

AMERICAN CAMPING ASSOCIATION, INC.  
AND  
AMERICAN CAMPING FOUNDATION, INC.  
*Consolidated Financial Statements*  
TOGETHER WITH INDEPENDENT AUDITORS' REPORT  
*June 30, 2006 and 2005*

Greenwalt Sponsel & Co., Inc.

We Deliver Peace of Mind

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# GS&CO Greenwalt Sponsel & Co., Inc.

Business & Financial Advisors

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

To the Boards of Directors of  
American Camping Association, Inc. and  
American Camping Foundation, Inc.:

We have audited the accompanying consolidated statement of financial position of American Camping Association, Inc. and American Camping Foundation, Inc., as of June 30, 2006, and the related consolidated statements of activities and cash flows for the year then ended. These financial statements are the responsibility of American Camping Association, Inc. and American Camping Foundation, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of American Camping Association, Inc. and American Camping Foundation, Inc., as of June 30, 2005, were audited by other auditors whose report dated August 26, 2005 expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of American Camping Association, Inc. and American Camping Foundation, Inc. as of June 30, 2006, and the changes in their net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

*Greenwalt Sponsel & Co., Inc.*

August 25, 2006

**AMERICAN CAMPING ASSOCIATION, INC. AND AMERICAN CAMPING FOUNDATION, INC.***Consolidated Statements of Financial Position**June 30, 2006 and 2005*

	<u>2006</u>	<u>2005</u>
<b><u>ASSETS</u></b>		
<b>Assets</b>		
Cash and cash equivalents (including designated cash of \$24,089 and \$21,454, for 2006 and 2005, respectively)	\$ 1,129,784	\$ 522,350
Accounts receivable, net of allowance of \$5,000 in 2006 and 2005	139,277	130,782
Contributions receivable, net of allowance of \$69,400 and \$41,054, for 2006 and 2005, respectively	798,132	379,875
Interest receivable	9,235	7,652
Prepaid expenses	69,954	91,101
Inventory	156,138	292,019
Investments	3,007,031	3,405,396
Assets held in split interest agreements	210,943	211,730
Building and equipment, net	640,897	682,298
	<u>\$ 6,161,391</u>	<u>\$ 5,723,203</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 296,832	\$ 214,787
Payable to Sections	453,325	354,346
Unearned dues	1,172,443	1,119,527
Escrow funds	26,646	22,111
Liability under split interest agreements	152,559	156,093
<i>Total liabilities</i>	<u>2,101,805</u>	<u>1,866,864</u>
<b>Commitments (Note 9)</b>		
<b>Net Assets</b>		
Unrestricted	745,865	1,222,368
Temporarily restricted	1,292,183	683,603
Permanently restricted	2,021,538	1,950,368
<i>Total net assets</i>	<u>4,059,586</u>	<u>3,856,339</u>
<i>Total liabilities and net assets</i>	<u>\$ 6,161,391</u>	<u>\$ 5,723,203</u>

**AMERICAN CAMPING ASSOCIATION, INC. AND AMERICAN CAMPING FOUNDATION, INC.**

*Consolidated Statement of Activities*

*For the Year Ended June 30, 2006*

	2006			<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
<b>Revenues and Other Support</b>				
Membership dues and camp fees	\$ 4,006,520	\$ -	\$ -	\$ 4,006,520
Conference and education	667,247	-	-	667,247
Publications revenue	598,223	-	-	598,223
Grants and contributions	466,362	1,075,266	71,170	1,612,798
Investment income	126,985	18,096	-	145,081
Royalties and commissions	177,444	-	-	177,444
Miscellaneous	78,169	-	-	78,169
	<u>6,120,950</u>	<u>1,093,362</u>	<u>71,170</u>	<u>7,285,482</u>
Net assets released from restrictions	<u>490,627</u>	<u>(490,627)</u>	<u>-</u>	<u>-</u>
	<u>6,611,577</u>	<u>602,735</u>	<u>71,170</u>	<u>7,285,482</u>
<b>Expenses</b>				
Distribution to Sections	2,174,042	-	-	2,174,042
Member and field services	361,782	-	-	361,782
Camp and youth development education	1,187,800	-	-	1,187,800
Education publications	845,442	-	-	845,442
Public services				
Standards program	455,324	-	-	455,324
Government relations	52,703	-	-	52,703
Public relations	542,243	-	-	542,243
Scholarships and grants	313,227	-	-	313,227
<i>Total program services</i>	<u>5,932,563</u>	<u>-</u>	<u>-</u>	<u>5,932,563</u>
Management and general				
General and administration	644,493	-	-	644,493
Governance	319,690	-	-	319,690
Fund development	212,612	-	-	212,612
	<u>7,109,358</u>	<u>-</u>	<u>-</u>	<u>7,109,358</u>
<b>Change in Net Assets From Operations</b>	(497,781)	602,735	71,170	176,124
Net unrealized/realized gains	<u>21,278</u>	<u>5,845</u>	<u>-</u>	<u>27,123</u>
<b>Change in Net Assets</b>	(476,503)	608,580	71,170	203,247
<b>Net Assets, Beginning of Year</b>	<u>1,222,368</u>	<u>683,603</u>	<u>1,950,368</u>	<u>3,856,339</u>
<b>Net Assets, End of Year</b>	<u>\$ 745,865</u>	<u>\$ 1,292,183</u>	<u>\$ 2,021,538</u>	<u>\$ 4,059,586</u>

**AMERICAN CAMPING ASSOCIATION, INC. AND AMERICAN CAMPING FOUNDATION, INC.**

*Consolidated Statement of Activities*

*For the Year Ended June 30, 2005*

	2005			<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
<b>Revenues and Other Support</b>				
Membership dues and camp fees	\$ 3,860,279	\$ -	\$ -	\$ 3,860,279
Conference and education	731,358	-	-	731,358
Publications revenue	832,416	-	-	832,416
Grants and contributions	74,166	302,312	33,223	409,701
Investment income	88,056	14,938	-	102,994
Royalties and commissions	191,102	-	-	191,102
Miscellaneous	39,220	-	-	39,220
	<u>5,816,597</u>	<u>317,250</u>	<u>33,223</u>	<u>6,167,070</u>
Net assets released from restrictions	568,357	(568,357)	-	-
	<u>6,384,954</u>	<u>(251,107)</u>	<u>33,223</u>	<u>6,167,070</u>
<b>Expenses</b>				
Distribution to Sections	2,054,852	-	-	2,054,852
Member and field services	324,552	-	-	324,552
Camp and youth development education	1,237,886	-	-	1,237,886
Education publications	937,110	-	-	937,110
Public services				
Standards program	258,308	-	-	258,308
Government relations	50,285	-	-	50,285
Public relations	789,496	-	-	789,496
Scholarships and grants	304,417	-	-	304,417
<i>Total program services</i>	5,956,906	-	-	5,956,906
Management and general				
General and administration	593,148	-	-	593,148
Governance	331,209	-	-	331,209
Fund development	187,984	-	-	187,984
	<u>7,069,247</u>	<u>-</u>	<u>-</u>	<u>7,069,247</u>
<b>Change in Net Assets From Operations</b>	(684,293)	(251,107)	33,223	(902,177)
Net unrealized/realized gains	66,035	17,712	-	83,747
<b>Change in Net Assets</b>	(618,258)	(233,395)	33,223	(818,430)
<b>Net Assets, Beginning of Year</b>	<u>1,840,626</u>	<u>916,998</u>	<u>1,917,145</u>	<u>4,674,769</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,222,368</u>	<u>\$ 683,603</u>	<u>\$ 1,950,368</u>	<u>\$ 3,856,339</u>

See accompanying notes to financial statements.

**AMERICAN CAMPING ASSOCIATION, INC. AND AMERICAN CAMPING FOUNDATION, INC.***Consolidated Statements of Cash Flows**For the Years Ended June 30, 2006 and 2005**Page 1 of 2***INCREASE IN CASH AND CASH EQUIVALENTS**

	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Operating Activities</b>		
Cash received from members, grantors and others	\$ 6,700,517	\$ 6,261,007
Cash paid to Sections, suppliers and employees	(6,695,923)	(6,798,603)
Investment income received	143,498	95,342
	<u>148,092</u>	<u>(442,254)</u>
<i>Net cash provided by (used in) operating activities</i>		
	<u>148,092</u>	<u>(442,254)</u>
<b>Investing Activities</b>		
Purchase of property and equipment	(37,516)	(37,871)
Proceeds from sale of property and equipment	200	-
Purchase of investments	(873,680)	(1,667,962)
Maturities and sales of investments	1,299,168	1,507,743
	<u>388,172</u>	<u>(198,090)</u>
<i>Net cash provided by (used in) investing activities</i>		
	<u>388,172</u>	<u>(198,090)</u>
<b>Financing Activity</b>		
Proceeds from contributions restricted for permanent endowment	71,170	33,223
	<u>71,170</u>	<u>33,223</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	607,434	(607,121)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>522,350</u>	<u>1,129,471</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1,129,784</u>	<u>\$ 522,350</u>

**AMERICAN CAMPING ASSOCIATION, INC. AND AMERICAN CAMPING FOUNDATION, INC.***Consolidated Statements of Cash Flows, Continued**For the Years Ended June 30, 2006 and 2005**Page 2 of 2***RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH  
FROM OPERATING ACTIVITIES**

	<u>2006</u>	<u>2005</u>
<b>Change in Net Assets</b>	\$ 203,247	\$ (818,430)
<b>Adjustments to Reconcile Change in Net Assets to Net Cash From Operating Activities</b>		
Depreciation and amortization	78,917	115,478
Realized gain on sale of investments	(34,339)	(34,522)
Unrealized (gain) loss on investments	7,216	(49,225)
Gain on sale of property and equipment	(200)	-
Contributions restricted for permanent endowment	(71,170)	(33,223)
Increase (decrease) in value of split interest agreement	(2,747)	1,570
<i>(Increase) decrease in operating assets:</i>		
Accounts receivable	(8,495)	5,405
Contributions receivable	(418,257)	165,629
Interest receivable	(1,583)	(7,652)
Prepaid expenses	21,147	15,434
Inventory	135,881	8,893
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable and accrued expenses	82,045	29,004
Payable to Sections	98,979	105,476
Unearned dues	52,916	51,103
Escrow funds	4,535	2,806
 <i>Total adjustments</i>	 <u>(55,155)</u>	 <u>376,176</u>
 <b>Net Cash From Operating Activities</b>	 <u>\$ 148,092</u>	 <u>\$ (442,254)</u>

# AMERICAN CAMPING ASSOCIATION, INC. AND AMERICAN CAMPING FOUNDATION, INC.

*Notes to Consolidated Financial Statements*

*June 30, 2006*

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## 1. NATURE OF OPERATIONS

The American Camping Association, Inc. d/b/a American Camp Association (Association) was incorporated as a not-for-profit organization in September 1960 under the laws of the State of Indiana. The Association is a community of camp professionals who, for nearly 100 years, have joined together to share their knowledge and experience and to ensure the quality of camp and youth development programs. The Association is committed to unparalleled quality learning experiences and to helping its members, camps and the public.

The American Camping Foundation, Inc. (Foundation) was incorporated as a not-for-profit organization in June 1990 under the laws of the State of Indiana. The Foundation was organized to raise funds for the support of the Association and currently administers an endowment whose income is used solely for the Association's benefit. The directors of the Foundation also serve in an advisory capacity to the Association in all financial areas.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Basis of Presentation*

The accompanying financial statements have been prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

### *Principles of Consolidation*

The consolidated financial statements include the accounts of the American Camping Association, Inc. and American Camping Foundation, Inc. (together referred to as the "Organization"). All material interorganization accounts and transactions have been eliminated in consolidation.

### *Cash and Cash Equivalents*

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2006 and 2005, cash equivalents consisted of cash, money markets accounts and treasury bills. The Organization has maintained cash balances in excess of Federal Deposit Insurance Corporation insured limits from time to time during the year and at June 30, 2006.

### *Accounts Receivable and Credit Policies*

Accounts receivable are stated at the amount billed to members. The Association provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Accounts over 60 days are considered delinquent and anything over 90 days are sent to a third party collection agency. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the member.

### *Inventory*

Inventory consists of books and other camping related publications, and is stated at the lower of cost or market. Cost is determined on the first-in, first out (FIFO) method.

**AMERICAN CAMPING ASSOCIATION, INC. AND  
AMERICAN CAMPING FOUNDATION, INC.**

*Notes to Consolidated Financial Statements*

*June 30, 2006*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

*Investments*

Investments are carried at fair value. Realized and unrealized gains and losses are reflected in the statements of activities.

*Building and Equipment*

Expenditures for building and equipment and items which substantially increase the useful lives of the existing assets are capitalized at cost. The Association provides for depreciation on the straight-line method at rates designed to depreciate the costs of assets over estimated useful lives as follow:

	Years
Building	5-50
Furniture and equipment	5-10
Computer equipment	3-7

Depreciation and amortization expense was \$78,917 and \$115,478 for the years ended June 30, 2006 and 2005, respectively.

*Deferred Revenue and Revenue Recognition*

Income from membership dues and camp fees is collected annually for services performed throughout the year. Revenues are recognized on a straight-line basis throughout the year.

*Contributions*

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with a donor stipulation that limits their use are reported as temporarily restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as unrestricted revenue and net assets.

Gifts of land, buildings, equipment and other long-lived assets are reported as unrestricted revenue and net assets unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as temporarily or permanently restricted revenue and net assets. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of temporarily restricted net assets as unrestricted net assets are reported when the long-lived assets are placed in service.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional gifts depend on the occurrence of a specified future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

**AMERICAN CAMPING ASSOCIATION, INC. AND  
AMERICAN CAMPING FOUNDATION, INC.**

*Notes to Consolidated Financial Statements*

*June 30, 2006*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

*Income Attributable to Restricted Net Assets*

The classification of the permanent endowment historical gift value and the related appreciation or depreciation on the investment thereon will be governed by the donor's explicit or implicit restrictions. When the governing documents are silent, the appreciation related to each specific endowment will follow the donor's income usage restriction. That is, gains will be unrestricted if the donor's income usage restriction is unrestricted. Net losses or depreciation on investments held in permanent endowments will first reduce the income from that endowment fund earned in prior periods and held in temporarily restricted net assets where the restrictions have not been met. Any loss in excess of those amounts will be recorded as a decrease in unrestricted net assets. Subsequent recovery of investment market value will reduce previously accrued deficits, with unrestricted amounts reinstated first.

*Temporarily and Permanently Restricted Net Assets*

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity.

*Income Taxes*

The Association and Foundation are exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. Neither organization is considered to be a private foundation. The Association does pay income tax on unrelated business income.

*Expense Allocation*

Expenses have been classified as program services, management and general, and fund development based on the actual direct expenditures and cost allocations based upon actual time and expense studies.

*Advertising*

The Organization incurred \$60,784 and \$36,917 in advertising expense in the years ended June 30, 2006 and 2005, respectively. These costs were expensed as incurred.

**3. DESIGNATED CASH**

Designated cash balances consist of the following:

	<u>2006</u>	<u>2005</u>
Net payments made by Sections for funding of the deductible on the Association's liability insurance in the event of a claim	<u>\$ 24,089</u>	<u>\$ 21,454</u>

**AMERICAN CAMPING ASSOCIATION, INC. AND  
AMERICAN CAMPING FOUNDATION, INC.**

*Notes to Consolidated Financial Statements*

*June 30, 2006*

**4. CONTRIBUTIONS RECEIVABLE**

Contributions receivable consisted of the following:

	<u>2006</u>	<u>2005</u>
Due within one year	\$ 400,911	\$ 306,528
Due in one to five years	519,764	212,693
	<u>920,675</u>	<u>519,221</u>
Less:		
Allowance for uncollectible contributions	(69,400)	(41,059)
Unamortized discount	<u>(53,143)</u>	<u>(98,287)</u>
	<u>\$ 798,132</u>	<u>\$ 379,875</u>

All contributions receivable are restricted for: CAMPAign '07 Honor our Past, Assure Our Future. Discount rates ranged from 4.65% to 4.57% for 2006 and 2005. All contributions receivable are classified as temporarily restricted net assets.

**5. INVESTMENTS**

Information about the Association and the Foundation's investments is as follows:

	<u>2006</u>		<u>2005</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
CDs	\$ 500,000	\$ 500,000	\$ 983,651	\$ 983,651
U.S. Government obligations	941,433	913,791	930,113	936,534
U.S. Treasury securities	49,950	49,438	49,950	50,102
Mutual funds	986,799	1,329,989	958,030	1,253,814
Bonds	<u>220,231</u>	<u>213,813</u>	<u>175,469</u>	<u>181,295</u>
	<u>\$ 2,698,413</u>	<u>\$ 3,007,031</u>	<u>\$ 3,097,213</u>	<u>\$ 3,405,396</u>

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended June 30:

	<u>2006</u>	<u>2005</u>
Dividends and interest (net of expenses of \$1,685 and \$1,530 in 2006 and 2005, respectively)	\$ 145,081	\$ 102,994
Net realized gain on investments	34,339	34,522
Net unrealized gain (loss) on investments	<u>(7,216)</u>	<u>49,225</u>
Total return on investments	<u>\$ 172,204</u>	<u>\$ 186,741</u>

**AMERICAN CAMPING ASSOCIATION, INC. AND  
AMERICAN CAMPING FOUNDATION, INC.**

*Notes to Consolidated Financial Statements*

*June 30, 2006*

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**6. BUILDING AND EQUIPMENT**

The Organization's building and equipment are as follows:

	<u>2006</u>	<u>2005</u>
Building	\$ 1,069,724	\$ 1,065,173
Furniture and equipment	258,720	255,496
Computer equipment	1,109,089	1,096,146
	<u>2,437,533</u>	<u>2,416,815</u>
Accumulated depreciation and amortization	<u>(1,796,636)</u>	<u>(1,734,517)</u>
	<u>\$ 640,897</u>	<u>\$ 682,298</u>

**7. SPLIT INTEREST AGREEMENTS**

The Foundation is the recipient of contributions to several split interest agreements.

- A charitable remainder unitrust was established in 1992 with an original value of approximately \$175,000 and a 5% payout. Two-thirds of the remainder will revert to the Foundation and one-third to another charity.
- A charitable remainder unitrust with an original value of approximately \$40,000 and a 5% payout was created in 1998. All remaining assets revert to the Foundation.
- A gift annuity of \$25,000 was purchased in 1996. It has a 6.5% payout.

All assets are valued at fair value, and the fair value of assets held in trust at June 30, 2006 and 2005 was \$210,943 and \$211,730, respectively.

The present value of the estimated future payments is calculated using a discount rate of 7.06% and applicable mortality tables. At June 30, 2006 and 2005, the associated liabilities were \$152,559 and \$156,093, respectively.

**8. LINE OF CREDIT**

The Association has a \$500,000 line of credit due and payable on demand. At June 30, 2006 and 2005, there was no outstanding balance. The line is collateralized by substantially all of the Association's assets. Interest varies with the one month LIBOR rate plus 2.5%, which was 7.85% on June 30, 2006, and is payable monthly.

**9. LEASES**

The Association leases various office equipment under noncancelable operating lease arrangements. These leases have expiration dates through 2009. Rental expense for these leases included in the statements of activities for the years ended June 30, 2006 and 2005 was \$25,068 and \$10,378, respectively.

**AMERICAN CAMPING ASSOCIATION, INC. AND  
AMERICAN CAMPING FOUNDATION, INC.**

*Notes to Consolidated Financial Statements*

*June 30, 2006*

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**9. LEASES, CONTINUED**

Minimum rental payments required under the operating leases, which have remaining terms in excess of one year as of June 30, 2006, are as follows:

2007	\$	19,836
2008		18,756
2009		<u>10,944</u>
	\$	<u>49,536</u>

The Association also leases the land upon which the national administrative headquarters is located. This lease expires March 31, 2036 and is renewable upon the written agreement of both parties. In lieu of cash rent paid to the lessor, the Association pays the annual costs of maintenance and upkeep for the leased premises.

**10. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes or period:

	<u>2006</u>	<u>2005</u>
Scholarships	\$ 318,320	\$ 288,109
Fundraising expenses	10,229	13,016
Research	662,900	-
Repositioning initiative	298,434	380,178
Other	<u>2,300</u>	<u>2,300</u>
	<u>\$ 1,292,183</u>	<u>\$ 683,603</u>

**11. PERMANENTLY RESTRICTED NET ASSETS**

Income from the following permanently restricted net assets is expendable to support:

	<u>2006</u>	<u>2005</u>
Scholarships	\$ 400,631	\$ 370,336
Fundraising expenses	50,000	50,000
Any activity of the Organization	<u>1,570,907</u>	<u>1,530,032</u>
	<u>\$ 2,021,538</u>	<u>\$ 1,950,368</u>

The Foundation's Board has designated that a portion of unrestricted net assets, which represents investment return from the endowment in excess of the amount authorized to support the current operations, is to be reinvested as quasi endowment. The Board-designated quasi endowment is \$250,763 and \$244,300 for 2006 and 2005, respectively.

**AMERICAN CAMPING ASSOCIATION, INC. AND  
AMERICAN CAMPING FOUNDATION, INC.**

*Notes to Consolidated Financial Statements*

*June 30, 2006*

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**12. NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2006</u>	<u>2005</u>
Purpose restrictions accomplished		
Scholarships	\$ 311,866	\$ 302,470
Research	-	35,000
Repositioning initiative	173,129	227,887
Other	5,632	3,000
	<u>\$ 490,627</u>	<u>\$ 568,357</u>

**13. RETIREMENT PLAN**

The Association has a defined-contribution retirement plan. Contributions to the plan are made for all employees, 21 years of age or older, with at least three months of service. The Association is required to make contributions equal to eight percent of the employee's annual salary when the employee contribution is equal to at least five percent. The retirement plan contribution totaled \$119,777 in 2006 and \$101,675 in 2005.

**14. RELATED PARTIES**

The American Camping Association, Inc. is a national association with twenty-four locally chartered Sections, some of which are incorporated. Because each Section is a legal entity with its own board of directors, their activities are reported separately and are not included in these financial statements. All membership dues and camp fees are collected by national headquarters. The distribution to Sections includes an allocated share of membership dues and camp fees.

The American Camping Association, Inc. has filed for a group exemption from federal income tax under Section 501(c)(3). Twenty of the Sections are included under the group exemption. The other four Sections have applied and received their own exempt status.

**15. COMMITMENTS AND CONTINGENCIES**

The Organization is subject to claims and lawsuits which arise primarily in the ordinary course of conducting operations. It is the opinion of management that the disposition and ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position of the Organization.

# GS&CO Greenwalt Sponsel & Co., Inc.

Business & Financial Advisors

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Boards of Directors of  
American Camping Association, Inc. and  
American Camping Foundation, Inc.:

Our audit of the June 30, 2006 financial statements was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. Our report on the basic consolidated financial statements appears on page 1. The supplementary information shown in Exhibits I through V is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information for the year ended June 30, 2006 has been subjected to the same auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The basic financial statements for American Camping Association, Inc. and American Camping Foundation, Inc. for the year ended June 30, 2005, presented on pages 2-6, were audited by other auditors whose report dated August 25, 2005, expressed an unqualified opinion on those financial statements. Their report, as of the same date, on information for the year ended June 30, 2005 in Exhibits I through III stated that, in their opinion, such information was fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2005 taken as a whole.

*Greenwalt Sponsel & Co., Inc.*

August 25, 2006

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**AMERICAN CAMPING ASSOCIATION, INC. AND AMERICAN CAMPING FOUNDATION, INC.**

*Consolidating Statement of Financial Position*

*June 30, 2006*

*Exhibit I*

*Page 1 of 2*

	<b>American Camping Association</b>	<b>American Camping Foundation</b>	<b>Eliminations</b>	<b>Total</b>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 1,064,786	\$ 64,998	\$ -	\$ 1,129,784
Accounts receivable, net of allowance	245,709	-	(106,432)	139,277
Contributions receivable, net of allowance	798,132	-	-	798,132
Interest receivable	9,235	-	-	9,235
Prepaid expenses	69,954	-	-	69,954
Inventory	156,138	-	-	156,138
Investments	587,113	2,419,918	-	3,007,031
Assets held in split interest agreements	-	210,943	-	210,943
Building and equipment, net	640,897	-	-	640,897
	<u>\$ 3,571,964</u>	<u>\$ 2,695,859</u>	<u>\$ (106,432)</u>	<u>\$ 6,161,391</u>
<i>Total assets</i>				
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 296,832	\$ 106,432	\$ (106,432)	\$ 296,832
Payable to Sections	453,325	-	-	453,325
Unearned dues	1,172,443	-	-	1,172,443
Escrow funds	26,646	-	-	26,646
Liability under split interest agreements	-	152,559	-	152,559
<i>Total liabilities</i>	<u>1,949,246</u>	<u>258,991</u>	<u>(106,432)</u>	<u>2,101,805</u>
<b>Net Assets</b>				
Unrestricted	398,190	347,675	-	745,865
Temporarily restricted	1,224,528	67,655	-	1,292,183
Permanently restricted	-	2,021,538	-	2,021,538
<i>Total net assets</i>	<u>1,622,718</u>	<u>2,436,868</u>	<u>-</u>	<u>4,059,586</u>
<i>Total liabilities and net assets</i>	<u>\$ 3,571,964</u>	<u>\$ 2,695,859</u>	<u>\$ (106,432)</u>	<u>\$ 6,161,391</u>

**AMERICAN CAMPING ASSOCIATION, INC. AND AMERICAN CAMPING FOUNDATION, INC.**

*Consolidating Statement of Financial Position*

*June 30, 2005*

*Exhibit I*

*Page 2 of 2*

	<b>American Camping Association</b>	<b>American Camping Foundation</b>	<b>Eliminations</b>	<b>Total</b>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 441,451	\$ 80,899	\$ -	\$ 522,350
Accounts receivable, net of allowance	132,477	-	(1,695)	130,782
Contributions receivable, net of allowance	379,874	-	-	379,874
Interest receivable	7,652	-	-	7,652
Prepaid expenses	90,101	1,000	-	91,101
Inventory	292,020	-	-	292,020
Investments	1,058,835	2,346,561	-	3,405,396
Assets held in split interest agreements	-	211,730	-	211,730
Building and equipment, net	682,298	-	-	682,298
	<u>\$ 3,084,708</u>	<u>\$ 2,640,190</u>	<u>\$ (1,695)</u>	<u>\$ 5,723,203</u>
<i>Total assets</i>				
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 214,787	\$ 1,695	\$ (1,695)	\$ 214,787
Payable to Sections	354,346	-	-	354,346
Unearned dues	1,119,527	-	-	1,119,527
Escrow funds	22,111	-	-	22,111
Liability under split interest agreements	-	156,093	-	156,093
<i>Total liabilities</i>	<u>1,710,771</u>	<u>157,788</u>	<u>(1,695)</u>	<u>1,866,864</u>
<b>Net Assets</b>				
Unrestricted	743,680	478,688	-	1,222,368
Temporarily restricted	630,257	53,346	-	683,603
Permanently restricted	-	1,950,368	-	1,950,368
<i>Total net assets</i>	<u>1,373,937</u>	<u>2,482,402</u>	<u>-</u>	<u>3,856,339</u>
<i>Total liabilities and net assets</i>	<u>\$ 3,084,708</u>	<u>\$ 2,640,190</u>	<u>\$ (1,695)</u>	<u>\$ 5,723,203</u>

**AMERICAN CAMPING ASSOCIATION, INC. AND AMERICAN CAMPING FOUNDATION, INC.**
*Consolidating Statement of Activities*
*For the Year Ended June 30, 2006*
*Exhibit II*
*Page 1 of 2*

	AMERICAN CAMPING ASSOCIATION			AMERICAN CAMPING FOUNDATION					2006 Consolidated
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Eliminations	
<b>Revenues and Other Support</b>									
Membership dues and camp fees	\$ 4,006,520	\$ -	\$ 4,006,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,006,520
Conference and education	667,247	-	667,247	-	-	-	-	-	667,247
Publications revenue	598,223	-	598,223	-	-	-	-	-	598,223
Grants and contributions	675,794	1,075,266	1,751,060	-	-	71,170	71,170	(209,432)	1,612,798
Investment income	58,507	-	58,507	68,478	18,096	-	86,574	-	145,081
Royalties and commissions	177,444	-	177,444	-	-	-	-	-	177,444
Miscellaneous	78,169	-	78,169	-	-	-	-	-	78,169
	<u>6,261,904</u>	<u>1,075,266</u>	<u>7,337,170</u>	<u>68,478</u>	<u>18,096</u>	<u>71,170</u>	<u>157,744</u>	<u>(209,432)</u>	<u>7,285,482</u>
Net assets released from restrictions	480,995	(480,995)	-	9,632	(9,632)	-	-	-	-
	<u>6,742,899</u>	<u>594,271</u>	<u>7,337,170</u>	<u>78,110</u>	<u>8,464</u>	<u>71,170</u>	<u>157,744</u>	<u>(209,432)</u>	<u>7,285,482</u>
<b>Expenses</b>									
Distribution to sections	2,174,042	-	2,174,042	-	-	-	-	-	2,174,042
Member and field services	361,782	-	361,782	-	-	-	-	-	361,782
Camp and youth development education	1,187,800	-	1,187,800	-	-	-	-	-	1,187,800
Educational publications	845,442	-	845,442	-	-	-	-	-	845,442
Public services									
Standards program	455,324	-	455,324	-	-	-	-	-	455,324
Government relations	52,703	-	52,703	-	-	-	-	-	52,703
Public relations	542,243	-	542,243	-	-	-	-	-	542,243
Scholarships and grants	307,865	-	307,865	214,794	-	-	214,794	(209,432)	313,227
<i>Total program services</i>	<u>5,927,201</u>	<u>-</u>	<u>5,927,201</u>	<u>214,794</u>	<u>-</u>	<u>-</u>	<u>214,794</u>	<u>(209,432)</u>	<u>5,932,563</u>
Management and general									
General and administration	629,930	-	629,930	14,563	-	-	14,563	-	644,493
Governance	319,690	-	319,690	-	-	-	-	-	319,690
Fund development	212,612	-	212,612	-	-	-	-	-	212,612
	<u>7,089,433</u>	<u>-</u>	<u>7,089,433</u>	<u>229,357</u>	<u>-</u>	<u>-</u>	<u>229,357</u>	<u>(209,432)</u>	<u>7,109,358</u>
<b>Change in Net Assets From Operations</b>	(346,534)	594,271	247,737	(151,247)	8,464	71,170	(71,613)	-	176,124
Net unrealized/realized gains	1,044	-	1,044	20,234	5,845	-	26,079	-	27,123
<b>Change in Net Assets</b>	(345,490)	594,271	248,781	(131,013)	14,309	71,170	(45,534)	-	203,247
<b>Net Assets, Beginning of Year</b>	<u>743,680</u>	<u>630,257</u>	<u>1,373,937</u>	<u>478,688</u>	<u>53,346</u>	<u>1,950,368</u>	<u>2,482,402</u>	<u>-</u>	<u>3,856,339</u>
<b>Net Assets, End of Year</b>	<u>\$ 398,190</u>	<u>\$ 1,224,528</u>	<u>\$ 1,622,718</u>	<u>\$ 347,675</u>	<u>\$ 67,655</u>	<u>\$ 2,021,538</u>	<u>\$ 2,436,868</u>	<u>\$ -</u>	<u>\$ 4,059,586</u>

See independent auditors' report on supplementary information.

**AMERICAN CAMPING ASSOCIATION, INC. AND AMERICAN CAMPING FOUNDATION, INC.**
*Consolidating Statement of Activities*
*For the Year Ended June 30, 2005*
*Exhibit II*
*Page 2 of 2*

	AMERICAN CAMPING ASSOCIATION			AMERICAN CAMPING FOUNDATION				2005 Consolidated	
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total		Eliminations
<b>Revenues and Other Support</b>									
Membership dues and camp fees	\$ 3,860,279	\$ -	\$ 3,860,279	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,860,279
Conference and education	731,358	-	731,358	-	-	-	-	-	731,358
Publications revenue	832,416	-	832,416	-	-	-	-	-	832,416
Grants and contributions	80,166	302,312	382,478	-	-	33,223	33,223	(6,000)	409,701
Investment income	29,706	-	29,706	58,350	14,938	-	73,288	-	102,994
Royalties and commissions	191,102	-	191,102	-	-	-	-	-	191,102
Miscellaneous	39,220	-	39,220	-	-	-	-	-	39,220
	<u>5,764,247</u>	<u>302,312</u>	<u>6,066,559</u>	<u>58,350</u>	<u>14,938</u>	<u>33,223</u>	<u>106,511</u>	<u>(6,000)</u>	<u>6,167,070</u>
Net assets released from restrictions	554,957	(554,957)	-	13,400	(13,400)	-	-	-	-
	<u>6,319,204</u>	<u>(252,645)</u>	<u>6,066,559</u>	<u>71,750</u>	<u>1,538</u>	<u>33,223</u>	<u>106,511</u>	<u>(6,000)</u>	<u>6,167,070</u>
<b>Expenses</b>									
Distribution to sections	2,054,852	-	2,054,852	-	-	-	-	-	2,054,852
Member and field services	324,552	-	324,552	-	-	-	-	-	324,552
Camp and youth development education	1,237,886	-	1,237,886	-	-	-	-	-	1,237,886
Educational publications	937,110	-	937,110	-	-	-	-	-	937,110
Public services									
Standards program	258,308	-	258,308	-	-	-	-	-	258,308
Government relations	50,285	-	50,285	-	-	-	-	-	50,285
Public relations	789,496	-	789,496	-	-	-	-	-	789,496
Scholarships and grants	292,070	-	292,070	18,347	-	-	18,347	(6,000)	304,417
<i>Total program services</i>	<u>5,944,559</u>	<u>-</u>	<u>5,944,559</u>	<u>18,347</u>	<u>-</u>	<u>-</u>	<u>18,347</u>	<u>(6,000)</u>	<u>5,956,906</u>
Management and general									
General and administration	578,448	-	578,448	14,700	-	-	14,700	-	593,148
Governance	331,209	-	331,209	-	-	-	-	-	331,209
Fund development	187,984	-	187,984	-	-	-	-	-	187,984
	<u>7,042,200</u>	<u>-</u>	<u>7,042,200</u>	<u>33,047</u>	<u>-</u>	<u>-</u>	<u>33,047</u>	<u>(6,000)</u>	<u>7,069,247</u>
<b>Change in Net Assets From Operations</b>	(722,996)	(252,645)	(975,641)	38,703	1,538	33,223	73,464	-	(902,177)
Net unrealized/realized gains	3,274	-	3,274	62,761	17,712	-	80,473	-	83,747
<b>Change in Net Assets</b>	(719,722)	(252,645)	(972,367)	101,464	19,250	33,223	153,937	-	(818,430)
<b>Net Assets, Beginning of Year</b>	<u>1,463,402</u>	<u>882,902</u>	<u>2,346,304</u>	<u>377,224</u>	<u>34,096</u>	<u>1,917,145</u>	<u>2,328,465</u>	<u>-</u>	<u>4,674,769</u>
<b>Net Assets, End of Year</b>	<u>\$ 743,680</u>	<u>\$ 630,257</u>	<u>\$ 1,373,937</u>	<u>\$ 478,688</u>	<u>\$ 53,346</u>	<u>\$ 1,950,368</u>	<u>\$ 2,482,402</u>	<u>\$ -</u>	<u>\$ 3,856,339</u>

See independent auditors' report on supplementary information.

AMERICAN CAMPING ASSOCIATION, INC. AND AMERICAN CAMPING FOUNDATION, INC.

Consolidating Statement of Functional Expenses

For the Year Ended June 30, 2006

Exhibit III

	Association											Foundation			2006 Combined Total	2005 Combined Total	
	Distribution to Sections	Membership and Field Services	Camp and Youth Development Education	Educational Publications	Standards Program	Government Relations	Public Relations	Scholarships and Grants	General and Administration	Governance	Fund Development	Total	Scholarships and Grants	General and Administration			Total
Grants	\$ -	\$ 10,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 307,865	\$ -	\$ -	\$ -	\$ 317,965	\$ 214,794	\$ -	\$ 214,794	\$ 532,759	\$ 313,917
Cost of sales	-	500	163	239,361	2,373	-	-	-	-	-	-	242,397	-	-	-	242,397	203,493
Distribution to Sections	2,174,042	-	-	-	-	-	-	-	-	-	-	2,174,042	-	-	-	2,174,042	2,054,852
Salaries	-	219,348	569,552	363,690	225,144	27,397	194,306	-	374,416	174,560	188,563	2,336,976	-	860	860	2,337,836	1,913,612
Audit, legal and consulting fees	-	2,966	3,404	4,790	133,108	-	811	-	12,704	36,222	-	194,005	-	6,400	6,400	200,405	81,871
Consultants	-	2,162	82,035	10,783	15,489	-	64,044	-	50,440	4,483	412	229,848	-	5,833	5,833	235,681	534,337
Supplies	-	6,572	13,593	3,074	408	15,833	624	-	13,316	4,551	790	58,761	-	-	-	58,761	57,433
Phone and fax	-	1,460	6,694	2,942	3,234	97	2,300	-	5,143	1,469	770	24,109	-	-	-	24,109	20,343
Postage and shipping	-	21,054	26,644	55,551	5,062	14	87,315	-	16,801	2,868	717	216,026	-	14	14	216,040	261,453
Occupancy	-	3,017	6,936	6,936	4,932	348	3,005	-	10,978	1,530	1,872	39,554	-	-	-	39,554	35,910
Office equipment expense	-	-	2,950	-	-	-	1,250	-	49,938	-	393	54,531	-	-	-	54,531	49,151
Printing and copies	-	16,168	45,956	113,477	4,390	483	145,022	-	3,762	4,085	1,548	334,891	-	1	1	334,892	579,717
Travel and meetings	-	31,718	106,618	8,648	32,895	-	5,625	-	6,921	78,463	5,466	276,354	-	744	744	277,098	216,839
Conference and program expense	-	26,765	276,769	1,463	-	1,237	55	-	4,049	4,464	5,633	320,435	-	519	519	320,954	461,676
Interest and finance expense	-	3,782	10,113	13,381	14,038	-	34	-	6,940	75	1,991	50,354	-	9	9	50,363	50,096
Depreciation and amortization	-	6,720	15,576	15,576	11,064	792	6,684	-	14,885	3,432	4,188	78,917	-	-	-	78,917	115,478
Legislative and lobbying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,100
Insurance	-	-	4,696	-	-	-	-	-	39,338	-	-	44,034	-	183	183	44,217	45,649
Taxes and fees	-	-	-	588	-	-	-	-	20	-	-	608	-	-	-	608	-
Dues and subscriptions	-	489	1,163	823	128	6,502	982	-	15,909	1,128	119	27,243	-	-	-	27,243	31,028
Promotion expense	-	8,741	13,484	4,167	-	-	29,878	-	4,514	-	-	60,784	-	-	-	60,784	36,917
Miscellaneous	-	220	1,454	192	3,059	-	308	-	(144)	2,360	150	7,599	-	-	-	7,599	9,375
	2,174,042	361,782	1,187,800	845,442	455,324	52,703	542,243	307,865	629,930	319,690	212,612	7,089,433	214,794	14,563	229,357	7,318,790	7,075,247
Eliminations	-	-	-	-	-	-	-	-	-	-	-	-	(209,432)	-	(209,432)	(209,432)	(6,000)
<b>Totals</b>	<b>\$ 2,174,042</b>	<b>\$ 361,782</b>	<b>\$ 1,187,800</b>	<b>\$ 845,442</b>	<b>\$ 455,324</b>	<b>\$ 52,703</b>	<b>\$ 542,243</b>	<b>\$ 307,865</b>	<b>\$ 629,930</b>	<b>\$ 319,690</b>	<b>\$ 212,612</b>	<b>\$ 7,089,433</b>	<b>\$ 5,362</b>	<b>\$ 14,563</b>	<b>\$ 19,925</b>	<b>\$ 7,109,358</b>	<b>\$ 7,069,247</b>
<b>2005 totals</b>	<b>\$ 2,054,852</b>	<b>\$ 324,552</b>	<b>\$ 1,237,886</b>	<b>\$ 937,110</b>	<b>\$ 258,308</b>	<b>\$ 50,285</b>	<b>\$ 789,496</b>	<b>\$ 292,070</b>	<b>\$ 578,448</b>	<b>\$ 331,209</b>	<b>\$ 187,984</b>	<b>\$ 7,042,200</b>	<b>\$ 12,347</b>	<b>\$ 14,700</b>	<b>\$ 27,047</b>		

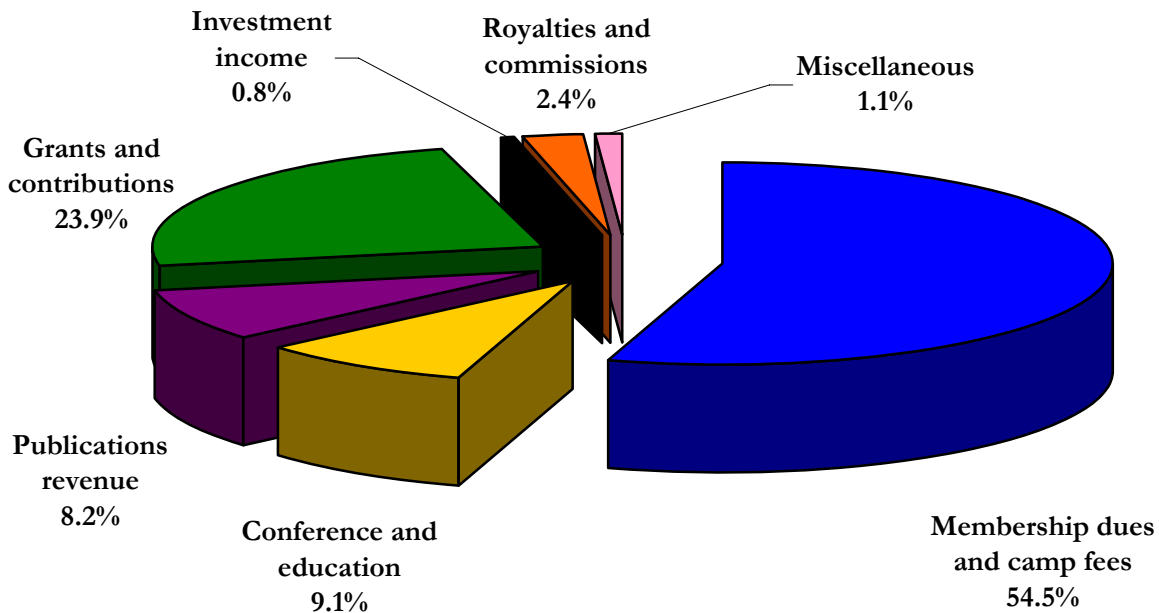
**AMERICAN CAMPING ASSOCIATION, INC.**

*Graphs of Revenue*

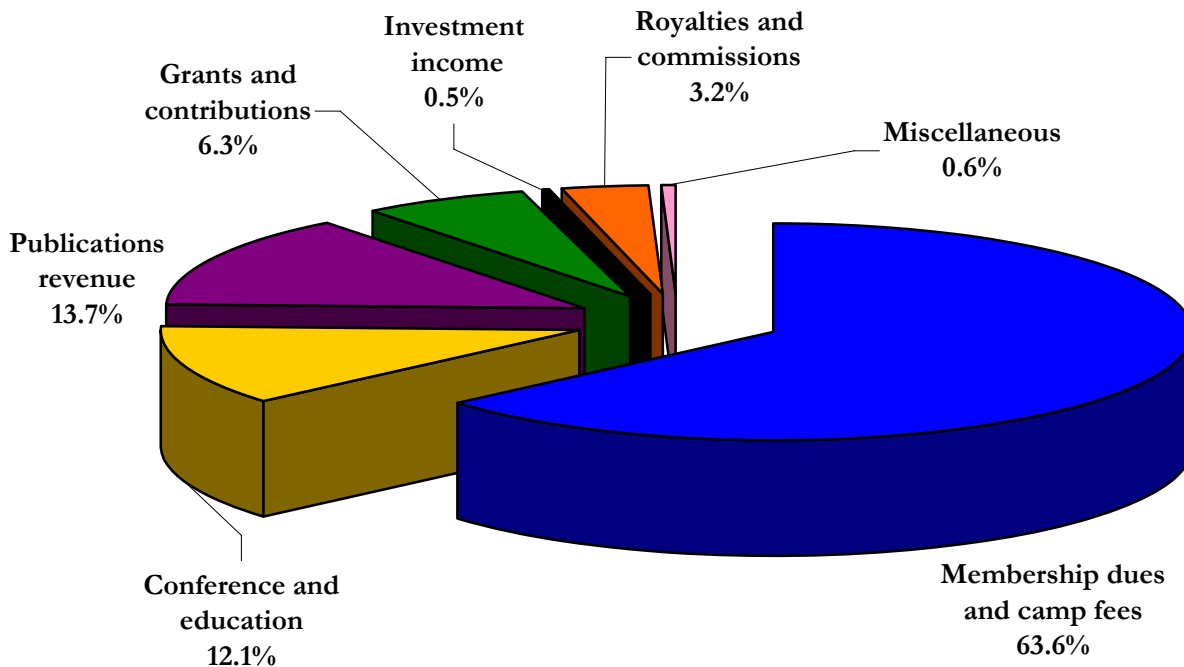
*For the years ended June 30, 2006 and 2005*

*Exhibit IV*

**2006 Revenue**



**2005 Revenue**



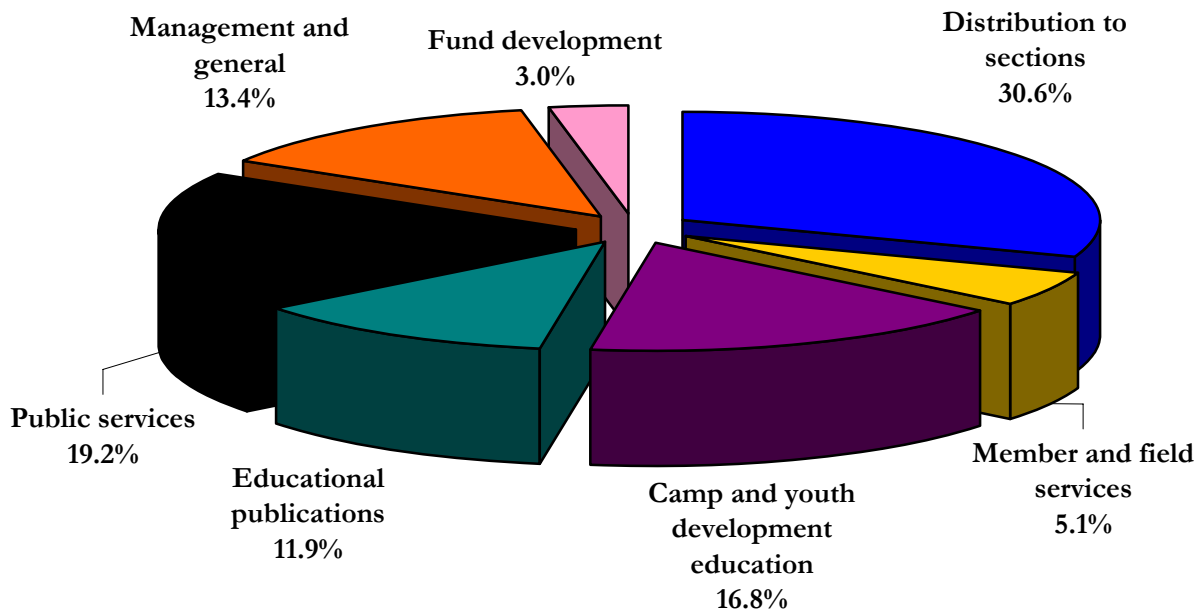
**AMERICAN CAMPING ASSOCIATION, INC.**

*Graphs of Expenses*

*For the Years Ended June 30, 2006 and 2005*

*Exhibit V*

**2006 Expenses**



**2005 Expenses**

