

Camp Sunshine at Sebago Lake, Inc.

Financial Report

Years Ended October 31, 2020 and 2019



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, 2020 and 2019, 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, 2020 and 2019, 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
March 5, 2021

Camp Sunshine at Sebago Lake, Inc.

Statement of Financial Position

<i>As of October 31,</i>	2020	2019
Assets		
Current Assets		
Cash	\$ 1,405,250	\$ 1,961,655
Accounts receivable	200,597	188,283
Inventory	135,971	91,527
Total Current Assets	1,741,818	2,241,465
Property and Equipment		
Buildings and building improvements	12,727,211	12,491,205
Land improvements	1,632,660	1,555,536
Vehicles	222,339	182,501
Fixed equipment	1,719,894	1,644,054
	16,302,104	15,873,296
Less accumulated depreciation	(7,904,003)	(7,350,948)
	8,398,101	8,522,348
Land	400,257	400,257
Construction in progress		1,167
	8,798,358	8,923,772
Other Assets		
Investments	25,816,580	23,741,775
Contributions receivable - endowment	483,334	350,000
	26,299,914	24,091,775
Total Assets	\$ 36,840,090	\$ 35,257,012
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 115,560	\$ 92,497
Accrued liabilities	72,219	96,215
Deferred revenue	33,393	34,687
Paycheck Protection Program Loan	270,552	
Total Current Liabilities	491,724	223,399
Net Assets		
Without donor restrictions		
Undesignated	10,530,491	11,291,838
Board designated	6,992,924	6,529,856
Total net assets without donor restrictions	17,523,415	17,821,694
With donor restrictions	18,824,951	17,211,919
Total Net Assets	36,348,366	35,033,613
Total Liabilities and Net Assets	\$ 36,840,090	\$ 35,257,012

See accompanying notes to financial statements.

Camp Sunshine at Sebago Lake, Inc.

Statements of Activities

Years Ended October 31,	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Contributions	\$ 210,304	\$ 1,205,625	\$ 1,415,929	\$ 2,407,336	\$ 388,156	\$ 2,795,492
Grant revenue	110,000		110,000			
Donated goods, services, and facilities	97,547		97,547	231,518		231,518
Special events income, net	832,451		832,451	1,465,207		1,465,207
Net assets released from restrictions	1,115,720	(1,115,720)		405,891	(405,891)	
Total Operating Support and Revenue	2,366,022	89,905	2,455,927	4,509,952	(17,735)	4,492,217
Operating Expenses:						
Program services	2,610,721		2,610,721	3,902,671		3,902,671
Management and general	278,359		278,359	265,532		265,532
Fundraising	272,486		272,486	337,653		337,653
Total Operating expenses	3,161,566		3,161,566	4,505,856		4,505,856
Gain (Loss) from Operations	(795,544)	89,905	(705,639)	4,096	(17,735)	(13,639)
Non-Operating Support, Revenue, Gains and (Expenses)						
Contributions - capital fund		34,197	34,197		992,336	992,336
Contributions - endowment		1,168,418	1,168,418		49,019	49,019
Investment income - endowment	233,476	179,484	412,960	235,730	214,286	450,016
Net realized and unrealized gains on investment	229,592	175,225	404,817	964,048	876,350	1,840,398
Net assets released from restrictions	34,197	(34,197)		1,657,636	(1,657,636)	
Total Non-Operating Support, Revenue Gains	497,265	1,523,127	2,020,392	2,857,414	474,355	3,331,769
Change in Net Assets	(298,279)	1,613,032	1,314,753	2,861,510	456,620	3,318,130
Net Assets, Beginning of Year	17,821,694	17,211,919	35,033,613	14,960,184	16,755,299	31,715,483
Net Assets, End of Year	\$ 17,523,415	\$ 18,824,951	\$ 36,348,366	\$ 17,821,694	\$ 17,211,919	\$ 35,033,613

See accompanying notes to financial statements.

Camp Sunshine at Sebago Lake, Inc.

Statements of Cash Flows

<i>Years Ended October 31,</i>	2020	2019
Cash flows from operating activities:		
Change in total net assets	\$ 1,314,753	\$ 3,318,130
Adjustments to reconcile change in total net assets to net cash from operating activities		
Depreciation	553,055	602,712
Net realized and unrealized gain on investments	(404,817)	(1,840,389)
Contribution for long-lived purposes	(1,230,074)	(1,125,692)
(Increase) decrease in operating assets:		
Accounts receivable	(12,314)	(10,084)
Inventory	(44,444)	(17,200)
Increase (decrease) in operating liabilities:		
Accounts payable	23,063	(9,017)
Accrued liabilities	(23,996)	13,485
Deferred revenue	(1,294)	(1,256)
Total adjustments	(1,140,821)	(2,387,441)
Net cash provided by operating activities	173,932	930,689
Cash flows from investing activities:		
Purchase of investments	(11,417,187)	(5,243,758)
Proceeds from the sale of investments	9,774,658	5,502,418
Purchase of property and equipment	(427,641)	(1,868,025)
Net cash used in investing activities	(2,070,170)	(1,609,365)
Cash flows from financing activities:		
Contributions for long-lived purposes	1,069,281	701,023
Proceeds from loan	270,552	
Net cash provided by financing activities	1,339,833	701,023
Net increase (decrease) in cash	(556,405)	22,347
Cash at beginning of year	1,961,655	1,939,308
Cash at end of year	\$ 1,405,250	\$ 1,961,655

See accompanying notes to financial statements.

Camp Sunshine at Sebago Lake, Inc.

Statements of Functional Expenses

<i>Years Ended October 31,</i>	2020				2019			
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
Expenses:								
Salaries	\$ 806,931	\$ 123,281	\$ 190,525	\$ 1,120,737	\$ 833,513	\$ 127,342	\$ 196,802	\$ 1,157,657
Payroll taxes	64,535	9,860	15,237	89,632	66,966	10,231	15,811	93,008
Employee benefits	133,705	20,427	31,569	185,701	131,430	20,080	31,032	182,542
Contracted services	889			889	2,645			2,645
Professional services	20,935	59,543	8,411	88,889	136,576	31,245	17,240	185,061
Medical program support	182,599			182,599	335,942			335,942
Utilities	111,290	2,295	1,147	114,732	160,702	3,313	1,657	165,672
Telephone	23,538	485	243	24,264	25,776	531	266	26,573
Postage	21,287	1,671	7,296	30,254	10,497	1,147	7,441	19,085
Maintenance	225,772	4,655	2,328	232,755	518,881	10,699	5,349	534,929
Supplies	74,519	735	1,508	76,762	94,340	1,600	5,361	101,301
Printing and publications	47,572	971	3,904	52,447	75,568	456	29,629	105,653
Travel	114,558		2,913	117,471	422,329	50	19,100	441,479
Entertainment	11,815			11,815	15,101			15,101
Food and supplies	53,290			53,290	278,342			278,342
Equipment rental/maintenance	31,051	640	320	32,011	49,357	1,018	509	50,884
Insurance	100,801	2,078	1,039	103,918	104,755	2,160	1,080	107,995
Lease expense	10,692	220	110	11,022	9,607	198	99	9,904
Dues and subscriptions	32,948	2,658	405	36,011	30,018		250	30,268
Bad debt					9,668			9,668
Miscellaneous		43,309		43,309		49,435		49,435
Total Expenses Before Depreciation	2,068,727	272,828	266,955	2,608,508	3,312,013	259,505	331,626	3,903,144
Depreciation	541,994	5,531	5,531	553,056	590,658	6,027	6,027	602,712
Total Expenses	\$ 2,610,721	\$ 278,359	\$ 272,486	\$ 3,161,564	\$ 3,902,671	\$ 265,532	\$ 337,653	\$ 4,505,856

See accompanying notes to financial statements.

Camp Sunshine at Sebago Lake, Inc.

Notes to Financial Statements

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

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

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

Risk

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

Asset Allocation

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

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

Camp Sunshine at Sebago Lake, Inc.

Notes to Financial Statements

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, 2020 and 2019, 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

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, 2017 through October 31, 2020.

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

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.

Recently Adopted Accounting Pronouncement

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). The core principle of the guidance in ASU 2014-09 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization adopted this guidance, effective November 1, 2019. The Organization applied Topic 606 on a modified retrospective basis and elected the practical expedient in paragraph FASB ASC 606-10-65-1(f)(1), under which an entity need not restate contracts that begin and are completed within the same annual reporting period. There was no change to reported assets, liabilities, net assets, revenues, expenses or change in net assets for either period presented in the accompanying financial statements as a result of adopting this standard.

Camp Sunshine at Sebago Lake, Inc.

Notes to Financial Statements

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

Recently Adopted Accounting Pronouncement (Continued)

Contributions Received and Contributions Made

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). The amendments in this update will assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a transaction is conditional. The contribution guidance requires an entity to determine whether a transaction is conditional, which affects the timing of the revenue recognized. The Organization adopted this guidance as of November 1, 2019 on a modified retrospective basis. There was no change to reported assets, liabilities, net assets, revenues, expenses or change in net assets for either period presented in the accompanying financial statements as a result of adopting this standard.

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:

	2020	2019
Endowment Fund	\$ 483,334	\$ 350,000
Amounts due in:		
Less than one year	483,334	175,000
One to five years		175,000
	\$ 483,334	\$ 350,000

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:

	2020	2019
Bonds	\$ 1,374,119	\$ 1,374,367
Mortgage-backed securities	8,850,074	18,623
Mutual funds	12,990,368	22,185,429
Cash and money market funds	2,602,019	163,356
	\$ 25,816,580	\$ 23,741,775

The Organization incurred \$68,952 and \$65,273 in investment related custodial and advisory expenses for the years ended October 31, 2020 and 2019, 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, 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
	\$ 6,992,924	\$ 18,823,656	\$ 25,816,580

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

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

Camp Sunshine at Sebago Lake, Inc.

Notes to Financial Statements

Note 4: Investments (Continued)

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)
	<u>\$ 6,992,924</u>	<u>\$ 18,823,656</u>	<u>\$ 25,816,580</u>

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

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

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		
Total	<u>\$ 25,816,580</u>	<u>\$ 15,592,387</u>	<u>\$ 10,224,193</u>	<u>\$ -</u>

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, 2019:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	Level 1	Level 2	Level 3
Investments - endowment				
Bonds	\$ 1,374,367		\$ 1,374,367	
Mortgage-backed securities	18,623		18,623	
Mutual funds	22,185,429	\$ 22,185,429		
Cash and money market funds	163,356	163,356		
	\$ 23,741,775	\$ 22,348,785	\$ 1,392,990	\$ -

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>	2020	2019
Note payable to TD Bank, N.A. payable in full in 2021 plus interest of 1%	\$ 270,552	\$
Less: Current Portion	(270,552)	
Notes payable, net of current portion	\$ -	\$ -

In March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act created and funded the Small Business Administration (SBA) Paycheck Protection Program (PPP) to provide loans designated to help small businesses cover their near-term operating expenses and provide an incentive to retain their employees during the COVID-19 pandemic. The Organization applied for and received a PPP loan in the amount of \$270,552 which was fully forgiven by the bank as of December 16, 2020.

Camp Sunshine at Sebago Lake, Inc.

Notes to Financial Statements

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:

	2020	2019
Cash	\$ 1,405,250	\$ 1,961,655
Investments	25,816,580	23,741,775
Subtotal financial assets	27,221,830	25,703,430
Less: restricted investments	(18,823,656)	(17,211,919)
board designated	(6,992,924)	(6,529,856)
Total financial assets available	\$ 1,405,250	\$ 1,961,655

Note 7: Net Assets

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

	2020	2019
Other restricted contributions	\$ 119,755	\$ 29,850
Endowment earnings - to support future operations	7,476,620	7,095,746
Perpetual in nature	11,227,281	10,086,323
	\$ 18,823,656	\$ 17,211,919

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:

	2020	2019
Dumont - capital fund		\$ 21,736
Golf Cart- capital fund		14,973
Clubhouse- capital fund	\$ 34,197	1,609,259
Family Sponsorships	456,557	
Other releases	659,163	415,559
Total	\$ 1,149,917	\$ 2,063,527

Camp Sunshine at Sebago Lake, Inc.

Notes to Financial Statements

Note 9: Related Party Transactions

During 2020 and 2019 two Board members were paid a total of \$182,599 and \$324,307, respectively, for medical and psychosocial consulting services, which include family evaluation screening, management of on-site medical clinic, the supervision of on-site doctors and management of psychosocial program. While desiring to be competitive, Camp Sunshine is also committed to good stewardship of public funds. Therefore, an in-depth labor market analysis, with the aid of an external independent compensation consulting firm, has been conducted and the results of the labor market analysis was used to determine compensation levels for the medical and psychosocial consultants.

Note 10: Donated Services

Only donated services that meet the criteria under GAAP are recorded. The Organization recorded \$18,432 and \$136,576 in volunteer services for the years ended October 31, 2020 and 2019, respectively. These amounts include the equivalent of 1,500 and 12,400 hours for the years ended October 31, 2020 and 2019, respectively, for donated services from a variety of unpaid volunteers who receive specialized training from the Organization and who assist the Organization in its programs and services.

Additionally, for each of the years ended October 31, 2020 and 2019, the Organization received approximately 7,700 and 62,000 hours, respectively of donated services from a variety of unpaid volunteers who assisted the Organization in its programs and services. No amounts for these services were recognized in the accompanying statements of activities because the criteria for recognition of such volunteer services were not satisfied.

Note 11: Special Events

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

	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

Note 11: Special Events (Continued)

	2019		
	Revenues	Expenses	Net
Bingo	\$ 49,035	\$ 37,992	\$ 11,043
Games of chance	1,668	240	1,428
Auction	101,525	3,628	97,897
PSE golf tournament	38,815	10,474	28,341
Golf	54,693	71	54,622
Coin boxes	3,883	278	3,605
Bottle redemption	175		175
Watermelon Festival	34,276	11,428	22,848
Souvenirs	114,999	72,214	42,785
Pumpkin Fest	131,961	29,648	102,313
AJ's Polar Plunge	50,526	4,030	46,496
VA Polar Plunge	985		985
Wachusett Plunge	43,043	2,736	40,307
Portland Plunge	19,837	2,453	17,384
Oxford Plunge	14,633	2,298	12,335
Central NY Plunge	20,284	2,282	18,002
Bangor Plunge	100		100
Rhode Island Plunge	50		50
Maine Suitcase Party	214,422	57,552	156,870
SEALS for Sunshine	107,597	11,900	95,697
Angel walkway	17,638		17,638
Brick walkway	12,778	3,663	9,115
Miscellaneous	728,481	43,310	685,171
	\$ 1,761,404	\$ 296,197	\$ 1,465,207

Included in Bingo expense are prizes given to participants totaling \$- and \$36,441 for the years ended October 31, 2020 and 2019, respectively.

Note 12: 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, 2020 and 2019, the Organization's contributions were based on 5% of the employee's salary. The contributions by the Organization for the years ended October 31, 2020 and 2019 were \$49,667 and \$41,392, respectively.

Camp Sunshine at Sebago Lake, Inc.

Notes to Financial Statements

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 2020 and 2019. 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, 2020 and 2019. 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 (\$33,393 at October 31, 2020 and \$34,687 at October 31, 2019) 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 March 5, 2021, 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.

Subsequent to year-end the Organization received notification from the SBA that the loan was forgiven in a letter dated December 16, 2020. In accordance with accounting standards, the debt forgiveness income will be reported in the 2021 financial statements.

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, 2020, 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. To protect the health of participants, employees and volunteers, in-person retreats and some of the fundraising events were cancelled from March 2020 through the end of the year.