

DELHAVEN COMMUNITY CENTER

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2023





Scott M. Biehl, CPA
Andy R. Jones, CPA
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Independent Auditors' Report

To the Board of Directors
of Delhaven Community Center

Opinion

We have audited the accompanying financial statements of Delhaven Community Center, (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financials statements referred to above present fairly, in all material respects, the financial position of Delhaven Community Center as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Delhaven Community Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility or Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and access the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amount and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Delhaven Community Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Delhaven Community Center'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, that planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



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Report on Summarized Comparative Information

We have previously audited the Delhaven Community Center's 2022 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated September 12, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads 'Rogers, Clem & Company'.

ROGERS, CLEM & COMPANY

November 4, 2024
Covina, California

DELHAVEN COMMUNITY CENTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Assets		
Cash and cash equivalents	\$ 519,380	\$ 440,763
Accounts receivable	1,385,532	470,327
Investments (Note 2)	305,936	217,416
Property and equipment (Note 3)	544,123	530,050
Employee loan	8,934	-
Prepaid expenses	1,129	-
Deposits	<u>2,300</u>	<u>2,300</u>
Total Assets	<u>\$ 2,767,334</u>	<u>\$ 1,660,856</u>
Liabilities		
Accounts payable	\$ 35,965	\$ 16,991
Accrued expenses	65,754	74,378
Notes payable (Note 4)	<u>144,886</u>	<u>136,636</u>
Total Liabilities	246,605	228,005
Net Assets		
Without donor restrictions (Note 6)	<u>2,520,729</u>	<u>1,432,851</u>
Total Liabilities and Net Assets	<u>\$ 2,767,334</u>	<u>\$ 1,660,856</u>

See Independent Auditors' Report and the accompanying notes
which are an integral part of these financial statements

DELHAVEN COMMUNITY CENTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Without Donor</u>	<u>Without Donor</u>
	<u>Restrictions</u>	<u>Restrictions</u>
SUPPORT AND REVENUES		
Program service revenue	\$ 6,062,678	\$ 3,289,959
Grants	-	7,775
Dues and assessments from members	427	4,233
Other revenue	<u>31,951</u>	<u>74,894</u>
 Total Support and Revenues	 <u>6,095,056</u>	 <u>3,376,861</u>
 EXPENSES		
Program services:		
Community center	3,883,720	2,427,621
Day care facility	149,961	253,854
Transportation	249,528	200,011
Adult development center	<u>214,367</u>	<u>266,917</u>
Total program service expenses	4,497,576	3,148,403
Supporting services:		
Management and general	<u>543,411</u>	<u>407,903</u>
 Total Expenses	 <u>5,040,987</u>	 <u>3,556,306</u>
 Other non-operating:		
Gain on sale of assets	3,426	-
Investment income (loss), net of expenses	<u>30,383</u>	<u>(30,828)</u>
 Total non-operating	 <u>33,809</u>	 <u>(30,828)</u>
 Change in Net Assets	 1,087,878	 (210,273)
Net Assets Beginning of Year	<u>1,432,851</u>	<u>1,643,124</u>
 Net Assets End of Year	 <u>\$ 2,520,729</u>	 <u>\$ 1,432,851</u>

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DELHAVEN COMMUNITY CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

	Program Services					Management & General	Year Ended	Year Ended
	Community Center	Day Care Facility	Transportation	Adult Development Center	Total Program Services		December 31, 2023 Total Expenses	December 31, 2022 Total Expenses
Salaries	\$ 2,619,897	\$ 76,718	\$ 31,056	\$ 124,378	\$ 2,852,049	\$ 389,639	\$ 3,241,688	\$ 2,107,045
Occupancy:								
Utilities & telephone	56,802	16,318	8,047	17,956	99,123	13,542	112,665	77,542
Maintenance & repairs	81,438	8,797	455	3,445	94,135	12,860	106,995	163,579
Insurance	88,620	-	4,216	4,322	97,158	13,274	110,432	99,804
Advertising	13,279	-	-	-	13,279	-	13,279	-
Bank fees	-	-	-	-	-	216	216	189
Depreciation and amortization	1,521	-	65,293	-	66,814	-	66,814	46,337
Donations	1,657	-	-	-	1,657	-	1,657	-
Dues and subscriptions	538	-	-	-	538	4,843	5,381	2,716
Emergency welfare	8,533	-	-	-	8,533	-	8,533	28,326
Employee benefits	49,039	7,265	774	2,257	59,335	5,022	64,357	54,280
Interest	193	2,795	7,287	1,305	11,580	-	11,580	875
Maintenance and repairs	12,080	1,000	9,512	697	23,289	-	23,289	12,104
Office expense	137,557	1,976	452	2,884	142,869	19,518	162,387	17,284
Payroll service fees	14,961	770	294	-	16,025	2,167	18,192	12,712
Payroll taxes	134,255	29,098	10,917	46,173	220,443	35,068	255,511	169,104
Professional development	6,840	-	-	-	6,840	935	7,775	16,009
Professional fees	94,012	869	1,757	1,272	97,910	13,399	111,309	10,236
Program expense	344,042	393	1,460	1,723	347,618	-	347,618	446,507
Rent	48,249	-	-	465	48,714	-	48,714	64,232
Residential care	11,878	-	-	-	11,878	-	11,878	92,581
Tax and license	33,943	2,932	2,921	2,939	42,735	-	42,735	10,248
Travel	-	-	-	-	-	28,878	28,878	14,785
Vehicle expense	124,386	1,030	105,087	4,551	235,054	4,050	239,104	109,811
Total expenses per statement of activities	<u>\$ 3,883,720</u>	<u>\$ 149,961</u>	<u>\$ 249,528</u>	<u>\$ 214,367</u>	<u>\$ 4,497,576</u>	<u>\$ 543,411</u>	<u>\$ 5,040,987</u>	<u>\$ 3,556,306</u>

See Independent Auditors' Report and the accompanying notes
which are an integral part of these financial statements

DELHAVEN COMMUNITY CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,087,878	\$ (210,273)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	66,814	46,337
Net realized and unrealized (gains) losses on investments	(26,791)	32,672
Gain on sale of vehicle and equipment	(3,426)	-
Change in operating assets and liabilities:		
(Increase)/decrease in accounts receivable	(915,205)	(402,548)
(Increase)/decrease in prepaid expenses	(8,934)	-
(Increase)/decrease in employee loan	(1,129)	-
Increase/(decrease) in accounts payable	18,974	8,070
Increase/(decrease) in accrued expenses	<u>(8,624)</u>	<u>40,309</u>
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>209,557</u>	<u>(485,433)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of assets	20,210	-
Purchase of assets	(97,671)	(36,310)
Proceeds from sale of investments	33,439	26,208
Purchase of investments	<u>(95,168)</u>	<u>(86,228)</u>
NET CASH USED FOR INVESTING ACTIVITIES	<u>(139,190)</u>	<u>(96,330)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term debt	83,974	-
Payments on loans payable	<u>(75,724)</u>	<u>(8,856)</u>
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	<u>8,250</u>	<u>(8,856)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	78,617	(590,619)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>440,763</u>	<u>1,031,382</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 519,380</u>	<u>\$ 440,763</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	\$ 11,580	\$ 875
Taxes	\$ -	\$ 10
Vehicles purchased through direct financing	<u>\$ 53,446</u>	<u>\$ 126,625</u>

See Independent Auditors' Report and the accompanying notes
which are an integral part of these financial statements

DELHAVEN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

NATURE OF ACTIVITIES

Delhaven Community Center (the "Organization") is a California nonprofit corporation, founded in 1975, focusing on the needs of developmentally disabled people and emotionally disturbed youngsters. The Organization provides the following programs:

COMMUNITY CENTER – Provides affordable opportunities which address the needs of the community, providing a nurturing environment which will help strengthen the family unit, provide opportunities for volunteer leadership, provide opportunities for individuals to challenge themselves to live their lives in the best possible fashion based upon strong moral principles, and to provide activities in which individuals of all ages, color, and creed may experience acceptance, respect, love and personal growth in a caring environment.

During 2020 Delhaven expanded from 3-school based and 1 center-based after school programs and began offering comprehensive programming across 13 campuses for the Hacienda La Puente Unified School District. Focused on holistic development, it combines academic support with diverse extracurricular activities. Students benefit from homework assistance, specialized clubs and skill-building that reinforces classroom learning. The program fosters social growth through arts, sports, and team-building endeavors, promoting creativity and collaboration. Delhaven prioritizes safety, maintaining a secure and nurturing environment that encourages exploration and self-expression. By catering to both educational and personal growth, it ensures a well-rounded and enriching after-school experience for all participants.

DAY CARE FACILITY – Provides developmentally disabled people with the recreational facilities and workshops to teach work, social, reading and mobilization skills. Delhaven provides low income youth with structured supervised recreational activities. For 10 weeks in the summer, camps are held for developmentally disabled and low income youth. A program for emotionally disturbed youngsters is held weekly. Senior citizen trips are held twice monthly.

TRANSPORTATION – Provides transportation for adults with disabilities to and from their day program. The program also provided transportation to and from our afterschool program for elementary school children. After school transportation was discontinued during pandemic in March 2020 and has not resumed.

ADULT DAY PROGRAMS – Provides day workshop facility licensed for 70 adults 18 and older with developmental disabilities – mid to higher level. Adult day leaning facility licensed for 40 adults 18 and older with developmental disabilities – lower level, offers self-help, independent, cognitive, and social skills training with community integration.

The Organization's support and revenues come primarily from service contracts with public entities who receive Federal and State grants for the benefit of the developmentally disabled.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

DELHAVEN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES: (Continued)

BASIS OF PRESENTATION

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities in two classes of net assets:

- *Net assets without donor restrictions* are net assets not subject to donor-imposed restrictions or law.
- *Net assets with donor restrictions* are net assets subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time. For the years ended December 31, 2023 and 2022, there were no donor restricted funds.

RECLASSIFICATIONS

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

CHANGE IN ACCOUNTING PRINCIPLE

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which requires financial assets measured at amortized cost basis to be presented at the net amount expected to be collected. 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 for financial assets measured at amortized cost. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. This standard was effective for the Organization for the year ended December 31, 2023. The Chapter 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 did not have a significant impact on the financial statements.

COMPARATIVE FINANCIAL INFORMATION

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

DELHAVEN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FAIR VALUE MEASUREMENTS

The Organization follows guidance issued by the FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. This guidance establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair values into Levels 1, 2, and 3.

Level 1 inputs consist of unadjusted quoted prices in active markets for identical instruments and have the highest priority. Level 2 inputs include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or inputs other than quoted prices that are directly or indirectly observable. Level 3 inputs are unobservable and are given the lowest priority.

For purposes of financial reporting, the Organization has determined the fair values of its financial instruments, which include cash equivalents, accounts receivable and accounts payable, approximate the carrying values at December 31, 2023, and 2022, based on their short maturities and/or the terms available to the Organization in financial markets.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash held in checking and money market accounts, time deposits, certificates of deposit and all highly liquid investments with original maturities of three months or less. Cash and highly liquid financial instruments which are either held for or restricted to long-term purposes are excluded from this definition.

ACCOUNTS RECEIVABLE

Receivables are stated at the amount the Organization expects to collect from outstanding balances. Management believes the entire balance of receivables is collectible, and therefore, no allowance was recorded as of December 31, 2023.

INVESTMENTS

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position.

Net investment return/(loss) is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

DELHAVEN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES: (Continued)

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, or if donated, at fair value on the date of donation. The Organization provides for depreciation and amortization of property and equipment by use of the straight-line method over the estimated useful lives as follows:

Buildings and Improvements	10 to 45 years
Furniture and Equipment	5 to 10 years
Equipment under capital lease	6 years
Vehicles	5 years

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Repair and maintenance costs are charged to operating expense as incurred. There were no impairment charges in fiscal year 2023 (if otherwise disclosed).

CONCENTRATIONS OF CREDIT AND MARKET RISK

Exposure to credit and market risks is related primarily to bank balances, cash equivalents and securities held at an investment firm (if applicable).

Cash and cash equivalents are maintained at high-quality financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2023 the Organization's uninsured balances at these institutions total \$279,565. The Organization has not experienced any losses on its cash or cash equivalents. The Organization's investments do not represent significant concentrations of market risk inasmuch as the Organization's investment portfolio is adequately diversified among issuers.

For the years ended December 31, 2023 and 2022 the Organization had program revenue from two sources that totaled 94% and 99%, respectively, of program revenues.

REVENUE AND REVENUE RECOGNITION

PROGRAM SERVICE

Program service fees are recognized as revenue when the related performance obligations are satisfied. Performance obligations represent the specified services provided to customers under such contracts and generally consist of a single performance obligation which is satisfied when the service is provided or the event has occurred.

DONATED SERVICES

A significant portion of the Organization's program service, fundraising and administrative functions are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. For the years ended December 31, 2023 and 2022 respectively, the estimated hours and value of such services by function were:

DELHAVEN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES: (Continued)

REVENUE AND REVENUE RECOGNITION: (Continued)

	12/31/2023 (Estimated) Number of Hours	Value	12/31/2022 (Estimated) Number of Hours	Value
General & Administration	<u>800</u>	<u>\$ 14,720</u>	<u>780</u>	<u>\$ 14,352</u>

This value was computed using an estimated hourly rate of \$16 and \$16 for 2023 and 2022, respectively, based upon the average hourly earnings for the two comparative years plus 15% for related payroll expenses.

TAX STATUS

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization is also exempt from state income taxes under Section 23701(d) of the California Revenue and Taxation Code.

The Organization has applied the provisions of the FASB's ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Under ASC 740-10, nonpublic enterprises, including nonprofit organizations, are required to record a tax liability when substantial uncertainties exist as to whether certain income is exempt from federal, state and local income tax. As of December 31, 2023, the Organization had no substantial uncertain income tax provisions.

As of December 31, 2023 the years 2021 through 2023 were subject to examination by the Internal Revenue Service and the years 2020 through 2023 by the California Franchise Tax Board.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

DELHAVEN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

2. INVESTMENTS:

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to the 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;

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair market value.

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Investments are measured at fair value as follows:

	<u>Level</u> <u>1</u>	<u>Level</u> <u>2</u>	<u>Level</u> <u>3</u>	<u>Total</u>
December 31, 2023				
Equity Funds	\$ 174,348	-	-	\$ 174,348
Fixed Income & Preferred	<u>131,588</u>	<u>-</u>	<u>-</u>	<u>131,588</u>
Total Investments	\$ <u>305,936</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>305,936</u>
	<u>Level</u> <u>1</u>	<u>Level</u> <u>2</u>	<u>Level</u> <u>3</u>	<u>Total</u>
December 31, 2022				
Equity Funds	\$ 124,103	-	-	\$ 124,103
Fixed Income & Preferred	<u>93,313</u>	<u>-</u>	<u>-</u>	<u>93,313</u>
Total Investments	\$ <u>217,416</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>217,416</u>

All investments consist of contributions received without restriction.

DELHAVEN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

3. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Autos and trucks	\$ 529,694	\$ 500,570
Equipment	56,057	68,513
Buildings	698,451	698,451
Leasehold Improvements	107,461	70,194
Land	<u>213,625</u>	<u>213,625</u>
	1,605,288	1,550,523
Less accumulated depreciation	<u>(1,061,165)</u>	<u>(1,020,473)</u>
Total property and equipment, net	<u>\$ 544,123</u>	<u>\$ 530,050</u>

Included in the statement of activities are provisions for depreciation and amortization in the amount of \$ 66,814 and \$46,337 for the years ended December 31, 2023 and 2022, respectively.

4. NOTES PAYABLE:

Notes payable consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Notes payable due in monthly payments of \$3,459 Including interest at 1.90% to 7.39%, secured by vehicles costing \$218,552. Due July 2028.	<u>\$ 144,886</u>	<u>\$ 136,636</u>

Future minimum payments are as follows:

For the year ending
December 31

	<u>2023</u>
2024	\$ 34,532
2025	35,003
2026	35,448
2027	33,955
2028	<u>5,948</u>
	<u>\$ 144,886</u>

5. NET ASSETS:

At December 31, net assets were restricted by donors or designated by the Organization as follows:

	<u>2023</u>	<u>2022</u>
Net assets without donor restrictions:		
Designated reserve for one year's operating expenses	\$ -	\$ -
Designated reserve for facilities upgrade	-	-
Undesignated	<u>2,520,729</u>	<u>1,432,851</u>
Total net assets	<u>\$ 2,250,729</u>	<u>\$ 1,432,851</u>

See Independent Auditors' Report

DELHAVEN COMMUNITY CENTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

6. RELATED PARTY TRANSACTIONS:

The Organization contracted TBS Cleaning Service, LLC which is owned by the Executive Director of the Organization. TBS Cleaning Services is contracted to maintain Delhaven Community Center's overall environment. With a focus on both interior and exterior spaces, they provide comprehensive cleaning solutions. Their dedicated team ensures the cleanliness of program areas through daily disinfection and sanitization practices. By providing these services, TBS contributes to a safe and inviting atmosphere, allowing Delhaven Community Center to thrive as a hub for various activities and programs. Payments to TBS Cleaning Service, LLC for the years ended December 31, 2023 and 2022 totaled \$77,000 and \$51,000, respectively.

7. LIQUID RESOURCE MANAGEMENT:

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

As of December 31, 2023, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Cash and cash equivalents	\$ 519,380
Accounts and interest receivable	1,385,532
Contributions for general expenditures due in one year or less	-
Financial assets available for general expenditures over next 12-months	\$ <u>1,904,912</u>

In addition to the financial assets available to meet general expenditures over the next 12 months noted above, the Organization has other assets that can be converted to cash or available for general expenditures during the normal course of next year's operations. Such assets include the Organization's investments and prepaid expenses.

8. FUNCTIONALIZED EXPENSES:

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, and office and occupancy, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

9. SUBSEQUENT EVENTS:

Delhaven Community Center has evaluated events subsequent to December 31, 2023, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through November 4, 2024, the date these financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.