

The Dunedin Fine Art Center, Inc.

Financial Statements

September 30, 2024 and 2023



THE DUNEDIN FINE ART CENTER, INC.
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September 30, 2024 and 2023:

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Dunedin Fine Art Center, Inc.
Dunedin, Florida

Opinion

We have audited the accompanying financial statements of The Dunedin Fine Art Center, Inc. (DFAC), which comprise the statements of financial position as of September 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, the related statement of functional expenses for the year ended September 30, 2024, 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 The Dunedin Fine Art Center, Inc. as of September 30, 2024 and 2023, and the changes in 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 The Dunedin Fine Art Center, 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 The Dunedin Fine Art 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.

CONTINUED

INDEPENDENT AUDITOR'S REPORT – CONTINUED

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 The Dunedin Fine Art 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 The Dunedin Fine Art 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 The Dunedin Fine Art Center, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

PDR CPAs + Advisors

Oldsmar, Florida
January 27, 2025

THE DUNEDIN FINE ART CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Assets		
Cash and cash equivalents	\$ 1,144	\$ 152,391
Investments	2,925,192	2,504,813
Promises to give, net	-	8,625
Inventory	2,880	3,981
Prepaid expenses	16,216	917
Property and equipment, net	32,552	54,213
Investments - permanent endowment	960,851	835,851
Right-of-use lease assets	30,590	43,977
Facility improvements, net	3,976,266	4,342,698
Total Assets	<u>\$ 7,945,691</u>	<u>\$ 7,947,466</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities		
Accounts payable	\$ 82,852	\$ 35,565
Deferred income	242,242	273,742
Accrued expenses	65,705	72,535
Lease liabilities	31,155	44,529
Total liabilities	421,954	426,371
Net Assets		
Without donor restrictions:		
Net assets without donor restrictions, including \$2,918,342 and \$2,330,438 of board designated funds, respectively	2,518,896	2,153,725
Property and equipment	32,552	54,213
Total without donor restrictions	2,551,448	2,207,938
With donor restrictions	4,972,289	5,313,157
Total net assets	<u>7,523,737</u>	<u>7,521,095</u>
Total Liabilities and Net Assets	<u>\$ 7,945,691</u>	<u>\$ 7,947,466</u>

See accompanying notes to financial statements

THE DUNEDIN FINE ART CENTER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2024	2023
Operating Support and Revenue				
Membership	\$ 93,185	\$ -	\$ 93,185	\$ 85,796
Education	1,037,707	-	1,037,707	945,897
Gallery Shop sales (net of costs of goods sold of \$45,371)	33,492	-	33,492	32,529
Exhibition sponsorships (net of direct costs of \$18,800)	52,465	-	52,465	33,080
Special events (net of direct costs of \$191,062)	205,651	-	205,651	310,732
Grant income	104,627	-	104,627	190,000
Contributions	97,093	320,080	417,173	388,878
Program support sponsorships	4,650	-	4,650	10,150
Investment income, net	105,678	-	105,678	90,380
Net realized and unrealized gain on investments	639,652	-	639,652	224,291
Contributed nonfinancial assets	454,405	-	454,405	442,360
Other	50,872	-	50,872	46,256
Net assets released from restrictions	660,948	(660,948)	-	-
Total operating support and revenue	3,540,425	(340,868)	3,199,557	2,800,349
Operating Expenses				
Program service:				
Art education and cultural awareness	2,423,558	-	2,423,558	2,381,305
Support services:				
Management and general	267,011	-	267,011	294,612
Fundraising	506,346	-	506,346	436,763
Total operating expenses	3,196,915	-	3,196,915	3,112,680
Change in Net Assets	343,510	(340,868)	2,642	(312,331)
Net Assets, Beginning of Year	2,207,938	5,313,157	7,521,095	7,833,426
Net Assets, End of Year	\$ 2,551,448	\$ 4,972,289	\$ 7,523,737	\$ 7,521,095

See accompanying notes to financial statements

THE DUNEDIN FINE ART CENTER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Support and Revenue			
Membership	\$ 85,796	\$ -	\$ 85,796
Education	945,897	-	945,897
Gallery Shop sales (net of costs of goods sold of \$51,200)	32,529	-	32,529
Exhibition sponsorships (net of direct costs of \$22,194)	33,080	-	33,080
Special events (net of direct costs of \$141,956)	310,732	-	310,732
Grant income	190,000	-	190,000
Contributions	156,924	231,954	388,878
Program support sponsorships	10,150	-	10,150
Investment income, net	90,380	-	90,380
Net realized and unrealized gain on investments	224,291	-	224,291
Contributed nonfinancial assets	442,360	-	442,360
Other	46,256	-	46,256
Net assets released from restrictions	<u>600,106</u>	<u>(600,106)</u>	<u>-</u>
Total operating support and revenue	3,168,501	(368,152)	2,800,349
Operating Expenses			
Program service:			
Art education and cultural awareness	2,381,305	-	2,381,305
Support services:			
Management and general	294,612	-	294,612
Fundraising	<u>436,763</u>	<u>-</u>	<u>436,763</u>
Total operating expenses	<u>3,112,680</u>	<u>-</u>	<u>3,112,680</u>
Change in Net Assets	55,821	(368,152)	(312,331)
Net Assets, Beginning of Year	<u>2,152,117</u>	<u>5,681,309</u>	<u>7,833,426</u>
Net Assets, End of Year	<u><u>\$ 2,207,938</u></u>	<u><u>\$5,313,157</u></u>	<u><u>\$7,521,095</u></u>

See accompanying notes to financial statements

THE DUNEDIN FINE ART CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	Supporting Services				Total Expenses	
	Program Services	Management and General	Fund Raising	Total Support Services	2024	2023
Salaries and related costs:						
Salaries	\$ 748,773	\$ 119,532	\$ 147,256	\$ 266,788	\$ 1,015,561	\$ 905,932
Employee benefits	96,570	15,416	18,992	34,408	130,978	106,756
Payroll taxes	54,889	8,762	10,795	19,557	74,446	65,507
Total salaries and related costs	900,232	143,710	177,043	320,753	1,220,985	1,078,195
Other expenses:						
Education	566,849	-	-	-	566,849	557,206
Public relations	82,535	13,175	16,231	29,406	111,941	112,976
Administrative	45,364	7,242	8,921	16,163	61,527	83,962
Utilities and custodial services	54,887	8,762	10,794	19,556	74,443	75,894
Exhibitions costs	39,069	-	-	-	39,069	52,151
Computer	25,167	4,017	4,949	8,966	34,133	31,891
Insurance	54,142	8,643	10,648	19,291	73,433	58,010
Credit card fees	29,016	4,632	5,706	10,338	39,354	33,572
Equipment rental and maintenance	9,113	1,455	1,792	3,247	12,360	21,570
Contract services	25,466	4,065	5,008	9,073	34,539	36,828
Repair and maintenance	15,765	2,517	3,101	5,618	21,383	19,496
Professional fees	26,433	4,220	5,198	9,418	35,851	80,355
Staff training	6,475	1,034	1,273	2,307	8,782	9,497
Office expense	9,349	1,492	1,839	3,331	12,680	13,065
Grants expense	3,112	497	612	1,109	4,221	3,737
Dues and subscriptions	1,333	213	262	475	1,808	6,083
Postage	780	125	154	279	1,059	961
Total other expense	994,855	62,089	76,488	138,577	1,133,432	1,197,254
Expenses before contributed nonfinancial assets and depreciation and amortization	1,895,087	205,799	253,531	459,330	2,354,417	2,275,449
Contributed nonfinancial assets	242,330	15,533	196,542	212,075	454,405	442,360
Depreciation and amortization	286,141	45,679	56,273	101,952	388,093	394,871
Total functional expenses	\$ 2,423,558	\$ 267,011	\$ 506,346	\$ 773,357	\$ 3,196,915	\$ 3,112,680

See accompanying notes to financial statements

THE DUNEDIN FINE ART CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ 2,642	\$ (312,331)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	388,093	394,871
Noncash operating lease expense	13,386	9,290
Realized gain on investments	(11,329)	(14,911)
Unrealized gain on investments	(628,323)	(209,380)
(Increase) decrease in operating assets:		
Promises to give, net	8,625	675
Inventory	1,101	106
Prepaid expenses	(15,299)	2,693
Increase (decrease) in operating liabilities:		
Accounts payable	47,287	(426)
Deferred income	(31,500)	22,377
Accrued expenses	(6,830)	21,673
Lease liability	(13,374)	(8,738)
Net cash used in operating activities	(245,521)	(94,101)
Cash Flows from Investing Activities		
Cash paid for facility improvements/property and equipment	-	(35,941)
Purchases of investments	(1,434,754)	(1,406,198)
Proceeds from sale of investments	1,529,028	1,403,820
Net cash provided by (used in) investing activities	94,274	(38,319)
Net Decrease in Total Cash	(151,247)	(132,420)
Total Cash at Beginning of Year	152,391	284,811
Total Cash at End of Year	<u>\$ 1,144</u>	<u>\$ 152,391</u>
Non-cash Investing and Financing Activities:		
Right-of-use assets obtained in exchange for new operating lease liabilities	<u>\$ -</u>	<u>\$ 53,267</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ 812</u>	<u>\$ -</u>

See accompanying notes to financial statements

THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE A - NATURE OF OPERATIONS

The Dunedin Fine Art Center, Inc. (DFAC) was organized in 1974 as a not-for-profit corporation under the laws of Florida. DFAC's mission is to offer creative educational experiences in the visual arts. This is done by offering adult and youth art classes at three different campuses. DFAC sponsors exhibitions and shows that are open to the public and provide a lively summer youth camp. Additionally, DFAC provides community outreach for schools and community groups by providing hands-on art projects at schools and events.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of DFAC have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP), which require DFAC 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 objectives of DFAC. These net assets may be used at the discretion of DFAC'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 DFAC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenue of the net assets without donor restrictions class. Contributions are recognized when the donor makes a promise to give to DFAC, that is, in substance, unconditional.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to DFAC's ongoing services. Nonoperating activities, if any, are limited to other activities considered to be of a more unusual or nonrecurring nature.

**THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates included in the financial statements include allocation of expenses by function, useful lives of depreciable and amortizable assets, fair market value of investments, valuation of contributed nonfinancial assets, and the calculation of right-of-use lease assets.

Fair Value Measurement

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on a measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Cash and Cash Equivalents

DFAC considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents for purposes of reporting cash flows but excluding any cash and cash equivalents considered to be part of investments.

Financial instruments which potentially subject DFAC to concentrations of credit risk consist principally of cash and cash equivalents held in financial institutions in excess of federally insured limits. From time to time throughout the years ended September 30, 2024 and 2023, DFAC's cash balance may have exceeded the federally insured limit. However, DFAC has not experienced and does not expect to incur any losses in such accounts.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Investment gains and losses (including realized and unrealized gains and losses on investments, interest and dividends, net of expenses) are included in the accompanying statements of activities.

**THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated cash flows. Conditional promises to give are not included as support until the conditions are substantially met.

Promises to give which are due in more than one year are recorded at the present value by discounting future cash flows using current risk-free rates of return based on U.S. Treasury Securities yields with maturity dates similar to the expected contribution collection period. Management reviews outstanding promises to give on an ongoing basis. As of September 30, 2024 and 2023, no allowance was deemed necessary by management.

Inventory

Inventory is stated at the lower of cost or net realizable value, on the first-in, first-out (FIFO) basis and consists of merchandise held for sale in the Gallery Shop as well as certain supplies held for consumption during operations.

Property and Equipment

Property and equipment are recorded at cost when purchased or, if donated, at estimated fair value at the date of donation. Improvements and betterments in excess of \$5,000 that materially prolong the useful lives of assets are capitalized. Depreciation is calculated using a straight-line method over the useful lives of the respective assets ranging from three to twenty years. Depreciation will commence on construction in progress upon completion and placement into service.

Facility Improvements

Facility improvements conveyed to the City of Dunedin (the City) are being amortized on a straight-line basis over the term of the agreement with the City.

Impairment of Long-Lived Assets

DFAC reviews long-lived assets, including the facility improvements, for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

DFAC assesses the recoverability of the cost of the asset based on a review of projected undiscounted cash flows. In the event an impairment loss is identified, it is recognized based on the amount by which the carrying value exceeds the estimated fair value of the long-lived asset.

**THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition

Certain grants received by DFAC are considered conditional contributions since the grant agreements require DFAC to perform services, incur expenses or meet contract objectives in order to earn the grant funding. Payments received under these grants are deferred until earned. Revenue is earned and recognized in the financial statements when eligible expenses are incurred, services performed or grant objectives met.

Other grants and contributions without conditions are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions. Contributions are recognized when the donor makes a promise to give to DFAC that is, in substance, unconditional. Unconditional promises to give are reported at present value at the date the promise is received to the extent estimated to be collected by DFAC. Other conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire during the fiscal year in which the contributions are 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.

Revenues from workshops and classes, exhibitions, sponsorships, gallery shop sales and memberships are considered exchange transactions. Revenues from exchange transactions are recognized when control of the goods and services are transferred to DFAC's members or program participants in an amount that reflects the consideration DFAC expects to be entitled to in exchange for those goods or services.

DFAC typically satisfies its performance obligations for membership dues over time as the related services are provided during the membership agreement period as a stand ready obligation. Revenues from workshops and classes, exhibitions, and sponsorships are recognized at the conclusion of the individual event.

Payments in general are required to be made in advance prior to the beginning of the membership period or prior to the individual event. Differences between the timing of billing and the recognition of revenue are recognized as either accounts receivable or deferred income in the statements of financial position.

Unearned billings and cash receipts from exchange transactions was \$242,242 and \$273,742 at September 30, 2024 and 2023, respectively, and is included in deferred income in the accompanying statements of financial position.

**THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributed Nonfinancial Assets

Donated materials are recorded as support at their fair value at the date of donation. Contributions of services are recorded as support at their estimated fair value if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

No amounts have been reflected in the financial statements for donated volunteer services in connection with the various programs since they do not meet the requirements under financial accounting standards.

Deferred Income

Deferred income consists of membership fees, event sponsorships and tuition that are collected in advance and are recognized as revenue in the period in which they are earned.

Income Tax Status

DFAC is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded.

Uncertain Tax Positions

DFAC accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions.

DFAC has identified its tax status as a tax-exempt entity as its only significant tax position; however, DFAC has determined that such tax position does not result in an uncertainty requiring recognition. DFAC is not currently under examination by any taxing jurisdiction. DFAC’s federal returns are generally open for examination for three years following the date filed.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statements of activities and functional expenses.

Program services, management and general, and fundraising, when specifically identifiable, are classified to the function which incurred the expense. Those specifically identifiable include education, exhibition costs, and membership. All other expenses are allocated among program services, management and general, and fundraising based upon the ratio of employee time spent in each functional area.

**THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Adoption of New Accounting Standard

Effective October 1, 2023, DFAC adopted FASB ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*, as amended, which modified the measurement of expected credit losses on certain financial instruments. DFAC adopted this new guidance utilizing the modified retrospective transition method. The adoption did not cause a material impact on DFAC’s financial statements but did change how the allowance for credit losses is determined.

Leases

DFAC leases certain office equipment and studio space for program activities. The determination of whether an arrangement is a lease is made at the lease’s inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset.

Operating leases are included in right-of-use (“ROU”) assets and lease liabilities in the accompanying statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. DFAC uses the implicit rate in the lease when it is readily determinable. Since DFAC’s leases do not provide an implicit rate to determine the present value of lease payments, management uses a risk free rate at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. DFAC’s lease terms may include options to extend or terminate the lease when it is reasonably certain that DFAC will exercise the option.

For leases with an initial term of 12 months or less, an ROU asset and lease liability is not recognized and lease expense is recognized on a straight-line basis over the lease term.

Summarized Comparative Information

The accompanying financial statements include certain prior year summarized comparative total amounts. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with DFAC’s financial statements for the year ended September 30, 2023.

THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE C - AVAILABILITY AND LIQUIDITY

At September 30, 2024 and 2023, DFAC's financial assets available to meet general expenditures within one year were as follows:

	<u>2024</u>	<u>2023</u>
Financial Assets:		
Cash and cash equivalents	\$ 1,144	\$ 152,391
Investments	2,925,192	2,504,813
Promises to give, net	<u>-</u>	<u>8,625</u>
Total financial assets	2,926,336	2,665,829
Less amounts unavailable for general expenditure within one year due to:		
Board designations:		
Net assets designated for endowment	<u>(2,918,342)</u>	<u>(2,330,438)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 7,994</u>	<u>\$ 335,391</u>

To manage liquidity, DFAC structures its financial assets to ensure funds are available to meet general expenditures, liabilities, and other obligations as they come due. The organization actively monitors its liquidity position to meet both operating needs and contractual commitments.

At September 30, 2024 and 2023, \$6,850 and \$174,375 of investments were not included in the net assets designated for endowment and were considered available to meet liquidity requirements. The remainder of the investment balances were included in the board designated endowment and were available to meet liquidity requirements upon approval by DFAC's Board of Directors. During the budget process for the fiscal year ending September 30, 2025, the Board of Directors approved allocating up to approximately \$466,000 of investments to meet liquidity requirements. During the year ended September 30, 2024, DFAC used \$330,000 of investments to meet liquidity requirements as approved by the Board of Directors.

DFAC has access to a \$250,000 line of credit (as described in **NOTE I**) to address financial obligations if needed.

DFAC is supported by contributions with and without donor restrictions. Contributions with donor restrictions require resources to be used for specific purposes or in future periods. As a result, DFAC must maintain sufficient financial resources to fulfill these donor-imposed responsibilities, which may limit the availability of certain financial assets for expenditure within one year. As of September 30, 2024 and 2023, DFAC had temporarily restricted contributions of \$35,172 and \$134,608, respectively.

NOTE D - PROMISES TO GIVE

DFAC had unconditional promises to give of \$0 and \$8,625 at September 30, 2024 and 2023, respectively. The amounts due at September 30, 2023 were all due during the year ending September 30, 2024 and were therefore not discounted to present value.

THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE E - BUILDING MAINTENANCE AND THE CITY OF DUNEDIN

DFAC's building and land improvements are located on property owned by the City. The cost of the original building and land improvements (from inception in 1974 through 1989) were previously transferred to the City and are not reflected in the accompanying statements of financial position. All facility improvements made from 1990 through 2014 were conveyed to the City effective September 30, 2014, the second floor of the west wing was conveyed effective September 30, 2016, the Food Arts Studio was conveyed effective September 30, 2019, and renovations to the Café and restrooms were conveyed effective September 30, 2021. These amounts are reflected as facility improvements, net, on the statements of financial position as of September 30, 2024 and 2023 (see **NOTE H**). DFAC occupies the building under an agreement with the City, whereby DFAC operates the inside of the building and the City provides facility repair and outside and ground maintenance. Any major repairs or replacements to the exterior of the building and the grounds, including - but not limited to - the roof, air conditioners, exterior painting, exterior lights and the parking lots are provided by the City. The City also pays for water, sewage, and ground maintenance. The City contributes services including building maintenance, grounds maintenance and facility repair. The contributed services for each of the years ended September 30, 2024 and 2023 was \$152,285 and \$112,109 respectively. This amount is included in total contributed nonfinancial assets in **NOTE Q**.

NOTE F - INVESTMENTS

Investments are presented in the financial statements at their fair market values and consist of the following at September 30:

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Cash and money market funds	\$ 195,447	\$ 195,447	\$ 63,053	\$ 63,053
Fixed income	333,481	331,572	-	-
Mutual funds	1,220,161	1,167,387	1,725,242	1,479,797
Equities	1,053,647	1,601,863	980,378	1,173,315
Exchange traded products	448,625	589,774	567,347	624,499
	<u>\$3,251,361</u>	<u>\$3,886,043</u>	<u>\$3,336,020</u>	<u>\$3,340,664</u>

The following schedule summarizes the investment return for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 128,806	\$ 112,077
Investment expense	<u>(23,128)</u>	<u>(21,697)</u>
	105,678	90,380
Unrealized gain on investments	628,323	209,380
Realized gain on investments	<u>11,329</u>	<u>14,911</u>
	<u>639,652</u>	<u>224,291</u>
Net investment return	<u>\$ 745,330</u>	<u>\$ 314,671</u>

THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE G - PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

	<u>2024</u>	<u>2023</u>
Furniture and fixtures	119,680	\$ 111,802
Library	3,914	3,914
Equipment	352,985	352,985
Construction in progress	-	7,878
Total property and equipment	<u>476,579</u>	<u>476,579</u>
Less accumulated depreciation	<u>(444,027)</u>	<u>(422,366)</u>
	<u>\$ 32,552</u>	<u>\$ 54,213</u>

Total depreciation expense was \$21,661 and \$28,437 for the years ended September 30, 2024 and 2023, respectively.

NOTE H - FACILITY IMPROVEMENTS

Effective September 30, 2014, DFAC conveyed all facility improvements made since 1990 to the City. Additions and improvements to the facility are recorded at cost as increases in the value of the facility improvements. Additionally, as of September 30, 2016, the second floor was completed and conveyed to the City and as of September 30, 2019 the Food Arts Studio was completed and conveyed to the City. During fiscal year 2021, renovations to the Café and restrooms were conveyed to the City. These facility interests are being amortized using the straight-line method over the life of the agreement through September 2038. The details of the transactions follow:

Facility improvements:	<u>2024</u>	<u>2023</u>
Conveyed to the City of Dunedin	\$ 8,350,709	\$ 8,350,709
Additional conveyance	-	-
Accumulated amortization	<u>(4,374,443)</u>	<u>(4,008,011)</u>
Facility improvements, net	<u>\$ 3,976,266</u>	<u>\$ 4,342,698</u>

Amortization expense and amount released from restriction related to facility improvements for the years ended September 30, 2024 and 2023, was \$366,432 and \$366,434, respectively.

NOTE I - LINE-OF-CREDIT

DFAC had a \$250,000 revolving line-of-credit available at a financial institution at September 30, 2024 and 2023. The line-of-credit is unsecured and bears interest at a rate equal to the prime rate plus 0.50% (8.50% at September 30, 2024). The line-of-credit automatically renews annually and is payable on demand. There was no balance outstanding on the line-of-credit at September 30, 2024 and 2023.

THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE J - COMMITMENTS AND CONTINGENCIES

DFAC receives support from grantor agencies for its programs. If this support were to be reduced or eliminated, it could affect the operation of the supported programs. In addition, DFAC is subject to audit examination by the grantor agencies. In the event that reimbursed expenditures were disallowed, repayment would be required.

NOTE K - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are as follows at September 30:

	<u>2024</u>	<u>2023</u>
Facility improvements, net	\$ 3,976,266	\$ 4,342,698
Purpose restriction	24,358	113,794
Pougialis Grant (1)	<u>10,814</u>	<u>20,814</u>
Net assets with temporary restrictions	4,011,438	4,477,306
Permanent endowment	<u>960,851</u>	<u>835,851</u>
Total net assets with donor restrictions	<u>\$ 4,972,289</u>	<u>\$ 5,313,157</u>

Net assets released from restrictions were comprised of the following:

	<u>2024</u>	<u>2023</u>
Purpose restrictions met	\$ 294,516	\$ 233,672
Amortization of facility improvements	<u>366,432</u>	<u>366,434</u>
	<u>\$ 660,948</u>	<u>\$ 600,106</u>

- (1) DFAC was named as a beneficiary in the Pougialis trust that became available for distribution in April 2011. The purpose of the trust is “to develop and maintain an art education program at the Dunedin Fine Art Center with said Center’s assistance in developing the curriculum for elementary school age children.” An independent grant awarding committee was formed to consider and approve annual distributions from the trust. During the years ended September 30, 2024 and 2023, DFAC received \$147,312 and \$160,000, respectively, from the trust. During the years ended September 30, 2024 and 2023, DFAC expended \$147,312 and \$160,000, respectively, in approved expenditures.

Net assets with donor restrictions of a permanent nature consist of endowment donations to DFAC. The donors have instructed DFAC that the principal cannot be expended; however, the earnings generated by the original donated principal are available to be expended. Any earnings are included in net assets with donor restrictions or net assets without donor restrictions as earnings are expended.

THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE L - LEASES

DFAC leases office equipment and studio space for program activities under non-cancellable operating leases which expire through May 2028. DFAC's lease terms may include options to extend or terminate the lease when it is reasonably certain that DFAC will exercise the option. DFAC has determined these extensions are not reasonably certain to be elected and therefore these extensions are not included in the lease calculations. Total rent expense under these leases was approximately \$15,000 and \$10,500 for the year ended September 30, 2024 and 2023, respectively.

Future minimum lease payments under noncancelable operating leases (with initial or remaining terms in excess of one year) as of September 30, 2024 are as follows:

<u>Years Ending September 30,</u>	<u>Amount</u>
2025	\$ 15,379
2026	6,548
2027	6,548
2028	<u>4,365</u>
Total undiscounted cash flows	32,840
Less: present value discount	<u>(1,685)</u>
Total lease liabilities	<u>\$ 31,155</u>

As of September 30, 2024 and 2023, DFAC's operating leases had weighted-average remaining terms of 2.93 and 3.68 years, with weighted-average discount rates of 3.81% and 3.85%, respectively. Operating lease cash payments were \$14,800 in 2024 and \$9,400 in 2023, while short-term lease rent expenses were \$3,700 and \$7,500, respectively.

NOTE M - FAIR VALUE MEASUREMENTS

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024 and 2023.

Cash and money market funds - the carrying amount reported in the statements of financial position approximates fair value because of the short maturity of those instruments.

Mutual funds, equities, and exchange traded products - valued at quoted market prices in which the securities are traded.

Fixed income – Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE M - FAIR VALUE MEASUREMENTS - CONTINUED

The following tables represent DFAC's financial instruments measured at fair value on a recurring basis at September 30, 2024 and 2023 for each of the fair value hierarchy levels:

Fair value of assets measured on a recurring basis at September 30, 2024 is as follows:

Fair Value Measurements at Reporting Date Using				
Description	Quoted Prices			Total Fair Value
	In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Other Unobservable Inputs Level 3	
Assets:				
Cash and money market funds	\$ 195,447	\$ -	\$ -	\$ 195,447
Fixed income	-	331,572	-	331,572
Mutual funds	1,167,387	-	-	1,167,387
Equities	1,601,863	-	-	1,601,863
Exchange traded products	589,774	-	-	589,774
Total assets at fair value	\$ 3,554,471	\$ 331,572	\$ -	\$ 3,886,043

Fair value of assets measured on a recurring basis at September 30, 2023 is as follows:

Fair Value Measurements at Reporting Date Using				
Description	Quoted Prices			Total Fair Value
	In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Other Unobservable Inputs Level 3	
Assets:				
Cash and money market funds	\$ 63,053	\$ -	\$ -	\$ 63,053
Mutual funds	1,479,797	-	-	1,479,797
Equities	1,173,315	-	-	1,173,315
Exchange traded products	624,499	-	-	624,499
Total assets at fair value	\$ 3,340,664	\$ -	\$ -	\$ 3,340,664

THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE N - ENDOWMENT FUND

DFAC's endowment (the Fund) consists of individual funds established for a variety of purposes. Its endowment is comprised of donor-restricted and board designated endowment funds. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

DFAC received \$225,351 from an estate in fiscal year 2000 to be held in perpetuity in the Fund. The interest and income can be used annually to provide for children's programs, exhibits, or other programming activities for children and adults. The initial corpus of this donation is considered to be permanently restricted while the interest and income is considered temporarily restricted if not used within the same year in which it is earned.

DFAC received a restricted endowment contribution of \$240,000 from the State of Florida in 2006. The related funding agreement required that DFAC designate an additional \$360,000 to supplement the State endowment contribution. The \$240,000 contribution reverts back to the State of Florida if DFAC ceases operations, files for bankruptcy protection, or willfully expends any portion of the \$600,000. Earnings from the Fund are available to fund DFAC's operating activities.

DFAC received additional endowment contributions in subsequent years which have been added to the endowment corpus.

The Board has designated certain funds to the endowment fund. The board designated funds are allocated their share of realized and unrealized gains and losses and investment income.

Interpretation of Relevant Law

In July 2011, the State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA). DFAC has interpreted FUPMIFA 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, DFAC considers (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 as a net asset with restrictions of a permanent nature. The remaining portion of the donor-restricted endowment fund that is not considered to be permanent is included in net assets with donor restrictions until those amounts are appropriated for expenditure by DFAC in a manner consistent with the standard of prudence prescribed by FUPMIFA.

In accordance with FUPMIFA, DFAC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of DFAC and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of DFAC
- (7) The investment policies of DFAC

THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE N - ENDOWMENT FUND - CONTINUED

For the years ended September 30, 2024 and 2023, DFAC has elected not to add appreciation for cost of living or other spending policies, due to inflation and other economic conditions, to its permanently restricted endowment. Any appreciation retained is included in the board designated endowment without donor restrictions.

Summary of Endowment Assets:

Endowment assets as of September 30 are invested as follows:

	<u>2024</u>	<u>2023</u>
Total Investments	\$ 3,886,043	\$ 3,340,664
Less amount not included in endowment	<u>(6,850)</u>	<u>(174,375)</u>
Net investments in endowment	<u><u>\$ 3,879,193</u></u>	<u><u>\$ 3,166,289</u></u>

Summary of Endowment Assets September 30, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment	\$ 2,918,342	\$ -	\$ 2,918,342
Donor-restricted endowment	<u>-</u>	<u>960,851</u>	<u>960,851</u>
	<u><u>\$ 2,918,342</u></u>	<u><u>\$ 960,851</u></u>	<u><u>\$ 3,879,193</u></u>

Summary of Endowment Assets September 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment	\$ 2,330,438	\$ -	\$ 2,330,438
Donor-restricted endowment	<u>-</u>	<u>835,851</u>	<u>835,851</u>
	<u><u>\$ 2,330,438</u></u>	<u><u>\$ 835,851</u></u>	<u><u>\$ 3,166,289</u></u>

During the fiscal year ended September 30, 2024, DFAC received two gifts to the donor-restricted endowment. The gifts were in the amounts of \$100,000 and \$25,000. The \$100,000 gift was for the establishment of a fund to provide scholarships for participants in DFAC programs. The \$25,000 gift was an addition to the general donor-restricted endowment. At September 30, 2024 and 2023, the general donor-restricted endowment was \$860,851 and \$835,851, respectively. At September 30, 2024 and 2023, the scholarship donor-restricted endowment was \$100,000 and \$0, respectively.

THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE N - ENDOWMENT FUND - CONTINUED

Changes in endowment net assets as of September 30, 2024:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning	\$ 2,330,438	\$ 835,851	\$ 3,166,289
Interest and dividends	105,844	-	105,844
Contributions	195,000	125,000	320,000
Transfer to operations	(330,000)	-	(330,000)
Net investment appreciation	617,060	-	617,060
Released from restriction	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Endowment net assets, ending	<u>\$ 2,918,342</u>	<u>\$ 960,851</u>	<u>\$ 3,879,193</u>

Changes in endowment net assets as of September 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning	\$ 2,036,612	\$ 835,851	\$ 2,872,463
Interest and dividends	83,390	-	83,390
Contributions	88,000	-	88,000
Transfer to operations	(88,000)	-	(88,000)
Net investment appreciation	210,436	-	210,436
Released from restriction	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Endowment net assets, ending	<u>\$ 2,330,438</u>	<u>\$ 835,851</u>	<u>\$ 3,166,289</u>

Return Objectives, Risk Parameters, and Strategies

DFAC has adopted an investment and spending policy for endowment assets that attempts to preserve the real (inflation adjusted) value of endowment assets, increase the real value of the portfolio and facilitate a potential distribution to support some level of future operations. Endowment assets include those assets of donor-restricted funds that DFAC must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. The terms of the operating policies of the endowment fund requires that it will be managed by an outside investment counselor recommended by the Endowment Committee and approved by the Board of Directors. The Investment Committee is responsible for the investment selections, subject to guidance from the Endowment Committee. The objective of the Fund is to invest funds in accordance with the standards set forth in Section 518.11, Florida Statutes. The amount invested in equities shall vary from time to time and shall be established by the committees as conditions permit.

**THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE N - ENDOWMENT FUND - CONTINUED

Spending Policy

DFAC is operating under an approved endowment spending policy that seeks to preserve the purchasing power of the Fund while providing income at the highest attainable level. The earnings and accumulations in the Fund are budgeted annually and are to be used based on expected total return and taking restrictions into account. There is to be no invasion of the original principal of the gifts given to DFAC unless the donors instruct otherwise.

The Fund can distribute, annually, up to 5% of the average market value of the preceding twelve calendar quarters. Within forty-five days of the end of the fiscal year, the Chairman of the Endowment Committee, upon review and approval by the Endowment Committee, shall recommend to the Board of Directors the amount from the prior fiscal year, if any, to be distributed from the Endowment Fund and the Board of Directors shall determine the purpose for which the amount shall be used. In the event the funds are not distributed in any given year, funds up to calculated amount may be distributed in a subsequent year.

NOTE O - PENSION PLAN

Full-time employees of DFAC may elect to participate in a self-directed Simple IRA plan. The employees' tax-deferred contribution will be matched by DFAC up to a maximum of 3% of their salary. This plan is administered by a broker-dealer and provides the participants with the option to invest in several different registered investment funds.

The matching contributions provided by DFAC for the fiscal years ended September 30, 2024 and 2023 was \$19,965 and \$15,909, respectively. This amount is a component of employee benefits on the statement of functional expenses.

NOTE P - RELATED PARTY TRANSACTIONS

A member of the Board of Directors is employed by a company that provides information technology services to DFAC. Amounts paid to this company were approximately \$11,000 and \$38,000 for the years ended September 30, 2024 and 2023, respectively.

THE DUNEDIN FINE ART CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023

NOTE Q - CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets included in the accompanying statements of activities are as follows for each of the years ended September 30:

2024				
	Program Services	Management and General	Fund Raising	Total
Event supplies	\$ -	\$ -	\$ 130,320	\$ 130,320
Public relations services	103,578	-	66,222	169,800
Educational supplies	2,000	-	-	2,000
Building maintenance	136,752	15,533	-	152,285
	<u>\$ 242,330</u>	<u>\$ 15,533</u>	<u>\$ 196,542</u>	<u>\$ 454,405</u>
2023				
	Program Services	Management and General	Fund Raising	Total
Event supplies	\$ -	\$ -	\$ 147,131	\$ 147,131
Public relations services	109,056	-	69,724	178,780
Educational supplies	4,340	-	-	4,340
Building maintenance	100,674	11,435	-	112,109
	<u>\$ 214,070</u>	<u>\$ 11,435</u>	<u>\$ 216,855</u>	<u>\$ 442,360</u>

All donated services and assets were utilized by DFAC's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets. Donated professional, public relations and maintenance services are valued at the standard hourly rates charged for those services. Donated supplies are valued at the estimated wholesale prices that would be received for selling similar products in the United States of America.

NOTE R - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 27, 2025, the date the financial statements were available to be issued. Management is not aware of any subsequent events which would require recognition or disclosures in the financial statements.