PROJECT C.A.M.P., INC.
D/B/A THE CENTER
FOR COURAGEOUS KIDS

SCOTTSVILLE, KENTUCKY

FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT AUDITORS

DECEMBER 31, 2017 AND 2016

PROJECT C.A.M.P., INC. D/B/A
THE CENTER FOR COURAGEOUS KIDS
DECEMBER 31, 2017 AND 2016

C O N T E N T S

CPAs / ADVISORS

blue

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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Project C.A.M.P., Inc. d/b/a
The Center for Courageous Kids
Scottsville, Kentucky

We have audited the accompanying financial statements of Project C.A.M.P., Inc. d/b/a The Center for Courageous Kids (a nonprofit organization, the Center), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Board of Directors
Project C.A.M.P., Inc. d/b/a
The Center for Courageous Kids
Scottsville, Kentucky

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Blue & Co., LLC

Lexington, Kentucky
February 7, 2018

PROJECT CAMP, INC. D/B/A
THE CENTER FOR COURAGEOUS KIDS

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

ASSETS

	Unrestricted	Temporarily Restricted	Total
Cash and cash equivalents	$ 1,771,563	$ 1,482,820	$ 3,254,383
Pledges receivable, net		236,000	236,000
Inventory	20,021		20,021
Other assets	10,539		10,539
Prepaid expenses	72,029		72,029
Certificate of deposit		1,000,000	1,000,000
Property and equipment, net	14,432,235		14,432,235
Total assets	$ 16,306,387	$ 2,718,820	$ 19,025,207

LIABILITIES AND NET ASSETS

	Unrestricted	Temporarily Restricted	Total
Accounts payable	$ 65,205	$	$ 65,205
Accrued expenses	10,496		10,496
Total liabilities	75,701	0	75,701
Net assets:			
Unrestricted:			
Undesignated	15,836,297		15,836,297
Board designated	394,389		394,389
	16,230,686	0	16,230,686
Temporarily restricted:			
Courage and Commitment campaign, capital and programs		2,231,298	2,231,298
Programs		251,522	251,522
To be received in future years		236,000	236,000
	0	2,718,820	2,718,820
Total net assets	16,230,686	2,718,820	18,949,506
Total liabilities and net assets	$ 16,306,387	$ 2,718,820	$ 19,025,207

See accompanying notes to financial statements.

PROJECT CAMP, INC. D/B/A
THE CENTER FOR COURAGEOUS KIDS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

ASSETS

	Unrestricted	Temporarily Restricted	Total
Cash and cash equivalents	$ 1,140,838	$ 1,190,048	$ 2,330,886
Pledges receivable, net		334,750	334,750
Inventory	14,968		14,968
Other assets	5,539		5,539
Prepaid expenses	44,103		44,103
Certificate of deposit	750,708	750,000	1,500,708
Property and equipment, net	14,934,350		14,934,350
Total assets	$ 16,890,506	$ 2,274,798	$ 19,165,304

LIABILITIES AND NET ASSETS

	Unrestricted	Temporarily Restricted	Total
Accounts payable	$ 42,747	$	$ 42,747
Accrued expenses	19,564		19,564
Total liabilities	62,311	0	62,311
Net assets:			
Unrestricted:			
Undesignated	16,430,243		16,430,243
Board designated	397,952		397,952
	16,828,195	0	16,828,195
Temporarily restricted:			
Courage and Commitment campaign, capital and programs		1,746,095	1,746,095
Programs		193,953	193,953
To be received in future years		334,750	334,750
	0	2,274,798	2,274,798
Total net assets	16,828,195	2,274,798	19,102,993
Total liabilities and net assets	$ 16,890,506	$ 2,274,798	$ 19,165,304

See accompanying notes to financial statements.

PROJECT CAMP, INC. D/B/A
THE CENTER FOR COURAGEOUS KIDS

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2017

	Unrestricted	Temporarily Restricted	Total
Revenues and support:			
Contributions	$ 2,359,539	$ 1,024,693	$ 3,384,232
Special events, net of donor benefits	84,501	102,841	187,342
Investment income	28,555		28,555
Merchandise sales, net of costs of $29,599	1,249		1,249
Other income	115		115
Net assets released from restrictions:			
Satisfaction of program restrictions	496,762	(496,762)	0
Satisfaction of time restrictions	186,750	(186,750)	0
Total revenues and support	3,157,471	444,022	3,601,493
Expenses:			
Program services:			
Camp services	3,049,533		3,049,533
Supporting services:			
Management and general	299,711		299,711
Fundraising	402,771		402,771
Total expenses	3,752,015	0	3,752,015
Other changes in net assets:			
Losses on disposals of property and equipment	(2,965)		(2,965)
Change in net assets	(597,509)	444,022	(153,487)
Net assets at beginning of year	16,828,195	2,274,798	19,102,993
Net assets at end of year	$ 16,230,686	$ 2,718,820	$ 18,949,506

See accompanying notes to financial statements.

PROJECT CAMP, INC. D/B/A
THE CENTER FOR COURAGEOUS KIDS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Total
Revenues and support:			
Contributions	$ 572,020	$ 1,649,870	$ 2,221,890
Special events, net of donor benefits	81,265	3,916	85,181
Investment income	17,478		17,478
Merchandise sales, net of costs of $36,628	(9)		(9)
Other income	12,625		12,625
Net assets released from restrictions:			
Satisfaction of program restrictions	975,638	(975,638)	0
Satisfaction of time restrictions	1,000,011	(1,000,011)	0
Total revenues and support	2,659,028	(321,863)	2,337,165
Expenses:			
Program services:			
Camp services	3,133,587		3,133,587
Supporting services:			
Management and general	343,656		343,656
Fundraising	425,353		425,353
Total expenses	3,902,596	0	3,902,596
Other changes in net assets:			
Gains on disposals of property and equipment	2,579		2,579
Change in net assets	(1,240,989)	(321,863)	(1,562,852)
Net assets at beginning of year	18,069,184	2,596,661	20,665,845
Net assets at end of year	$ 16,828,195	$ 2,274,798	$ 19,102,993

See accompanying notes
to financial statements.

PROJECT CAMP, INC. D/B/A
THE CENTER FOR COURAGEOUS KIDS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017

	Camp Services	Management and General	Fundraising	Total
Salaries and wages	$ 1,090,174	$ 180,372	$ 259,657	$ 1,530,203
Payroll taxes and employee benefits	283,549	65,411	59,836	408,796
Total personnel costs	1,373,723	245,783	319,493	1,938,999
Depreciation	689,999	12,378	17,272	719,649
Supplies	397,691	3,630	3,730	405,051
Utilities	196,169	3,645	5,087	204,901
Repairs and maintenance	173,997	4,226	6,354	184,577
Insurance	102,784	1,494	2,085	106,363
Outside services	38,089		5,300	43,389
Cost of merchandise	29,599			29,599
Legal and professional fees	9,348	19,451	135	28,934
Miscellaneous	5,541	87	3,686	9,314
Travel	16,685	1,384	4,200	22,269
Marketing	13,881		6,010	19,891
Printing and publications	6,716	428	5,700	12,844
Telephone and communications	7,517	675	1,498	9,690
Cost of special events			11,878	11,878
Training	8,962	1,798	1,673	12,433
Special events, direct benefit cost			19,825	19,825
Postage and delivery	1,173	1,425	1,560	4,158
Dues and subscriptions	5,691	536	7,084	13,311
Bank fees	1,567	2,771	26	4,364
Total expenses	3,079,132	299,711	422,596	3,801,439
Expenses included with revenues in the statement of activities	(29,599)		(19,825)	(49,424)
Expenses included in the expense section of the statement of activities	$ 3,049,533	$ 299,711	$ 402,771	$ 3,752,015

See accompanying notes to financial statements.

PROJECT CAMP, INC. D/B/A
THE CENTER FOR COURAGEOUS KIDS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2016

	Camp Services	Management and General	Fundraising	Total
Salaries and wages	$ 1,079,272	$ 197,508	$ 271,924	$ 1,548,704
Payroll taxes and employee benefits	293,630	72,342	62,591	428,563
Total personnel costs	1,372,902	269,850	334,515	1,977,267
Depreciation	680,081	12,275	17,171	709,527
Supplies	605,639	4,318	4,062	614,019
Utilities	195,133	4,010	5,031	204,174
Repairs and maintenance	97,847	5,415	4,982	108,244
Insurance	100,940	1,480	2,070	104,490
Outside services	22,596		12,370	34,966
Cost of merchandise	36,628			36,628
Legal and professional fees	8,250	25,240	1,250	34,740
Miscellaneous	10,058	1,890	13,185	25,133
Travel	9,784	7,953	5,041	22,778
Marketing	11,024	504	10,099	21,627
Printing and publications	2,654	311	5,114	8,079
Telephone and communications	4,640	4,784	905	10,329
Cost of special events			4,478	4,478
Training	5,042	1,275	2,250	8,567
Special events, donated items			353	353
Postage and delivery	870	1,625	1,805	4,300
Dues and subscriptions	4,236	220	1,015	5,471
Bank fees	1,891	2,506	10	4,407
Total expenses	3,170,215	343,656	425,706	3,939,577
Expenses included with revenues in the statement of activities	(36,628)		(353)	(36,981)
Expenses included in the expense section of the statement of activities	$ 3,133,587	$ 343,656	$ 425,353	$ 3,902,596

PROJECT CAMP, INC. D/B/A
THE CENTER FOR COURAGEOUS KIDS
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Cash flows from operating activities:		
Change in net assets	$ (153,487)	$ (1,562,852)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	719,649	709,527
Provision for uncollectible receivables		
Losses (gains) on disposals of property and equipment	2,965	(2,579)
Noncash contributions, restricted	(5,131)	(22,398)
Changes in operating assets and liabilities:		
Pledges receivable, net	98,750	105,250
Inventory	(5,053)	648
Other assets	(5,000)	(2,789)
Prepaid expenses	(27,926)	(11,235)
Contributions receivable - foundation, net		975,157
Accounts payable	22,458	6,640
Accrued expenses	(9,068)	(7,628)
Net cash flows from operating activities	638,157	187,741
Cash flows from investing activities:		
Proceeds from certificates of deposit	1,500,708	1,000,000
Purchases of certificates of deposit	(1,000,000)	(750,708)
Purchases of property and equipment	(220,499)	(244,146)
Net cash flows from investing activities	280,209	5,146
Cash flows from financing activities:		
Noncash contributions, restricted	5,131	22,398
Payments on note payable		(2,025)
Net cash flows from investing activities	5,131	20,373
Change in cash and cash equivalents	923,497	213,260
Cash and cash equivalents at beginning of year	2,330,886	2,117,626
Cash and cash equivalents at end of year	$ 3,254,383	$ 2,330,886
Supplemental disclosures:		
Property and equipment acquired via noncash exchange	$ 17,516	

See accompanying notes
to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Project C.A.M.P., Inc. d/b/a The Center for Courageous Kids (the Center) is presented to assist in understanding the Center's financial statements. The financial statements and notes are representations of the Center's management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the financial statements.

Nature of Activities:

The Center for Courageous Kids is a non-profit organization founded by the late Elizabeth Turner Campbell (the Founder), designed to uplift children who have life-threatening illnesses by creating experiences year round that are memorable, exciting, and fun. The Center is located in Scottsville, KY and provides a free camping experience to the children. Revenues consist primarily of contributions from individuals, civic groups, and foundations.

Basis of Accounting:

The financial statements of the Center have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when they are earned and expenses are recognized when they are incurred.

Basis of Presentation:

The financial statements of the Center have been prepared following the recommendations Accounting Standards Codification (ASC) 958-205 - *Nonprofit Organization Entities, Presentation of Financial Statements*. Under the provisions set forth therein, net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Use of Estimates:

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported revenues and expenses. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets:

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Unrestricted net assets - Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Center, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Temporarily restricted net assets - Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Center's unspent contributions are reported in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as temporarily restricted until the specified asset is placed in service by the Center, unless the donor provides more specific directions about the period of its use.

Permanently restricted net assets - Permanently restricted net assets are resources whose use by the Center is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time.

Allocation of Expenses:

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Although the methods used were appropriate, alternative methods may have provided different results.

Cash and Cash Equivalents:

The Center considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Certificate of Deposit:

The certificate of deposit is carried at cost plus accrued interest.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising Expenses:

The Center expenses advertising costs as incurred. Advertising expenses were approximately $2,000 and $5,000, respectively, for the years ended December 31, 2017 and 2016. These amounts are included in marketing expense in the accompanying statements of functional expenses.

Contributions and Pledges Receivable:

Unconditional promises to give are initially recorded at their fair value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of the amounts expected to be collected. The present value discount is calculated using a risk-adjusted rate of 5% at the time of contribution. The carrying value of pledges receivable approximates their fair value based on the relatively short-term maturity of these receivables.

Receivables are considered past due based on contractual terms. The Center provides an allowance based on historical collection experience and a review of the current status of existing receivables. The allowance represents an amount, which, in management's judgment, will be adequate to absorb future losses on existing accounts receivable that may become uncollectible.

Inventory:

Inventory consists of clothing and other items sold during camps and is stated at the lower of average cost or market value determined by the first-in, first-out method.

Split-Interest Agreements:

Assets recorded under split-interest agreements are recorded at market values, which approximate the present value of expected future cash flows.

Property and Equipment:

The Center capitalizes property and equipment above $1,000. Property and equipment is recorded at cost as of the date of acquisition or fair value as of the date of receipt in the case of donations. Depreciation is recorded using the straight-line method over estimated useful lives of five to forty years. The cost of repairs and maintenance is expensed as incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions:

Contributions are recorded when received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. When a donor restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as satisfaction of program or time restrictions. The Center did not have any permanently restricted net assets at December 31, 2017 and 2016.

The Center receives donated services from volunteers who assist with various activities of the camp, as well as materials and equipment. For the years ended December 31, 2017 and 2016, contributed services that required specialized skills and would otherwise be purchased were $11,000 and $7,000, respectively. These were for medical services and the corresponding amounts are included in unrestricted contributions and outside services expense in the accompanying financial statements. Noncash contributions of materials amounted to approximately $152,000 and $301,000, respectively, for the years ended December 31, 2017 and 2016. Of these amounts, $0 and approximately $3,000, respectively, were capitalized for the years ended December 31, 2017 and 2016.

The Center reports gifts of property, goods, and equipment as unrestricted support 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 are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those donated long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service as instructed by the donor.

In 2017 and 2016, the Center received gifts of publicly traded stock totaling approximately $7,000 and $47,000, respectively. The gifts were immediately liquidated via a third party broker and are included in special events revenue and contributions revenue in the accompanying statements of activities. Proceeds from unrestricted gifts are included in the operating section of the statement of cash flows as part of change in net assets. Proceeds from restricted gifts are included in the financing section of the statement of cash flows.

Subsequent Events:

The Center evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through February 7, 2018, which is the date the financial statements were issued.

Going Concern Evaluation:

Management evaluates whether there are conditions or events that raise substantial doubt about the entity’s ability to continue as a going concern for a period one year from the date the financial statements are available to be issued.

NOTE 2 - PLEDGES RECEIVABLE

Following is a detail of pledges receivable activity for the year ended December 31:

	2017	2016
Beginning balance	$ 334,750	$ 440,000
Pledges	76,000	57,500
Collections	(186,750)	(178,445)
Change in discount	12,000	15,695
Ending balance	$ 236,000	$ 334,750

Following is a detail of amounts due at December 31:

	2017	2016
Due in one year or less	$ 220,500	$ 163,750
Due in one to five years	25,000	192,500
Total	245,500	356,250
Discount	(9,500)	(21,500)
	$ 236,000	$ 334,750

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31:

	2017	2016
Land	$ 521,000	$ 521,000
Buildings	15,157,544	15,139,320
Land improvements	2,284,778	2,271,887
Equipment and furniture	2,936,475	2,734,385
Vehicles	104,819	107,582
Livestock	16,500	16,500
Construction in progress	21,169	43,911
Total property and equipment	21,042,285	20,834,585
Less: accumulated depreciation	6,610,050	5,900,235
Property and equipment, net	$ 14,432,235	$ 14,934,350

NOTE 4 - RETIREMENT PLAN

The Center has a 401(k) retirement plan covering substantially all full-time employees. Eligible employees must have attained age 21 and completed at least 1,000 hours of service. Employees may elect to contribute each year, up to the amount allowable by law. The Center will make an employer matching contribution dollar-for-dollar up to six percent of each eligible employee's salary. Employer expenses for the years ended December 31, 2017 and 2016 were approximately $71,000 and $86,000, respectively. These amounts are included in employee benefits expense in the accompanying statements of functional expenses.

NOTE 5 - CONCENTRATIONS

The majority of the Center's support is derived from its Founder through a foundation. As the Center continues its operations, it is expected that alternative sources of support will be obtained in future years.

Financial instruments which potentially subject the Center to concentrations of credit risk include cash, certificates of deposit and contributions receivable. The Center maintains its cash accounts and certificates of deposit with federally insured banks in south central Kentucky. At December 31, 2017 and 2016, the bank balances in these accounts that exceeded the limit of the Federal Deposit Insurance Corporation (FDIC) were approximately $3,995,000 and $3,356,000, respectively.

NOTE 6 - BOARD DESIGNATED NET ASSETS

In 2008, the board approved the establishment of a reserve for major maintenance expenses. The purpose is to have a reserve on hand in case of any major maintenance expenses that would be incurred in the future. These funds shall be held separate from other unrestricted funds. As of December 31, 2017 and 2016, the board designated maintenance reserve totaled approximately $394,000 and $398,000, respectively.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

In November 2016, the Center entered into a three-year agreement with one of its employees. The agreement stipulates that if the Center terminates the agreement for reasons other than cause, the employee will be entitled to 50% of aggregate annual salary, in addition to accrued salary and unpaid vacation time.

NOTE 8 - INCOME TAX STATUS

The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code). However, income from certain activities not directly related to the Center's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Center has been determined by the Internal Revenue Service not to be a private foundation within the context of Section 509(a) of the Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Center and recognize a tax liability if the Center has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Center, and has concluded that as of December 31, 2017 and 2016 there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements.

The Center has filed its federal income tax returns for periods through December 31, 2016. These income tax returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions). The Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 9 - UPCOMING PRONOUNCEMENTS

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The core principle of this new guidance is that "an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services". On August 12, 2015, the FASB further amended this guidance and issued ASU 2015-14, *Revenue from Contracts with Customers* (Topic 606), which deferred the effective date for all entities by one year. These new standards, which the Center is not required to adopt until its year ending December 31, 2019, deal with the timing of reporting revenues from contracts with customers, and disclosures related thereto.

On January 5, 2016, the FASB issued ASU No. 2016-01, *Financial Instruments-Overall* (Subtopic 825-10): *Recognition and Measurement of Financial Assets and Financial Liabilities*. This new standard, which the Center is not required to adopt until its year ending December 31, 2019, is intended to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. The primary impact on the Center will be that changes in the fair value of equity investments will be recognized in net income, rather than in other comprehensive income as currently required.

NOTE 9 - UPCOMING PRONOUNCEMENTS (CONTINUED)

On February 25, 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This new standard, which the Center is not required to adopt until its year ending December 31, 2020, is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their balance sheet the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases. Leases with terms (as defined in the ASU) of twelve months or less are not required to be reflected on an entity's balance sheet.

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958) that amends how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. This new standard, which the Center is not required to adopt until its year ending December 31, 2018, requires improved presentation and disclosures to help not-for-profits provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. This ASU completes the first phase of a two phase project to amend not-for-profit financial reporting requirements.

The Center is presently evaluating the effects that these ASUs will have on its future financial statements, including related disclosures.