



Financial Report

October 31, 2009

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Certified Public Accountants and Management Advisors

Independent Auditors' Report

Board of Directors
Camp Sunshine at Sebago Lake, Inc.
Casco, Maine

We have audited the accompanying statements of financial position of Camp Sunshine at Sebago Lake, Inc. (a nonprofit organization) as of October 31, 2009 and 2008, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Camp Sunshine at Sebago Lake, Inc. as of October 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



South Portland, Maine
February 4, 2010

Statements of Financial Position

October 31,

ASSETS	2009	2008 (Restated)
Current Assets		
Cash	\$ 706,465	\$ 234,639
Inventory	12,764	22,556
Total Current Assets	<u>719,229</u>	<u>257,195</u>
Property and Equipment		
Buildings	6,024,608	6,011,108
Land improvements	1,335,421	1,335,421
Automobiles	130,997	116,797
Equipment	764,146	764,146
	<u>8,255,172</u>	<u>8,227,472</u>
Less accumulated depreciation	2,575,105	2,243,561
	<u>5,680,067</u>	<u>5,983,911</u>
Land	294,690	294,690
	<u>5,974,757</u>	<u>6,278,601</u>
Other Assets		
Investments	6,433,754	5,148,299
Contributions receivable	1,135,846	1,680,725
	<u>7,569,600</u>	<u>6,829,024</u>
Total Assets	<u>\$ 14,263,586</u>	<u>\$ 13,364,820</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 56,298	\$ 169,943
Accrued expenses	58,426	29,417
Line of Credit		100,000
Total Current Liabilities	<u>114,724</u>	<u>299,360</u>
Total Liabilities	<u>114,724</u>	<u>299,360</u>
Net Assets		
Unrestricted	6,624,108	6,269,648
Unrestricted - Board designated	1,278,599	1,372,490
Total unrestricted net assets	<u>7,902,707</u>	<u>7,642,138</u>
Temporarily restricted	699,906	4,625
Permanently restricted	5,546,249	5,418,697
Total Net Assets	<u>14,148,862</u>	<u>13,065,460</u>
Total Liabilities and Net Assets	<u>\$ 14,263,586</u>	<u>\$ 13,364,820</u>

See accompanying independent auditors' report.
The accompanying notes are an integral part of these financial statements.

Statements of Activities

Years Ended October 31,

	2009			2008 (Restated)				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Changes in Unrestricted Net Assets								
Operating Support and Revenue								
Contributions	\$ 2,134,802			\$ 2,134,802	\$ 1,757,253		\$ 1,757,253	
Donated goods, services, and facilities	30,378			30,378	9,411		9,411	
Special events income	445,030			445,030	580,785		580,785	
Special events expense	(143,391)			(143,391)	(332,952)		(332,952)	
Souvenir sales	27,162			27,162	47,367		47,367	
Total Operating Support and Revenue	2,493,981			2,493,981	2,061,864		2,061,864	
Operating Expenses								
Program services	2,106,066			2,106,066	2,015,681		2,015,681	
Management and general	151,525			151,525	140,098		140,098	
Fund raising	213,835			213,835	241,538		241,538	
Total Operating Expenses	2,471,426			2,471,426	2,397,317		2,397,317	
Gain (Loss) from Operations	22,555			22,555	(335,453)		(335,453)	
Non-Operating Support, Revenue and Gains and Losses								
Contributions	56,175	\$ 317,737	\$ 267,356	641,268	280,782	\$ 50,000	\$ 561,551	
Donated goods	(65,940)		(139,804)	(65,940)	23,047		23,047	
Capital campaign expense				(139,804)	(84,806)		(84,806)	
Loss on pledges	73,539	\$ 107,702		181,241	65,668	\$ 135,296	200,964	
Investment income - endowment								
Net realized and unrealized gains (losses) on investments	121,073	323,009		444,082	(370,522)	(440,521)	(811,043)	
Net assets released from restrictions	53,167	(53,167)			100,620	(100,620)		
Total Non-Operating Support, Revenue and Gains and Losses	238,014	695,281	127,552	1,060,847	14,789	(355,845)	486,591	
Change in Net Assets	260,569	695,281	127,552	1,083,402	(320,664)	(355,845)	(189,918)	
Net Assets, Beginning of Year	7,642,138	4,625	5,418,697	13,065,460	7,962,802	360,470	13,255,378	
Net Assets, End of Year	\$ 7,902,707	\$ 699,906	\$ 5,546,249	\$ 14,148,862	\$ 7,642,138	\$ 4,625	\$ 13,065,460	

See accompanying independent auditors' report.
The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

Years Ended October 31,

	2009	2008 (Restated)
Cash flows from operating activities:		
Change in total net assets	<u>\$ 1,083,402</u>	<u>\$ (189,918)</u>
Adjustments to reconcile change in total net assets to net cash provided by operating activities:		
Depreciation	331,543	339,084
Loss on pledge receivables	139,804	74,960
Net realized and unrealized (gain) loss on investments	(444,082)	811,043
Contribution for long-lived purposes	(535,093)	(561,551)
Contribution of stock	(10,189)	(69,843)
(Increase) decrease in operating assets:		
Accounts receivable		77,505
Inventory	9,792	(9,570)
Contributions receivable	405,075	78,358
Contributions receivable designated for other beneficiaries		90,545
Increase (decrease) in operating liabilities:		
Accounts payable	(113,645)	5,564
Payables to other beneficiaries		(90,545)
Accrued expenses	29,009	8,828
Total adjustments	<u>(187,786)</u>	<u>754,378</u>
Net cash provided by operating activities	<u>895,616</u>	<u>564,460</u>
Cash flows from investing activities:		
Proceeds from sale of investments	280,315	2,084,754
Purchase of investments	(1,111,499)	(1,736,538)
Purchase of property and equipment	(27,699)	(1,568,935)
Net cash used in investing activities	<u>(858,883)</u>	<u>(1,220,719)</u>
Cash flows from financing activities:		
(Payments) proceeds of line of credit	(100,000)	100,000
Contributions for long-lived purposes	535,093	561,551
Net cash provided by financing activities	<u>435,093</u>	<u>661,551</u>
Net increase in cash	471,826	5,292
Cash at beginning of year	<u>234,639</u>	<u>229,347</u>
Cash at end of year	<u><u>\$ 706,465</u></u>	<u><u>\$ 234,639</u></u>

See accompanying independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Statements of Functional Expenses

Years Ended October 31,

2009

2008
(Restated)

	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
Expenses:								
Salaries	\$ 448,034	\$ 85,485	\$ 160,683	\$ 694,202	\$ 355,571	\$ 76,616	\$ 186,635	\$ 618,822
Payroll taxes	35,918	6,612	12,674	55,104	29,178	6,037	15,092	50,307
Employee benefits	58,723	10,841	20,779	90,343	43,713	9,044	22,610	75,367
Contracted services	21,330		500	21,830	20,527		923	21,450
Professional services	8,745			8,745	14,230			14,230
Medical program support	268,735			268,735	190,975			190,975
Utilities	150,032	3,093	1,547	154,672	125,450	2,587	1,293	129,330
Telephone	23,007	1,789	767	25,563	25,338	1,970	845	28,153
Postage	20,966	848	11,825	33,639	23,645	1,689	16,974	42,308
Maintenance	158,149	676		158,825	181,694	490		182,184
Supplies	56,390	5,825	883	63,098	78,014	11,582	4,697	94,293
Printing and publications	69,438	3,788	44,422	117,648	56,859	3,783	50,861	111,503
Travel	85,348	3,127	1,911	90,386	140,737	4,249	6,756	151,742
Entertainment	25,619			25,619	16,075			16,075
Food and supplies	248,167			248,167	253,197			253,197
Property taxes	250			250	348			348
Equipment rental/maintenance	16,768	1,973	986	19,727	12,651	1,488	744	14,883
Insurance	75,191	1,550	775	77,516	86,666	1,787	893	89,346
Lease expense	6,536	769	384	7,689	6,029	754	754	7,537
Dues and subscriptions	10,183	4,157	1,724	16,064	10,136	3,182	2,981	16,299
Interest expense	9,664	17,677	660	28,001	20,794	11,449	2,045	34,288
Miscellaneous	1,797,093	148,210	260,520	2,205,823	1,692,229	136,707	314,103	2,143,039
Total Expenses Before Depreciation	324,913	3,315	3,315	331,543	332,302	3,391	3,391	339,084
Depreciation		143,391	143,391	143,391			332,953	332,953
Special event expense		151,525	407,226	2,680,757		140,098	650,447	2,815,076
Total Expenses	2,122,006	151,525	407,226	2,680,757	2,024,531	140,098	650,447	2,815,076
Less expenses included in revenues (special events)			143,391	143,391			332,953	332,953
Less expenses included in non-operating support, revenue and gains and losses (capital campaign)	15,940		50,000	65,940	8,850		75,956	84,806
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 2,106,066	\$ 151,525	\$ 213,835	\$ 2,471,426	\$ 2,015,681	\$ 140,098	\$ 241,538	\$ 2,397,317

See accompanying independent auditors' report.
The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

October 31, 2009 and 2008

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Camp Sunshine at Sebago Lake, Inc. (hereinafter called "Organization"), located in Casco, Maine, is a nonprofit organization that provides respite and counseling services for critically ill children and their families. The Organization is supported primarily by donor contributions.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, support, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

Unrestricted Net Assets – Board Designated

Net unrestricted assets that have been designated by the Board of Directors to be part of the endowment fund.

Temporarily Restricted Net Assets

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization, but permits the Organization to expend all or part of the income earned on the assets.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Investments

Investments are carried at estimated fair value, and realized and unrealized gains and losses are reflected in the statement of activities. Investments consist of funds designated by the Board of Trustees and permanent endowment assets, which are held for the long-term.

Notes to Financial Statements

October 31, 2009 and 2008

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investments – Continued

The Organization's investment policy for permanently restricted and Board-designated investments is as follows:

Purpose

The Organization's Investment Portfolio holds and invests such funds as are deemed to be temporarily surplus to the current operating requirements of the Organization. These funds must be available to finance any annual operating shortfall, should such a shortfall occur. At the discretion of the Board, and on recommendation of the Finance Committee, funds deemed to be excess in this investment portfolio may be transferred to the Camp Sunshine Endowment Fund. The Camp Sunshine Endowment holds and invests funds for the purpose of generating income and capital appreciation that can be applied to:

- a. Capital improvement at the Organization.
- b. Specific programs as per terms designated by donors.
- c. Emergency repairs at the Organization.
- d. Curing a shortfall in the annual operating account at the Organization if all others sources are exhausted.

Procedures

The Board of Directors of the Organization, acting on advice of the Finance Committee, will establish investment policies for the Investment Portfolio and for the Camp Sunshine Endowment Fund. Such policies will be reviewed periodically, but not less than annually.

Investment Portfolio

The Organization Investment Portfolio – permissible investment, risk and asset allocation is as follows:

Permissible investments include U.S. Common stocks traded on major exchanges, U.S. Government and Government Agency notes and bonds, investment grade corporate bonds, and investment grade mortgage-backed securities.

Diversification

Generally not more than 7% of the market value of the equity portfolio shall be invested in the securities of a single issuer. Generally not more than 7% of the market value of the fixed income portfolio shall be in the securities of a single issuer, with the exception of the U.S. Government and its Agencies.

Notes to Financial Statements

October 31, 2009 and 2008

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investments – Continued

Asset allocation

The Organization Investment Portfolio asset allocation target for fixed income is 70%, with an acceptable range of 65% to 75%. The Organization Investment Portfolio asset allocation target for equities is 30%, with an acceptable range of 25% to 35%.

Inventory

Inventory is valued at the lower of cost or market with cost determined on the first in, first out (FIFO) basis and consists primarily of t-shirts, hats and other small camp souvenirs.

Property and Equipment

Property and equipment are capitalized at cost or, in the case of donated property, at estimated fair value at date of receipt. The Organization's policy is to capitalize property and equipment with a cost of \$5,000 or greater, while lesser amounts are expensed. Depreciation is calculated on a straight-line method over useful lives of two to forty years.

Contributions Receivable

Unconditional promises to give are recognized as revenues in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Income Tax Status

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Statements of Cash Flows

For purposes of the statements of cash flows, the Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash and cash equivalents.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Operating and Non-Operating Activities

The Organization classifies activities that relate directly to its mission as operating activities. Those activities that relate to the development of the endowment, gains and losses from the endowment and other non-operating activities are classified as non-operating activities.

Notes to Financial Statements

October 31, 2009 and 2008

NOTE 1 – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Accounting for Uncertainty in Income Taxes

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 (FIN 48 as codified by ASC 740, *Income Taxes*), *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109*. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in a entity's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*. FIN 48 also prescribes a "more likely than not" recognition threshold and a measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return as well as prescribes a comprehensive model for derecognition, classification, interest and penalties, disclosure, and transition.

In December 2008, the FASB published FASB Staff Position 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises* (FSP FIN 48-3), which defers the effective date of FIN 48 for nonpublic enterprises to fiscal years beginning after December 15, 2008. The Agency has elected the deferral of the effective date and will adopt FIN 48 in its 2010 fiscal year financial statements.

The Organization presently evaluates the likelihood of uncertain tax positions by using the provisions of FASB Statement No. 5, *Accounting for Contingencies*. Management is currently assessing the impact of FIN 48 on its financial position, results of operations, and changes in net assets and has preliminarily determined that the adoption of FIN 48 will not have a material effect on its financial statements.

Recently Adopted Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board (FASB) issued Statements of Financial Accounting Standards No. 168 (FAS 168), *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles*, a replacement of FASB Statement No. 162. This statement modifies the Generally Accepted Accounting Principles (GAAP) hierarchy by establishing only two levels of GAAP, authoritative and non-authoritative accounting literature. Effective July 2009, the FASB Accounting Standards Codification (ASC), also known collectively as the "Codification," is considered the single source of authoritative U.S. accounting and reporting standards for nongovernmental entities. Following the Codification, the FASB will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates (ASU) which will not be authoritative in their own right as they will only serve to update the Codification, provide background information about the guidance and provide the basis for conclusions on the changes to the Codification.

GAAP is not intended to be changed as a result of the Codification, but the ASC does change the way the guidance is organized and presented. The Codification is effective for interim or annual periods ending after September 15, 2009. Other than the manner in which new accounting guidance is referenced, the adoption of these changes had no impact on the financial statements.

Notes to Financial Statements

October 31, 2009 and 2008

NOTE 2 – CASH

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

NOTE 3 – CONTRIBUTIONS RECEIVABLE

Included in contributions receivable are the following unconditional promises to give at October 31:

	2009	2008
Endowment Fund	\$ 1,204,229	\$ 1,811,514
Less allowance for uncollectible		74,960
Less unamortized discount	68,383	55,829
	<u>\$ 1,135,846</u>	<u>\$ 1,680,725</u>
Amounts due in:		
Less than one year	\$ 417,629	\$ 989,954
One to five years	786,600	821,560
	<u>\$ 1,204,229</u>	<u>\$ 1,811,514</u>

The discount rate approximated 4% for 2009 and 2008.

NOTE 4 – INVESTMENTS

Investments at approximate fair value based on quoted market prices at October 31:

	2009	2008
Bonds	\$ 2,089,126	\$ 3,731,375
U.S. Treasuries	558,480	
Mortgage-backed Securities	1,068,920	
Equity Securities	1,925,775	1,161,098
Money Market Funds	791,453	255,826
	<u>\$ 6,433,754</u>	<u>\$ 5,148,299</u>

The Organization incurred investment related custodial and advisory expenses of \$44,209 and \$51,147 for the years ended October 31, 2009 and 2008, respectively.

Notes to Financial Statements

October 31, 2009 and 2008

NOTE 4 – INVESTMENTS – CONTINUED

Donor-restricted and Board-designated endowment net asset composition by type of fund as of October 31, 2009, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds		\$ 430,711	\$ 4,455,249	\$ 4,885,960
Donor-temporarily restricted		\$ 269,195		\$ 269,195
Board-designated endowment funds	\$ 1,278,599			1,278,599
	<u>\$ 1,278,599</u>	<u>\$ 699,906</u>	<u>\$ 4,455,249</u>	<u>\$ 6,433,754</u>

Donor-restricted and Board-designated endowment net asset composition by type of fund as of October 31, 2008, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ (73,163)		\$ 3,771,184	\$ 3,698,021
Donor-temporarily restricted		\$ 4,625		\$ 4,625
Board-designated endowment funds	1,445,653			1,445,653
	<u>\$ 1,372,490</u>	<u>\$ 4,625</u>	<u>\$ 3,771,184</u>	<u>\$ 5,148,299</u>

Changes in endowment net assets for the year ended October 31, 2009 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning of year	\$ 1,372,490	\$ 4,625	\$ 3,771,184	\$ 5,148,299
Investment return:				
Investment income	73,513	\$ 107,702		181,215
Net appreciation	121,073	323,009		444,082
Contributions		267,737	684,065	951,802
Appropriation for expenditure	(288,477)	(3,167)		(291,644)
	<u>\$ 1,278,599</u>	<u>\$ 699,906</u>	<u>\$ 4,455,249</u>	<u>\$ 6,433,754</u>

Notes to Financial Statements

October 31, 2009 and 2008

NOTE 4 – INVESTMENTS – CONTINUED

Changes in endowment net assets for the year ended October 31, 2008 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning of year	\$ 2,889,652	\$ -	\$ 3,348,063	\$ 6,237,715
Investment return:				
Investment income	93,107	107,877		200,984
Net depreciation	(703,167)	(107,877)		(811,044)
Contributions	1,256,488	4,625	423,121	1,684,234
Appropriation for expenditure	(2,163,590)			(2,163,590)
	<u>\$ 1,372,490</u>	<u>\$ 4,625</u>	<u>\$ 3,771,184</u>	<u>\$ 5,148,299</u>

As of October 31, 2009 and 2008, the Organization's investments that are permanently restricted by donors incurred losses that exceeded previous gains by \$0 and \$73,163, respectively. The change is charged to unrestricted net assets so that the individual permanently restricted gifts would not be reduced below their original amount.

The Fair Value Measurements Topic of the FASB Accounting Standards Codification (FASB ASC) defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. FASB ASC Topic 820-10-20 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820-10-55 established a fair value hierarchy that emphasizes use of observable inputs and minimizes use of unobservable inputs when fair value. The standard describes three levels of inputs that may be used to measure fair value:

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.
- Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Notes to Financial Statements

October 31, 2009 and 2008

NOTE 4 – INVESTMENTS – CONTINUED

Under FASB ASC topic 820-10-20, the Organization's investments are categorized as follows as of October 31, 2009:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments - endowment				
Bonds	\$ 2,089,126		\$2,089,126	
U.S. Treasuries	558,480	\$ 558,480		
Mortgage-backed Securities	1,068,920		1,068,920	
Equity Securities	1,925,775	1,925,775		
Money Market Funds	791,453	791,453		
	<u>\$ 6,433,754</u>	<u>\$ 3,275,708</u>	<u>\$ 3,158,046</u>	<u>\$ -</u>

NOTE 5 – NET ASSETS

Temporarily restricted net assets at October 31, are available for the following purposes:

	2009	2008
Endowment earnings	\$ 430,711	
Volunteer housing addition	267,737	
Contributions for maintenance of ropes course	1,458	\$ 4,625
	<u>\$ 699,906</u>	<u>\$ 4,625</u>

Permanently restricted net assets at October 31, are restricted for the following purposes:

	2009	2008
Endowment - to support future operations	<u>\$ 5,546,249</u>	<u>\$ 5,418,697</u>

Notes to Financial Statements

October 31, 2009 and 2008

NOTE 6 – NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose.

Purpose restrictions accomplished for the years ended October 31:

	2009	2008
Construction of ropes course and nature path	\$ 3,167	\$ 620
Capital Campaign	50,000	100,000
	<u>\$ 53,167</u>	<u>\$ 100,620</u>

NOTE 7 – RELATED PARTY TRANSACTIONS

During 2009 and 2008, two Board members were paid a combined total of approximately \$200,000 and \$170,000, respectively, for medical consulting services, which include family evaluation screening, management of on-site medical clinic, and the supervision of on-site doctors.

NOTE 8 – DONATED SERVICES

Donated services that meet the criteria under Topic of the FASB Accounting Standards Codification (FASB ASC) 958-605-25 have been recorded. During 2009 and 2008 the Organization received approximately 50,000 hours of donated services from a variety of unpaid volunteers who assist the Organization in its programs and services. No amounts for these services have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer services under FASB ASC 958-605-25 have not been satisfied.

NOTE 9 – SPECIAL EVENTS

During the years ended October 31, the Organization solicited contributions through the following special events:

	2009		
	Revenues	Expenses	Net
Bingo	\$ 40,177	\$ 31,012	\$ 9,165
Games of chance	12,611	2,995	9,616
Golf tournaments	13,590	4,816	8,774
Auction	41,144	4,842	36,302
Freezin for a Reason	174,687	24,555	150,132
Pumpkin Fest	161,826	75,171	86,655
Other	995		995
	<u>\$ 445,030</u>	<u>\$ 143,391</u>	<u>\$ 301,639</u>

Notes to Financial Statements

October 31, 2009 and 2008

NOTE 9 – SPECIAL EVENTS – CONTINUED

	2008		
	Revenues	Expenses	Net
Bingo	\$ 28,102	\$ 19,789	\$ 8,313
Games of chance	15,414	3,243	12,171
Golf tournaments	16,780	5,739	11,041
Auction	57,268	2,056	55,212
Freezin for a Reason	173,062	40,243	132,819
Pumpkin Fest	290,159	261,882	28,277
	<u>\$ 580,785</u>	<u>\$ 332,952</u>	<u>\$ 247,833</u>

Included in Bingo expense are prizes given to participants totaling \$30,422 and \$19,389 for the years ended October 31, 2009 and 2008, respectively.

NOTE 10 – OPERATING LEASE

The Organization leases various office equipment on a monthly basis. Lease expense for the years ended October 31, 2009 and 2008 was \$7,689 and \$7,536, respectively.

NOTE 11 – LINE OF CREDIT

The Organization obtained an unsecured line of credit in the amount of \$250,000 to fund short-term working capital needs of the camp. The line bears an interest rate of 2.5% above the one month LIBOR, and expires March 31, 2010. There was no balance outstanding as of October 31, 2009. The balance outstanding as of October 31, 2008 was \$100,000.

NOTE 12 – RISKS AND UNCERTAINTIES

Subsequent to year-end, the credit and liquidity crisis in the United States and abroad has resulted in substantial volatility in the financial markets. The Organization invests in various investment securities and money market funds. Due to the level of risk associated with investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amount reported in the statement of financial position.

NOTE 13 – PENSION PLAN

The Organization sponsors a 403 (b) Tax-sheltered Account covering all eligible employees. Contributions to the plan are at management's discretion. The Organization's contributions are based on 2.5% of the employee's salary. The contributions by the organization were \$14,759 for 2009 and \$11,260 for 2008.

NOTE 14 – EVALUATION OF SUBSEQUENT EVENTS

Management has made an evaluation of subsequent events to and including February 4, 2010, which was the date the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

Notes to Financial Statements

October 31, 2009 and 2008

NOTE 15 – RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

The accompanying financial statements for October 31, 2008 have been restated. During 2009 it was discovered that expenses of \$58,447 applicable to the 2008 fiscal year had not been recorded. The effect of the restatement was to increase accounts payable and increase food and supplies expense by \$58,447 for the year ended October 31, 2008.