



**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, 2023 AND 2022

**PROJECT C.A.M.P., INC. D/B/A
THE CENTER FOR COURAGEOUS KIDS**
DECEMBER 31, 2023 AND 2022

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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

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, 2023 and 2022, 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, 2023 and 2022, 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 25, 2024

PROJECT CAMP, INC. D/B/A
THE CENTER FOR COURAGEOUS KIDS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<u>A S S E T S</u>			
Cash and cash equivalents	\$ 1,096,077	\$ 2,514,660	\$ 3,610,737
Pledges receivable, net	0	102,458	102,458
Prepaid expenses	63,910	0	63,910
Inventory	35,859	0	35,859
Other assets	13,282	0	13,282
Certificates of deposit	33,094	1,497,368	1,530,462
Property and equipment, net	14,834,100	0	14,834,100
Total assets	<u>\$ 16,076,322</u>	<u>\$ 4,114,486</u>	<u>\$ 20,190,808</u>
<u>LIABILITIES AND NET ASSETS</u>			
Accounts payable	\$ 35,799	\$ 0	\$ 35,799
Accrued expenses	22,686	0	22,686
Total liabilities	<u>58,485</u>	<u>0</u>	<u>58,485</u>
Net assets:			
Without donor restrictions:			
Undesignated	<u>16,017,837</u>	<u>0</u>	<u>16,017,837</u>
With donor restrictions:			
Courage and Commitment campaign, capital and programs	0	2,078,077	2,078,077
Programs:			
Medical Suite	0	1,125,000	1,125,000
Adventure for All	0	587,018	587,018
Future camps and family retreats	0	52,000	52,000
Specific area campers	0	27,280	27,280
Testing kits	0	33,852	33,852
Music Therapy	0	17,098	17,098
Other programs	0	91,703	91,703
To be received in future years	0	102,458	102,458
	<u>0</u>	<u>4,114,486</u>	<u>4,114,486</u>
Total net assets	<u>16,017,837</u>	<u>4,114,486</u>	<u>20,132,323</u>
Total liabilities and net assets	<u>\$ 16,076,322</u>	<u>\$ 4,114,486</u>	<u>\$ 20,190,808</u>

See accompanying notes
to financial statements.

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

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

	Without donor restrictions	With donor restrictions	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 754,560	\$ 2,190,382	\$ 2,944,942
Pledges receivable, net	0	151,845	151,845
Employee retention tax credit receivable	122,797	0	122,797
Prepaid expenses	13,243	0	13,243
Inventory	37,495	0	37,495
Other assets	9,539	0	9,539
Certificates of deposit	6,154	997,368	1,003,522
Property and equipment, net	14,946,395	0	14,946,395
Total assets	<u>\$ 15,890,183</u>	<u>\$ 3,339,595</u>	<u>\$ 19,229,778</u>
<u>LIABILITIES AND NET ASSETS</u>			
Accounts payable	\$ 37,168	\$ 0	\$ 37,168
Accrued expenses	30,577	0	30,577
Total liabilities	<u>67,745</u>	<u>0</u>	<u>67,745</u>
Net assets:			
Without donor restrictions:			
Undesignated	<u>15,822,438</u>	<u>0</u>	<u>15,822,438</u>
With donor restrictions:			
Courage and Commitment campaign, capital and programs	0	2,153,853	2,153,853
Programs:			
Adventure for All	0	520,000	520,000
Future camps and family retreats	0	178,468	178,468
Tree house	0	130,000	130,000
Specific area campers	0	46,800	46,800
Testing kits		33,852	33,852
Cardiac		30,000	30,000
Diabetes		30,000	30,000
Other programs	0	64,777	64,777
To be received in future years	0	151,845	151,845
	<u>0</u>	<u>3,339,595</u>	<u>3,339,595</u>
Total net assets	<u>15,822,438</u>	<u>3,339,595</u>	<u>19,162,033</u>
Total liabilities and net assets	<u>\$ 15,890,183</u>	<u>\$ 3,339,595</u>	<u>\$ 19,229,778</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, 2023

	Without donor restrictions	With donor restrictions	Total
Revenues and support:			
Contributions of cash and other financial assets	\$ 2,031,788	\$ 2,820,429	\$ 4,852,217
Contributions of nonfinancial assets	130,880	0	130,880
Special events, net of donor benefits	449,718	0	449,718
Investment income	87,218	0	87,218
Merchandise sales, net of costs of \$36,848	(12,336)	0	(12,336)
Other income	47,461	0	47,461
Net assets released from restrictions:			
Satisfaction of program restrictions	1,917,015	(1,917,015)	0
Satisfaction of time restrictions	128,523	(128,523)	0
Total revenues and support	4,780,267	774,891	5,555,158
Expenses:			
Program services:			
Camp services	2,931,277	0	2,931,277
Supporting services:			
Management and general	1,413,726	0	1,413,726
Fundraising	243,260	0	243,260
Total expenses	4,588,263	0	4,588,263
Other changes in net assets:			
Net gains on disposals of property and equipment	3,395	0	3,395
Change in net assets	195,399	774,891	970,290
Net assets at beginning of year	15,822,438	3,339,595	19,162,033
Net assets at end of year	\$ 16,017,837	\$ 4,114,486	\$ 20,132,323

See accompanying notes
to financial statements.

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

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenues and support:			
Contributions of cash and other financial assets	\$ 1,763,434	\$ 2,344,834	\$ 4,108,268
Contributions of nonfinancial assets	103,304	0	103,304
Special events, net of donor benefits	296,579	53,127	349,706
Employee retention tax credit	274,250	0	274,250
Investment income	12,671	0	12,671
Merchandise sales, net of costs of \$36,538	(6,214)	0	(6,214)
Other income	11,350	0	11,350
Net assets released from restrictions:			
Satisfaction of program restrictions	1,590,394	(1,590,394)	0
Satisfaction of time restrictions	188,054	(188,054)	0
Total revenues and support	<u>4,233,822</u>	<u>619,513</u>	<u>4,853,335</u>
Expenses:			
Program services:			
Camp services	2,726,089	0	2,726,089
Supporting services:			
Management and general	968,009	0	968,009
Fundraising	300,490	0	300,490
Total expenses	<u>3,994,588</u>	<u>0</u>	<u>3,994,588</u>
Other changes in net assets:			
Net loss on disposals of property and equipment	(8,840)	0	(8,840)
Change in net assets	230,394	619,513	849,907
Net assets at beginning of year	<u>15,592,044</u>	<u>2,720,082</u>	<u>18,312,126</u>
Net assets at end of year	<u>\$ 15,822,438</u>	<u>\$ 3,339,595</u>	<u>\$ 19,162,033</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, 2023

	Program services - camps	Supporting services		Total
		Management and general	Fundraising	
Salaries and wages	\$ 1,037,988	\$ 523,189	\$ 103,171	\$ 1,664,348
Payroll taxes and employee benefits	266,339	117,214	24,284	407,837
Total personnel costs	<u>1,304,327</u>	<u>640,403</u>	<u>127,455</u>	<u>2,072,185</u>
Depreciation	887,932	10,285	11,923	910,140
Repairs and maintenance	177,444	74,045	10,726	262,215
Utilities	155,544	41,479	10,370	207,393
Supplies	283,778	6,749	1,144	291,671
Insurance	35,535	163,017	0	198,552
Special events, direct benefit cost	0	0	72,301	72,301
Cost of special events	0	0	56,684	56,684
Legal and professional fees	4,551	49,845	415	54,811
Provision for uncollectable pledges	0	0	0	0
Miscellaneous	9,327	12,134	3,130	24,591
Outside services	31,409	390,000	6,200	427,609
Dues and subscriptions	3,708	1,812	6,200	11,720
Cost of merchandise	36,848	0	0	36,848
Printing and publications	7,803	6,207	5,156	19,166
Telephone and communications	1,959	8,255	544	10,758
Travel	10,329	3,593	528	14,450
Marketing	10,511	18	992	11,521
Postage and delivery	837	2,040	1,323	4,200
Training	5,148	757	360	6,265
Bank fees	1,135	3,087	110	4,332
Total expenses	<u>2,968,125</u>	<u>1,413,726</u>	<u>315,561</u>	<u>4,697,412</u>
Expenses included with revenues in the statement of activities	<u>(36,848)</u>		<u>(72,301)</u>	<u>(109,149)</u>
Expenses included in the expense section of the statement of activities	<u>\$ 2,931,277</u>	<u>\$ 1,413,726</u>	<u>\$ 243,260</u>	<u>\$ 4,588,263</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, 2022

	Program services - camps	Supporting services		Total
		Management and general	Fundraising	
Salaries and wages	\$ 884,609	\$ 453,942	\$ 137,686	\$ 1,476,237
Payroll taxes and employee benefits	228,340	124,114	38,042	390,496
Total personnel costs	<u>1,112,949</u>	<u>578,056</u>	<u>175,728</u>	<u>1,866,733</u>
Depreciation	818,173	10,285	11,923	840,381
Repairs and maintenance	184,753	70,354	10,762	265,869
Utilities	178,135	47,503	11,876	237,514
Supplies	336,463	22,230	3,477	362,170
Insurance	28,840	146,151	0	174,991
Special events, direct benefit cost	0	0	97,439	97,439
Cost of special events	0	0	57,353	57,353
Legal and professional fees	2,925	55,759	120	58,804
Miscellaneous	5,778	14,691	3,953	24,422
Outside services	11,067	6,300	8,520	25,887
Dues and subscriptions	5,700	329	5,705	11,734
Cost of merchandise	36,538	0	0	36,538
Printing and publications	9,857	3,134	4,869	17,860
Telephone and communications	2,518	8,545	129	11,192
Travel	11,386	100	1,392	12,878
Marketing	9,112	24	2,345	11,481
Postage and delivery	308	2,348	1,636	4,292
Training	6,835	0	642	7,477
Bank fees	1,290	2,200	60	3,550
Total expenses	<u>2,762,627</u>	<u>968,009</u>	<u>397,929</u>	<u>4,128,565</u>
Expenses included with revenues in the statement of activities	<u>(36,538)</u>	<u>0</u>	<u>(97,439)</u>	<u>(133,977)</u>
Expenses included in the expense section of the statement of activities	<u>\$ 2,726,089</u>	<u>\$ 968,009</u>	<u>\$ 300,490</u>	<u>\$ 3,994,588</u>

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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 970,290	\$ 849,907
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	910,140	840,381
of property and equipment	(3,395)	8,840
Noncash contributions, restricted		
Changes in operating assets and liabilities:		
Pledges receivable, net	49,387	(86,438)
Employee retention tax credit receivable	122,797	(122,797)
Prepaid expenses	(50,667)	8,862
Inventory	1,636	14,872
Other assets	(3,743)	3,285
Accounts payable	(1,369)	8,154
Accrued expenses	(7,891)	15,777
Net cash flows from operating activities	<u>1,987,185</u>	<u>1,540,843</u>
Cash flows from investing activities:		
Purchases of certificates of deposit and reinvested interest	(526,940)	(3,522)
Proceeds from sales of property and equipment	15,000	1,875
Purchases of property and equipment	(809,450)	(1,297,786)
Net cash flows from investing activities	<u>(1,321,390)</u>	<u>(1,299,433)</u>
Change in cash and cash equivalents	665,795	241,410
Cash and cash equivalents at beginning of year	<u>2,944,942</u>	<u>2,703,532</u>
Cash and cash equivalents at end of year	<u>\$ 3,610,737</u>	<u>\$ 2,944,942</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, 2023 AND 2022

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 Center 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, 2023 AND 2022

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 2023 or 2022 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, 2023 AND 2022

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. Donated services for the years ended December 31, 2023 and 2022 were approximately \$15,000 and \$0, respectively. These were primarily for donated medical services at the Center's camps. Noncash contributions of materials amounted to approximately \$115,000 and \$103,000, respectively, for the years ended December 31, 2023 and 2022. Of these amounts, approximately \$5,000 and \$32,000, respectively, was capitalized for the years ended December 31, 2023 and 2022.

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, 2023 and 2022, revenues from auction sales were approximately \$56,000 and \$52,000, respectively.

PROJECT C.A.M.P., INC. D/B/A
THE CENTER FOR COURAGEOUS KIDS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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 25, 2024, 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>2023</u>		<u>2022</u>
Beginning balance	\$ 151,845	\$	65,407
Pledges	79,136		274,492
Provision for uncollectable amounts	0		0
Collections	(128,523)		(188,054)
Ending balance	<u>\$ 102,458</u>	<u>\$</u>	<u>151,845</u>

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

	<u>2023</u>		<u>2022</u>
Due in one year or less	\$ 102,458	\$	6,000
Due in one to five years	0		145,845
Pledges receivable, total	<u>102,458</u>		<u>151,845</u>
Allowance for uncollectable amounts	0		0
Pledges receivable, net	<u>\$ 102,458</u>	<u>\$</u>	<u>151,845</u>

PROJECT C.A.M.P., INC. D/B/A
THE CENTER FOR COURAGEOUS KIDS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 3 - PROPERTY AND EQUIPMENT

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

	<u>2023</u>	<u>2022</u>
Land	\$ 525,000	\$ 525,000
Buildings	16,802,362	16,601,245
Land improvements	2,755,222	2,720,436
Equipment and furniture	5,366,512	4,264,987
Vehicles	150,360	116,366
Livestock	25,500	16,500
Construction in progress	34,036	767,240
Total property and equipment	<u>25,658,992</u>	<u>25,011,774</u>
Less accumulated depreciation	<u>10,824,892</u>	<u>10,065,380</u>
Property and equipment, net	<u>\$ 14,834,100</u>	<u>\$ 14,946,394</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, 2023 and 2022 were approximately \$73,000 and \$69,000, 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, 2023 and 2022, the bank balances in these accounts that exceeded the limit of the Federal Deposit Insurance Corporation (FDIC) were approximately \$4,977,000 and \$3,207,000, respectively.

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.

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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, 2023 and 2022 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, 2022. 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 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>2023</u>		<u>2022</u>
Cash and cash equivalents	\$ 1,096,077	\$	754,560
Pledges receivable, net, within one year	102,458		6,000
Inventory	35,859		37,495
Employee retention tax credit receivable	0		0
Other assets	<u>13,282</u>		<u>132,336</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,247,676</u>	\$	<u>930,391</u>

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NOTE 9 - CONTRIBUTIONS OF NONFINANCIAL ASSETS

The Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (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 is intended to increase transparency around contributed nonfinancial assets (also known as “gifts-in-kind” (GIK)) received by not-for-profit (NFP) organizations, including information on how those assets are used and how they are valued. The adoption of this new standard resulted in the Center presenting contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition, the ASU expanded disclosure requirements for GIK as disclosed below for December 31, 2023 and 2022.

For the years ended December 31, contributed nonfinancial assets recognized within the statement of activities included:

	<u>2023</u>	<u>2022</u>
Camp supplies	\$ 90,762	\$ 49,678
Household goods	11,411	3,055
Gift cards	6,188	250
Medical supplies	2,069	18,037
Livestock	4,000	0
Property and equipment	1,036	32,284
	<u>\$ 115,466</u>	<u>\$ 103,304</u>

Donated services for the years ended December 31, 2023 and 2022 were approximately \$15,000 and \$0, respectively. The amount for 2023 is comprised of \$13,000 for donated medical services at the Center’s camps, which is included in outside services in the accompanying statement of functional expenses, and \$2,000 for installation of a campfire area, which is included in land improvements in Note 3 and the accompanying statement of financial position.

Gifts in-kind valuation techniques:

- Supplies, property and equipment, and household goods are valued using estimated U.S retail prices (principal market) of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution.
- Livestock is valued based on donor-provided amount and estimate remaining useful life.
- Gift cards are valued based on the amounts stated on the cards.
- Services are valued based on estimated rates that would be billed for similar services times the number of hours provided. If a vendor’s billable rates are available, those are used.

All GIKs are utilized in the Center’s operations. None are sold.