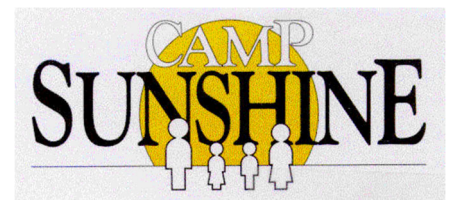


# Camp Sunshine at Sebago Lake, Inc.

Financial Report

Years Ended October 31, 2021 and 2020



## 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 "the Organization") a nonprofit organization, which comprise the statements of financial position as of October 31, 2021 and 2020, 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. 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, 2021 and 2020, 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.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP  
South Portland, Maine  
February 16, 2022

# Camp Sunshine at Sebago Lake, Inc.

## Statement of Financial Position

<i>As of October 31,</i>	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 2,758,937	\$ 1,405,250
Accounts receivable	106,826	200,597
Inventory	125,494	135,971
<b>Total Current Assets</b>	<b>2,991,257</b>	<b>1,741,818</b>
<b>Property and Equipment</b>		
Buildings and building improvements	12,754,123	12,727,211
Land improvements	1,658,491	1,632,660
Vehicles	250,319	222,339
Fixed equipment	1,804,894	1,719,894
	16,467,827	16,302,104
Less accumulated depreciation	(8,485,061)	(7,904,003)
	7,982,766	8,398,101
Land	400,257	400,257
Construction in progress	8,079	-
	8,391,102	8,798,358
<b>Other Assets</b>		
Investments	31,215,753	25,816,580
Contributions receivable - endowment	-	483,334
	31,215,753	26,299,914
<b>Total Assets</b>	<b>\$ 42,598,112</b>	<b>\$ 36,840,090</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 78,069	\$ 115,560
Accrued liabilities	61,044	72,219
Deferred revenue	32,059	33,393
Paycheck Protection Program Loan	373,506	270,552
<b>Total Current Liabilities</b>	<b>544,678</b>	<b>491,724</b>
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	10,837,680	10,530,491
Board designated	9,729,126	6,992,924
Total net assets without donor restrictions	20,566,806	17,523,415
With donor restrictions	21,486,628	18,824,951
<b>Total Net Assets</b>	<b>42,053,434</b>	<b>36,348,366</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 42,598,112</b>	<b>\$ 36,840,090</b>

See accompanying notes to financial statements.

# Camp Sunshine at Sebago Lake, Inc.

## Statements of Activities

Years Ended October 31,	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue:</b>						
Contributions	\$ 1,422,884	\$ 105,813	\$ 1,528,697	\$ 210,304	\$ 1,205,625	\$ 1,415,929
Grant revenue				110,000		110,000
Donated goods, services, and facilities	76,243		76,243	97,547		97,547
Special events income, net	1,035,959		1,035,959	832,451		832,451
Net assets released from restrictions				1,115,720	(1,115,720)	
<b>Total Operating Support and Revenue</b>	<b>2,535,086</b>	<b>105,813</b>	<b>2,640,899</b>	<b>2,366,022</b>	<b>89,905</b>	<b>2,455,927</b>
<b>Operating Expenses:</b>						
Program services	2,083,028		2,083,028	2,610,721		2,610,721
Management and general	254,707		254,707	278,359		278,359
Fundraising	277,768		277,768	272,486		272,486
<b>Total Operating expenses</b>	<b>2,615,503</b>		<b>2,615,503</b>	<b>3,161,566</b>		<b>3,161,566</b>
<b>Gain (Loss) from Operations</b>	<b>(80,417)</b>	<b>105,813</b>	<b>25,396</b>	<b>(795,544)</b>	<b>89,905</b>	<b>(705,639)</b>
<b>Non-Operating Support, Revenue and Gains</b>						
Contributions - capital fund		352,363	352,363		34,197	34,197
Contributions - endowment		341,813	341,813		1,168,418	1,168,418
Forgiveness of Paycheck Protection Program loan	270,552		270,552			
Investment income - endowment	209,132	149,027	358,159	233,476	179,484	412,960
Net realized and unrealized gains on investment	2,529,838	1,826,947	4,356,785	229,592	175,225	404,817
Net assets released from restrictions	114,286	(114,286)		34,197	(34,197)	
<b>Total Non-Operating Support, Revenue and Gains</b>	<b>3,123,808</b>	<b>2,555,864</b>	<b>5,679,672</b>	<b>497,265</b>	<b>1,523,127</b>	<b>2,020,392</b>
<b>Change in Net Assets</b>	<b>3,043,391</b>	<b>2,661,677</b>	<b>5,705,068</b>	<b>(298,279)</b>	<b>1,613,032</b>	<b>1,314,753</b>
<b>Net Assets, Beginning of Year</b>	<b>17,523,415</b>	<b>18,824,951</b>	<b>36,348,366</b>	<b>17,821,694</b>	<b>17,211,919</b>	<b>35,033,613</b>
<b>Net Assets, End 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>

See accompanying notes to financial statements.

# Camp Sunshine at Sebago Lake, Inc.

## Statements of Cash Flows

<i>Years Ended October 31,</i>	2021	2020
<b>Cash flows from operating activities:</b>		
Change in total net assets	\$ 5,705,068	\$ 1,314,753
Adjustments to reconcile change in total net assets to net cash from operating activities		
Depreciation	581,058	553,055
Forgiveness of loan	(270,552)	
Net realized and unrealized gain on investments	(4,356,785)	(404,817)
Contribution for long-lived purposes	(694,176)	(1,230,074)
(Increase) decrease in operating assets:		
Accounts receivable	93,771	(12,314)
Inventory	10,477	(44,444)
Increase (decrease) in operating liabilities:		
Accounts payable	(37,491)	23,063
Accrued liabilities	(11,175)	(23,996)
Deferred revenue	(1,334)	(1,294)
Total adjustments	(4,686,207)	(1,140,821)
<b>Net cash provided by operating activities</b>	<b>1,018,861</b>	<b>173,932</b>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(6,795,025)	(11,417,187)
Proceeds from the sale of investments	5,752,637	9,774,658
Purchase of property and equipment	(173,802)	(427,641)
<b>Net cash used in investing activities</b>	<b>(1,216,190)</b>	<b>(2,070,170)</b>
<b>Cash flows from financing activities:</b>		
Contributions for long-lived purposes	1,177,510	1,069,281
Proceeds from loan	373,506	270,552
<b>Net cash provided by financing activities</b>	<b>1,551,016</b>	<b>1,339,833</b>
<b>Net increase (decrease) in cash</b>	<b>1,353,687</b>	<b>(556,405)</b>
<b>Cash at beginning of year</b>	<b>1,405,250</b>	<b>1,961,655</b>
<b>Cash at end of year</b>	<b>\$ 2,758,937</b>	<b>\$ 1,405,250</b>

See accompanying notes to financial statements.

Supplemental disclosure of noncash financing activity:

During the year ended October 31, 2021, the Organization had a Paycheck Protection Program loan forgiven in the amount of 270,552.

## Camp Sunshine at Sebago Lake, Inc.

### Statements of Functional Expenses

<i>Years Ended October 31,</i>	2021				2020			
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
<b>Expenses:</b>								
Salaries	\$ 648,857	\$ 128,602	\$ 196,801	\$ 974,260	\$ 806,931	\$ 123,281	\$ 190,525	\$ 1,120,737
Payroll taxes	49,192	9,750	14,920	73,862	64,535	9,860	15,237	89,632
Employee benefits	120,517	23,886	36,553	180,956	133,705	20,427	31,569	185,701
Professional fees	36,003	37,696	8,050	81,749	21,824	59,543	8,411	89,778
Medical program support					182,599			182,599
Utilities	117,023	2,413	1,206	120,642	111,290	2,295	1,147	114,732
Telephone	24,646	508	254	25,408	23,538	485	243	24,266
Postage and shipping	27,723	1,051	4,030	32,804	21,287	1,671	7,296	30,254
Maintenance	185,758	3,830	1,915	191,503	225,772	4,655	2,328	232,755
Supplies	109,605	261	1,340	111,206	74,519	735	1,508	76,762
Printing and publications	11,705	77	2,100	13,882	47,572	971	3,904	52,447
Travel	253		2,339	2,592	114,558		2,913	117,471
Entertainment	2,200			2,200	11,815			11,815
Food and supplies	13,379			13,379	53,290			53,290
Insurance	95,126	1,961	981	98,068	100,801	2,078	1,039	103,918
Equipment maintenance	22,335	461	230	23,026	31,051	640	320	32,011
Lease expense	9,255	191	95	9,541	10,692	220	110	11,022
Dues and subscriptions	40,015	83	1,143	41,241	32,948	2,658	405	36,011
Miscellaneous expense		38,126		38,126		43,309		43,309
<b>Total Expenses Before Depreciation</b>	<b>1,513,592</b>	<b>248,896</b>	<b>271,957</b>	<b>2,034,445</b>	<b>2,068,727</b>	<b>272,828</b>	<b>266,955</b>	<b>2,608,510</b>
Depreciation	569,436	5,811	5,811	581,058	541,994	5,531	5,531	553,056
<b>Total Expenses</b>	<b>\$ 2,083,028</b>	<b>\$ 254,707</b>	<b>\$ 277,768</b>	<b>\$ 2,615,503</b>	<b>\$ 2,610,721</b>	<b>\$ 278,359</b>	<b>\$ 272,486</b>	<b>\$ 3,161,566</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 "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 (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, 2021 and 2020, 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.

#### **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.

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, 2018 through October 31, 2021.

#### **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

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.

### 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:

	2021	2020
Endowment Fund	\$ -	\$ 483,334
Amounts due in:		
Less than one year	\$ -	\$ 483,334

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 4: Investments

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

	2021	2020
Fixed Income	\$ 7,413,658	\$ 1,374,119
Mortgage-backed securities	35,723	8,850,074
Mutual funds	23,571,108	12,990,368
Cash and money market funds	195,264	2,602,019
<b>Total</b>	<b>\$ 31,215,753</b>	<b>\$ 25,816,580</b>

The Organization incurred \$93,158 and \$68,952 in investment related custodial and advisory expenses for the years ended October 31, 2021 and 2020, 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, 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>Total</b>	<b>\$ 9,729,125</b>	<b>\$ 21,486,628</b>	<b>\$ 31,215,753</b>

Donor-restricted and Board-designated endowment investment composition by type of fund as of October 31, 2020 is, as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds		\$ 18,823,656	\$ 18,823,656
Board-designated endowment funds	\$ 6,992,924		6,992,924
<b>Total</b>	<b>\$ 6,992,924</b>	<b>\$ 18,823,656</b>	<b>\$ 25,816,580</b>

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 4: Investments (Continued)

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	206,362	149,027	355,389
Net appreciation	2,529,839	1,826,947	4,356,786
Contributions received		799,989	799,989
Appropriation for expenditure		(112,991)	(112,991)
<b>Total</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, 2020 are, as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of year	\$ 6,529,856	\$ 17,211,919	\$ 23,741,775
Investment return			
Investment income	233,476	179,484	412,960
Net appreciation	229,592	175,225	404,817
Contributions received		2,406,945	2,406,945
Appropriation for expenditure		(1,149,917)	(1,149,917)
<b>Total</b>	<b>\$ 6,992,924</b>	<b>\$ 18,823,656</b>	<b>\$ 25,816,580</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>Total</b>	<b>\$ 31,215,753</b>	<b>\$ 23,766,372</b>	<b>\$ 7,449,381</b>	<b>\$ -</b>

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 4: Investments (Continued)

The Organization's investments are categorized as follows as of October 31, 2020:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	Level 1	Level 2	Level 3
Investments - endowment				
Bonds	\$ 1,374,119	\$	\$ 1,374,119	\$
Mortgage-backed securities	8,850,074		8,850,074	
Mutual funds	12,990,368	12,990,368		
Cash and money market funds	2,602,019	2,602,019		
<b>Total</b>	<b>\$ 25,816,580</b>	<b>\$ 15,592,387</b>	<b>\$ 10,224,193</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 5: Paycheck Protection Program Loan

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

<i>Years Ended October 31,</i>	2021	2020
Note payable to TD Bank, N.A. payable in full in 2021 plus interest of 1%	\$ 373,506	\$ 270,552
Less: Current Portion	(373,506)	(270,552)
<b>Notes payable, net of current portion</b>	<b>\$ -</b>	<b>\$ -</b>

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 forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. The Organization intends to use PPP loan proceeds for purposes consistent with the PPP and apply for forgiveness within 10 months of the end of the covered period. To the extent that the Organization is not granted forgiveness, the Organization will be required to pay interest on the PPP loan at a rate of 1% per annum. If the application for forgiveness is not made within 10 months of the end of the covered period, payments of principal and interest will be required through the maturity date of February 2, 2026. The terms of the loan provide for customary events of default, including payment defaults, breach of representation of warranties, and insolvency events. The PPP loan may be accelerated upon the occurrence of a default event. As noted in Note 14, subsequent to year end, this loan was fully forgiven.

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 5: Paycheck Protection Program Loan (Continued)

On April 18, 2020 the Organization received and a loan under PPP for \$270,552. The Organization initially recorded a note payable for the year ended October 31, 2020, and subsequently recorded forgiveness when the loan obligation was legally released when the loan was forgiven on December 16, 2020. The Organization recognized \$270,552 of loan forgiveness income for the year ended October 31, 2021.

### Note 6: 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:

	2021	2020
Cash	\$ 2,758,937	\$ 1,405,250
Accounts receivable	106,826	200,597
Investments	31,215,753	25,816,580
<hr/>		
Subtotal financial assets	34,081,516	27,422,427
Less: restricted investments	(21,486,628)	(18,823,656)
board designated	(9,729,126)	(6,992,924)
<hr/>		
Total financial assets available	\$ 2,865,762	\$ 1,605,847

### Note 7: Net Assets

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

	2021	2020
Other restricted contributions	\$ 361,627	\$ 119,755
Endowment earnings - to support future operations	9,464,496	7,476,620
Perpetual in nature	11,660,505	11,227,281
<hr/>		
Total	\$ 21,486,628	\$ 18,823,656



# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 8: 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:

	2021	2020
Clubhouse- capital fund	\$ 112,991	\$ 34,197
Family Sponsorships		456,557
Other releases	1,295	659,163
<b>Total</b>	<b>\$ 114,286</b>	<b>\$ 1,149,917</b>

### Note 9: Related Party Transactions

During 2020 two Board members were paid a total of \$182,599, 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. There were no amounts paid to Board members during the year ended October 31, 2021.

### Note 10: Donated Services

Only donated services that meet the criteria under GAAP are recorded. The Organization recorded \$18,432 in volunteer services for the years ended October 31, 2020. Due to not holding in person camp sessions there were no services recorded for the year ended October 31, 2021. Included in the services was the equivalent of 1,500 hours 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 the year ended October 31, 2020, the Organization received approximately 7,700 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.

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

### Note 11: Special Events

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

	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
Sea bags	63,310	41,502	21,808
Maine Suitcase Party	115,525	12,055	103,470
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
	\$ 1,222,897	\$ 186,938	\$ 1,035,959

	2020		
	Revenues	Expenses	Net
Auction	\$ 33,293	\$ 205	\$ 33,088
PSE golf tournament	14,445	4,738	9,707
Souvenirs	64,348	55,667	8,681
Pumpkin Fest	104,110	17,161	86,949
AJ's Polar Plunge	31,311	3,666	27,645
VA Polar Plunge	53,748	4,295	49,453
Wachusett Plunge	38,159	3,543	34,616
Portland Plunge	36,083	2,118	33,965
Oxford Plunge	12,837	2,045	10,792
Central NY Plunge	23,187	1,654	21,533
SEALS for Sunshine	57,981	1,581	56,400
Camp Sunshine Virtual Walk/Run	53,454	5,762	47,692
Poker Ride	10,889	625	10,264
Angel walkway	10,714	3,214	7,500
Brick walkway	5,106		5,106
Miscellaneous	409,429	20,369	389,060
	\$ 959,094	\$ 126,643	\$ 832,451

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

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### **Note 11: Special Events** (Continued)

Included in Bingo expense are prizes given to participants totaling \$15,456 for the year ended October 31, 2021. There were no Bingo prizes paid during the year ended October 31, 2020, due to not holding the Bingo event.

### **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, 2021 and 2020, the Organization's contributions were based on 2.5% and 5%, respectively, of the employee's salary. The contributions by the Organization for the years ended October 31, 2021 and 2020 were \$22,604 and \$49,667, respectively.

### **Note 13: 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 2021 and 2020. 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, 2021 and 2020. 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 (\$32,059 at October 31, 2021 and \$33,393 at October 31, 2020) 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 16, 2022, 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.

As discussed in Note 5, the Organization received a loan through the Paycheck Protection Program for \$373,506 during the year ended October 31, 2021. Subsequent to year-end the Organization received notification from the SBA that the loan was forgiven in a letter dated November 23, 2021. In accordance with accounting standards, the debt forgiveness income will be reported in the 2022 financial statements.

# Camp Sunshine at Sebago Lake, Inc.

## Notes to Financial Statements

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### **Note 15: 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, 2021, the Organization is not aware of any contingencies that need to be disclosed.

### **Note 16: Risks and Uncertainties**

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID-19 Virus Crisis ("CV19 Crisis"). The Organization was significantly impacted in 2020 and 2021. To protect the health of participants, employees and volunteers, in-person retreats and some of the fundraising events were cancelled.