



Certified Public Accountants and Consultants

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

**CONSOLIDATED FINANCIAL STATEMENTS
and
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2024

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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, 2024 and 2023, 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, 2024 and 2023, 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.

Emphasis of Matter

As discussed in Note 19 to the consolidated financial statements, the 2023 consolidated financial statements have been restated. Our opinion is not modified with respect to that matter.

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 40 to 43 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, 2025

CONSOLIDATED FINANCIAL STATEMENTS

**CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION**

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

DECEMBER 31, 2024 AND 2023

	2024	RESTATED 2023
ASSETS		
Cash and equivalents	\$ 11,439,987	\$ 4,372,117
Accounts receivable, net of allowance for credit losses of \$ 279,461 and \$ 174,504, respectively	832,967	925,684
Capital campaign pledges receivable, net	2,904	2,904
Prepayments and other assets	894,405	680,765
Investments	13,276,046	12,665,730
Interest rate swap	942,738	111,772
Restricted assets		
Tenant security deposits	11,522	7,451
Reserves and escrowed funds	1,150,298	1,330,582
Beneficial interest in perpetual trusts	5,939,044	5,458,518
Intangibles, net	97,690	122,076
Property and equipment, net	70,595,543	71,648,370
ROU assets - operating leases	164,364	318,907
ROU assets - finance leases, net	1,614,878	2,408,382
Contributed use of facility	5,182,255	5,119,192
Total Assets	\$ 112,144,641	\$ 105,172,450
LIABILITIES		
Accounts payable	\$ 1,158,437	\$ 1,601,936
Accrued payroll and related taxes	961,167	844,852
Deferred revenue	1,133,557	1,003,673
Other liabilities	260,755	281,951
Notes payable and accrued interest	5,682,548	5,620,918
Operating lease liabilities	180,509	332,269
Finance lease liabilities	1,686,114	2,383,610
Bonds payable, net	33,657,427	29,242,809
Total Liabilities	44,720,514	41,312,018
NET ASSETS		
Without donor restrictions		
Unrestricted for general use	51,975,138	52,513,233
Board designated	0	0
Without donor restrictions	51,975,138	52,513,233
With donor restrictions	15,448,989	11,347,199
Total Net Assets	67,424,127	63,860,432
Total Liabilities and Net Assets	\$ 112,144,641	\$ 105,172,450

See accompanying notes to financial statements.

**CONSOLIDATED STATEMENTS OF
ACTIVITIES**

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

**FOR THE YEARS ENDED DECEMBER 31, 2024
WITH COMPARATIVE TOTALS FOR 2023**

	Without donor restrictions	With donor restrictions	2024 Totals	RESTATED 2023 Totals
REVENUES, GAINS, AND OTHER SUPPORT				
Membership dues	\$ 26,996,397	\$ 0	\$ 26,996,397	\$ 22,553,695
Less membership financial assistance	(3,004,439)	0	(3,004,439)	(2,579,929)
Program service fees	17,550,901	0	17,550,901	16,375,879
Less program financial assistance	(1,899,759)	0	(1,899,759)	(1,994,484)
Contributions	1,966,000	3,770,137	5,736,137	3,228,954
Contributed use of facilities	313,271	208,591	521,862	319,463
Fees and grants from governments	8,146,914	1,660,100	9,807,014	6,900,953
Investment (loss) income	1,725,702	0	1,725,702	1,994,817
Revenue from annual fundraising events, net	12,266	0	12,266	11,033
Change in value of beneficial interest in perpetual trusts, net of distributions	0	480,526	480,526	629,005
Fees for products and services	189,154	0	189,154	206,824
Other income	39,447	0	39,447	369,986
Total revenues, gains, and other support before net assets released from restriction	52,035,854	6,119,354	58,155,208	48,016,196
NET ASSETS RELEASED FROM RESTRICTION	2,017,564	(2,017,564)	0	0
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	54,053,418	4,101,790	58,155,208	48,016,196
EXPENSES AND LOSSES				
Program Services				
Youth development	32,844,588	0	32,844,588	27,826,847
Healthy living	7,632,004	0	7,632,004	6,643,010
Social responsibility	7,069,794	0	7,069,794	7,078,312
Supporting Services				
Management and general	6,982,806	0	6,982,806	6,557,937
Fundraising costs	948,924	0	948,924	649,446
TOTAL EXPENSES AND LOSSES	55,478,116	0	55,478,116	48,755,552
CHANGE IN NET ASSETS FROM OPERATIONS	(1,424,698)	4,101,790	2,677,092	(739,356)
NONOPERATING ACTIVITY				
Swap valuation gain (loss)	886,603	0	886,603	(165,987)
CHANGES IN NET ASSETS	\$ (538,095)	\$ 4,101,790	\$ 3,563,695	\$ (905,343)

See accompanying notes to financial statements.

**CONSOLIDATED STATEMENTS OF
ACTIVITIES**

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

FOR THE YEAR ENDED DECEMBER 31, 2023, RESTATED

	Without donor Restrictions	With donor Restrictions	Totals
REVENUES, GAINS, AND OTHER SUPPORT			
Membership dues	22,553,695	\$ 0	\$ 22,553,695
Less membership financial assistance	(2,579,929)	0	(2,579,929)
Program service fees	16,375,879	0	16,375,879
Less program financial assistance	(1,994,484)	0	(1,994,484)
Contributions	1,256,853	1,972,101	3,228,954
Contributed use of facilities	319,463	0	319,463
Fees and grants from governments	6,900,953	0	6,900,953
Investment loss	1,994,817	0	1,994,817
Revenue from annual fundraising events, net	11,033	0	11,033
Change in value of beneficial interest in perpetual trusts, net of distributions	0	629,005	629,005
Fees for products and services	206,824	0	206,824
Other income	369,986	0	369,986
Total revenues, gains, and other support before net assets released from restriction	45,415,090	2,601,106	48,016,196
NET ASSETS RELEASED FROM RESTRICTION	2,542,971	(2,542,971)	0
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	47,958,061	58,135	48,016,196
EXPENSES AND LOSSES			
Program services			
Youth development	27,826,847	0	27,826,847
Healthy living	6,643,010	0	6,643,010
Social responsibility	7,078,312	0	7,078,312
Supporting Services			
Management and general	6,557,937	0	6,557,937
Fundraising costs	649,446	0	649,446
TOTAL EXPENSES AND LOSSES	48,755,552	0	48,755,552
CHANGE IN NET ASSETS FROM OPERATIONS	(797,491)	58,135	(739,356)
NONOPERATING ACTIVITY			
Swap valuation gain	(165,987)	0	(165,987)
CHANGE IN NET ASSETS	\$ (963,478)	\$ 58,135	\$ (905,343)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

YMCA OF DELAWARE, INC.
& AFFILIATES

	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	\$ 14,222,415	\$ 3,639,063	\$ 2,452,875	\$ 20,314,353	\$ 2,713,316	\$ 648,733	\$ 23,676,402
Employee benefits and payroll taxes	3,058,459	818,086	537,134	4,413,679	1,395,097	233,221	6,041,997
Total personnel costs	17,280,874	4,457,149	2,990,009	24,728,032	4,108,413	881,954	29,718,399
Other expenses							
Occupancy	3,254,083	747,812	595,350	4,597,245	79,505	0	4,676,750
Supplies	2,868,384	230,350	432,285	3,531,019	240,958	16,670	3,788,647
Professional fees	1,649,421	330,247	498,452	2,478,120	1,145,532	1,450	3,625,102
Printing and publications	123,910	45,108	42,460	211,478	660,186	41,456	913,120
Rental and maintenance of equipment	152,458	72,857	584	225,899	305,128	0	531,027
Nonpayroll insurance	731,772	170,049	140,275	1,042,096	203,685	0	1,245,781
Travel	272,422	57,267	160,179	489,868	66,765	2,067	558,700
Membership dues	431,838	128,581	29,795	590,214	19,537	794	610,545
Telephone	351,276	71,919	38,014	461,209	57,879	936	520,024
Conferences, conventions, and meetings	165,467	28,719	25,928	220,114	64,057	3,597	287,768
Special events expense	23,734	0	0	23,734	0	0	23,734
Postage and shipping	9,680	2,247	0	11,927	14,292	0	26,219
Credit losses	185,827	44,267	625,718	855,812	13,078	0	868,890
Interest expense	1,205,854	280,182	69,428	1,555,464	0	0	1,555,464
Minor equipment purchases	27,164	10,498	17,425	55,087	3,268	0	58,355
Miscellaneous expenses	7,429	1,769	9,087	18,285	523	0	18,808
Total other expenses	11,460,719	2,221,872	2,684,980	16,367,571	2,874,393	66,970	19,308,934
Total expenses and losses before depreciation and amortization	28,741,593	6,679,021	5,674,989	41,095,603	6,982,806	948,924	49,027,333
Depreciation and amortization	4,102,995	952,983	1,394,805	6,450,783	0	0	6,450,783
Total expenses and losses	<u>\$ 32,844,588</u>	<u>\$ 7,632,004</u>	<u>\$ 7,069,794</u>	<u>\$ 47,546,386</u>	<u>\$ 6,982,806</u>	<u>\$ 948,924</u>	<u>\$ 55,478,116</u>

See accompanying notes to financial statements.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023, RESTATED

YMCA OF DELAWARE, INC.
& AFFILIATES

	Program Services				Supporting Services		
	Youth Development	Healthy Living	Social Responsibility	Total Program Services	Management & General	Fundraising Costs	Total Expenses
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	2,646,560	622,457	693,735	3,962,752	87,071	0	4,049,823
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	8,466,258	1,897,221	3,167,842	13,531,321	3,426,501	65,589	17,023,411
Total expenses and losses before depreciation and amortization	24,716,675	5,898,021	5,835,467	36,450,163	6,557,937	649,446	43,657,546
Deprecation and amortization	3,110,172	744,989	1,242,845	5,098,006	0	0	5,098,006
Total expenses and losses	\$ 27,826,847	\$ 6,643,010	\$ 7,078,312	\$ 41,548,169	\$ 6,557,937	\$ 649,446	\$ 48,755,552

See accompanying notes to financial statements.

**CONSOLIDATED STATEMENTS OF
CHANGES IN NET ASSETS**

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

**FOR THE YEARS ENDED DECEMBER 31, 2024
AND 2023**

	Without donor restrictions				
	General-use	Board designated	Total without donor restrictions	With donor restrictions	Total net assets
Balance, December 31, 2022, restated	\$ 52,185,321	\$ 1,291,390	\$ 53,476,711	\$ 11,289,064	\$ 64,765,775
Change in net assets, restated	327,912	(1,291,390)	(963,478)	58,135	(905,343)
Balance, December 31, 2023, restated	52,513,233	0	52,513,233	11,347,199	63,860,432
Change in net assets	(538,095)	0	(538,095)	4,101,790	3,563,695
Balance, December 31, 2024	<u>\$ 51,975,138</u>	<u>\$ 0</u>	<u>\$ 51,975,138</u>	<u>15,448,989</u>	<u>\$ 67,424,127</u>

See accompanying notes to financial statements.

**CONSOLIDATED STATEMENTS OF
CASH FLOWS**

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

**FOR THE YEARS ENDED DECEMBER 31, 2024
AND 2023**

	2024	RESTATED 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,563,695	\$ (905,343)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	6,161,223	5,046,435
Amortization - bond and loan costs	289,560	51,570
(Gain) loss on swap valuation	(886,603)	165,987
Credit losses	868,890	395,203
Gain on investments	(867,307)	(1,186,700)
Gain on beneficial interest in perpetual trust	(480,526)	(629,005)
Changes in assets and liabilities:		
Accounts receivable and pledges	(776,173)	(421,506)
Prepayments and other assets	(213,640)	(58,840)
Tenant security deposits	(4,071)	(1,429)
Intangibles	24,386	(9,541)
ROU assets - operating leases	154,543	260,136
Contributed use of facility	(63,063)	132,877
Accounts payable	(443,498)	(3,002,387)
Deferred revenue	129,884	66,229
Other current liabilities	(21,196)	(30,642)
Operating lease liabilities	(151,760)	(278,547)
Accrued expenses	177,945	146,831
Bonds payable, net	0	17,622
Net cash provided (used) by operating activities	<u>7,462,289</u>	<u>(241,050)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of investments	2,720,651	9,137,771
Net draws to reserves and escrows	180,284	54,887
Purchases of investments	(2,394,893)	(3,524,009)
Acquisitions of property and equipment	(4,314,892)	(8,623,943)
Net cash used by investing activities	<u>(3,808,850)</u>	<u>(2,955,294)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Curtailements of financing lease	(697,496)	(631,806)
Payment of notes payable	(21,290)	(20,460)
Proceeds from bonds payable	4,773,449	0
Payment of bonds payable	(640,232)	(760,000)
Net cash provided (used) by financing activities	<u>3,414,431</u>	<u>(1,412,266)</u>
NET CHANGE IN CASH	7,067,870	(4,608,610)
CASH		
Beginning of year	4,372,117	8,980,727
End of year	<u>\$ 11,439,987</u>	<u>\$ 4,372,117</u>
INTEREST PAID (net of capitalized interest of \$ 0 in 2024 and \$ 774,679 in 2023, respectively)	<u>\$ 1,555,464</u>	<u>\$ 620,868</u>

See accompanying notes to financial statements.

**CONSOLIDATED STATEMENTS OF
CASH FLOWS**

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

**FOR THE YEARS ENDED DECEMBER 31, 2024
AND 2023**

	2024	RESTATED 2023
SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Equipment purchased through finance leases	<u>\$ 0</u>	<u>\$ 602,667</u>
Acquisition of property and equipment through bond issue	<u>\$ 0</u>	<u>\$ 9,112,479</u>
Bond issuance cost through bond issue	<u>\$ 419,020</u>	<u>\$ 0</u>
Payoff of bond through refinance	<u>\$ 13,609,900</u>	<u>\$ 0</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 YMCADE have been prepared in accordance with U.S. generally accepted accounting principles. ("US GAAP"), which require the YMCADE 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 YMCADE'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 YMCADE 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 YMCADE and its affiliates. All material inter-affiliated accounts and transactions have been eliminated in consolidation.

The following is a current list of YMCADE 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, 2024 and 2023, cash equivalents consisted of cash and money market funds. The recorded cost of these investments approximated their fair value at December 31, 2024 and 2023.

Accounts receivable

Accounts receivable represent uncollected billings for services rendered and past due rents from tenants. The allowance for credit losses at December 31, 2024 and 2023 was \$ 279,461 and \$ 174,504, 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, 2024 or 2023. 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, 2024 and 2023. 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 \$ 169,214 and \$ 161,054 as of December 31, 2024 and 2023, 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, 2024 and 2023 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 were written off in 2024 with the refinance of the bonds in April 2024. As of December 31, 2023, bond issue costs of \$ 529,430, were shown net of accumulated amortization of \$ 304,266 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 \$ 62,905 and \$37,751, as of December 31, 2024 and 2023, respectively, are reported as a direct deduction from the face amount of the bonds to which such costs relate.

Bond issue costs of the Series 2024 bonds in the amount of \$ 419,020, net of accumulated amortization of \$ 31,083, as of December 31, 2024, 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 term of the bonds.

Interest expense related to the bond issuance costs for each of the years ended December 31, 2024 and 2023 was \$ 281,401 and \$ 43,410, 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,

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

Contributions (cont'd)

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. 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, 2024 and 2023 were \$ 513,614 and \$ 572,576, 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, 2024 and 2023, the YMCADE has determined that the majority of the YMCADE '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 YMCADE 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 2024 or 2023. 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, 2024 and 2023, 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, 2024 and 2023, the YMCADE did not incur any interest and penalties from taxing authorities.

The federal income tax returns of the YMCADE and its affiliates for 2021, 2022 and 2023 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 2024 were \$ 40 - \$ 132 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.

Revenue from government agencies and other grants is measured by the consideration specified in the respective contract with the respective granting agency. The YMCADE applied for relief under the ERC Program in 2023. The YMCADE recognizes income under the ERC Program when approval notification is received.

Subsequent events

The date to which events occurring after December 31, 2024, 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, 2025, which is the date on which the consolidated financial statements were available to be issued.

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Note 2 Availability and liquidity

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

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash and equivalents	\$ 11,439,987	\$ 4,372,117
Accounts receivable	832,967	925,684
Pledges receivable	2,904	2,904
Investments	<u>13,276,046</u>	<u>12,665,730</u>
Total financial assets	25,551,904	17,966,435
Less amounts not available to be used within one year:		
Board designated funds	0	0
Net assets with donor restrictions	<u>4,327,690</u>	<u>769,489</u>
	<u>4,327,690</u>	<u>769,489</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 21,224,214</u></u>	<u><u>\$ 17,196,946</u></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.

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Note 4 Restricted assets

Restricted assets consisted of tenant security deposits of \$ 11,522 and \$ 7,451, which are held in a separate bank account in the name of the project, and reserves and escrowed funds of \$ 1,150,298 and \$ 1,330,582, held by DSHA, as of December 31, 2024 and 2023, 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 \$ 275,091 for the benefit of the residential development at December 31, 2024 (\$ 270,781 at 2023). The operating reserve was fully funded as of December 31, 2024 and 2023.

A summary of activity within the restricted assets – reserves and escrowed funds at December 31, 2024 are as follows:

	Insurance and debt	Operating deficit	Replacement reserve	Residual receipts	Total
Beginning	\$ 420,496	\$ 270,781	\$ 622,370	\$ 16,935	\$ 1,330,582
Deposits	27,921	0	108,085	0	136,006
Interest income	1,586	4,310	9,594	2,529	18,019
Other	0	0	0	0	0
Payments	(229,250)	0	(105,059)	0	(334,309)
Ending	<u>\$ 220,753</u>	<u>\$ 275,091</u>	<u>\$ 634,990</u>	<u>\$ 19,464</u>	<u>\$ 1,150,298</u>

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 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:

	2024		2023	
	Market	Cost	Market	Cost
1 - 5 years	\$4,760,257	\$4,860,521	\$4,315,900	\$4,395,247
5 - 10 years	438,468	485,560	521,554	575,936
10 - 15 years	0	0	78,596	104,804
Over 15 years	506,652	520,961	685,306	683,873
	<u>\$5,705,377</u>	<u>\$5,867,042</u>	<u>\$5,601,356</u>	<u>\$5,759,860</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:

	2024		2023	
	Amount	% owned	Amount	% owned
Addie C. Carpenter Trust	\$ 20,724	10%	\$ 19,645	10%
Matilda B. Kenschak Trust	180,304	25%	169,892	25%
Florence H. Brown Trust	269,829	100%	255,333	100%
H. Fletcher Brown Trust	<u>5,468,187</u>	100%	<u>5,013,648</u>	100%
Total fair value of beneficial interest	<u>\$5,939,044</u>		<u>\$5,458,518</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.

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Note 6 Beneficial interest in perpetual trusts (cont'd)

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

	2024	2023
Addie C. Carpenter Trust	\$ 951	\$ 794
Matilda B. Korschak Trust	7,947	9,072
Florence H. Brown Trust	11,211	11,539
H. Fletcher Brown Trust	202,532	202,983
Total distributions received	<u>\$ 222,641</u>	<u>\$ 224,388</u>

The change in fair value of the beneficial interest in perpetual trusts for 2024 and 2023, net of distributions, was an increase of \$ 480,526 and \$ 629,005, 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:

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Note 7 Fair value measurements (cont'd)

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.

Value of derivative instrument (interest rate swap) - the fair value is based on quotes provided by TD Bank, the swap agreement holder for 2024, (PNC Bank for 2023) of the estimated amounts the YMCADE would receive or pay if the agreement was terminated taking into consideration current interest rates.

Carrying values and estimated fair values at December 31:

	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Accounts receivable	\$ 832,967	\$ 832,967	\$ 925,684	\$ 925,684
Investments	\$ 13,276,046	\$ 13,276,046	\$ 12,665,730	\$ 12,665,730
Beneficial interest in perpetual trusts	\$ 5,939,044	\$ 5,939,044	\$ 5,458,518	\$ 5,458,518
Fair value of derivative instrument	\$ 942,738	\$ 942,738	\$ 111,772	\$ 111,772
Financial liabilities				
Accounts payable	\$ 1,158,437	\$ 1,158,437	\$ 1,601,936	\$ 1,601,936
Bonds payable, net	\$ 33,657,427	\$ 33,657,427	\$ 29,242,809	\$ 29,242,809

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Note 7 Fair value measurements (cont'd)

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

<u>December 31, 2024</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets				
Money market and sweep	\$ 6,871	\$ 6,871	\$ 0	\$ 0
Treasury bills	1,032,433	1,032,433	0	0
Equity securities	17,187	17,187	0	0
Mutual funds	7,546,611	7,546,611	0	0
Corporate debt securities	2,541,236	2,541,236	0	0
Treasury bonds	2,131,708	2,131,708	0	0
Beneficial interest in perpetual trusts	5,939,044	5,939,044	0	0
Total assets at fair value	\$ 19,215,090	\$ 19,215,090	\$ 0	\$ 0

<u>December 31, 2023</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
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

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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>2024</u>	<u>2023</u>
YMCA of Delaware		
Land and improvements	\$ 8,922,334	\$ 8,469,173
Buildings and improvements	118,808,570	116,494,784
Furniture and equipment	6,763,801	6,451,454
Automobiles and machinery	1,648,545	1,437,190
Capitalized interest	681,082	997,648
Contruccion in progress	<u>1,100,000</u>	<u>0</u>
Total book value	137,924,332	133,850,249
Accumulated depreciation	<u>(76,198,222)</u>	<u>(71,528,947)</u>
Net book value	<u>61,726,110</u>	<u>62,321,302</u>
YMCA Central Branch, LLC		
Furniture and equipment	622,367	622,367
Buildings and improvements	<u>17,194,401</u>	<u>17,167,912</u>
Total book value	17,816,768	17,790,279
Accumulated depreciation	<u>(8,947,335)</u>	<u>(8,463,211)</u>
Net book value	<u>8,869,433</u>	<u>9,327,068</u>
Consolidated net book value	<u><u>\$ 70,595,543</u></u>	<u><u>\$ 71,648,370</u></u>

Depreciation expense for 2024 and 2023 was \$ 6,161,223 and \$ 5,046,435, 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. During 2023, the not to exceed amount was \$ 900,000.

The YMCADE obtained a new line of credit in the amount of \$ 1,000,000 with a national bank for working capital purposes in June 2024. There were no advances on the line during 2024.

The YMCADE has a letter of credit in the amount of \$ 199,000 restricted in favor of Sentry Insurance Company that expires in September 2025.

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Note 10 Notes payable

Notes payable consisted of the following at December 31:

	<u>2024</u>	<u>2023</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.	\$ 44,940	\$ 49,980
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.	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.	<u>500,000</u>	<u>500,000</u>
Subtotal notes payable – YMCADE	<u>\$ 1,894,940</u>	<u>\$ 1,899,980</u>

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

Note 10

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, 2024 and 2023 was \$ 1,313,195 and \$ 1,245,275, respectively. Mortgage note payable of \$ 2,270,169 (\$ 2,286,419 at December 31, 2023) is shown net of unamortized loan costs of \$ 75.786 (\$ 83.946 at

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, 2024 and 2023 was \$ 130,030 and \$ 123,190, respectively; due March 2033.

Subtotal notes payable – Central Branch

Subtotal accrued interest – Central Branch

Subtotal notes payable and accrued interest –
Central Branch

Total notes payable and accrued interest –
YMCADÉ and Central Branch

**NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS**

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

Note 10 Notes payable (cont'd)

Components of mortgages payable are as follows at December 31:

	2024	2023
Mortgages	\$ 4,315,109	\$ 4,336,399
Unamortized loan costs	(75,786)	(83,946)
Net	<u>\$ 4,239,323</u>	<u>\$ 4,252,453</u>

Components of interest expense on the notes payable for the year ended December 31, 2024 and 2023 are as follows:

	2024	2023
Interest expense	\$ 74,760	\$ 74,760
Amortization of loan costs	8,160	8,160
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:

2025	\$ 12,540
2026	5,040
2027	5,040
2028	5,040
2029	5,040
Thereafter	<u>4,282,409</u>
	<u>\$ 4,315,109</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 matured by tranches on May 1 of each year and interest was payable on the first day of each month. Interest on the bonds was payable at a weekly rate as determined by the remarketing agent. The principal balance outstanding on the bonds as of December 31, 2024 and 2023 was \$ 0 and \$ 13,609,900, 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.

In April 2024, 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.

Series 2024 Delaware Economic Development Authority Revenue Bond

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 unpaid principal balance of the Series 2024 Bond bears interest at 82% of SOFR (Secured Overnight Financing Rate) in effect for each interest period plus 0.77%. Principal plus interest payments are due beginning May 1, 2024 through the maturity date of April 1, 2034, based on a 300-month amortization. A final payment of all unpaid principal plus accrued interest is due on the maturity date of April 1, 2034. The outstanding balance of the Series 2024 Bond as of December 31, 2024 is \$ 16,710,460.

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 were 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 0.77%. Interest only payments were 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.

**NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS**

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

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, 2024 and 2023 is \$ 17,649,308 and \$ 16,197,631, respectively.

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.

In addition, the YMCADE had 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, 2024 and 2023 and the line was closed in 2024.

Financial covenants with respect to the Series 2007, Series 2022 and Series 2024 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 and 2024 Bonds also includes a liquidity covenant. As of December 31, 2024 and 2023, the YMCADE met the requirement of these covenants. Financial reporting requirements are required for the Series 2022 and Series 2024 Bonds, respectively, and were met for 2024.

Components of bonds payable are as follows at December 31:

	2024	2023
Series 2007 Bonds outstanding principal	\$ 0	\$ 13,609,900
Series 2022 Bonds outstanding principal	17,649,308	16,197,631
Series 2024 Bonds outstanding principal	16,710,460	0
	<u>34,359,768</u>	<u>29,807,531</u>
Unamortized bond issue costs 2007	0	(225,164)
Unamortized bond issue costs 2022	(314,404)	(339,558)
Unamortized bond issue costs 2024	<u>(387,937)</u>	<u>0</u>
	<u>(702,341)</u>	<u>(564,722)</u>
Net	<u>\$ 33,657,427</u>	<u>\$ 29,242,809</u>

**NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS**

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

Note 11 Bonds payable (cont'd)

Components of interest expense on the bonds payable for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Interest expense	1,347,797	\$ 395,049
Amortization of bond costs	281,401	43,410
Total interest expense	<u>\$ 1,629,198</u>	<u>\$ 438,459</u>

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

2025	\$ 768,487
2026	798,471
2027	829,638
2028	858,613
2029	895,585
Thereafter	<u>30,208,974</u>
	<u>\$ 34,359,768</u>

Note 12 Interest rate swap

The YMCADE has an interest rate swap agreement covering the value of the 2024 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 related to the Series 2007 expired in April 2024.

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, 2024 and 2023, the YMCADE recorded swap value gains/(losses) of \$ 886,603 and \$ (165,987), respectively, in fair-market value adjustments to the asset/liability of the swap. Cumulative gains on the swaps from inception totaled \$ 942,738 and \$ 111,772 as of December 31, 2024 and 2023, 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.

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.

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, 2024 and 2023, 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.

Tenant improvement agreement

The YMCADE signed a contract with a landlord in December 2024 to construct tenant improvements for the CEB Early Learning Center. The YMCADE paid \$1.1million to the landlord upon the signing of the contract and has committed to paying another \$700,000 in 2025. The lease will not commence until after the landlord releases the space to the YMCADE upon completion of the tenant improvements and a certificate of occupancy is issued. Base rent under the lease is \$169,500 annually with an additional \$58,334 added each month for first twelve months to satisfy the \$700,000 commitment if the \$700,000 commitment is not paid in full prior to commencement of the lease.

**NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS**

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

Note 14 Net assets with donor restrictions

	<u>2023</u>	<u>Additions</u>	<u>Releases</u>	<u>2024</u>
Programs	\$ 5,888,681	\$ 5,638,828	\$ (2,017,564)	\$ 9,509,945
Operations	5,458,518	480,526		5,939,044
	<u>\$ 11,347,199</u>	<u>\$ 6,119,354</u>	<u>\$ (2,017,564)</u>	<u>\$ 15,448,989</u>

	<u>2022</u>	<u>Additions</u>	<u>Releases</u>	<u>2023</u>
Programs, restated	\$ 6,459,551	\$ 1,972,101	\$ (2,542,971)	\$ 5,888,681
Operations	4,829,513	629,005		5,458,518
	<u>\$ 11,289,064</u>	<u>\$ 2,601,106</u>	<u>\$ (2,542,971)</u>	<u>\$ 11,347,199</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.

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.

NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS

YMCA OF DELAWARE, INC.
& AFFILIATES

Note 15 Retirement plan (cont'd)

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, 2024 and 2023 were \$ 1,744,228 and \$ 1,728,222, 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:

	2024	RESTATED 2023
Receivable in less than one year	\$ 467,840	\$ 452,340
Receivable in one to five years	1,871,360	2,261,700
Receivable in greater than five years	8,046,864	7,820,822
Total contributed use of facility	10,386,064	10,534,862
Discounts to net present value	(5,203,809)	(5,415,670)
	<u>\$ 5,182,255</u>	<u>\$ 5,119,192</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.

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 YMCADE entered into a fifty-year lease agreement with the Cape Henlopen School District for the Sussex premises on May 28, 1987. That lease requires annual payments of rent of \$ 1 per year.

The YMCADE entered into a twenty-year lease agreement for the Hanby tract in July 2024. That lease requires annual payments of rent of \$ 1 per year

The contributed amount of rent received during the years ended December 31, 2024 and 2023 was \$ 521,862 and \$ 319,463, respectively, based on the present value of the current estimated rent value discounted at 4 percent. Rent expense of \$ 458,758 and \$ 449,340 was recognized as an expense on the statement of functional expense under occupancy expense for both years ended December 31, 2024 and 2023.

**NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS**

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

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, 2024 are as follows:

	2024	2023
Operating lease cost:		
Fixed lease expense	<u>\$ 162,160</u>	<u>\$ 277,354</u>
Finance lease cost:		
Interest expense	\$ 135,356	\$ 145,185
Amortization of ROU assets	<u>793,504</u>	<u>708,859</u>
Total finance lease cost	<u>\$ 928,860</u>	<u>\$ 854,044</u>

Weighted-average information

	2024	2023
Weighted-average remaining lease term in years:		
Operating leases	1.77	2.29
Finance leases	2.23	3.15
Weighted-average discount rate:		
Operating leases	3.00%	3.29%
Finance leases	6.70%	6.66%

NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS

YMCA OF DELAWARE, INC.
& AFFILIATES

Note 17 Leases (cont'd)

Future minimum lease payments

Future minimum annual payments under long-term leases as of
December 31, 2024 are as follows:

2025	\$	986,672
2026		733,228
2027		161,694
2028		68,052
2029		0
Thereafter		<u>0</u>
Total lease payments		1,949,646
Interest		<u>(83,023)</u>
Present value of lease liabilities	\$	<u>1,866,623</u>

Note 18 Major contributors

Of the \$ 5,736,137 in contributions received during the year ended
December 31, 2024, 51%, or \$ 2,913,000 was received from two contributors.

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**NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS**

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

Note 19 Restatement

Management determined the contributed facility lease with the Cape Henlopen School District had not been recorded in its records. As a result, management recorded an adjustment of \$ 2,737,812 to net assets with donor restrictions as of December 31, 2022 which is the present value of contributed rent at December 31, 2022.

The effect of the restatement for 2023 is summarized below:

	Originally stated December 31, 2023	Adjustment	Restated December 31, 2023
Contributed use of facility	\$ 2,497,188	\$ 2,622,004	\$ 5,119,192
Total assets	\$ 102,550,446	\$ 2,622,004	\$ 105,172,450
Contributed use of facility	\$ 101,931	\$ 217,532	\$ 319,463
Net assets released from restrictions	\$ 2,427,163	\$ 115,808	\$ 2,542,971
Occupancy expense	\$ 3,716,483	\$ 333,340	\$ 4,049,823
Change in net assets - without donor restrictions	\$ (963,478)	\$ 0	\$ (963,478)
Change in net assets - with donor restrictions	\$ 173,943	\$ (115,808)	\$ 58,135
Unrestricted net assets - general use	\$ 52,513,233	\$ 0	\$ 52,513,233
Unrestricted net assets - board designated endowment	0	0	0
Net assets with donor restrictions	8,725,195	2,622,004	11,347,199
Total net assets	\$ 61,238,428	\$ 2,622,004	\$ 63,860,432

SUPPLEMENTAL INFORMATION

**CONSOLIDATING SCHEDULES OF
FINANCIAL POSITION**

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

DECEMBER 31, 2024

	YMCA of Delaware	YMCA Central Branch Member, LLC	Elimination Entries	Consolidated Balances
ASSETS				
Cash and equivalents	\$ 11,439,987	\$ 0	\$ 0	\$ 11,439,987
Accounts receivable, net of allowance for credit losses of \$279,461	832,967			832,967
Capital campaign pledges receivable, net	2,904			2,904
Prepayments and other assets	938,940		(44,535)	894,405
Investments	13,276,046			13,276,046
Interest rate swap	942,738			942,738
Restricted assets				
Tenant security deposits	11,522			11,522
Reserves and escrowed funds	1,150,298			1,150,298
Investment in affiliates	4,700,000	4,700,000	(9,400,000)	0
Intercompany activity	2,973,465		(2,973,465)	0
Beneficial interest in perpetual trusts	5,939,044			5,939,044
Intangibles, net	97,690			97,690
Property and equipment, net	72,126,151		(1,530,608)	70,595,543
ROU assets - operating leases	164,364			164,364
ROU assets - finance leases, net	1,614,878			1,614,878
Contributed use of facility	5,182,255			5,182,255
Total Assets	\$ 121,393,249	\$ 4,700,000	\$ (13,948,608)	\$ 112,144,641
LIABILITIES				
Accounts payable	\$ 1,158,437	\$ 0	\$ 0	\$ 1,158,437
Accrued payroll and related taxes	961,167			961,167
Deferred revenue	1,133,557			1,133,557
Intercompany activity	8,978,840		(8,978,840)	0
Other liabilities	260,755			260,755
Notes payable and accrued interest	5,682,548			5,682,548
Operating lease liabilities	180,509			180,509
Finance lease liabilities	1,686,114			1,686,114
Bonds payable, net	33,657,427			33,657,427
Total Liabilities	53,699,354	0	(8,978,840)	44,720,514
NET ASSETS				
Without donor restrictions				
Unrestricted for general use	52,244,906	4,700,000	(4,969,768)	51,975,138
Board designated	0	0	0	0
Without donor restrictions	52,244,906	4,700,000	(4,969,768)	51,975,138
With donor restrictions	15,448,989	0	0	15,448,989
Total Net Assets	67,693,895	4,700,000	(4,969,768)	67,424,127
Total Liabilities and Net Assets	\$ 121,393,249	\$ 4,700,000	\$ (13,948,608)	\$ 112,144,641

**CONSOLIDATING SCHEDULES OF
FINANCIAL POSITION**

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

DECEMBER 31, 2023, RESTATED

	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	5,119,192			5,119,192
Total Assets	\$ 114,510,214	\$ 4,700,000	\$ (14,037,764)	\$ 105,172,450
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	11,347,199	0	0	11,347,199
Total Net Assets	64,362,506	4,700,000	(5,202,074)	63,860,432
Total Liabilities and Net Assets	\$ 114,510,214	\$ 4,700,000	\$ (14,037,764)	\$ 105,172,450

**CONSOLIDATING SCHEDULES OF
ACTIVITIES**

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

FOR THE YEAR ENDED DECEMBER 31, 2024

	YMCA of Delaware	YMCA Central Branch Member, LLC	Elimination Entries	Consolidated Balances
Revenues, Gains, and Other Support				
Membership dues	\$ 26,996,397	\$ 0	\$ 0	\$ 26,996,397
Less membership financial assistance	(3,004,439)			(3,004,439)
Program service fees	17,550,901			17,550,901
Less program financial assistance	(1,899,759)			(1,899,759)
Contributions	5,736,137			5,736,137
Contributed use of facilities	521,862			521,862
Fees and grants from governments	9,807,014			9,807,014
Investment (loss) income	1,725,702			1,725,702
Revenue from annual fundraising events, net	12,266			12,266
Change in value of beneficial interest in perpetual trusts, net of distributions	480,526			480,526
Fees for products and services	189,154			189,154
Other income	39,447			39,447
Total Revenues, Gains, and Other Support	58,155,208	0	0	58,155,208
Expenses and Losses				
Salaries	23,676,402			23,676,402
Employee benefits and payroll taxes	6,041,997			6,041,997
Occupancy	4,676,750			4,676,750
Supplies	3,788,647			3,788,647
Professional fees	3,625,102			3,625,102
Printing and publications	913,120			913,120
Rental and maintenance of equipment	531,027			531,027
Nonpayroll insurance	1,245,781			1,245,781
Travel	558,700			558,700
Membership dues	610,545			610,545
Telephone	520,024			520,024
Conferences, conventions, and meetings	287,768			287,768
Special events	23,734			23,734
Postage and shipping	26,219			26,219
Bad debt expense	868,890			868,890
Interest expense	1,699,104		(143,640)	1,555,464
Minor equipment purchases	58,355			58,355
Miscellaneous expense	58,409		(39,602)	18,807
Depreciation and amortization	6,540,722		(89,938)	6,450,784
Total Expenses and Losses	55,751,296	0	(273,180)	55,478,116
Change in Net Assets from Operations	2,403,912	0	273,180	2,677,092
Nonoperating Activities				
Swap valuation gain	886,603	0	0	886,603
Change in Net Assets	\$ 3,290,515	\$ 0	\$ 273,180	\$ 3,563,695

**CONSOLIDATING SCHEDULES OF
ACTIVITIES**

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

FOR THE YEAR ENDED DECEMBER 31, 2023, RESTATED

	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	319,463			319,463
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	48,016,196	0	0	48,016,196
Expenses and Losses				
Salaries	21,739,803			21,739,803
Employee benefits and payroll taxes	4,894,332			4,894,332
Occupancy	4,049,823			4,049,823
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	816,894		(196,026)	620,868
Minor equipment purchases	207,918			207,918
Miscellaneous expense	167,588		(39,940)	127,648
Depreciation and amortization	5,135,557		(37,551)	5,098,006
Total Expenses and Losses	49,029,069	0	(273,517)	48,755,552
Change in Net Assets from Operations	(1,012,873)	0	273,517	(739,356)
Nonoperating Activities				
Swap valuation loss	(165,987)	0	0	(165,987)
Change in Net Assets	\$ (1,178,860)	\$ 0	\$ 273,517	\$ (905,343)