	\$ <u>165,416</u>	\$ <u>89,440</u>	\$ <u>1,032,460</u>

1000 FRIENDS OF FLORIDA, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,371,928	\$ (23,400)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,389	3,832
Noncash contributions	(5,268)	(30,589)
Realized gain on investments	(31,026)	(27,106)
Unrealized gain on investments	(77,197)	(95,904)
(Increase) decrease in:		
Grant receivable	(119,059)	(51,941)
Prepaid expenses	(21,627)	(7,666)
Other assets	214	(2,214)
Increase (decrease) in:		
Accounts payable and accrued expenses	7,008	30,052
Due to beneficiaries under agency transactions	<u>(16,378)</u>	<u>(23,995)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>1,113,984</u>	<u>(228,931)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,986)	(4,068)
Purchase of investments	(1,102,492)	(669,307)
Proceeds from sale of investments	<u>1,282,457</u>	<u>668,643</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>177,979</u>	<u>(4,732)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on finance lease	<u>(2,581)</u>	<u>(1,337)</u>

See accompanying notes.

1000 FRIENDS OF FLORIDA, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND DESIGNATED CASH	1,289,382	(235,000)
CASH, CASH EQUIVALENTS, AND DESIGNATED CASH BEGINNING OF YEAR	<u>604,634</u>	<u>839,634</u>
CASH, CASH EQUIVALENTS, AND DESIGNATED CASH END OF YEAR	<u>\$ 1,894,016</u>	<u>\$ 604,634</u>
SUPPLEMENTARY DISCLOSURE OF NONCASH FINANCING ACTIVITIES		
Lease liabilities arising from obtaining right of use assets	<u>\$ -0-</u>	<u>\$ 14,526</u>

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Nature of the Organization

The 1000 Friends of Florida, Inc. (the Organization) was incorporated as a not-for-profit corporation in 1986 in the state of Florida. The Organization receives grants and contributions for the purpose of assuring that Florida's growth management laws are effectively implemented in an effort to maintain and improve Florida's quality of life, natural environment, and vibrant communities.

Basis of Accounting

The Organization's financial statements are presented on the accrual basis of accounting.

Basis of Presentation

In accordance with accounting principles generally accepted in the United States of America, the Organization is required to report information regarding its financial position and activities according to the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. As of June 30, 2025 and 2024, the governing board had designated, from net assets without donor restrictions, net assets for a reserve fund.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

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 certain reported amounts and disclosures. Actual results may differ from those estimates.

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents, and Designated Cash

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

The following table provides a reconciliation of cash, cash equivalents, and designated cash reported within the statements of cash flows to the sum of the corresponding amounts within the statements of financial position:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,182,925	\$ 186,329
Cash and cash equivalents designated for reserve	<u>711,091</u>	<u>418,305</u>
Total cash, cash equivalents and designated cash	<u><u>\$ 1,894,016</u></u>	<u><u>\$ 604,634</u></u>

Investments

The Organization carries its investments at their fair values in the accompanying statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Property and Equipment

Property and equipment purchases are recorded at cost. Additions, improvements, and other capital outlays that exceed a threshold established by management and significantly extend the useful life of an asset are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets.

Leases

The Organization determines if an arrangement is or contains a lease at inception. If material, leases are included in right of use (ROU) assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of these leases are reported on a straight-line basis over the lease term.

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Revenue Recognition

Revenue from other income is recognized when the services have been performed.

Revenue received in advance of the period in which it is earned is deferred to subsequent years. Deferred revenues are recognized as income at the later of either the date collected or on the day the performance obligation has been fulfilled.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenue in the period received.

Conditional grants and contributions are recognized as revenue when the conditions on which they depend have been substantially met. Amounts received in excess of revenue recognized under conditional grants and contributions are reflected as refundable advances in the accompanying statements of financial position.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been presented on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain expenses have been allocated among program services, management and general, and fundraising classifications based on management's assessment of staff time.

Income Tax

The Organization is a nonprofit corporation, which is generally exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. There was no federal income tax expense on unrelated business income for the years ended June 30, 2025 and 2024.

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2025

NOTE B – FAIR VALUE MEASUREMENTS

The Organization follows the Financial Accounting Standards Board's Accounting Standards Codification Topic 820, *Fair Value Measurements and Disclosures* (ASC 820). ASC 820 establishes a common definition for fair value to be applied to U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard establishes a fair value hierarchy about the assumptions used to measure fair value and clarifies assumptions about risk and the effect of a restriction on the sale or use of an asset. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (or exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly. These include quoted prices of similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents the financial instruments carried at fair value as of June 30, 2025:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,107,332	—	—	\$ 1,107,332
Equities	\$ 492,128	—	—	492,128
Certificates of deposit	\$ 405,062	—	—	405,062
	TOTAL			\$ 2,004,522

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2025

NOTE B – FAIR VALUE MEASUREMENTS (Continued)

The following table presents the financial instruments carried at fair value as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,006,093	—	—	\$ 1,006,093
Certificates of deposit	\$ 600,628	—	—	600,628
Equities	\$ 464,275	—	—	464,275
	TOTAL			\$ 2,070,996

The fair value of financial instruments including cash and cash equivalents, grant receivable, prepaid expenses, accounts payable and accrued expenses, and due to beneficiaries under agency transactions, approximates carrying value, principally because of the short maturity of those items.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value as of the reporting date.

NOTE C – INVESTMENTS

Investments are stated at fair market value and consist of mutual funds, equities, and certificates of deposit. Fair market values and unrealized appreciation (depreciation) as of June 30 are summarized as follows:

	2025			2024		
	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)
Mutual funds	\$1,071,037	\$1,107,332	\$ 36,295	\$1,030,105	\$1,006,093	\$ (24,012)
Equities	379,960	492,128	112,168	370,479	464,275	93,796
Certificates of deposit	400,000	405,062	5,062	600,000	600,628	628
TOTAL	\$1,850,997	\$2,004,522	\$ 153,525	\$2,000,584	\$2,070,996	\$ 70,412

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2025

NOTE C – INVESTMENTS (Continued)

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended June 30:

	2025	2024
Investment income, net	\$ 73,655	\$ 54,376
Net realized and unrealized gain on investments	108,223	123,010
TOTAL	\$ 181,878	\$ 177,386

For the years ended June 30, 2025 and 2024, investment expenses totaling \$12,026 and \$10,811, respectively, are netted against investment income.

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30:

	Estimated Useful Lives	2025	2024
Property and equipment	3 – 10 years	\$ 46,448	\$ 44,462
Less: Accumulated depreciation		(39,138)	(36,516)
TOTAL		\$ 7,310	\$ 7,946

NOTE E – CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances at financial and broker-dealer institutions located in Tallahassee, Florida. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per depository institution and the Securities Investor Protection Corporation up to \$500,000 per institution. As of June 30, 2025 and 2024, the Organization's uninsured cash balances totaled \$1,214,895 and \$0-, respectively.

NOTE F – EMPLOYEE BENEFIT PLAN

On February 1, 1998, the Organization adopted a 401(k) profit sharing plan that covers substantially all employees who have attained the age of twenty-one (21) and have completed six (6) months of service. Employees are fully vested after three (3) years of service. Matching contributions, based on a percentage of compensation, are at the discretion of the Board of Directors. The Organization's contributions totaled \$14,675 and \$14,151 for the years ended June 30, 2025 and 2024, respectively.

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2025

NOTE G – DUE TO BENEFICIARIES UNDER AGENCY TRANSACTIONS

The Organization entered into agreements whereby the Organization acts as an agent for and on behalf of donors. Under the terms of these agreements, the Organization agrees to receive assets from the donors and transfer those assets to specified beneficiaries. As of June 30, 2025 and 2024, respectively, the Organization held \$20,648 and \$37,026, to be transferred to specified beneficiaries under these agreements. These amounts are included in due to beneficiaries under agency transactions in the accompanying statements of financial position.

NOTE H – LEASES

The Organization leases certain office space under a long-term non-cancelable operating lease agreement expiring in November 2025. In addition, the Organization leases equipment under a finance lease expiring in April 2029.

Right of use assets and lease liabilities reflected in the accompanying statements of financial position as of June 30 are as follows:

	2025	2024
Right of use asset – operating lease	\$ 10,186	\$ 33,579
Right of use asset – finance lease	10,376	13,143
TOTAL RIGHT OF USE ASSETS	\$ 20,562	\$ 46,722
Lease liability - operating lease	\$ 10,186	\$ 33,579
Lease liability - finance lease	10,645	13,226
TOTAL LEASE LIABILITIES	\$ 20,831	\$ 46,805

Total lease costs for the years ended June 30, 2025 and 2024 are as follows:

	2025	2024
Operating lease costs	\$ 24,420	\$ 14,000
Finance lease costs:		
Interest expense	\$ 480	\$ 230
Amortization of right of use asset	\$ 2,767	\$ 1,383

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2025

NOTE H – LEASES (Continued)

The following table summarizes the supplemental cash flow information for the years ended June 30, 2025 and 2024:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 24,420	\$ 14,000
Operating cash flows from finance leases	\$ 480	\$ 230
Financing cash flows from finance leases	\$ 2,581	\$ 1,301
Right of use assets obtained in exchange for lease liabilities:		
Operating leases	\$ -0-	\$ 46,685
Finance leases	\$ -0-	\$ 14,526

The following table summarizes the average remaining lease terms and average discount rates for the leases:

	2025	2024
Average remaining lease terms in years:		
Right of use asset – operating lease	.4 year	1 year
Right of use asset – finance lease	4 years	5 years
Average discount rates:		
Lease liability - operating lease	4.46%	4.46%
Lease liability - finance lease	3.98%	3.98%

The Organization has elected the option to use the risk-free rates determined using a period comparable to the lease terms as the discount rate for leases because the implicit rate is not readily determinable.

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2025

NOTE H – LEASES (Continued)

The future minimum lease payments under the non-cancelable operating lease and the finance lease are as follows:

Year Ending June 30	Operating Lease	Finance Lease	Total
2026	\$ 10,300	\$ 3,060	\$ 13,360
2027	-0-	3,060	3,060
2028	-0-	3,060	3,060
2029	-0-	2,297	2,297
	10,300	11,477	21,777
Less: Unamortized Discount	(114)	(832)	(946)
TOTAL LEASE LIABILITIES	\$ 10,186	\$ 10,645	\$ 20,831

NOTE I – BOARD DESIGNATED RESERVE FUND

On September 12, 2000, the Board of Directors formally adopted the establishment and maintenance of the Designated Reserve Fund for the purpose of covering shortfalls in operating cash flows and funding of unforeseen contingencies. This reserve fund represents the Board's designated use of unrestricted assets for management purposes only. Investment income earned from the reserve fund is also designated to the reserve fund. Management's use of the reserve fund requires authorization from the Treasurer in the event of temporary cash flow deficiencies and the Executive Committee for funding certain projects deemed necessary by management. As of June 30, 2025 and 2024, the Designated Reserve Fund totaled \$2,715,613 and \$2,489,301, respectively.

NOTE J – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2025 and 2024 are restricted for programs.

NOTE K – RELATED PARTY TRANSACTIONS

During the years ended June 30, 2025 and 2024, respectively, the Organization received \$80,426 and \$59,807 in contributions from members of the Board of Directors.

1000 FRIENDS OF FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2025

NOTE L – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenses, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position, comprise the following:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,182,925	\$ 186,329
Grant receivable	181,500	62,441
Cash and cash equivalents designated for reserve	711,091	418,305
Investments designated for reserve	<u>2,004,522</u>	<u>2,070,996</u>
 Total financial assets	 4,080,038	 2,738,071
 Board designations and donor-imposed restrictions:		
Designated Reserve Fund	(2,715,613)	(2,489,301)
Donor-imposed restrictions	<u>(175,207)</u>	<u>(43,997)</u>
 Total financial assets available to meet cash needs for general expenses within one year	 <u>\$ 1,189,218</u>	 <u>\$ 204,773</u>

Management monitors cash availability on a regular basis prior to preparing its accounts payable disbursements.

NOTE M – UNCERTAIN TAX POSITIONS

Management is not aware of any activities that would jeopardize the Organization's tax-exempt status, and believes it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements as of and for the years ended June 30, 2025 and 2024.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to June 30, 2022.

NOTE N – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 15, 2026, the date which the financial statements were available to be issued.