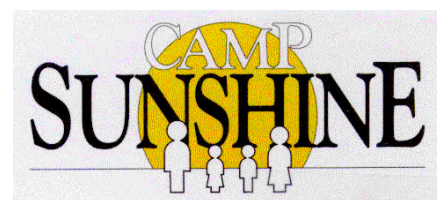


# Camp Sunshine at Sebago Lake, Inc.

Financial Report

Years Ended October 31, 2019 and 2018



## Independent Auditor's Report

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

We have audited the accompanying financial statements of Camp Sunshine at Sebago Lake, Inc. (hereinafter called "Organization") a nonprofit organization, which comprise the statements of financial position as of October 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Camp Sunshine at Sebago Lake, Inc. as of October 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.



Wipfli LLP  
May 5, 2020  
South Portland, Maine

# Camp Sunshine at Sebago Lake, Inc.

## Statement of Financial Position

<i>Years Ended October 31, 2019 and 2018</i>	2019	2018
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 1,551,886	\$ 1,939,308
Accounts receivable	188,283	178,199
Inventory	91,527	74,327
<b>Total Current Assets</b>	<b>1,831,696</b>	<b>2,191,834</b>
<b>Property and Equipment</b>		
Buildings and building improvements	12,491,205	10,708,986
Land improvements	1,555,536	1,514,486
Vehicles	182,501	182,501
Fixed equipment	1,644,054	1,492,760
	<b>15,873,296</b>	<b>13,898,733</b>
Less Accumulated Depreciation	(7,350,948)	(6,748,236)
	<b>8,522,348</b>	<b>7,150,497</b>
Land	400,257	400,257
Construction in progress	1,167	107,705
	<b>8,923,772</b>	<b>7,658,459</b>
<b>Other Assets</b>		
Investments	24,151,544	21,776,600
Cash - restricted		299,109
Pledges receivable - Current	350,000	9,668
	<b>24,501,544</b>	<b>22,085,377</b>
<b>Total Assets</b>	<b>\$ 35,257,012</b>	<b>\$ 31,935,670</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 92,497	\$ 101,514
Accrued liabilities	96,215	82,730
Deferred revenue	34,687	35,943
<b>Total Current Liabilities</b>	<b>223,399</b>	<b>220,187</b>
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	11,291,838	9,630,106
Board designated	6,529,856	5,330,078
Total net assets without donor restrictions	<b>17,821,694</b>	<b>14,960,184</b>
With donor restrictions	17,211,919	16,755,299
<b>Total Net Assets</b>	<b>35,033,613</b>	<b>31,715,483</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 35,257,012</b>	<b>\$ 31,935,670</b>

See accompanying notes to financial statements.

# Camp Sunshine at Sebago Lake, Inc.

## Statements of Activities

Years Ended October 31, 2019 and 2018	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue:</b>						
Contributions	\$ 2,407,336	\$ 388,156	\$ 2,795,492	\$ 2,536,741	\$ 331,229	\$ 2,867,970
Donated goods, services, and facilities	231,518		231,518	176,820		176,820
Special events income, net	1,465,207		1,465,207	1,156,386		1,156,386
Net assets released from restrictions	405,891	(405,891)	-	455,589	(455,589)	
<b>Total Operating Support and Revenue</b>	<b>4,509,952</b>	<b>(17,735)</b>	<b>4,492,217</b>	<b>4,325,536</b>	<b>(124,360)</b>	<b>4,201,176</b>
<b>Operating Expenses:</b>						
Program services	3,902,671		3,902,671	3,428,116		3,428,116
Management and general	265,532		265,532	254,209		254,209
Fundraising	337,653		337,653	296,510		296,510
<b>Total Operating expenses</b>	<b>4,505,856</b>		<b>4,505,856</b>	<b>3,978,835</b>		<b>3,978,835</b>
<b>Gain (Loss) from Operations</b>	<b>4,096</b>	<b>(17,735)</b>	<b>(13,639)</b>	<b>346,701</b>	<b>(124,360)</b>	<b>222,341</b>
<b>Non-Operating Support, Revenue, Gains and (Expenses)</b>						
Contributions - capital fund		992,336	992,336		359,872	359,872
Contributions - endowment		49,019	49,019		42,861	42,861
Loss on disposal of assets				(9,915)		(9,915)
Investment Income - endowment	235,730	214,286	450,016	224,085	200,869	424,954
Net realized and unrealized gains on investment	964,048	876,350	1,840,398	124,835	113,439	238,274
Net assets released from restrictions	1,657,636	(1,657,636)		609,809	(609,809)	
<b>Total Non-Operating Support, Revenue Gains</b>	<b>2,857,414</b>	<b>474,355</b>	<b>3,331,769</b>	<b>948,814</b>	<b>107,232</b>	<b>1,056,046</b>
<b>Change in Net Assets</b>	<b>2,861,510</b>	<b>456,620</b>	<b>3,318,130</b>	<b>1,295,515</b>	<b>(17,128)</b>	<b>1,278,387</b>
<b>Net Assets, Beginning of Year</b>	<b>14,960,184</b>	<b>16,755,299</b>	<b>31,715,483</b>	<b>13,664,669</b>	<b>16,772,427</b>	<b>30,437,096</b>
<b>Net Assets, End of Year</b>	<b>\$17,821,694</b>	<b>\$17,211,919</b>	<b>\$35,033,613</b>	<b>\$14,960,184</b>	<b>\$16,755,299</b>	<b>\$31,715,483</b>

See accompanying notes to financial statements.

# Camp Sunshine at Sebago Lake, Inc.

## Statement of Cash Flows

<i>Years Ended October 31, 2019 and 2018</i>	2019	2018
<b>Cash flows from operating activities:</b>		
Change in total net assets	\$ 3,318,130	\$ 1,278,387
Adjustments to reconcile change in total net assets to net cash from operating activities		
Depreciation	602,712	520,395
Gain on sale of property and equipment		9,915
Net realized and unrealized gain on investments	(1,840,389)	(238,274)
Contribution for long-lived purposes	(49,019)	(42,861)
Contribution of stock	(84,337)	(97,112)
(Increase) decrease in operating assets:		
Accounts receivable	(10,084)	850,967
Inventory	(17,200)	(938)
Contributions receivable	(340,332)	108,075
Increase (decrease) in operating liabilities:		
Accounts payable	(9,017)	(3,777)
Accrued expenses	13,485	41
Deferred gift annuity	(1,256)	(1,219)
Total adjustments	(1,735,437)	1,105,212
<b>Net cash provided by operating activities</b>	<b>1,582,693</b>	<b>2,383,599</b>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(450,218)	(928,340)
Cash paid from restricted accounts	299,109	829,655
Purchase of property and equipment	(1,868,025)	(891,140)
<b>Net cash used in investing activities</b>	<b>(2,019,134)</b>	<b>(989,825)</b>
<b>Cash flows from financing activities:</b>		
Contributions for long-lived purposes	49,019	42,861
<b>Net cash provided by financing activities</b>	<b>49,019</b>	<b>42,861</b>
<b>Net increase (decrease) in cash</b>	<b>(387,422)</b>	<b>1,436,635</b>
<b>Cash at beginning of year</b>	<b>1,939,308</b>	<b>502,673</b>
<b>Cash at end of year</b>	<b>\$ 1,551,886</b>	<b>\$ 1,939,308</b>

See accompanying notes to financial statements.

## Camp Sunshine at Sebago Lake, Inc.

### Statements of Functional Expenses

<i>Years Ended October 31, 2019 and 2018</i>	2019				2018			
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
<b>Expenses:</b>								
Salaries	\$ 833,513	\$ 127,342	\$ 196,802	\$ 1,157,657	\$ 733,313	\$ 112,034	\$ 173,143	\$ 1,018,490
Payroll taxes	66,966	10,231	15,811	93,008	59,290	9,058	13,999	82,347
Employee Benefits	131,430	20,080	31,032	182,542	121,917	18,626	28,786	169,329
Contracted Services	2,645			2,645		11,416		11,416
Professional Services	136,576	31,245	17,240	185,061	124,160	31,507	25,095	180,762
Medical program support	335,942			335,942	299,629			299,629
Utilities	160,702	3,313	1,657	165,672	166,085	3,424	1,712	171,221
Telephone	25,776	531	266	26,573	25,992	536	268	26,796
Postage	10,497	1,147	7,441	19,085	11,699	1,460	6,749	19,908
Maintenance	518,881	10,699	5,349	534,929	418,231	8,623	4,312	431,166
Supplies	94,340	1,600	5,361	101,301	91,036	793	1,349	93,178
Printing and Publications	75,568	456	29,629	105,653	59,303	912	15,914	76,129
Travel	422,329	50	19,100	441,479	371,834	93	18,390	390,317
Entertainment	15,101			15,101	17,025			17,025
Food and supplies	278,342			278,342	238,465			238,465
Equipment rental/maintenance	49,357	1,018	509	50,884	36,622	755	378	37,755
Insurance	104,755	2,160	1,080	107,995	101,640	2,096	1,048	104,784
Lease expense	9,607	198	99	9,904	10,118	209	104	10,431
Dues and subscriptions	30,018		250	30,268	31,770	2,564	59	34,393
Bad debt	9,668			9,668				9,668
Miscellaneous		49,435		49,435		44,899		44,899
<b>Total Expenses Before Depreciation</b>	<b>3,312,013</b>	<b>259,505</b>	<b>331,626</b>	<b>3,903,144</b>	<b>2,918,129</b>	<b>249,005</b>	<b>291,306</b>	<b>3,458,440</b>
Depreciation	590,658	6,027	6,027	602,712	509,987	5,204	5,204	520,395
<b>Total Expenses</b>	<b>\$ 3,902,671</b>	<b>\$ 265,532</b>	<b>\$ 337,653</b>	<b>\$ 4,505,856</b>	<b>\$ 3,428,116</b>	<b>\$ 254,209</b>	<b>\$ 296,510</b>	<b>\$ 3,978,835</b>

See accompanying notes to financial statements.

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

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### **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 support services for children with life-threatening illnesses and their families. The Organization is supported primarily by donor contributions and a vast force of volunteers.

#### **Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States. 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:

*Net Assets Without Donor Restrictions:* Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions:* Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### **Use of Estimates**

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Interpretation of Relevant Law**

The State of Maine Uniform Prudent Management Institutional Funds Act (UPMIFA) requires the preservation of the historic value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this Act, the Organization retains in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in donor restricted - in perpetuity is classified as donor restricted - for purpose until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers a number of factors in making a determination to appropriate or accumulate donor-restricted endowment funds which are designed to safeguard the principal.

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

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### Note 1: Nature of the Organization and Summary of Significant Accounting Policies

(Continued)

#### 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.

The Organization's investments 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 Board-designated Camp Sunshine Endowment Fund. The Camp Sunshine Endowment and designated 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 other sources are exhausted.

#### Investment Performance Review and Evaluation Criteria

Performance reports generated by the Investment Advisor will be compiled at least quarterly and will be delivered to the Finance Committee for review within six weeks after the end of each calendar quarter.

The Finance Committee will meet at least quarterly (in person or telephonically), and any Committee member may request a meeting of the Finance Committee at their discretion for the purpose of discussing the affairs of the investment portfolio or endowment.

The performance of the endowments' investments in aggregate, as well as individual asset class components, will be measured against commonly accepted investment performance benchmarks. Consideration will be given to the extent to which investment performance results are consistent with the investment objectives, goals, and guidelines as set forth in the Investment Policy.



# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

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### **Note 1: Nature of the Organization and Summary of Significant Accounting Policies** (Continued)

#### **Investments** (Continued)

The Finance Committee will review investment managers, funds and/or Investment Advisor regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other quantitative and qualitative factors that may impact its ability to achieve the desired investment results.

#### 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 state and local notes and bonds, investment grade corporate bonds, investment grade mortgage-backed securities, alternative investments, public real estate investment trusts, energy MLPs and commodities.

Excluded investments include derivatives and synthetic securities, illiquid fixed income securities, explicit and implicit leveraged transactions, direct real property investments as part of managed portfolios.

#### Diversification Parameters

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

#### Risk

The estimated volatility of the equity portfolio should generally not exceed the volatility of the S&P 500 by more than 10%. The duration of the fixed income portfolio should generally not exceed the duration of the Barclay's Capital U.S. Aggregate Bond Index by more than 10%.

#### Asset Allocation

The Organization Investment Portfolio asset allocation target for fixed income is 40%, with an acceptable range of 35% to 45%, and the asset allocation target for equities is 60% with an acceptable range of 55% to 65%.

Alternate Investments (all other permissible investments) up to 5% of asset allocation.

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

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### **Note 1: Nature of the Organization and Summary of Significant Accounting Policies**

(Continued)

#### **Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 - Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 - Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 - Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities. At each reporting period, if applicable, all assets and liabilities, for which the fair value measurement is based on significant unobservable inputs, are classified as Level 3.

For the years ended October 31, 2019 and 2018, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

#### *Investment Securities*

The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers.

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

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### **Note 1: Nature of the Organization and Summary of Significant Accounting Policies**

(Continued)

#### **Accounts Receivable**

Accounts receivable represent revenues due for events held near year-end and paid the following month. Management determined that no allowance for uncollectible accounts receivable was necessary.

#### **Inventory**

Inventory is valued at the lower of cost or net realizable value 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 \$10,000 or greater, while lesser amounts are expensed. Depreciation is calculated on a straight-line method over useful lives of two to forty years.

#### **Contribution Revenue**

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. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to contributions receivable.

#### **Income Tax Status**

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

The Organization is subject to federal and state examinations by taxing authorities for the years ended October 31, 2016 through October 31, 2019.

#### **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.

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

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### **Note 1: Nature of the Organization and Summary of Significant Accounting Policies**

(Continued)

#### **Revenue Recognition**

All contributions are considered available for the Organization's general programs, unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized.

Contributions receivable and charitable remainder trusts in the accompanying statement of financial position consist of unconditional promises to give, which are recorded at their net realizable value at the time the promises are received. These promises to give are reflected as either current or long-term receivables on the statement of financial position. With the exception of the charitable remainder trusts, all long-term receivables are expected to be collected within five years.

#### **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 nonoperating activities, are classified as non-operating activities.

#### **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.

#### **Recent Accounting Pronouncements**

##### *Revenue Recognition*

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and International Financial Reporting Standard (IFRS). The core principle of the guidance requires entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance is effective for all nonpublic entities' annual periods beginning after December 15, 2018, but management presently does not expect a significant change in revenue recognition.

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

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### Note 1: Nature of the Organization and Summary of Significant Accounting Policies

(Continued)

#### Recently Adopted Accounting Pronouncement

##### *Not-for-Profit Entities*

In August 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-14, *Not-for-Profit Entities: Presentation of Financial Statements of Not-for-Profit Entities*, to amend current reporting requirements to make several improvements, including reducing complexities of information presented within Not-for-Profit financial statements. The ASU provides for certain improvements in financial reporting for not-for-profit organizations and requires changes to net asset classification, enhancements to liquidity presentation and disclosures among other changes. There was no change in total net assets as a result of this change.

#### 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 - Endowment

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

	2019	2018
Endowment Fund-net	\$ 350,000	\$ 9,668
Amounts due in:		
Less than one year	175,000	9,668
One to five years	175,000	
	\$ 350,000	\$ 9,668

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 4: Restricted Cash and Investments

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

	2019	2018
Bonds	\$ 1,374,367	\$ 2,001,906
Mortgage-Backed Securities	18,623	27,192
Mutual Funds	22,185,429	19,130,870
Cash and Money Market Funds	573,125	915,741
	\$ 24,151,544	\$ 22,075,709

The Organization incurred \$65,273 and \$5,263 in investment related custodial and advisory expenses for the years ended October 31, 2019 and 2018, respectively, which are a reduction of investment income.

Restricted cash of \$299,109 for 2018 that are to be transferred to the investment account have been segregated on the statement of financial position under other assets. There was no restricted cash as of October 31, 2019.

Donor-restricted and Board-designated endowment investment composition by type of fund as of October 31, 2019 is, as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds		\$ 17,211,919	\$ 17,211,919
Board-designated endowment funds	\$ 6,529,856		6,529,856
	\$ 6,529,856	\$ 17,211,919	\$ 23,741,775

Donor-restricted and Board-designated endowment investment composition by type of fund as of October 31, 2018 is, as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds		\$ 16,745,631	\$ 16,745,631
Board-designated endowment funds	\$ 5,330,078		5,330,078
Total	\$ 5,330,078	\$ 16,745,631	\$ 22,075,709

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 4: Restricted Cash and Investments (Continued)

Changes in endowment investment for the year ended October 31, 2019 are, as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 5,330,078	\$ 16,745,631	\$ 22,075,709
Investment return:			
Investment income	235,730	214,286	450,016
Net appreciation	964,048	876,350	1,840,398
Contributions received		1,439,179	1,439,179
Appropriation for expenditure	-	(2,063,527)	(2,063,527)
	<u>\$ 6,529,856</u>	<u>\$ 17,211,919</u>	<u>\$ 23,741,775</u>

Changes in endowment investment for the year ended October 31, 2018 are, as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 4,986,953	\$ 16,654,684	\$ 21,641,637
Investment return			
Investment income	224,085	200,869	424,954
Net appreciation	124,835	113,439	238,274
Contributions received		842,037	842,037
Appropriation for expenditure	(5,795)	(1,065,398)	(1,071,193)
Total	<u>\$ 5,330,078</u>	<u>\$ 16,745,631</u>	<u>\$ 22,075,709</u>

The Organization's investments are categorized as follows as of October 31, 2019:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	Level 1	Level 2	Level 3
Investments - endowment				
Bonds	\$ 1,374,367		\$ 1,374,367	
Mortgage-Backed Securities	18,623		18,623	
Mutual Funds	22,185,429	\$ 22,185,429		
Cash and Money Market Funds	573,125	573,125		
Total	<u>\$ 24,151,544</u>	<u>\$ 22,758,554</u>	<u>\$ 1,392,990</u>	<u>\$ -</u>

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 4: Restricted Cash and Investments (Continued)

The Organization's investments are categorized as follows as of October 31, 2018:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	Level 1	Level 2	Level 3
Investments - endowment				
Bonds	\$ 2,001,906		\$ 2,001,906	
Mortgage-Backed Securities	27,192		27,192	
Mutual Funds	19,130,870	\$ 19,130,870		
Cash and Money Market Funds	915,741	915,741		
	<u>\$ 22,075,709</u>	<u>\$ 20,046,611</u>	<u>\$ 2,029,098</u>	<u>\$ -</u>

The Organization invests in various investment securities and money market funds. Investment securities are exposed to various risks, such as interest rate, market and credit risks. 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 5: Liquidity and Availability of Financial Resources

The Organization does not have a formal liquidity policy but generally maintains financial assets in liquid form such as cash and cash equivalents for approximately 120 days of operating expenses. Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date, comprise the following as of October 31, 2019:

Cash	\$ 1,551,886
Investments	24,151,544
Subtotal financial assets	25,703,430
Less: restricted investments	(17,211,919)
Total financial assets available	<u>\$ 8,491,511</u>



# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 6: Net Assets

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

	2019	2018
Other restricted contributions	\$ 29,850	\$ 703,217
Endowment earnings - to support future operations	7,095,746	6,005,110
Endowment earnings - to support future long term operations	10,086,323	10,046,972
	\$ 17,211,919	\$ 16,755,299

### Note 7: 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:

	2019	2018
Bathtub - capital fund	\$ 2,000	
Dumont - capital fund	21,736	
Golf Cart- capital fund	14,973	
Ice rink - capital fund		\$ 13,598
Clubhouse- capital fund	1,609,259	563,871
Tractor - capital fund		10,000
Computer equipment - capital fund		10,000
Other releases - capital fund		12,340
Other releases	415,559	455,589
<b>Total</b>	<b>\$ 2,063,527</b>	<b>\$ -</b>

### Note 8: Related Party Transactions

During 2019 one Board member was paid a total of \$190,931 and during 2018 two Board members were paid a combined total \$280,971, respectively, for medical and psychosocial consulting services, which include family evaluation screening, management of on-site medical clinic, the supervision of on-site doctors and management of psychosocial program. While desiring to be competitive, Camp Sunshine is also committed to good stewardship of public funds. Therefore, an in-depth labor market analysis, with the aid of an external independent compensation consulting firm, has been conducted and the results of the labor market analysis was used to determine compensation levels for the medical and psychosocial consultants.

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 9: Donated Services

Only donated services that meet the criteria under generally accepted accounting principles are recorded. The Organization recorded \$136,576 and \$124,160 in volunteer services for the years ended October 31, 2019 and 2018, respectively. These amounts include the equivalent of 12,400 hours for the years ended October 31, 2019 and 2018, respectively, for donated services from a variety of unpaid volunteers who receive specialized training from the Organization and who assist the Organization in its programs and services.

Additionally, for each of the years ended October 31, 2019 and 2018, the Organization received approximately 62,000 hours of donated services from a variety of unpaid volunteers who assisted the Organization in its programs and services. No amounts for these services were recognized in the accompanying statements of activities because the criteria for recognition of such volunteer services were not satisfied.

### Note 10: Special Events

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

	2019		
	Revenues	Expenses	Net
Bingo	\$ 49,035	\$ 37,992	\$ 11,043
Games of chance	1,668	240	1,428
Auction	101,526	3,628	97,898
PSE golf tournament	38,815	10,474	28,341
Golf	54,693	71	54,622
Coin boxes	3,883	278	3,605
Bottle redemption	175		175
Watermelon Festival	34,276	11,428	22,848
Souvenirs	114,999	72,214	42,785
Pumpkin Fest	131,961	29,648	102,313
AJ's Polar Plunge	50,526	4,030	46,496
VA Polar Plunge	985		985
Wachusett Plunge	43,043	2,736	40,307
Portland Plunge	19,837	2,453	17,384
Oxford Plunge	14,633	2,298	12,335
Central NY Plunge	20,284	2,282	18,002
Bangor Plunge	100		100
Rhode Island Plunge	50		50
Maine Suitcase Party	214,421	57,552	156,869
SEALS for Sunshine	107,597	11,900	95,697
Angel walkway	17,638		17,638
Brick walkway	12,778	3,663	9,115
Miscellaneous	728,481	43,310	685,171
	\$ 1,761,404	\$ 296,197	\$ 1,465,207

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 10: Special Events (Continued)

	2018		
	Revenues	Expenses	Net
Bingo	\$ 50,757	\$ 39,041	\$ 11,716
Games of chance	4,358	233	4,125
Auction	86,632	6,466	80,166
PSE golf tournament	38,709	11,035	27,674
Golf	55,650	100	55,550
Raffle	250		250
Coin boxes	4,102	82	4,020
Bottle redemption	4,790		4,790
Watermelon Festival	32,951	10,572	22,379
Souvenirs	98,104	42,567	55,537
Pumpkin Fest	122,947	29,958	92,989
AJ's Polar Plunge	58,129	4,753	53,376
VA Polar Plunge	53,961	6,296	47,665
Wachusett Plunge	42,778	3,271	39,507
Portland Plunge	11,261	939	10,322
Oxford Plunge	15,573	3,685	11,888
Long Island Plunge	4,905	956	3,949
Central NY Plunge	20,489	1,018	19,471
Bangor Plunge	2,949	292	2,657
Rhode Island Plunge	7,814	835	6,979
Maine Suitcase Party	184,616	52,949	131,667
SEALS for Sunshine	96,575	21,496	75,079
Angel walkway	21,550		21,550
Brick walkway	9,015	2,834	6,181
Miscellaneous	402,330	35,431	366,899
	\$ 1,431,195	\$ 274,809	\$ 1,156,386

Included in Bingo expense are prizes given to participants totaling \$36,441 and \$37,633 for the years ended October 31, 2019 and 2018, respectively.

### Note 11: Pension Plan

The Organization sponsors a 403(b) Tax-sheltered Account covering all eligible employees. Contribution's to the Plan are at management's discretion. For the years ended October 31, 2019 and 2018, the Organization's contributions were based on 5% of the employee's salary. The contributions by the Organization for the years ended October 31, 2019 and 2018 were \$41,392 and \$41,136, respectively.

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

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### **Note 12: Split-Interest Agreements**

The Organization administers various charitable remainder trusts. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the Organization's use. The portion of the trust attributable to the present value of the future benefits to be received by the Organization is recorded in the Statement of Activities as a temporarily restricted contribution in the period the trust is established. No contributions were received in fiscal years ended 2019 and 2018. The initial assets allocated to the charitable remainder trusts totaled \$75,000. State of Maine law does not require these assets to be maintained in separate accounts and are included as part of the Organization's total investment balance, which is reported at fair market value in the Organization's Statement of Financial Position at October 31, 2019 and 2018. On an annual basis, the Organization revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments (\$34,687 at October 31, 2019 and \$35,943 at October 31, 2018) is calculated using a discount rate of 3% and applicable mortality tables.

### **Note 13: Evaluation of Subsequent Events**

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID 19 Virus Crisis ("CV19 Crisis"). As of the date of issuance of the financial statements, the Organization had not yet suffered material adverse impact from the CV19 Crisis. The future impact of the CV19 Crisis on the Organization, cannot be reasonably estimated at this time.

Management of the Organization has made an evaluation of subsequent events up to May 5, 2020, the date the financial statements were available to be issued and determined that any subsequent events that require recognition or disclosure have been considered in the preparation of these financial statements.