

# Camp Sunshine at Sebago Lake, Inc.

Financial Report

Years Ended October 31, 2022 and 2021



## **Independent Auditor's Report**

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

### ***Opinion***

We have audited the accompanying financial statements of Camp Sunshine at Sebago Lake, Inc. (the "Organization"), a nonprofit organization, which comprise the statements of financial position as of October 31, 2022 and 2021, 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 accompanying 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, 2022 and 2021, 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 ("GAAP").

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Camp Sunshine at Sebago Lake, Inc. 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 GAAP, 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 Camp Sunshine at Sebago Lake, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

### ***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 GAAS 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 a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Camp Sunshine at Sebago Lake, Inc.'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 Camp Sunshine at Sebago Lake, Inc.'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.



Wipfli LLP

South Portland, Maine  
May 15, 2023

# Camp Sunshine at Sebago Lake, Inc.

## Statement of Financial Position

<i>October 31,</i>	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 3,240,219	\$ 2,758,937
Accounts receivable	175,956	106,826
Inventory	118,047	125,494
<b>Total Current Assets</b>	<b>3,534,222</b>	<b>2,991,257</b>
<b>Property and Equipment</b>		
Buildings and building improvements	13,152,001	12,754,123
Land improvements	1,706,268	1,658,491
Vehicles	250,319	250,319
Equipment	1,816,894	1,804,894
	16,925,482	16,467,827
Less accumulated depreciation	(9,060,359)	(8,485,061)
	7,865,123	7,982,766
Land	400,257	400,257
Construction in progress	-	8,079
<b>Property and equipment, net</b>	<b>8,265,380</b>	<b>8,391,102</b>
<b>Other Assets</b>		
Investments	26,053,828	31,215,753
<b>Total Assets</b>	<b>\$ 37,853,430</b>	<b>\$ 42,598,112</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 62,708	\$ 78,069
Accrued liabilities	81,468	61,044
Deferred revenue	30,686	32,059
Paycheck Protection Program Loan	-	373,506
<b>Total Current Liabilities</b>	<b>174,862</b>	<b>544,678</b>
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	11,624,740	10,837,680
Board designated	7,775,437	9,729,126
Total net assets without donor restrictions	19,400,177	20,566,806
With donor restrictions	18,278,391	21,486,628
<b>Total Net Assets</b>	<b>37,678,568</b>	<b>42,053,434</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 37,853,430</b>	<b>\$ 42,598,112</b>

See accompanying notes to financial statements.

# Camp Sunshine at Sebago Lake, Inc.

## Statements of Activities

Years Ended October 31,	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	2022 Total	Without Donor Restrictions	With Donor Restrictions	2021 Total
<b>Operating activities:</b>						
Support and Revenue:						
Contributions	\$ 1,672,787	\$ 364,095	\$ 2,036,882	\$ 1,422,884	\$ 105,813	\$ 1,528,697
Donated goods, services, and facilities	63,692		63,692	76,243		76,243
Special events income, net	1,263,702		1,263,702	1,035,959		1,035,959
<b>Total Operating Support and Revenue</b>	<b>3,000,181</b>	<b>364,095</b>	<b>3,364,276</b>	<b>2,535,086</b>	<b>105,813</b>	<b>2,640,899</b>
Operating Expenses:						
Program services	2,543,971		2,543,971	2,083,028		2,083,028
Management and general	300,474		300,474	254,707		254,707
Fundraising	343,094		343,094	277,768		277,768
<b>Total Operating Expenses</b>	<b>3,187,539</b>		<b>3,187,539</b>	<b>2,615,503</b>		<b>2,615,503</b>
<b>Change in net assets - Operating</b>	<b>(187,358)</b>	<b>364,095</b>	<b>176,737</b>	<b>(80,417)</b>	<b>105,813</b>	<b>25,396</b>
<b>Non-Operating Activities</b>						
Contributions - Capital fund		213,900	213,900		352,363	352,363
Contributions - Endowment		63,713	63,713		341,813	341,813
Forgiveness of Paycheck Protection Program loan	373,506		373,506	270,552		270,552
Employee retention credit refund	101,210		101,210			-
Investment income - endowment	176,131	299,687	475,818	209,132	149,027	358,159
Net realized and unrealized gains (losses) on investment	(2,128,375)	(3,651,375)	(5,779,750)	2,529,838	1,826,947	4,356,785
Net assets released from restrictions	498,257	(498,257)	-	114,286	(114,286)	
<b>Change in net assets - Non-operating</b>	<b>(979,271)</b>	<b>(3,572,332)</b>	<b>(4,551,603)</b>	<b>3,123,808</b>	<b>2,555,864</b>	<b>5,679,672</b>
<b>Change in Net Assets</b>	<b>(1,166,629)</b>	<b>(3,208,237)</b>	<b>(4,374,866)</b>	<b>3,043,391</b>	<b>2,661,677</b>	<b>5,705,068</b>
<b>Net Assets, Beginning of Year</b>	<b>20,566,806</b>	<b>21,486,628</b>	<b>42,053,434</b>	<b>17,523,415</b>	<b>18,824,951</b>	<b>36,348,366</b>
<b>Net Assets, End of Year</b>	<b>\$ 19,400,177</b>	<b>\$ 18,278,391</b>	<b>\$ 37,678,568</b>	<b>\$ 20,566,806</b>	<b>\$ 21,486,628</b>	<b>\$ 42,053,434</b>

See accompanying notes to financial statements.

# Camp Sunshine at Sebago Lake, Inc.

## Statements of Cash Flows

<i>Years Ended October 31,</i>	2022	2021
<b>Cash flows from operating activities:</b>		
Change in total net assets	\$ (4,374,866)	\$ 5,705,068
Adjustments to reconcile change in total net assets to net cash from operating activities		
Depreciation	575,298	581,058
Forgiveness of loan	(373,506)	(270,552)
Net realized and unrealized (gain) loss on investments	5,779,750	(4,356,785)
Contribution for long-lived purposes	(277,613)	(694,176)
(Increase) decrease in operating assets:		
Accounts receivable	(69,130)	93,771
Inventory	7,447	10,477
Increase (decrease) in operating liabilities:		
Accounts payable	(15,361)	(37,491)
Accrued liabilities	20,424	(11,175)
Deferred revenue	(1,373)	(1,334)
Total adjustments	5,645,936	(4,686,207)
<b>Net cash provided by operating activities</b>	<b>1,271,070</b>	<b>1,018,861</b>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(3,082,211)	(6,795,025)
Proceeds from the sale of investments	2,464,386	5,752,637
Purchase of property and equipment	(449,576)	(173,802)
<b>Net cash used in investing activities</b>	<b>(1,067,401)</b>	<b>(1,216,190)</b>
<b>Cash flows from financing activities:</b>		
Contributions for long-lived purposes	277,613	1,177,510
Proceeds from loan	-	373,506
<b>Net cash provided by financing activities</b>	<b>277,613</b>	<b>1,551,016</b>
<b>Net increase in cash</b>	<b>481,282</b>	<b>1,353,687</b>
<b>Cash at beginning of year</b>	<b>2,758,937</b>	<b>1,405,250</b>
<b>Cash at end of year</b>	<b>\$ 3,240,219</b>	<b>\$ 2,758,937</b>

**Supplemental disclosure of noncash financing activity:**

During the years ended October 31, 2022 and 2021, the Organization had Paycheck Protection Program loans forgiven in the amount of \$373,506 and \$270,552, respectively.

See accompanying notes to financial statements.

## Camp Sunshine at Sebago Lake, Inc.

### Statements of Functional Expenses

<i>Years Ended October 31,</i>	2022				2021			
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
<b>Expenses:</b>								
Salaries	\$ 775,279	\$ 153,659	\$ 235,145	\$ 1,164,082	\$ 648,857	\$ 128,602	\$ 196,801	\$ 974,260
Payroll taxes	62,162	12,320	18,854	93,337	49,192	9,750	14,920	73,862
Employee benefits	124,498	24,675	37,761	186,934	120,517	23,886	36,553	180,956
Contract services	7,800			7,800	1,966			1,966
Professional fees	155,499	42,154	18,603	216,256	34,037	37,696	8,050	79,783
Medical program support	32,065			32,065				-
Utilities	171,829	3,543	1,771	177,143	117,023	2,413	1,206	120,642
Telephone	27,467	566	283	28,317	24,646	508	254	25,408
Postage and shipping	11,461	569	4,710	16,740	27,723	1,051	4,030	32,804
Maintenance	284,422	5,864	2,932	293,219	185,758	3,830	1,915	191,503
Supplies	93,911	523	2,544	96,978	109,605	261	1,340	111,206
Printing and publications	19,562	158	5,991	25,711	11,705	77	2,100	13,882
Travel	13,104	68	4,137	17,309	253		2,339	2,592
Entertainment	1,780			1,780	2,200			2,200
Food and supplies	30,374			30,374	13,379			13,379
Insurance	83,834	1,729	864	86,427	95,126	1,961	981	98,068
Equipment maintenance	34,684	715	358	35,757	22,335	461	230	23,026
Lease expense	9,964	205	103	10,272	9,255	191	95	9,541
Dues and subscriptions	40,484	2,939	3,285	46,708	40,015	83	1,143	41,241
Special event expenses			206,352	206,352			186,938	186,938
Miscellaneous expense		45,033		45,033		38,126		38,126
<b>Total Expenses Before Depreciation</b>	1,980,179	294,721	543,693	2,818,594	1,513,592	248,896	458,895	2,221,383
Depreciation	563,792	5,753	5,753	575,298	569,436	5,811	5,811	581,058
<b>Total Expenses</b>	2,543,971	300,474	549,446	3,393,892	2,083,028	254,707	464,706	2,802,441
Less special events expenses netted with revenue	-	-	(206,352)	(206,352)	-	-	(186,938)	(186,938)
<b>Total expenses included in the Statement of Activities</b>	\$ 2,543,971	\$ 300,474	\$ 343,094	\$ 3,187,540	\$ 2,083,028	\$ 254,707	\$ 277,768	\$ 2,615,503

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 "the 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 of America (GAAP). 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. The governing board has designated, from net assets without donor restrictions, net assets for an endowment for future use.

*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 GAAP 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 temporary 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's 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 10% 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 5% 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 Parameters

Based on the time horizon and minimal annual distribution requirements, the Camp has the ability to assume an above average level of risk. The Organization acknowledges that in order to achieve the primary objectives of real portfolio growth, capital appreciation and meeting annual distributions, the portfolio will experience volatility of returns and fluctuations of markets value. In the judgment of the Organization, a level of volatility comparable to the state policy asset allocation weights below are deemed acceptable in order to reasonably achieve the long-term investment objectives.

#### Asset Allocation

The Organization's Investment Portfolio asset allocation target for cash is 3%, with an acceptable range of 0% to 20%, asset allocation target for fixed income is 22%, with an acceptable range of 12% to 32%, and the asset allocation target for equities is 75% with an acceptable range of 65% to 85%.

# 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, 2022 and 2021, 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)

#### **Fair Value Measurements** (Continued)

The following is a description of the valuation methodologies used for instruments measured at fair value:

- Money Market funds are reported at net asset value ("NAV") and are deemed actively traded.
- Mortgage-backed securities and bonds are traded at level 2 use valuation inputs, such as benchmark yields, reported trades, broker/dealer quotes, issuers spreads, bids, offers, and reference data, including market search publications. Also included is data from the vendor trading platform.
- Mutual funds are valued at the daily closing price as reported by the fund. The funds held are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The funds held are deemed to be actively traded.

#### **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.

#### **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. 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.

# 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)

#### **Contributions Receivable** (Continued)

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. All long-term receivables are expected to be collected within five years.

#### **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, 2019 through October 31, 2022.

#### **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**

The Organization recognizes contributions when cash, securities or other assets; and unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. The Organization recognizes revenue from special events in the period the event occurs.

Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

#### **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. Expenses have been allocated based on direct identification, time and effort or based on utilization as determined by square footage, as applicable.

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

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

(Continued)

#### Adopted Accounting Pronouncement

As of November 1, 2021, the Organization adopted the provisions of FASB Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed NonFinancial Assets* (Topic 958). The amendments in this update require entities to present contributed nonfinancial assets as a separate line item in the statements of activities, expand disclosures on the various contributed nonfinancial assets recognized, including disaggregated category types, the valuation techniques and inputs used to arrive at fair value, and the policy for either monetizing or utilizing contributed nonfinancial assets. The ASU has been applied retrospectively to all periods presented, with no effect on net assets or previously issued financial statements.

#### 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: Investments

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

	2022	2021
Fixed Income	\$ 6,303,940	\$ 7,413,658
Mortgage-backed securities	-	35,723
Mutual funds	18,916,688	23,571,108
Cash and money market funds	833,200	195,264
<b>Totals</b>	<b>\$ 26,053,828</b>	<b>\$ 31,215,753</b>

The Organization incurred \$153,849 and \$93,158 in investment related custodial and advisory expenses for the years ended October 31, 2022 and 2021, respectively, which are presented as a reduction of investment income.

Donor-restricted and Board-designated endowment investment composition by type of fund as of October 31, 2022, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds		\$ 18,278,391	\$ 18,278,391
Board-designated endowment funds	\$ 7,775,437		7,775,437
<b>Totals</b>	<b>\$ 7,775,437</b>	<b>\$ 18,278,391</b>	<b>\$ 26,053,828</b>

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 3: Investments (Continued)

Donor-restricted and Board-designated endowment investment composition by type of fund as of October 31, 2021, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds		\$ 21,486,628	\$ 21,486,628
Board-designated endowment funds	\$ 9,729,125		9,729,125
<b>Totals</b>	<b>\$ 9,729,125</b>	<b>\$ 21,486,628</b>	<b>\$ 31,215,753</b>

Changes in endowment investment for the year ended October 31, 2022, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 9,729,125	\$ 21,486,628	\$ 31,215,753
Investment return:			
Investment income	174,687	299,687	474,374
Net depreciation	(2,128,375)	(3,651,375)	(5,779,750)
Contributions received		641,708	641,708
Appropriation for expenditure		(498,257)	(498,257)
<b>Totals</b>	<b>\$ 7,775,437</b>	<b>\$ 18,278,391</b>	<b>\$ 26,053,828</b>

Changes in endowment investment for the year ended October 31, 2021, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 6,992,924	\$ 18,823,656	\$ 25,816,580
Investment return			
Investment income	206,363	149,027	355,390
Net appreciation	2,529,838	1,826,947	4,356,785
Contributions received		799,989	799,989
Appropriation for expenditure		(112,991)	(112,991)
<b>Totals</b>	<b>\$ 9,729,125</b>	<b>\$ 21,486,628</b>	<b>\$ 31,215,753</b>

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 3: Investments (Continued)

The Organization's investments are categorized as follows as of October 31, 2022:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	Level 1	Level 2	Level 3
Investments - Endowment				
Bonds	\$ 6,303,940	\$	\$ 6,303,940	\$
Mutual funds	18,916,688	18,916,688		
Cash and money market funds	833,200	833,200		
<b>Totals</b>	<b>\$ 26,053,828</b>	<b>\$ 19,749,888</b>	<b>\$ 6,303,940</b>	<b>\$ -</b>

The Organization's investments are categorized as follows as of October 31, 2021:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	Level 1	Level 2	Level 3
Investments - endowment				
Bonds	\$ 7,413,658	\$	\$ 7,413,658	\$
Mortgage-backed securities	35,723		35,723	
Mutual funds	23,571,108	23,571,108		
Cash and money market funds	195,264	195,264		
<b>Totals</b>	<b>\$ 31,215,753</b>	<b>\$ 23,766,372</b>	<b>\$ 7,449,381</b>	<b>\$ -</b>

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 4: Paycheck Protection Program Loan

The Organization has the following notes payable as of October 31:

<i>Years Ended October 31,</i>	2022	2021
Note payable to TD Bank, N.A. payable in full in 2021 plus interest of 1%	\$ -	\$ 373,506
Less: Current Portion	-	(373,506)
<b>Notes payable, net of current portion</b>	<b>\$ -</b>	<b>\$ -</b>



# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 4: Paycheck Protection Program Loan (Continued)

On February 3, 2021, the Organization received loan proceeds in the amount of \$373,506 under the Paycheck Protection Program (“PPP”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides for loans to qualifying businesses in amounts up to 3.5 times the business’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities.

The Organization initially recorded a note payable for the year ended October 31, 2021, and subsequently recorded forgiveness when the loan obligation was legally released when the loan was forgiven on November 23, 2021. The Organization recognized \$373,506 of loan forgiveness income for the year ended October 31, 2022.

### 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:

	2022	2021
Cash	\$ 3,240,219	\$ 2,758,937
Accounts receivable	175,956	106,826
Investments	26,053,828	31,215,753
<hr/>		
Subtotal financial assets	29,470,003	34,081,516
Less: restricted investments	(18,278,391)	(21,486,628)
board designated	(7,775,437)	(9,729,126)
<hr/>		
Total financial assets available	\$ 3,416,175	\$ 2,865,762

### Note 6: Net Assets

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

	2022	2021
Other restricted contributions	\$ 495,264	\$ 361,627
Endowment earnings - to support future operations	6,107,719	9,464,496
Perpetual in nature	11,675,408	11,660,505
<hr/>		
Totals	\$ 18,278,391	\$ 21,486,628

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### 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:

	2022	2021
Clubhouse- capital fund	\$ 435,155	\$ 112,991
Family Sponsorships	7,006	-
Other releases	56,096	1,295
<b>Totals</b>	<b>\$ 498,257</b>	<b>\$ 114,286</b>

### Note 8: Related Party Transactions

During 2022 one Board member was paid a total of \$62,388, for medical services, which include family evaluation screening, management of on-site medical clinic, the supervision of on-site doctors. 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 consultants. There were no amounts paid to Board members during the year ended October 31, 2021.

### Note 9: Donated Services

Contributions of nonfinancial assets are recognized in the financial statements if they enhance or create an asset or require specialized skill for the service being provided. For the years ending October 31, 2022 and 2021, in-kind contributions recognized within the statements of activities included:

Type	2022	2021	Donor-imposed restrictions?	Fair Value Techniques
Donated goods and services	\$58,892	\$76,243	No	Based on value of goods purchased by donor
Volunteer labor	\$4,800	\$0	No	Based on volunteer hours at a rate employees would be paid.
<b>Totals</b>	<b>\$63,692</b>	<b>\$76,243</b>		

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 10: Special Events

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

	2022		
	Revenues	Expenses	Net
Auction	\$ 67,275	\$ 6,583	\$ 60,692
Bingo	3,904	2,936	968
PSE golf tournament	22,225	8,531	13,694
Golf	101,457	470	100,987
Coin boxes	2,682	386	2,296
Watermelon Festival	43,356	10,610	32,746
Souvenirs	14,211	7,534	6,677
Pumpkin Fest	105,957	39,881	66,076
NJ Polar Plunge	22,885	1,669	21,216
Virtual dip and dash	200		200
VA Polar Plunge	60,020	3,281	56,739
Wachusett Plunge	28,898	2,185	26,713
Portland Plunge	20,698	2,036	18,662
Central NY Plunge	23,972	1,543	22,429
Sea bags	270		270
Maine Suitcase Party	290,818	51,175	239,643
SEALS for Sunshine	51,043	17,914	33,129
Angel walkway	9,952	3,827	6,125
Brick walkway	1,899		1,899
Ski for sunshine	13,208	2,466	10,742
Bravehearts	83,424	12,052	71,372
Miscellaneous	501,700	31,273	470,427
<b>Totals</b>	<b>\$ 1,470,054</b>	<b>\$ 206,352</b>	<b>\$ 1,263,702</b>

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 10: Special Events (Continued)

	2021		
	Revenues	Expenses	Net
Auction	\$ 94,496	\$ 10,401	\$ 84,095
Bingo	20,672	17,175	3,497
Games of chance	2,324	270	2,054
PSE golf tournament	28,604	9,414	19,190
Golf	78,438	12,444	65,994
Coin boxes	930		930
Bottle redemption	7,723		7,723
Souvenirs	15,314	10,495	4,819
Pumpkin Fest	116,962	25,948	91,014
Virtual dip and dash	65,687	3,552	62,135
VA Polar Plunge	36,311	1,081	35,230
Maine Suitcase Party	115,525	41,502	74,023
Sea bags	63,310	12,055	51,255
SEALS for Sunshine	104,585	5,988	98,597
Camp Sunshine Virtual Walk/Run	21,492	768	20,724
Angel walkway	5,000		5,000
Brick walkway	6,800	2,649	4,151
Miscellaneous	438,724	33,196	405,528
Totals	\$ 1,222,897	\$ 186,938	\$ 1,035,959

Included in Bingo expense are prizes given to participants totaling \$2,693 and \$15,456 for the year ended October 31, 2022 and 2021, 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, 2022 and 2021, the Organization's contributions were based on 2.5% of the employee's salary. The contributions by the Organization for the years ended October 31, 2022 and 2021 were \$19,778 and \$22,604, 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 contribution revenue in the period the trust is established. No contributions were received in fiscal years ended 2022 and 2021. 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, 2022 and 2021.

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 (\$30,686 at October 31, 2022, and \$32,059 at October 31, 2021) is calculated using a discount rate of 3% and applicable mortality tables.

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

Management of the Organization has made an evaluation of subsequent events up to May 15, 2023, 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.

### **Note 14: Contingencies**

From time to time, the Organization is party to other pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the Organization's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Organization's financial position or results of operations. As of October 31, 2022, the Organization is not aware of any contingencies that need to be disclosed.