

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

FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NEW YORK SECTION AMERICAN CAMPING ASSOCIATION, INC.

TABLE OF CONTENTS

JUNE 30, 2016 AND 2015

	<u>Page</u>
Independent Auditors' Report.....	1-2
Statements of Financial Position – As of June 30, 2016 and 2015.....	3
Statements of Activities – For the year ending June 30, 2016, With summarized activity for the year ended June 30, 2015.....	4
Statements of Functional Expenses – For the years ending June 30, 2016 and 2015.....	5-6
Statements of Cash Flows – For the years ending June 30, 2016 and 2015.....	7
Notes to Financial Statements.....	8-20

WAGNER & ZWERMAN LLP

Certified Public Accountants

Mark Wagner, CPA
Andrew M. Zwerman, CPA
Vincent J. Preto, CPA
John Antinore, CPA

450 Wireless Blvd, Hauppauge, NY 11788
Phone: 631-777-1000 Fax: 631-777-1008
E-mail: staff@wzcpafirm.com

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 statements of financial position as of June 30, 2016 and 2015 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 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 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.

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, 2016 and 2015, 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, 2016
Hauppauge, NY

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

ASSETS

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 487,141	\$ 782,847
Accounts receivable	38,811	53,262
Prepaid expenses	19,844	10,060
Property and equipment - net of depreciation	7,377	7,783
Security deposits	24,000	12,799
Investments - at fair value (including board-designated endowment assets of \$391,865 and \$359,283, respectively)	2,174,691	1,840,811
Endowment assets restricted for long-term purposes:		
Investments - at fair value	198,986	198,986
 TOTAL ASSETS	 \$ 2,950,850	 \$ 2,906,548

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 67,969	\$ 73,515
Deferred revenue	185,591	211,188
Total liabilities	253,560	284,703
NET ASSETS		
Unrestricted - undesignated	2,106,439	2,063,576
Unrestricted - board designated for endowment	391,865	359,283
Total unrestricted net assets	2,498,304	2,422,859
Permanently restricted for endowment	198,986	198,986
Total net assets	2,697,290	2,621,845
 TOTAL LIABILITIES AND NET ASSETS	 \$ 2,950,850	 \$ 2,906,548

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,

	2016			2015 (Summarized)
	<u>UNRESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>	<u>TOTAL</u>
REVENUE AND SUPPORT				
Membership dues and service fees	\$ 446,339	\$ -	\$ 446,339	\$ 426,863
Program fees	706,131	-	706,131	664,786
Conference exhibitor fees	867,412	-	867,412	882,722
Sponsorships and donations	88,675	-	88,675	76,500
Individual contributions	-	-	-	128,670
Net investment (loss) income	(60,049)	-	(60,049)	9,308
Rental income	26,425	-	26,425	-
Advertising income	6,845	-	6,845	-
Other income	42,604	-	42,604	33,627
	<u>2,124,382</u>	<u>-</u>	<u>2,124,382</u>	<u>2,222,476</u>
EXPENSES				
Program services:				
Professional development	1,238,570	-	1,238,570	1,427,249
Organizational advancement	211,692	-	211,692	160,033
Public guidance services	293,176	-	293,176	277,055
Support services:				
Management and general	305,499	-	305,499	285,303
	<u>2,048,937</u>	<u>-</u>	<u>2,048,937</u>	<u>2,149,640</u>
Change in net assets	75,445	-	75,445	72,836
Net assets - beginning of year	<u>2,422,859</u>	<u>198,986</u>	<u>2,621,845</u>	<u>2,549,009</u>
Net assets - end of year	<u>\$ 2,498,304</u>	<u>\$ 198,986</u>	<u>\$ 2,697,290</u>	<u>\$ 2,621,845</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, 2016

	Program Services			Support Services		Total Expenses
	Professional Development	Organizational Advancement	Public Guidance Services	Management and General	Total	
Staff compensation	\$ 286,282	\$ 141,279	\$ 197,151	\$ 70,953	\$ 695,665	
Payroll taxes	13,948	16,894	14,614	4,653	50,109	
Retirement plan	13,662	6,742	9,409	3,386	33,199	
Employee benefits	32,584	16,080	22,439	8,076	79,179	
Advertising and promotion	73,254	8,082	27,077	16,877	125,290	
Consultants	1,395	-	-	-	1,395	
Event and facility administration	221,378	17,218	4,920	2,460	245,976	
Speaker presentations	132,352	-	-	-	132,352	
Data processing and supplies	4,255	980	85	25,176	30,496	
Travel and meals	134,183	-	1,253	43,873	179,309	
Telephone	9,370	159	583	228	10,340	
Occupancy	163,666	2,770	10,178	3,998	180,612	
Website and office services	85,649	1,450	5,326	2,092	94,517	
Lobbying	-	-	-	80,000	80,000	
Equipment leasing and maintenance	84	-	-	17,620	17,704	
Depreciation	2,271	38	141	56	2,506	
Insurance	8,502	-	-	8,849	17,351	
Professional fees	1,878	-	-	16,897	18,775	
Training	23,696	-	-	-	23,696	
Credit card and bank fees	30,161	-	-	305	30,466	
Totals	\$ 1,238,570	\$ 211,692	\$ 293,176	\$ 305,499	\$ 2,048,937	

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 and 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.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDING JUNE 30,

	<u>2016</u>	<u>2015</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ 75,445	\$ 72,836
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,506	1,931
Realized and unrealized losses on investments	120,680	48,567
Changes in assets and liabilities:		
Accounts receivable	14,451	(41,148)
Prepaid expenses	(9,784)	(2,119)
Security deposits	(11,201)	-
Accounts payable and accrued expenses	(5,546)	14,388
Deferred revenue	(25,598)	26,080
	<u>160,953</u>	<u>120,535</u>
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchases) of fixed assets	(2,100)	(4,041)
Proceeds from sale of investments	1,578,053	130,320
(Purchases) of investments	(2,032,612)	(396,250)
	<u>(456,659)</u>	<u>(269,971)</u>
Net change in cash	(295,706)	(149,436)
Beginning cash and cash equivalents	<u>782,847</u>	<u>932,283</u>
Ending cash and cash equivalents	<u>\$ 487,141</u>	<u>\$ 782,847</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, 2016 AND 2015

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 Services – 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, 2016 AND 2015

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, 2016 and 2015, 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, 2016 AND 2015

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, 2016 and 2015 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, 2016 AND 2015

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, 2016 and 2015 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, 2013 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 \$125,290 and \$90,882 for the years ended June 30, 2016 and 2015, respectively.

Reclassifications

Certain amounts in the June 30, 2015 financial statements have been reclassified to conform with the June 30, 2016 presentation.

Subsequent Events

The Section has evaluated subsequent events through October 20, 2016, 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, 2016 AND 2015

NOTE 4: INVESTMENTS

Investments at fair value are comprised of the following at June 30, 2016:

	<u>Endowment</u>	<u>Operating</u>	<u>Total</u>
<i>Cost</i>			
Cash and Cash Equivalents	\$ 3,026	\$ -	\$ 3,026
Mutual Funds	500,609	1,134,094	1,634,703
Fixed Income	-	247,030	247,030
Exchange-Traded Funds	<u>19,020</u>	<u>261,555</u>	<u>280,575</u>
	<u>\$ 522,655</u>	<u>\$ 1,642,679</u>	<u>\$ 2,165,334</u>
 <i>Fair Value</i>			
Cash and Cash Equivalents	\$ 3,026	\$ -	\$ 3,026
Mutual Funds	571,142	1,254,944	1,826,086
Fixed Income	-	248,909	248,909
Exchange-Traded Funds	<u>16,683</u>	<u>278,973</u>	<u>295,656</u>
	<u>\$ 590,851</u>	<u>\$ 1,782,826</u>	<u>\$ 2,373,677</u>
 <i>Accumulated Unrealized Gains (Losses)</i>			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Mutual Funds	70,533	120,850	191,383
Fixed Income	-	1,879	1,879
Exchange-Traded Funds	<u>(2,337)</u>	<u>17,418</u>	<u>15,081</u>
	<u>\$ 68,196</u>	<u>\$ 140,147</u>	<u>\$ 208,343</u>

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>			
Cash and Cash Equivalents	\$ 1,929	\$ -	\$ 1,929
Mutual Funds	431,599	1,154,011	1,585,610
Exchange-Traded Funds	<u>19,108</u>	<u>141,870</u>	<u>160,978</u>
	<u>\$ 452,636</u>	<u>\$ 1,295,881</u>	<u>\$ 1,748,517</u>
 <i>Fair Value</i>			
Cash and Cash Equivalents	\$ 1,929	\$ -	\$ 1,929
Mutual Funds	541,237	1,353,156	1,894,393
Exchange-Traded Funds	<u>15,103</u>	<u>128,372</u>	<u>143,475</u>
	<u>\$ 558,269</u>	<u>\$ 1,481,528</u>	<u>\$ 2,039,797</u>

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 4: INVESTMENTS (Continued)

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

<i>Accumulated Unrealized Gains (Losses)</i>	<u>Endowment</u>	<u>Operating</u>	<u>Total</u>
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Mutual Funds	109,638	199,145	308,783
Exchange-Traded Funds	<u>(4,005)</u>	<u>(13,498)</u>	<u>(17,503)</u>
	<u>\$ 105,633</u>	<u>\$ 185,647</u>	<u>\$ 291,2</u>

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

	<u>2016</u>	<u>2015</u>
Investments - at fair value (unrestricted)	\$ 2,154,982	\$ 1,823,779
Endowment assets restricted for long-term purposes	<u>198,986</u>	<u>198,986</u>
	<u>\$ 2,373,677</u>	<u>\$ 2,039,797</u>

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

	<u>2016</u>	<u>2015</u>
Interest income	\$ 710	\$ 899
Dividend income	71,893	68,459
Realized (losses) – net	(37,747)	(4,049)
Unrealized (losses) – net	<u>(82,933)</u>	<u>(44,518)</u>
Total investment income	(48,077)	20,791
Less – Investment expenses	<u>(11,972)</u>	<u>(11,483)</u>
Net investment income	<u>\$ (60,049)</u>	<u>\$ 9,308</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.

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 5: FAIR VALUE MEASUREMENTS (Continued)

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.
- *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, 2016 and 2015.

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 5: FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes the inputs used to value the Section's assets and liabilities measured at fair value as of June 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value:				
Operating:				
Fixed Income:				
Government	\$ 157,451	\$ -	\$ -	\$ 157,451
Municipal	<u>91,458</u>	<u>-</u>	<u>-</u>	<u>91,458</u>
Total Fixed Income	<u>248,909</u>	<u>-</u>	<u>-</u>	<u>248,909</u>
Mutual Funds:				
Growth	452,220	-	-	452,220
Value	452,419	-	-	452,419
International	<u>350,305</u>	<u>-</u>	<u>-</u>	<u>350,305</u>
Total Mutual Funds	<u>1,254,944</u>	<u>-</u>	<u>-</u>	<u>1,254,944</u>
Exchange-Traded Funds	<u>278,973</u>	<u>-</u>	<u>-</u>	<u>278,973</u>
Endowment:				
Mutual Funds:				
Growth	172,337	-	-	172,337
Value	208,820	-	-	208,820
International	<u>189,985</u>	<u>-</u>	<u>-</u>	<u>189,985</u>
Total Mutual Funds	<u>571,142</u>	<u>-</u>	<u>-</u>	<u>571,142</u>
Exchange-Traded Funds	<u>16,683</u>	<u>-</u>	<u>-</u>	<u>16,683</u>
Total Investments	2,370,651	-	-	2,370,651
Less – restricted	<u>(198,986)</u>	<u>-</u>	<u>-</u>	<u>(198,986)</u>
Unrestricted	<u>\$ 2,171,665</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,171,665</u>

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 5: FAIR VALUE MEASUREMENTS (Continued)

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	233,398	-	-	233,398
Total Mutual Funds	<u>1,353,156</u>	<u>-</u>	<u>-</u>	<u>1,353,156</u>
Exchange-Traded Funds	<u>128,372</u>	<u>-</u>	<u>-</u>	<u>128,372</u>
Endowment:				
Mutual Funds:				
Growth	160,238	-	-	160,238
Value	212,122	-	-	212,122
International	168,877	-	-	168,877
Total Mutual Funds	<u>541,237</u>	<u>-</u>	<u>-</u>	<u>541,237</u>
Exchange-Traded Funds	<u>15,102</u>	<u>-</u>	<u>-</u>	<u>15,102</u>
Total Investments	2,037,867	-	-	2,037,867
Less – restricted	<u>(198,986)</u>	<u>-</u>	<u>-</u>	<u>(198,986)</u>
Unrestricted	<u>\$ 1,838,881</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,838,881</u>

NOTE 6: PROPERTY AND EQUIPMENT

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

	<u>2016</u>	<u>2015</u>
Furniture and fixtures	\$ 40,523	\$ 38,423
Leasehold improvements	7,410	7,410
Equipment	<u>73,430</u>	<u>73,430</u>
Total – at cost	113,953	119,263
Less – accumulated depreciation and amortization	<u>(106,576)</u>	<u>(111,480)</u>
Total - net	<u>\$ 7,377</u>	<u>\$ 7,783</u>

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 6: PROPERTY AND EQUIPMENT (Continued)

Depreciation expense was \$2,506 and \$1,931 for the years ended June 30, 2016 and 2015, respectively.

NOTE 7: ENDOWMENT FUND

At June 30, 2016 and 2015, the Section's endowment consisted of investments in securities of \$587,825 and \$556,339 and cash of \$3,026 and \$1,930, 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, 2016:

	<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>391,865</u>	<u>-</u>	<u>391,865</u>
	<u>\$ 391,865</u>	<u>\$ 198,986</u>	<u>\$ 590,851</u>

Changes in endowment net assets are as follows for the year ended June 30, 2016:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Net Endowment Assets</u>
Balances – beginning of year	\$ 359,283	\$ 198,986	\$ 558,269
Purchases	47,830	-	47,830
Deposits	52,138	-	52,138
Withdrawals	(50,056)	-	(50,056)
Interest and dividends	21,180	-	21,180
Fees	(1,074)	-	(1,074)
Unrealized (losses) - net	<u>(37,436)</u>	<u>-</u>	<u>(37,436)</u>
Balances – end of year	<u>\$ 391,865</u>	<u>\$ 198,986</u>	<u>\$ 590,851</u>

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>

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 7: ENDOWMENT FUND (Continued)

Changes in endowment net assets are as follows for the year ended 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>

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.

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, 2016 and 2015 amounted to \$33,199 and \$37,735, respectively.

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 9: COMMITMENTS AND CONTINGENCIES

Lease Commitment

The Section leases office space under an operating lease expiring January 2018. 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, 2016:

For the year ended June 30:	
2017	\$ 148,320
2018	<u>89,357</u>
	<u>\$ 237,677</u>

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

	<u>2016</u>	<u>2015</u>
Minimum rentals	\$ 173,579	\$ 82,157
Contingent rentals & utilities	<u>7,033</u>	<u>14,734</u>
	<u>\$ 180,612</u>	<u>\$ 96,891</u>

The Section receives rental income for office space under an operating lease expiring January 2018. In addition to base rent, increases are received for contingent rent based on escalation of certain expenses, as well as charges for utilities. Rent is recorded as revenue as earned, which does not differ materially from GAAP, which requires straight-lining the revenue annually over the lease period. Future minimum lease commitments are as follows as of June 30, 2016:

For the year ended June 30:	
2017	\$ 35,100
2018	<u>12,316</u>
	<u>\$ 46,816</u>

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 2017. The minimum commitment under this contract is \$38,000 payable in installments starting in September of 2016. 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 \$58,757 to \$141,776 depending upon the amount of time prior to the event that such cancellation takes place.

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

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, 2016 was \$218,738.

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 \$1,870,653.

The Section collects income and support from various programs, projects and events. As of June 30, 2016, its three primary sources of income are membership dues and service fees (21% of support), program fees (33% of support) and conference exhibitor fees (41%), and a majority of this is from its annual Tri-State Conference. As of June 30, 2015, its three primary sources of income are membership dues and services fees (19% of support), program fees (30% of support) and conference exhibitor fees (40% 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, 0% and 11% of the Section’s receivables are due from the ACA at June 30, 2016 and 2015, respectively.