

**NEW YORK SECTION AMERICAN
CAMPING ASSOCIATION, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

NEW YORK SECTION AMERICAN CAMPING ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
New York Section American Camping Association, Inc.
New York, New York

We have audited the accompanying financial statements of the New York Section American Camping Association, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015 and 2014 and the related statements of activities, of functional expenses and of 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 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.

WAGNER & ZWERMAN LLP

Certified Public Accountants

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Auditor's Responsibility (Continued)

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 the New York Section American Camping Association, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Wagner & Zwerman LLP

WAGNER & ZWERMAN LLP
Certified Public Accountants
October 20, 2015
Hauppauge, NY

NEW YORK SECTION AMERICAN CAMPING ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30,

ASSETS

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 784,777	\$ 932,283
Accounts receivable	53,262	12,114
Prepaid expenses	10,060	7,941
Property and equipment - net of depreciation	7,783	5,673
Security deposits	12,799	12,799
Investments - at fair value (including board-designated endowment assets of \$359,283 and \$356,394, respectively)	1,838,881	1,623,448
Endowment assets restricted for long-term purposes:		
Investments - at fair value	198,986	198,986
 TOTAL ASSETS	 \$ 2,906,548	 \$ 2,793,244

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 73,515	\$ 59,127
Deferred revenue	211,188	185,108
Total liabilities	284,703	244,235
 NET ASSETS		
Unrestricted - undesignated	2,063,576	1,993,629
Unrestricted - board designated for endowment	359,283	356,394
Total unrestricted net assets	2,422,859	2,350,023
 Permanently restricted for endowment	198,986	198,986
 Total net assets	2,621,845	2,549,009
 TOTAL LIABILITIES AND NET ASSETS	 \$ 2,906,548	 \$ 2,793,244

See Independent Auditors' Report
and Notes to Financial Statements

NEW YORK SECTION AMERICAN CAMPING ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDING JUNE 30,

	2015			2014 (Summarized)
	<u>UNRESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>	<u>TOTAL</u>
REVENUE AND SUPPORT				
Membership dues and service fees	\$ 426,863	\$ -	\$ 426,863	\$ 411,166
Program fees	664,786	-	664,786	600,063
Conference exhibitor fees	882,722	-	882,722	855,649
Sponsorships and donations	76,500	-	76,500	87,325
Individual contributions	128,670	-	128,670	-
Net investment income	9,308	-	9,308	259,630
Other income	33,627	-	33,627	23,316
	<u>2,222,476</u>	<u>-</u>	<u>2,222,476</u>	<u>2,237,149</u>
EXPENSES				
Program services:				
Professional development	1,427,249	-	1,427,249	1,113,063
Organizational advancement	160,033	-	160,033	176,318
Public guidance service	277,055	-	277,055	260,076
Support services:				
Management and general	285,303	-	285,303	223,761
	<u>2,149,640</u>	<u>-</u>	<u>2,149,640</u>	<u>1,773,218</u>
Change in net assets	72,836	-	72,836	463,931
Net assets - beginning of year	<u>2,350,023</u>	<u>198,986</u>	<u>2,549,009</u>	<u>2,085,078</u>
Net assets - end of year	<u>\$ 2,422,859</u>	<u>\$ 198,986</u>	<u>\$ 2,621,845</u>	<u>\$ 2,549,009</u>

See Independent Auditors' Report
and Notes to Financial Statements

NEW YORK SECTION AMERICAN CAMPING ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDING JUNE 30, 2015

	Program Services				Total Program Services	Support Services		Total Expenses
	Professional Development	Organizational Advancement	Public Guidance Services			Management & General		
Staff compensation	\$ 336,343	\$ 99,283	\$ 191,373	\$ 626,999	\$ 59,964	\$ 686,963		
Payroll taxes	22,699	12,191	15,297	50,187	4,727	54,914		
Retirement plan	18,475	5,454	10,512	34,441	3,294	37,735		
Employee benefits	37,516	11,074	21,346	69,936	6,689	76,625		
Advertising and promotion	54,495	7,498	17,112	79,105	11,777	90,882		
Consultants	1,575	2,218	-	3,793	8,321	12,114		
Event and facility administration	249,436	19,401	5,543	274,380	2,771	277,151		
Speaker presentations	350,619	-	-	350,619	-	350,619		
Data processing and supplies	3,328	-	76	3,404	12,529	15,933		
Travel and meals	128,714	1,318	6,883	136,915	38,529	175,444		
Telephone	12,057	112	624	12,793	4	12,797		
Distributions to co-sponsor	3,500	-	-	3,500	-	3,500		
Occupancy	91,287	846	4,726	96,859	32	96,891		
Website and office services	67,003	621	3,469	71,093	23	71,116		
Lobbying	-	-	-	-	105,000	105,000		
Equipment leasing and maintenance	3,009	-	-	3,009	3,512	6,521		
Depreciation	1,819	17	94	1,930	1	1,931		
Insurance	4,878	-	-	4,878	5,077	9,955		
Professional fees	1,956	-	-	1,956	17,590	19,546		
Training	5,124	-	-	5,124	5,125	10,249		
Credit card and bank fees	33,416	-	-	33,416	338	33,754		
Totals	\$ 1,427,249	\$ 160,033	\$ 277,055	\$ 1,864,337	\$ 285,303	\$ 2,149,640		

See Independent Auditors' Report
and Notes to Financial Statements

NEW YORK SECTION AMERICAN CAMPING ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDING JUNE 30, 2014

	Program Services				Support Services		Total Expenses
	Professional Development	Organizational Advancement	Public Guidance Services		Management & General	Total	
			Services	Total Program Services			
Staff compensation	\$ 320,278	\$ 97,420	\$ 189,326	\$ 607,024	\$ 61,637	\$ 668,661	
Payroll taxes	25,432	7,481	14,838	47,751	4,635	52,386	
Retirement plan	17,319	5,268	10,238	32,825	3,332	36,157	
Employee benefits	32,718	9,952	19,341	62,011	6,296	68,307	
Advertising and promotion	57,629	465	9,470	67,564	15,030	82,594	
Consultants	1,000	-	-	1,000	6,212	7,212	
Event and facility administration	239,168	18,589	7,249	265,006	695	265,701	
Speaker presentations	101,734	1,050	-	102,784	-	102,784	
Data processing and supplies	1,022	134	122	1,278	10,882	12,160	
Travel and meals	129,570	20,435	2,195	152,200	23,246	175,446	
Telephone	11,117	1,269	596	12,982	96	13,078	
Distributions to co-sponsor	15,520	-	-	15,520	-	15,520	
Occupancy	68,040	7,766	3,650	79,456	589	80,045	
Website and office services	54,269	6,194	2,912	63,375	470	63,845	
Lobbying	-	-	-	-	61,246	61,246	
Equipment leasing and maintenance	1,638	-	-	1,638	3,176	4,814	
Depreciation	2,588	295	139	3,022	23	3,045	
Insurance	5,199	-	-	5,199	5,372	10,571	
Professional fees	2,250	-	-	2,250	20,525	22,775	
Credit card and bank fees	26,572	-	-	26,572	299	26,871	
Totals	\$ 1,113,063	\$ 176,318	\$ 260,076	\$ 1,549,457	\$ 223,761	\$ 1,773,218	

See Independent Auditors' Report
and Notes to Financial Statements

NEW YORK SECTION AMERICAN CAMPING ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDING JUNE 30,

	<u>2015</u>	<u>2014</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 72,836	\$ 463,931
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,931	3,045
Realized and unrealized (gains) losses on investments	48,567	(224,251)
Changes in assets and liabilities:		
Accounts receivable	(41,148)	43,086
Prepaid expenses	(2,119)	28,116
Accounts payable and accrued expenses	14,388	(15,310)
Deferred revenue	26,080	(27,301)
	<u>120,535</u>	<u>271,316</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(4,041)	-
Proceeds from sale of investments	130,320	8,740
Purchases of investments	(394,320)	(334,569)
	<u>(268,041)</u>	<u>(325,829)</u>
Net change in cash	(147,506)	(54,513)
Beginning cash and cash equivalents	<u>932,283</u>	<u>986,796</u>
Ending cash and cash equivalents	<u>\$ 784,777</u>	<u>\$ 932,283</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditors' Report
and Notes to Financial Statements

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1: NATURE OF ACTIVITIES

The New York Section American Camping Association, Inc. ("the Section") is a non-profit corporation organized in the State of New York. As a chartered affiliate of the American Camping Association ("ACA"), the Section's purpose is to implement ACA's objectives at a local level. ACA's objectives are to enhance the positive growth opportunities available to children and adults through support of organized camping experiences. This is accomplished through a variety of programs that educate individuals involved in operating organized camps; promote responsible health, safety and management practices; promote and guide the public towards realizing the benefits of camping; provide support to camps attended by underprivileged children; and advocate issues affecting camping. The Section is also referred to as "American Camp Association of New York & New Jersey". The Section's membership base is concentrated in the northeastern United States.

NOTE 2: PROGRAMS

The Section's activities are carried out within three major programs, described as follows:

Professional Development – The Section holds several conferences and round-table gatherings to educate camp management and staff on a wide variety of subjects beneficial towards maximizing the benefits of the camp experience to the public. This includes the annual Tri-State Camping Conference, the Emerging Professionals in Camping initiative, the Resident Camp Experience and the Day Camp Conference.

Organizational Advancement – Membership services to members of the Section to provide educational camp event discounts, free camp related publications, access to Section resources and camp networking opportunities. Also runs a camp standards program which provides camp accreditation to member camps through education and observation of camp facilities and programs. The objective is to educate camp management in the administration of key aspects of camp operation, particularly those related to program quality and health and safety of campers and staff.

Public Guidance Service – This program provides direct access to experienced staff counselors and online resources to the public for assistance in their understanding and obtaining optimum benefits from camp experiences. Contact between the public and camps are facilitated as deemed appropriate based on the needs and wishes of inquiring individuals.

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

This summary of the major accounting policies is presented to assist the reader in evaluating the financial statements and other data contained herein.

Basis of Accounting

The financial statements of the Section have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenues and support are recognized when earned, and expenses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the provisions included in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") for "Not-For-Profit Entities", which constitutes accounting principles generally accepted in the United States of America ("GAAP") for non-profit entities such as the Section. GAAP requires the Section to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2015 and 2014, the Section had no temporarily restricted net assets. Permanently restricted net assets are described in Note 7.

Management's Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that management uses.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Section considers all unrestricted highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents in addition to investments in money market mutual funds. Cash and cash equivalents, if any, representing assets permanently restricted to endowment investment are not classified as cash and cash equivalents for the purposes of the statement of cash flows.

Investments

Investments in marketable securities are stated at fair value. The Section's marketable securities consist entirely of exchange traded funds ("ETF's") and mutual funds. All gains and investment income arising from the investments in marketable securities are unrestricted.

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts receivable

Accounts receivable are recorded at net realizable value, and represent membership fees that were earned but not yet collected at the statement of financial position date. As of June 30, 2015 and 2014 management believes its risk of loss on currently recorded receivables is minimal, and accordingly no allowance for doubtful accounts has been provided at this date.

Property and equipment

Property and equipment, which consist of office furniture and fixtures, leasehold improvements and office equipment, are recorded at cost and are stated net of accumulated depreciation. Depreciation of property and equipment is provided utilizing the straight-line method over their estimated useful lives, which are 10 years for furniture and fixtures, 3 to 5 years for equipment and the lesser of the remaining lease term and the estimated useful life for leasehold improvements. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in the results of operations.

Compensated absences

The Section provides vacation and sick pay benefits to its employees. Vacation benefits are accrued as earned and unpaid vacation benefits are included in accrued expenses in the statements of financial position. Unused sick pay benefits do not carry over to the following year and are, accordingly, not accrued.

Revenue and support recognition

The Section receives a portion of dues and service fees collected by the National ACA from members and facilities in its local territory. These are recognized in the period they are collected and payable by the National ACA to the Section. Amounts payable by the National ACA at the statement of financial position date and subsequently collected by the Section are included in accounts receivable.

Contributions received with donor stipulations that limit the use of donated assets are reported as restricted support. All contributions are considered to be available for unrestricted purposes unless specifically restricted by the donors. When a stipulated purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Fees received in advance of the related events are treated as a deferred revenue liability until the event takes place.

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated services

No amounts have been reflected in these financial statements for donated services because they did not meet the criteria for recognition under GAAP. Nevertheless, a substantial number of volunteers (including members of the Section's Board of Directors) donated significant amounts of their time in the Section's program activities; however, no objective basis is available to measure the value of such services.

Functional allocation of expenses

The costs of providing the Section's program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain shared costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Section qualifies as a tax exempt not-for-profit organization under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes is included in these financial statements.

Uncertain Tax Positions

Management has analyzed the tax positions taken by the Section, and has concluded that as of June 30, 2015 and 2014 there are no known uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Section is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes that the Section's tax returns prior to the year ended June 30, 2012 are no longer subject to examination, based on the normal statutory periods subject to audit, notwithstanding any events or circumstances that may exist which could expand the open period.

Advertising

The cost of advertising is expensed as incurred and was \$90,882 and \$82,594 for the years ended June 30, 2015 and 2014, respectively.

Subsequent Events

The Section has evaluated subsequent events through October 20, 2015, the date which the financial statements were available to be issued, for possible recognition or disclosure.

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 4: INVESTMENTS

Investments at fair value are comprised of the following at June 30, 2015:

	<u>Endowment</u>	<u>Operating</u>	<u>Total</u>
<i>Cost</i>			
Mutual Funds	\$ 433,529	\$ 1,152,081	\$ 1,585,610
Exchange-Traded Funds	<u>19,108</u>	<u>141,870</u>	<u>160,978</u>
	<u>\$ 452,637</u>	<u>\$ 1,293,951</u>	<u>\$ 1,746,588</u>
<i>Fair Value</i>			
Mutual Funds	\$ 543,167	\$ 1,351,226	\$ 1,894,393
Exchange-Traded Funds	<u>15,102</u>	<u>128,372</u>	<u>143,474</u>
	<u>\$ 558,269</u>	<u>\$ 1,479,598</u>	<u>\$ 2,037,867</u>
<i>Accumulated Unrealized Gains (Losses)</i>			
Mutual Funds	\$ 109,638	\$ 199,145	\$ 308,783
Exchange-Traded Funds	<u>(4,006)</u>	<u>(13,498)</u>	<u>(17,504)</u>
	<u>\$ 105,632</u>	<u>\$ 185,647</u>	<u>\$ 291,279</u>

Investments at fair value are comprised of the following at June 30, 2014:

	<u>Endowment</u>	<u>Operating</u>	<u>Total</u>
<i>Cost</i>			
Mutual Funds	\$ 414,301	\$ 938,177	\$ 1,352,478
Exchange-Traded Funds	<u>19,108</u>	<u>115,049</u>	<u>134,157</u>
	<u>\$ 433,409</u>	<u>\$ 1,053,226</u>	<u>\$ 1,486,655</u>
<i>Fair Value</i>			
Mutual Funds	\$ 538,265	\$ 1,148,615	\$ 1,686,880
Exchange-Traded Funds	<u>17,115</u>	<u>118,439</u>	<u>135,554</u>
	<u>\$ 555,380</u>	<u>\$ 1,267,054</u>	<u>\$ 1,822,434</u>
<i>Accumulated Unrealized Gains (Losses)</i>			
Mutual Funds	\$ 123,964	\$ 210,438	\$ 334,402
Exchange-Traded Funds	<u>(1,993)</u>	<u>3,390</u>	<u>1,397</u>
	<u>\$ 121,971</u>	<u>\$ 213,828</u>	<u>\$ 335,799</u>

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 4: INVESTMENTS (Continued)

Investments are classified as follows in the statements of financial position at June 30,:

	<u>2015</u>	<u>2014</u>
Investments - at fair value (unrestricted)	\$ 1,838,881	\$ 1,623,448
Endowment assets restricted for long-term purposes	<u>198,986</u>	<u>198,986</u>
	<u>\$ 2,037,867</u>	<u>\$ 1,822,434</u>

The following are the components of net investment income for the years ended June 30,:

	<u>2015</u>	<u>2014</u>
Interest income	\$ 899	\$ 5,558
Dividend income	68,459	39,959
Realized (losses) gains – net	(4,049)	2,527
Unrealized (losses) gains – net	<u>(44,518)</u>	<u>221,724</u>
Total investment income	20,791	269,768
Less – Investment expenses	<u>(11,483)</u>	<u>(10,138)</u>
Net investment income	<u>\$ 9,308</u>	<u>\$ 259,630</u>

NOTE 5: FAIR VALUE MEASUREMENTS

The Section has adopted methods for valuing securities and other instruments including in circumstances in which market quotes are not readily available, and has delegated authority to the Section's investment advisor to apply those methods in making fair value determinations, subject to the Board's oversight. Generally, securities are valued based on quotes available from and provided by the Section's investment advisor, but those values are reviewed internally to ensure that such values are appropriate.

The Section utilizes various methods to measure the fair value of most of its investments on a recurring basis. GAAP establishes a hierarchy that prioritizes inputs to valuation techniques used to measure fair value. The three levels of inputs are as follows:

- *Level 1.* Unadjusted quoted prices in active markets for identical assets or liabilities that the Section has the ability to access.

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 5: FAIR VALUE MEASUREMENTS (Continued)

- *Level 2.* Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.
- *Level 3.* Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Section's own judgments about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized as Level 3.

The Section holds investments in various mutual funds and exchange-traded funds. All of its investment holdings are in securities that are traded in an active market, and accordingly, the fair value is based upon the quoted price reported in the market in which the security trades. This is for all investments held as of and during the years ended June 30, 2015 and 2014.

The following table summarizes the inputs used to value the Section's assets and liabilities measured at fair value as of June 30, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value:				
Operating:				
Mutual Funds:				
Government	\$ 429,835	\$ -	\$ -	\$ 429,835
Growth	405,581	-	-	405,581
Value	284,342	-	-	284,342
International	<u>233,398</u>	<u>-</u>	<u>-</u>	<u>233,398</u>
Total Mutual Funds	<u>1,353,156</u>	<u>-</u>	<u>-</u>	<u>1,353,156</u>
Exchange-Traded Funds	<u>128,373</u>	<u>-</u>	<u>-</u>	<u>128,373</u>

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 5: FAIR VALUE MEASUREMENTS (Continued)

Endowment:				
Mutual Funds:				
Growth	160,238	-	-	160,238
Value	212,122	-	-	212,122
International	<u>168,876</u>	-	-	<u>168,876</u>
Total Mutual Funds	<u>541,236</u>	-	-	<u>541,236</u>
Exchange-Traded Funds	<u>15,102</u>	-	-	<u>15,102</u>
Total Investments	2,037,867	-	-	2,037,867
Less – restricted	<u>(198,986)</u>	-	-	<u>(198,986)</u>
Unrestricted	<u>\$ 1,838,881</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,838,881</u>

The following table summarizes the inputs used to value the Section's assets and liabilities measured at fair value as of June 30, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value:				
Operating:				
Mutual Funds:				
Government	\$ 348,537	\$ -	\$ -	\$ 348,537
Growth	350,218	-	-	350,218
Value	257,387	-	-	257,387
International	<u>197,004</u>	-	-	<u>197,004</u>
Total Mutual Funds	<u>1,153,146</u>	-	-	<u>1,153,146</u>
Exchange-Traded Funds	<u>118,439</u>	-	-	<u>118,439</u>
Endowment:				
Mutual Funds:				
Growth	164,341	-	-	164,341
Value	198,333	-	-	198,333
International	<u>171,060</u>	-	-	<u>171,060</u>
Total Mutual Funds	<u>533,734</u>	-	-	<u>533,734</u>
Exchange-Traded Funds	<u>17,115</u>	-	-	<u>17,115</u>
Total Investments	1,822,434	-	-	1,822,434
Less – restricted	<u>(198,986)</u>	-	-	<u>(198,986)</u>
Unrestricted	<u>\$ 1,623,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,623,448</u>

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NOTE 6: PROPERTY AND EQUIPMENT

The following is a summary of property and equipment and related accumulated depreciation:

	<u>2015</u>	<u>2014</u>
Furniture and fixtures	\$ 38,423	\$ 38,423
Leasehold improvements	7,410	7,410
Equipment	<u>73,430</u>	<u>69,389</u>
Total – at cost	119,263	115,222
Less – accumulated depreciation and amortization	<u>(111,480)</u>	<u>(109,549)</u>
Total - net	<u>\$ 7,783</u>	<u>\$ 5,673</u>

Depreciation expense was \$1,931 and \$3,045 for the years ended June 30, 2015 and 2014, respectively.

NOTE 7: ENDOWMENT FUND

At June 30, 2015 and 2014, the Section's endowment consisted of investments in securities of \$556,339 and \$550,849 and cash of \$1,930 and \$4,531, respectively. The endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The endowment net asset composition by type of fund is as of June 30, 2015:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Net Endowment Assets</u>
Donor-restricted endowment funds	\$ -	\$ 198,986	\$ 198,986
Board-designated endowment funds	<u>359,283</u>	<u>-</u>	<u>359,283</u>
	<u>\$ 359,283</u>	<u>\$ 198,986</u>	<u>\$ 558,269</u>

Changes in endowment net assets are as of June 30, 2015:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Net Endowment Assets</u>
Balances – beginning of year	\$ 356,394	\$ 198,986	\$ 555,380
Purchases	68,795	-	68,795
Sales	(67,271)	-	(67,271)
Withdrawals	(1,522)	-	(1,522)
Realized (losses) - net	(1,195)	-	(1,195)
Interest and dividends	21,500	-	21,500
Fees	(1,079)	-	(1,079)
Unrealized (losses) - net	<u>(16,339)</u>	<u>-</u>	<u>(16,339)</u>
Balances – end of year	<u>\$ 359,283</u>	<u>\$ 198,986</u>	<u>\$ 558,269</u>

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NOTE 7: ENDOWMENT FUND (Continued)

The endowment net asset composition by type of fund is as of June 30, 2014:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Net Endowment Assets</u>
Donor-restricted endowment funds	\$ -	\$ 198,986	\$ 198,986
Board-designated endowment funds	<u>356,394</u>	<u>-</u>	<u>356,394</u>
	<u>\$ 356,394</u>	<u>\$ 198,986</u>	<u>\$ 555,380</u>

Changes in endowment net assets are as of June 30, 2014:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Net Endowment Assets</u>
Balances – beginning of year	\$ 254,177	\$ 198,986	\$ 453,163
Purchases	8,742	-	8,742
Sales	(8,742)	-	(8,742)
Realized (losses) - net	2,527	-	2,527
Interest and dividends	15,215	-	15,215
Fees	(971)	-	(971)
Unrealized (losses) - net	<u>85,446</u>	<u>-</u>	<u>85,446</u>
Balances – end of year	<u>\$ 356,394</u>	<u>\$ 198,986</u>	<u>\$ 555,380</u>

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support the Section's program activities. The specific asset identified with this restriction is classified as "endowment assets restricted for long-term purposes" in the statement of financial position. Gains or losses related to amounts donated for a permanent endowment increase or decrease amounts held for endowment by board designation.

The Board of Directors has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Section classifies the original value of gifts donated to the permanent endowment as permanently restricted net assets. Gains or losses related to the permanent endowment increase or decrease the Board designated portion of the endowment.

The Section has adopted investment and spending policies for long term capital appreciation with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity mutual funds with various investment objectives, that is intended to result in consistent appreciation of the endowment assets. The Section's spending policy does not permit spending of the total net endowment assets or any investment earnings thereon. Accordingly, all earnings on endowment assets are recorded as increases to Board-designated endowment assets.

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NOTE 8: RETIREMENT PLAN

The Section sponsors a defined contribution pension plan (the "Plan") for full-time employees meeting certain eligibility requirements. The Plan requires the Section to contribute 7% annually of each employee's annual salary after 21 months of service. Contributions to the Plan for the years ended June 30, 2015 and 2014 amounted to \$37,735 and \$36,157, respectively.

NOTE 9: COMMITMENTS AND CONTINGENCIESLease Commitment

The Section leases office space under an operating lease expiring July 2016. In addition to base rent, increases are provided for contingent rent based on escalation of certain expenses of the landlord as well as charges for utilities. Rent is expensed as incurred, which does not differ materially from GAAP, which requires straight-lining the expense annually over the lease period. Future minimum lease commitments are as follows as of June 30, 2015:

For the year ended June 30:

2016	\$ 63,030
2017	<u>5,253</u>
	<u>\$ 68,283</u>

The following is a summary of office rent expense for the years ended June 30,:

	<u>2015</u>	<u>2014</u>
Minimum rentals	\$ 82,157	\$ 61,194
Contingent rentals & utilities	<u>14,734</u>	<u>18,851</u>
	<u>\$ 96,891</u>	<u>\$ 80,045</u>

The Section broke their lease as of September 30, 2015, resulting in a \$50,000 payout fee. A new lease was entered into on October 1, 2015 for new office space.

Tri-State Conference

The Section has entered into a commitment with the Atlantic City Convention Center to have its annual Tri-State Conference held at the Convention Center's facility during March 2016. The minimum commitment under this contract is \$38,000 payable in installments starting in September of 2015. The Section has also entered into a commitment with a hotel in the surrounding areas of the Atlantic City Convention Center to reserve rooms/space for the attendees of the aforementioned multi-day Tri-State Conference. The Section would be required to pay the hotel a cancellation fee in the event the Section cancels the contract prior to the event. The cancellation fee ranges from \$40,051 to \$120,699 depending upon the amount of time prior to the event that such cancellation takes place.

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NOTE 10: RISKS AND UNCERTAINTIES

The Section maintains cash balances at commercial banks and with a brokerage institution. Cash balances held by the Section at commercial banks and with the brokerage institution are insured up to \$250,000 in total at each financial institution by the Federal Deposit Insurance Corporation (FDIC). Cash equivalents consist of an investment in a money market mutual fund insured by the FDIC. Balances of cash and cash equivalents exceeding federally insured limits at June 30, 2015 was \$287,863.

The Section invests in investment securities (ETF's and mutual funds). Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and those changes could materially affect the Section's total net assets.

Brokerage accounts are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 per customer, including a maximum of \$250,000 for cash accounts, in the event of insolvency of the broker. The total amount of investments in excess of SIPC-insured limits was \$1,537,868.

The Section collects income and support from various programs, projects and events. As of June 30, 2015, its three primary sources of income are membership dues and service fees (18% of support), program fees (33% of support) and conference exhibitor fees (38%), and a majority of this is from its annual Tri-State Conference. As of June 30, 2014, its three primary sources of income are membership dues and services fees (18% of support), program fees (27% of support) and conference exhibitor fees (38% of support), and a majority of this is from its annual Tri-State Conference.

Although the Section does not have a significant economic dependence on one organization, the American Camping Association (“ACA”) is a pass-through organization for its membership dues and any significant disruption in the financial position or operating results of the ACA could affect the ACA’s ability to remit member dues to the Section on a timely basis. Further, 11% and 99% of the Section’s receivables are due from the ACA at June 30, 2015 and 2014, respectively.

For the March 2015 Tri-State Camping Conference, the Organization hired a high-profile politician as a guest speaker, which resulted in an additional cost of \$260,000. This was a one-time expense and such expenses are not expected to occur in the subsequent year.