

TRAILBLAZER CAMPS,  
INC.

For the Year Ended  
August 31, 2022

FINANCIAL STATEMENTS  
AND SUPPLEMENTAL  
SCHEDULES

**TRAIL BLAZER CAMPS, INC.**

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**Independent Auditor's Report**

Board of Trustees  
Trail Blazer Camps, Inc.

***Opinion***

We have audited the accompanying financial statements of Trailblazer Camps, Inc. (a nonprofit organization), which comprise the statements of financial position as of August 31, 2022 and 2021 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trailblazer Camps, Inc. as of August 31, 2022 and 2021, 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.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Trailblazer Camps, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fiver Children's Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Trailblazer Camps, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Trailblazer Camps, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*D'Arcangelo + Co., LLP*

July 17, 2023

East Syracuse, New York

**TRAILBLAZER CAMPS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**August 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Cash and Cash Equivalents		
Without Restrictions	\$ 1,818,459	\$ 1,670,764
Restricted for Endowment	55,373	53,272
Endowment Investments	1,258,470	1,484,547
Receivables, Net	514,285	1,154,735
Prepaid Expenses	5,000	-
Property, Net	291,508	292,977
Other Assets	11,750	10,750
<b>Total Assets</b>	<b>\$ 3,954,845</b>	<b>\$ 4,667,045</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	309,530	116,716
Deferred Revenue	206,142	1,022,180
Other Liabilities	149,900	149,900
Note Payable - GM Financial	19,293	23,240
Total Liabilities	684,865	1,312,036
<b>Net Assets</b>		
Without Donor Restrictions		
Operating	552,768	473,762
Board Designated Endowment	1,403,369	1,343,428
Total Net Assets Without Donor Restrictions	1,956,137	1,817,190
With Donor Restrictions	1,313,843	1,537,819
Total Net Assets	3,269,980	3,355,009
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,954,845</b>	<b>\$ 4,667,045</b>

The Accompanying Notes are an Integral Part of These Financial Statements.

**TRAILBLAZER CAMPS, INC.**

**STATEMENTS OF ACTIVITIES**

**For the Years Ended August 31, 2022 and 2021**

	<b>2022</b>		<b>2021</b>			
	Without Restrictions	With Restrictions	Total	Without Restrictions	With Restrictions	Total
<b>Unrestricted Support and Revenue</b>						
Program Service Fees	\$ 3,182,133	\$ -	\$ 3,182,133	\$ 2,419,157	\$ -	\$ 2,419,157
Contributions	726,036	-	726,036	454,700	45,330	500,030
Government Grants/Contracts	213,288	-	213,288	389,349	-	389,349
Special Events	309,719	-	309,719	158,945	-	158,945
Contributions In-Kind	300,000	-	300,000	300,000	-	300,000
Investment Income, Net	-	(189,856)	(189,856)	-	191,542	191,542
Other Income	7,262	-	7,262	13,654	-	13,654
Total Unrestricted Support and Revenue	4,738,438	(189,856)	4,548,582	3,735,805	236,872	3,972,677
<b>Net Assets Released from Restrictions</b>						
Net Assets Released from Restrictions	34,120	(34,120)	-	35,330	(35,330)	-
Total Net Assets Released from Restrictions	34,120	(34,120)	-	35,330	(35,330)	-
Total Support and Revenues	4,772,558	(223,976)	4,548,582	3,771,135	201,542	3,972,677
<b>Expenses</b>						
Program Services	4,105,937	-	4,105,937	2,632,918	-	2,632,918
Support Services						
Management and General	276,544	-	276,544	215,029	-	215,029
Fundraising	251,130	-	251,130	156,678	-	156,678
Total Expenses	4,633,611	-	4,633,611	3,004,625	-	3,004,625
<b>Increase (Decrease) in Net Assets</b>	138,947	(223,976)	(85,029)	766,510	201,542	968,052
<b>Net Assets, Beginning of Year</b>	1,817,190	1,537,819	3,355,009	1,050,680	1,336,277	2,386,957
<b>Net Assets, End of Year</b>	\$ 1,956,137	\$ 1,313,843	\$ 3,269,980	\$ 1,817,190	\$ 1,537,819	\$ 3,355,009

The Accompanying Notes are an Integral Part of These Financial Statements.

**TRAILBLAZER CAMPS, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**For the Years Ended August 31, 2022**

	<b>2022</b>			<b>Total</b>
	<b>Program Services</b>	<b>Fundraising</b>	<b>Management and General</b>	
Staff Salaries	\$ 2,402,058	\$ 176,470	\$ 117,647	\$ 2,696,176
Payroll Taxes	156,582	23,487	15,658	195,728
Employee Benefits	102,720	19,633	6,047	128,400
Bank Charges & Processing Fees	138,584	6,300	12,599	157,482
Camp Counselors	-	-	-	-
Consultants & Contractors	70,805	3,934	3,934	78,673
Depreciation	56,372	-	-	56,372
Interest	1,015	-	-	1,015
Insurance	31,709	2,190	9,910	43,809
Occupancy	612,431	6,204	10,258	628,893
Office Expenses & Supplies	13,721	919	10,424	25,063
Professional Fees	416	416	53,247	54,079
Program Expenses - Other	77,000	-	-	77,000
Promotion	97,559	4,436	8,867	110,863
Repairs & Maintenance	94,156	2,167	12,539	108,862
Bad Debt	24,337	-	-	24,337
Telephone & Communications	47,942	2,179	4,359	54,480
Travel & Meetings	178,530	2,794	11,055	192,379
Total	<u>\$ 4,105,937</u>	<u>\$ 251,130</u>	<u>\$ 276,544</u>	<u>\$ 4,633,611</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

**TRAILBLAZER CAMPS, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

**For the Years Ended August 31, 2021**

	<b>2021</b>			<b>Total</b>
	Program Services	Fundraising	Management and General	
Staff Salaries	\$ 1,377,581	\$ 101,206	\$ 67,471	\$ 1,546,257
Payroll Taxes	94,826	14,224	9,483	118,533
Employee Benefits	103,727	19,826	6,106	129,659
Bank Charges & Processing Fees	74,888	3,404	6,808	85,101
Camp Counselors	0	-	-	0
Consultants & Contractors	15,874	882	882	17,638
Depreciation	61,130	-	-	61,130
Interest	1,015	-	-	1,015
Insurance	35,540	2,455	11,107	49,102
Occupancy	541,502	5,486	9,070	556,058
Office Expenses & Supplies	19,045	1,275	14,469	34,789
Professional Fees	416	416	68,643	69,475
Program Expenses - Other	53,269	-	-	53,269
Promotion	92,640	4,213	8,420	105,273
Repairs & Maintenance	28,550	657	3,802	33,009
Telephone & Communications	18,583	845	1,689	21,117
Travel & Meetings	114,332	1,789	7,079	123,201
Total	<u>\$ 2,632,918</u>	<u>\$ 156,678</u>	<u>\$ 215,029</u>	<u>\$ 3,004,625</u>

The Accompanying Notes are an Integral Part of These Financial Statements.



**TRAILBLAZER CAMPS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended August 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Cash Flows From (Used by) Operating Activities</b>		
Change in Net Assets	\$ (85,029)	\$ 968,052
Adjustments for Noncash Transactions		
Depreciation	56,372	61,130
Unrealized (Gain) Loss on Long-Term Investments	199,614	(172,673)
Realized (Gains) on Long-Term Investments	68,583	0
(Increase) Decrease in Assets		
Receivables	640,450	(1,080,647)
Prepaid Expenses	(5,000)	0
Other Assets	(1,000)	1,510
Increase (Decrease) in Liabilities		
Accounts Payable and Accrued Expenses	192,814	(93,459)
Deferred Revenue	(816,038)	927,492
Other Liabilities	-	149,900
Note Payable	(3,947)	23,240
Net Cash from Operating Activities	246,819	784,545
<b>Cash Flows From (Used by) Investing Activities</b>		
Proceeds from Sales of Investments	1,330,969	1,117,926
Purchases of Investments	(1,399,552)	(1,180,529)
Purchases of Capitalized Assets	(28,439)	(79,775)
Net Cash Flows (Used by) Investing Activities	(97,022)	(142,378)
<b>Net Increase in Cash and Cash Equivalents</b>	149,797	642,167
<b>Cash and Cash Equivalents, Beginning of Year</b>	1,724,035	1,081,868
<b>Cash and Cash Equivalents, End of Year</b>	\$ 1,873,832	\$ 1,724,035
<b>Supplemental Cash Flow Disclosures</b>		
Cash Paid During the Year For		
Interest	\$ 2,283	\$ 1,015

The Accompanying Notes are an Integral Part of These Financial Statements.

# TRAIL BLAZER CAMPS, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

#### Operations

The Trail Blazer Camps, Inc. (the Organization), is a New York not-for-profit corporation whose mission is to help people develop the skills and values necessary for living healthy and productive lives through outdoor adventure, leadership, and after school programming. To accomplish this mission, the Organization offers camps and after school programs such as Overnight Camp, Brooklyn Day Camp, School Break Camps, and Under One Sky after school program.

#### Financial Statement Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. These financial statements, presented on the accrual basis of accounting, have been prepared to focus on the Organization as a whole and present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by reporting information regarding financial position and activities according to two classes: net assets with donor restrictions and net assets without donor restrictions.

**Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations.

**Net Assets With Donor Restrictions** – Net assets subject to donor-imposed stipulations. At August 31, 2022 and 2021 net assets with donor restrictions were \$1,313,843 and \$1,537,819, respectively.

#### Contributions and Donations

The Organization reports contributions as with donor restrictions and without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions are received in the form of cash, marketable securities, and property and equipment. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions, if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Donations other than cash are recorded at fair market value at the date of the gift.

#### Donated Services

The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs. No amounts have been recognized in the accompanying Statements of Activities because criteria for recognition of such volunteer services under the Financial Accounting Standards Board authoritative literature have not been met.

# TRAIL BLAZER CAMPS, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. Net assets and changes to net assets are unchanged due to the reclassifications.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents consisted of the following at August 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Without Donor Restrictions:		
Money Market Funds	\$ 1,553,662	\$ 718,328
Bank Deposits & Cash	264,797	952,435
Restricted For Endowment:		
Money Market Funds	<u>55,373</u>	<u>53,272</u>
	<u>\$ 1,873,832</u>	<u>\$ 1,724,035</u>

#### Accounts Receivable

All receivables are expected to be received within one year and have been stated at their net realizable value. The Organization has not recorded an allowance for doubtful accounts for accounts receivable for the years ended August 31, 2022 and 2021. If amounts become uncollectible, they will be charged to expense when that determination is made.

#### Investment Valuation and Income Recognition

Investments are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 7 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in the statements of activities includes the Organization's gains and losses on investments bought and sold as well as held during the year.

TRAIL BLAZER CAMPS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Fixed Assets**

The Organization capitalizes certain property and equipment with estimated lives of three years or more. Purchased property and equipment are stated at cost, less accumulated depreciation. Donated property and equipment are stated at fair value on the date of donation, less accumulated depreciation. Depreciation of equipment and vehicles is computed by the straight-line method over the estimated useful life of the asset. Leasehold improvements are depreciated by the straight-line method over the life of the improvement or the term of the lease, whichever is shorter. Expenditures for repairs and maintenance are expenses as incurred and major renewals and betterments are capitalized.

**Functional Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs are allocated to the program and supporting services benefited. Such allocations are determined by management on an equitable basis.

Some expenses can be directly allocated to a specific activity. Other expenses have been allocated as follows:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and Benefits	Time and Effort
Occupancy Costs	Square Footage
Depreciation	Square Footage

Management and General Expenses – All management and general expenses necessary to operate the Organization which are not specifically identifiable to program services for its members.

**Revenue Recognition**

All contributions are considered available for the Organization’s general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as support with donor restrictions and increases in net assets with donor restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as support without donor restrictions and increases in net assets without donor restrictions. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization receives grants from governmental agencies. Depending upon the terms of the grant, it can be either an exchange transaction or a contribution. In accordance with grant

TRAIL BLAZER CAMPS, INC.

NOTES TO FINANCIAL STATEMENTS

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

provisions, the grant can be an expense reimbursement grant which requires that approved expenses be incurred prior to reimbursement by the grantor. Other grants permit advances of grant funds or full payment of grant funds at the start of the grant. If the grant is an exchange type grant, all unreimbursed expenses for approved purposes as of year-end are recorded as receivables and any unexpended advances are recorded as refundable advances. If the grant is a contribution, the full grant amount is recognized when any conditions are satisfied, as either revenue without donor restrictions or revenue with donor restrictions, depending upon the facts and circumstances for the particular grant.

Program service revenue relates to fees received in exchange for program services. Revenue is recognized when the program service is provided. Any revenue received which has not been earned is recorded as deferred revenue.

**Future Changes in Accounting Standards**

In February of 2016, the FASB issued Accounting Standards Update No. 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing essential information about leasing transactions. This standard will become effective for fiscal years beginning after December 15, 2021.

**NOTE 2 AVAILABILITY AND LIQUIDITY**

Trail Blazer Camps, Inc.'s financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 1,818,459	\$ 1,670,763
Accounts Receivable, Net	514,285	1,154,735
Other Assets	<u>11,750</u>	<u>10,750</u>
<b>Total Financial Assets Available to Meet General Expenditures within the Next 12 Months</b>	<b>\$ <u>2,344,494</u></b>	<b>\$ <u>2,836,248</u></b>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has long-term investments in the amount of \$1,313,843 and \$1,537,819 at August 31, 2022 and 2021, respectively. Although the Organization does not intend to spend from its long-term investments, amounts could be made available if necessary (see Note 5 for disclosures about investments).

**TRAIL BLAZER CAMPS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 TAXABLE STATUS**

The Organization is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. Accordingly, and under similar requirements under New York State law, no provision has been made for Federal and State income taxes. The Organization has also been determined to be other than a private foundation, as described in Section 509(a)(1) of the Internal Revenue Code.

Management is unaware of any unrelated business activities that may be subject to any unrelated business income tax or any activities that would jeopardize the Organization's exempt status.

**NOTE 4 PROPERTY**

	<u>2022</u>	<u>2021</u>
Leasehold Improvements	\$ 1,068,657	\$ 1,053,376
Furniture, Fixtures, & Equipment	328,993	289,371
Vehicles	268,109	268,109
Software	<u>37,839</u>	<u>37,839</u>
	1,703,598	1,648,695
Accumulated Depreciation	<u>(1,412,090)</u>	<u>(1,355,718)</u>
Property, Net	<u>\$ 291,508</u>	<u>\$ 292,977</u>

**NOTE 5 INVESTMENTS**

Investments at August 31, 2022 and 2021, are comprised of the following:

	<u>2022</u>		<u>2021</u>	
	<u>FMV</u>	<u>Cost</u>	<u>FMV</u>	<u>Cost</u>
Cash and Cash Equivalents	\$ 55,373	\$ 55,373	\$ 53,272	\$ 53,272
Mutual Funds	636,834	712,908	572,598	572,598
Equity Securities	<u>621,636</u>	<u>631,271</u>	<u>911,949</u>	<u>806,198</u>
	<u>\$ 1,313,843</u>	<u>\$ 1,399,552</u>	<u>\$ 1,537,819</u>	<u>\$ 1,432,068</u>

**NOTE 6 COMMITMENTS AND CONTINGENCIES**

The Organization leases office space under two non-cancellable operating leases. The Organization also has a lease agreement for the land used for their summer programs, however it does not pay annual rent for this agreement and instead is responsible for real estate taxes, maintenance, and upkeep of the buildings and structures on the leased premises. As of August 31, 2022, minimum aggregate annual rentals are as follows:

Total rent and occupancy related expenses charged to operations for the years ended August 31, 2022 and 2021 was \$328,893 and \$256,058, respectively. These amounts do not include in-kind contributions for occupancy in the amount of \$300,000, respectively for each year.

## TRAIL BLAZER CAMPS, INC.

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 7 FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board authoritative guidance on fair value measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

**Level 1:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

**Level 2:** Inputs to the valuation methodology include the following:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3:** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at August 31, 2022 and 2021:

Cash and Cash Equivalents: Valued at amortized cost which approximates fair value.

Corporate Equity Securities: Fair values of securities traded on a national securities exchange are based on the last reported sales price on the last business day of the year.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

All assets have been valued using a market approach.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**TRAIL BLAZER CAMPS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 FAIR VALUE MEASUREMENTS (Continued)**

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of August 31, 2022 and 2021:

Fair Value Measurement at August 31, 2022				
	Total	(Level 1)	(Level 2)	(Level 3)
Cash and Cash Equivalents	\$ 55,373	\$ 55,373	\$ -	\$ -
Mutual Funds	636,834	636,834	-	-
Equity Securities	<u>621,636</u>	<u>621,636</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 1,313,843</u></u>	<u><u>\$ 1,313,843</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Fair Value Measurement at August 31, 2021				
	Total	(Level 1)	(Level 2)	(Level 3)
Cash and Cash Equivalents	\$ 53,272	\$ 53,272	\$ -	\$ -
Mutual Funds	572,598	572,598	-	-
Equity Securities	<u>911,949</u>	<u>911,949</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 1,537,819</u></u>	<u><u>\$ 1,537,819</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of those assets subject to donor imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time, and only earnings generated from these funds may be used for general operations of the Organization while the principal remains inviolate, respectively. At August 31, 2022 and 2021, net assets with donor restrictions were \$1,313,843 and \$1,537,819, respectively.

**NOTE 9 CONTRIBUTIONS IN-KIND**

The Organization signed a lease agreement for the use of land and the lessor agreed not to charge the Organization rent, provided that the Organization maintain the property and pay for upkeep and real estate taxes (as discussed in Note 6). This agreement meets the criteria for being recognized as a contribution in accordance with GAAP. The value of the in-kind rent was calculated based on the estimated fair market value of the property.

Total contributions in-kind reported on the accompanying statements of activities amount to \$300,000 for each of the years ended August 31, 2022 and 2021, respectively.



**TRAIL BLAZER CAMPS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 PENSION PLAN**

In 2019, the Organization adopted a qualified deferred compensation plan (the plan) under section 403(b) of the Internal Revenue code. Under the plan, employees may elect to defer a portion of their salary, subject to Internal Revenue Services limits. Any employee age 21 or over who has worked at least 1,000 hours in a specified 12-month period is eligible to participate in the plan. Additionally, the plan allows for the Organization to make discretionary payments based on the participant's salary. The Organization made contributions to the plan for the years ended August 31, 2022 and 2021 in the amount of \$8,037 and \$0, respectively.

**NOTE 11 ENDOWMENTS**

The Organization's endowment is comprised of one donor-restricted fund (the Fund) which was established to provide investment income to the operating budget of the Organization and to provide revenue from corpus liquidation, as permitted, to fund identified needs deemed fundamental to the growth and sustainability of the Organization and its mission as determined by the Board of Trustees. The fund currently consists of various types of investments and money market funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the New York Prudent Management of Institutional Funds Acts (NYPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulations to the donor-restricted endowment made in accordance with the directions of the applicable donor gift instrument at the time the accumulation is added to the fund. When amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by NYPMIFA, the Organization reclassifies net assets with donor restrictions to net assets without donor restrictions. In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of the investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

**Investment Return Objectives, Risk Parameters, and Strategies.**

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income in a conservative portfolio that avoids inappropriate risk to endowment principal.

**TRAIL BLAZER CAMPS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 ENDOWMENTS (Continued)**

Endowment assets are invested in money market funds, equity securities, fixed income, and real asset funds. This asset mix is intended to accomplish the investment goal of conservative principle protection with long term growth while achieving income results that provide revenue useful to furthering the Organization's mission. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed in order to not expose the Fund to unacceptable levels of risk.

**Spending Policy**

The donor restriction states that investment income can be used to help fund the operating costs of the Organization. The Organization may also use a portion of the investment corpus, limited to an amount not to exceed 4% of the calculated historic rolling average of such corpus over the previous three years, to help cover certain costs that are deemed fundamental to the growth and sustainability of the Organization as determined and approved by the Board of Trustees.

**Underwater Endowment**

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) to permit spending from underwater endowments in accordance with prudent measures required by law. This deficiency resulted from unfavorable market conditions and was reported in net assets with donor restrictions. As of August 31, 2022 and 2021, the underwater donor restricted endowments were \$653,355 and \$429,379, respectively.

The Organization's endowment funds consisted of the following at August 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment Funds	\$ 1,403,369	\$ -	\$ 1,403,369
Donor Restricted Endowment Funds	-	1,967,198	1,967,198
Underwater Endowment Funds	-	(653,355)	(653,355)
Total	<u>\$ 1,403,369</u>	<u>\$ 1,313,843</u>	<u>\$ 2,717,212</u>

The Organization's endowment funds consisted of the following at August 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment Funds	\$ 1,343,428	\$ -	\$ 1,343,428
Donor Restricted Endowment Funds	-	1,967,198	1,967,198
Underwater Endowment Funds	-	(429,379)	(429,379)
Total	<u>\$ 1,343,428</u>	<u>\$ 1,537,819</u>	<u>\$ 2,881,247</u>

**TRAIL BLAZER CAMPS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 ENDOWMENTS (Continued)**

Changes in endowment net assets as of August 31, 2022 and 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance at August 31, 2020	\$ 848,017	\$ 1,336,277	\$ 2,184,294
Contributions	494,714	45,330	\$ 540,044
Amounts Appropriated for Expenditure	-	(35,330)	(35,330)
Investment Income, Net	697	191,542	192,239
Balance at August 31, 2021	1,343,428	1,537,819	2,881,247
Contributions	59,941	0	59,941
Amounts Appropriated for Expenditure	-	(34,120)	(34,120)
Investment Income, Net	-	(189,856)	(189,856)
Balance at August 31, 2022	\$ 1,403,369	\$ 1,313,843	\$ 2,717,212

**NOTE 12 NOTE PAYABLE**

On November 24, 2020 the Organization financed the purchase of a vehicle through GM Finance in the amount of \$26,067 at an effective interest rate of 5.27% over 72 months. Monthly payments of \$423.08 will be made until the maturity date of November 24, 2026.

Future payments of principal and interest are as follows:

	Principal	Interest	Total
2023	\$ 4,160	\$ 917	\$ 5,077
2024	4,384	693	5,077
2025	4,621	456	5,077
2026	4,871	206	5,077
Thereafter	1,257	11	1,268
	\$ 19,293	\$ 2,283	\$ 21,576

Interest expense for the year ending August 31, 2022 and 2021 was \$2,283 and \$1,015, respectively.

**TRAIL BLAZER CAMPS, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 13 PAYCHECK PROTECTION PROGRAM (PPP) LOAN**

In 2021, the Organization received a loan from Capital One, N.A. in the amount of \$261,957 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act.. The loan is subject to a noted dated March 26, 2021. The Organization had accounted for this loan as a refundable advance under guidance outlined in FASB ASC 958. The Organization applied for and has been notified that \$261,957 in eligible expenditures for payroll and utilities described in the CARES Act has been forgiven. Loan forgiveness has been reflected as government grant revenue in the accompanying statement of activities as of August 31, 2021.

**NOTE 14 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through July 17, 2023, the date on which the financial statements were available to be issued.