PRINCETON-BLAIRSTOWN CENTER, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

Princeton-Blairstown Center, Inc.
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December 31, 2021 and 2020

Lear & Pannepacker, LLP
Certified Public Accountants & Advisors

Accountants and Advisors for Entrepreneurial Minds
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Princeton-Blairstown Center, Inc.

Opinion

We have audited the accompanying financial statements of Princeton-Blairstown Center, Inc. (a not-for-profit corporation), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 Princeton-Blairstown Center, Inc. as of December 31, 2021 and 2020, 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 Princeton-Blairstown Center, 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 Princeton-Blairstown Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 Princeton-Blairstown Center, 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 Princeton-Blairstown Center, 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.

Lear & Pannepacker, LLP

Princeton, New Jersey
March 4, 2022

Princeton-Blairstown Center, Inc.
Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current assets		
Cash and cash equivalents	$ 1,490,961	$ 1,075,984
Investments	46,868,210	40,449,150
Contributions receivable	167,207	110,788
Payroll tax assistance - CARES Act	55,109	--
Prepaid expenses and other current assets	3,045	13,621
Total current assets	48,584,532	41,649,543
Property and equipment, net	4,125,665	3,937,050
Other assets		
Security deposit	1,515	2,582
Total assets	$ 52,711,712	$ 45,589,175
Liabilities and net assets		
Current liabilities		
Current portion of long-term debt	$ 32,312	$ 31,676
Accounts payable	20,776	21,769
Accrued expenses	88,800	53,898
Deferred revenue	15,436	37,862
Other current liabilities	2,350	4,700
Total current liabilities	159,674	149,905
Long-term debt, net of current portion	614,861	647,173
Total liabilities	774,535	797,078
Net assets		
Without donor restrictions		
Undesignated	4,934,876	4,342,947
Board-designated	2,789,094	3,040,898
With donor restrictions	44,213,207	37,408,252
Total net assets	51,937,177	44,792,097
Total liabilities and net assets	$ 52,711,712	$ 45,589,175

See notes to financial statements

Princeton-Blairstown Center, Inc.
Statement of Activities
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Program fees			
Subsidized fees from primary service population groups	$ 120,989	$ --	$ 120,989
General public fees	158,590	--	158,590
Contributions			
Contributions	213,991	--	213,991
Grants and gifts	243,767	134,091	377,858
Payroll tax assistance - CARES Act	258,098	--	258,098
PPP loan forgiveness	304,880	--	304,880
Other income	30,728	--	30,728
Investment income	999,620	6,670,864	7,670,484
Special events	101,394	--	101,394
	2,432,057	6,804,955	9,237,012
Net assets released from restrictions	--	--	--
Total support and revenue	2,432,057	6,804,955	9,237,012
Expenses			
Program services	1,696,627	--	1,696,627
Administrative services	244,562	--	244,562
Fundraising	150,743	--	150,743
Total expenses	2,091,932	--	2,091,932
Change in net assets	340,125	6,804,955	7,145,080
Net assets - beginning of year	7,383,845	37,408,252	44,792,097
Net assets - end of year	$ 7,723,970	$ 44,213,207	$ 51,937,177

See notes to financial statements

Princeton-Blairstown Center, Inc.
Statement of Activities
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Program fees			
Subsidized fees from primary service population groups	$ 33,967	$ --	$ 33,967
General public fees	73,078	--	73,078
Contributions			
Contributions	247,160	--	247,160
Grants and gifts	151,880	--	151,880
PPP loan forgiveness	302,200	--	302,200
Other income	27,678	--	27,678
Investment income	1,989,562	1,662,723	3,652,285
Special events	84,459	--	84,459
	2,909,984	1,662,723	4,572,707
Net assets released from restrictions	178,968	(178,968)	--
Total support and revenue	3,088,952	1,483,755	4,572,707
Expenses			
Program services	1,471,792	--	1,471,792
Administrative services	251,575	--	251,575
Fundraising	144,861	--	144,861
Total expenses	1,868,228	--	1,868,228
Change in net assets	1,220,724	1,483,755	2,704,479
Net assets - beginning of year	6,163,121	35,924,497	42,087,618
Net assets - end of year	$ 7,383,845	$ 37,408,252	$ 44,792,097

See notes to financial statements

Princeton-Blairstown Center, Inc.
Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services	Administrative Services	Fundraising	Total
Salaries and payroll taxes	$ 917,892	$ 126,490	$ 114,327	$ 1,158,709
Depreciation	240,316	--	--	240,316
Employee benefits	134,596	22,496	8,521	165,613
Repairs and maintenance	94,883	--	--	94,883
Insurance	76,141	4,912	819	81,872
Professional services	11,743	53,975	1,910	67,628
Materials and supplies	58,019	1,137	69	59,225
Utilities	54,320	2,126	1,063	57,509
Food and beverage	46,992	354	10,124	57,470
Rents	4,877	22,155	2,764	29,796
Outside contracted services	28,846	--	--	28,846
Interest expense	13,367	--	--	13,367
Information technology	5,561	3,286	3,791	12,638
Media and promotion	3,997	--	7,105	11,102
Travel and transportation	4,611	3,064	250	7,925
Credit card fees	--	4,567	--	4,567
Real estate taxes	466	--	--	466
Total expenses	$ 1,696,627	$ 244,562	$ 150,743	$ 2,091,932

See notes to financial statements

Princeton-Blairstown Center, Inc.
Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services	Administrative Services	Fundraising	Total
Salaries and payroll taxes	$ 834,392	$ 114,303	$ 100,325	$ 1,049,020
Depreciation	202,443	--	--	202,443
Employee benefits	85,315	50,632	8,198	144,145
Repairs and maintenance	71,210	--	--	71,210
Insurance	87,873	5,633	825	94,331
Professional services	12,411	33,311	3,155	48,877
Materials and supplies	44,959	659	720	46,338
Utilities	46,146	4,084	2,474	52,704
Food and beverage	19,634	594	14,296	34,524
Rents	7,059	30,702	3,600	41,361
Outside contracted services	30,608	--	--	30,608
Interest expense	14,819	--	--	14,819
Information technology	4,985	2,916	3,367	11,268
Media and promotion	4,359	--	7,599	11,958
Travel and transportation	3,045	3,120	250	6,415
Credit card fees	30	5,621	52	5,703
Real estate taxes	2,504	--	--	2,504
Total expenses	$ 1,471,792	$ 251,575	$ 144,861	$ 1,868,228

See notes to financial statements

Princeton-Blairstown Center, Inc.
Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 7,145,080	$ 2,704,479
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	240,316	202,443
Investment income restricted to long-term investment	(7,670,650)	(3,522,469)
Forgiveness of PPP loan	(304,880)	(302,200)
Change in operating assets and liabilities:		
Increase in contributions receivable	(56,419)	(73,312)
Decrease in accounts receivable	--	405
Increase in payroll tax assistance - CARES Act	(55,109)	--
Decrease in prepaid expenses and other current assets	10,576	13,081
Decrease in security deposits	1,067	--
Decrease in accounts payable	(993)	(32,975)
Increase in accrued expenses	34,902	16,139
Decrease in deferred revenue	(22,426)	(14,332)
Increase (decrease) in other current liabilities	(2,350)	3,450
Net cash used in operating activities	(680,886)	(1,005,291)
Cash flows from investing activities		
Acquisition of property and equipment	(428,931)	(896,238)
Proceeds from sale of investments	1,251,590	1,282,156
Net cash provided by investing activities	822,659	385,918
Cash flows from financing activities		
Proceeds from PPP loan	304,880	302,200
Proceeds from long-term debt	--	348,903
Principal payments on long-term debt	(31,676)	--
Net cash provided by financing activities	273,204	651,103
Net change in cash	414,977	31,730
Cash at beginning of year	1,075,984	1,044,254
Cash at end of year	$ 1,490,961	$ 1,075,984
Supplementary disclosures of cash flow information		
Cash paid for the year for interest	$ 13,419	$ 12,556

See notes to financial statements

Princeton-Blairstown Center, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note 1 – Summary of significant accounting policies

Significant accounting policies followed by Princeton-Blairstown Center, Inc. (the "Center") in the preparation of the accompanying financial statements are summarized below:

Nature of the Center and geographic concentrations

Princeton-Blairstown Center, Inc. is an independent, stand-alone youth development organization whose mission is to serve young people, primarily from historically marginalized communities, by nurturing their social-emotional skills through experiential, environmental, and adventure-based programming. Developing these skills enables the Center's participants to engage in self-discovery and transform their communities to create a more just world. Each year the Center's progressive education programs serve nearly 8,000 young people and chaperones from New York, New Jersey, and Pennsylvania. This work takes place at the Center's 268-acre campus located in Blairstown, New Jersey. The Center maintains an administrative office in Princeton, New Jersey.

The Summer Bridge Program is a one week leadership and academic enrichment program which runs throughout the summer and serves young people from low-income communities, free of charge, and helps students lessen summer learning loss; build social-emotional skills like cooperation, communication, creativity, critical-thinking, and responsibility; and form positive, supportive relationships with peers and adults. Students spend approximately three hours a day engaged in hands-on literacy; science, technology, engineering, and math (STEM); and STEAM (STEM + arts) work; an hour a day in waterfront activities (swimming/canoeing/kayaking); and three hours a day in leadership, team-building, and problem-solving activities.

Basis of financial statement presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Princeton-Blairstown Center, Inc. and changes therein are classified and reported as follows:

Net assets without donor restrictions

Net assets without donor restrictions represent all net assets that are not subject to donor-imposed stipulations. These net assets may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. Contributions with donor-imposed restrictions that are met during the same year as the contribution is received are included in unrestricted support that increases net assets without donor restrictions.

Net assets with donor restrictions

Net assets with donor restrictions include donor-restricted contributions which are required to be held in perpetuity, with all or part of the income earned to be used for general or specific purposes. Other contributions are subject to donor-imposed stipulations that may or will be met, either by actions of Princeton-Blairstown Center, Inc. and/or the passage of time. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Note 1 – Summary of significant accounting policies (continued)

Cash and cash equivalents
The Center considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash and cash equivalents.

Investments
The Center carries investments in managed investment funds at fair value, as determined by fund managers. Unrealized gains and losses are included in the accompanying financial statements.

Accounts receivable
Accounts receivable primarily consists of amounts due from program fees. Extension of credit and credit terms are determined by management. The amounts are stated as unpaid balances, less an allowance for doubtful accounts. The allowance is based on management's estimation of collectibility. It is the Center's policy to charge off uncollectible receivables when management determines that it has exhausted all collection efforts. There was no allowance for doubtful accounts at December 31, 2021 and 2020.

Property and equipment
Land and certain building improvements acquired in 1930 are carried at their 1974 appraised market values. All other acquisitions, improvements, and replacements of major assets are capitalized at cost, or if donated, at the approximate fair value at the date of donation. Gifts of property and equipment with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent explicit donor stipulations about how those assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Repairs which neither increase the value of the asset nor extend its useful life are expensed as incurred. Acquisitions of property and equipment in excess of $5,000 that meet the capitalization requirements are capitalized. As assets are sold or retired, the cost and accumulated depreciation is removed from the accounts and any gain or loss is recognized. Depreciation is computed using the straight-line method at rates based on the estimated useful life of the asset, which range from 5 to 20 years. Assets with indefinite lives, such as land, are not depreciated but instead reviewed annually for impairment.

Compensated absences
Employees of the Center are entitled to paid vacations. The Center has estimated the amount of compensation for future absences, and accordingly, the liability has been recorded in the accompanying financial statements. The Center's policy is to recognize the costs of compensated absences when earned, instead of when paid to employees.

Princeton-Blairstown Center, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note 1 – Summary of significant accounting policies (continued)

Support recognition

The Center records contributions and grants as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of their time or purpose restrictions. However, if a restriction is fulfilled in the same time period in which the contribution or grant is received, the Center reports the support as without donor restrictions. Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk free interest rates applicable to the years in which the promises are received to discount the amounts.

The Center recognizes revenues from program fees and fees for services in the period the service is rendered.

Donated services

Donated services are recognized as contributions in accordance with U.S. GAAP if the services create or enhance new financial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center. Volunteers also provide a variety of services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. There were no donated services meeting the criteria for recognition received in the years ended December 31, 2021 and 2020.

Donated materials

Contributions of in-kind donations, such as occasional use of facilities and the use of automobiles, have not been recorded, since no objective basis is available to measure the value of such contributions.

Program fee revenue

Income from program service fees is recognized at the time the related services are provided. Deposits received in advance of these services are reflected as deferred revenue.

The table below shows activity in deferred revenue for the years ended December 31:

	2021	2020
Deferred revenue - beginning of year	$ 37,862	$ 52,194
Program fees recognized, deferred at beginning of year	(30,582)	(41,274)
Program fees received for future programs	8,156	26,942
Deferred revenue - end of year	$ 15,436	$ 37,862

Note 1 – Summary of significant accounting policies (continued)

Income taxes
The Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. The Center is classified as a publicly supported organization which is not a private foundation as defined by Section 509(a) of the Code.

In accordance with ASC Topic 740 "*Accounting for Uncertainty in Income Taxes*", the Center has evaluated its tax positions. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that has a likelihood of being realized on examination of more than fifty percent. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. Under the "more likely than not" threshold guidelines, the Center believes no significant uncertain tax positions exist, either individually or in the aggregate, that would give rise to the non-recognition of an existing tax benefit. In addition, the Center had no material unrecognized tax benefits or accrued interest and penalties.

The Center's policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in income tax expense.

Functional allocation of expenses
The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of functional expenses.

Costs are allocated between fundraising, administrative services or the appropriate program based on evaluation of the related benefits to the Center. Administrative service expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Center.

Use of estimates
Management uses estimates and assumptions in preparing its financial statements in accordance with U.S. GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Reclassifications
Certain amounts previously reported in the financial statements for the year ended December 31, 2020 have been reclassified to conform to the December 31, 2021 classifications.

Princeton-Blairstown Center, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note 2 – Unconditional promises to give
Unconditional promises to give are recognized as revenues in the period that the promise is received. Unconditional promises to give at December 31 were as follows:

	2021	2020
Receivable in less than one year	$ 104,207	$ 80,522
Receivable in one to five years	63,000	30,266
Net unconditional promises to give	$ 167,207	$ 110,788

The Center reflects multi-year pledges at face value, as the difference between recorded amounts and their present values was not considered significant at December 31, 2021 and 2020.

Note 3 – Investments
The Center's investments are maintained with Commonfund Asset Management Company, Inc. The Center's investments consist of various primary pool accounts, segregated based on the donor and/or board designated purposes of the original investments.

Investment income in the accompanying statements of activities includes interest and dividends, realized and unrealized gains and are net of investment expenses. The components of investment income are not provided by the investment managers.

Certain of these funds allow the Center to take distributions on a quarterly basis. The fair value of these funds totaled $42,064,148 and $38,277,598 at December 31, 2021 and 2020, respectively.

The remaining funds are not marketable and remain with the applicable fund until it terminates. These funds also require the Center to meet capital calls, up to a specified maximum, throughout the life of the funds. These funds have a scheduled termination date which can be extended up to four years.

Details of non-marketable funds as of December 31 are as follows:

	Fair Value	Unfunded Commitments	Scheduled Termination Date
December 31, 2021:			
Commonfund Capital Global Equity Partners II, LP	$ 1,778,869	$ 789,999	April 7, 2029
Commonfund Capital Global Equity Partners III, LP	511,820	1,317,500	February 27, 2032
Commonfund Capital Secondary Partners II, LP	1,741,174	449,997	November 7, 2027
Commonfund Capital Secondary Partners III, LP	772,199	1,155,000	May 18, 2030
Total	$ 4,804,062	$ 3,712,496	
December 31, 2020:			
Commonfund Capital Global Equity Partners II, LP	$ 1,032,831	$ 1,164,998	April 7, 2029
Commonfund Capital Global Equity Partners III, LP	37,580	1,659,200	February 27, 2032
Commonfund Capital Secondary Partners II, LP	1,101,141	810,000	November 7, 2027
Total	$ 2,171,552	$ 3,634,198	

Note 4 – Fair value measurements

The Center's investments are reported at fair value in the accompanying Statements of Financial Position. Fair value is determined by the Center's investment manager based on the value of the underlying assets. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values.

The fair value measurements accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of quoted prices in active or non-active markets for similar assets, and Level 3 inputs have the lowest priority. The Center uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Center measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value, followed by Level 2 and Level 3 inputs.

Level 1 Fair Value Measurements
The fair value of the investments is based on quoted net asset values and stock prices of the shares held by the Center at year-end.

Level 2 Fair Value Measurements
The fair value of the investments is based on quoted net asset values and market prices in active markets for similar assets.

Level 3 Fair Value Measurements
The fair value of the investments is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2021 and 2020.

Investments in investee funds that are valued using the net asset values (NAV) of the underlying investee fund as a practical expedient are not categorized within the fair value hierarchy. The Center has determined that all of its investment funds are valued using NAV as a practical expedient.

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

Note 5 – Property and equipment
The following is a summary of property and equipment at December 31:

	2021	2020
Land (non-depreciable)	$ 783,653	$ 783,653
Land improvements	1,392,126	1,364,572
Buildings and improvements	4,469,652	4,458,604
Equipment	615,276	709,697
Construction in progress	382,178	37,425
	7,642,885	7,353,951
Less: accumulated depreciation	(3,517,220)	(3,416,901)
Property and equipment, net	$ 4,125,665	$ 3,937,050

Depreciation expense totaled $240,316 and $202,443 for the years ended December 31, 2021 and 2020, respectively.

Note 6 – Line of credit
The Center has available a $500,000 line of credit with PNC Bank. There are no borrowings under this line at December 31, 2021 and 2020. The line expires on October 7, 2022 and is secured by all assets of the Center. Borrowings under the line will be subject to interest at the bank's prime rate plus 1/2%, 3.75% at December 31, 2021.

Note 7 – Operating lease commitments
The Center has a non-cancelable operating lease for office equipment that expires in March 2023 requiring monthly payments of $1,056. Rental expense for this lease was $12,672 in each of the years ended December 31, 2021 and 2020.

The Center has a non-cancelable operating lease for office space through March 2024. This lease was amended during February 2021 to relocate its office space within the same building and to extend the lease term through March 2024. This amended lease requires minimum monthly payments of $757, inclusive of real estate taxes, utilities, and operation and maintenance costs which is a reduction from the previous monthly rental payment of $2,241. Rental expense for this lease was $13,538 and $26,923 for the years ended December 31, 2021 and 2020, respectively.

The future aggregate minimum lease payments under operating leases at December 31, 2021 are as follows:

Year ending December 31,	
2022	$ 21,761
2023	11,201
2024	2,272
	$ 35,234

Note 8 – Long-term debt

In 2017, the Center entered into an agreement with the State of New Jersey to borrow funds necessary to complete repairs to a dam at its Blairstown facility. The project was completed during August 2020, at which time the Center had received reimbursements against this credit facility totaling $678,849 which converted to a loan with a maturity date of October 2038. The loan is payable in semi-annual payments of $22,548 inclusive of interest at 2% per annum with payments commencing April 30, 2021. The Township of Hardwick serves as a co-borrower on this loan.

Aggregate maturities of long-term debt in the years ending December 31 are as follows:

2022	$ 32,312
2023	32,962
2024	33,624
2025	34,300
2026	34,990
Thereafter	478,985
	$ 647,173

Note 9 – Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at December 31, 2021, and 2020:

	2021	2020
Subject to expenditure for specified purpose:		
Johnson Apartments Renovation	$ 59,091	$ --
Summer programming	75,000	--
Subject to expenditure for specified purposes	134,091	--
Subject to center's spending policy and appropriation:		
Appreciation on gifts held in perpetuity which, once appropriated, is expendable to support related programs	40,977,980	34,307,116
Not subject to appropriation or expenditure:		
Staff Salary Enhancement	973,074	973,074
Egner Endowment - income for operating expenses	1,582,575	1,582,575
Meech Johnson Endowment - income for operating expenses	190,000	190,000
Dodge Endowment - income used for operating expenses	50,000	50,000
Princeton Summer Camp	255,830	255,830
Conover YES Program	49,657	49,657
Not subject to appropriation or expenditure	3,101,136	3,101,136
Total net assets with donor restrictions	$ 44,213,207	$ 37,408,252

Note 9 – Net assets with donor restrictions (continued)

Net assets not subject to appropriation or expenditure relate to amounts where the original contribution amount is permanently restricted and the unrealized gain is temporarily restricted, except for a portion of the unrealized gain that is distributed to the Center from the investment pools as unrestricted funds each year. The amount of this distributed portion is in accordance with the Center's endowment spending policy.

Net assets were released from restrictions by incurring expenses satisfying the purpose or time restrictions as follows:

	2021	2020
Danielson renovation	$ --	$ 16,600
Summer Bridge program	--	35,500
Charitable remainder trusts	--	126,868
	$ --	$ 178,968

Note 10 – Liquidity and availability of resources

The Center has investments in managed investment funds, the majority of which can be liquidated at the end of any month. Donor restrictions require certain resources to be maintained in perpetuity. The unspent appreciation on these donations is available to support the operations of the Center. As part of the Center's liquidity management, the governing board determines the maximum amount which can be used from these investments on an annual basis, which is generally 4% to 5% of the previous year balance maintained in the Center's endowment funds. In addition, the board has designated a portion of its unrestricted endowment funds to be maintained, which may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. In the event of an unanticipated liquidity need, the Center could also draw upon an available $500,000 line of credit (Note 6).

The following reflects the Center's financial assets available to be used within one year of December 31:

	2021	2020
Cash and cash equivalents	$ 1,490,961	$ 1,075,984
Contributions receivable	167,207	110,788
Payroll tax assistance - CARES Act	55,109	--
Investments	46,868,210	40,449,150
Total financial assets	48,581,487	41,635,922
Less those unavailable for general expenditures within one year, due to:		
Donor restrictions	(44,213,207)	(37,408,252)
Board designations	(2,789,094)	(3,040,898)
	$ 1,579,186	$ 1,186,772

Note 11 – Endowment funds

The Center's endowment consists of various primary pool accounts, segregated based on the donor and or board designated purposes of the original investments. The endowment includes both donor-restricted endowment funds and funds designated by the Center to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Center to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Center has adopted the accounting guidance issued by the FASB related to Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds. This provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"), which serves as a model act approved by the Uniform Law Commission and as a model act for states to use in enacting legislation. UPMIFA was enacted in the State of New Jersey in June 2009. This guidance also improves disclosures about an organization's endowment funds (both donor-restricted endowment funds and the Center's board-designated endowment funds). The enhanced disclosures required as a result of the adoption of this guidance have been incorporated within this note.

The Center interprets UPMIFA, as requiring the preservation of the fair value at the original gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as net assets with donor restrictions:

(a) The original value of gifts donated to the permanent endowment
(b) The original value of subsequent gifts to the permanent endowment
(c) Accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund

The remaining portion of the donor-restricted net assets is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Center and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Center
(7) The investment policies of the Center

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Center to retain as a fund of perpetual duration. In accordance with U.S. GAAP, there were no deficiencies of this nature as of December 31, 2021 and 2020.

Note 11 – Endowment funds (continued)

The Center adopted policies which attempt to support the Center's current and future operating needs, while preserving intergenerational equity. Endowment assets include those assets of donor-restricted funds that the Center must hold in perpetuity or for donor-specified periods as well as Center-designated funds. The Center's investment policy targets long-term investment returns of at least 5% per year. On an annual basis, the board establishes a spending policy which will generally be between 4% and 5% of total investments.

The following table provides information regarding the change in endowment net assets:

	Board designated	Subject to Center's spending policy	Not subject to appropriation or expenditure
Endowment net assets, December 31, 2019	$ 2,336,439	$ 32,644,394	$ 3,101,136
Investment income	261,914	3,387,423	--
Transfers	442,545	(1,724,701)	--
Endowment net assets, December 31, 2020	3,040,898	34,307,116	3,101,136
Investment income	291,555	7,379,095	--
Transfers	(543,359)	(708,231)	--
Endowment net assets, December 31, 2021	$ 2,789,094	$ 40,977,980	$ 3,101,136

Note 12 – Deferred compensation plan

The Center offers its employees a deferred contribution retirement plan (the Plan) created in accordance with the Internal Revenue Code Section 401(k). The Plan permits employees to defer a portion of their salary after attaining 21 years of age. Amounts deferred under the Plan are available to employees upon termination of employment, retirement, reaching 59 1/2 years of age, death, or hardship. The Plan requires the Center to make a safe-harbor contribution of at least 3% of eligible compensation. Safe-harbor contributions vest immediately. The Plan also allows for discretionary matching and profit sharing contributions. Discretionary matching and profit-sharing contributions vest after three years of service. In 2021 and 2020, the Center elected to make a 3% safe harbor contribution and a profit-sharing contribution but no discretionary matching contribution. Employer contributions to the Plan amounted to $49,870 and $28,713 for the years ended December 31, 2021 and 2020, respectively.

Note 13 – Concentration of credit risk

The Center maintains cash balances with major financial institutions. At various times during the year, these balances may exceed the $250,000 insured by the Federal Deposit Insurance Corporation. The Center has not experienced any losses in such accounts. Management monitors the soundness of these institutions and has not experienced any losses.

Investments are held in funds managed by Commonfund Asset Management Company, Inc. Historically, the Center has not experienced any credit-related losses.

Note 14 – COVID-19

In March 2020, the World Health Organization (WHO) declared COVID-19 a global pandemic. This pandemic event has resulted in significant business disruption and uncertainty in both global and U.S. markets. While management believes the Center is in an appropriate position to weather the potential short-term effects of these world-wide events, the direct and long-term impact to the Center and its financial statements is undetermined at this time.

PPP Loans

In May 2020, the Center received a loan of $302,200, which is guaranteed by the U.S. Small Business Administration (SBA) under the Paycheck Protection Program (PPP). Management believes that the Center expended all of these funds for qualifying expenses as of December 31, 2020. Accordingly, in accordance with ASU 2018-08, the Center has recorded $302,200 as income in the year ended December 31, 2020. In January 2021, the Center received formal acknowledgment that the entire $302,200 was forgiven.

In February 2021, the Center received a second loan of $304,880, which is guaranteed by the U.S. Small Business Administration (SBA) under the Paycheck Protection Program (PPP). In November 2021, the Center received formal acknowledgment that the entire $304,880 was forgiven and is recognized as income in the year ended December 31, 2021.

Payroll tax assistance - CARES Act

The CARES Act established the Employee Retention Tax Credit (ERTC) which provides a refundable payroll tax credit to organizations that were subject to full or partial COVID-19 shutdowns or whose gross receipts declined by a specified percentage when compared to the same quarter in the prior year. The Employee Retention Credit covers a capped amount of wages and health care benefit expenses per employee. The Center has filed amended payroll tax returns and expects to receive $55,109 in ERTC refunds for payroll periods through December 31, 2020. Total ERTC refunds for payroll periods through December 31, 2021 totaled $258,098 and are recognized as income in the accompanying financial statements.

Note 15 – Subsequent events

Management has evaluated subsequent events through March 4, 2022, which is the date the financial statements were available to be issued.