



Financial Report

October 31, 2015

CONTENTS

Independent Auditors' Report	1
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6
Notes to Financial Statements	7

Independent Auditors' 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. (a Maine nonprofit organization), which comprise the statements of financial position as of October 31, 2015 and 2014, and the related statements of activities, functional expense, 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 of America; 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.



Board of Directors
Camp Sunshine at Sebago Lake, Inc.

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, 2015 and 2014, 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.

A handwritten signature in blue ink, appearing to read "Macphee LLC".

South Portland, Maine
February 11, 2016

Statements of Financial Position

October 31,

ASSETS	2015	2014
Current Assets		
Cash	\$ 941,194	\$ 1,067,371
Accounts receivable	141,319	141,625
Inventory	6,247	13,046
Total Current Assets	<u>1,088,760</u>	<u>1,222,042</u>
Property and Equipment		
Buildings	9,215,472	8,598,566
Land improvements	1,441,680	1,441,680
Automobiles	188,666	188,666
Equipment	1,196,523	1,108,696
	<u>12,042,341</u>	<u>11,337,608</u>
Less accumulated depreciation	5,209,284	4,760,284
	<u>6,833,057</u>	<u>6,577,324</u>
Land	400,257	400,257
Construction-in-progress		331,862
	<u>7,233,314</u>	<u>7,309,443</u>
Other Assets		
Investments	16,097,111	15,583,844
Cash - restricted	1,000,000	
Contributions receivable - endowment (net)	422,901	535,425
	<u>17,520,012</u>	<u>16,119,269</u>
Total Assets	<u>\$ 25,842,086</u>	<u>\$ 24,650,754</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 81,826	\$ 160,447
Accrued expenses	54,907	49,992
Deferred revenue	30,000	
Deferred gift annuity	39,493	40,608
Total Current Liabilities	<u>206,226</u>	<u>251,047</u>
Total Liabilities	<u>206,226</u>	<u>251,047</u>
Net Assets		
Unrestricted	7,847,762	8,280,438
Unrestricted - Board-designated	4,043,987	2,845,251
Total unrestricted net assets	<u>11,891,749</u>	<u>11,125,689</u>
Temporarily restricted	3,938,735	3,659,627
Permanently restricted	9,805,376	9,614,391
Total Net Assets	<u>25,635,860</u>	<u>24,399,707</u>
Total Liabilities and Net Assets	<u>\$ 25,842,086</u>	<u>\$ 24,650,754</u>

Statements of Activities

Years Ended October 31,

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Changes in Unrestricted Net Assets								
Operating Support and Revenue								
Contributions	\$ 2,290,396			\$ 2,290,396	\$ 2,197,588			\$ 2,197,588
Donated goods, services, and facilities	163,311			163,311	233,215			233,215
Special events income	1,216,284			1,216,284	1,359,092			1,359,092
Special events expense	(207,437)			(207,437)	(207,643)			(207,643)
Total Operating Support and Revenue	3,462,554			3,462,554	3,582,252			3,582,252
Operating Expenses								
Program services	2,970,625			2,970,625	2,926,457			2,926,457
Management and general	240,880			240,880	269,757			269,757
Fund raising	253,698			253,698	221,225			221,225
Total Operating Expenses	3,465,203			3,465,203	3,417,439			3,417,439
Gain from Operations	(2,649)			(2,649)	164,813			164,813
Non-Operating Support, Revenue and Gains and Losses								
Contributions		\$ 439,500	\$ 190,985	630,485		\$ 320,384	\$ 153,395	473,779
Gain on sale of assets					7,129			7,129
Capital campaign expense					(17,688)			(17,688)
Investment income - endowment	155,397	214,990		370,387	113,866	211,861		325,727
Net realized and unrealized gains on investments	99,930	138,000		237,930	431,001	800,464		1,231,465
Net assets released from restrictions	513,382	(513,382)			388,116	(388,116)		
Total Non-Operating Support, Revenue and Gains and Losses	768,709	279,108	190,985	1,238,802	922,424	944,593	153,395	2,020,412
Change in Net Assets	766,060	279,108	190,985	1,236,153	1,087,237	944,593	153,395	2,185,225
Net Assets, Beginning of Year	11,125,689	3,659,627	9,614,391	24,399,707	10,038,452	2,715,034	9,460,996	22,214,482
Net Assets, End of Year	\$ 11,891,749	\$ 3,938,735	\$ 9,805,376	\$25,635,860	\$ 11,125,689	\$ 3,659,627	\$ 9,614,391	\$24,399,707

Statements of Cash Flows

Years Ended October 31,

	2015	2014
Cash flows from operating activities:		
Change in total net assets	<u>\$ 1,236,153</u>	<u>\$ 2,185,225</u>
Adjustments to reconcile change in total net assets to net cash from operating activities:		
Depreciation	449,000	448,300
Gain on sale of property and equipment		(7,129)
Net realized and unrealized gain on investments	(237,930)	(1,231,465)
Contribution for long-lived purposes	(190,985)	(153,395)
Contribution of stock	(37,153)	(149,620)
Contribution of computer equipment		(43,965)
(Increase) decrease in operating assets:		
Accounts receivable	306	90,433
Inventory	6,799	
Contributions receivable	112,524	269,886
Increase (decrease) in operating liabilities:		
Accounts payable	(78,621)	80,086
Accrued expenses	4,915	(645)
Deferred revenue	30,000	
Deferred gift annuity	(1,115)	12,258
Total adjustments	<u>57,740</u>	<u>(685,256)</u>
Net cash from operating activities	<u>1,293,893</u>	<u>1,499,969</u>
Cash flows from investing activities:		
Purchase of investments	(238,184)	(924,276)
Cash paid to/from restricted accounts	(1,000,000)	333,388
Proceeds from sale of property and equipment		17,000
Purchase of property and equipment	(372,871)	(658,356)
Net cash from investing activities	<u>(1,611,055)</u>	<u>(1,232,244)</u>
Cash flows from financing activities:		
Contributions for long-lived purposes	190,985	153,395
Net cash from financing activities	<u>190,985</u>	<u>153,395</u>
Net increase (decrease) in cash	(126,177)	421,120
Cash at beginning of year	<u>1,067,371</u>	<u>646,251</u>
Cash at end of year	<u><u>\$ 941,194</u></u>	<u><u>\$ 1,067,371</u></u>
Noncash donation of fixed assets:		
Vehicle	\$ -	\$ (43,965)

Statements of Functional Expenses

Years Ended October 31,

	2015				2014			
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
Expenses:								
Salaries	\$ 636,578	\$ 118,222	\$ 154,597	\$ 909,397	\$ 645,824	\$ 126,826	\$ 126,826	\$ 899,476
Payroll taxes	55,172	10,246	13,399	78,817	57,686	10,872	12,576	81,134
Employee benefits	79,981	12,803	21,474	114,258	96,899	18,320	20,896	136,115
Contracted services	2,640	540	-	3,180	3,681	-	-	3,681
Professional services	125,540	23,553	-	149,093	120,088	14,250	1,056	135,394
Medical program support	346,366	-	-	346,366	342,250	-	-	342,250
Utilities	138,345	2,853	1,426	142,624	131,342	2,708	1,354	135,404
Telephone	22,843	1,777	761	25,381	21,878	1,702	729	24,309
Postage	13,005	2,767	10,430	26,202	21,846	5,606	18,184	45,636
Maintenance	407,504	12,869	8,579	428,952	296,476	9,362	6,242	312,080
Supplies	77,408	2,055	846	80,309	90,494	634	321	91,449
Printing and publications	65,960	1,680	12,398	80,038	60,310	2,265	33,667	96,242
Travel	145,665	548	18,121	164,334	182,111	5,102	7,316	194,529
Entertainment	15,848	-	-	15,848	28,620	-	-	28,620
Food and supplies	225,293	-	-	225,293	220,560	-	-	220,560
Property taxes	-	250	-	250	-	250	-	250
Equipment rental/maintenance	27,090	856	570	28,516	29,718	938	626	31,282
Insurance	94,252	962	962	96,176	108,050	1,102	1,103	110,255
Lease expense	10,150	564	564	11,278	8,860	492	492	9,844
Dues and subscriptions	30,768	12,144	4,036	46,948	15,847	6,643	1,827	24,317
Miscellaneous	10,197	31,701	1,045	42,943	4,583	58,202	1,215	64,000
Total Expenses Before Depreciation and Special Event	2,530,605	236,390	249,208	3,016,203	2,487,123	265,274	234,430	2,986,827
Depreciation	440,020	4,490	4,490	449,000	439,334	4,483	4,483	448,300
Special event expense	-	-	207,437	207,437	-	-	207,643	207,643
Total Expenses	2,970,625	240,880	461,135	3,672,640	2,926,457	269,757	446,556	3,642,770
Less expenses included in revenues (special events)	-	-	207,437	207,437	-	-	207,643	207,643
Less expenses included in non-operating support, revenue and gains and losses (capital campaign)	-	-	-	-	-	-	17,688	17,688
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 2,970,625	\$ 240,880	\$ 253,698	\$ 3,465,203	\$ 2,926,457	\$ 269,757	\$ 221,225	\$ 3,417,439

Notes to Financial Statements

October 31, 2015 and 2014

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. 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.

Notes to Financial Statements

October 31, 2015 and 2014

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

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 classifies as permanently restricted net assets (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 permanently restricted net assets is classified as temporarily restricted net assets 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.

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 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 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.

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.

The Board of Directors of the Organization, acting on advice of the Finance Committee, will select professional investment managers to manage the two investment portfolios in a manner consistent with the investment policy adopted for each portfolio.

Notes to Financial Statements

October 31, 2015 and 2014

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

Investments – Continued

Procedures – Continued

The Chairman of the Finance Committee will review the performance of the investment portfolio managers periodically, but not less than quarterly. He will report the results of such review to the Board periodically, but not less than annually.

Financial management of the Organization is responsible for proper accounting and monitoring of activities in all investment portfolios.

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.

Excluded investments include derivatives and synthetic securities, illiquid securities and private placements, explicit and implicit leverage transactions, and non-US dollar denominated 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.

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%.

Fair Value Measurements

Fair value is 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. In determining fair value, the Organization uses various methods including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs.

Notes to Financial Statements

October 31, 2015 and 2014

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

Fair Value Measurements – Continued

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, 2015 and 2014, 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.

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 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 \$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.

Notes to Financial Statements

October 31, 2015 and 2014

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

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.

Management has evaluated the Organization's tax positions and concluded that as of October 31, 2015 and 2014, the Organization does not believe that it has taken any tax positions that would require the recording of any additional tax liability, nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Organization is subject to federal and state examinations by taxing authorities for the years ending October 31, 2012 through October 31, 2015.

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

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 non-operating 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.

Notes to Financial Statements

October 31, 2015 and 2014

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:

	2015	2014
Endowment Fund	\$ 431,668	\$ 571,668
Less unamortized discount	<u>8,767</u>	<u>36,243</u>
	<u>\$ 422,901</u>	<u>\$ 535,425</u>
Amounts due in:		
Less than one year	\$ 256,668	\$ 216,668
One to five years	<u>175,000</u>	<u>355,000</u>
	<u>\$ 431,668</u>	<u>\$ 571,668</u>

The discount rate approximated 4% for 2015 and 2014. No allowance was considered necessary.

NOTE 4 – RESTRICTED CASH AND INVESTMENTS

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

	2015	2014
Bonds	\$ 257,946	\$ 497,644
U.S. Treasuries	614,000	618,982
Mortgage-Backed Securities	99,357	218,379
Equity Securities		74,771
Mutual Funds	15,098,330	14,151,579
Cash and Money Market Funds	<u>1,027,478</u>	<u>22,489</u>
	<u>\$ 17,097,111</u>	<u>\$ 15,583,844</u>

The Organization incurred investment related custodial and advisory expenses of \$70 and \$216 for the years ended October 31, 2015 and 2014, respectively.

Board-designated cash balance \$1,000,000 for 2015 was transferred to the investment account in December 2015. This amount has been segregated on the statement of financial position under other assets.

Notes to Financial Statements

October 31, 2015 and 2014

NOTE 4 – RESTRICTED CASH AND INVESTMENTS – CONTINUED

Donor-restricted and Board-designated endowment investment composition by type of fund as of October 31, 2015, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds		\$ 3,938,735	\$ 9,382,475	\$ 13,321,470
Board-designated endowment funds	\$ 3,775,901			3,775,901
	<u>\$ 3,775,901</u>	<u>\$ 3,938,735</u>	<u>\$ 9,382,475</u>	<u>\$ 17,097,111</u>

Donor-restricted and Board-designated endowment investment composition by type of fund as of October 31, 2014, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds		\$ 3,659,627	\$ 9,078,966	\$ 12,738,593
Board-designated endowment funds	\$ 2,845,251			2,845,251
	<u>\$ 2,845,251</u>	<u>\$ 3,659,627</u>	<u>\$ 9,078,966</u>	<u>\$ 15,583,844</u>

Changes in endowment investment for the year ended October 31, 2015 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning of year	\$ 2,845,251	\$ 3,659,627	\$ 9,078,966	\$ 15,583,844
Investment return:				
Investment income	155,397	214,990		370,387
Net appreciation	99,930	138,000		237,930
Contributions	733,347		303,509	1,036,856
Appropriation for expenditure	(58,024)	(73,882)		(131,906)
	<u>\$ 3,775,901</u>	<u>\$ 3,938,735</u>	<u>\$ 9,382,475</u>	<u>\$ 17,097,111</u>

Changes in endowment investment for the year ended October 31, 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning of year	\$ 2,241,152	\$ 2,715,034	\$ 8,655,685	\$ 13,611,871
Investment return:				
Investment income	117,560	220,119		337,679
Net appreciation	428,731	802,752		1,231,483
Contributions	157,808		423,281	581,089
Appropriation for expenditure	(100,000)	(78,278)		(178,278)
	<u>\$ 2,845,251</u>	<u>\$ 3,659,627</u>	<u>\$ 9,078,966</u>	<u>\$ 15,583,844</u>

Notes to Financial Statements

October 31, 2015 and 2014

NOTE 4 – RESTRICTED CASH AND INVESTMENTS – CONTINUED

The Organization's investments are categorized as follows as of October 31, 2015:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		Level 1	Level 2	Level 3
Investments – endowment				
Bonds	\$ 257,946		\$ 257,946	
U.S. Treasuries	614,001	\$ 614,001		
Mortgage-Backed Securities	99,357		99,357	
Mutual Funds	15,098,330	15,098,330		
Cash and Money Market Funds	27,477	27,477		
Cash-restricted	1,000,000	1,000,000		
	<u>\$ 17,097,111</u>	<u>\$ 16,739,808</u>	<u>\$ 357,303</u>	<u>\$ -</u>

The Organization's investments are categorized as follows as of October 31, 2014:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		Level 1	Level 2	Level 3
Investments – endowment				
Bonds	\$ 497,644		\$ 497,644	
U.S. Treasuries	618,982	\$ 618,982		
Mortgage-Backed Securities	218,379		218,379	
Equity Securities	74,771	74,771		
Mutual Funds	14,151,579	14,151,579		
Money Market Funds	22,489	22,489		
	<u>\$ 15,583,844</u>	<u>\$ 14,867,821</u>	<u>\$ 716,023</u>	<u>\$ -</u>

NOTE 5 – NET ASSETS

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

	2015	2014
Endowment earnings – to support future operations	<u>\$ 3,938,735</u>	<u>\$ 3,659,627</u>
	<u>\$ 3,938,735</u>	<u>\$ 3,659,627</u>

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

	2015	2014
Endowment - to support future operations	<u>\$ 9,805,376</u>	<u>\$ 9,614,391</u>

Notes to Financial Statements

October 31, 2015 and 2014

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:

	2015	2014
Kitchen and pool upgrades		\$ 168,374
Family decks	\$82,522	111,518
Chevy truck		26,500
Landscaping and walkway		29,587
Septic upgrade		17,689
Donation wall		15,905
51 Acadia	117,788	
Blackbaud software	8,374	
Office remodel	31,792	
Townhouse renovations	117,336	
Boat	15,060	
Other releases	140,510	18,543
	<u>\$ 513,382</u>	<u>\$ 388,116</u>

NOTE 7 – RELATED PARTY TRANSACTIONS

During 2015 and 2014, two Board members were paid a combined total of \$322,606 and \$285,115, 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, 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.

NOTE 8 – DONATED SERVICES

Only donated services that meet the criteria under generally accepted accounting principles are recorded. The Organization recorded \$125,440 and \$122,560 in volunteer services for the years ended October, 31, 2015 and 2014 respectively. These amounts include \$125,440, the equivalent of 12,544 hours, and 12,256 hours for the respective years 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, 2015 and 2014, the Organization received approximately 63,000 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 was not satisfied.

Notes to Financial Statements

October 31, 2015 and 2014

NOTE 9 – SPECIAL EVENTS

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

	2015		
	Revenues	Expenses	Net
Bingo	\$ 43,344	\$ 34,108	\$ 9,236
Games of chance	14,863	2,675	12,188
Westin Pumpkin Fest	44,742	3,740	41,002
Auction	60,610	3,330	57,280
Freezin for a Reason	5,659	372	5,287
Pumpkin Fest	96,666	13,274	83,392
PSE golf tournament	35,201	7,483	27,718
Maine Suitcase Party	79,834	28,407	51,427
Miscellaneous	259,787	16,330	243,457
AJ's Polar Plunge	74,580	6,050	68,530
Sunnies	535		535
Coin boxes	4,609	233	4,376
Bottle redemption	1,570		1,570
Souvenirs	69,159	36,561	32,598
Brick walkway	6,880	2,314	4,566
Angel walkway	10,050	100	9,950
Coney Island	77,163	18,036	59,127
SEALS for Sunshine	157,341	17,433	139,908
Wachusett Plunge	37,140	2,496	34,644
Portland Plunge	10,081	1,451	8,630
Colin's Crew	22,986	2,650	20,336
Rhode Island Plunge	185		185
Long Island Plunge	12,262	1,181	11,081
VA Polar Plunge	83,312	6,908	76,404
Central NY Plunge	7,725	2,305	5,420
	<u>\$ 1,216,284</u>	<u>\$ 207,437</u>	<u>\$ 1,008,847</u>

Notes to Financial Statements

October 31, 2015 and 2014

NOTE 9 – SPECIAL EVENTS – CONTINUED

	2014		
	Revenues	Expenses	Net
Bingo	\$ 42,577	\$ 33,371	\$ 9,206
Games of chance	15,054	2,626	12,428
Golf tournament	27,400		27,400
Auction	42,368	3,255	39,113
Freezin for a Reason	353,333	16,864	336,469
Pumpkin Fest	143,160	18,095	125,065
PSE golf tournament	37,144	8,477	28,667
Maine Suitcase Party	80,519	31,146	49,373
Miscellaneous	492,091	51,191	440,900
Shawnee Peak	5,000		5,000
Sunnies	12,301	2,656	9,645
Coin boxes	3,242	235	3,007
Bottle redemption	3,996		3,996
Souvenirs	76,927	35,859	41,068
Brick walkway	10,481	3,724	6,757
Angel walkway	13,500	144	13,356
	<u>\$ 1,359,092</u>	<u>\$ 207,643</u>	<u>\$ 1,151,449</u>

Included in Bingo expense are prizes given to participants totaling \$32,437 and \$31,833 for the years ended October 31, 2015 and 2014, respectively.

NOTE 10 – OPERATING LEASE

The Organization leases various office equipment on a monthly basis. Lease expense for the years ended October 31, 2015 and 2014 was \$11,278 and \$9,844, respectively.

NOTE 11 – LINE OF CREDIT

The Organization did not renew the \$250,000 unsecured revolving line of credit during the year ended October 31, 2014. There was no balance outstanding as of October 31, 2014.

NOTE 12 – PENSION PLAN

The Organization sponsors a 403 (b) Tax-sheltered Account covering all eligible employees. Contributions to the Plan are at management's discretion. For the years ended October 31, 2015 and 2014, the Organization's contributions were based on 5% of the employee's salary. The contributions by the Organization for the years ended October 31, 2015 and 2014 were \$32,734 and \$44,923, respectively.

Notes to Financial Statements

October 31, 2015 and 2014

NOTE 13 – SPLIT-INTEREST AGREEMENT

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 permanently restricted contribution in the period the trust is established. Contributions totaled \$11,661 in 2014, and no such contributions were received in fiscal year 2015. 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, 2015 and 2014. 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 (\$39,493 at October 31, 2015 and \$40,608 at October 31, 2014) is calculated using a discount rate of 3% and applicable mortality tables.

NOTE 14 – EVALUATION OF SUBSEQUENT EVENTS

Management of the Organization has made an evaluation of subsequent events up to February 11, 2016, 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.