

DAYSTAR LIFE, INC.

Financial Statements
with
Independent Auditors' Report

For the Years Ended August 31, 2025 and 2024

DAYSTAR LIFE, INC.

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August 31, 2025 and 2024

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Daystar Life, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2025, 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, Inc. as of August 31, 2025, 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, 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, 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 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 Daystar Life, 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, 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, Inc.'s 2024 financial statements, and our report dated March 21, 2025, 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, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Melby & Associates, P.A., CPAs

Melby & Associates, P.A., CPAs
March 27, 2026

DAYSTAR LIFE, INC.

Statements of Financial Position

August 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<u>Assets</u>		
Cash	\$ 99,128	\$ 87,810
Grants and awards receivable	55,671	89,390
Prepaid expenses	17,590	14,179
Total current assets	172,389	191,379
Investments	56,444	318,726
Endowment investments	943,984	948,451
Land	298,556	298,556
Property and equipment, net of accumulated depreciation	2,410,830	2,481,338
Total assets	<u>\$ 3,882,203</u>	<u>\$ 4,238,450</u>
<u>Liabilities and Net Assets</u>		
Liabilities		
Accounts payable and accrued expenses	\$ 57,062	\$ 81,056
Total current liabilities	57,062	81,056
Net Assets		
Without donor restrictions	2,805,787	3,047,277
Without donor restrictions - board designated endowments	893,984	898,451
Total net assets without donor restrictions	3,699,771	3,945,728
With donor restrictions	125,370	211,666
Total net assets	3,825,141	4,157,394
Total liabilities and net assets	<u>\$ 3,882,203</u>	<u>\$ 4,238,450</u>

See accompanying notes to financial statements.

DAYSTAR LIFE, INC.

Statement of Activities

Year Ended August 31, 2025
(with comparative total for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Support and Revenue				
Contributions and bequests	\$ 618,955	\$ 8,580	\$ 627,535	\$ 857,981
In-kind contributions	1,039,717	-	1,039,717	988,443
Fundraising events	292,407	-	292,407	286,929
Grants and awards	163,520	95,506	259,026	210,437
Interest and investment income	37,344	-	37,344	38,295
Realized and unrealized gains on investments	2,925	-	2,925	28,496
Unrealized gains on endowment funds	72,625	-	72,625	71,644
Other income	1,944	-	1,944	4,387
Loss on disposal of fixed assets	-	-	-	(4,113)
Donated services	210,405	-	210,405	210,231
Donated use of facilities	500	-	500	-
Total support and revenue	2,440,342	104,086	2,544,428	2,692,730
Net assets released from restrictions	151,255	(151,255)	-	-
Total support, revenue, and assets released from restrictions	2,591,597	(47,169)	2,544,428	2,692,730
Operating Expenses				
Program services	2,476,911	-	2,476,911	2,470,099
Management and general	171,949	-	171,949	171,791
Fundraising	227,821	-	227,821	198,197
Total expenses	2,876,681	-	2,876,681	2,840,087
(Decrease) in net assets	(285,084)	(47,169)	(332,253)	(147,357)
Transfer for purchase of capital assets	39,127	(39,127)	-	-
Net assets at beginning of year	3,945,728	211,666	4,157,394	4,304,751
Net assets at end of year	\$ 3,699,771	\$ 125,370	\$ 3,825,141	\$ 4,157,394

See accompanying notes to financial statements.

DAYSTAR LIFE, INC.

Statement of Functional Expenses

Year Ended August 31, 2025
(with comparative total for 2024)

	Program Services	Management and General	Fundraising	2025 Total	2024 Total
Salaries and related expenses	\$ 391,740	\$ 35,616	\$ 139,363	\$ 566,719	\$ 560,752
Pension expense	26,207	2,052	6,186	34,445	16,330
Clothing	6,003	-	-	6,003	7,346
Clothing - in-kind	126,772	-	-	126,772	91,011
Depreciation	120,659	2,519	2,771	125,949	118,178
Education and training	6,141	-	2,150	8,291	15,843
Education and training - clients	1,335	-	-	1,335	(130)
Food	114,298	-	-	114,298	188,021
Food - in-kind	783,255	-	123	783,378	775,181
Fundraising and development	-	-	70,815	70,815	54,882
Household items	500	-	-	500	279
Household items - in-kind	42,749	-	-	42,749	18,641
Hurricane relief assistance	74,684	-	-	74,684	-
Hurricane resiliency supplies	19,972	-	-	19,972	-
Insurance	16,718	349	384	17,451	19,118
Mail costs - clients	485	-	-	485	484
Maintenance and property upkeep	43,429	907	997	45,333	39,364
Miscellaneous	716	137	3,079	3,932	6,373
Nutrition and financial literacy	6,794	-	-	6,794	5,960
Other client services	-	-	-	-	1,975
Personal hygiene	11,574	-	-	11,574	19,686
Personal hygiene - in-kind	84,745	-	-	84,745	140,989
Personal identification	1,522	-	-	1,522	1,378
Postage	240	5	5	250	579
Professional services	-	13,159	-	13,159	12,849
Professional services - in-kind	94,561	115,844	-	210,405	210,231
Rent - in-kind	-	-	500	500	-
Rent and mortgage assistance	199,372	-	-	199,372	212,594
Resources and holiday events	1,925	-	-	1,925	9,422
Supplies, printing, copying	23,801	586	549	24,936	34,850
Supplies - in-kind	2,073	-	-	2,073	197
Traveler's aid	5,762	-	-	5,762	8,540
Utilities - client	218,604	-	-	218,604	216,984
Utilities	37,134	775	853	38,762	41,904
Vehicle expense - client	-	-	-	-	-
Vehicle expense	13,141	-	46	13,187	10,276
Total	\$ 2,476,911	\$ 171,949	\$ 227,821	\$ 2,876,681	\$ 2,840,087

See accompanying notes to financial statements.

DAYSTAR LIFE, INC.

Statements of Changes in Net Assets

Years Ended August 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Net assets without donor restrictions:		
Unrestricted operating support and revenue	\$ 2,440,342	\$ 2,563,853
Unrestricted operating expenses	(2,876,681)	(2,840,087)
Net assets released from restrictions	151,255	143,513
Transfer for purchase of capital assets	<u>39,127</u>	<u>66,791</u>
(Decrease) in net assets without donor restrictions	<u>(245,957)</u>	<u>(65,930)</u>
Net assets with donor restrictions:		
Grant allocation	95,506	120,297
Contributions	8,580	8,580
Net assets released from restrictions	(151,255)	(143,513)
Transfer for purchase of capital assets	<u>(39,127)</u>	<u>(66,791)</u>
(Decrease) in net assets with donor restrictions	<u>(86,296)</u>	<u>(81,427)</u>
(Decrease) in net assets	(332,253)	(147,357)
Net assets at beginning of year	<u>4,157,394</u>	<u>4,304,751</u>
Net assets at end of year	<u>\$ 3,825,141</u>	<u>\$ 4,157,394</u>

See accompanying notes to financial statements.

DAYSTAR LIFE, INC.

Statements of Cash Flows

Years Ended August 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ (332,253)	\$ (147,357)
Adjustments to reconcile change in net assets to net cash (used in) operating activities		
Depreciation	125,949	118,178
Loss on disposal of fixed assets	-	4,613
Unrealized (gains) on investments and endowment funds	(98,579)	(114,747)
Donation of investments	(8,175)	(32,045)
Donation of fixed assets	(1,307)	(30,600)
Decrease in grants and awards receivables	33,719	81,243
(Increase) decrease in prepaid expenses	(3,411)	4,090
Decrease in inventory	-	71,175
(Decrease) increase in accounts payable and accrued expenses	(23,994)	11,997
Net cash (used in) operating activities	(308,051)	(33,453)
Cash flows from investing activities		
Proceeds from sale of investments	303,512	437,955
Purchase of investments	(22,560)	(284,135)
Investment income reinvested	(7,449)	(16,883)
Distribution from (addition to) endowment fund	100,000	(50,000)
Purchase of capital assets	(54,134)	(109,432)
Net cash provided by (used in) investing activities	319,369	(22,495)
Net increase (decrease) in cash and cash equivalents	11,318	(55,948)
Cash and cash equivalents at beginning of year	87,810	143,758
Cash and cash equivalents at end of year	\$ 99,128	\$ 87,810
Supplemental information on non-cash transactions:		
Donation of investments	\$ 8,175	\$ 32,045
Donation of inventory hygiene kits and fixed assets	\$ 54,632	\$ 83,925

See accompanying notes to financial statements.

DAYSTAR LIFE, INC.

Notes to Financial Statements

Years Ended August 31, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Daystar Life, Inc., (the Organization) (previously Daystar Life Center, Inc.) was founded in August 1982 and incorporated in August 1995, as a Florida not-for-profit corporation. The Organization operates primarily to provide financial assistance and other non-financial basic needs services to families and individuals who demonstrate need. The Organization 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 Organization'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, Inc. have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require Daystar Life, 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 Organization. These net assets may be used at the discretion of the Organization'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 Organization 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 Organization 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, INC.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Fair Value (continued)

The Organization 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 Organization's significant market assumptions.

The Organization 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 Organization.

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

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

The Organization 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 Organization 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, 2025 or 2024.

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 Organization generally does not record such gifts as inventory.

DAYSTAR LIFE, 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 Organization 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 27,200 hours. If the criteria for recognition were met, approximately \$875,000 of additional contributions and program service expenses would be recognized in the statement of activities for the year ended August 31, 2025.

Income Taxes

The Organization 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	95.8% program, 2% administrative, 2.2% fundraising
Insurance, property taxes, and utilities	95.8% program, 2% administrative, 2.2% fundraising
Computer support and security	95.8% program, 2% administrative, 2.2% fundraising
Supplies	95.8% program, 2% administrative, 2.2% fundraising

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 Organization determined it had no material leases as of August 31, 2025 or 2024.

Reclassifications

Certain reclassifications have been made to the 2024 financial statements to be in conformity with the 2025 presentation.

DAYSTAR LIFE, INC.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Organization 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, 2025, the Organization had no cash balances that exceeded the insurance coverage provided by the FDIC. As of August 31, 2025, the Organization had \$25,929 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 the Organization's financial assets available to meet general expenditures over the next 12 months as of August 31, 2025 and 2024:

Financial assets at year-end:	<u>2025</u>	<u>2024</u>
Cash	\$ 99,128	\$ 87,810
Grants and awards receivable	55,671	89,390
Prepaid expenses	17,590	14,179
Investments	<u>56,444</u>	<u>318,726</u>
Total financial assets	228,833	510,105
Less amounts not available to be used within one year:		
Funds subject to time and purpose restrictions	<u>(125,370)</u>	<u>(211,666)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$103,463</u>	<u>\$298,439</u>

The Organization's goal is generally to maintain financial assets to meet six months of operating expenses (approximately \$703,000). As part of its liquidity plan, excess cash is invested in money market accounts and investments.

NOTE 4 - GRANTS AND AWARDS RECEIVABLE

Grants and awards receivable consist of the following at August 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Pinellas County	\$ 4,600	\$ 1,444
ARPA	-	56,696
City of St. Petersburg	9,405	-
United Way Suncoast	<u>41,666</u>	<u>31,250</u>
	<u>\$55,671</u>	<u>\$89,390</u>

DAYSTAR LIFE, INC.

Notes to Financial Statements

NOTE 5 - INVESTMENTS

Investments consist of the following at August 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Stocks and mutual funds	<u>\$56,444</u>	<u>\$318,726</u>

The Organization records all investments at fair market value, and they are classified as level 1 in the fair value hierarchy. Investment earnings during 2025 consist of the change in net unrealized gains of \$1,117, net realized gains of \$7,880 and interest/dividend income of \$10,814. Investment earnings during 2024 consist of the change in net unrealized gains of \$5,591, net realized (losses) of \$(8,051), and interest/dividend income of \$16,663.

NOTE 6 – ENDOWMENT INVESTMENTS

The Organization 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 Organization 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 Organization 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 Organization 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 Organization 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 Organization targets a diversified asset allocation.

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 Organization's endowment account. In March 2021, the Organization 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 Organization 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 Organization. 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 Organization's use with Board approval.

DAYSTAR LIFE, INC.

Notes to Financial Statements

NOTE 6 – ENDOWMENT INVESTMENTS (CONTINUED)

The Organization’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 <u>(Board designated)</u>	With donor restrictions	<u>Total</u>
Endowment net assets August 31, 2024	\$898,451	\$50,000	\$948,451
Distribution	(100,000)	-	(100,000)
Investment gain	<u>95,533</u>	<u>-</u>	<u>95,533</u>
Endowment net assets August 31, 2025	<u>\$893,984</u>	<u>\$50,000</u>	<u>\$943,984</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 Organization’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, 2025 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks and mutual funds	\$56,444	\$ -	\$ -	\$ 56,444
Endowment investments	<u>-</u>	<u>943,984</u>	<u>-</u>	<u>943,984</u>
	<u>\$56,444</u>	<u>\$943,984</u>	<u>\$ -</u>	<u>\$1,000,428</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, 2024 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks and mutual funds	\$318,726	\$ -	\$ -	\$ 318,726
Endowment investments	<u>-</u>	<u>948,451</u>	<u>-</u>	<u>948,451</u>
	<u>\$318,726</u>	<u>\$948,451</u>	<u>\$ -</u>	<u>\$1,267,177</u>

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at August 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Building	\$2,359,799	\$2,359,799
Building improvements	339,919	257,489
Furniture, fixtures, and equipment	274,504	244,674
Deposits on capital assets	-	60,269
Vehicles	<u>135,780</u>	<u>135,780</u>
	<u>\$3,110,002</u>	<u>3,058,011</u>
Less accumulated depreciation	<u>(699,172)</u>	<u>(576,673)</u>
Net property and equipment	<u>\$2,410,830</u>	<u>\$2,481,338</u>

DAYSTAR LIFE, INC.

Notes to Financial Statements

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

At August 31, 2025 and 2024, net assets with donor restrictions consist of the following:

	<u>2025</u>	<u>2024</u>
United Way Suncoast	\$ 40,724	\$ 61,402
Pinellas Community Foundation	12,051	20,922
Emergency Food & Shelter Program	-	15,385
ARPA capital projects	-	56,696
Bayfront Health Seedlings for Neighbors	-	1,000
Pinellas County Travelers' Aid	3,027	-
Community Food & Nutrition grant	7,875	-
Bacopa Bay Residents Fund	11,693	6,261
Community Foundation of Tampa Bay endowment funds	<u>50,000</u>	<u>50,000</u>
	<u>\$125,370</u>	<u>\$211,666</u>

NOTE 10 - IN-KIND CONTRIBUTIONS

Components of in-kind contributions for the years ended August 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Food	\$ 783,378	\$775,181
Clothing	126,772	91,011
Personal items and other	128,260	88,652
Fixed assets	<u>1,307</u>	<u>33,599</u>
Total in-kind contributions	<u>\$1,039,717</u>	<u>\$988,443</u>

NOTE 11 - DONATED SERVICES

Components of donated professional services for the years ended August 31, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Skilled labor	\$105,267	\$ 95,446
Accounting	74,088	76,425
Nursing	29,050	36,200
Computer consultant, grant writing, and other	<u>2,000</u>	<u>2,160</u>
Total donated services	<u>\$210,405</u>	<u>\$210,231</u>

NOTE 12 - RETIREMENT PLAN

During December 2005, the Organization 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 Organization incurred retirement expenses of \$34,445 and \$16,330 in 2025 and 2024, respectively.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 27, 2026, the date on which the financial statements were available to be issued.