



**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, 2021 AND 2020**

**PROJECT C.A.M.P., INC. D/B/A  
THE CENTER FOR COURAGEOUS KIDS**  
DECEMBER 31, 2021 AND 2020

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C O N T E N T S

	<u>Page</u>
Report of Independent Auditors	1 - 2
Financial Statements:	
Statements of Financial Position	3 - 4
Statements of Activities	5 - 6
Statements of Functional Expenses	7 - 8
Statements of Cash Flows	9
Notes to Financial Statements	10 - 16



Blue & Co., LLC / 250 West Main Street, Suite 2900 / Lexington, KY 40507  
main 859.253.1100 fax 859.253.1384 email blue@blueandco.com

## 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

### Opinion

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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center 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 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 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 the Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

### Auditor's 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 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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess 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 amounts 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 the 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Blue & Co., LLC*

Lexington, Kentucky  
March 22, 2022

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

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 1,048,857	\$ 1,654,675	\$ 2,703,532
Pledges receivable, net		65,407	65,407
Prepaid expenses	22,105		22,105
Inventory	52,366		52,366
Other assets	12,824		12,824
Certificates of deposit		1,000,000	1,000,000
Property and equipment, net	<u>14,499,705</u>		<u>14,499,705</u>
Total assets	<u>\$ 15,635,857</u>	<u>\$ 2,720,082</u>	<u>\$ 18,355,939</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
Accounts payable	\$ 29,014	\$	\$ 29,014
Accrued expenses	<u>14,799</u>		<u>14,799</u>
Total liabilities	<u>43,813</u>	<u>0</u>	<u>43,813</u>
Net assets:			
Without donor restrictions:			
Undesignated	<u>15,592,044</u>		<u>15,592,044</u>
With donor restrictions:			
Courage and Commitment campaign, capital and programs		1,990,388	1,990,388
Programs:			
Adventure for All		295,000	295,000
2021 camps and family retreats		161,500	161,500
Cardiac		75,000	75,000
Specific area campers		36,800	36,800
Other programs		95,987	95,987
To be received in future years		<u>65,407</u>	<u>65,407</u>
	<u>0</u>	<u>2,720,082</u>	<u>2,720,082</u>
Total net assets	<u>15,592,044</u>	<u>2,720,082</u>	<u>18,312,126</u>
Total liabilities and net assets	<u>\$ 15,635,857</u>	<u>\$ 2,720,082</u>	<u>\$ 18,355,939</u>

See accompanying notes  
to financial statements.

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

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 1,107,767	\$ 1,435,585	\$ 2,543,352
Pledges receivable, net		142,857	142,857
Prepaid expenses	102,618		102,618
Inventory	54,714		54,714
Other assets	14,330	0	14,330
Certificates of deposit		1,000,000	1,000,000
Property and equipment, net	<u>13,990,418</u>		<u>13,990,418</u>
Total assets	<u>\$ 15,269,847</u>	<u>\$ 2,578,442</u>	<u>\$ 17,848,289</u>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 36,172	\$	\$ 36,172
Accrued expenses	<u>36,234</u>		<u>36,234</u>
Total liabilities	<u>72,406</u>	<u>0</u>	<u>72,406</u>
Net assets:			
Without donor restrictions:			
Undesignated	<u>15,197,441</u>		<u>15,197,441</u>
With donor restrictions:			
Courage and Commitment campaign, capital and programs		2,027,213	2,027,213
Programs			
Music therapy		117,098	117,098
Adventure for All		100,000	100,000
2020 camps and family retreats		74,500	74,500
Cardiac		49,225	49,225
Specific area campers		34,000	34,000
Other programs		33,549	33,549
To be received in future years		<u>142,857</u>	<u>142,857</u>
	<u>0</u>	<u>2,578,442</u>	<u>2,578,442</u>
Total net assets	<u>15,197,441</u>	<u>2,578,442</u>	<u>17,775,883</u>
Total liabilities and net assets	<u>\$ 15,269,847</u>	<u>\$ 2,578,442</u>	<u>\$ 17,848,289</u>

See accompanying notes  
to financial statements.

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

STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021

	Without donor restrictions	With donor restrictions	Total
Revenues and support:			
Contributions	\$ 1,954,136	\$ 1,554,792	\$ 3,508,928
Special events, net of donor benefits	239,954	42,810	282,764
Investment income	22,755		22,755
Merchandise sales, net of costs of \$14,199	(6,776)		(6,776)
Other income	1,729		1,729
Net assets released from restrictions:			
Satisfaction of program restrictions	1,271,957	(1,271,957)	0
Satisfaction of time restrictions	184,005	(184,005)	0
Total revenues and support	3,667,760	141,640	3,809,400
Expenses:			
Program services:			
Camp services	2,111,825		2,111,825
Supporting services:			
Management and general	896,396		896,396
Fundraising	289,632		289,632
Total expenses	3,297,853	0	3,297,853
Other changes in net assets:			
Gains on disposals of property and equipment	24,696		24,696
Change in net assets	394,603	141,640	536,243
Net assets at beginning of year	15,197,441	2,578,442	17,775,883
Net assets at end of year	\$ 15,592,044	\$ 2,720,082	\$ 18,312,126

See accompanying notes  
to financial statements.

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

STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020

	Without donor restrictions	With donor restrictions	Total
Revenues and support:			
Contributions	\$ 2,041,111	\$ 557,494	\$ 2,598,605
Special events, net of donor benefits	89,496	440	89,936
Investment income	29,553		29,553
Merchandise sales, net of costs of \$1,153	5,646		5,646
Other income	892		892
Net assets released from restrictions:			
Satisfaction of program restrictions	845,369	(845,369)	0
Satisfaction of time restrictions	279,087	(279,087)	0
Total revenues and support	3,291,154	(566,522)	2,724,632
Expenses:			
Program services:			
Camp services	2,566,639		2,566,639
Supporting services:			
Management and general	283,633		283,633
Fundraising	325,317		325,317
Total expenses	3,175,589	0	3,175,589
Other changes in net assets:			
Gains on disposals of property and equipment	(8,099)		(8,099)
Change in net assets	107,466	(566,522)	(459,056)
Net assets at beginning of year	15,089,975	3,144,964	18,234,939
Net assets at end of year	\$ 15,197,441	\$ 2,578,442	\$ 17,775,883

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, 2021

	Program services - camps	Supporting services		Total
		Management and general	Fundraising	
Salaries and wages	\$ 677,355	\$ 428,379	\$ 136,910	\$ 1,242,644
Payroll taxes and employee benefits	199,661	122,239	34,226	356,126
Total personnel costs	<u>877,016</u>	<u>550,618</u>	<u>171,136</u>	<u>1,598,770</u>
Depreciation	768,051	10,285	11,923	790,259
Repairs and maintenance	153,963	65,803	11,348	231,114
Utilities	111,261	29,670	7,417	148,348
Supplies	144,347	7,953	2,111	154,411
Insurance	21,447	130,304		151,751
Special events, direct benefit cost			71,112	71,112
Cost of special events			59,332	59,332
Legal and professional fees	1,265	44,019	93	45,377
Provision for uncollectable pledges		29,000		29,000
Miscellaneous	2,441	11,124	4,543	18,108
Outside services	8,547	94	6,861	15,502
Dues and subscriptions	5,731	3,870	5,492	15,093
Cost of merchandise	14,199			14,199
Printing and publications	6,174	1,552	4,631	12,357
Telephone and communications	710	8,420	63	9,193
Travel	5,135		207	5,342
Marketing	1,414		2,686	4,100
Postage and delivery	499	1,815	1,565	3,879
Training	3,196		224	3,420
Bank fees	628	1,869		2,497
Total expenses	<u>2,126,024</u>	<u>896,396</u>	<u>360,744</u>	<u>3,383,164</u>
Expenses included with revenues in the statement of activities	<u>(14,199)</u>	<u></u>	<u>(71,112)</u>	<u>(85,311)</u>
Expenses included in the expense section of the statement of activities	<u>\$ 2,111,825</u>	<u>\$ 896,396</u>	<u>\$ 289,632</u>	<u>\$ 3,297,853</u>

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, 2020

	Program services - camps	Supporting services		Total
		Management and general	Fundraising	
Salaries and wages	\$ 989,514	\$ 133,662	\$ 201,593	\$ 1,324,769
Payroll taxes and employee benefits	310,669	42,304	41,574	394,547
Total personnel costs	1,300,183	175,966	243,167	1,719,316
Depreciation	702,463	9,385	11,023	722,871
Repairs and maintenance	136,585	29,223	12,271	178,079
Utilities	151,239	2,725	3,195	157,159
Insurance	140,194	2,133	2,417	144,744
Supplies	65,548	2,103	1,709	69,360
Legal and professional fees	3,485	54,482	72	58,039
Cost of special events			28,262	28,262
Outside services	9,370		8,285	17,655
Printing and publications	12,800	1,862	2,659	17,321
Dues and subscriptions	6,807	957	5,799	13,563
Training	10,380			10,380
Telephone and communications	9,013	492	317	9,822
Travel	8,361	29	108	8,498
Marketing	4,405	225	3,526	8,156
Miscellaneous	4,528	1,162	1,325	7,015
Postage and delivery	739	1,381	1,182	3,302
Bank fees	539	1,508		2,047
Special events, direct benefit cost			1,488	1,488
Cost of merchandise	1,153			1,153
Total expenses	2,567,792	283,633	326,805	3,178,230
Expenses included with revenues in the statement of activities	(1,153)		(1,488)	(2,641)
Expenses included in the expense section of the statement of activities	\$ 2,566,639	\$ 283,633	\$ 325,317	\$ 3,175,589

See accompanying notes  
to financial statements.

**PROJECT CAMP, INC. D/B/A**  
**THE CENTER FOR COURAGEOUS KIDS**  
 STATEMENTS OF CASH FLOWS  
 YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 536,243	\$ (459,056)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	790,259	722,871
of property and equipment	(24,696)	8,099
Noncash contributions, restricted		
Changes in operating assets and liabilities:		
Pledges receivable, net	77,450	19,343
Inventory	2,348	(18,671)
Other assets	1,506	3,800
Prepaid expenses	80,513	(24,407)
Accounts payable	(7,158)	(119,224)
Accrued expenses	(21,435)	8,734
Net cash flows from operating activities	<u>1,435,030</u>	<u>141,489</u>
 Cash flows from investing activities:		
Proceeds from maturities of certificates of deposit	1,000,000	1,000,000
Purchases of of certificates of deposit	(1,000,000)	(1,000,000)
Proceeds from sales of property and equipment	29,914	
Purchases of property and equipment	(1,304,764)	(604,438)
Net cash flows from investing activities	<u>(1,274,850)</u>	<u>(604,438)</u>
 Change in cash and cash equivalents	160,180	(462,949)
 Cash and cash equivalents at beginning of year	<u>2,543,352</u>	<u>3,006,301</u>
 Cash and cash equivalents at end of year	<u>\$ 2,703,532</u>	<u>\$ 2,543,352</u>

See accompanying notes  
to financial statements.

**PROJECT C.A.M.P., INC. D/B/A**  
**THE CENTER FOR COURAGEOUS KIDS**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

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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). The Center's mission is instilling inspiration and empowerment, while enhancing the lives of children with serious illnesses. 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 accompanying financial statements have been prepared on the accrual basis, and have been prepared with a focus on the entity as a whole. Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, the net assets of the Organization are classified and reported as follows:

Net assets without donor restrictions: Net assets that are currently available for operating purposes under the direction of the board or designated by the board for specific use.

Net assets with donor restrictions: Net assets subject to donor stipulations for specific operating purposes or time restrictions. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with investment return available for operations or specific purposes.

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.

**PROJECT C.A.M.P., INC. D/B/A**  
**THE CENTER FOR COURAGEOUS KIDS**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Direct costs are allocated by department. Certain expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, utilities and insurance, which are allocated on a square footage basis, as well as salaries and wages, benefits, and payroll taxes, which are allocated on the basis of estimates of time and effort. 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.

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. No amount was recorded for 2021 or 2020 due to immateriality. 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.

**PROJECT C.A.M.P., INC. D/B/A**  
**THE CENTER FOR COURAGEOUS KIDS**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Contributions:

Contributions are recorded when received as with or without donor restrictions. When a donor restriction is met, net assets are reclassified and reported in the statement of activities as satisfaction of program or time restrictions.

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, 2021 and 2020, there were no contributed services that required specialized skills and would otherwise be purchased. These were for medical services and the corresponding amounts are included in contributions and outside services expense in the accompanying financial statements. Noncash contributions of materials amounted to approximately \$70,000 and \$28,000, respectively, for the years ended December 31, 2021 and 2020. Of these amounts, no amounts were capitalized for the years ended December 31, 2021 and 2020.

The Center reports gifts of property, goods, and equipment as contributions without donor restriction 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.

Revenue Recognition:

The Center recognizes merchandise sales at the point of sale. Returns are immaterial. Net sales are reflected in the accompanying statements of activities. The Center holds special events in which donated items are available for auction. The items are not guaranteed by the Center and amounts paid are not refundable. For the years ended December 31, 2021 and 2020, revenues from auction sales were approximately \$41,000 and \$400, respectively.

**PROJECT C.A.M.P., INC. D/B/A  
THE CENTER FOR COURAGEOUS KIDS**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 March 22, 2022, which is the date the financial statements were available to be 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 were available to be issued.

NOTE 2 - PLEDGES RECEIVABLE

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

	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 142,857	\$ 162,200
Pledges	135,555	259,744
Provision for uncollectable amounts	(29,000)	0
Collections	<u>(184,005)</u>	<u>(279,087)</u>
Ending balance	<u>\$ 65,407</u>	<u>\$ 142,857</u>

Following is a detail of amounts due as of December 31:

	<u>2021</u>	<u>2020</u>
Due in one year or less	\$ 29,000	\$ 126,857
Due in one to five years	<u>65,407</u>	<u>16,000</u>
Pledges receivable, total	94,407	142,857
Allowance for uncollectable amounts	<u>(29,000)</u>	<u>0</u>
Pledges receivable, net	<u>\$ 65,407</u>	<u>\$ 142,857</u>

**PROJECT C.A.M.P., INC. D/B/A  
THE CENTER FOR COURAGEOUS KIDS**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

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**NOTE 3 - PROPERTY AND EQUIPMENT**

Property and equipment is comprised of the following at December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 525,000	\$ 525,000
Buildings	16,401,902	15,508,727
Land improvements	2,708,132	2,422,650
Equipment and furniture	3,932,660	3,502,049
Vehicles	116,366	116,366
Livestock	16,500	16,500
Construction in progress	83,667	508,504
Total property and equipment	<u>23,784,227</u>	<u>22,599,796</u>
Less accumulated depreciation	<u>9,284,522</u>	<u>8,609,378</u>
Property and equipment, net	<u>\$ 14,499,705</u>	<u>\$ 13,990,418</u>

**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 250 hours in the first three months 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, 2021 and 2020 were approximately \$66,000 and \$72,000, 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 one charitable 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, 2021 and 2020, the bank balances in these accounts that exceeded the limit of the Federal Deposit Insurance Corporation (FDIC) were approximately \$3,203,000 and \$3,041,000, respectively.



**PROJECT C.A.M.P., INC. D/B/A**  
**THE CENTER FOR COURAGEOUS KIDS**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

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NOTE 6 - COMMITMENTS AND CONTINGENCIES

In November 2019, the Center entered into an agreement with one of its employees that is effective through December 31, 2022. 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 7 - 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, 2021 and 2020 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, 2020. 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.

**PROJECT C.A.M.P., INC. D/B/A**  
**THE CENTER FOR COURAGEOUS KIDS**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

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**NOTE 8 - AVAILABILITY OF FINANCIAL ASSETS**

The Center is substantially supported by contributions and depends on contributions without donor restrictions to meet its ongoing obligations. As part of the Center's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Center invests cash in excess of daily requirements in short-term investments.

The following reflects the Center's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for general expenditure in the following year.

	<u>2021</u>		<u>2020</u>
Cash and cash equivalents	\$ 1,076,857	\$	1,107,767
Pledges receivable due within one year	65,407		126,857
Inventory	52,366		54,714
Other assets	<u>12,824</u>		<u>14,330</u>
Financial assets available to meet cash needs for general expenditure within one year	\$ <u>1,207,454</u>	\$	<u>1,303,668</u>

**NOTE 9 - UPCOMING PRONOUNCEMENTS**

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, 2022, 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.

In September of 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This new standard, which the Center is not required to adopt until its year ending December 31, 2022, deals with the presentation and disclosure requirements for contributed nonfinancial assets.

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