

**CHILDREN & FAMILIES FIRST DELAWARE INC.  
(T/A CHILDREN & FAMILIES FIRST, INC.)  
AND SUPPORTING ORGANIZATIONS**

**CONSOLIDATED FINANCIAL STATEMENTS  
and  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2023**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Children & Families First Delaware Inc.

### Opinion

We have audited the accompanying consolidated financial statements of Children & Families First Delaware Inc. (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 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 Children & Families First Delaware Inc. as of December 31, 2023 and 2022, and the changes in their net assets and their 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 Children & Families First Delaware Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Children & Families First Delaware Inc.'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 Children & Families First Delaware Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Children & Families First Delaware Inc.'s ability to continue as a going concern for a reasonable period of time.

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

### **Emphasis of Matter**

As discussed in Note 16 to the consolidated financial statements, the 2022 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 34 to 37 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  
September 24, 2024



## CONTENTS

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENTS OF ACTIVITIES	6
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES	8
CONSOLIDATED STATEMENTS OF CASH FLOWS	12
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	13
SUPPLEMENTARY INFORMATION	
CONSOLIDATING SCHEDULES OF FINANCIAL POSITION	34
CONSOLIDATING SCHEDULES OF ACTIVITIES	36

**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION**

**CHILDREN & FAMILIES FIRST DELAWARE, INC.**

**DECEMBER 31, 2023 AND 2022**

**ASSETS**

	<b>2023</b>	<b>RESTATED 2022</b>
<b>CURRENT ASSETS</b>		
Cash and equivalents	\$ 206,366	\$ 1,295,177
Grants and accounts receivable, net	2,695,108	2,173,588
Prepaid expenses	402,929	408,984
	<hr/>	<hr/>
Total current assets	3,304,403	3,877,749
<b>OTHER ASSETS</b>		
Investments	3,970,718	3,610,619
Beneficial interest in perpetual trusts	4,417,360	4,060,143
	<hr/>	<hr/>
	8,388,078	7,670,762
<b>PENSION ASSET</b>		
	0	253,324
<b>PROPERTY AND EQUIPMENT</b>		
Land and improvements	906,361	838,361
Building and improvements	7,535,885	7,528,757
Automobiles	199,381	107,301
Building equipment and furnishings	616,664	437,592
Office and MIS equipment	76,839	76,839
Construction in progress	293,909	172,411
	<hr/>	<hr/>
	9,629,039	9,161,261
Accumulated depreciation	3,949,482	3,565,925
	<hr/>	<hr/>
Property and equipment, net	5,679,557	5,595,336
<b>RIGHT OF USE ASSETS</b>		
Financing lease right-of-use assets	202,467	33,927
Operating lease right-of-use assets	492,940	654,812
	<hr/>	<hr/>
	\$ 18,067,445	\$ 18,085,910
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See accompanying notes to financial statements.



**CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION**

**CHILDREN & FAMILIES FIRST DELAWARE, INC.**

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

**LIABILITIES**

	<b>2023</b>	<b>RESTATED 2022</b>
<b>CURRENT LIABILITIES</b>		
Line of credit	\$ 783,371	\$ 0
Accounts payable	823,915	639,999
Accrued expenses	96,898	171,409
Operating lease liability - current	163,068	163,068
Financing lease liability - current	61,114	28,004
Deferred revenue	1,736,865	2,093,852
	<u>3,665,231</u>	<u>3,096,332</u>
<b>LONG-TERM LIABILITIES</b>		
Operating lease liability, net of current	361,678	524,746
Finance lease liability, net of current	147,295	11,161
	<u>508,973</u>	<u>535,907</u>
Total long-term liabilities	<u>508,973</u>	<u>535,907</u>
Total liabilities	4,174,204	3,632,239

**NET ASSETS**

<b>NET ASSETS</b>		
Without donor restrictions		
Unrestricted - general use	6,062,552	7,297,637
Unrestricted - board designated endowment	2,789,506	2,472,068
	<u>8,852,058</u>	<u>9,769,705</u>
Total without donor restrictions	<u>8,852,058</u>	<u>9,769,705</u>
With donor restrictions	5,041,183	4,683,966
Total net assets	<u>13,893,241</u>	<u>14,453,671</u>
Total liabilities and net assets	<u>\$ 18,067,445</u>	<u>\$ 18,085,910</u>

See accompanying notes to financial statements.

**CONSOLIDATED STATEMENTS OF  
ACTIVITIES**

**CHILDREN & FAMILIES FIRST DELAWARE, INC.**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE:</b>			
Received directly			
Contributions and bequests	\$ 328,159	\$ 0	\$ 328,159
Received indirectly			
Allocation by United Way of Delaware, Inc.	164,131	0	164,131
Fundraisers	102,796	0	102,796
Less: Direct expenses	(46,693)	0	(46,693)
Government Agencies	25,999,620	0	25,999,620
Other grants	2,310,658	0	2,310,658
Other revenues:			
Fees for services - referrals	130,024	0	130,024
Program service fees	27,144	0	27,144
Investment income	340,879	0	340,879
Rent	22,790	0	22,790
Other	119,219	0	119,219
Net assets released from restrictions	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>29,498,727</b>	<b>0</b>	<b>29,498,727</b>
<b>EXPENSES AND LOSSES:</b>			
Program Services			
Positive Parenting	2,084,088	0	2,084,088
Supporting Teens	6,719,411	0	6,719,411
Healthy Babies	3,601,806	0	3,601,806
Family Resources	11,821,764	0	11,821,764
Early Childhood	1,978,286	0	1,978,286
Workplace Supports	275,112	0	275,112
Grief Counseling	396,940	0	396,940
Program Quality and Helpline	293	0	293
Total Program Services	<u>26,877,700</u>	<u>0</u>	<u>26,877,700</u>
Supporting Services			
Management and general	3,526,115	0	3,526,115
Fundraising costs	319,093	0	319,093
Total Supporting Service	<u>3,845,208</u>	<u>0</u>	<u>3,845,208</u>
<b>TOTAL EXPENSES AND LOSSES</b>	<b><u>30,722,908</u></b>	<b><u>0</u></b>	<b><u>30,722,908</u></b>
<b>CHANGE IN NET ASSETS BEFORE NONOPERATING ACTIVITY</b>	<b>(1,224,181)</b>	<b>0</b>	<b>(1,224,181)</b>
<b>NONOPERATING ACTIVITY</b>			
Realized/unrealized gain on investments	296,534	0	296,534
Gain on sale of assets	10,000	0	10,000
Gain on beneficial interest in perpetual trusts	0	357,217	357,217
<b>TOTAL NONOPERATING ACTIVITY</b>	<b><u>306,534</u></b>	<b><u>357,217</u></b>	<b><u>663,751</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>(917,647)</b>	<b>357,217</b>	<b>(560,430)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b><u>9,769,705</u></b>	<b><u>4,683,966</u></b>	<b><u>14,453,671</u></b>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 8,852,058</u></b>	<b><u>\$ 5,041,183</u></b>	<b><u>\$ 13,893,241</u></b>

See accompanying notes to financial statements.

**CONSOLIDATED STATEMENTS OF  
ACTIVITIES**

**CHILDREN & FAMILIES FIRST DELAWARE, INC.**

**FOR THE YEAR ENDED DECEMBER 31, 2022 (RESTATED)**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE:</b>			
Received directly			
Contributions and bequests	\$ 475,096	\$ 0	\$ 475,096
In-kind contributions	1,210,000	0	1,210,000
Received indirectly			
Allocation by United Way of Delaware, Inc.	297,404	0	297,404
Fundraisers	109,553	0	109,553
Less: Direct expenses	(23,621)	0	(23,621)
Government Agencies	25,196,239	0	25,196,239
Other grants	1,683,173	0	1,683,173
Other revenues:			
Fees for services - referrals	128,199	0	128,199
Program service fees	52,325	0	52,325
Investment income	348,382	0	348,382
Rent income	46,846	0	46,846
Other	17,341	0	17,341
Net assets released from restrictions	0	0	0
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>29,540,937</b>	<b>0</b>	<b>29,540,937</b>
<b>EXPENSES AND LOSSES:</b>			
Program Services			
Positive Parenting	1,986,890	0	1,986,890
Supporting Teens	6,990,455	0	6,990,455
Healthy Babies	3,391,063	0	3,391,063
Family Resources	11,482,968	0	11,482,968
Early Childhood	2,110,337	0	2,110,337
Workplace Supports	303,720	0	303,720
Grief Counseling	375,289	0	375,289
Program Quality and Helpline	8,399	0	8,399
Total Program Services	26,649,121	0	26,649,121
Supporting Services			
Management and general	3,554,034	0	3,554,034
Fundraising costs	305,710	0	305,710
Total Supporting Service	3,859,744	0	3,859,744
<b>TOTAL EXPENSES AND LOSSES</b>	<b>30,508,865</b>	<b>0</b>	<b>30,508,865</b>
<b>CHANGE IN NET ASSETS BEFORE NONOPERATING ACTIVITY</b>	<b>(967,928)</b>	<b>0</b>	<b>(967,928)</b>
<b>NONOPERATING ACTIVITY</b>			
Periodic pension gain	346,919	0	346,919
Realized/unrealized loss on investments	(635,689)	0	(635,689)
Gain on sale of assets	343,180	0	343,180
Loss on beneficial interest in perpetual trusts	0	(1,036,513)	(1,036,513)
<b>TOTAL NONOPERATING ACTIVITY</b>	<b>54,410</b>	<b>(1,036,513)</b>	<b>(982,103)</b>
<b>CHANGES IN NET ASSETS</b>	<b>(913,518)</b>	<b>(1,036,513)</b>	<b>(1,950,031)</b>
<b>NET ASSETS, BEGINNING OF YEAR (Restated)</b>	<b>10,683,223</b>	<b>5,720,479</b>	<b>16,403,702</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 9,769,705</b>	<b>\$ 4,683,966</b>	<b>\$ 14,453,671</b>

See accompanying notes to financial statements.



CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

CHILDREN & FAMILIES FIRST DELAWARE, INC.

FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services								Total Program Services
	Positive Parenting	Supporting Teens	Healthy Babies	Family Resources	Early Childhood	Workplace Supports	Grief Counseling	Program Quality & Helpline	
<b>EXPENSES</b>									
Salaries	\$ 938,246	\$ 4,337,497	\$ 2,038,767	\$ 6,992,966	\$ 283,912	\$ 25,224	\$ 277,474	\$ 89,861	\$ 14,983,947
Employee benefits expense	202,273	972,887	527,540	1,256,755	65,344	4,741	46,366	18,804	3,094,710
Payroll taxes	80,596	375,952	172,516	623,397	24,483	2,161	23,997	7,445	1,310,547
Total Salaries and Related Expenses	1,221,115	5,686,336	2,738,823	8,873,118	373,739	32,126	347,837	116,110	19,389,204
Professional fees	84,784	150,154	226,607	871,041	12,475	1,574	10,353	10,215	1,367,203
Supplies	69,399	185,492	92,180	719,543	6,885	180	1,679	265	1,075,623
Telephone	67,969	115,080	46,825	205,393	7,584	5,730	6,323	1,978	456,882
Postage	1,611	5,587	2,449	1,618	417	38	314	103	12,137
Rent	32,914	61,105	53,198	87,732	8,337	1,053	6,249	2,958	253,546
Utilities	3,046	31,046	4,923	139,952	772	97	578	274	180,688
Maintenance of facilities	18,048	103,625	29,170	293,962	4,571	577	3,426	1,622	455,001
Multi-peril insurance	21,453	49,929	19,823	121,590	3,129	347	2,882	1,032	220,185
Service contracts	(4,097)	1,819	(6,622)	22,331	(1,038)	(131)	(778)	(368)	11,116
Purchased equipment	9,211	37,028	17,139	34,767	4,630	1,724	1,718	250	106,467
Interest expense	507	940	819	1,350	128	16	96	46	3,902
Printing and publications	7,881	7,938	7,361	22,016	1,042	780	515	526	48,059
Travel	31,923	102,498	110,183	150,377	4,324	143	6,663	886	406,997
Conferences and training	6,975	50,741	116,375	179,764	2,062	0	1,490	20	357,427
Special assistance	463,135	10,548	73,790	4,765	1,543,473	229,486	0	0	2,325,197
Professional dues	373	1,384	911	3,279	150	0	501	0	6,598
PQI-Apricot amortization	0	0	0	0	0	0	0	25,400	25,400
Miscellaneous	29,089	83,988	38,066	32,403	947	783	3,601	(162,676)	26,201
Recruitment expense	273	22	0	2,494	0	0	0	0	2,789
Provision for credit losses	0	0	0	0	0	0	0	0	0
Bank fees	204	221	248	5,555	30	4	23	10	6,295
Taxes	3	8	6	10	1	0	1	0	29
Depreciation	18,272	33,922	29,532	48,704	4,628	585	3,469	1,642	140,754
<b>TOTAL EXPENSES</b>	<u>\$ 2,084,088</u>	<u>\$ 6,719,411</u>	<u>\$ 3,601,806</u>	<u>\$ 11,821,764</u>	<u>\$ 1,978,286</u>	<u>\$ 275,112</u>	<u>\$ 396,940</u>	<u>\$ 293</u>	<u>\$ 26,877,700</u>

See accompanying notes to financial statements.

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**

**CHILDREN & FAMILIES FIRST DELAWARE, INC.**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Supporting Services		Total Supporting Services	Total
	Management & General	Fundraising Costs		
<b>EXPENSES</b>				
Salaries	\$ 1,755,798	\$ 191,157	\$ 1,946,955	\$ 16,930,902
Employee benefits expense	(155,620)	43,394	(112,226)	2,982,484
Payroll taxes	149,689	15,633	165,322	1,475,869
Total Salaries and Related Expenses	1,749,867	250,184	2,000,051	21,389,255
Professional fees	591,151	26,105	617,256	1,984,459
Supplies	42,578	1,275	43,853	1,119,476
Telephone	82,272	4,811	87,083	543,965
Postage	2,932	618	3,550	15,687
Rent	108,499	5,626	114,125	367,671
Utilities	1,845	521	2,366	183,054
Maintenance of facilities	99,199	3,085	102,284	557,285
Multi-peril insurance	75,158	1,832	76,990	297,175
Service contracts	1,726	(700)	1,026	12,142
Purchased equipment	140,815	1,089	141,904	248,371
Interest expense	13,530	87	13,617	17,519
Printing and publications	90,035	6,645	96,680	144,739
Travel	65,777	4,268	70,045	477,042
Conferences and training	67,522	4,031	71,553	428,980
Special assistance	1,480	0	1,480	2,326,677
Professional dues	33,580	540	34,120	40,718
PQI-Apricot amortization	0	0	0	25,400
Miscellaneous	59,800	52	59,852	86,053
Recruitment expense	43,384	2,885	46,269	49,058
Provision for credit losses	18,776	0	18,776	18,776
Bank fees	44,184	3,015	47,199	53,494
Taxes	33,466	1	33,467	33,496
Depreciation	158,539	3,123	161,662	302,416
<b>TOTAL EXPENSES</b>	<b>\$ 3,526,115</b>	<b>\$ 319,093</b>	<b>\$ 3,845,208</b>	<b>\$ 30,722,908</b>

See accompanying notes to financial statements.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

CHILDREN & FAMILIES FIRST DELAWARE, INC.

FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services								Total Program Services
	Positive Parenting	Supporting Teens	Healthy Babies	Family Resources	Early Childhood	Workplace Supports	Grief Counseling	Program Quality & Helpline	
<b>EXPENSES</b>									
Salaries	\$ 901,277	\$ 4,488,750	\$ 1,870,281	\$ 6,708,403	\$ 280,759	\$ 23,341	\$ 265,548	\$ 96,456	\$ 14,634,815
Employee benefits expense	156,627	1,100,958	476,316	1,258,810	42,443	5,819	46,370	27,862	3,115,205
Payroll taxes	80,933	392,789	162,342	600,538	25,116	2,102	22,230	8,234	1,294,284
<b>Total Salaries and     Related Expenses</b>	<b>1,138,837</b>	<b>5,982,497</b>	<b>2,508,939</b>	<b>8,567,751</b>	<b>348,318</b>	<b>31,262</b>	<b>334,148</b>	<b>132,552</b>	<b>19,044,304</b>
Professional fees	78,614	177,846	398,508	410,869	14,596	2,656	10,367	14,990	1,108,446
Supplies	69,966	155,794	52,165	853,411	4,762	54	4,627	508	1,141,287
Telephone	31,097	128,880	51,255	312,931	8,764	7,268	677	1,896	542,768
Postage	1,481	4,811	2,087	1,749	374	44	0	126	10,672
Rent	31,857	69,845	60,660	139,509	10,075	1,471	7,918	4,167	325,502
Utilities	2,826	29,918	5,380	134,227	894	130	703	370	174,448
Maintenance of facilities	9,408	87,712	17,914	338,581	2,975	434	2,338	1,231	460,593
Offsite storage and document destruction	0	0	0	0	0	0	0	0	0
Multi-peril insurance	17,445	33,416	13,457	81,281	2,247	309	0	900	149,055
Service contracts	(5,673)	(5,471)	(10,803)	34,616	(1,794)	(262)	(1,410)	(742)	8,461
Purchased equipment	10,823	38,417	41,912	42,968	1,330	183	3,439	533	139,605
Interest expense	402	882	766	1,761	127	19	100	53	4,110
Printing and publications	3,238	10,533	10,871	24,568	1,202	453	669	714	52,248
Travel	35,468	105,610	98,651	158,828	2,032	0	3,509	328	404,426
Conferences and training	9,073	49,705	25,578	133,085	0	0	3,815	97	221,353
Special assistance	513,652	12,916	40,773	7,452	1,707,716	258,205	0	0	2,540,714
Professional dues	2,493	2,154	2,087	9,798	280	0	100	0	16,912
Miscellaneous	20,575	71,637	41,859	44,859	1,631	793	510	(151,313)	30,551
Recruitment expense	0	3	0	5,974	0	0	0	0	5,977
Vehicle expense	647	1,419	1,233	2,835	205	30	161	85	6,615
Provision for credit losses	0	0	0	0	0	0	0	0	0
Bank fees	197	220	231	91,542	29	4	23	12	92,258
Taxes	3	6	5	21,046	0	0	1	0	21,061
Depreciation	14,461	31,705	27,535	63,327	4,574	667	3,594	1,892	147,755
<b>TOTAL EXPENSES</b>	<b>\$ 1,986,890</b>	<b>\$ 6,990,455</b>	<b>\$ 3,391,063</b>	<b>\$ 11,482,968</b>	<b>\$ 2,110,337</b>	<b>\$ 303,720</b>	<b>\$ 375,289</b>	<b>\$ 8,399</b>	<b>\$ 26,649,121</b>

See accompanying notes to financial statements.



CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

CHILDREN & FAMILIES FIRST DELAWARE, INC.

FOR THE YEAR ENDED DECEMBER 31, 2022

	Supporting Services			Total
	Management & General	Fundraising Costs	Total Supporting Services	
EXPENSES				
Salaries	\$ 1,479,538	\$ 185,690	\$ 1,665,228	\$ 16,300,043
Employee benefits expense	251,125	39,088	290,213	3,405,418
Payroll taxes	156,207	16,044	172,251	1,466,535
Total Salaries and Related Expenses	1,886,870	240,822	2,127,692	21,171,996
Professional fees	380,373	22,408	402,781	1,511,227
Supplies	134,735	1,052	135,787	1,277,074
Telephone	180,850	5,733	186,583	729,351
Postage	3,416	634	4,050	14,722
Rent	121,121	8,006	129,127	454,629
Utilities	18,958	710	19,668	194,116
Maintenance of facilities	70,279	2,364	72,643	533,236
Offsite storage and document destruction	2,367	0	2,367	2,367
Multi-peril insurance	59,264	1,730	60,994	210,049
Service contracts	(10,395)	(1,426)	(11,821)	(3,360)
Purchased equipment	178,744	3,602	182,346	321,951
Interest expense	5,030	101	5,131	9,241
Printing and publications	100,068	4,407	104,475	156,723
Travel	69,440	6,534	75,974	480,400
Conferences and training	86,904	483	87,387	308,740
Special assistance	2,581	26	2,607	2,543,321
Professional dues	33,099	595	33,694	50,606
Miscellaneous	28,029	1,292	29,321	59,872
Recruitment expense	12,732	65	12,797	18,774
Vehicle expense	2,462	163	2,625	9,240
Provision for credit losses	15,548	0	15,548	15,548
Bank fees	40,567	2,774	43,341	135,599
Taxes	1,406	1	1,407	22,468
Depreciation	129,586	3,634	133,220	280,975
TOTAL EXPENSES	\$ 3,554,034	\$ 305,710	\$ 3,859,744	\$ 30,508,865

See accompanying notes to financial statements.

**CONSOLIDATED STATEMENTS OF  
CASH FLOWS**

**CHILDREN & FAMILIES FIRST DELAWARE, INC.**

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

	2023	RESTATED 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grants and public support	\$ 27,980,164	\$ 29,969,380
Cash received from other revenue	640,056	593,093
Cash paid to employees and vendors	<u>(30,034,607)</u>	<u>(30,230,458)</u>
Net cash from (used by) operating activities	<u>(1,414,387)</u>	<u>332,015</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of property and equipment	(365,490)	(456,039)
Proceeds from sale of assets	10,000	555,011
Sales of investments	432,452	362,462
Purchases of investments	<u>(496,015)</u>	<u>(400,899)</u>
Net cash from (used by) investing activities	<u>(419,053)</u>	<u>60,535</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	9,926,259	5,308,956
Payments on line of credit	(9,142,888)	(5,308,956)
Curtailements of finance lease liability	<u>(38,743)</u>	<u>(75,224)</u>
Net cash from financing activities	<u>744,628</u>	<u>(75,224)</u>
<b>NET CHANGE IN CASH</b>	<u>(1,088,812)</u>	<u>317,326</u>
<b>CASH</b>		
Beginning of year	<u>1,295,177</u>	<u>977,851</u>
End of year	<u>\$ 206,366</u>	<u>\$ 1,295,177</u>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Interest paid	<u>\$ 17,519</u>	<u>\$ 9,239</u>
Taxes paid	<u>\$ 0</u>	<u>\$ 0</u>
<b>SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Head Start land and building in-kind contribution	<u>\$ 0</u>	<u>\$ 1,210,000</u>
Acquisition of autos through capital leases	<u>\$ 207,987</u>	<u>\$ 0</u>

See accompanying notes to financial statements.

Note 1 Summary of Organization activities and significant accounting policies

Organization activities

Since 1884, Children & Families First Delaware Inc. (the Organization) has served Delawareans in need, with a mission to help families develop solutions to meet challenges and embrace opportunities. Its vision is communities where children are nurtured and safe, individuals are valued, and families are strong. Its programs cover the lifespan, including support to pregnant women and babies, foster care and adoption, advocacy for quality early care and education, and services for elders.

Principals of consolidation

The consolidated financial statements include the accounts of Children & Families First Delaware Inc. and its affiliated supporting organizations, B2W2 Inc., and Children & Families First Endowments Inc. ("CFFE").

B2W2 Inc.'s sole purpose is to act exclusively for the benefit of, to perform the functions of, or to carry out the purposes of Children & Families First Delaware Inc., an organization described in Section 509(a)(2) of the Internal Revenue Code of 1986, as amended. In conformity with the foregoing, the activities of B2W2 Inc. are to provide facilities, vehicles and equipment to Children & Families First Delaware Inc. to be used in furtherance of its tax-exempt purpose.

CFFE's sole purpose is to act exclusively for the benefit of, to perform the functions of, or to carry out the purposes of Children & Families First Delaware Inc., an organization described in Section 509(a)(2) of the Internal Revenue Code of 1986, as amended. The activities of CFFE are to hold and manage the endowment assets of Children & Families First Delaware Inc. Additionally, CFFE engages in a variety of fund raising activities which may include foundation, corporate and individual solicitations and special events. Proceeds from activities of the corporation are either reinvested in the endowment for future use by Children & Families First Delaware Inc. or distributed to Children & Families First Delaware Inc. to be used in furtherance of its tax-exempt purpose.

Financial statement presentation

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



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

Financial statement presentation (cont'd)

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 Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, 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.

Measure of operations

The Organization's measure of operations includes all revenue and expenses that are an integral part of its programs and supporting activities, net assets released from donor restrictions to support operating expenditures, and transfers from Board-designated and other non-operating funds to support current operating activities. The measure of operations includes support for operating activities from net assets with or without donor restrictions designated for long-term investment according to the Organization's spending policy. The measure of operations excludes support for non-operating and restricted operating activities.

Use of estimates in the preparation of financial statements

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles 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

For purposes of the consolidated statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents

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

Grants and accounts receivable

Grants and accounts receivable are stated at unpaid balances, less an allowance for credit losses. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and knowledge of circumstances that may affect the ability of clients to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

The Organization recognizes pledges as support in the period in which the unconditional promise to give is received.

The allowance for credit losses for pledges, grants and accounts receivable was \$154,000 and \$246,191 at December 31, 2023 and 2022.

Investments

Investments are recorded 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 consolidated 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 consolidated 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.

Fair value measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels,



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

Fair value measurements (cont'd)

based on the markets in which the assets are liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – unobservable inputs that cannot be corroborated by observable market data.

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.

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.

Functional expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program and supporting services. Such allocations are determined by management on an equitable basis.

Depreciation is allocated using rentable square feet.

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

Revenue and revenue recognition

Revenue is measured and recognized based on the type of consideration received. Revenue from fundraisers is measured by the amount of money received for or during the event, less expenses incurred for the fundraising activity. Revenue from government agencies and other grants is measured by the consideration specified in the respective contract with the respective granting agency. The Organization recognizes this revenue on a cost reimbursement basis as the Organization satisfies service obligations. The Organization submits approved expenditures to the granting agency and recognizes the revenue upon submission. The Organization also has revenues for program services that have a duration of one year or less. The Organization has elected the practical expedient and has not disclosed the value of unsatisfied performance obligations nor the expected timing for completion related to these revenues. All amounts paid in advance are deferred to the period in which the underlying service takes place. Due to the nature and timing of the service and/or transfer of services, substantially all deferred revenue at December 31 of each year is recognized in the following year.

Accounting pronouncements adopted

Effective January 1, 2023, the Organization 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. 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.

Contributed nonfinancial assets

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair market value at their date of donation. The Organization reports the donations in the net assets without donor restrictions category, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported in the net assets with donor restrictions category. Per FASB ASU 2016-14 and absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.



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

Contributed nonfinancial assets (cont'd)

The Organization received significant donated property in 2022 as part of the administration of the Head Start Program. Donated land and buildings for Head Start totaled \$1,210,000 for the year ended December 31, 2022 and is included in property and equipment on the consolidated statement of financial position and in-kind contributions on the consolidated statement of activities.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. No such amounts were received during 2023 or 2022.

Income taxes

Children & Families First Delaware Inc. is exempt from federal income tax under Internal Revenue Code Section 501(c)(3).

B2W2 Inc. and CFFE are exempt from federal income tax under Internal Revenue Code Section 509(a)(2). However, income from certain activities not directly related to the Organization's tax-exempt purpose may be subject to taxation as unrelated business income.

Generally accepted accounting principles prescribe rules for the recognition, measurement, classification and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions or associated unrecognized benefits that materially impact the consolidated financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties and interest as a result of such challenge. The Organization's federal exempt organization business income tax returns (Form 990) for 2020, 2021, and 2022 are subject to examination by the IRS, generally for three years after they were filed.

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

**CHILDREN & FAMILIES FIRST DELAWARE, INC.**

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

Availability and liquidity

The following represents the Organization's financial assets at December 31, 2023 and 2022:

	<u>2023</u>	<u>RESTATED 2022</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 206,366	\$ 1,295,172
Grants and accounts receivable, net	2,695,108	2,173,588
Investments	<u>3,970,718</u>	<u>3,610,619</u>
Total financial assets	6,872,192	7,079,379
Less amounts not available to be used within one year:		
Quasi endowment established by the Board	2,789,506	2,472,068
Net assets with donor restrictions	<u>0</u>	<u>0</u>
	<u>2,789,506</u>	<u>2,472,068</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 4,082,686</u>	<u>\$ 4,607,311</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments. The Organization has a line of credit available to meet cash flow needs.

Leases

The Organization is a lessee in multiple noncancelable operating and financing leases. If the contract provides the Organization 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.

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

Leases (cont'd)

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 Organization 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 a straight-line basis.

The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The risk-free rate option has been applied to the operating lease class of assets.

Note 2 Contracts and grants from governmental agencies

Children & Families First Delaware Inc., in the normal course of business, receives grants and enters into contracts for the performance of specific activities within certain budgetary constraints. Such projects are subject to various stipulations as to operating compliance and financial reporting. For substantially all of these programs, the expenditures are subject to review, audit and final approval by the contracting agency.

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Note 3 Property and equipment and depreciation

Property and equipment are stated at cost, if purchased. Donated facilities and equipment are recorded at their fair values at the date of receipt. When such assets are sold or otherwise disposed of, the cost and accumulated depreciation are removed from their respective accounts and any gains or losses on such dispositions are recognized in the consolidated statement of activities. Children & Families First Delaware Inc.'s policy is to capitalize items with a cost equal to or greater than \$ 5,000. Expenditures for maintenance, repairs, minor renewals and betterments which do not improve or extend the useful life of the respective asset are expensed.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. The following is a schedule of the estimated useful lives:

Land improvements	10 – 40 years
Buildings and improvements	10 – 40 years
Building equipment and furnishings	5 – 20 years
Office equipment	3 – 10 years
MIS implementation	5 years
Automobiles	5 years

Note 4 Investments

The following is a fair value summary of investments measured on a recurring basis at December 31, 2023 and 2022:

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

Investments – the fair value of Level 1 debt and equity securities is determined by reference to quoted market prices. The fair value of Level 2 equity securities is determined by using a market approach and reflects the fair value of a mutual fund's underlying securities divided by the number of shares that are outstanding within the fund.

Beneficial interest in perpetual trust – the fair value is estimated based on the fair value of the underlying assets in the trust.



**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

**CHILDREN & FAMILIES FIRST DELAWARE, INC.**

Note 4 Investments (cont'd)

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

December 31, 2023	Total	Level 1	Level 2	Level 3
<b>Assets</b>				
Money market funds	\$ 152,645	\$ 152,645	\$ 0	\$ 0
Equity securities	2,040,521	2,040,521	0	0
Fixed income	1,620,886	1,620,886	0	0
Alternative investments	156,666	156,666	0	0
Beneficial interest in perpetual trusts	4,417,360	0	0	4,417,360
<b>Total assets at fair value</b>	<b>\$ 8,388,078</b>	<b>\$ 3,970,718</b>	<b>\$ 0</b>	<b>\$ 4,417,360</b>
<b>December 31, 2022</b>				
<b>Assets</b>				
Money market funds	\$ 112,652	\$ 112,652	\$ 0	\$ 0
Equity securities	1,866,976	1,866,976	0	0
Fixed income	1,327,169	1,327,169	0	0
Alternative investments	303,822	303,822	0	0
Beneficial interest in perpetual trusts	4,060,143	0	0	4,060,143
<b>Total assets at fair value</b>	<b>\$ 7,670,762</b>	<b>\$ 3,610,619</b>	<b>\$ 0</b>	<b>\$ 4,060,143</b>

Beneficial interest in perpetual trust:

	2023	2022
January 1	\$ 4,060,143	\$ 5,096,656
Gain / (loss) on investment	357,217	(1,036,513)
December 31	<u>\$ 4,417,360</u>	<u>\$ 4,060,143</u>

Note 5 Endowment funds

The Organization's endowment consists of both contributions from donors for the creation of a permanent endowment for general purpose and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 5      Endowment funds (cont'd)

The assets are invested in the general investment portfolio of the agency, and all other accumulations are classified as net assets without donor restrictions, absent of explicit donor stipulations to the contrary. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the historic dollar value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as a permanent endowment (a) to the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as with donor restricted net assets is classified as without donor restriction net assets to be utilized by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization and (7) the Organization's investment policies.

All investment income in 2023 and 2022, net of investment management fees, was appropriately transferred into the without donor restrictions endowment fund based on the lack of donor restriction on use.

Return objectives and risk parameters

The Children & Families First Endowment Inc. Board of Directors and Children & Families First Delaware Inc. Finance Committee, with the assistance of the Organization investment advisor, operated in accordance with an investment policy statement that is intended to provide a predictable stream of income and investment returns. Under the policy guidelines, as approved by the Board of Directors, the endowment assets are invested in accordance with sound investment practices that emphasize long-term investment fundamentals. In establishing investment objectives, the Board of Directors, with the assistance of the Finance Committee, has taken into account the time horizon available for investment, the nature of the Organization's cash flow requirements, and other factors that affect the Board of Director's and Finance Committee's risk tolerance.

Note 5 Endowment funds (cont'd)

Strategy employed for achieving objectives

The Children & Families First Endowment Inc. Board of Directors and Children & Families First Delaware Inc. Finance Committee have adopted an investment objective of long-term growth for the invested assets. The investment guidelines emphasize long-term capital appreciation as a primary source of return, recognize that the assets are exposed to risk and may be subject to fluctuation in market value from year-to-year, expect to earn returns sufficient to grow the purchasing power of assets over the long-term, diversify the invested assets in order to reduce the risk of wide swings in market value from year to year or of incurring large losses that may result from concentrated positions, and achieve investment results over the long-term that compare favorably with other professionally managed portfolios and appropriate market indexes.

In addition, the Organization is a beneficiary of the Brown Trust, the Harlan Trust and the Alice Warner Foundation Trust, which are held and administered by outside fiscal agents. Under the terms of the trusts, the Organization has the irrevocable right to receive net investment income earned on the assets of the trusts in perpetuity, but will never receive the assets of these trusts. The Organization receives monthly income from these trusts. These distributions can be used in any way that is consistent with the Organization's exempt purpose. Distributions received during 2023 and 2022 totaled \$ 209,740 and \$ 235,799, respectively, and are included in net assets without donor restrictions.

Management estimates the fair value of its beneficial interest to approximate the fair value of the underlying assets of the trusts. As of December 31, 2023 and 2022, the estimated fair value of the trust assets was:

	2023		2022	
	Amount	% owned	Amount	% owned
Bertha Harlan Trust	\$ 59,372	33%	\$ 53,015	33%
Alice Warner Trust	156,394	14%	142,197	14%
H. Fletcher Brown Trust	<u>4,201,594</u>	100%	<u>3,864,931</u>	100%
Total fair value of beneficial interest	<u>\$ 4,417,360</u>		<u>\$ 4,060,143</u>	

Amounts received from the beneficial interest in perpetual trusts were:

	2023	2022
Bertha Harlan Trust	\$ 2,148	\$ 1,350
Alice Warner Trust	8,347	10,356
H. Fletcher Brown Trust	<u>199,245</u>	<u>224,093</u>
Total distributions received	<u>\$ 209,740</u>	<u>\$ 235,799</u>



**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

**CHILDREN & FAMILIES FIRST DELAWARE, INC.**

Note 5 Endowment funds (cont'd)

Strategy employed for achieving objectives (cont'd)

Endowment net asset composition by type of fund as of December 31, 2023 are as follows:

December 31, 2023	Without donor restrictions	With donor restrictions	Total Net Endowment Assets
Endowment net assets,			
Beginning of year	\$ 2,472,068	\$ 4,060,143	\$ 6,532,211
Investment income	100,837		100,837
Net appreciation (depreciation)	288,410	357,217	645,627
Appropriated for expenses	(20,463)		(20,463)
Transfers	(51,346)		(51,346)
Endomwnet net assets,			
End of year	\$ 2,789,506	\$ 4,417,360	\$ 7,206,866

Endowment net asset composition by type of fund as of December 31, 2022 are as follows:

December 31, 2022	Without donor restrictions	With donor restrictions	Total Net Endowment Assets
Endowment net assets,			
Beginning of year, restated	\$ 3,001,683	\$ 5,096,656	\$ 8,098,339
Investment income	91,394		91,394
Net appreciation (depreciation)	(548,685)	(1,036,513)	(1,585,198)
Appropriated for expenses	(19,628)		(19,628)
Transfers	(52,696)		(52,696)
Endomwnet net assets,			
End of year, restated	\$ 2,472,068	\$ 4,060,143	\$ 6,532,211

Note 6 Line of credit

The Organization has a \$ 4,000,000 secured demand line of credit with PNC Bank at December 31, 2023 (\$2,000,000 at December 31, 2022). Interest is at the prime rate, 8.50% and 7.50% at December 31, 2023 and December 31, 2022, respectively. Advances and repayments on the line of credit were \$ 9,926,259 and \$ 9,142,888, respectively, for the year ended December 31, 2023 (\$ 5,308,956 and \$ 5,308,956 in 2022). The line of credit was secured by a lien on all business assets. Interest expense for the years ended December 31, 2023 and 2022 was \$ 12,718 and \$ 3,040, respectively.



**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

**CHILDREN & FAMILIES FIRST DELAWARE, INC.**

Note 7 Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes as of December 31, 2023 and 2022:

	<u>2023</u>	<u>RESTATED 2022</u>
Beneficial interest in perpetual trusts	<u>\$ 4,417,360</u>	<u>\$ 4,060,143</u>

Note 8 Pension plan

Children & Families First Delaware Inc. had a non-contributory defined benefit pension plan which provided benefits for all eligible employees through Wilmington Trust Company. The defined benefit pension plan was terminated effective December 31, 2023. All assets of the Plan were sold and the beneficiaries were paid out either through distribution or annuity contract. The Organization has no further obligations for the plan as of December 31, 2023.

Benefits were based upon compensation and length of service. The Organization's funding policy was to contribute the minimum amount required by the Employee Retirement Income Security Act of 1974. On May 17, 2004, the Organization signed an amendment to freeze the accrued benefits under the plan. The plan was frozen effective June 30, 2004. This action did not affect benefits accrued through June 30, 2004.

Plan assets were allocated between equities, fixed income, alternative investments, and cash and cash equivalents.

In accordance with the FASB ASC section regarding employers' accounting for defined benefit pension and other post-retirement plans, entities are required to recognize a net liability or asset and an offsetting adjustment to changes in net assets without restrictions to report the funded status of defined benefit, pension and other post-retirement benefit plans. The section also requires prospective application. Additionally, entities are required to measure plan assets and obligations at their year-end statement of financial position date.

The Organization recognized the net gain or loss due to this application, plus the net cost benefit which created a gain in the amount of \$ 0 and \$ 495,482 in 2023 and 2022, respectively.

**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

**CHILDREN & FAMILIES FIRST DELAWARE, INC.**

Note 8 Pension plan (cont'd)

Following is a summary provided by the actuary:

	2023	2022
Change in projected benefit obligation		
Projected benefit obligation, beginning of year	\$ 2,282,335	\$ 3,009,066
Interest cost	86,289	79,622
Benefits paid	(2,447,400)	(167,266)
Actuarial gain (loss)	78,776	(639,087)
Projected benefit obligation, end of year	0	2,282,335
Change in plan assets		
Fair value of plan assets, beginning of year	2,535,659	2,915,471
Employer contribution	126,045	168,060
Asset Reversion	(432,057)	0
Benefits paid	(2,447,400)	(167,266)
Administrative expenses	0	0
Actual return on plan assets	217,753	(380,606)
Fair value of plan assets, end of year	0	2,535,659
Funded status - net pension (asset) / liability	\$ 0	\$ (253,324)
Accumulated benefit obligation	\$ 0	\$ 2,282,335
Components of net periodic benefit cost and other amounts recognized in net assets without donor restrictions		
Interest cost	\$ 86,289	\$ 79,622
Return on plan assets	(113,992)	(175,422)
Settlement loss	748,135	0
Amortization of net loss	74,222	104,916
Total net periodic pension cost	\$ 794,654	\$ 9,116
Amounts previously recognized in net assets without donor restrictions not yet recognized as periodic pension cost at December 31	\$ 0	\$ 847,342
Benefits paid	\$ 2,447,400	\$ 167,266
Weighted average assumptions for year		
Discount rate	5.19%	2.72%
Rate of compensation increases	0.00%	0.00%
Expected long-term rate of return on plan assets	6.00%	6.00%
Weighted average assumptions at end of year		
Discount rate	N/A	5.19%
Rate of compensation increases	0.00%	0.00%
Expected long-term rate of return on plan assets	N/A	6.00%

Note 8 Pension plan (cont'd)

The estimated transition obligation, actuarial loss and prior service cost that will be amortized from changes in net assets without donor restrictions into the net periodic benefit cost over the next fiscal year are \$ 0, \$ 0 and \$ 0, respectively.

The Organization's expected long-term return on plan assets assumption is based on a periodic review of the plan's assets over a long-term horizon. Expectations of returns for each asset class are used in the review and are based on reviews of historical data and economic/financial market theory. The expected long-term rate of return on plan assets was selected from within a reasonable range of rates determined by (a) historical real returns for the asset classes covered by the investment policy and (b) projections of inflation over the long-term period during which benefits are payable to plan participants.

At December 31, 2022, plan assets were invested in cash and cash equivalents, alternative investments, fixed income and stocks and comprised of approximately 6% cash and cash equivalents (Level 1), 59% equities (Level 1), 28% fixed income and 7% alternative investments (Level 1). The Organization's target allocation was 55% equity securities, 32% fixed income securities, 12% alternative investments, and 1% cash and cash equivalents. There were holdings in four individual investments that were in excess of five percent of plan assets as of December 31, 2022.

The asset'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 table below presents the balances of pension assets measured at fair value on a recurring basis, as of December 31, 2022:

December 31, 2022	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 142,887	\$ 142,887	\$ 0	\$ 0
Equity securities	1,546,168	1,546,168	0	0
Fixed income	746,812	746,812	0	0
Alternative investments	99,792	99,792	0	0
Total assets at fair value	\$ 2,535,659	\$ 2,535,659	\$ 0	\$ 0



Note 8 Pension plan (cont'd)

Level 1 – Valuations based on quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2 – Valuations based on quoted prices of similar products in active markets or identical products in markets that are not active or for which all significant inputs are observable, directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Organization's investment policy includes various guidelines and procedures designed to ensure assets are invested in a manner to meet expected future benefits earned by participants. The investment guidelines consider a broad range of economic conditions. Central to the policy are target allocations (shown above) by major asset categories. The objectives of the target allocations are to maintain investment portfolios that diversify risk through prudent asset allocation parameters, achieve asset returns that meet or exceed the plan's actuarial assumptions and achieve asset returns that are competitive with the like institutions employing similar investment strategies. The endowment committee meets annually to review the investment policy statement, and quarterly to review investment returns and actual asset allocations in relation to policy allocation limits. The policy is established and administered in a manner so as to comply at all times with applicable government regulations.

Note 9 Defined contribution plan

The Organization has a defined contribution plan covering all full-time employees. Employees who have one year of credited service and are at least 21 years of age are eligible to participate. Each year, participants may contribute up to amounts allowed under Internal Revenue Code Section 415, as defined in the plan. The Organization's matching contribution is based on a discretionary percentage, determined by the Organization, of each tier of a participant's elective deferrals or flat dollar amount allocated on a uniform basis to all participants, as determined by the Organization. Contributions are subject to certain limitations. Employer contributions to the plan for the years ended December 31, 2023 and 2022 were \$ 301,612 and \$ 265,553, respectively.



Note 10 Leases

The Organization has obligations as a lessee for office space and office equipment. The Organization classified these leases as operating leases. The Organization also leases vehicles under long-term non-cancelable finance lease arrangements. The office lease provides for an option to renew the lease. Because the Organization is not reasonably certain to exercise these renewal options, the optional period is not included in determining the leases term, and associated payments under the renewal options are excluded from leases payments. The Organization's leases do not include termination options for either party to the lease or restrictive financial or other covenants.

Payments under the lease contracts include 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. The leases expire at various dates through 2027.

Lease cost

The components of lease cost for the years ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Operating lease cost		
Fixed lease expense	\$ 174,025	\$ 171,317
Total operating lease cost	<u>\$ 174,025</u>	<u>\$ 171,317</u>
Finance lease cost		
Interest expense	\$ 38,693	\$ 2,983
Amortization of ROU assets	36,342	63,973
Total finance lease cost	<u>\$ 75,035</u>	<u>\$ 66,956</u>

Weighted-average information

Weighted-average remaining lease term in years:

Operating leases	3.08	4.09
Finance leases	4.54	1.83

Weighted-average discount rate:

Operating leases	1.54%	1.54%
Finance leases	7.59%	3.25%

NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS

CHILDREN & FAMILIES FIRST DELAWARE, INC.

Note 10 Leases (cont'd)

Future minimum lease payments

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

	2024	\$	237,847
	2025		217,691
	2026		215,884
	2027		77,742
	2028		35,724
	Total lease payments		<u>784,888</u>
	Less interest		<u>(51,733)</u>
	Present value of lease liabilities	\$	<u><u>733,155</u></u>

Note 11 Operating lease as lessor

The Organization leases out office space in Georgetown, Delaware under an operating lease. For the years ended December 31, 2023 and 2022, the Organization received income from this lease of \$ 22,791 and \$ 30,389, respectively. The lease is currently month-to-month.

Note 12 Advertising expenses

The Organization expenses the production costs of advertising when incurred. Advertising expense totaled \$ 52,848 and \$ 80,221 during the years ended December 31, 2023 and 2022, respectively.

Note 13 Concentration of credit risk

The financial instrument which potentially subjects the Organization to significant concentrations of credit risk is cash, accounts receivable and investments.

The Organization's cash is maintained in bank deposit accounts with financial institutions that at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant risk. Accounts receivable represent unsecured revenue and is periodically reviewed by management. An allowance for credit losses has been established. Investments are managed by professional advisors subject to the Organization's investment policy. The degree and concentration of credit risk vary by the type of investment.

Note 14 Subsequent events

The date to which events occurring after December 31, 2023, the date of the most recent consolidated statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosures is September 24, 2024 which is the date on which the financial statements were available to be issued.

Note 15 Children & Families First Fund

The Children & Families First Fund (“CFF Fund”) is an agreement between Children & Families First Delaware, Inc. (“The Organization”) and the Delaware Community Foundation (“DCF”) to establish a nonprofit endowment fund. The funds are administered and invested in the DCF, a commingled investment fund for the benefit of the Organization.

The funds are distributed to the Organization in accordance with the terms of the agreement. There were no distributions received by the Organization for the years ended December 31, 2023 and 2022.

As of December 31, 2023 and 2022, DCF held the following balances designated for DCF:

	2023	2022
	\$ 25,389	\$ 22,494

The above assets are excluded from the financial statements since the DCF holds variance power over the use of such assets.

Note 16 Restatement

For the year ended December 31, 2023, management found errors in their accounting for the Head Start contract, as well as, restricted net assets. Specifically, management realized the Head Start contract had been over-accrued leading to a significant adjustment needed to both the receivable and revenue balance for the year ended December 31, 2022.

Upon reviewing the current year restricted net assets, management determined they had not properly released the restrictions in the proper time period. Management determined that as of December 31, 2023, all of the restricted net assets had been spent in prior periods or had been spent in the year of the gift, thus leading to a significant adjustment to both net assets with restrictions and the release of net assets with restrictions. The restatement caused by this error affected both the balance at January 1, 2022 and for the year ended December 31, 2022.

Management also reviewed their fixed asset subsidiary ledger as well as a number of other accounts as part of the audit preparation process. Upon their review, a number of fixed assets were deemed to no longer be in service or should have been disposed in a prior period. The effect on the balance sheet and income statement was \$ 0 for this adjustment as the assets were fully depreciated; however, the gross cost and accumulated depreciation were written down by \$ 850,513, respectively.



**NOTES TO CONSOLIDATED  
FINANCIAL STATEMENTS**

**CHILDREN & FAMILIES FIRST DELAWARE, INC.**

Note 16 Restatement (cont'd)

Accounts payable was also adjusted by \$ 177,703 at December 31, 2022 and January 1, 2022. The payable related to a double-entry that had been made in a previous year and remained on the books at December 31, 2022. The effect of this adjustment was to increase unrestricted net assets – general use at January 1, 2022. The accounts payable amount at January 1, 2022 should have been lower by \$ 177,703.

The effect of both restatements is summarized below:

	Balance January 1, 2022 As previously reported	Impact of prior period Adjustment	Balance January 1, 2022 As restated
Accounts payable	\$ 666,819	\$ (177,703)	\$ 489,116
Unrestricted net assets - general use	\$ 6,852,936	\$ 828,604	\$ 7,681,540
Unrestricted net assets - board designated endowmer	3,001,683		3,001,683
Net assets with donor restrictions	6,371,380	(650,901)	5,720,479
Total net assets	\$ 16,225,999	\$ 0	\$ 16,403,702

  

	Originally stated December 31, 2022	Adjustment	Restated December 31, 2022
Grants and accounts receivable, net	\$ 3,671,883	\$ (1,498,295)	\$ 2,173,588
Land and improvements	\$ 838,361		\$ 838,361
Buildings and improvements	7,528,757		7,528,757
Automobiles	420,344	(313,043)	107,301
Building, equipment and improvements	580,848	(143,256)	437,592
Office and MIS equipment	471,053	(394,214)	76,839
Construction in progress	172,411		172,411
	10,011,774	(850,513)	9,161,261
Accumulated depreciation	4,416,438	(850,513)	3,565,925
Property and equipment, net	\$ 5,595,336	\$ 0	\$ 5,595,336
Total assets	\$ 19,584,205	\$ (1,498,295)	\$ 18,085,910
Accounts payable	\$ 817,702	\$ (177,703)	\$ 639,999
Government agencies program revenue	\$ 26,694,534	\$ (1,498,295)	\$ 25,196,239
Net assets released from restrictions	\$ 65,765	\$ (65,765)	\$ 0
Change in net assets - without donor restrictions	\$ 520,515	\$ (1,434,033)	\$ (913,518)
Change in net assets - with donor restrictions	\$ (972,251)	\$ (64,262)	\$ (1,036,513)
Unrestricted net assets - general use	\$ 7,903,066	\$ (605,429)	\$ 7,297,637
Unrestricted net assets - board designated endowmer	2,472,068		2,472,068
Net assets with donor restrictions	5,399,129	(715,163)	4,683,966
Total net assets	\$ 15,774,263	\$ (1,320,592)	\$ 14,453,671

**SUPPLEMENTAL INFORMATION**

**CONSOLIDATING SCHEDULES OF  
FINANCIAL POSITION**

**CHILDREN & FAMILIES FIRST DELAWARE, INC.**

**DECEMBER 31, 2023**

	Children & Families First Delaware Inc.	Children & Families First Endowment Inc.	B2W2 Inc.	Elimination Entries	Consolidated Balances
<b>CURRENT ASSETS</b>					
Cash and equivalents	\$ (16,153)	\$ 0	\$ 222,519	\$ 0	\$ 206,366
Accounts receivable	26,394	0	417,151	(417,151)	26,394
Grants receivable	2,716,534	0	0	(47,820)	2,668,714
Prepaid expenses	402,929	0	0	0	402,929
Total Current Assets	3,129,704	0	639,670	(464,971)	3,304,403
<b>OTHER ASSETS</b>					
Investments	342,414	3,413,329	214,975	0	3,970,718
Beneficial interest in perpetual trusts	4,417,360	0	0	0	4,417,360
	4,759,774	3,413,329	214,975	0	8,388,078
<b>PROPERTY AND EQUIPMENT</b>					
Land and improvements	610,840	0	295,521	0	906,361
Building and improvements	3,091,518	0	4,444,367	0	7,535,885
Automobiles	0	0	199,381	0	199,381
Building equipment and furnishings	249,085	0	367,579	0	616,664
Office and MIS equipment	30,238	0	46,601	0	76,839
Construction in progress	293,909	0	0	0	293,909
	4,275,590	0	5,353,449	0	9,629,039
Accumulated depreciation	301,976	0	3,647,506	0	3,949,482
Property and equipment, net	3,973,614	0	1,705,943	0	5,679,557
Financing lease right-of-use assets	0	0	202,467	0	202,467
Operating lease right-of-use assets	0	0	492,940	0	492,940
	<u>\$ 11,863,092</u>	<u>\$ 3,413,329</u>	<u>\$ 3,255,995</u>	<u>\$ (464,971)</u>	<u>\$ 18,067,445</u>
<b>CURRENT LIABILITIES</b>					
Line of credit	\$ 783,371	\$ 0	\$ 0	\$ 0	\$ 783,371
Accounts payable	1,234,807	0	54,079	(464,971)	823,915
Accrued expenses	96,898	0	0	0	96,898
Operating lease liability - current	0	0	163,068	0	163,068
Financing lease liability - current	0	0	61,114	0	61,114
Deferred revenue	1,736,865	0	0	0	1,736,865
Total Current Liabilities	3,851,941	0	278,261	(464,971)	3,665,231
<b>LONG TERM LIABILITIES</b>					
Operating lease liability	0	0	361,678	0	361,678
Financing lease liability	0	0	147,295	0	147,295
Total Long Term Liabilities	0	0	508,973	0	508,973
Total Liabilities	3,851,941	0	787,234	(464,971)	4,174,204
<b>NET ASSETS</b>					
Without donor restrictions					
Without donor restrictions - general use	3,593,791	0	2,468,761	0	6,062,552
Without donor restrictions - board designated endowment	0	2,789,506	0	0	2,789,506
Total without donor restrictions	3,593,791	2,789,506	2,468,761	0	8,852,058
With donor restrictions	4,417,360	623,823	0	0	5,041,183
Total Net Assets	8,011,151	3,413,329	2,468,761	0	13,893,241
Total Liabilities and Net Assets	<u>\$ 11,863,092</u>	<u>\$ 3,413,329</u>	<u>\$ 3,255,995</u>	<u>\$ (464,971)</u>	<u>\$ 18,067,445</u>



**CONSOLIDATING SCHEDULES OF  
FINANCIAL POSITION**

**CHILDREN & FAMILIES FIRST DELAWARE, INC.**

**DECEMBER 31, 2022**

	Children & Families First Delaware Inc.	Children & Families First Endowment Inc.	B2W2 Inc.	Elimination Entries	Consolidated Balances
<b>CURRENT ASSETS</b>					
Cash and equivalents	\$ 692,706	\$ 0	\$ 602,471	\$ 0	\$ 1,295,177
Accounts receivable	51,908	0	58,833	(58,833)	51,908
Grants receivable	2,121,680	0	0	0	2,121,680
Prepaid expenses	393,310	0	15,674	0	408,984
<b>Total Current Assets</b>	<b>3,259,604</b>	<b>0</b>	<b>676,978</b>	<b>(58,833)</b>	<b>3,877,749</b>
<b>OTHER ASSETS</b>					
Investments	310,096	3,095,891	204,632	0	3,610,619
Beneficial interest in perpetual trusts	4,060,143	0	0	0	4,060,143
	4,370,239	3,095,891	204,632	0	7,670,762
<b>PENSION ASSET</b>	<b>253,324</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>253,324</b>
<b>PROPERTY AND EQUIPMENT</b>					
Land and improvements	610,840	0	227,521	0	838,361
Building and improvements	3,084,390	0	4,444,367	0	7,528,757
Automobiles	0	0	107,301	0	107,301
Building equipment and furnishings	69,167	0	368,425	0	437,592
Office and MIS equipment	30,238	0	46,601	0	76,839
Construction in progress	172,411	0	0	0	172,411
	3,967,046	0	5,194,215	0	9,161,261
Accumulated depreciation	178,381	0	3,387,544	0	3,565,925
<b>Property and equipment, net</b>	<b>3,788,665</b>	<b>0</b>	<b>1,806,671</b>	<b>0</b>	<b>5,595,336</b>
Financing lease right of use assets	0	0	33,927	0	33,927
Operating lease right of use assets	0	0	654,812	0	654,812
	<u>\$ 11,671,832</u>	<u>\$ 3,095,891</u>	<u>\$ 3,377,020</u>	<u>\$ (58,833)</u>	<u>\$ 18,085,910</u>
<b>CURRENT LIABILITIES</b>					
Line of credit	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable	664,855	0	33,977	(58,833)	639,999
Accrued expenses	171,409	0	0	0	171,409
Operating lease liability - current	0	0	163,068	0	163,068
Financing lease liability - current	0	0	28,004	0	28,004
Deferred revenue	2,093,852	0	0	0	2,093,852
<b>Total Current Liabilities</b>	<b>2,930,116</b>	<b>0</b>	<b>225,049</b>	<b>(58,833)</b>	<b>3,096,332</b>
<b>LONG TERM LIABILITIES</b>					
Operating lease liability	0	0	524,746	0	524,746
Financing lease liability	0	0	11,161	0	11,161
<b>Total Long Term Liabilities</b>	<b>0</b>	<b>0</b>	<b>535,907</b>	<b>0</b>	<b>535,907</b>
<b>Total Liabilities</b>	<b>2,930,116</b>	<b>0</b>	<b>760,956</b>	<b>(58,833)</b>	<b>3,632,239</b>
<b>NET ASSETS</b>					
Without donor restrictions					
Without donor restrictions - general use	4,681,573	0	2,616,064	0	7,297,637
Without donor restrictions - board designated endowment	0	2,472,068	0	0	2,472,068
<b>Total without donor restrictions</b>	<b>4,681,573</b>	<b>2,472,068</b>	<b>2,616,064</b>	<b>0</b>	<b>9,769,705</b>
With donor restrictions	4,060,143	623,823	0	0	4,683,966
<b>Total Net Assets</b>	<b>8,741,716</b>	<b>3,095,891</b>	<b>2,616,064</b>	<b>0</b>	<b>14,453,671</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 11,671,832</b>	<b>\$ 3,095,891</b>	<b>\$ 3,377,020</b>	<b>\$ (58,833)</b>	<b>\$ 18,085,910</b>

**CONSOLIDATING SCHEDULES OF  
ACTIVITIES**

**CHILDREN & FAMILIES FIRST DELAWARE, INC**

**DECEMBER 31, 2023**

	Children & Families First Delaware Inc.		Children & Families First Endowment Inc.		B2W2	Elimination Entries	Consolidated Balances
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions		
<b>PUBLIC SUPPORT AND REVENUE</b>							
Public support:							
Received directly							
Contributions and bequests	\$ 328,159	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 328,159
Received indirectly							
Allocation by United Way of Delaware, Inc.	164,131	0	0	0	0	0	164,131
Fundraisers	102,796	0	0	0	0	0	102,796
Less: Direct expenses	(46,693)	0	0	0	0	0	(46,693)
Governmental agencies	25,999,620	0	0	0	0	0	25,999,620
Other grants	2,310,658	0	0	0	0	0	2,310,658
Other revenue:							
Fees for services - referrals	130,024	0	0	0	0	0	130,024
Programs service fees	458,505	0	0	0	0	(431,361)	27,144
Investment income	231,608	0	100,836	0	8,435	0	340,879
Rent income	0	0	0	0	664,975	(642,185)	22,790
Other	11,210	0	0	0	146,381	(38,372)	119,219
Total Public Support and Revenue Before Net Assets Released from Restrictions	29,690,018	0	100,836	0	819,791	(1,111,918)	29,498,727
<b>NET ASSETS RELEASED FROM RESTRICTION</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>29,690,018</b>	<b>0</b>	<b>100,836</b>	<b>0</b>	<b>819,791</b>	<b>(1,111,918)</b>	<b>29,498,727</b>
<b>EXPENSES</b>							
Program services:							
Positive parenting	2,082,265	0	0	0	79,831	(78,008)	2,084,088
Supporting teens	6,712,676	0	0	0	148,207	(141,472)	6,719,411
Healthy babies	3,616,905	0	0	0	129,028	(144,127)	3,601,806
Family resources	11,957,384	0	0	0	212,790	(348,410)	11,821,764
Early childhood	1,975,615	0	0	0	20,220	(17,549)	1,978,286
Workplace supports	274,946	0	0	0	2,554	(2,388)	275,112
Grief counseling	395,087	0	0	0	15,156	(13,303)	396,940
Program quality and helpline	644	0	0	0	7,174	(7,525)	293
Total Program Services	27,015,522	0	0	0	614,960	(752,782)	26,877,700
Support services:							
Management and general	3,582,485	0	20,463	0	265,040	(341,873)	3,526,115
Fundraising	322,711	0	0	0	13,645	(17,263)	319,093
Total Support Services	3,905,196	0	20,463	0	278,685	(359,136)	3,845,208
<b>TOTAL EXPENSES</b>	<b>30,920,718</b>	<b>0</b>	<b>20,463</b>	<b>0</b>	<b>893,645</b>	<b>(1,111,918)</b>	<b>30,722,908</b>
<b>CHANGE IN NET ASSETS BEFORE NONOPERATING ACTIVITY</b>	<b>(1,230,700)</b>	<b>0</b>	<b>80,373</b>	<b>0</b>	<b>(73,854)</b>	<b>0</b>	<b>(1,224,181)</b>
<b>NONOPERATING ACTIVITY</b>							
Realized/unrealized gain on investments	4,977	0	288,411	0	3,146	0	296,534
Gain on beneficial interest in perpetual trusts	0	357,217	0	0	0	0	357,217
Gain on sale of assets	0	0	0	0	10,000	0	10,000
Transfers	137,941	0	(51,346)	0	(86,595)	0	0
Total Nonoperating Activities	142,918	357,217	237,065	0	(73,449)	0	663,751
<b>CHANGE IN NET ASSETS</b>	<b>(1,087,782)</b>	<b>357,217</b>	<b>317,438</b>	<b>0</b>	<b>(147,303)</b>	<b>0</b>	<b>(560,430)</b>
<b>NET ASSETS</b>							
Beginning of year	4,681,573	4,060,143	2,472,068	623,823	2,616,064	0	14,453,671
Transfers out	0	0	0	0	0	0	0
End of year	\$ 3,593,791	\$ 4,417,360	\$ 2,789,506	\$ 623,823	\$ 2,468,761	\$ 0	\$ 13,893,241

**CONSOLIDATING SCHEDULES OF  
ACTIVITIES**

**CHILDREN & FAMILIES FIRST DELAWARE, INC.**

**DECEMBER 31, 2022**

	Children & Families First Delaware Inc.		Children & Families First Endowment Inc.		B2W2	Elimination Entries	Consolidated Balances
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions		
<b>PUBLIC SUPPORT AND REVENUE</b>							
Public support:							
Received directly							
Contributions and bequests	\$ 475,096	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 475,096
In-kind contributions	1,210,000						1,210,000
Received indirectly							
Allocation by United Way of Delaware, Inc.	297,404	0	0	0	0	0	297,404
Fundraisers	109,553	0	0	0	0	0	109,553
Less: Direct expenses	(23,621)	0	0	0	0	0	(23,621)
Governmental agencies	25,196,239	0	0	0	0	0	25,196,239
Other grants	1,683,173	0	0	0	0	0	1,683,173
Other revenue:							
Fees for services - referrals	128,199	0	0	0	0	0	128,199
Programs service fees	493,959	0	0	0	0	(441,634)	52,325
Investment income	250,689	0	91,394	0	6,299	0	348,382
Rent income	0	0	0	0	585,614	(538,768)	46,846
Other	6,505	0	0	0	10,836	0	17,341
<b>Total Public Support and Revenue</b>							
Before Net Assets Released from Restrictions	29,827,196	0	91,394	0	602,749	(980,402)	29,540,937
<b>NET ASSETS RELEASED FROM RESTRICTION</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>29,827,196</b>	<b>0</b>	<b>91,394</b>	<b>0</b>	<b>602,749</b>	<b>(980,402)</b>	<b>29,540,937</b>
<b>EXPENSES AND LOSSES:</b>							
Program services:							
Positive parenting	1,987,527	0	0	0	58,428	(59,065)	1,986,890
Supporting teens	6,994,421	0	0	0	128,101	(132,067)	6,990,455
Healthy babies	3,457,848	0	0	0	111,255	(178,040)	3,391,063
Family resources	11,506,394	0	0	0	255,869	(279,295)	11,482,968
Early childhood	2,107,958	0	0	0	18,479	(16,100)	2,110,337
Workplace supports	303,601	0	0	0	2,697	(2,578)	303,720
Grief Counseling	373,042	0	0	0	14,522	(12,275)	375,289
Program quality and helpline	9,791	0	0	0	7,643	(9,035)	8,399
<b>Total Program Services</b>	<b>26,740,582</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>596,994</b>	<b>(688,455)</b>	<b>26,649,121</b>
Support services:							
Management and general	3,587,466	0	19,628	0	222,146	(275,206)	3,554,034
Fundraising	307,766	0	0	0	14,685	(16,741)	305,710
<b>Total Support Services</b>	<b>3,895,232</b>	<b>0</b>	<b>19,628</b>	<b>0</b>	<b>236,831</b>	<b>(291,947)</b>	<b>3,859,744</b>
<b>TOTAL EXPENSES AND LOSSES</b>	<b>30,635,814</b>	<b>0</b>	<b>19,628</b>	<b>0</b>	<b>833,825</b>	<b>(980,402)</b>	<b>30,508,865</b>
<b>CHANGE IN NET ASSETS BEFORE NONOPERATING ACTIVITY</b>	<b>(808,618)</b>	<b>0</b>	<b>71,766</b>	<b>0</b>	<b>(231,076)</b>	<b>0</b>	<b>(967,928)</b>
<b>NONOPERATING ACTIVITY</b>							
Periodic pension gain	346,919	0	0	0	0	0	346,919
Realized/unrealized loss on investments	(53,670)	0	(548,685)	0	(33,334)	0	(635,689)
Loss on beneficial interest in perpetual trusts	0	(1,036,513)	0	0	0	0	(1,036,513)
Gain on sale of assets	0	0	0	0	343,180	0	343,180
Transfers	141,359	0	(52,696)	0	(88,663)	0	0
<b>Total Nonoperating Activities</b>	<b>434,608</b>	<b>(1,036,513)</b>	<b>(601,381)</b>	<b>0</b>	<b>221,183</b>	<b>0</b>	<b>(982,103)</b>
<b>CHANGE IN NET ASSETS</b>	<b>(374,010)</b>	<b>(1,036,513)</b>	<b>(529,615)</b>	<b>0</b>	<b>(9,893)</b>	<b>0</b>	<b>(1,950,031)</b>
<b>NET ASSETS</b>							
Beginning of year	5,055,583	5,096,656	3,001,683	623,823	2,625,957	0	16,403,702
Transfers	0	0	0	0	0	0	0
<b>End of year</b>	<b>\$ 4,681,573</b>	<b>\$ 4,060,143</b>	<b>\$ 2,472,068</b>	<b>\$ 623,823</b>	<b>\$ 2,616,064</b>	<b>\$ 0</b>	<b>\$ 14,453,671</b>