CAMP SUNSHINE

Financial Report

October 31, 2014

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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, 2014 and 2013, 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 involved 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.

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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, 2014 and 2013, 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.

Macpage LLC

South Portland, Maine
March 12, 2015

Statements of Financial Position

October 31,

ASSETS	**2014**	2013
Current Assets		
Cash	$ 1,067,371	$ 646,251
Accounts receivable	141,625	232,058
Inventory	13,046	13,046
Total Current Assets	1,222,042	891,355
Property and Equipment		
Buildings	8,598,566	8,285,080
Land improvements	1,441,680	1,412,093
Automobiles	188,666	165,989
Equipment	1,108,696	1,070,108
	11,337,608	10,933,270
Less accumulated depreciation	4,760,284	4,349,901
	6,577,324	6,583,369
Land	400,257	400,257
Construction-in-progress	331,862	81,667
	7,309,443	7,065,293
Other Assets		
Investments	15,583,844	13,278,483
Cash - Adam Star Fund		154,312
Cash - restricted		179,076
Contributions receivable - endowment (net)	535,425	805,311
	16,119,269	14,417,182
Total Assets	$ 24,650,754	$ 22,373,830
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 160,447	$ 80,361
Accrued expenses	49,992	50,637
Deferred gift annuity	40,608	28,350
Total Current Liabilities	251,047	159,348
Total Liabilities	251,047	159,348
Net Assets		
Unrestricted	8,280,438	7,797,300
Unrestricted - Board-designated	2,845,251	2,241,152
Total unrestricted net assets	11,125,689	10,038,452
Temporarily restricted	3,659,627	2,715,034
Permanently restricted	9,614,391	9,460,996
Total Net Assets	24,399,707	22,214,482
Total Liabilities and Net Assets	$ 24,650,754	$ 22,373,830

Statements of Activities

Years Ended October 31,

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Changes in Unrestricted Net Assets								
Operating Support and Revenue								
Contributions	$ 2,197,588			$ 2,197,588	$ 2,054,040			$ 2,054,040
Donated goods, services, and facilities	233,215			233,215	223,665			223,665
Special events income	1,359,092			1,359,092	1,135,788			1,135,788
Special events expense	(207,643)			(207,643)	(201,146)			(201,146)
Total Operating Support and Revenue	3,582,252			3,582,252	3,212,347			3,212,347
Operating Expenses								
Program services	2,926,457			2,926,457	3,110,434			3,110,434
Management and general	269,757			269,757	224,154			224,154
Fund raising	221,225			221,225	230,999			230,999
Total Operating Expenses	3,417,439			3,417,439	3,565,587			3,565,587
Gain (Loss) from Operations	164,813			164,813	(353,240)			(353,240)
Non-Operating Support, Revenue and Gains and Losses								
Contributions		$ 320,384	$ 153,395	473,779		$ 364,550	$ 791,525	1,156,075
Gain on sale of assets	7,129			7,129				
Capital campaign expense	(17,688)			(17,688)	(33,310)			(33,310)
Loss on pledges							(17,500)	(17,500)
Investment income - endowment	113,866	211,861		325,727	114,946	195,666		310,612
Net realized and unrealized gains on investments	431,001	800,464		1,231,465	425,218	726,508		1,151,726
Net assets released from restrictions	388,116	(388,116)			372,195	(372,195)		
Total Non-Operating Support, Revenue and Gains and Losses	922,424	944,593	153,395	2,020,412	879,049	914,529	774,025	2,567,603
Change in Net Assets	1,087,237	944,593	153,395	2,185,225	525,809	914,529	774,025	2,214,363
Net Assets, Beginning of Year	10,038,452	2,715,034	9,460,996	22,214,482	9,512,643	1,800,505	8,686,971	20,000,119
Net Assets, End 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

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

Years Ended October 31,

	2014	2013
Cash flows from operating activities:		
Change in total net assets	$ 2,185,225	$ 2,214,363
Adjustments to reconcile change in total net assets to net cash from operating activities:		
Depreciation	448,300	668,656
(Gain) loss on sale of property and equipment	(7,129)	378
Loss on pledges receivables		17,500
Net realized and unrealized gain on investments	(1,231,465)	(1,151,726)
Contribution for long-lived purposes	(153,395)	(791,525)
Contribution of stock	(149,620)	(49,130)
Contribution of computer equipment	(43,965)	(5,000)
(Increase) decrease in operating assets:		
Accounts receivable	90,433	
Inventory		1,944
Contributions receivable	269,886	437,805
Increase (decrease) in operating liabilities:		
Accounts payable	80,086	(5,639)
Accrued expenses	(645)	(22,556)
Deferred gift annuity	12,258	(595)
Total adjustments	(685,256)	(899,888)
Net cash from operating activities	1,499,969	1,314,475
Cash flows from investing activities:		
Purchase of investments	(924,276)	(1,199,285)
Cash paid to/from restricted accounts	333,388	(187,201)
Proceeds from sale of property and equipment	17,000	1,000
Purchase of property and equipment	(658,356)	(523,241)
Net cash from investing activities	(1,232,244)	(1,908,727)
Cash flows from financing activities:		
Contributions for long-lived purposes	153,395	791,525
Net cash from financing activities	153,395	791,525
Net increase in cash	421,120	197,273
Cash at beginning of year	646,251	448,978
Cash at end of year	$ 1,067,371	$ 646,251
Noncash donation of fixed assets:		
Vehicle	$ (43,965)	$ 5,000

The accompanying notes are an integral part of these financial statements.

Statements of Functional Expenses

Years Ended October 31,

	2014				2013			
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
Expenses:								
Salaries	$ 645,824	$ 126,826	$ 126,826	$ 899,476	$ 672,483	$ 126,891	$ 146,939	$ 946,313
Payroll taxes	57,686	10,872	12,576	81,134	61,494	11,590	13,406	86,490
Employee benefits	96,899	18,320	20,896	136,115	100,825	19,002	21,980	141,807
Contracted services	3,681			3,681	5,021			5,021
Professional services	120,088	14,250	1,056	135,394	134,475			134,475
Medical program support	342,250	-		342,250	348,605			348,605
Utilities	131,342	2,708	1,354	135,404	120,605	2,487	1,243	124,335
Telephone	21,878	1,702	729	24,309	23,366	1,817	779	25,962
Postage	21,846	5,606	18,184	45,636	35,685	2,043	13,724	51,452
Maintenance	296,476	9,362	6,242	312,080	234,343	576		234,919
Supplies	90,494	634	321	91,449	81,283	3,518	1,520	86,321
Printing and publications	60,310	2,265	33,667	96,242	88,241	2,721	38,052	129,014
Travel	182,111	5,102	7,316	194,529	160,326	8,404	13,758	182,488
Entertainment	28,620	-		28,620	33,670			33,670
Food and supplies	220,560	-		220,560	198,897			198,897
Property taxes		250		250		250		250
Equipment rental/maintenance	29,718	938	626	31,282	30,489	963	642	32,094
Insurance	108,050	1,102	1,103	110,255	84,775	865	865	86,505
Lease expense	8,860	492	492	9,844	8,364	465	465	9,294
Dues and subscriptions	15,847	6,643	1,827	24,317	12,802	6,626	2,803	22,231
Miscellaneous	4,583	58,202	1,215	64,000	19,403	29,249	1,446	50,098
Total Expenses Before Depreciation and Special Event	2,487,123	265,274	234,430	2,986,827	2,455,152	217,467	257,622	2,930,241
Depreciation	439,334	4,483	4,483	448,300	655,282	6,687	6,687	668,656
Special event expense			207,643	207,643	16,064		185,082	201,146
Total Expenses	2,926,457	269,757	446,556	3,642,770	3,126,498	224,154	449,391	3,800,043
Less expenses included in revenues (special events)	-		207,643	207,643	16,064		185,082	201,146
Less expenses included in non-operating support, revenue and gains and losses (capital campaign)			17,688	17,688			33,310	33,310
Total Expenses Included in the Expense Section of the Statement of Activities	$ 2,926,457	$ 269,757	$ 221,225	$ 3,417,439	$ 3,110,434	$ 224,154	$ 230,999	$ 3,565,587

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

October 31, 2014 and 2013

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.

Reclassifications

Certain reclassifications have been made to the 2013 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Notes to Financial Statements

October 31, 2014 and 2013

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, 2014 and 2013

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, 2014 and 2013

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, 2014 and 2013, 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, 2014 and 2013

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, 2014 and 2013, 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, 2011 through October 31, 2014.

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

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

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.

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.

Notes to Financial Statements

October 31, 2014 and 2013

NOTE 3 – CONTRIBUTIONS RECEIVABLE – ENDOWMENT

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

	2014	2013
Endowment Fund	$ 571,668	$ 863,334
Less unamortized discount	36,243	58,023
	$ 535,425	$ 805,311
Amounts due in:		
Less than one year	$ 216,668	$ 216,667
One to five years	355,000	646,667
	$ 571,668	$ 863,334

The discount rate approximated 4% for 2014 and 2013.

NOTE 4 – RESTRICTED CASH AND INVESTMENTS

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

	2014	2013
Bonds	$ 497,644	$ 719,977
U.S. Treasuries	618,982	643,199
Mortgage-Backed Securities	218,379	346,047
Equity Securities	74,771	78,626
Mutual Funds	14,151,579	11,463,019
Cash and Money Market Funds	22,489	361,003
	$ 15,583,844	$ 13,611,871

The Organization incurred investment related custodial and advisory expenses of $216 and $200 for the years ended October 31, 2014 and 2013, respectively.

Board-designated cash balance $179,076 for 2013 was been transferred to the investment account by year-end. This amount has been segregated on the statement of financial position under other assets.

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
	$ 2,845,251	$ 3,659,627	$ 9,078,966	$ 15,583,844

Notes to Financial Statements

October 31, 2014 and 2013

NOTE 4 – RESTRICTED CASH AND INVESTMENTS – CONTINUED

Donor-restricted and Board-designated endowment investment composition by type of fund as of October 31, 2013, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds		$ 2,715,034	$ 8,655,685	$ 11,370,719
Board-designated endowment funds	$ 2,241,152			2,241,152
	$ 2,241,152	$ 2,715,034	$ 8,655,685	$ 13,611,871

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)**
	$ 2,845,251	**$ 3,659,627**	**$ 9,078,966**	**$ 15,583,844**

Changes in endowment investment for the year ended October 31, 2013 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning of year	$ 1,735,641	$ 1,800,505	$ 7,488,383	$ 11,024,529
Investment return:				
Investment income	114,946	195,666		310,612
Net appreciation	425,218	726,508		1,151,726
Contributions			1,167,302	1,167,302
Appropriation for expenditure	(34,653)	(7,645)		(42,298)
	$ 2,241,152	$ 2,715,034	$ 8,655,685	$ 13,611,871

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

		Fair Value Measurements at Reporting Date Using		
	Fair Value	**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**		
Cash and Money Market Funds	**22,489**	**22,489**		
	$ 15,583,844	**$ 14,867,821**	**$ 716,023**	**$ -**

Notes to Financial Statements

October 31, 2014 and 2013

NOTE 4 – RESTRICTED CASH AND INVESTMENTS – CONTINUED

The Organization's investments are categorized as follows as of October 31, 2013:

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Level 1	Level 2	Level 3
Investments - endowment				
Bonds	$ 719,977		$ 719,977	
U.S. Treasuries	643,199	$ 643,199		
Mortgage-Backed Securities	346,047		346,047	
Equity Securities	78,626	78,626		
Mutual Funds	11,463,019	11,463,019		
Money Market Funds	361,003	361,003		
	$ 13,611,871	$ 12,545,847	$ 1,066,024	$ -

NOTE 5 – NET ASSETS

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

	2014	2013
Endowment earnings – to support future operations	**$ 3,659,627**	$ 2,660,722
Adam Star fund – to support medical expenses		54,312
	$ 3,659,627	$ 2,715,034

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

	2014	2013
Endowment - to support future operations	**$ 9,614,391**	$ 9,460,996

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:

	2014	2013
Kitchen and pool upgrades	**$ 168,374**	$ 272,874
Family decks	**111,518**	32,278
Chevy truck	**26,500**	20,232
Landscaping and walkway	**29,587**	15,962
Septic upgrade	**17,689**	10,344
Donation wall	**15,905**	4,735
Other releases	**18,543**	15,770
	$ 388,116	$ 372,195

Notes to Financial Statements

October 31, 2014 and 2013

NOTE 7 – RELATED PARTY TRANSACTIONS

During 2014 and 2013, two Board members were paid a combined total of $285,115 and $262,410, 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. For the year ended October 31, 2014, the Organization recorded $122,560 in volunteer services. This amount includes $120,000, the equivalent of 12,256 hours, of 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, 2014 and 2013, the Organization received approximately 62,720 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.

NOTE 9 – SPECIAL EVENTS

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

	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
	$ 1,359,092	$ 207,643	$ 1,151,449

Notes to Financial Statements

October 31, 2014 and 2013

NOTE 9 – SPECIAL EVENTS – CONTINUED

	2013		
	Revenues	Expenses	Net
Bingo	$ 40,525	$ 31,560	$ 8,965
Games of chance	14,297	2,723	11,574
Golf tournament	5,000		5,000
Auction	56,238	3,304	52,934
Freezin for a Reason	288,911	33,195	255,716
Pumpkin Fest	142,147	32,128	110,019
PSE golf tournament	34,010	7,362	26,648
Maine Suitcase Party	103,709	42,178	61,531
Miscellaneous	300,126		300,126
Shawnee Peak	9,000		9,000
Sunnies	32,516	7,655	24,861
Coin boxes	3,032	168	2,864
Bottle redemption	4,345		4,345
Souvenirs	79,652	38,754	40,898
Brick walkway	9,780	2,119	7,661
Angel walkway	12,500		12,500
	$ 1,135,788	$ 201,146	$ 934,642

Included in Bingo expense are prizes given to participants totaling $31,833 and $30,399 for the years ended October 31, 2014 and 2013, respectively.

NOTE 10 – OPERATING LEASE

The Organization leases various office equipment on a monthly basis. Lease expense for the years ended October 31, 2014 and 2013 was $9,844 and $9,293, respectively.

NOTE 11 – LINE OF CREDIT

The Organization did not renew the unsecured revolving line of credit in the amount of $250,000 obtained to fund short-term working capital needs of the camp. There was no balance outstanding as of October 31, 2014 and 2013.

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, 2014 and 2013, the Organization's contributions were based on 5% of the employee's salary. The contributions by the Organization for the years ended October 31, 2014 and 2013 were $44,923 and $62,383, respectively.

Notes to Financial Statements

October 31, 2014 and 2013

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 fiscal year 2014, and no such contributions in fiscal year 2013. 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, 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 ($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 March 12, 2015, 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.