

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

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

NEW YORK SECTION AMERICAN CAMPING ASSOCIATION, INC.

TABLE OF CONTENTS

JUNE 30, 2020 AND 2019

	<u>Page</u>
Independent Auditors' Report.....	1-2
Statements of Financial Position – As of June 30, 2020 and 2019.....	3
Statements of Activities – For the year ending June 30, 2020 and 2019.....	4
Statements of Functional Expenses – For the years ending June 30, 2020 and 2019.....	5-6
Statements of Cash Flows – For the years ending June 30, 2020 and 2019.....	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
Kelly J. Schmidt, CPA

201 Old Country Road, Suite 202
Melville, NY 11747
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, 2020 and 2019 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New York Section American Camping Association, Inc. as of June 30, 2020 and 2019, 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 & ZWERMANN LLP
Certified Public Accountants
November 20, 2020
Melville, NY

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

ASSETS

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 552,706	\$ 439,466
Accounts receivable	-	75,892
Prepaid expenses	6,516	28,129
Property and equipment - net of depreciation	2,447	5,843
Security deposits	-	24,000
Investments - at fair value (including board-designated endowment assets of \$508,506 and \$562,141, respectively)	2,621,241	2,738,898
Endowment assets restricted for long-term purposes: Investments - at fair value	<u>198,986</u>	<u>198,986</u>
 TOTAL ASSETS	 <u>\$ 3,381,896</u>	 <u>\$ 3,511,214</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 166,624	\$ 84,618
Loan - U.S. SBA Paycheck Protection Program	114,700	-
Deferred revenue	70,972	175,601
Total liabilities	<u>352,296</u>	<u>260,219</u>
 NET ASSETS		
Net assets without donor restrictions:		
Undesignated	2,322,108	2,489,868
Designated for endowment	508,506	562,141
Total net assets without donor restrictions	<u>2,830,614</u>	<u>3,052,009</u>
 Net assets with donor restrictions	 <u>198,986</u>	 <u>198,986</u>
 Total net assets	 <u>3,029,600</u>	 <u>3,250,995</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,381,896</u>	 <u>\$ 3,511,214</u>

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,

	<u>2020</u>	<u>2019</u>
REVENUE AND SUPPORT		
Membership dues and service fees	\$ 434,781	\$ 476,707
Program fees	536,247	621,094
Conference exhibitor fees	854,587	876,418
Sponsorships and donations	70,900	72,384
Net investment (loss)	(115,456)	(16,748)
Rental income	40,997	41,028
Other income	27,672	38,376
Total revenue and support	<u>1,849,728</u>	<u>2,109,259</u>
EXPENSES		
Program services:		
Professional development	1,405,115	1,362,908
Organizational advancement	122,548	201,765
Public guidance services	315,598	361,842
Total program expenses	<u>1,843,261</u>	<u>1,926,515</u>
Support services:		
Management and general	<u>227,862</u>	<u>195,206</u>
Total expenses	<u>2,071,123</u>	<u>2,121,721</u>
Change in net assets without donor restrictions	(221,395)	(12,462)
Change in net assets with donor restrictions	<u>-</u>	<u>-</u>
Total change in net assets	(221,395)	(12,462)
Net assets - beginning of year	<u>3,250,995</u>	<u>3,263,457</u>
Net assets - end of year	<u>\$ 3,029,600</u>	<u>\$ 3,250,995</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, 2020

	Program Services			Total Program Services	Support Services	Total Expenses
	Professional Development	Organizational Advancement	Public Guidance Services		Management and General	
Staff compensation	\$ 382,576	\$ 75,120	\$ 160,996	\$ 618,692	\$ 28,688	\$ 647,380
Payroll taxes	29,761	5,844	12,524	48,129	2,232	50,361
Retirement plan	22,968	4,510	9,666	37,144	1,722	38,866
Employee benefits	54,143	10,631	22,785	87,559	4,060	91,619
Advertising and promotion	77,707	-	77,706	155,413	-	155,413
Event and facility administration	266,359	20,717	5,919	292,995	2,960	295,955
Speaker presentations	123,439	-	-	123,439	-	123,439
Data processing and supplies	3,975	-	87	4,062	14,928	18,990
Travel and meals	102,944	5,726	2,148	110,818	32,358	143,176
Telephone	3,318	-	116	3,434	399	3,833
Occupancy	234,619	-	8,181	242,800	28,239	271,039
Website and office services	19,813	-	691	20,504	2,385	22,889
Lobbying	-	-	-	-	80,000	80,000
Equipment leasing and maintenance	679	-	-	679	6,245	6,924
Depreciation	2,940	-	102	3,042	354	3,396
Insurance	6,723	-	-	6,723	6,997	13,720
Professional fees	30,577	-	14,677	45,254	15,900	61,154
Training	3,441	-	-	3,441	-	3,441
Credit card and bank fees	39,133	-	-	39,133	395	39,528
Totals	<u>\$ 1,405,115</u>	<u>\$ 122,548</u>	<u>\$ 315,598</u>	<u>\$ 1,843,261</u>	<u>\$ 227,862</u>	<u>\$ 2,071,123</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, 2019

	Program Services			Total Program Services	Support Services	Total Expenses
	Professional Development	Organizational Advancement	Public Guidance Services		Management and General	
Staff compensation	\$ 334,321	\$ 139,098	\$ 188,666	\$ 662,085	\$ 31,745	\$ 693,830
Payroll taxes	25,409	10,572	14,339	50,320	2,413	52,733
Retirement plan	18,222	7,581	10,283	36,086	1,730	37,816
Employee benefits	46,921	18,511	26,949	92,381	4,402	96,783
Advertising and promotion	92,362	-	92,361	184,723	-	184,723
Event and facility administration	255,355	19,859	5,674	280,888	2,818	283,706
Speaker presentations	150,171	-	-	150,171	-	150,171
Data processing and supplies	6,281	-	69	6,350	8,185	14,535
Travel and meals	110,436	6,144	2,304	118,884	34,713	153,597
Telephone	2,865	-	117	2,982	96	3,078
Occupancy	165,429	-	6,753	172,182	5,565	177,747
Website and office services	75,881	-	3,098	78,979	2,553	81,532
Lobbying	-	-	-	-	80,000	80,000
Equipment leasing and maintenance	337	-	-	337	1,326	1,663
Depreciation	3,567	-	146	3,713	120	3,833
Insurance	6,836	-	-	6,836	7,116	13,952
Professional fees	23,083	-	11,083	34,166	12,000	46,166
Training	3,500	-	-	3,500	-	3,500
Credit card and bank fees	41,932	-	-	41,932	424	42,356
Totals	<u>\$ 1,362,908</u>	<u>\$ 201,765</u>	<u>\$ 361,842</u>	<u>\$ 1,926,515</u>	<u>\$ 195,206</u>	<u>\$ 2,121,721</u>

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>2020</u>	<u>2019</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	\$ (221,395)	\$ (12,462)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,396	3,833
Realized and unrealized loss on investments	165,514	54,089
Changes in assets and liabilities:		
Accounts receivable	75,892	(26,385)
Prepaid expenses	21,613	35,396
Accounts payable and accrued expenses	82,007	1,098
Deferred revenue	(104,629)	3,529
	<u>46,398</u>	<u>59,098</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	2,820,727	462,538
(Purchases) of investments	(2,868,585)	(404,654)
	<u>(47,858)</u>	<u>57,884</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Loan proceeds - U.S. SBA Paycheck Protection Program	114,700	-
	<u>114,700</u>	<u>-</u>
Net change in cash	113,240	116,982
Beginning cash and cash equivalents	<u>439,466</u>	<u>322,484</u>
Ending cash and cash equivalents	<u>\$ 552,706</u>	<u>\$ 439,466</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, 2020 AND 2019

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, 2020 AND 2019

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.

In August 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-For-Profit Entities*. The objective of the new guidance is to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity’s liquidity, financial performance and cash flows. The main provisions of this update require a not-for-profit to present on the face of the financial statements two classes of net assets, rather than for the previously required three classes. The Organization has adopted the new guidance for the year ending June 30, 2019.

Recently Issued Accounting Pronouncements

In July 2017, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update ASU No. 2017-13, *Revenue Recognition (Topic 606)*. The objective of the new guidance is to establish principles to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue from contracts with customers. The Organization will adopt this new guidance effective July 1, 2020. The adoption of the new guidance will not have a material impact on the financial position and results of operations of the Section, and it will be adopted effective July 1, 2020.

In July 2017, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update ASU No. 2017-13, *Leases (Topic 840) and Leases (Topic 842)*. The new standards will require organizations that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. The Organization is assessing the impact of the new guidance that will be implemented effective July 1, 2021.

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2020 and 2019 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.

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Uncertain Tax Positions

Management has analyzed the tax positions taken by the Section, and has concluded that as of June 30, 2020 and 2019 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, 2017 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.

Loan – U.S. SBA Paycheck Protection Program

In April 2020, the Section received proceeds in the amount of \$114,700 under the United States Small Business Administration Paycheck Protection Program ("PPP"). The PPP, was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The Section is accounting for the loan as a financial liability under FASB ASC 470. The Section intends to seek forgiveness of the PPP loan and is following the guidance under FASB ASC 405-20-40-1 in which the loan would remain a liability until either (1) partially or wholly forgiven and the Section would be legally released or (2) the debtor pay off the loan.

Advertising

The cost of advertising is expensed as incurred and was \$155,413 and \$184,723 for the years ended June 30, 2020 and 2019, respectively.

Subsequent Events

The Section has evaluated subsequent events through November 20, 2020, 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, 2020 AND 2019

NOTE 4: LIQUIDITY OF FINANCIAL ASSETS

The Organization has a liquidity management policy, which structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$ 552,706
Investments – at fair value	<u>2,621,241</u>
	3,173,947
Less – Donor-restricted endowment assets	(198,986)
Less – Board designated endowment assets	(508,506)
Less – Exhibitor fees collected in advance	(70,972)
Less – Other liabilities due within one year	<u>(166,624)</u>
Net liquid assets available for general expenditure	<u>\$ 2,228,859</u>

NOTE 5: INVESTMENTS

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

	<u>2020</u>	<u>2019</u>
Investments - at fair value (unrestricted)	\$ 2,621,241	\$ 2,738,898
Endowment assets restricted for long-term purposes	<u>198,986</u>	<u>198,986</u>
	<u>\$ 2,820,227</u>	<u>\$ 2,937,884</u>

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

	<u>2020</u>	<u>2019</u>
Interest income	\$ 11,596	\$ 10,527
Dividend income	52,963	40,746
Realized gains – net	108,318	114,288
Unrealized (losses) – net	<u>(273,832)</u>	<u>(168,377)</u>
Total investment (loss)	(100,955)	(2,816)
Less – Investment expenses	<u>(14,501)</u>	<u>(13,932)</u>
Net investment (loss)	<u>\$ (115,456)</u>	<u>\$ (16,748)</u>

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 6: 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.
- *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, 2020 and 2019.

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 6: 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, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value:				
Operating:				
Fixed Income:				
Government	\$ 163,676	-	-	\$ 163,676
Municipal	185,676	-	-	185,676
Total Fixed Income	<u>349,352</u>	<u>-</u>	<u>-</u>	<u>349,352</u>
Mutual Funds:				
International	<u>2,839</u>	<u>-</u>	<u>-</u>	<u>2,839</u>
Common Stock:				
Basic Materials	5,279	-	-	5,279
Communication Services	57,230	-	-	57,230
Consumer Cyclical	87,123	-	-	87,123
Consumer Defensive	28,295	-	-	28,295
Financial Services	32,687	-	-	32,687
Healthcare	91,000	-	-	91,000
Industrials	54,622	-	-	54,622
Technology	191,828	-	-	191,828
Total Common Stock	<u>548,064</u>	<u>-</u>	<u>-</u>	<u>548,064</u>
Exchange-Traded Funds	<u>1,212,507</u>	<u>-</u>	<u>-</u>	<u>1,212,507</u>
Endowment:				
Mutual Funds:				
Growth	258,638	-	-	258,638
Value	197,306	-	-	197,306
International	105,974	-	-	105,974
Total Mutual Funds	<u>561,918</u>	<u>-</u>	<u>-</u>	<u>561,918</u>
Exchange-Traded Funds	<u>140,989</u>	<u>-</u>	<u>-</u>	<u>140,989</u>
Total Investments	2,815,669	-	-	2,815,669
Less- restricted	(198,986)	-	-	(198,986)
Unrestricted	<u>\$ 2,616,683</u>	<u>-</u>	<u>-</u>	<u>\$2,616,683</u>
Plus: Cash held in endowment				4,558
Total unrestricted investments				<u>\$ 2,621,241</u>

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 6: 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, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value:				
Operating:				
Fixed Income:				
Government	\$ 135,818	-	-	\$ 135,818
Municipal	183,811	-	-	183,811
Total Fixed Income	<u>319,629</u>	<u>-</u>	<u>-</u>	<u>319,629</u>
Mutual Funds:				
Growth	552,361	-	-	552,361
Value	534,051	-	-	534,051
International	464,382	-	-	464,382
Total Mutual Funds	<u>1,550,794</u>	<u>-</u>	<u>-</u>	<u>1,550,794</u>
Exchange-Traded Funds	<u>306,363</u>	<u>-</u>	<u>-</u>	<u>306,363</u>
Endowment:				
Mutual Funds:				
Growth	201,543	-	-	201,543
Value	270,137	-	-	270,137
International	254,968	-	-	254,968
Total Mutual Funds	<u>726,648</u>	<u>-</u>	<u>-</u>	<u>726,648</u>
Exchange-Traded Funds	<u>32,092</u>	<u>-</u>	<u>-</u>	<u>32,092</u>
Total Investments	2,935,526	-	-	2,935,526
Less- restricted	(198,986)	-	-	(198,986)
Unrestricted	<u>\$ 2,736,540</u>	<u>-</u>	<u>-</u>	<u>\$2,736,540</u>
Plus: Cash held in endowment				2,358
Total unrestricted investments				<u>\$ 2,738,898</u>

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 7: PROPERTY AND EQUIPMENT

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

	<u>2020</u>	<u>2019</u>
Furniture and fixtures	\$ 40,523	\$ 40,523
Equipment	<u>80,342</u>	<u>80,342</u>
Total – at cost	120,865	120,865
Less – accumulated depreciation and amortization	<u>(118,418)</u>	<u>(115,022)</u>
Total - net	<u>\$ 2,447</u>	<u>\$ 5,843</u>

Depreciation expense was \$3,396 and \$3,833 for the years ended June 30, 2020 and 2019, respectively.

NOTE 8: ENDOWMENT FUND

At June 30, 2020 and 2019, the Section's endowment consisted of investments in securities of \$702,904 and \$758,740 and cash of \$4,588 and \$2,389, 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, 2020:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Net Endowment Assets</u>
Donor-restricted endowment funds	\$ -	\$ 198,986	\$ 198,986
Board-designated endowment funds	<u>508,506</u>	<u>-</u>	<u>508,506</u>
	<u>\$ 508,506</u>	<u>\$ 198,986</u>	<u>\$ 707,492</u>

Changes in endowment net assets are as follows for the year ended June 30, 2020:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Net Endowment Assets</u>
Balances – beginning of year	\$ 562,141	\$ 198,986	\$ 761,127
Purchases	430,672	-	430,672
Sales	(333,024)	-	(333,024)
Interest and dividends	45,680	-	45,680
Fees	(1,668)	-	(1,668)
Unrealized gains – net	<u>(195,295)</u>	<u>-</u>	<u>(195,295)</u>
Balances – end of year	<u>\$ 508,506</u>	<u>\$ 198,986</u>	<u>\$ 707,492</u>

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 8: ENDOWMENT FUND (Continued)

The endowment net asset composition by type of fund is as of June 30, 2019:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Net Endowment Assets</u>
Donor-restricted endowment funds	\$ -	\$ 198,986	\$ 198,986
Board-designated endowment funds	<u>562,141</u>	<u>-</u>	<u>562,141</u>
	<u>\$ 562,141</u>	<u>\$ 198,986</u>	<u>\$ 761,127</u>

Changes in endowment net assets are as follows for the year ended June 30, 2019:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Net Endowment Assets</u>
Balances – beginning of year	\$ 572,456	\$ 198,986	\$ 771,442
Purchases	47,416	-	47,416
Sales	(47,625)	-	(47,625)
Interest and dividends	38,469	-	38,469
Fees	(1,528)	-	(1,528)
Unrealized gains - net	<u>(47,047)</u>	<u>-</u>	<u>(47,047)</u>
Balances – end of year	<u>\$ 562,141</u>	<u>\$ 198,986</u>	<u>\$ 761,127</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. The Organization will utilize the board-designated endowment funds for potential significant capital expenditures which would require a substantial amount of money in order to complete.

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 9: 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, 2020 and 2019 amounted to \$38,866 and \$37,816, respectively.

NOTE 10: COMMITMENTS AND CONTINGENCIES

Lease Commitment

The Section had leased office space under an operating lease which would have expired in March 2021. The lease was terminated early and the last rent payment was made May 2020. Due to the early termination of the lease, American Camp Association paid Ramp Up Technologies, LLC a \$100,000 settlement. In addition to the settlement payment, American Camp Association waived any interest in, released and surrendered to Ramp Up Technologies the security deposit held in the amount of \$24,000. Both amounts are included in the occupancy expense on the statement of functional expenses.

The Section received rental income for office space under an operating lease, which expired January 2020 and was renewed through January 31, 2021. The operating lease was terminated early and the last rental income payment received was in June 2020.

NOTE 11: 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). 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. 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, 2020 was \$287,657. The total amount of investments in excess of SIPC-insured limits was \$2,315,641.

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.

NEW YORK SECTION
AMERICAN CAMPING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 11: RISKS AND UNCERTAINTIES (Continued)

The Section collects income and support from various programs, projects and events. For the year ended June 30, 2020, its three primary sources of income are membership dues and service fees (24% of support), program fees (29% of support) and conference exhibitor fees (46%), and a majority of this is from its annual Tri-State Conference. For the year ended June 30, 2019, its three primary sources of income are membership dues and services fees (23% of support), program fees (29% of support) and conference exhibitor fees (42% of support), and a majority of this is from its annual Tri-State Conference.

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a “Public Health Emergency of International Concern.” As a result of the spread of the COVID 19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the Organization’s operating results. At this point, the extent to which COVID-19 may impact the Organization’s financial condition or results of operations is uncertain. The extent of the impact of COVID-19 will depend on certain developments, including the duration and spread of the outbreak, all of which are uncertain and cannot be predicted.