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**PRINCETON SENIOR RESOURCE CENTER**

**FINANCIAL STATEMENTS**

**Years Ended June 30, 2013 and 2012**

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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) which comprise the statement of financial condition as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets, functional expenses and cash flows, for the years then ended and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence that I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **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, 2013 and 2012, 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.

*Michael T. Remus*

Hamilton Square, New Jersey  
December 2, 2013

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

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 409,208	\$ 349,138
Trade receivable	29,469	21,853
Grants receivable	-	3,031
Other receivable	5,652	1,805
Investments, at fair market value	323,950	280,743
Endowment fund	1,385,962	1,095,643
J. Seward Johnson Sr. Assistance Fund	276,839	257,494
Prepaid expenses	944	830
Property and equipment, net	11,827	14,211
Total Assets	<u>\$ 2,443,851</u>	<u>\$ 2,024,748</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 7,451	\$ 5,007
Advance rent payment	8,388	8,548
Security deposits payable	2,600	2,600
Total Liabilities	<u>18,439</u>	<u>16,155</u>
<b>Net Assets</b>		
Unrestricted - available for general activities	649,595	430,641
Temporarily restricted	113,016	224,816
Permanently restricted	<u>1,662,801</u>	<u>1,353,136</u>
Total Net Assets	<u>2,425,412</u>	<u>2,008,593</u>
Total Liabilities & Net Assets	<u>\$ 2,443,851</u>	<u>\$ 2,024,748</u>

See accompanying notes.

**Princeton Senior Resource Center**  
**Statements of Activities and Changes in Net Assets**  
**Years Ended June 30,**

	<u>2013</u>	<u>2012</u>
<b>PUBLIC SUPPORT AND REVENUE - UNRESTRICTED</b>		
Public Support		
Received Directly:		
Contributions - Individual	\$ 223,381	\$ 85,500
Contributions - Corporate	2,428	5,236
Received Indirectly:		
Grants	92,050	60,750
Allocation request - UWGMC	13,639	36,373
Other organizations	12,750	13,300
Total public support	<u>344,248</u>	<u>201,159</u>
Revenues, Gains & Other Support:		
Municipal contract	118,915	117,875
Special event proceeds, net	99,167	109,921
Program service fees	87,199	87,770
Comcast receipts	4,692	4,772
Rental income	34,690	26,268
Net realized and unrealized gain (loss) on investment	20,884	(15,595)
Interest & dividend income	10,111	11,258
Other revenue	5,312	1,811
Total revenue	<u>380,970</u>	<u>344,080</u>
Net assets temporarily restricted for future use	1,000	114,331
Net assets (released) from restrictions	(113,150)	(21,867)
Total unrestricted and temporarily restricted public support and revenue	<u>613,068</u>	<u>637,703</u>
<b>EXPENSES</b>		
Program Services:		
Senior programs	248,901	225,474
Social services	104,038	109,796
Total program services	<u>352,939</u>	<u>335,270</u>
Supporting Services:		
Management and general	70,907	65,212
Fundraising	82,068	85,407
Total supporting services	<u>152,975</u>	<u>150,619</u>
Total expenses	<u>505,914</u>	<u>485,889</u>
Increase in net assets - unrestricted & temporarily restricted	107,154	151,814
<b>RESTRICTED NET ASSETS</b>		
Endowment Funds income	23,826	20,924
Endowment Funds expenses	(9,162)	(6,700)
Endowment Funds contributions	200,100	244,733
Realized gain on investments	40,482	6,873
Net unrealized gain (loss) on investments	54,419	(13,404)
Increase in net assets - permanently restricted	<u>309,665</u>	<u>252,426</u>
Net Assets at June 30, 2012 and 2011	<u>2,008,593</u>	<u>1,604,353</u>
Net Assets at June 30, 2013 and 2012	<u>\$ 2,425,412</u>	<u>\$ 2,008,593</u>

See accompanying notes.



# Princeton Senior Resource Center

## Statements of Cash Flows

Years Ended June 30,

	2013	2012
Cash Flows From Operating Activities:		
Cash rec'd from public support	\$ 244,771	\$ 277,006
Cash rec'd from municipal contract	109,092	98,229
Cash rec'd from special events & conference	156,495	144,768
Cash rec'd from program service fees & other	82,743	81,387
Cash rec'd from Comcast Media receipts	4,692	4,756
Cash rec'd from rental income	34,725	33,120
Interest & dividends	33,937	32,107
Cash paid for program expenses	(294,486)	(309,365)
Cash paid for mgmt, general & fundraising expenses	(264,595)	(172,886)
Cash paid for Endowment fund expenses	(9,162)	(6,700)
Net cash provided by operating activities	98,212	182,422
Cash Flows From Investing Activities:		
Capital expenditures	(1,155)	(16,505)
Proceeds from sale of securities	33,507	30,030
Other investing activities, net	(270,594)	(358,045)
Net cash (used in) investing activities	(238,242)	(344,520)
Cash Flows From Financing Activities:		
Contributions permanently restricted	200,100	244,733
Net cash provided by financing activities	200,100	244,733
Increase in cash and cash equivalents	60,070	82,635
Cash and cash equivalents, June 30, 2012 and 2011 respectively	349,138	266,503
Cash and cash equivalents, June 30, 2013 and 2012 respectively	\$ 409,208	\$ 349,138

See accompanying notes.

**Princeton Senior Resource Center**

Statements of Cash Flows

Years Ended June 30,

	<u>2013</u>	<u>2012</u>
Reconciliation of change in net assets to net cash provided by (used by) operating activities:		
Increase in net assets	\$ 415,803	\$ 404,240
Adjustments to reconcile net income to net cash provided by (used by) operating activities:		
Depreciation	3,540	3,480
Unrealized (gain) loss on investments	(74,368)	29,057
Realized (gain) loss on investments	(41,417)	9,403
Contributions permanently restricted	(200,100)	(244,733)
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(7,910)	(19,940)
(Increase) decrease in prepaid expenses	380	2,239
Increase (decrease) in accounts payable	2,444	2,007
Increase (decrease) in advance rent	(160)	373
Increase (decrease) in deferred revenue	-	(3,204)
(Decrease) in security deposits payable	-	(500)
Total adjustments	<u>(317,591)</u>	<u>(221,818)</u>
Net cash provided by operating activities	<u>\$ 98,212</u>	<u>\$ 182,422</u>
Supplementary Disclosure of Cash Flow Information		
Federal income tax payments	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.



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

<b>2013</b>						
	<b>Program Services</b>			<b>Supporting Services</b>		
	Senior Programs	Social Services	Total Program Expenses	Management and General Expenses	Fundraising	Total Supporting Services
Salaries and related charges	\$ 181,738	\$ 96,947	\$ 278,685	\$ 58,687	\$ 59,154	\$ 117,841
Professional fees	22,144	-	22,144	3,000	8,218	11,218
Supplies	5,518	1,034	6,552	763	763	1,526
Equipment & maintenance	2,649	973	3,622	323	323	646
Printing and publication	19,591	-	19,591	897	5,715	6,612
Conferences	105	-	105	160	480	640
Volunteer recognition	836	-	836	-	-	-
Refreshments & entertainment	3,020	170	3,190	-	-	-
Travel	366	217	583	310	284	594
Postage	1,201	45	1,246	612	62	674
Information technology	1,653	695	2,348	278	1,095	1,373
Advertising	772	-	772	549	1,761	2,310
Membership dues	90	-	90	145	286	431
Miscellaneous	1,719	213	1,932	451	722	1,173
Telephone	315	658	973	367	165	532
Depreciation	1,770	885	2,655	354	531	885
Payroll processing	422	229	651	119	147	266
Filing fees	-	-	-	175	-	175
Investment management fees	-	-	-	3,060	-	3,060
Insurance	3,287	1,972	5,259	657	657	1,314
Bank & credit card fees	1,705	-	1,705	-	1,705	1,705
	<u>\$ 248,901</u>	<u>\$ 104,038</u>	<u>\$ 352,939</u>	<u>\$ 70,907</u>	<u>\$ 82,068</u>	<u>\$ 152,975</u>

<b>2012</b>						
	<b>Program Services</b>			<b>Supporting Services</b>		
	Senior Programs	Social Services	Total Program Expenses	Management and General Expenses	Fundraising	Total Supporting Services
Salaries and related charges	\$ 161,200	\$ 100,774	\$ 261,974	\$ 48,714	\$ 71,362	\$ 120,076
Professional fees	24,715	-	24,715	5,320	-	5,320
Supplies	3,518	1,717	5,235	1,156	1,156	2,312
Equipment & maintenance	2,184	1,734	3,918	392	392	784
Printing and publication	12,749	-	12,749	320	4,584	4,904
Conferences	30	-	30	779	10	789
Volunteer recognition	872	15	887	-	-	-
Refreshments & entertainment	3,114	481	3,595	-	-	-
Travel	352	356	708	408	177	585
Postage	772	39	811	925	2,129	3,054
Information technology	7,304	883	8,187	353	1,307	1,660
Advertising	806	-	806	-	1,016	1,016
Membership dues	85	-	85	145	150	295
Legal fees	960	-	960	-	-	-
Miscellaneous	-	69	69	2,064	499	2,563
Telephone	432	763	1,195	504	157	661
Depreciation	1,740	870	2,610	348	522	870
Payroll processing	354	222	576	107	157	264
Filing fees	-	-	-	275	-	275
Investment management fees	-	-	-	2,778	-	2,778
Insurance	3,122	1,873	4,995	624	624	1,248
Bank & credit card fees	1,165	-	1,165	-	1,165	1,165
	<u>\$ 225,474</u>	<u>\$ 109,796</u>	<u>\$ 335,270</u>	<u>\$ 65,212</u>	<u>\$ 85,407</u>	<u>\$ 150,619</u>

See accompanying notes.

## Princeton Senior Resource Center

### Notes to Financial Statements

June 30, 2013 and 2012

#### 1 Nature of Activities

The Princeton Senior Resource Center ("the Organization") is a New Jersey not-for-profit Organization under section 501(c)(3) of the Internal Revenue Code. The Organization provides senior programs, social services and volunteer opportunities 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 care givers. The Organization is supported primarily through donor contributions, grants, and contracts to provide services.

*Senior Programs:* fitness, education and enrichment classes, Evergreen Forum lifelong learning, Next Step: Engaged Retirement & Encore Careers, informational seminars, programs promoting wellness, volunteer opportunities, GrandPals, and recreational and social events.

*Social Services:* information and referral, maintaining resource directories, assistance with benefit applications, case management, transitions, consultations and counseling, support groups, Care Giver Resource Center, Partners in Caring-Princeton, HomeFriends Volunteers.

#### 2 Summary of Significant Accounting Policies

##### (a) Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

##### (b) 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.

##### (c) Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all money market funds and highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.



## **Princeton Senior Resource Center**

### **Notes to Financial Statements**

June 30, 2013 and 2012

#### *(d) Investments*

Investments in marketable securities (stock mutual funds) with readily determinable fair values and all investments in debt securities (bond mutual funds) are measured at fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income or loss (including realized and unrealized gains and losses, interest and dividends) and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

The Organization's endowment fund and J. Seward Johnson Sr. Assistance Fund are held and managed by the Princeton Area Community Foundation. The Community Foundation has invested funds in alternative investments. The investments are established as limited partnerships but are not traded on any public exchange or market. The alternative investments invest in various investment vehicles including publicly traded equities and bonds traded in the United States and internationally, privately held companies, and closely held limited partnerships and investment companies. Those investments that are traded in the United States or on foreign exchanges are valued based on current traded value. Investments in privately held or closely held companies are valued at the net value based on audited or unaudited financial statements.

For a further discussion of Endowment Funds see "Note 11 Endowment Funds"

#### *(e) Promises to Give*

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Absent any donor restrictions, the organization reports gifts of cash and other assets as unrestricted support.

#### *(f) Property and Equipment*

The Organization capitalizes property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is recorded at cost. Donations of property and equipment are recorded at fair value on the date of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from three to five years.

## **Princeton Senior Resource Center**

### **Notes to Financial Statements**

June 30, 2013 and 2012

#### *(g) Contributed Services*

No amounts have been reflected in the financial statements for donated services. The Organization generally 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. For the years ended June 30, 2013 & 2012 the Organization received more than 10,865 & 10,243 volunteer hours from over 490 & 550 volunteers and the estimated value of such services is \$236,750 & \$223,195, respectively. The value of all donated services has not been recognized in these financial statements as they do not meet the criteria for recognition.

The Organization occupies and conducts its operations from two separate locations; the Spruce Circle location is owned by the Princeton Housing Authority 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 Princeton Housing Authority is estimated to be \$27,014 and \$15,541 and the in kind contribution by the Borough of Princeton is estimated to be \$33,550 and \$32,000 for the years ended June 30, 2013 and 2012 respectively.

#### *(h) Contributions*

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

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

#### *(i) Revenue and Support Recognition*

Unrestricted contributions are recognized as support when they are received or unconditionally pledged. Revenue's and other support from grants and contracts are recognized in the period they are earned.

#### *(j) 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).

The Organization follows the pronouncement related to accounting for uncertainty in income taxes. The Organization does not believe its financial statements include any uncertain tax positions at June 30, 2013 and 2012. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2012, 2011, and 2010 are subject to examination by the IRS, generally for three years after they were filed. In addition, no income tax related penalties or interest have been recorded for the years ended June 30, 2013 and 2012.

Income tax expense on unrelated business income for the year ended June 30, 2013 and 2012 was \$147 and \$122, respectively. The Organization also received a foreign tax credit that was used to offset income tax expense in the amount of \$120 and \$122 for the years ended June 30, 2013 and 2012, respectively.



**Princeton Senior Resource Center**  
**Notes to Financial Statements**  
**June 30, 2013 and 2012**

*(k) 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.

Significant estimates have been made by the Princeton Area Community Foundation in determining fair value of investments (see item *d* above). It is reasonably possible that these estimates could change in the near future.

*(l) Allocation of Expenses*

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 expenses have been allocated among program services, management and general and fund-raising using the direct cost method or other reasonable basis consistent with the benefit derived by each program.

*(m) Fair Value Measurements*

The Financial Accounting Standards Board ("FASB") issued under Topic 820 under the FASB Accounting Standards Codification which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value, which focuses on a exit price between market participants in an orderly transaction. The standard also prioritizes, within the measurement of fair value, the use of market based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Assets and liabilities, subject to the standard, measured and reported at fair value are classified and disclosed in one of the following categories:

- |           |  |
|-----------|--|
| Level 1 - | Inputs that reflect quoted prices are available in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date .                      |
| Level 2 - | Inputs other than quoted prices included in Level 1 that are observable for the assets or liability either directly or indirectly, including inputs in markets that are not considered to be active. |
| Level 3 - | Inputs are unobservable for the assets or liability and include situations where there is little, if any, market activity for the asset or liability.  |



# Princeton Senior Resource Center

## Notes to Financial Statements

June 30, 2013 and 2012

### 3 Investments

Investments are presented in the financial statements at fair market value. The following is a summary of investments at June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
<u>Level 1 Inputs</u>		
Fidelity Stock Funds, cost \$190,274	\$ 233,607	\$ 199,336
Fidelity Bond Funds, cost \$ 86,973	90,343	81,407
	<u>323,950</u>	<u>280,743</u>
<i>Princeton Area Community Foundation (PACF)</i>		
Endowment Fund, corpus \$1,212,684	1,385,962*	1,095,643
J Seward Johnson Sr. Assistance	<u>276,839</u>	<u>257,494</u>
Fund, corpus \$250,000	<u>1,662,801</u>	<u>1,353,137</u>
	<u>\$ 1,986,751</u>	<u>\$ 1,633,880</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Dividends (unrestricted)	\$ 9,315	\$ 10,552
Net realized and unrealized gains (loss) (unrestricted)	20,884	(15,595)
Net realized and unrealized gains (loss) (Endowment)	<u>94,490</u>	<u>( 6,656)</u>
Total investment return	<u>\$ 124,689</u>	<u>\$ (11,669)</u>

\* includes gifts from individuals made directly to the *PACF* for the benefit of the Organization.

### 4 Property and Equipment

Property and equipment consisted of the following at June 30:

#### 2013

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>NBV</u>
Computers	\$ 36,806	\$ 26,883	\$ 9,923
Furniture & Fixtures	6,792	5,269	1,523
Signs and improvements	507	507	-
Office Equipment	<u>18,571</u>	<u>18,190</u>	<u>381</u>
	<u>\$ 62,676</u>	<u>\$ 50,849</u>	<u>\$ 11,827</u>

#### 2012

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>NBV</u>
Computers	\$ 36,806	\$ 23,534	\$ 13,272
Furniture & Fixtures	6,059	5,120	939
Signs and improvements	507	507	-
Office Equipment	<u>18,148</u>	<u>18,148</u>	<u>-</u>
	<u>\$ 61,520</u>	<u>\$ 47,309</u>	<u>\$ 14,211</u>

Depreciation expense was \$3,540 and \$3,480 at June 30, 2013 and 2012, respectively.

## **Princeton Senior Resource Center**

### **Notes to Financial Statements**

June 30, 2013 and 2012

#### **5 Fund-raising**

Net proceeds from the Organization's major fund-raising events accounted for approximately 16.4% and 18.9% of unrestricted public support and revenue for the years ended June 30, 2013 and 2012, respectively.

During the current year, the Organization held three special events to raise funds for continuing operations, Brunch at Home, Capitol Steps, and Cotton Club. Expenses associated with the events amounting to approximately \$55,506 have been netted against revenues from the events of approximately \$156,495 in the accompanying Statements of Activities.

During the prior year, the Organization held three special events to raise funds for continuing operations, Brunch at Home, Capitol Steps, and Cotton Club. Expenses associated with the events amounting to approximately \$42,239 have been netted against revenues from the events of approximately \$144,768 in the accompanying Statements of Activities.

#### **6 Employee Benefit 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 is available to all employees of the Organization after they have completed the work test period. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish. For the plan year ended June 30, 2013, PSRC instituted a dollar for dollar match up to one percent of the respective employee's wages. Plan expenses were \$19,672. and \$18,000. for the years ended June 30, 2013 and 2012, respectively.

#### **7 Related Party Transactions**

The Board of Trustees consists of 19 voting members. During the years ended June 30, 2013 and 2012 contributions from these trustees and members of the Organizations staff totaled approximately \$19,089 and 33,545 respectively.

#### **8 Net Assets**

##### **Permanently Restricted**

The Organization 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 Organization.

On January 18, 2011 the Organization's Board of Trustees adopted a resolution to establish a dedicated endowment fund to be known as the J Seward Johnson Sr. Assistance Fund at PSRC. The fund was established by a grant received from the J Seward Johnson Sr. 1963 Charitable Trust. The Organization can receive up to a five percent disbursement each year (to be determined by the Organization's finance committee) from principal and interest. The fund will be used to give small grants to low and moderate income adults in Princeton to address problems that create a significant risk to their independence.



## Princeton Senior Resource Center

### Notes to Financial Statements

June 30, 2013 and 2012

#### 8 Net Assets - continued

##### Temporarily Restricted

	<u>2013</u>	<u>2012</u>
Human Capital Fund	\$ 82,606	\$ 181,106
Building Fund	18,768	19,500
Technology Fund	6,515	6,938
Special Projects Fund	850	850
Other Time Restrictions	<u>4,277</u>	<u>16,422</u>
	<u>\$ 113,016</u>	<u>\$ 224,816</u>

#### 9 Recurring Fair Value Measurements

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.

Investments held in the Organizations Endowment Fund and J. Seward Johnson Sr. Assistance Fund are held and managed by the Princeton Area Community Foundation. The Community Foundation investments have been accounted for at fair value on a recurring basis and are held in various money market funds, mutual funds, domestic equity funds, international funds, alternative investments, beneficial interest in split interest agreements and privately held stock.

"Money Market Funds, Mutual Funds, Domestic Equity Funds, International Funds and Privately Held Stock" are Level 1 Inputs because they have quoted prices in active markets. "Beneficial Interest in Split Interest Agreements is a Level 2 Input because it has observable measurement criteria in markets that are not considered to be active. "Alternative Investments" are Level 3 Inputs because they have no unobservable measurement criteria.

#### 10 Concentrations of Business and Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk are cash and cash equivalents and investments. The Organization places cash and investments in high quality securities with investment institutions which helps limit the Organization's exposure to concentrations of credit risk. However, the Organization is subject to the inherent risks associated with market fluctuations which it attempts to minimize by holding a diversified portfolio. Cash balances at financial institutions are insured by the Federal Deposit Insurance Corporation ("FDIC"). From time to time, the Organization may have cash balances which exceed the insured limit over \$250,000.

The Organization's funding sources are primarily located in the Princeton area. Three of those funding sources accounted for approximately \$144,554 (23.9%) and \$166,248 (30.6%) of unrestricted public support and revenue for the years ended June 30, 2013 and 2012, respectively.

## **Princeton Senior Resource Center**

### **Notes to Financial Statements**

**June 30, 2013 and 2012**

#### **11 Endowment Funds**

The Board of Trustees of the Organization has designated that long-term assets be held in a manner consistent with the standard of prudence prescribed by state law. As a result of this interpretation, the organization considers the following factors in making a determination to distribute or accumulate long-term asset funds:

1. The duration and preservation of the fund.
2. The purpose of the donor restricted 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 Organization
7. The Organizations investment policies.

The Organization has adopted investment and spending policies for endowment assets that attempt to subject the fund to low investment risk and maintain the purchasing power of these assets. Endowment assets are managed by the Princeton Area Community Foundation. The Organization seeks to build endowment assets through additional contributions.

#### **12 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. Such reclassification had no effect on the June 30, 2012 change in net assets.

#### **13 Subsequent Events**

The Organization has evaluated subsequent events occurring after the statement of financial position date through the date of December 2, 2013 which is the date the financial statements were available to be issued. Based on this evaluation, the Organization has determined that no subsequent events have occurred which require disclosure in or adjustment to the financial statements.