

**YMCA OF DELAWARE, INC.
& AFFILIATES**

**CONSOLIDATED FINANCIAL STATEMENTS
and
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
YMCA of Delaware, Inc. & Affiliates

Opinion

We have audited the accompanying consolidated financial statements of the YMCA of Delaware, Inc. & Affiliates (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities, functional expenses, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the YMCA of Delaware, Inc. & Affiliates as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of YMCA of Delaware, Inc. & Affiliates 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about YMCA of Delaware, Inc. & Affiliates's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 YMCA of Delaware, Inc. & Affiliates'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about YMCA of Delaware, Inc. & Affiliates' 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental information shown on pages 38 to 41 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Gunnip & Company LLP

Wilmington, Delaware
May 21, 2024

CONSOLIDATED FINANCIAL STATEMENTS

**CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION**

**YMCA OF DELAWARE, INC.
& AFFILIATES**

DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and equivalents	\$ 4,372,117	\$ 8,980,727
Accounts receivable, net of allowance for credit losses of \$ 174,504 and \$ 664,763, respectively	925,684	899,381
Capital campaign pledges receivable, net	2,904	2,904
Prepayments and other assets	680,765	621,925
Investments	12,665,730	17,092,792
Interest rate swap	111,772	277,759
Restricted assets		
Tenant security deposits	7,451	6,022
Reserves and escrowed funds	1,330,582	1,385,469
Beneficial interest in perpetual trusts	5,458,518	4,829,513
Intangibles, net	122,076	112,535
Property and equipment, net	71,648,370	58,242,092
ROU assets - operating leases	318,907	579,043
ROU assets - finance leases, net	2,408,382	2,514,574
Contributed use of facility	2,497,188	2,514,257
	<u>\$ 102,550,446</u>	<u>\$ 98,058,993</u>
Total Assets		
LIABILITIES		
Accounts payable	\$ 1,601,936	\$ 4,604,323
Accrued payroll and related taxes	844,852	747,627
Deferred revenue	1,003,673	937,444
Other liabilities	281,951	312,593
Notes payable and accrued interest	5,620,918	5,558,458
Operating lease liabilities	332,269	610,816
Finance lease liabilities	2,383,610	2,412,749
Bonds payable, net	29,242,809	20,847,020
	<u>41,312,018</u>	<u>36,031,030</u>
Total Liabilities		
NET ASSETS		
Without donor restrictions		
Unrestricted for general use	52,513,233	52,185,321
Board designated	0	1,291,390
	<u>52,513,233</u>	<u>53,476,711</u>
Without donor restrictions	52,513,233	53,476,711
With donor restrictions	8,725,195	8,551,252
	<u>61,238,428</u>	<u>62,027,963</u>
Total Net Assets		
Total Liabilities and Net Assets	<u>\$ 102,550,446</u>	<u>\$ 98,058,993</u>

See accompanying notes to financial statements.

**CONSOLIDATED STATEMENTS OF
ACTIVITIES**

**YMCA OF DELAWARE, INC.
& AFFILIATES**

**FOR THE YEARS ENDED DECEMBER 31, 2023
AND 2022**

	Without donor restrictions	With donor restrictions	2023 Totals	2022 Totals
REVENUES, GAINS, AND OTHER SUPPORT				
Membership dues	\$ 22,553,695	\$ 0	\$ 22,553,695	\$ 18,086,787
Less membership financial assistance	(2,579,929)	0	(2,579,929)	(1,978,803)
Program service fees	16,375,879	0	16,375,879	14,345,055
Less program financial assistance	(1,994,484)	0	(1,994,484)	(1,689,720)
Contributions	1,256,853	1,972,101	3,228,954	4,084,495
Contributed use of facilities	101,931	0	101,931	102,572
Fees and grants from governments	6,900,953	0	6,900,953	6,958,329
Investment (loss) income	1,994,817	0	1,994,817	(1,704,460)
Revenue from annual fundraising events, net	11,033	0	11,033	8,812
Change in value of beneficial interest in perpetual trusts, net of distributions	0	629,005	629,005	(1,443,277)
Fees for products and services	206,824	0	206,824	457,163
Loss on disposal of property	0	0	0	(2,216)
Other income	369,986	0	369,986	72,096
Total revenues, gains, and other support before net assets released from restriction	45,197,558	2,601,106	47,798,664	37,296,833
NET ASSETS RELEASED FROM RESTRICTION	2,427,163	(2,427,163)	0	0
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	47,624,721	173,943	47,798,664	37,296,833
EXPENSES AND LOSSES				
Program Services				
Youth development	27,609,009	0	27,609,009	24,822,960
Healthy living	6,591,776	0	6,591,776	5,812,663
Social responsibility	7,021,211	0	7,021,211	6,215,058
Supporting Services				
Management and general	6,550,770	0	6,550,770	5,715,145
Fundraising costs	649,446	0	649,446	329,583
TOTAL EXPENSES AND LOSSES	48,422,212	0	48,422,212	42,895,409
CHANGE IN NET ASSETS FROM OPERATIONS	(797,491)	173,943	(623,548)	(5,598,576)
NONOPERATING ACTIVITY				
Swap valuation gain (loss)	(165,987)	0	(165,987)	501,745
CHANGES IN NET ASSETS	\$ (963,478)	\$ 173,943	\$ (789,535)	\$ (5,096,831)

See accompanying notes to financial statements.

**CONSOLIDATED STATEMENTS OF
ACTIVITIES**

**YMCA OF DELAWARE, INC.
& AFFILIATES**

FOR THE YEAR ENDED DECEMBER 31, 2022

	Without donor Restrictions	With donor Restrictions	Totals
REVENUES, GAINS, AND OTHER SUPPORT			
Membership dues	18,086,787	\$ 0	\$ 18,086,787
Less membership financial assistance	(1,978,803)	0	(1,978,803)
Program service fees	14,345,055	0	14,345,055
Less program financial assistance	(1,689,720)	0	(1,689,720)
Contributions	1,802,487	2,282,008	4,084,495
Contributed use of facilities	102,572	0	102,572
Fees and grants from governments	6,958,329	0	6,958,329
Investment loss	(1,704,460)	0	(1,704,460)
Revenue from annual fundraising events, net	8,812	0	8,812
Change in value of beneficial interest in perpetual trusts, net of distributions	0	(1,443,277)	(1,443,277)
Fees for products and services	457,163	0	457,163
Loss on disposal of property	(2,216)	0	(2,216)
Other income	72,096	0	72,096
Total revenues, gains, and other support before net assets released from restriction	36,458,102	838,731	37,296,833
NET ASSETS RELEASED FROM RESTRICTION	3,957,689	(3,957,689)	0
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	40,415,791	(3,118,958)	37,296,833
EXPENSES AND LOSSES			
Program services			
Youth development	24,822,960	0	24,822,960
Healthy living	5,812,663	0	5,812,663
Social responsibility	6,215,058	0	6,215,058
Supporting Services			
Management and general	5,715,145	0	5,715,145
Fundraising costs	329,583	0	329,583
TOTAL EXPENSES AND LOSSES	42,895,409	0	42,895,409
CHANGE IN NET ASSETS FROM OPERATIONS	(2,479,618)	(3,118,958)	(5,598,576)
NONOPERATING ACTIVITY			
Swap valuation gain	501,745	0	501,745
CHANGE IN NET ASSETS	\$ (1,977,873)	\$ (3,118,958)	\$ (5,096,831)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

**YMCA OF DELAWARE, INC.
& AFFILIATES**

FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services			Total Program Services	Supporting Services		Total Expenses
	Youth Development	Healthy Living	Social Responsibility		Management & General	Fundraising Costs	
EXPENSES AND LOSSES							
Personnel costs							
Salaries	\$ 13,435,198	\$ 3,313,146	\$ 2,226,156	\$ 18,974,500	\$ 2,332,681	\$ 432,622	\$ 21,739,803
Employee benefits and payroll taxes	2,815,219	687,654	441,469	3,944,342	798,755	151,235	4,894,332
Total personnel costs	16,250,417	4,000,800	2,667,625	22,918,842	3,131,436	583,857	26,634,135
Other expenses							
Occupancy	2,428,722	571,223	636,634	3,636,579	79,904	0	3,716,483
Supplies	1,870,399	291,590	1,214,049	3,376,038	253,731	10,557	3,640,326
Professional fees	1,486,088	292,023	474,635	2,252,746	1,649,022	33,846	3,935,614
Printing and publications	121,006	62,458	34,500	217,964	618,883	12,916	849,763
Rental and maintenance of equipment	62,759	74,698	7,182	144,639	312,788	0	457,427
Nonpayroll insurance	584,811	138,942	115,465	839,218	172,741	0	1,011,959
Travel	264,825	54,325	16,398	335,548	78,192	3,505	417,245
Membership dues	377,238	107,729	29,235	514,202	18,319	0	532,521
Telephone	326,011	75,372	38,394	439,777	48,653	49	488,479
Conferences, conventions, and meetings	82,086	24,794	15,581	122,461	115,898	4,716	243,075
Special events expense	16,792	0	0	16,792	0	0	16,792
Postage and shipping	10,344	2,478	0	12,822	15,928	0	28,750
Credit losses	52,120	12,630	297,082	361,832	33,371	0	395,203
Interest expense	488,597	117,046	15,225	620,868	0	0	620,868
Minor equipment purchases	44,224	12,829	149,701	206,754	1,164	0	207,918
Miscellaneous expenses	32,398	7,850	66,660	106,908	20,740	0	127,648
Total other expenses	8,248,420	1,845,987	3,110,741	13,205,148	3,419,334	65,589	16,690,071
Total expenses and losses before depreciation and amortization	24,498,837	5,846,787	5,778,366	36,123,990	6,550,770	649,446	43,324,206
Depreciation and amortization	3,110,172	744,989	1,242,845	5,098,006	0	0	5,098,006
Total expenses and losses	\$ 27,609,009	\$ 6,591,776	\$ 7,021,211	\$ 41,221,996	\$ 6,550,770	\$ 649,446	\$ 48,422,212

See accompanying notes to financial statements.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

**YMCA OF DELAWARE, INC.
& AFFILIATES**

FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services			Total Program Services	Supporting Services		
	Youth Development	Healthy Living	Social Responsibility		Management & General	Fundraising Costs	Total Expenses
EXPENSES AND LOSSES							
Personnel costs							
Salaries	\$ 12,004,557	\$ 2,898,052	\$ 2,036,574	\$ 16,939,183	\$ 2,230,164	\$ 189,719	\$ 19,359,066
Employee benefits and payroll taxes	2,463,397	579,598	381,707	3,424,702	774,076	66,106	4,264,884
Total personnel costs	14,467,954	3,477,650	2,418,281	20,363,885	3,004,240	255,825	23,623,950
Other expenses							
Occupancy	2,192,856	503,795	464,817	3,161,468	86,727	0	3,248,195
Supplies	1,778,208	271,822	817,023	2,867,053	246,601	0	3,113,654
Professional fees	1,129,113	236,778	487,327	1,853,218	1,084,212	55,977	2,993,407
Printing and publications	107,960	54,902	17,392	180,254	605,844	15,389	801,487
Rental and maintenance of equipment	42,112	50,327	877	93,316	305,472	0	398,788
Nonpayroll insurance	534,341	124,231	110,235	768,807	146,004	0	914,811
Travel	216,529	44,507	18,273	279,309	82,284	253	361,846
Membership dues	233,345	56,095	20,039	309,479	19,347	758	329,584
Telephone	325,134	75,203	38,768	439,105	57,184	99	496,388
Conferences, conventions, and meetin	67,178	27,840	8,905	103,923	37,272	1,282	142,477
Special events expense	11,780	0	0	11,780	12,509	0	24,289
Postage and shipping	15,184	3,542	0	18,726	8,563	0	27,289
Credit losses	320,061	87,412	484,080	891,553	7,042	0	898,595
Interest expense	445,713	104,827	21,365	571,905	0	0	571,905
Minor equipment purchases	15,522	6,747	129,740	152,009	11,436	0	163,445
Miscellaneous expenses	18,558	5,068	11,483	35,109	408	0	35,517
Total other expenses	7,453,594	1,653,096	2,630,324	11,737,014	2,710,905	73,758	14,521,677
Total expenses and losses before depreciation and amortization	21,921,548	5,130,746	5,048,605	32,100,899	5,715,145	329,583	38,145,627
Depreciation and amortization	2,901,412	681,917	1,166,453	4,749,782	0	0	4,749,782
Total expenses and losses	<u>\$ 24,822,960</u>	<u>\$ 5,812,663</u>	<u>\$ 6,215,058</u>	<u>\$ 36,850,681</u>	<u>\$ 5,715,145</u>	<u>\$ 329,583</u>	<u>\$ 42,895,409</u>

See accompanying notes to financial statements.

**CONSOLIDATED STATEMENTS OF
CHANGES IN NET ASSETS**

**YMCA OF DELAWARE, INC.
& AFFILIATES**

**FOR THE YEARS ENDED DECEMBER 31, 2023
AND 2022**

	Without donor restrictions			With donor restrictions	Total net assets
	General-use	Board designated	Total without donor restrictions		
Balance, December 31, 2021	\$ 52,273,401	\$ 3,181,183	\$ 55,454,584	\$ 11,670,210	\$ 67,124,794
Change in net assets	<u>(88,080)</u>	<u>(1,889,793)</u>	<u>(1,977,873)</u>	<u>(3,118,958)</u>	<u>(5,096,831)</u>
Balance, December 31, 2022	52,185,321	1,291,390	53,476,711	8,551,252	62,027,963
Change in net assets	<u>327,912</u>	<u>(1,291,390)</u>	<u>(963,478)</u>	<u>173,943</u>	<u>(789,535)</u>
Balance, December 31, 2023	<u>\$ 52,513,233</u>	<u>\$ 0</u>	<u>\$ 52,513,233</u>	<u>8,725,195</u>	<u>\$ 61,238,428</u>

See accompanying notes to financial statements.

**CONSOLIDATED STATEMENTS OF
CASH FLOWS**

**YMCA OF DELAWARE, INC.
& AFFILIATES**

**FOR THE YEARS ENDED DECEMBER 31, 2023
AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (789,535)	\$ (5,096,831)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	5,046,435	4,749,782
Amortization - bond and loan costs	51,570	39,013
Loss on disposition of property	0	2,216
(Gain) loss on swap valuation	165,987	(501,745)
Credit losses	395,203	898,595
(Gain) Loss on investments and beneficial interest in perpetual trusts	(1,815,705)	2,638,342
Changes in assets and liabilities:		
Accounts receivable and pledges	(421,506)	642,628
Prepayments and other assets	(58,840)	(63,669)
Tenant security deposits	(1,429)	200
Intangibles	(9,541)	(54,041)
ROU assets - operating leases	260,136	(579,043)
Contributed use of facility	17,069	16,427
Accounts payable	(3,002,387)	3,110,132
Deferred revenue	66,229	73,475
Other current liabilities	(30,642)	30,440
Operating lease liabilities	(278,547)	610,816
Notes payable and accrued expenses	146,831	372,114
Bonds payable, net	17,622	0
Net cash provided (used) by operating activities	<u>(241,050)</u>	<u>6,888,851</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of investments	9,137,771	7,209,706
Net draws to reserves and escrows	54,887	(142,247)
Purchases of investments	(3,524,009)	(6,872,785)
Acquisitions of property and equipment	(8,623,943)	(8,246,538)
Net cash used by investing activities	<u>(2,955,294)</u>	<u>(8,051,864)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Curtailments of financing lease	(631,806)	(804,361)
Payment of notes payable	(20,460)	(8,160)
Payment of bonds payable	(760,000)	(730,000)
Net cash used by financing activities	<u>(1,412,266)</u>	<u>(1,542,521)</u>
NET CHANGE IN CASH	(4,608,610)	(2,705,534)
CASH		
Beginning of year	<u>8,980,727</u>	<u>11,686,261</u>
End of year	<u>\$ 4,372,117</u>	<u>\$ 8,980,727</u>
INTEREST PAID (net of capitalized interest of \$ 774,679 in 2023 and \$ 32,733 in 2022, respectively)	<u>\$ 620,868</u>	<u>\$ 443,082</u>

See accompanying notes to financial statements.

**CONSOLIDATED STATEMENTS OF
CASH FLOWS**

**YMCA OF DELAWARE, INC.
& AFFILIATES**

**FOR THE YEARS ENDED DECEMBER 31, 2023
AND 2022**

**SCHEDULE OF NONCASH INVESTING AND
FINANCING ACTIVITIES**

Equipment purchased through finance leases	<u>\$ 602,667</u>	<u>\$ 2,634,038</u>
Acquisition of property and equipment through bond issue	<u>\$ 9,112,479</u>	<u>\$ 6,707,843</u>
Bond issuance cost through bond issue	<u>\$ 0</u>	<u>\$ 377,309</u>

See accompanying notes to financial statements.

Note 1 Summary of Organization activities and significant accounting policies

Organization activities

The YMCA of Delaware, Inc. (the "YMCAD") is an association of people of all ages, ethnic groups, and religious affiliations that strive to cultivate the human potential, self-esteem, and dignity of all people. The YMCAD exists to develop and practice the Christian principles of love, caring, inclusiveness, justice and peace and to enrich the emotional, physical and social life of individuals, families and the community. The YMCAD seeks to build strong kids, strong families, and strong communities throughout the State of Delaware.

The YMCA Central Branch, LLC (the "Central Branch"), an affiliate of the YMCAD, formed as a Limited Liability Company under the laws of the State of Delaware on October 2, 2002, performs two activities: (1) residential development activity, which comprises the rental of 180 single occupancy units of which 144 of the units are designated for providing low-income and moderate income housing, and 36 of the units are designated for providing market-rate income housing in accordance with the regulatory agreement with the Delaware State Housing Authority ("DSHA"); and (2) program activity, the operation of child care and gymnasium facilities. The property is located in Wilmington, Delaware. The Central Branch is restricted as to rental charges and is required to lease 80% of the units to low- or moderate-income individuals, subject to the provisions of Section 42(g)(1)(b) of the Internal Revenue Code (IRC). The provisions of these regulations must be met during each of the 15 consecutive years, beginning in 2003, in order to remain qualified for the low-income housing tax credits. The Central Branch has executed a Declaration of Land Use Restrictive Covenant relating to low-income housing tax credits with DSHA, which requires the utilization of the project pursuant to Section 42 for a minimum of 30 years, even after the disposition of the project by the Company.

The Company also qualified for \$ 3,057,000 of federal historic tax credits under Section 47(c)(3) of the Internal Revenue Code (IRC) for the rehabilitation of the certified historic structure. Additionally, the project qualified for historic tax credits as governed by the State of Delaware Historic Preservation Tax Credit Program for \$ 3,968,000.

The Central Branch, an affiliate of the YMCAD, is a for-profit limited liability corporation formed under the laws of the State of Delaware for the purpose of managing the Central Branch.

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Note 1 Summary of Organization activities and significant accounting policies (cont'd)

Basis of presentation

The consolidated financial statements of the YMCAD E have been prepared in accordance with U.S. generally accepted accounting principles. ("US GAAP"), which require the YMCAD E 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 the organization. These net assets may be used at the discretion of the YMCAD E'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 YMCAD E or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases 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 statements of activities.

Principals of consolidation

The consolidated financial statements include the accounts of the YMCAD E and its affiliates. All material inter-affiliated accounts and transactions have been eliminated in consolidation.

The following is a current list of YMCAD E and its affiliates' branches and its locations: Bear Glasgow Family YMCA (351 George Williams Way, Newark, DE 19702), Brandywine YMCA (3 Mount Lebanon Road, Wilmington, DE 19803), Brandywine YMCA Hanby Outdoor Center (35 Chestnut Street, Wilmington, DE 19810), Central YMCA (501 West 11th Street, Wilmington, DE 19801), Dover YMCA (1137 South State Street, Dover, DE 19901), Dover YMCA Kent Outdoor Complex (825 Kenton Road, Dover, DE 19904), Middletown Family YMCA (202 East Cochran Street, Middletown, DE 19709), Sussex Family YMCA (20080 Church Street, Rehoboth Beach, DE 19971), Walnut Street YMCA (1000 North Walnut Street, Wilmington, DE 19801), Western Family YMCA (2600 Kirkwood Highway, Newark, DE 19711), YMCA Camp Tockwogh (24370 Still Pond Neck Road, Worton, MD 21678), and Middletown YMCA Silver Lake Pool (200 East Cochran Street, Middletown, DE 19709).

Note 1 Summary of Organization activities and significant accounting policies (cont'd)

Measure of operations

The YMCADE's 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 YMCADE's ongoing services and programs and earnings on investment. Nonoperating activities are limited to resources from other activities considered to be of a more unusual or nonrecurring nature.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of cash and investments of a highly liquid nature with maturities of three months or less at the time of acquisition. At December 31, 2023 and 2022, cash equivalents consisted of cash and money market funds. The recorded cost of these investments approximated their fair value at December 31, 2023 and 2022.

Accounts receivable

Accounts receivable represent uncollected billings for services rendered and past due rents from tenants. The allowance for credit losses at December 31, 2023 and 2022 was \$ 174,504 and \$ 664,763, respectively, and was established primarily for tenant accounts receivable.

Accounts receivable are periodically evaluated by management for collectability utilizing the aging schedule method. Management's estimate of the allowance for credit losses requires significant judgment in determining collection losses, with factors including 1) historical collection rate, 2) the current status of tenant evictions, and 3) reasonable and supportable forecast of receivable collection based on governance assistance programs.

Capital campaign pledges receivable

Capital campaign pledges receivable consist of unconditional promises to give by the donors. There were no long-term pledges at December 31, 2023 or 2022. No allowance for uncollectible pledges was established as management deems all amounts fully collectible.

Note 1 Summary of Organization activities and significant accounting policies (cont'd)

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment gain or loss in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on mark-to-market value and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

The fair value of marketable investments in equity and debt securities (which includes both domestic and foreign issues) and U.S. government obligations are based on the published current market value at December 31, 2023 and 2022. The fair values of the YMCADE's investments held in another entity are based on management's valuation of estimates and assumptions from information and representations provided by another entity in the absence of readily available ascertainable market values.

Due to the level of risk associated with certain investment activities, it is at least reasonably possible that changes in the values of investments will occur in the near term and those changes could materially affect the YMCADE's account balances and amounts reported in the consolidated financial statements.

Split-interest agreements

Split-interest agreements represent gifts of assets that are held and invested for the benefit of the YMCADE and other beneficiaries. The assets are held in an irrevocable trust by a third-party trustee. The YMCADE's share of the gift is recorded as support in the period that the YMCADE is notified of the gift, at the fair value of the assets placed in trust. The YMCADE's share of the distributions is recognized as support without donor restrictions in the period realized; the change in value of the beneficial interest is recognized as an increase in net assets with donor restrictions.

Deferred fees and amortization

Debt issuance costs of \$ 245,000, net of accumulated amortization of \$ 161,054 and \$ 152,894 as of December 31, 2023 and 2022, respectively, are reported as a direct deduction from the face amount of the mortgages payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using the straight-line method, which approximates the effective interest method, over the 30 year term of the debt.

Interest expense related to the debt issuance costs for each of the years ended December 31, 2023 and 2022 was \$ 8,160.

Note 1 Summary of Organization activities and significant accounting policies (cont'd)

Deferred fees and amortization (cont'd)

Bond issue costs of the Series 2007 bonds in the amount of \$ 529,430, net of accumulated amortization of \$ 304,266 and \$ 286,010 as of December 31, 2023 and 2022, respectively, are reported as a direct deduction from the face amount of the bonds payable to which such costs relate.

Bond issue costs of the Series 2022 bonds in the amount of \$ 377,309, net of accumulated amortization of \$ 37,751 and \$12,597, as of December 31, 2023 and 2022, respectively, are reported as a direct deduction from the face amount of the bonds to which such costs relate.

Amortization of bond issue costs is reported as a component of interest expense and is computed using the straight-line method, which approximates the effective interest method, over the 30 year term of the bonds.

Interest expense related to the bond issuance costs for each of the years ended December 31, 2023 and 2022 was \$ 43,410 and \$ 30,853, respectively.

Property and equipment

Property and equipment is carried at cost and consists of land and improvements, buildings and improvements, furniture and equipment, and automobiles and machinery with a useful life greater than one year. The YMCADE capitalizes all expenditures of capital assets in excess of \$ 5,000 with an estimated useful life of more than one year. Depreciation is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Land improvements	10 – 15
Buildings and improvements	10 – 40
Furniture and equipment	3 – 10
Automobiles and machinery	5 – 7

Expenditures for maintenance and repairs are charged to expense as incurred.

Contributions

Contributions received are recorded as net assets with donor restrictions or without donor restriction support depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Note 1 Nature of activities and significant accounting policies (cont'd)

Contributions (cont'd)

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Leases

The YMCADE is a lessee in multiple noncancelable operating and financing leases. If the contract provides the YMCADE the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. ROU assets are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

Lease liabilities are initially and subsequently recognized based on the present value of their future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

ROU assets for operating leases are subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

ROU assets for finance leases are amortized on a straight-line basis over the lease term. Operating leases with fluctuating lease payments: for operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

The YMCADE has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The YMCADE has elected the option to use the Organization's incremental borrowing rate at lease initiation as the discount rate for leases where the implicit rate is not readily determinable. The incremental borrowing rate option has been applied to the office equipment class of assets.

Note 1 Summary of Organization activities and significant accounting policies (cont'd)

Functional expense allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the various programs and supporting services benefited. Such allocations are included in the consolidated statements of functional expenses.

Expenses incurred for annual fundraising events are included in fundraising costs on the statements of activities and functional expenses as a gross amount.

Advertising costs

Advertising costs are charged to operations when incurred. Advertising costs for the years ended December 31, 2023 and 2022 were \$ 572,576 and \$ 556,713, respectively.

Net Assets

FASB ASC 958-10, Not-for-Profit Entities-Disclosure, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The accounting standard also includes disclosures about an organization's endowment funds (both donor restricted endowment funds and board designated endowment funds) whether or not the organization is subject to UPMIFA.

For the years ended December 31, 2023 and 2022, the YMCAD E has determined that the majority of the YMCAD E 's net assets do not meet the definition of endowment under UPMIFA. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the donor. The YMCAD E has the ability to use as much of the corpus of any trust or separate gift, devise, bequest, or fund as the board in its sole discretion shall determine. As a result of the ability to distribute corpus, all contributions not classified as with donor restrictions are classified as net assets without donor restrictions for financial statement purposes.

Net assets and changes in net assets are classified as with donor restriction or without donor restriction based on the existence or absence of donor imposed restrictions.

Net assets with donor restrictions consist of restricted contributions receivable and the donor-restricted endowment funds. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Note 1 Summary of Organization activities and significant accounting policies (cont'd)

Net Assets (cont'd)

Revenues are 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.

Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law.

Income taxes

The YMCADE qualifies for the charitable contribution deduction under Section 170(b)(1)(A) of the IRC and has been classified as an organization that is not a private foundation. The YMCADE is an organization exempt from federal income tax under Section 501(c)(3) of the IRC but can be subject to tax on unrelated trade or business income. The YMCADE did not engage in any such activities during 2023 or 2022. Accordingly, there is no income tax provision.

No provision or benefit for income taxes has been included in the consolidated financial statements of the affiliates since the taxable income or loss passes through to, and is reportable by, the members individually. The activities of the affiliates are considered exempt for the YMCADE's information reporting purposes.

The Central Branch is a for-profit limited liability corporation formed under the laws of the State of Delaware. As a limited liability company, the Central Branch is not subject to federal or state income taxes; accordingly, there is no income tax provision. For tax purposes, the limited liability company was terminated in 2017. The results of operations for the limited liability company is reported on the YMCADE's federal income tax return.

For the years ended December 31, 2023 and 2022, the YMCADE and its affiliates have determined they do not have a material tax liability for uncertain tax positions under FASB ASC 740 - Income Taxes.

The YMCADE's policy for penalties and interest assessed by income taxing authorities is to include them in administrative expenses. For the years ended December 31, 2023 and 2022, the YMCADE did not incur any interest and penalties from taxing authorities.

The federal income tax returns of the YMCADE and its affiliates for 2020, 2021 and 2022 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Note 1 Summary of Organization activities and significant accounting policies (cont'd)

Revenue and Revenue Recognition

Revenues are measured based on consideration specified in a contract with a customer. The YMCADE recognizes revenue when it satisfies a performance obligation by transferring control over a promised good or service to a customer. The YMCADE's principal activities resulting in contracts with customers include membership dues, program service fees, and fees for products and services.

Membership dues are based on fixed rate schedules at the beginning of each membership month and are nonrefundable. The performance obligation consists of providing members continuous access to the YMCADE facilities. The dues are used to cover the costs of operating the YMCADE, maintaining the common elements and improvements, and providing for facility repair and replacement. Dues for 2023 were \$ 37 - \$ 125 per month per member, depending on membership level. The YMCADE recognized revenue upon receipt or commitment of the entire value of the membership since there is not a significant variance in revenue recognized between recording membership revenue upon receipt as compared to recognizing membership revenue on a pro rata basis over the membership period.

Program service fees is recognized when the program service events take place. All amounts paid in advance are deferred to the period in which the underlying program service event takes place. Due to the nature and timing of the program services and/or transfer of services and products, substantially all deferred revenue at December 31 of each year is recognized in the following year.

The performance obligation related to fees for products and services is to provide the customer with the goods and services purchased. The transaction price is the stated retail price. The YMCADE recognizes revenue from fees for products and services in the period the goods or services are provided.

Because the contracts for membership dues, program services, and fees for products and services have an original expected duration of one year or less, the YMCADE has elected the practical expedient and not disclosed the value of unsatisfied performance obligations and expected timing for completion related to these revenues.

Accounting pronouncements adopted

Effective January 1, 2023, the Company adopted ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including tenant accounts receivable. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses.

Note 1 Summary of Organization activities and significant accounting policies (cont'd)

Accounting pronouncements adopted (cont'd)

The Company adopted ASC 326 and all related subsequent amendments thereto effective January 1, 2023 using the modified retrospective approach for all financial assets measured at amortized cost. Adoption of this standard has no effect on the members' capital for the year ending December 31, 2022.

Subsequent events

The date to which events occurring after December 31, 2023, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the consolidated financial statements or disclosure is May 21, 2024, which is the date on which the consolidated financial statements were available to be issued.

Note 2 Availability and liquidity

The following represents the YMCADE's financial assets at December 31:

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash	\$ 4,372,117	\$ 8,980,727
Accounts receivable	925,684	899,381
Pledges receivable	2,904	2,904
Investments	<u>12,665,730</u>	<u>17,092,792</u>
Total financial assets	17,966,435	26,975,804
Less amounts not available to be used within one year:		
Board designated funds	0	1,291,390
Net assets with donor restrictions	<u>769,489</u>	<u>1,207,482</u>
	<u>769,489</u>	<u>2,498,872</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 17,196,946</u>	<u>\$ 24,476,932</u>

The YMCADE's goal is generally to maintain financial assets to meet 75 days of operating expenses as required by debt covenants.

Note 3 Concentration of credit risk

Financial instruments which potentially subject the YMCADe to significant concentrations of credit risk are principally cash and cash equivalents and investments.

The YMCADe's cash is maintained in bank deposit accounts with financial institutions that at times exceeds federally insured limits. The YMCADe has not experienced any losses in such accounts and does not believe it is exposed to any significant risk.

Investments are managed by professional advisors subject to the YMCADe's investment policy. The degree and concentration of credit risk vary by the type of investment.

Note 4 Restricted assets

Restricted assets consisted of tenant security deposits of \$ 7,451 and \$ 6,022, which are held in a separate bank account in the name of the project, and reserves and escrowed funds of \$ 1,330,582 and \$ 1,385,469, held by DSHA, as of December 31, 2023 and 2022, respectively. Under agreements with the lenders and DSHA reserves, the affiliate is required to make monthly escrow deposits for debt service, insurance, and replacement of project assets, and is subject to restrictions as to distributions to members. The affiliate is required to fund an operating reserve in the amount \$ 270,781 for the benefit of the residential development. The operating reserve was fully funded as of December 31, 2023 and 2022.

A summary of activity within the restricted assets – reserves and escrowed funds at December 31, 2023 are as follows:

	Insurance and debt	Operating deficit	Replacement reserve	Residual receipts	Total
Beginning	\$ 384,801	\$ 268,803	\$ 717,313	\$ 14,552	\$ 1,385,469
Deposits	35,004	0	95,721	0	130,725
Interest income	691	1,978	4,993	2,383	10,045
Other	0	0	0	0	0
Payments	0	0	(195,657)	0	(195,657)
Ending	<u>\$ 420,496</u>	<u>\$ 270,781</u>	<u>\$ 622,370</u>	<u>\$ 16,935</u>	<u>\$ 1,330,582</u>

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Note 4 Restricted assets (cont'd)

A summary of activity within the restricted assets - reserves and escrowed funds at December 31, 2022 are as follows:

	Insurance and debt	Operating deficit	Replacement reserve	Residual receipts	Total
Beginning	\$ 346,563	\$ 267,834	\$ 615,312	\$ 13,513	\$ 1,243,222
Deposits	37,921	0	99,634	0	137,555
Interest income	317	969	2,367	1,039	4,692
Other	0	0	0	0	0
Payments	0	0	0	0	0
Ending	<u>\$ 384,801</u>	<u>\$ 268,803</u>	<u>\$ 717,313</u>	<u>\$ 14,552</u>	<u>\$ 1,385,469</u>

Note 5 Investments in bonds

The YMCADE is invested in certain corporate debt, U.S Treasury bonds and U.S. Treasury bill securities. Contractual maturities of debt securities consisted of the following at December 31:

	2023		2022	
	Market	Cost	Market	Cost
1 - 5 years	\$4,315,900	\$4,395,247	\$6,199,862	\$6,340,344
5 - 10 years	521,554	575,936	1,129,468	1,320,994
10 - 15 years	78,596	104,804	77,528	102,215
Over 15 years	685,306	683,873	0	0
	<u>\$5,601,356</u>	<u>\$5,759,860</u>	<u>\$7,406,858</u>	<u>\$7,763,553</u>

Actual maturities may differ from contractual maturities because some borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

Note 6 Beneficial interest in perpetual trusts

The YMCADE is a beneficiary of certain donor created trusts that are held and administered by outside trustees and held totally for the benefit of the YMCADE. The following are fair value of the trust assets at December 31:

	2023		2022	
	Amount	% owned	Amount	% owned
Addie C. Carpenter Trust	\$ 19,645	10%	\$ 17,777	10%
Matilda B. Korschak Trust	169,892	25%	152,383	25%
Florence H. Brown Trust	255,333	100%	233,711	100%
H. Fletcher Brown Trust	<u>5,013,648</u>	100%	<u>4,425,642</u>	100%
Total fair value of beneficial interest	<u>\$5,458,518</u>		<u>\$4,829,513</u>	

The YMCADE receives annual distributions from these trusts. Under the terms of the trusts, the YMCADE has the irrevocable right to receive net investment income earned on the assets of the trusts in perpetuity, but shall never receive the assets held by these trusts. The YMCADE's distributions from those trusts are not restricted and are to be used consistent with the mission of the YMCADE, unless otherwise stipulated in the trust agreements. These distributions are reported as an increase in investment income in net assets without donor restriction in the statement of activities.

Distributions received from the trust assets were as follows for the years ended December 31:

	2023	2022
Addie C. Carpenter Trust	\$ 794	\$ 1,000
Matilda B. Korschak Trust	9,072	7,862
Florence H. Brown Trust	11,539	13,829
H. Fletcher Brown Trust	<u>202,983</u>	<u>205,916</u>
Total distributions received	<u>\$ 224,388</u>	<u>\$ 228,607</u>

The change in fair value of the beneficial interest in perpetual trusts for 2023 and 2022, net of distributions, was an increase of \$ 629,005 and a decrease of \$ 1,443,277, respectively, which is reflected as a change in net assets with restrictions.

Note 7 Fair value measurements

FASB ASC 820 – Fair Value Measurements and Disclosures establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to significant unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under ASC 820-10 are described as follows:

Level 1 – inputs are unadjusted quoted prices, such as a New York Stock Exchange closing price in active markets for identical assets. Level 1 is the highest priority in the hierarchy.

Level 2 – inputs may include quoted prices for similar assets and liabilities in active markets, as well as other significant inputs that are observable at commonly quoted intervals, such as interest rates, foreign exchange rates, and yield curves.

Level 3 – inputs are unobservable. Typically, assumptions determine the inputs since there is little, if any, related market activity. Level 3 is the lowest priority in the hierarchy.

The asset 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 methods and assumptions were used to estimate the fair value of each class of financial instruments:

Accounts receivable - fair value approximates carrying value due to the short-term nature of the instrument.

Investments - the fair value of marketable debt and equity securities is determined by reference to quoted market prices and other relevant information generated by market transactions.

Beneficial interest in perpetual trusts - the fair value is estimated based on the fair value of the underlying assets in the trusts.

Accounts payable - fair value approximates carrying value due to the short-term nature of the instrument.

Bonds payable - fair value approximates carrying value since stated rates are similar to rates currently available to the YMCADE for debt with similar terms and remaining maturities.

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Note 7 Fair value measurements (cont'd)

Value of derivative instrument (interest rate swap) - the fair value is based on quotes provided by PNC Bank, the swap agreement holder, of the estimated amounts the YMCAD would receive or pay if the agreement was terminated taking into consideration current interest rates.

Carrying values and estimated fair values at December 31:

	2023		2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Accounts receivable	\$ 925,684	\$ 925,684	\$ 899,381	\$ 899,381
Investments	\$ 12,665,730	\$ 12,665,730	\$ 17,092,792	\$ 17,092,792
Beneficial interest in perpetual trusts	\$ 5,458,518	\$ 5,458,518	\$ 4,829,513	\$ 4,829,513
Fair value of derivative instrument	\$ 111,772	\$ 111,772	\$ 277,759	\$ 277,759
Financial liabilities				
Accounts payable	\$ 1,601,936	\$ 1,601,936	\$ 4,604,323	\$ 4,604,323
Bonds payable, net	\$ 29,242,809	\$ 29,242,809	\$ 20,847,020	\$ 20,847,020

Fair value of assets and liabilities measured on a recurring basis are as follows:

December 31, 2023	Total	Level 1	Level 2	Level 3
Assets				
Money market and sweep	\$ 30,566	\$ 30,566	\$ 0	\$ 0
Treasury bills	941,707	941,707	0	0
Equity securities	92,324	92,324	0	0
Mutual funds	6,941,484	6,941,484	0	0
Corporate debt securities	2,597,249	2,597,249	0	0
Treasury bonds	2,062,400	2,062,400	0	0
Beneficial interest in perpetual trusts	5,458,518	5,458,518	0	0
Total assets at fair value	\$ 18,124,248	\$ 18,124,248	\$ 0	\$ 0
December 31, 2022				
	Total	Level 1	Level 2	Level 3
Assets				
Money market and sweep	\$ 72,413	\$ 72,413	\$ 0	\$ 0
Treasury bills	3,201,661	3,201,661	0	0
Equity securities	80,463	80,463	0	0
Mutual funds	9,533,058	9,533,058	0	0
Corporate debt securities	2,447,976	2,447,976	0	0
Treasury bonds	1,757,221	1,757,221	0	0
Beneficial interest in perpetual trusts	4,829,513	4,829,513	0	0
Total assets at fair value	\$ 21,922,305	\$ 21,922,305	\$ 0	\$ 0

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Note 8 Property and Equipment

Following is a comparative summary of balances in property and equipment as of December 31:

	<u>2023</u>	<u>2022</u>
YMCA of Delaware		
Land and improvements	\$ 8,469,173	\$ 7,700,289
Buildings and improvements	116,494,784	88,723,766
Furniture and equipment	6,451,454	5,411,623
Automobiles and machinery	1,437,190	1,358,957
Capitalized interest	997,648	255,702
Construction in progress	<u>0</u>	<u>13,487,408</u>
Total book value	133,850,249	116,937,745
Accumulated depreciation	<u>(71,528,947)</u>	<u>(67,655,054)</u>
Net book value	<u>62,321,302</u>	<u>49,282,691</u>
YMCA Central Branch, LLC		
Furniture and equipment	622,367	622,367
Buildings and improvements	<u>17,167,912</u>	<u>16,356,587</u>
Total book value	17,790,279	16,978,954
Accumulated depreciation	<u>(8,463,211)</u>	<u>(8,019,553)</u>
Net book value	<u>9,327,068</u>	<u>8,959,401</u>
Consolidated net book value	<u>\$ 71,648,370</u>	<u>\$ 58,242,092</u>

Depreciation expense for 2023 and 2022 was \$ 5,046,435 and \$ 4,749,782, respectively.

Note 9 Line and letters of credit

The YMCADE had an unsecured line of credit with a national bank for the purpose of providing working capital for operations that was closed in March 2023. The credit line carried an interest rate based on the daily LIBOR rate plus 2.25%. No draws were made on the line of credit during 2023 or 2022. During 2023 and 2022, the not to exceed amount was \$ 900,000.

The YMCADE has letters of credit in the amounts of \$ 77,426 and \$ 199,000 restricted in favor of New Castle County and Sentry Insurance A Mutual Company, respectively, both have varying expiration dates.

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Note 10 Notes payable

Notes payable consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
YMCA of Delaware, Inc.		
Note payable to New Castle County, DE, in the original amount of \$ 252,000 obtained in 1983. Collateralized by the Stopyra Tract located in New Castle County, DE. Monthly principal payments are \$ 420; the note carries no interest; due October 1, 2033.	\$ 49,980	\$ 55,440
Note payable to the Federal Home Loan Bank of New York, in the original amount of \$ 1,350,000; obtained in 2003 for the purpose of funding an affordable housing and historic real estate project at 1501 West 11th Street, Wilmington, DE; secured by the property; non-interest bearing; payable in full if the project is not used for its restricted purpose at any time from 2003 to 2018.	1,350,000	1,350,000
Note payable to the Federal Home Loan Bank of Pittsburgh, in the original amount of \$ 500,000 obtained in 2003 for the purpose of additional funding for an affordable housing and historic real estate project at 1501 West 11 th Street, Wilmington, DE; secured by the property; non-interest bearing; payable in full if the project is not used for its restricted purpose at any time from 2003 to 2018.	<u>500,000</u>	<u>500,000</u>
Subtotal notes payable – YMCADE	<u>\$ 1,899,980</u>	<u>\$ 1,905,440</u>

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**NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS**

**YMCA OF DELAWARE, INC.
& AFFILIATES**

Note 10 Notes payable (cont'd)

	<u>2023</u>	<u>2022</u>
YMCA Central Branch, LLC		
Permanent Mortgage Loan from Delaware State Housing Authority (DSHA) Housing Development Fund (HDF) in the original amount of \$ 2,562,669, obtained in 2005. The HDF loan was bifurcated: \$ 300,000 (the HDF priority loan) of which is a permanent loan to be repaid \$ 15,000 annually until 2025 with no interest, and the balance of \$ 2,262,669 (the HDF junior portion) is a permanent loan that bears interest at 3% per annum and is due in 2035. The payment of principal and interest on the HDF junior portion is deferred and subject to the availability of funds from operating receipts as defined in the DSHA Regulatory Agreement. The loan is secured by a second mortgage on the real property. Accrued interest at December 31, 2023 and 2022 was \$ 1,245,275 and \$ 1,177,355, respectively. Mortgage note payable of \$ 2,286,419 (\$ 2,301,419 at December 31, 2022) is shown net of unamortized loan costs of \$ 83,946 (\$ 92,106 at December 31, 2022).	2,202,473	2,209,313
Note payable to the City of Wilmington in the original amount of \$ 150,000 obtained in 2006; secured by a third mortgage on real property; assignment of rents and amounts on deposit with the lender; interest accrued at 4.58% annually. Interest and principal are to be repaid from available cash flow, as defined in the note agreement. Accrued interest at December 31, 2023 and 2022 was \$ 123,190 and \$ 116,350, respectively; due March 2033.	<u>150,000</u>	<u>150,000</u>
Subtotal notes payable – Central Branch	<u>2,352,473</u>	<u>2,359,313</u>
Subtotal accrued interest – Central Branch	<u>1,368,465</u>	<u>1,293,705</u>
Subtotal notes payable and accrued interest – Central Branch	<u>3,720,938</u>	<u>3,653,018</u>
Total notes payable and accrued interest – YMCADE and Central Branch	<u>\$ 5,620,918</u>	<u>\$ 5,558,458</u>

Note 10 Notes payable (cont'd)

Components of mortgages payable are as follows at December 31:

	<u>2023</u>	<u>2022</u>
Mortgages	\$ 4,336,399	\$ 4,356,859
Unamortized loan costs	<u>(83,946)</u>	<u>(92,106)</u>
Net	<u>\$ 4,252,453</u>	<u>\$ 4,264,753</u>

Components of interest expense on the notes payable for the year ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Interest expense	\$ 74,760	\$ 74,760
Amortization of loan costs	<u>8,160</u>	<u>8,160</u>
Total interest expense	<u>\$ 82,920</u>	<u>\$ 82,920</u>

Scheduled principal payments on the mortgage notes payable for each of the next five years and for the remaining term:

2024	\$ 20,040
2025	13,790
2026	5,040
2027	5,040
2028	5,040
Thereafter	<u>4,287,449</u>
	<u>\$ 4,336,399</u>

Note 11 Bonds payable

Series 2007 Delaware Economic Development Authority Bonds

On May 11, 2007, the YMCADE issued Variable Rate Demand Revenue Bonds, Series 2007 (Bonds), in the amount of \$ 22.585 million through the Delaware Economic Development Authority (DEDA) with varying maturity dates through May 1, 2036. The proceeds from the Bonds were used for the refunding of a portion of indebtedness previously incurred; the payment of a portion of the "Capital Improvement Program" costs; capitalized interest on bonds; and the payment of cost of issuance of the bonds. The Bonds mature by tranches on May 1 of each year and interest is payable on the first day of each month. Interest on the bonds is payable at a weekly rate as determined by the remarketing agent. The principal balance outstanding on the bonds as of December 31, 2023 and 2022 was \$ 13,609,900 and \$ 14,370,000, respectively. The YMCADE's obligation to DEDA was guaranteed by a letter of credit issued by PNC Bank, National Association.

Note 11 Bonds payable (cont'd)

The YMCADE entered into a Letter of Credit Agreement in May 2007 with PNC Bank, N.A. Pursuant to which, PNC Bank issued an irrevocable transferrable letter of credit for the account of the YMCADE to secure payment of the principal and interest when due on the bonds. The Letter of Credit expired April 2024.

Subsequent to year-end, the YMCADE refinanced the Series 2007 bonds. As a result of the refinance, the existing bonds were repaid and the related SWAP was retired. The Series 2007 bonds were repaid with the issuance of a bond purchase and loan agreement among the YMCADE, the Delaware Economic Development Authority (Authority / Issuer), and TD Bank (Bondholder), dated April 1, 2024. The Authority issued its Revenue Bond Series 2024, in the principal amount of \$17,000,000, which was purchased by TD Bank. The YMCADE entered into a promissory note payable to the Authority in the aggregate amount of the Series 2024 Bond. The Authority transferred, and assigned, to TD Bank its rights under the promissory note.

The bonds payable of the YMCADE are considered to be conduit debt under the definition promulgated by accounting principles generally accepted in the United States. Conduit debt are securities offered by a governmental entity that are not for its own use but for the use of a private party; therefore, the YMCADE is a conduit debt obligor for conduit debt securities due to its tax exempt bonds issued by DEDA. An entity that is an obligor for conduit debt securities that are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local or regional markets) meets the definition of a public entity under the definition promulgated by accounting principles generally accepted in the United States. Due to the trading activity of the YMCADE tax exempt bonds, it meets the definition of a public entity and is required to provide additional disclosures than those that would be otherwise required by a nonprofit entity.

Series 2022 Delaware Economic Development Authority Revenue Bond

Under a Bond Purchase and Loan Agreement among the YMCADE, the Delaware Economic Development Authority (Authority/Issuer), and TD Bank (Bondholder), dated June 8, 2023, the Authority issued its Revenue Bond Series 2022, in the principal amount of \$ 18,000,000 (Series 2022 Bond), which was purchased by TD Bank. The YMCADE entered into a promissory note payable to the Authority in the aggregate amount of the Series 2022 Bond. The Authority transferred, and assigned, to TD Bank its rights under the promissory note. The proceeds of the Series 2022 Bond issuance will be used by the YMCADE to finance the construction of a 55,000 square foot two-story, state-of-the-art fitness and recreation center facility in Middletown, Delaware. The Series 2022 Bond has a maturity date of June 1, 2037.

The unpaid principal balance of the Series 2022 Bond bears interest at 81.5% of SOFR (Secured Overnight Financing Rate) in effect for each interest period plus .771%, Interest only payments are due from June 2, 2022 through February 1, 2024. Principal plus interest payments are due beginning February 1, 2024 through the maturity date of June 1, 2037, based on a 30-year amortization.

Note 11 Bonds payable (cont'd)

A final payment of all unpaid principal plus accrued interest is due on the maturity date of June 1, 2037. The outstanding balance of the Series 2022 Bond as of December 31, 2023 and 2022 is \$ 16,197,631 and \$ 7,085,152, respectively.

In addition, the YMCADE has available credit with TD Bank of \$ 2,300,000. The funds would be used to support pledged receivables from the capital campaign associated with the design and construction of the new Middletown facility. No amounts were outstanding under the credit accommodation as of December 31, 2023 and 2022.

Financial covenants with respect to both the Series 2007 and Series 2022 Bonds require the YMCADE to maintain a debt coverage ratio of total cash and investments without donor restrictions to indebtedness of not less than 1.50:1 and 1.25:1, respectively. The Series 2022 Bond also includes a liquidity covenant also. As of December 31, 2023 and 2022, the YMCADE met the requirement of these covenants. Financial reporting requirements of 180 days and 150 days for the Series 2007 and Series 2022 Bonds, respectively, were not met for the year ended 2022. Both PNC Bank and TD Bank provided waivers for the reporting covenant for the Series 2007 and Series 2022 Bonds, respectively.

Components of bonds payable are as follows at December 31:

	<u>2023</u>	<u>2022</u>
Series 2007 Bonds outstanding principal	\$ 13,609,900	\$ 14,370,000
Series 2022 Bonds outstanding principal	16,197,631	7,085,152
	<u>29,807,531</u>	<u>21,455,152</u>
Unamortized bond issue costs 2007	(225,164)	(243,420)
Unamortized bond issue costs 2022	(339,558)	(364,712)
	<u>(564,722)</u>	<u>(608,132)</u>
Net	<u>\$ 29,242,809</u>	<u>\$ 20,847,020</u>

Components of interest expense on the bonds payable for the years ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Interest expense	\$ 395,049	\$ 324,997
Amortization of bond costs	43,410	30,853
Total interest expense	<u>\$ 438,459</u>	<u>\$ 355,850</u>

Note 11 Bonds payable (cont'd)

Scheduled principal payments on the bonds payable for each of the next five years and for the remaining term are as follows:

2024	\$ 1,145,692
2025	1,194,475
2026	1,247,017
2027	1,294,990
2028	1,346,836
Thereafter	<u>23,578,521</u>
	<u>\$ 29,807,531</u>

Note 12 Interest rate swap

The YMCADE has an interest rate swap agreement covering 80% of the entire value of the 2007 bonds payable. The effect of the swap agreement is to modify the interest rate characteristics of the bond issue from a variable rate to a fixed rate. Under the swap, the YMCADE pays the counterparty interest at a "weekly rate" or "term rate" as determined by the "remarketing agent" as the rate of interest which in its judgment would cause the bonds to have a market value, as of the date of determination, equal to the principal amount of the bonds, taking into account prevailing market conditions.

The swap is recognized on the consolidated statement of financial position at fair value and is recorded as interest rate swap asset/liability. Changes in the fair value of the swap is recorded in swap valuation gain or loss in the consolidated statements of activities. For the years ended December 31, 2023 and 2022, the YMCADE recorded swap value gains/(losses) of \$ (165,987) and \$ 501,745, respectively, in fair-market value adjustments to the asset/liability of the swap. Cumulative gains on the swaps from inception totaled \$ 111,772 and \$ 277,759 as of December 31, 2023 and 2022, respectively, which may be countered by a reduction in interest payments for the variable-rate bonds.

The estimate of fair value of the interest rate swap asset/liability at year end represents the amount YMCADE would pay to exit the swap agreement taking into account current interest rates.

Subsequent to year-end, the swap described above was retired. The YMCADE is obligated under new swap agreements in 2024 in connection with the Series 2022 and Series 2024 bonds.

Note 13 Commitments and contingencies

In the normal course of business, there are outstanding various commitments and contingencies in addition to the normal purchases of goods and services. The YMCADE does not anticipate losses as a result of these commitments and contingencies.

The YMCADE has executed a contract for the construction of its Middletown Facility. As of December 31, 2023, the outstanding balance on this contract totaled \$ 211,344.

Government contracts

The YMCADE participates in a number of federally and state assisted contracts. These contracts are subject to contract compliance audits by the contracting agencies or their representatives. Accordingly, the YMCADE's compliance with applicable contract requirements will be established at some future date. The amount of expenditures, not already disclosed, which may be disallowed by the contracting agencies cannot be determined at this time although the YMCADE expects such amounts, if any, to be immaterial.

Low-income housing credits

The affiliate's low-income housing credits are contingent on its ability to maintain compliance with applicable sections of Section 42. Failure to maintain compliance with occupant eligibility, and/or unit gross rent or to correct noncompliance within a specified time period could result in recapture of previously taken tax credits plus interest.

Operating deficit obligation

Pursuant to the operating agreement, the managing member (the YMCA Central Branch member, LLC) is obligated to fund deficits up to \$ 1,197,822 for a period as defined in the operating agreement, beginning the date of final closing of the permanent debt until the project achieves break-even operations for four consecutive years. As of December 31, 2023 and 2022, no operating deficit advances were received from the managing member.

Litigation

The YMCADE is named in litigation concerning wrongful termination. No contingent liability has been recorded as the outcome of the litigation is not known.

**NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS**

**YMCA OF DELAWARE, INC.
& AFFILIATES**

Note 14 Net assets with donor restrictions

	<u>2022</u>	<u>Additions</u>	<u>Releases</u>	<u>2023</u>
Programs	\$ 3,721,739	\$ 1,972,101	\$ (2,427,163)	\$ 3,266,677
Operations	<u>4,829,513</u>	<u>629,005</u>	<u> </u>	<u>5,458,518</u>
	<u>\$ 8,551,252</u>	<u>\$ 2,601,106</u>	<u>\$ (2,427,163)</u>	<u>\$ 8,725,195</u>
	<u>2021</u>	<u>Additions</u>	<u>Releases</u>	<u>2022</u>
Programs	\$ 5,397,420	\$ 2,282,008	\$ (3,957,689)	\$ 3,721,739
Operations	<u>6,272,790</u>	<u>(1,443,277)</u>	<u>0</u>	<u>4,829,513</u>
	<u>\$ 11,670,210</u>	<u>\$ 838,731</u>	<u>\$ (3,957,689)</u>	<u>\$ 8,551,252</u>

Note 15 Retirement Plan

The YMCADE participates in the YMCA Retirement Fund Retirement Plan (the "Plan"). The Plan is a multiple employee defined contribution, money purchase, church pension plan that is intended to satisfy the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended, and the YMCA Retirement Fund Tax-Deferred Savings Plan which is a retirement income account plan as defined in section 403(b)(9) of the code. Both plans are sponsored by The Young Men's Christian Association Retirement Fund ("Fund"). The Fund is a not-for-profit, tax-exempt pension fund incorporated in the State of New York (1922) organized and operated for the purpose of providing retirement and other benefits for employees of YMCAs throughout the United States of America. The plans are operated as church pension plans.

Note 15 Retirement Plan (cont'd)

Contributions plus interest credits are accumulated in individual accounts to provide benefits to eligible employees after they retire or terminate the YMCADE employment for any reason. Benefits are paid if an employee becomes permanently and totally disabled or dies while employed by a YMCA. Benefits are also paid to former employees who terminate the YMCADE employment with a vested benefit. Participation is available to all duly organized and reorganized YMCAs in the United States of America. As a defined contribution plan, the Fund has no unfunded benefit obligations. The plan is for the benefit of all eligible employees of the YMCADE who qualify under the participation requirements of at least 21 years of age performed 1,000 hours of service during two 12-month periods. The Plan became a fully vested plan as of July 1, 2006; thus, employees are fully vested in the accounts upon enrollment. The YMCADE may select a total contribution rate for the employee ranging from 8 to 12%. The YMCADE informs the employees of its contribution rate and employee share arrangement.

The YMCADE makes contributions to the employee's account based upon a percentage of the employee's compensation and is made through regular payroll deductions on an after-tax basis. Total contributions charged to retirement cost for the years ended December 31, 2023 and 2022 were \$ 1,728,222 and \$ 1,586,227, respectively.

Contributions to the YMCA Retirement Fund Tax-Deferred Savings Plan are withheld from employees' salaries and remitted to the YMCA Retirement Fund. There is no matching employer contribution in this plan.

Note 16 Contributed use of facility

Contributed use of the facility consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$ 119,000	\$ 119,000
Receivable in one to five years	595,000	595,000
Receivable in greater than five years	<u>5,542,999</u>	<u>5,661,999</u>
Total contributed use of facility	6,256,999	6,375,999
Discounts to net present value	<u>(3,759,811)</u>	<u>(3,861,742)</u>
	<u>\$ 2,497,188</u>	<u>\$ 2,514,257</u>

The YMCADE entered into a nineteen-year lease agreement with the Town of Middletown for the Middletown pool facility on May 1, 2017. That lease required annual payments of rent of \$ 1 per year.

Note 16 Contributed use of facility (cont'd)

The YMCADE entered into a sixty-year lease agreement with the Town of Middletown for the Middletown premises on November 25, 2019. That lease requires annual payments of rent of \$ 1 per year. The lease includes an option to extend the lease for one additional term of forty years.

The contributed amount of rent received during the years ended December 31, 2023 and 2022 was \$ 101,931 and \$ 102,572, respectively, based on the present value of the current estimated rent value discounted at 4 percent. Rent expense of \$ 119,000 was recognized as an expense on the statement of functional expense under occupancy expense for both years ended December 31, 2023 and 2022.

Note 17 Leases

The YMCADE leases certain equipment at various terms under long-term non-cancelable operating lease and finance lease agreements. The leases expire at various dates through 2028.

The YMCADE's leases do not include termination options for either party to the lease or restrictive financial or other covenants. Payments under the lease contracts includes fixed payments plus, for the equipment lease, variable payments. The office equipment lease has charges for usage. These variable payments are not included in lease payments used to determine lease liability and are recognized as variable costs when incurred.

Lease cost

The components of lease cost for the year ended December 31, 2023 are as follows:

Operating lease cost:	
Fixed lease expense	<u>\$ 277,354</u>
Finance lease cost:	
Interest expense	\$ 145,185
Amortization of ROU assets	<u>708,859</u>
Total finance lease cost	<u>\$ 854,044</u>

Weighted-average information

Weighted-average remaining lease term in years:

Operating leases	2.29
Finance leases	3.15

**NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS**

**YMCA OF DELAWARE, INC.
& AFFILIATES**

Note 17 Leases (cont'd)

Weighted-average discount rate:

Operating leases	3.29%
Finance leases	6.66%

Future minimum lease payments

Future minimum annual payments under long-term leases as of December 31, 2023 are as follows:

2024	\$ 1,054,879
2025	986,672
2026	733,228
2027	161,694
2028	68,052
Thereafter	<u>0</u>
Total lease payments	3,004,525
Interest	<u>(288,646)</u>
Present value of lease liabilities	<u>\$ 2,715,879</u>

SUPPLEMENTAL INFORMATION

**CONSOLIDATING SCHEDULES OF
FINANCIAL POSITION**

**YMCA OF DELAWARE, INC.
& AFFILIATES**

DECEMBER 31, 2023

	YMCA of Delaware	YMCA Central Branch Member, LLC	Elimination Entries	Consolidated Balances
ASSETS				
Cash and equivalents	\$ 4,372,117	\$ 0	\$ 0	\$ 4,372,117
Accounts receivable, net of allowance for credit losses of \$174,504	925,684			925,684
Capital campaign pledges receivable, net	2,904			2,904
Prepayments and other assets	725,300		(44,535)	680,765
Investments	12,665,730			12,665,730
Interest rate swap	111,772			111,772
Restricted assets				
Tenant security deposits	7,451			7,451
Reserves and escrowed funds	1,330,582			1,330,582
Investment in affiliates	4,700,000	4,700,000	(9,400,000)	0
Intercompany activity	2,972,683		(2,972,683)	0
Beneficial interest in perpetual trusts	5,458,518			5,458,518
Intangibles, net	122,076			122,076
Property and equipment, net	73,268,916		(1,620,546)	71,648,370
ROU assets - operating leases	318,907			318,907
ROU assets - finance leases, net	2,408,382			2,408,382
Contributed use of facility	2,497,188			2,497,188
Total Assets	\$ 111,888,210	\$ 4,700,000	\$(14,037,764)	\$ 102,550,446
LIABILITIES				
Accounts payable	\$ 1,601,936	\$ 0	\$ 0	\$ 1,601,936
Accrued payroll and related taxes	844,852			844,852
Deferred revenue	1,003,673			1,003,673
Intercompany activity	8,835,690		(8,835,690)	0
Other liabilities	281,951			281,951
Notes payable and accrued interest	5,620,918			5,620,918
Operating lease liabilities	332,269			332,269
Finance lease liabilities	2,383,610			2,383,610
Bonds payable, net	29,242,809			29,242,809
Total Liabilities	50,147,708	0	(8,835,690)	41,312,018
NET ASSETS				
Without donor restrictions				
Unrestricted for general use	53,015,307	4,700,000	(5,202,074)	52,513,233
Board designated	0	0	0	0
Without donor restrictions	53,015,307	4,700,000	(5,202,074)	52,513,233
With donor restrictions	8,725,195	0	0	8,725,195
Total Net Assets	61,740,502	4,700,000	(5,202,074)	61,238,428
Total Liabilities and Net Assets	\$ 111,888,210	\$ 4,700,000	\$(14,037,764)	\$ 102,550,446

**CONSOLIDATING SCHEDULES OF
FINANCIAL POSITION**

**YMCA OF DELAWARE, INC.
& AFFILIATES**

DECEMBER 31, 2022

	YMCA of Delaware	YMCA Central Branch Member, LLC	Elimination Entries	Consolidated Balances
ASSETS				
Cash and equivalents	\$ 8,980,727	\$ 0	\$ 0	\$ 8,980,727
Accounts receivable, net of allowance for credit losses of \$ 664,763	899,381			899,381
Capital campaign pledges receivable, net	2,904			2,904
Prepayments and other assets	652,195		(30,270)	621,925
Investments	17,092,792			17,092,792
Interest rate swap	277,759			277,759
Restricted assets				
Tenant security deposits	6,022			6,022
Reserves and escrowed funds	1,385,469			1,385,469
Investment in affiliates	4,700,000	4,700,000	(9,400,000)	0
Intercompany activity	2,973,085		(2,973,085)	0
Beneficial interest in perpetual trusts	4,829,513			4,829,513
Intangibles, net	112,535			112,535
Property and equipment, net	59,952,575		(1,710,483)	58,242,092
ROU assets - operating leases	579,043			579,043
ROU assets - finance leases, net	2,514,574			2,514,574
Contributed use of facility	2,514,257			2,514,257
Total Assets	\$ 107,472,831	\$ 4,700,000	\$ (14,113,838)	\$ 98,058,993
LIABILITIES				
Accounts payable	\$ 4,604,323	\$ 0	\$ 0	\$ 4,604,323
Accrued payroll and related taxes	747,627			747,627
Deferred revenue	937,444			937,444
Intercompany activity	8,692,452		(8,692,452)	0
Other liabilities	312,593			312,593
Notes payable and accrued interest	5,558,458			5,558,458
Operating lease liabilities	610,816			610,816
Finance lease liabilities	2,412,749			2,412,749
Bonds payable, net	20,847,020			20,847,020
Total Liabilities	44,723,482	0	(8,692,452)	36,031,030
NET ASSETS				
Without donor restrictions				
Unrestricted for general use	52,906,707	4,700,000	(5,421,386)	52,185,321
Board designated	1,291,390	0	0	1,291,390
Without donor restrictions	54,198,097	4,700,000	(5,421,386)	53,476,711
With donor restrictions	8,551,252	0	0	8,551,252
Total Net Assets	62,749,349	4,700,000	(5,421,386)	62,027,963
Total Liabilities and Net Assets	\$ 107,472,831	\$ 4,700,000	\$ (14,113,838)	\$ 98,058,993

**CONSOLIDATING SCHEDULES OF
ACTIVITIES**

**YMCA OF DELAWARE, INC.
& AFFILIATES**

DECEMBER 31, 2023

	YMCA of Delaware	YMCA Central Branch Member, LLC	Elimination Entries	Consolidated Balances
Revenues, Gains, and Other Support				
Membership dues	22,553,695	\$ 0	\$ 0	\$ 22,553,695
Less membership financial assistance	(2,579,929)			(2,579,929)
Program service fees	16,375,879			16,375,879
Less program financial assistance	(1,994,484)			(1,994,484)
Contributions	3,228,954			3,228,954
Contributed use of facilities	101,931			101,931
Fees and grants from governments	6,900,953			6,900,953
Investment (loss) income	1,994,817			1,994,817
Revenue from annual fundraising events, net	11,033			11,033
Change in value of beneficial interest in perpetual trusts, net of distributions	629,005			629,005
Fees for products and services	206,824			206,824
Other income	369,986			369,986
Total Revenues, Gains, and Other Support	47,798,664	0	0	47,798,664
Expenses and Losses				
Salaries	21,739,803			21,739,803
Employee benefits and payroll taxes	4,894,332			4,894,332
Occupancy	3,716,483			3,716,483
Supplies	3,640,326			3,640,326
Professional fees	3,935,614			3,935,614
Printing and publications	849,763			849,763
Rental and maintenance of equipment	457,427			457,427
Nonpayroll insurance	1,011,959			1,011,959
Travel	417,245			417,245
Membership dues	532,521			532,521
Telephone	488,479			488,479
Conferences, conventions, and meetings	243,075			243,075
Special events	16,792			16,792
Postage and shipping	28,750			28,750
Bad debt expense	395,203			395,203
Interest expense	764,508		(143,640)	620,868
Minor equipment purchases	207,918			207,918
Miscellaneous expense	168,526		(40,878)	127,648
Depreciation and amortization	5,187,943		(89,937)	5,098,006
Total Expenses and Losses	48,696,667	0	(274,455)	48,422,212
Change in Net Assets from Operations	(898,003)	0	274,455	(623,548)
Nonoperating Activities				
Swap valuation gain (loss)	(165,987)	0	0	(165,987)
Change in Net Assets	\$ (1,063,990)	\$ 0	\$ 274,455	\$ (789,535)

**CONSOLIDATING SCHEDULES OF
ACTIVITIES**

**YMCA OF DELAWARE, INC.
& AFFILIATES**

DECEMBER 31, 2022

	YMCA of Delaware	YMCA Central Branch Member, LLC	Elimination Entries	Consolidated Balances
Revenues, Gains, and Other Support				
Membership dues	\$ 18,086,787	\$ 0	\$ 0	\$ 18,086,787
Less membership financial assistance	(1,978,803)			(1,978,803)
Program service fees	14,345,055			14,345,055
Less program financial assistance	(1,689,720)			(1,689,720)
Contributions	4,084,495			4,084,495
Contributed use of facilities	102,572			102,572
Fees and grants from governments	6,958,329			6,958,329
Investment (loss) income	(1,704,460)			(1,704,460)
Revenue from annual fundraising events, net	8,812			8,812
Change in value of beneficial interest in perpetual trusts, net of distributions	(1,443,277)			(1,443,277)
Fees for products and services	457,163			457,163
Loss on disposal of property	(2,216)			(2,216)
Other income	72,096			72,096
Total Revenues, Gains, and Other Support	37,296,833	0	0	37,296,833
Expenses and Losses				
Salaries	19,359,066			19,359,066
Employee benefits and payroll taxes	4,264,884			4,264,884
Occupancy	3,248,195			3,248,195
Supplies	3,113,654			3,113,654
Professional fees	2,993,407			2,993,407
Printing and publications	801,487			801,487
Rental and maintenance of equipment	398,788			398,788
Nonpayroll insurance	914,811			914,811
Travel	361,846			361,846
Membership dues	329,584			329,584
Telephone	496,388			496,388
Conferences, conventions, and meetings	142,477			142,477
Special events	24,289			24,289
Postage and shipping	27,289			27,289
Bad debt expense	898,595			898,595
Interest expense	708,113		(136,208)	571,905
Minor equipment purchases	163,445			163,445
Miscellaneous expense	76,390		(40,873)	35,517
Depreciation and amortization	4,847,152		(97,370)	4,749,782
Total Expenses and Losses	43,169,860	0	(274,451)	42,895,409
Change in Net Assets from Operations	(5,873,027)	0	274,451	(5,598,576)
Nonoperating Activities				
Swap valuation gain	501,745	0	0	501,745
Change in Net Assets	\$ (5,371,282)	\$ 0	\$ 274,451	\$ (5,096,831)