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**PRINCETON SENIOR RESOURCE CENTER**

**FINANCIAL STATEMENTS**

**Years Ended June 30, 2010 and 2009**

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# PRINCETON SENIOR RESOURCE CENTER

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Independent Auditor's Report

To: Board of Trustees  
**Princeton Senior Resource Center**

I have audited the accompanying statements of financial position of Princeton Senior Resource Center (a nonprofit organization) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Princeton Senior Resource Center as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Hamilton Square, New Jersey  
November 8, 2010

**Princeton Senior Resource Center**  
**Statements of Financial Position**  
June 30,

	<b>2010</b>	<b>2009</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 134,997	\$ 104,656
Other receivable	3,845	6,527
Prepaid expenses	2,277	4,930
Total current assets	141,119	116,113
Long-term investments, at fair market value		
Mutual Funds	248,080	219,376
Cash Restricted - Endowment Fund	531,826	473,899
	779,906	693,275
Fixed Assets:		
Computer equipment, net	-	422
Furniture & Fixtures, net	-	91
Office equipment, net	345	1,181
	345	1,694
Totals	\$ 921,370	\$ 811,082
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 1,575	\$ 4,261
Advance rent payment	3,425	8,850
Security deposits payable	3,100	3,600
Total liabilities	8,100	16,711
<b>NET ASSETS</b>		
Net Assets:		
Unrestricted - available for general activities	304,966	296,646
Temporarily restricted	76,478	22,406
Permanently restricted	531,826	475,319
Total net assets	913,270	794,371
Totals	\$ 921,370	\$ 811,082

The accompanying notes are an integral part of these statements.

**Princeton Senior Resource Center**  
**Statements of Activities**  
**Years Ended June 30,**

	<b>2010</b>	<b>2009</b>
<b>PUBLIC SUPPORT AND REVENUE - UNRESTRICTED</b>		
Public Support		
Received Directly:		
Contributions - Individual	\$ 46,101	\$ 50,288
Contributions - Corporate	5,108	4,585
Received Indirectly:		
Grants	50,549	44,369
Allocation request - UWGMC	36,368	36,372
Other organizations	13,400	12,700
Total public support	151,526	148,314
Revenues, Gains & Other Support:		
Municipal contract	112,254	103,381
Special event proceeds, net	18,096	20,075
Fall Conference, net	4,455	7,678
Program service fees	56,779	47,960
Comcast receipts	5,114	5,331
Rental income	27,590	26,563
Net realized and unrealized gain (loss) on investment	24,527	(7,583)
Interest & dividend income	6,957	8,522
Other revenue	1,982	2,288
Total revenue	257,754	214,215
Net assets temporarily restricted for future use	54,250	1,156
Net assets (released) from restrictions	(1,334)	-
Total unrestricted and temporarily restricted public support and revenue	462,196	363,685
<b>EXPENSES</b>		
Program Services:		
Senior programs	118,683	117,845
Social services	99,092	109,431
Grand Pals program	9,603	14,831
Engaged Retirement	12,504	7,199
Crosstown	13,226	-
Total program services	253,108	249,306
Supporting Services:		
Management and general	92,928	86,654
Fundraising	53,768	43,675
Total supporting services	146,696	130,329
Total expenses	399,804	379,635
Increase in net assets - unrestricted	62,392	(15,950)
<b>RESTRICTED NET ASSETS</b>		
Endowment Fund income	11,790	-
Endowment Fund expenses	(1,694)	(4,496)
Endowment Fund contributions	1,000	23,745
Net unrealized gain (loss) on investment	45,411	(65,573)
Increase (decrease) in net assets - permanently & temporarily restricted	56,507	(46,324)
Net Assets at June 30, 2009 and 2008	794,371	856,645
Net Assets at June 30, 2010 and 2009	\$ 913,270	\$ 794,371

The accompanying notes are an integral part of these statements.

**Princeton Senior Resource Center**  
**Statements of Functional Expenses**  
**Years Ended June 30,**

	2010	2009
<b>Program Expenses</b>		
<b>Senior Programs:</b>		
Professional fees	\$ 16,395	\$ 14,225
Salaries and related charges	85,372	84,902
Supplies	6,120	6,189
Equipment maintenance	1,427	1,480
Printing and publication	4,892	4,533
Telephone	81	388
Volunteer recognition	1,408	632
Advertising	2,669	5,496
Travel	4	-
Information technology	315	-
	\$ 118,683	\$ 117,845
<b>Social Services:</b>		
Salaries and related charges	\$ 94,021	\$ 107,838
Supplies	3,661	122
Telephone	282	100
Printing and publication	109	47
Conferences	552	392
Volunteer recognition	141	186
Travel	248	706
Miscellaneous	78	40
	\$ 99,092	\$ 109,431
<b>GrandPals Program:</b>		
Salaries and related charges	\$ 9,301	\$ 14,435
Supplies	7	100
Volunteer recognition	110	146
Training	53	-
Printing and publication	32	50
Telephone	100	100
	\$ 9,603	\$ 14,831

The accompanying notes are an integral part of these statements.

**Princeton Senior Resource Center**  
**Statements of Functional Expenses**  
**Years Ended June 30,**

	<b>2010</b>	<b>2009</b>
<b>Engaged Retirement Program:</b>		
Salaries and related charges	\$ 9,445	\$ 5,285
Professional fees	165	1,342
Supplies	955	202
Conferences	70	-
Advertising	1,459	226
Telephone	100	100
Printing and publication	53	-
Travel	257	42
Miscellaneous	-	2
	\$ 12,504	\$ 7,199
 <b>Crosstown Program:</b>		
Salaries and related charges	\$ 13,193	\$ -
Supplies	33	-
	\$ 13,226	\$ -
 <b>Management and General Expenses</b>		
Salaries and related charges	\$ 64,240	\$ 60,261
Supplies	-	2,895
Equipment maintenance	3,088	3,197
Conferences	825	217
Telephone	483	2,520
Depreciation	1,866	2,118
Printing and publication	4,574	1,544
Professional fees	2,500	2,500
Filing fees	343	175
Investment management fees	1,752	891
Dues	175	125
Insurance	7,947	6,571
Information technology	4,464	-
Travel	375	170
Miscellaneous	296	3,470
	\$ 92,928	\$ 86,654
 <b>Fundraising</b>		
Salaries and related charges	\$ 45,979	\$ 37,791
Printing and publication	3,190	4,803
Travel	256	136
Conferences	308	105
Advertising	1,690	-
Equipment maintenance	157	20
Information technology	424	-
Miscellaneous	1,764	820
	\$ 53,768	\$ 43,675

The accompanying notes are an integral part of these statements.

**Princeton Senior Resource Center**  
**Statements of Cash Flows**  
**Years Ended June 30,**

	2010	2009
<b>Cash Flows From Operating Activities:</b>		
Cash rec'd from public support	\$ 204,776	\$ 148,314
Cash rec'd from municipal contract	115,750	99,885
Cash rec'd from special events & conference	32,172	34,581
Cash rec'd from program service fees & other	58,761	48,080
Cash rec'd from Comcast Media receipts	4,300	5,331
Cash rec'd from rental income	27,590	26,563
Investment income	18,747	8,522
Cash paid for program expenses	(252,128)	(249,578)
Cash paid for mgmt, general & fundraising expenses	(148,051)	(129,977)
Cash paid for Endowment fund expenses	(1,694)	(4,496)
	60,223	(12,775)
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(516)	-
Proceeds from sale of securities	10,157	-
Other investing activities, net	17,404	(206,091)
	27,045	(206,091)
<b>Cash Flows From Financing Activities:</b>		
Contributions restricted for investment in Endowment	1,000	23,745
	88,268	(195,121)
Increase (decrease) in cash and cash equivalents		
Cash and cash equivalents, June 30, 2009 and 2008 respectively	578,555	773,676
Cash and cash equivalents, June 30, 2010 and 2009 respectively	\$ 666,823	\$ 578,555

The accompanying notes are an integral part of these statements.

**Princeton Senior Resource Center**  
**Statements of Cash Flows**  
**Years Ended June 30,**

	<b>2010</b>	<b>2009</b>
Reconciliation of change in net assets to net cash provided by (used by) operating activities:		
Increase (decrease) in net assets	\$ 118,899	\$ (62,274)
Adjustments to reconcile net income to net cash provided by (used by) operating activities:		
Depreciation	1,866	2,118
Unrealized (gain) loss on investments	(53,872)	52,777
Other adjustment	(3,394)	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	2,682	(6,527)
(Increase) decrease in prepaid expenses	2,653	1,004
Increase (decrease) in accounts payable	(2,686)	(548)
Increase (decrease) in advance rent	(5,425)	675
Security deposits payable	(500)	-
Total adjustments	(58,676)	49,499
Net cash provided by (used by) operating activities	\$ 60,223	\$ (12,775)
Supplementary Disclosure of Cash Flow Information		
Federal income tax payments	\$ 168	\$ 492

The accompanying notes are an integral part of these statements.

## Princeton Senior Resource Center

### Notes to Financial Statements

#### Note 1 - Summary of Accounting Policies:

##### Nature of Organization

The Princeton Senior Resource Center is a not-for-profit Organization under section 501(c)(3) of the Internal Revenue Code. The Organization provides senior programs ( fitness, enrichment, educational, social & recreational programs), social services (information & referral, case management, counseling, & consultations, family support) and volunteer opportunities (Grand Pals, LINK, Home Friends) for Princeton area residents over 55 years old and or disabled. The mission of the Organization is to empower older adults in the diverse Princeton community to make informed choices and live healthy lives by offering affordable services, programs and opportunities that support, educate and engage older individuals, their families and caregivers. The Organization is supported primarily through donor contributions, grants, contracts to provide services and the United Way.

**Senior Programs** includes fitness, education and enrichment classes, Evergreen Forum lifelong learning, informational seminars, programs promoting wellness and social events.

**Social Services** includes information and referral, maintaining resource directories, assistance with benefits, case management, transitions & consultations and counseling, Partners in Caring, and the Caregiver resource center, providing information and support for family caregivers..

**GrandPals** matches older adult volunteers with students in the Princeton Regional Schools to share reading and a love of learning.

**Engaged Retirement and Encore Careers** offers workshops, lectures and classes to help people plan for retirement and find employment.

**Crosstown** door-to-door transportation for seniors in Princeton, managed for Princeton Municipalities.

##### Basis of Presentation

The Organization classifies all financial transactions into three net asset categories in accordance with applicable donor-imposed restrictions: permanently restricted, temporarily restricted, and unrestricted.

- *Permanently* restricted net assets have donor-imposed restrictions that stipulate that the corpus of the gifts be maintained permanently.( See Note 8.)

- *Temporarily* restricted net assets carry donor-imposed restrictions on the expenditure of the contributed assets. Temporary restrictions may expire with the passage of time or as a result of actions taken by the Organization that fulfill donors' restrictions. When temporarily restricted net assets are released from restrictions, they are transferred to unrestricted net assets and shown as "Net assets released from restrictions" in the Statement of Activities. Transfers from temporarily restricted to unrestricted net assets occur even if the contributions are received and spent within the same year.

- *Unrestricted* net assets are not restricted by donors.

##### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Accordingly, actual results could differ from those estimates.

**Princeton Senior Resource Center**  
Notes to Financial Statements

Donated Assets

Donated marketable securities and other noncash donations, if any, are recorded as contributions at the estimated fair values at the date of donation.

Allocation of Costs

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain cost have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the organization considers all investments with a term of maturity of three months or less at the time of acquisition to be cash equivalents.

Property and Equipment

Property and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets which range from three to five years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments that materially extend the life of the asset are capitalized.

Income Taxes

The organization is generally exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities. Write-downs of cost due to market declines are made only when they are determined by the Board of Trustees to be permanent.

Contributions

The organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Absent any donor restrictions, the organization reports gifts of cash and other assets as unrestricted support.

**Princeton Senior Resource Center**  
Notes to Financial Statements

Advertising

The Organization expenses the cost of advertising and promotions as incurred. Advertising costs charge to operations amounted to approximately \$2,516. and \$2,197. in 2010 and 2009 respectively.

Subsequent Events

The Organization has evaluated subsequent events through November 8, 2010, the date which the financial statements were available to be issued.

Note 2 - Summary of Investments:

Investments are presented in the financial statements at market value. The following is a summary of investments at June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Fidelity Stock Funds, cost \$97,598	129,200	112,912
Fidelity Bond Funds, cost \$99,291	118,880	106,464
	248,080	219,376
Princeton Area Community Foundation Endowment Fund, cost \$546,747	531,826	477,994
	<u>\$ 697,370</u>	<u>\$ 613,457</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Dividends (unrestricted)	\$ 6,432	\$ 5,054
Realized gains (loss) unrestricted)	10,157	( 7,583)
Unrealized gains (loss) (Endowment)	45,411	(65,573)
Total investment return	<u>\$ 62,000</u>	<u>\$ (68,102)</u>

Note 3 - Property and Equipment:

Equipment is stated at cost and is depreciated using the straight-line method over an estimated useful life of three and five years. The following is a summary of property and equipment at June 30, 2010 and 2009:

2010

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>NBV</u>
Computers	\$ 20,185	\$ 20,185	\$ -
Furniture & Fixtures	5,000	5,000	-
Signs and improvements	507	507	-
Office Equipment	18,148	17,803	345
	<u>\$ 43,840</u>	<u>\$ 43,495</u>	<u>\$ 345</u>

**Princeton Senior Resource Center**  
Notes to Financial Statements

Advertising

The Organization expenses the cost of advertising and promotions as incurred. Advertising costs charge to operations amounted to approximately \$2,516. and \$2,197. in 2010 and 2009 respectively.

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2010

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>NBV</u>
Computers	\$ 20,185	\$ 20,185	\$ -
Furniture & Fixtures	5,000	5,000	-
Signs and improvements	507	507	-
Office Equipment	18,148	17,803	345
	<u>\$ 43,840</u>	<u>\$ 43,495</u>	<u>\$ 345</u>

**Princeton Senior Resource Center**  
Notes to Financial Statements

Note 3 - Property and Equipment Continued:

2009

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>NBV</u>
Computers	\$ 20,185	\$ 19,763	\$ 422
Furniture & Fixtures	5,000	4,909	91
Signs and improvements	507	507	-
Office Equipment	<u>17,747</u>	<u>16,566</u>	<u>1,181</u>
	<u>\$ 43,439</u>	<u>\$ 41,745</u>	<u>\$ 1,694</u>

Note 4 - Concentration of Business and Credit Risk:

The Organization's funding sources are primarily located in the Princeton area. Three of those funding sources accounted for approximately \$160,622 (34.6%) and \$151,753 (41.8%) of unrestricted public support and revenue for the years ended June 30, 2010 and 2009, respectively.

The Organization places its temporary cash investments with high credit quality financial institutions. At times such amounts may exceed federally insured limits. At June 30, 2010 the Organization had cash balances (including money market funds) that exceeded federally insured limits in the amount of approximately \$0. At June 30, 2009 the Organization had cash balances (including money market funds) that exceeded federally insured limits in the amount of approximately \$0..

Included in cash and cash equivalents at June 30, 2010 the Organization had money market accounts totaling \$106,110. with one investment broker. At June 30, 2009 money market accounts included in cash and cash equivalents totaled \$98,284..

Net proceeds from the Organization's major fund-raising events accounted for approximately 3.1% and 4.7% of unrestricted public support and revenue for the years ended June 30, 2010 and 2009, respectively.

Note 5 - Fund-Raising Expenses:

During the current year, the Organization held two special events to raise funds for continuing operations. Expenses associated with the events amounting to approximately \$7,535 have been netted against revenues from the events of approximately \$21,667 in the accompanying Statements of Activities.

During the prior year, the Organization held two special events to raise funds for continuing operations. Expenses associated with the events amounting to approximately \$6,067 have been netted against revenues from the events of approximately \$23,291 in the accompanying Statements of Activities.

**Princeton Senior Resource Center**  
Notes to Financial Statements

Note 6 - Tax-deferred Annuity plan:

During the year ended June 30, 1998, the Organization entered into a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time employees of the Organization that elect to participate. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. Plan expenses were \$14,000. and \$12,000. for the years ended June 30, 2010 and 2009, respectively.

Note 7 - Donated Services and Facilities:

No amounts have been reflected in the financial statements for 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 assistance programs, fund-raising campaigns and various committee assignments. The Organization received more than 9,300 volunteer hours from over 360 volunteers during the current year and the estimated value of such services is \$215,924.. No amounts have been recognized in the statement of activities because the criteria for recognition under SFAS No. 116 have not been satisfied.

The Organization occupies and conducts its operations from two separate locations; the Spruce Circle location is owned by the Housing Authority Borough of Princeton and the Suzanne Paterson Center is owned by Borough of Princeton. No rent is paid by the Organization, however the in kind contribution by the Housing Authority Borough of Princeton is estimated to be \$15,541. per year and the in kind contribution by the Borough of Princeton is estimated to be \$32,000. per year.

Note 8 - Restricted Assets:

The Princeton Senior Resource Center (PSRC) adopted a resolution in March 2007 to establish an endowment with the Princeton Area Community Foundation (PACF) for the purpose of an endowment in perpetuity. The endowment was initiated when the minimum amount of \$10,000 was reached. The corpus is permanently restricted and cannot be used for any purpose. An annual amount, not to exceed 4% of the total market value of the fund, shall be available to support the PSRC. These funds will not be available for distribution until the total market value of the fund reaches \$250,000, unless requested in writing by the PSRC Board of Directors.

Temporarily restricted assets consist of the following:

	<u>2010</u>	<u>2009</u>
Human Capital Fund	\$ 53,250	\$ - 0 -
Building Fund	19,500	19,500
Special Projects Fund	500	250
Other Time Restrictions	<u>3,228</u>	<u>2,656</u>
	<u>\$ 76,478</u>	<u>\$ 22,406</u>

Note 9 - Fair Value of Financial Instruments:

Cash and cash equivalents, receivables, accounts payable and other current liabilities are reflected in the financial statements at carrying value which approximates fair value because of the short-term maturity of these instruments.