

DAYSTAR LIFE CENTER, INC.

Financial Statements
with
Independent Auditors' Report

For the Years Ended August 31, 2023 and 2022

DAYSTAR LIFE CENTER, INC.

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August 31, 2023 and 2022

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Daystar Life Center, Inc.
St. Petersburg, Florida

Opinion

We have audited the accompanying financial statements of Daystar Life Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2023, and the related statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Daystar Life Center, Inc. as of August 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Daystar Life Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, 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.

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 procedure 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 Daystar Life Center, 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 Daystar Life Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Daystar Life Center, Inc.'s 2022 financial statements, and our report dated March 20, 2023, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

DAYSTAR LIFE CENTER, INC.

Statements of Financial Position

August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash	\$ 143,758	\$ 604,736
Grants and awards receivable	170,633	114,325
Prepaid expenses	18,269	75
Inventory - donated hygiene kits	<u>71,175</u>	<u>-</u>
Total current assets	403,835	719,136
Investments	401,523	193,476
Endowment investments	805,799	731,778
Land	298,556	298,556
Property and equipment, net of accumulated depreciation	<u>2,464,097</u>	<u>2,553,299</u>
Total assets	<u>\$ 4,373,810</u>	<u>\$ 4,496,245</u>
<u>Liabilities and Net Assets</u>		
Liabilities		
Accounts payable and accrued expenses	\$ 69,059	\$ 58,179
Deferred revenue	<u>-</u>	<u>2,656</u>
Total current liabilities	69,059	60,835
Net Assets		
Without donor restrictions	3,255,859	3,566,035
Without donor restrictions - board designated endowments	<u>755,799</u>	<u>681,778</u>
Total net assets without donor restrictions	4,011,658	4,247,813
With donor restrictions	<u>293,093</u>	<u>187,597</u>
Total net assets	<u>4,304,751</u>	<u>4,435,410</u>
Total liabilities and net assets	<u>\$ 4,373,810</u>	<u>\$ 4,496,245</u>

See accompanying notes to financial statements.

DAYSTAR LIFE CENTER, INC.

Statement of Activities

Year Ended August 31, 2023
(with comparative total for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Support and Revenue				
Contributions and bequests	\$ 554,248	\$ 6,125	\$ 560,373	\$ 569,443
In-kind contributions	920,294	-	920,294	779,730
Fundraising events	281,104	-	281,104	257,953
Grants and awards	164,522	258,138	422,660	361,310
Interest and investment income	29,378	-	29,378	23,806
Realized and unrealized gains (losses) on investments	10,928	-	10,928	(27,890)
Unrealized gains (losses) on endowment funds	56,914	-	56,914	(125,686)
Other income	2,727	-	2,727	3,377
Donated services	213,515	-	213,515	192,780
Donated use of facilities	1,500	-	1,500	5,000
Total support and revenue	2,235,130	264,263	2,499,393	2,039,823
Net assets released from restrictions	158,767	(158,767)	-	-
Total support, revenue, and assets released from restrictions	2,393,897	105,496	2,499,393	2,039,823
Operating Expenses				
Program services	2,258,591	-	2,258,591	2,178,046
Management and general	174,409	-	174,409	46,777
Fundraising	197,052	-	197,052	108,941
Total expenses	2,630,052	-	2,630,052	2,333,764
(Decrease) increase in net assets	(236,155)	105,496	(130,659)	(293,941)
Net assets at beginning of year	4,247,813	187,597	4,435,410	4,729,351
Net assets at end of year	\$ 4,011,658	\$ 293,093	\$ 4,304,751	\$ 4,435,410

See accompanying notes to financial statements.

DAYSTAR LIFE CENTER, INC.

Statement of Functional Expenses

Year Ended August 31, 2023
(with comparative total for 2022)

	Program Services	Management and General	Fundraising	2023 Total	2022 Total
Salaries and related expenses	\$ 285,430	\$ 34,073	\$ 134,065	\$ 453,568	\$ 345,257
Pension expense	24,642	1,457	578	26,677	28,459
Bike lights and locks	-	-	-	-	4,960
Bus passes	157	-	-	157	688
Clothing	4,885	-	-	4,885	5,798
Clothing - in-kind	108,341	-	-	108,341	74,929
Depreciation	101,946	5,541	3,324	110,811	106,899
Education and training	2,386	1,091	155	3,632	3,778
Education and training - clients	130	-	-	130	278
Food	196,004	-	-	196,004	187,505
Food - in-kind	641,793	-	-	641,793	645,071
Fundraising and development	-	-	46,168	46,168	34,838
Insurance	14,564	791	476	15,831	13,419
Household items	99	-	-	99	734
Household items - in-kind	14,807	-	-	14,807	28,211
Maintenance and property upkeep	20,856	1,127	750	22,733	23,139
Medical - client	207	-	-	207	928
Miscellaneous	2,757	377	1,038	4,172	3,519
Nutrition and financial literacy	11,773	-	-	11,773	933
Other client services	24	-	-	24	282
Personal hygiene	16,342	-	-	16,342	13,101
Personal hygiene - in-kind	83,303	-	-	83,303	26,963
Personal identification	6,258	-	-	6,258	7,829
Postage	1,017	57	41	1,115	1,736
Professional services	8,313	11,452	271	20,036	20,838
Professional services - in-kind	91,531	115,824	6,160	213,515	192,780
Rent - in-kind	-	-	1,500	1,500	5,000
Rent and mortgage assistance	175,646	-	-	175,646	126,230
Supplies, printing, copying	13,269	726	515	14,510	15,326
Supplies - in-kind	-	-	876	876	4,556
Traveler's aid	27,465	-	-	27,465	22,275
Utilities - client	361,629	-	-	361,629	344,287
Utilities	34,825	1,893	1,135	37,853	34,937
Vehicle expense - client	471	-	-	471	205
Vehicle expense	7,721	-	-	7,721	8,076
Total	\$ 2,258,591	\$ 174,409	\$ 197,052	\$ 2,630,052	\$ 2,333,764

See accompanying notes to financial statements.

DAYSTAR LIFE CENTER, INC.

Statements of Changes in Net Assets

Years Ended August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Net assets without donor restrictions:		
Unrestricted operating support and revenue	\$ 2,235,130	\$ 1,813,943
Unrestricted operating expenses	(2,630,052)	(2,333,764)
Net assets released from restrictions	<u>158,767</u>	<u>104,626</u>
(Decrease) in net assets without donor restrictions	<u>(236,155)</u>	<u>(415,195)</u>
Net assets with donor restrictions:		
Grant allocation	258,138	220,480
Contributions	6,125	5,400
Net assets released from restrictions	<u>(158,767)</u>	<u>(104,626)</u>
Increase in net assets with donor restrictions	<u>105,496</u>	<u>121,254</u>
(Decrease) in net assets	(130,659)	(293,941)
Net assets at beginning of year	<u>4,435,410</u>	<u>4,729,351</u>
Net assets at end of year	<u><u>\$ 4,304,751</u></u>	<u><u>\$ 4,435,410</u></u>

See accompanying notes to financial statements.

DAYSTAR LIFE CENTER, INC.

Statements of Cash Flows

Years Ended August 31, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ (130,659)	\$ (293,941)
Adjustments to reconcile change in net assets to net cash (used in) operating activities		
Depreciation	110,811	106,899
Unrealized (gains) losses on investments and endowment funds	(75,084)	152,911
Donation of investments	(13,501)	(8,385)
Donation of inventory	(71,175)	-
Decrease in pledges receivable	-	37,000
(Increase) in grants and awards receivables	(56,308)	(107,170)
(Increase) decrease in prepaid expenses	(18,194)	1,888
Increase (decrease) in accounts payable and accrued expenses	10,880	(23,994)
(Decrease) in deferred revenue	(2,656)	(4,344)
Net cash (used in) operating activities	(245,886)	(139,136)
Cash flows from investing activities		
Proceeds from sale of investments	13,060	57,542
Purchase of investments	(192,029)	(7,543)
Investment income reinvested	(14,514)	(17,946)
Distribution of investment income	-	50,000
Purchase of capital assets	(21,609)	(14,894)
Net cash (used in) provided by investing activities	(215,092)	67,159
Net (decrease) in cash and cash equivalents	(460,978)	(71,977)
Cash and cash equivalents at beginning of year	604,736	676,713
Cash and cash equivalents at end of year	\$ 143,758	\$ 604,736
Supplemental information on non-cash transactions:		
Donation of investments	\$ 13,501	\$ 8,385
Donation of inventory hygiene kits	\$ 112,500	\$ -

See accompanying notes to financial statements.

DAYSTAR LIFE CENTER, INC.

Notes to Financial Statements

Years Ended August 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Center and Purpose

Daystar Life Center, Inc., (the Center) was founded in August 1982 and incorporated in August 1995, as a Florida not-for-profit corporation. The Center operates primarily to provide financial assistance and other non-financial basic needs services to families and individuals who demonstrate need. The Center provides qualifying clients with rent, utility, personal identification, medical prescription, transportation, traveler's aid, food, clothing, client mail services, tax preparation assistance, advocacy, information referrals and other reasonable requests. Key to the Center's success is the value of donated services by individuals performing interviewing and other services on a volunteer basis.

Basis of Accounting

The financial statements of Daystar Life Center, Inc. have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require Daystar Life Center, Inc. to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Center. These net assets may be used at the discretion of the Center's management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash Equivalents

For the purposes of reporting cash flows, the Center considers all liquid investments in money market and savings accounts with maturities of three months or less to be cash equivalents.

Investments and Fair Value

Investments consist of stocks and mutual funds and are carried at their fair values in the statement of financial position in accordance with current accounting literature. Donations of investments are recorded as contributions at their estimated fair value at the date of donation. Gains and losses on market value adjustments are recognized as the market fluctuates and recorded in the statement of activities. Investment earnings are recorded net of investment expenses. Investment income that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restrictions expire or are otherwise satisfied in the fiscal year in which the investment income is recognized.

DAYSTAR LIFE CENTER, INC.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Fair Value (continued)

The Center defines fair value in accordance with accounting principles generally accepted in the United States of America, which specify a hierarchy of valuation techniques. The disclosure of fair value estimates in the hierarchy is based on whether the significant inputs into the valuation are observable. In determining the level of hierarchy in which the estimate is disclosed, the highest priority is given to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs that reflect the Center's significant market assumptions.

The Center measures investments at fair value on a recurring basis. The following is a brief description of the type of valuation information (inputs) that qualifies a financial asset for each level:

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

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

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

The Center evaluates the various types of financial assets to determine the appropriate fair value hierarchy based upon trading activity and the observability of market inputs.

Property and Equipment

Property and equipment are stated at cost if purchased or at estimated fair market value at date of receipt if acquired by gift, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets, which range from three to thirty-nine years. Expenditures with a cost in excess of \$750 and with an estimated useful life in excess of one year are capitalized.

Impairment of Long-Lived Assets

The Center evaluates the recoverability of its long-lived assets whenever adverse events or changes in the business climate indicate that the expected undiscounted future cash flows from the related asset may be less than previously anticipated. If the net book value of the related assets exceeds the undiscounted future cash flows of the asset, the carrying amount would be reduced to the present value of its expected future cash flows and an impairment loss would be recognized. Management has determined that there is no indication that any long-lived assets are impaired at August 31, 2023 or 2022.

In-kind Contributions

Donations of food, clothing, personal hygiene products, and household goods are not recognized as revenue until the time of distribution, which is generally within a few days of the date of receipt. As a result, the Center generally does not record such gifts as inventory. During 2023 Daystar did receive a large donation of hygiene kits that were not all distributed during the year. The kits remaining at August 31, 2023 have been recorded as inventory at estimated fair market value.

DAYSTAR LIFE CENTER, INC.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires or are otherwise satisfied in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Donated Services

The Center receives a significant amount of donated services from unpaid volunteers who assist in interviewing, general operations, fundraising and other special projects. However, these services do not require specialized skills as defined in the standards and are not recorded in the accompanying financial statements. Volunteers have contributed approximately 33,800 hours. If the criteria for recognition were met, approximately \$840,000 of additional contributions and program service expenses would be recognized in the statement of activities for the year ended August 31, 2023.

Income Taxes

The Center is exempt from U.S. Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been determined not to be a private foundation.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been reported on a functional basis in the statements of activities and functional expenses. Expenses that can be identified with a specific program or support service are charged directly to the function. Certain other costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis that is consistently applied. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method</u>
Salaries and fringe benefits	Time and effort
Depreciation, building maintenance, rent	92% program, 5% administrative, 3% fundraising
Insurance, property taxes, and utilities	92% program, 5% administrative, 3% fundraising
Computer support and security	92% program, 5% administrative, 3% fundraising
Supplies	92% program, 5% administrative, 3% fundraising

Fundraising expense in 2023 and 2022 includes approximately \$43,900 and \$50,000, respectively, for a marketing manager to develop materials to promote the mission of the Center, design materials for fundraising events, and actively manage social media accounts.

Reclassifications

Certain reclassifications have been made to the 2022 financial statements to be in conformity with the 2023 presentation.

DAYSTAR LIFE CENTER, INC.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

In February 2016, FASB issued ASU 2016-02, *Leases*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about the leasing arrangements. The standard is effective for nonpublic companies for fiscal years beginning after December 15, 2021. The Center determined it had no material leases as of August 31, 2023.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CONCENTRATION OF RISK

Financial instruments that potentially subject the Center to concentrations of credit risk consist primarily of cash. The Federal Deposit Insurance Corporation (FDIC) currently insures bank deposit accounts up to \$250,000 per depositor. As of August 31, 2023, the Center had no cash balances that exceeded the insurance coverage provided by the FDIC. As of August 31, 2023, the Center had \$49,562 of funds in the Diocesan Savings and Loan Bank which is self-insured by the Diocese of St. Petersburg but not by FDIC.

NOTE 3 – AVAILABILITY AND LIQUIDITY

The following represents Daystar Life Center, Inc.'s financial assets available to meet general expenditures over the next 12 months as of August 31, 2023 and 2022:

Financial assets at year-end:	<u>2023</u>	<u>2022</u>
Cash	\$143,758	\$604,736
Grants and awards receivable	170,633	114,325
Prepaid expenses	18,269	75
Investments	<u>401,523</u>	<u>193,476</u>
Total financial assets	734,183	912,612
Less amounts not available to be used within one year:		
Funds subject to time and purpose restrictions	<u>(293,093)</u>	<u>(187,597)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$441,090</u>	<u>\$725,015</u>

Daystar Life Center, Inc.'s goal is generally to maintain financial assets to meet six months of operating expenses (approximately \$725,000). As part of its liquidity plan, excess cash is invested in money market accounts and investments.

DAYSTAR LIFE CENTER, INC.

Notes to Financial Statements

NOTE 4 - GRANTS AND AWARDS RECEIVABLE

Grants and awards receivable consist of the following at August 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Pinellas County	\$ 1,832	\$ 9,084
Emergency Food & Shelter Program	-	73,991
ARPA	135,000	-
City of St. Petersburg	2,551	-
United Way Suncoast	<u>31,250</u>	<u>31,250</u>
	<u>\$170,633</u>	<u>\$114,325</u>

NOTE 5 - INVESTMENTS

Investments consist of the following at August 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Stocks and mutual funds	<u>\$401,523</u>	<u>\$193,476</u>

The Center records all investments at fair market value, and they are classified as level 1 in the fair value hierarchy. Investment earnings during 2023 consist of the change in net unrealized gains of \$1,524, net realized (losses) of \$(461) and interest/dividend income of \$8,699. Investment earnings during 2022 consist of the change in net unrealized (losses) of \$(45,074), net realized gains of \$2,974, and interest/dividend income of \$3,912.

NOTE 6 – ENDOWMENT INVESTMENTS

The Center has interpreted the wishes of donors and state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable and classified as net assets without donor restrictions. The Center tracks the net investment income attributable to each component of the endowment fund. Income earned from the endowment is available for general or specific purposes.

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Center has invested endowment assets in a manner that attempts to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the value of the endowment assets. To satisfy its long-term rate of return objectives, the Center relies on a total return strategy whereby investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Center targets a diversified asset allocation.

DAYSTAR LIFE CENTER, INC.

Notes to Financial Statements

NOTE 6 – ENDOWMENT INVESTMENTS (CONTINUED)

In May 2019, the Board of Directors (Board) designated \$75,000 to establish an endowment fund with the Community Foundation of Tampa Bay (CFTB). Upon making the contribution, CFTB made a \$25,000 matching contribution to the Center’s endowment account. In March 2021, the Center made another \$75,000 contribution to CFTB and CFTB made another matching contribution of \$25,000. CFTB declares an annual distribution from the endowment, payable quarterly. Distributions are subject to a three-year lookback period, so the Center will be fully vested after three years. The Board previously elected not to take any distributions for the first three years. However, the Board can elect at any time to begin taking distributions to support the programs of the Center.

In May 2020, the Board of Directors (Board) designated \$500,000 to establish an endowment fund with the Pinellas Community Foundation. It is the Board’s intention to maintain these funds as a long-term investment; however, the funds are available for the Center’s use with Board approval.

The Center’s objective is to maintain endowment assets, as well as to provide additional real growth through investment return. Composition of the endowment net assets and changes in endowment net assets are as follows:

	Without donor restrictions (Board designated)	With donor restrictions	<u>Total</u>
Endowment net assets August 31, 2022	\$681,778	\$50,000	\$731,778
Disbursement	-	-	-
Investment gain	<u>74,021</u>	-	<u>74,021</u>
Endowment net assets August 31, 2022	<u>\$755,799</u>	<u>\$50,000</u>	<u>\$805,799</u>

NOTE 7 – FAIR VALUE MEASUREMENTS

In accordance with the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the following table represents the Center’s fair value hierarchy for its financial assets measured on a recurring basis.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at August 31, 2023 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks and mutual funds	\$401,523	\$ -	\$ -	\$ 401,523
Endowment investments	<u>-</u>	<u>805,799</u>	<u>-</u>	<u>805,799</u>
	<u>\$401,523</u>	<u>\$805,799</u>	<u>\$ -</u>	<u>\$1,207,322</u>

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at August 31, 2022 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks and mutual funds	\$193,476	\$ -	\$ -	\$193,476
Endowment investments	<u>-</u>	<u>731,778</u>	<u>-</u>	<u>731,778</u>
	<u>\$193,476</u>	<u>\$731,778</u>	<u>\$ -</u>	<u>\$925,254</u>

DAYSTAR LIFE CENTER, INC.

Notes to Financial Statements

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at August 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Building	\$2,359,799	\$2,359,799
Building improvements	251,653	251,653
Furniture, fixtures, and equipment	214,647	193,038
Vehicles	<u>112,000</u>	<u>112,000</u>
	2,938,099	2,916,490
Less accumulated depreciation	<u>(474,002)</u>	<u>(363,191)</u>
Net property and equipment	<u>\$2,464,097</u>	<u>\$2,553,299</u>

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

At August 31, 2023 and 2022, net assets with donor restrictions consist of the following:

	<u>2023</u>	<u>2022</u>
United Way Suncoast	\$ 61,017	\$ 32,920
Emergency Food & Shelter Program	2,550	82,864
ARPA capital projects	135,000	-
Pinellas Community Foundation	26,962	-
Bayfront Health Seedlings for Neighbors	12,605	-
Suncoast Credit Union Kids Eat	4,444	-
Senior Citizens Services, Inc.	-	14,358
St. Mary's Refugee Fund	515	5,275
Raskob Foundation – gardens	-	2,180
Community Foundation of Tampa Bay endowment funds	<u>50,000</u>	<u>50,000</u>
	<u>\$293,093</u>	<u>\$187,597</u>

NOTE 10 - IN-KIND CONTRIBUTIONS

Components of in-kind contributions for the years ended August 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Food	\$641,793	\$645,071
Clothing	108,341	74,929
Personal items and other	170,160	59,730
Rent	<u>1,500</u>	<u>5,000</u>
Total in-kind contributions	<u>\$921,794</u>	<u>\$784,730</u>

NOTE 11 - DONATED SERVICES

Components of donated professional services for the years ended August 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Skilled labor	\$101,594	\$105,494
Accounting	70,811	84,463
Nursing	40,725	-
Computer consultant, grant writing, and other	<u>385</u>	<u>2,823</u>
Total donated services	<u>\$213,515</u>	<u>\$192,780</u>

DAYSTAR LIFE CENTER, INC.

Notes to Financial Statements

NOTE 12 - RETIREMENT PLAN

During December 2005, the Center was approved to participate in the *Archdiocese of Miami/Diocese of St. Petersburg/Diocese of Venice Pension Plan* (the "Plan"). The effective date of participation was July 1, 2001. The Plan is a non-contributory, defined benefit plan. Specific retirement benefits are paid based on years of service and other criteria. The Center incurred retirement expenses of \$26,677 and \$28,459 in 2023 and 2022, respectively.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 19, 2024, the date on which the financial statements were available to be issued.