



**Financial Report**

**October 31, 2010**

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## Independent Auditors' Report

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

We have audited the accompanying statements of financial position of Camp Sunshine at Sebago Lake, Inc. (a nonprofit organization) as of October 31, 2010 and 2009, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



South Portland, Maine  
February 14, 2011

## Statements of Financial Position

October 31,

<b>ASSETS</b>	<b>2010</b>	<b>2009</b>
<b>Current Assets</b>		
Cash	\$ 1,010,495	\$ 706,465
Inventory	14,764	12,764
Contributions receivable	129,547	
<b>Total Current Assets</b>	<u>1,154,806</u>	<u>719,229</u>
<b>Property and Equipment</b>		
Buildings	6,115,433	6,024,608
Land improvements	1,385,786	1,335,421
Automobiles	141,067	130,997
Equipment	864,091	764,146
	<u>8,506,377</u>	<u>8,255,172</u>
Less accumulated depreciation	<u>2,883,273</u>	<u>2,575,105</u>
	5,623,104	5,680,067
Land	294,690	294,690
Construction-in-progress	28,730	
	<u>5,946,524</u>	<u>5,974,757</u>
<b>Other Assets</b>		
Investments	8,192,666	6,433,754
Contributions receivable-endowment	765,654	1,135,846
	<u>8,958,320</u>	<u>7,569,600</u>
<b>Total Assets</b>	<u>\$ 16,059,650</u>	<u>\$ 14,263,586</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 121,685	\$ 56,298
Accrued expenses	65,197	58,426
<b>Total Current Liabilities</b>	<u>186,882</u>	<u>114,724</u>
<b>Total Liabilities</b>	<u>186,882</u>	<u>114,724</u>
<b>Net Assets</b>		
Unrestricted	6,619,947	6,624,108
Unrestricted - Board designated	1,536,451	1,278,599
Total unrestricted net assets	<u>8,156,398</u>	<u>7,902,707</u>
Temporarily restricted	1,355,723	699,906
Permanently restricted	6,360,647	5,546,249
<b>Total Net Assets</b>	<u>15,872,768</u>	<u>14,148,862</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 16,059,650</u>	<u>\$ 14,263,586</u>

See accompanying independent auditors' report.  
The accompanying notes are an integral part of these financial statements.

**Statements of Activities**

Years Ended October 31,

	2010				2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Changes in Unrestricted Net Assets</b>								
<b>Operating Support and Revenue</b>								
Contributions	\$ 2,053,251			\$ 2,053,251	\$ 2,134,802			\$ 2,134,802
Donated goods, services, and facilities	196,583			196,583	30,378			30,378
Special events income	630,919			630,919	445,030			445,030
Special events expense	(136,513)			(136,513)	(143,391)			(143,391)
Souvenir sales	28,076			28,076	27,162			27,162
<b>Total Operating Support and Revenue</b>	<u>2,772,316</u>			<u>2,772,316</u>	<u>2,493,981</u>			<u>2,493,981</u>
<b>Operating Expenses</b>								
Program services	2,554,585			2,554,585	2,106,066			2,106,066
Management and general	181,933			181,933	151,525			151,525
Fund raising	212,719			212,719	213,835			213,835
<b>Total Operating Expenses</b>	<u>2,949,237</u>			<u>2,949,237</u>	<u>2,471,426</u>			<u>2,471,426</u>
<b>Gain (Loss) from Operations</b>	<u>(176,921)</u>			<u>(176,921)</u>	<u>22,555</u>			<u>22,555</u>
<b>Non-Operating Support, Revenue and Gains and Losses</b>								
Contributions		\$ 552,413	\$ 1,179,470	1,731,883	56,175	\$ 317,737	\$ 267,356	641,268
Capital campaign expense	(28,000)			(28,000)	(65,940)			(65,940)
Loss on pledges			(365,072)	(365,072)			(139,804)	(139,804)
Investment income - endowment	59,566	131,304		190,870	73,539	107,702		181,241
Net realized and unrealized gains on investments	115,055	256,091		371,146	121,073	323,009		444,082
Net assets released from restrictions	283,991	(283,991)			53,167	(53,167)		
<b>Total Non-Operating Support, Revenue and Gains and Losses</b>	<u>430,612</u>	<u>655,817</u>	<u>814,398</u>	<u>1,900,827</u>	<u>238,014</u>	<u>695,281</u>	<u>127,552</u>	<u>1,060,847</u>
<b>Change in Net Assets</b>	<u>253,691</u>	<u>655,817</u>	<u>814,398</u>	<u>1,723,906</u>	<u>260,569</u>	<u>695,281</u>	<u>127,552</u>	<u>1,083,402</u>
<b>Net Assets, Beginning of Year</b>	<u>7,902,707</u>	<u>699,906</u>	<u>5,546,249</u>	<u>14,148,862</u>	<u>7,642,138</u>	<u>4,625</u>	<u>5,418,697</u>	<u>13,065,460</u>
<b>Net Assets, End of Year</b>	<u>\$ 8,156,398</u>	<u>\$ 1,355,723</u>	<u>\$ 6,360,647</u>	<u>\$ 15,872,768</u>	<u>\$ 7,902,707</u>	<u>\$ 699,906</u>	<u>\$ 5,546,249</u>	<u>\$ 14,148,862</u>

See accompanying independent auditors' report.  
The accompanying notes are an integral part of these financial statements.

## Statements of Cash Flows

Years Ended October 31,

	2010	2009
<b>Cash flows from operating activities:</b>		
Change in total net assets	<u>\$ 1,723,906</u>	<u>\$ 1,083,402</u>
Adjustments to reconcile change in total net assets to net cash from operating activities:		
Depreciation	343,354	331,543
Loss on pledges receivables	365,072	139,804
Net realized and unrealized gain on investments	(371,146)	(444,082)
Contribution for long-lived purposes	(1,731,883)	(535,093)
Contribution of stock	(51,863)	(10,189)
(Increase) decrease in operating assets:		
Inventory	(2,000)	9,792
Contributions receivable	(124,427)	405,075
Increase (decrease) in operating liabilities:		
Accounts payable	65,387	(113,645)
Accrued expenses	6,771	29,009
Total adjustments	<u>(1,500,735)</u>	<u>(187,786)</u>
<b>Net cash from operating activities</b>	<u>223,171</u>	<u>895,616</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments		280,315
Purchase of investments	(1,335,903)	(1,111,499)
Purchase of property and equipment	(315,121)	(27,699)
<b>Net cash from investing activities</b>	<u>(1,651,024)</u>	<u>(858,883)</u>
<b>Cash flows from financing activities:</b>		
Payments on line of credit		(100,000)
Contributions for long-lived purposes	1,731,883	535,093
<b>Net cash from financing activities</b>	<u>1,731,883</u>	<u>435,093</u>
<b>Net increase in cash</b>	304,030	471,826
<b>Cash at beginning of year</b>	<u>706,465</u>	<u>234,639</u>
<b>Cash at end of year</b>	<u>\$ 1,010,495</u>	<u>\$ 706,465</u>

See accompanying independent auditors' report.  
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## Statements of Functional Expenses

Years Ended October 31,

	2010				2009			
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
<b>Expenses:</b>								
Salaries	\$ 534,501	\$ 105,428	\$ 139,992	\$ 779,921	\$ 448,034	\$ 85,485	\$ 160,683	\$ 694,202
Payroll taxes	45,017	8,735	13,438	67,190	35,818	6,612	12,674	55,104
Employee benefits	72,823	14,130	21,738	108,691	58,723	10,841	20,779	90,343
Contracted services	25,046			25,046	21,330		500	21,830
Professional services	130,000			130,000	8,745			8,745
Medical program support	324,100			324,100	268,735			268,735
Utilities	123,664	2,550	1,275	127,489	150,032	3,093	1,547	154,672
Telephone	23,407	1,821	780	26,008	23,007	1,789	767	25,563
Postage	33,083	4,112	12,355	49,550	20,966	848	11,825	33,639
Maintenance	179,033	2,030		181,063	158,149	676		158,825
Supplies	76,944	3,207	325	80,476	56,390	5,825	883	63,098
Printing and publications	86,754	2,356	31,649	120,759	69,438	3,788	44,422	117,648
Travel	155,066	4,226	8,297	167,589	85,348	3,127	1,911	90,386
Entertainment	29,421			29,421	25,619			25,619
Food and supplies	242,960			242,960	248,167			248,167
Property taxes	250			250	250			250
Equipment rental/maintenance	24,185	1,344	1,344	26,873	16,768	1,973	986	19,727
Insurance	75,717	773	773	77,263	75,191	1,550	775	77,516
Lease expense	9,286	516	516	10,318	6,536	769	384	7,689
Dues and subscriptions	14,621	3,031	2,860	20,512	10,183	4,157	1,724	16,064
Miscellaneous	12,221	24,240	1,943	38,404	9,664	17,677	660	28,001
<b>Total Expenses Before Depreciation and Special Event</b>	<b>2,218,099</b>	<b>178,499</b>	<b>237,285</b>	<b>2,633,883</b>	<b>1,797,093</b>	<b>148,210</b>	<b>260,520</b>	<b>2,205,823</b>
Depreciation	336,486	3,434	3,434	343,354	324,913	3,315	3,315	331,543
Special event expense	16,000		120,513	136,513			143,391	143,391
<b>Total Expenses</b>	<b>2,570,585</b>	<b>181,933</b>	<b>361,232</b>	<b>3,113,750</b>	<b>2,122,006</b>	<b>151,525</b>	<b>407,226</b>	<b>2,680,757</b>
Less expenses included in revenues (special events)	16,000		120,513	136,513			143,391	143,391
Less expenses included in non-operating support, revenue and gains and losses (capital campaign)			28,000	28,000	15,940		50,000	65,940
<b>Total Expenses Included in the Expense Section of the Statement of Activities</b>	<b>\$ 2,554,585</b>	<b>\$ 181,933</b>	<b>\$ 212,719</b>	<b>\$ 2,949,237</b>	<b>\$ 2,106,066</b>	<b>\$ 151,525</b>	<b>\$ 213,835</b>	<b>\$ 2,471,426</b>

See accompanying independent auditors' report.

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

## Notes to Financial Statements

October 31, 2010 and 2009

### 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.

#### 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.

## Notes to Financial Statements

October 31, 2010 and 2009

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

#### Investments – Continued

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 Camp Sunshine Endowment Fund. The Camp Sunshine 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.

##### 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.

##### 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.

##### Asset Allocation

The Organization Investment Portfolio asset allocation target for fixed income is 50%. The Organization Investment Portfolio asset allocation target for equities is 50%.

## Notes to Financial Statements

October 31, 2010 and 2009

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

#### 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 \$5,000 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.

#### 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, 2010 and 2009, 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.

#### 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.

## Notes to Financial Statements

October 31, 2010 and 2009

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

#### 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.

### NOTE 3 – CONTRIBUTIONS RECEIVABLE-ENDOWMENTS

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

	2010	2009
Endowment Fund	\$ 798,600	\$ 1,204,229
Less unamortized discount	<u>32,946</u>	<u>68,383</u>
	<u>\$ 765,654</u>	<u>\$ 1,135,846</u>
Amounts due in:		
Less than one year	\$ 272,000	\$ 417,629
One to five years	507,500	786,600
Five to ten years	19,100	
	<u>\$ 798,600</u>	<u>\$ 1,204,229</u>

The discount rate approximated 4% for 2010 and 2009.

### NOTE 4 – INVESTMENTS

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

	2010	2009
Bonds	\$ 1,849,696	\$ 2,089,126
U.S. Treasuries	571,481	558,480
Mortgage-Backed Securities	856,006	1,068,920
Equity Securities	1,614,204	1,925,775
Mutual Funds	3,071,261	
Money Market Funds	230,018	791,453
	<u>\$ 8,192,666</u>	<u>\$ 6,433,754</u>

The Organization incurred investment related custodial and advisory expenses of \$43,012 and \$44,209 for the years ended October 31, 2010 and 2009, respectively.

## Notes to Financial Statements

October 31, 2010 and 2009

### NOTE 4 – INVESTMENTS – CONTINUED

Donor-restricted and Board-designated endowment net asset composition by type of fund as of October 31, 2010, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds		\$ 388,613	\$ 5,567,697	\$ 5,956,310
Donor-temporarily restricted		699,906		699,906
Board-designated endowment funds	\$ 1,536,450			1,536,450
	<u>\$ 1,536,450</u>	<u>\$ 1,088,519</u>	<u>\$ 5,567,697</u>	<u>\$ 8,192,666</u>

Donor-restricted and Board-designated endowment net asset composition by type of fund as of October 31, 2009, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds		\$ 430,711	\$ 4,455,249	\$ 4,885,960
Donor-temporarily restricted		269,195		269,195
Board-designated endowment funds	\$ 1,278,599			1,278,599
	<u>\$ 1,278,599</u>	<u>\$ 699,906</u>	<u>\$ 4,455,249</u>	<u>\$ 6,433,754</u>

Changes in endowment net assets for the year ended October 31, 2010 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning of year	\$ 1,278,599	\$ 699,906	\$ 4,455,249	\$ 6,433,754
Investment return:				
Investment income	58,520	131,776		190,296
Net appreciation	114,057	256,836		370,893
Transfers in	85,275			85,275
Contributions			1,112,448	1,112,448
	<u>\$ 1,536,451</u>	<u>\$ 1,088,518</u>	<u>\$ 5,567,697</u>	<u>\$ 8,192,666</u>

Changes in endowment net assets for the year ended October 31, 2009 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning of year	\$ 1,372,490	\$ 4,625	\$ 3,771,184	\$ 5,148,299
Investment return:				
Investment income	73,513	107,702		181,215
Net appreciation	121,073	323,009		444,082
Contributions		267,737	684,065	951,802
Appropriation for expenditure	(288,477)	(3,167)		(291,644)
	<u>\$ 1,278,599</u>	<u>\$ 699,906</u>	<u>\$ 4,455,249</u>	<u>\$ 6,433,754</u>

## Notes to Financial Statements

October 31, 2010 and 2009

### NOTE 4 – INVESTMENTS – CONTINUED

The Fair Value Measurements Topic of the FASB Accounting Standards Codification (FASB ASC) defines fair value, establishes a framework for measuring fair value and expands disclosures about 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. Accounting standards established a fair value hierarchy that emphasizes use of observable inputs and minimizes use of unobservable inputs when fair value. The standard describes three levels of inputs that may be used to measure fair value:

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.
- Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The Organization's investments are categorized as follows as of October 31, 2010:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		Level 1	Level 2	Level 3
Investments - endowment				
Bonds	\$ 1,849,696		\$ 1,849,696	
U.S. Treasuries	571,481	\$ 571,481		
Mortgage-Backed Securities	856,006		856,006	
Equity Securities	1,614,204	1,614,204		
Mutual Funds	3,071,261	3,071,261		
Money Market Funds	230,018	230,018		
	<u>\$ 8,192,666</u>	<u>\$ 5,486,964</u>	<u>\$ 2,705,702</u>	<u>\$ -</u>

### NOTE 5 – NET ASSETS

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

	2010	2009
Endowment earnings	\$ 818,106	\$ 430,711
Volunteer housing addition	537,617	267,737
Contributions for maintenance of ropes course		1,458
	<u>\$ 1,355,723</u>	<u>\$ 699,906</u>

## Notes to Financial Statements

October 31, 2010 and 2009

### NOTE 5 – NET ASSETS- CONTINUED

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

	2010	2009
Endowment - to support future operations	<u>\$ 6,360,647</u>	<u>\$ 5,546,249</u>

### 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:

	2010	2009
Construction of ropes course and nature path	\$ 1,458	\$ 3,167
Volunteer Housing Addition	282,533	
Capital Campaign	-	50,000
	<u>\$ 283,991</u>	<u>\$ 53,167</u>

### NOTE 7 – RELATED PARTY TRANSACTIONS

During 2010 and 2009, two Board members were paid a combined total of \$241,000 and \$200,000, respectively, for medical consulting services, which include family evaluation screening, management of on-site medical clinic, and the supervision of on-site doctors.

### NOTE 8 – DONATED SERVICES

Only donated services that meet the criteria under generally accepted accounting principles can be recorded. For the year ended October 31, 2010, the Organization recorded \$165,000 in volunteer services. This amount includes \$115,000, the equivalent of 11,760 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 the year ended October 31, 2010 and 2009, the Organization received approximately 55,000 and 50,000 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 was not satisfied.

## Notes to Financial Statements

October 31, 2010 and 2009

### NOTE 9 – SPECIAL EVENTS

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

	2010		
	Revenues	Expenses	Net
Bingo	\$ 43,227	\$ 34,005	\$ 9,222
Games of chance	15,268	3,140	12,128
Golf tournaments	18,170	4,510	13,660
Auction	41,445	4,118	37,327
Freezin for a Reason	216,037	22,124	193,913
Pumpkin Fest	137,004	32,442	104,562
Raffle	850	-	850
Miscellaneous	118,668	29,619	89,049
Shawnie Peak	21,732	2,220	19,512
Sunnies	18,518	4,335	14,183
	<u>\$ 630,919</u>	<u>\$ 136,513</u>	<u>\$ 494,406</u>
	2009		
	Revenues	Expenses	Net
Bingo	\$ 40,177	\$ 31,012	\$ 9,165
Games of chance	12,611	2,995	9,616
Golf tournaments	13,590	4,816	8,774
Auction	41,144	4,842	36,302
Freezin for a Reason	174,687	24,555	150,132
Pumpkin Fest	161,826	75,171	86,655
Other	995	-	995
	<u>\$ 445,030</u>	<u>\$ 143,391</u>	<u>\$ 301,639</u>

Included in Bingo expense are prizes given to participants totaling \$32,400 and \$30,442 for the years ended October 31, 2010 and 2009, respectively.

### NOTE 10 – OPERATING LEASE

The Organization leases various office equipment on a monthly basis. Lease expense for the years ended October 31, 2010 and 2009 was \$10,318 and \$7,689, respectively.

### NOTE 11 – LINE OF CREDIT

The Organization obtained an unsecured revolving line of credit in the amount of \$250,000 to fund short-term working capital needs of the camp. The line bears an interest rate of 3.25% above the one month LIBOR. There was no balance outstanding as of October 31, 2010 and October, 31 2009.

## **Notes to Financial Statements**

**October 31, 2010 and 2009**

### **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, 2010 and 2009, the Organization's contributions were based on 2.5% of the employee's salary. In 2010, employees also received an additional 2.5% contribution. The contributions by the Organization were \$15,852 for 2010 and \$14,759 for 2009.

### **NOTE 13 – EVALUATION OF SUBSEQUENT EVENTS**

Management has made an evaluation of subsequent events to and including February 14, 2011 which was the date the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of these financial statements.

### **NOTE 14 – CONSTRUCTION COMMITMENT**

On October 28, 2010, the Organization contracted with Perspective CM, Inc. to build a volunteer housing addition. The date of commencement of the work is November 1, 2010 and the estimated date of completion is May 2, 2011. The estimated costs of the contract are \$1,108,192.