
PRINCETON SENIOR RESOURCE CENTER INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2014 and 2013

PRINCETON SENIOR RESOURCE CENTER INC.

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Independent Auditor's Report

To: Board of Trustees
Princeton Senior Resource Center Inc.

I have audited the accompanying statements of financial position of Princeton Senior Resource Center Inc. (a nonprofit organization) which comprise the statement of financial condition as of June 30, 2014 and 2013, 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 audits. I conducted my audits 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 Inc. as of June 30, 2014 and 2013, 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
December 2, 2014

Princeton Senior Resource Center Inc.
 Statements of Financial Position
 June 30,

	2014	2013
ASSETS		
Cash and cash equivalents	\$ 432,562	\$ 409,208
Trade receivable	12,086	29,469
Other receivable	1,091	5,652
Investments, at fair market value	385,604	323,950
Endowment fund	1,595,671	1,385,962
J. Seward Johnson Sr. Assistance Fund	307,435	276,839
Prepaid expenses	13,263	944
Property and equipment, net	31,939	11,827
 Total Assets	 \$ 2,779,651	 \$ 2,443,851
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 3,500	\$ 7,451
Advance rent payment	12,521	8,388
Deferred revenue	25,095	-
Security deposits payable	2,600	2,600
 Total Liabilities	 43,716	 18,439
 Net Assets		
Unrestricted - available for general activities	723,015	649,595
Temporarily restricted	109,814	113,016
Permanently restricted	1,903,106	1,662,801
 Total Net Assets	 2,735,935	 2,425,412
 Total Liabilities & Net Assets	 \$ 2,779,651	 \$ 2,443,851

See accompanying notes.

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

	2014	2013
PUBLIC SUPPORT AND REVENUE - UNRESTRICTED		
Public Support		
Received Directly:		
Contributions - Individual	\$ 116,936	\$ 223,381
Contributions - Corporate	11,892	2,428
Received Indirectly:		
Grants	104,625	92,050
Allocation request - UWGMC	-	13,639
Other organizations	14,019	12,750
Total public support	247,472	344,248
Revenues, Gains & Other Support:		
Municipal contract	123,323	118,915
Special event proceeds, net	86,037	99,167
Program service fees	79,588	87,199
Comcast receipts	4,648	4,692
Rental income	32,942	34,690
Net realized and unrealized gain on investment	35,428	20,884
Interest & dividend income	24,465	10,111
Other revenue	(2,775)	5,312
Total revenue	383,656	380,970
Net assets temporarily restricted for future use	-	1,000
Net assets (released) from restrictions	(3,207)	(113,150)
Total unrestricted and temporarily restricted public support and revenue	627,921	613,068
EXPENSES		
Program Services:		
Senior programs	250,869	248,582
Social services	109,802	104,230
Total program services	360,671	352,812
Supporting Services:		
Management and general	91,503	71,033
Fundraising	107,250	82,069
Total supporting services	198,753	153,102
Total expenses	559,424	505,914
Increase in net assets - unrestricted & temporarily restricted	68,497	107,154
RESTRICTED NET ASSETS		
Endowment Funds income	14,718	23,826
Endowment Funds expenses	(13,454)	(9,162)
Endowment Funds contributions	46,550	200,100
Realized gain (loss) on investments	(40,377)	40,482
Net unrealized gain on investments	234,589	54,419
Increase in net assets - permanently restricted	242,026	309,665
Net Assets at June 30, 2013 and 2012	2,425,412	2,008,593
Net Assets at June 30, 2014 and 2013	\$ 2,735,935	\$ 2,425,412

See accompanying notes.

Princeton Senior Resource Center Inc.

Statements of Cash Flows

Years Ended June 30,

	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities:		
Cash rec'd from public support	\$ 247,472	\$ 244,771
Cash rec'd from municipal contract	142,414	109,092
Cash rec'd from special events & conference	147,283	156,495
Cash rec'd from program service fees & other	79,308	82,743
Cash rec'd from Comcast Media receipts	3,489	4,692
Cash rec'd from rental income	37,075	34,725
Interest & dividends	39,183	33,937
Cash paid for program expenses	(325,409)	(294,486)
Cash paid for mgmt, general & fundraising expenses	(251,425)	(264,595)
Cash paid for Endowment fund expenses	(14,625)	(9,162)
Net cash provided by operating activities	<u>104,765</u>	<u>98,212</u>
Cash Flows From Investing Activities:		
Capital expenditures	(35,469)	(1,155)
Proceeds from sale of securities	30,281	33,507
Other investing activities, net	(122,773)	(270,594)
Net cash (used in) investing activities	<u>(127,961)</u>	<u>(238,242)</u>
Cash Flows From Financing Activities:		
Contributions permanently restricted	46,550	200,100
Net cash provided by financing activities	<u>46,550</u>	<u>200,100</u>
Increase in cash and cash equivalents	23,354	60,070
Cash and cash equivalents, June 30, 2013 and 2012 respectively	409,208	349,138
Cash and cash equivalents, June 30, 2014 and 2013 respectively	<u>\$ 432,562</u>	<u>\$ 409,208</u>

See accompanying notes.

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

	2014	2013
Reconciliation of change in net assets to net cash provided by (used by) operating activities:		
Increase in net assets	\$ 313,725	\$ 415,803
Adjustments to reconcile net income to net cash provided by (used by) operating activities:		
Depreciation	15,357	3,540
Unrealized (gain) loss on investments	(256,251)	(74,368)
Realized (gain) loss on investments	43,582	(41,417)
Contributions permanently restricted	(46,550)	(200,100)
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	21,944	(7,910)
(Increase) decrease in prepaid expenses	(12,319)	380
Increase (decrease) in accounts payable	(3,951)	2,444
Increase (decrease) in advance rent	4,133	(160)
Increase (decrease) in deferred revenue	25,095	-
Total adjustments	(208,960)	(317,591)
Net cash provided by operating activities	\$ 104,765	\$ 98,212
Supplementary Disclosure of Cash Flow Information		
Federal income tax payments	\$ -	\$ -

See accompanying notes.

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

	2014					
	Program Services			Supporting Services		
	Senior Programs	Social Services	Total Program Expenses	Management and General Expenses	Fundraising	Total Supporting Services
Salaries and related charges	\$ 180,113	\$ 94,192	\$ 274,305	\$ 83,779	\$ 81,997	\$ 165,776
Professional fees	24,205	-	24,205	3,000	-	3,000
Office expenses	3,404	2,031	5,435	604	2,771	3,375
Bank & credit card fees	1,141	-	1,141	-	2,215	2,215
Program supplies and expenses	4,723	551	5,274	-	-	-
Information technology	2,548	582	3,130	365	1,676	2,041
Professional development	1,797	621	2,418	177	1,575	1,752
Development expenses	-	-	-	-	10,574	10,574
Equipment expense	2,073	972	3,045	346	519	865
Marketing	14,549	4,811	19,360	962	2,886	3,848
Miscellaneous	1,495	-	1,495	-	-	-
Insurance	3,670	2,202	5,872	734	734	1,468
Depreciation	7,678	3,840	11,518	1,536	2,303	3,839
Investment management fees	3,473	-	3,473	-	-	-
	<u>\$ 250,869</u>	<u>\$ 109,802</u>	<u>\$ 360,671</u>	<u>\$ 91,503</u>	<u>\$ 107,250</u>	<u>\$ 198,753</u>

	2013					
	Program Services			Supporting Services		
	Senior Programs	Social Services	Total Program Expenses	Management and General Expenses	Fundraising	Total Supporting Services
Salaries and related charges	\$ 182,160	\$ 97,176	\$ 279,336	\$ 58,806	\$ 59,301	\$ 118,107
Professional fees	22,144	-	22,144	3,000	8,218	11,218
Office expenses	3,409	1,871	5,280	2,115	1,607	3,722
Bank & credit card fees	1,704	-	1,704	-	1,704	1,704
Program supplies and expenses	8,431	441	8,872	-	-	-
Information technology	1,653	730	2,383	278	1,095	1,373
Professional development	982	25	1,007	476	891	1,367
Development expenses	-	-	-	-	1,867	1,867
Equipment expense	2,649	974	3,623	323	323	646
Marketing	20,393	156	20,549	1,446	5,875	7,321
Miscellaneous	-	-	-	518	-	518
Insurance	3,287	1,972	5,259	657	657	1,314
Depreciation	1,770	885	2,655	354	531	885
Investment management fees	-	-	-	3,060	-	3,060
	<u>\$ 248,582</u>	<u>\$ 104,230</u>	<u>\$ 352,812</u>	<u>\$ 71,033</u>	<u>\$ 82,069</u>	<u>\$ 153,102</u>

See accompanying notes.

Princeton Senior Resource Center Inc.

Notes to Financial Statements

June 30, 2014 and 2013

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. The Princeton Senior Resource Center empowers older adults in the diverse Princeton community to make informed choices and live healthy lives. PSRC offers affordable services, programs and opportunities that support, educate and engage older individuals, and family caregivers. 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 Net Assets)

- *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 Inc.

Notes to Financial Statements

June 30, 2014 and 2013

(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 Inc.

Notes to Financial Statements

June 30, 2014 and 2013

(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, 2014 & 2013 the Organization received more than 17,032 & 10,865 volunteer hours from over 506 & 490 volunteers and the estimated value of such services is \$431,420 & \$236,750, 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 the Municipality 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 \$27,014 and the in-kind contribution by the Municipality of Princeton is estimated to be \$33,550 and \$33,550 for the years ended June 30, 2014 and 2013 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. Revenues 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)(1).

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, 2014 and 2013. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2013, 2012, and 2011 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, 2014 and 2013.

Income tax expense on unrelated business income for the year ended June 30, 2014 and 2013 was \$145 and \$147, respectively. The Organization also received a foreign tax credit that was used to offset income tax expense in the amount of \$110 and \$120 for the years ended June 30, 2014 and 2013, respectively.

Princeton Senior Resource Center Inc.

Notes to Financial Statements

June 30, 2014 and 2013

(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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by Topic 820, are used to measure fair value. 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.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, the liquidity of markets, and other characteristics particular to the security. To the extent the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining the fair value is greatest for instruments categorized in level 3.

Princeton Senior Resource Center Inc.

Notes to Financial Statements

June 30, 2014 and 2013

(m) *Fair Value Measurements* (continued)

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

3 Investments

Investments are presented in the financial statements at fair market value. The following is a summary of investments at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
<i>Level 1 Inputs</i>		
Fidelity Stock Funds, cost \$222,361	\$ 299,223	\$ 233,607
Fidelity Bond Funds, cost \$ 86,973	86,381	90,343
	<u>385,604</u>	<u>323,950</u>
<i>Princeton Area Community Foundation (PACF)</i>		
Endowment Fund, corpus \$1,225,738	1,595,671*	1,385,962
J Seward Johnson Sr. Assistance Fund, corpus \$250,000	<u>307,435</u>	<u>276,839</u>
	<u>1,903,106</u>	<u>1,662,801</u>
	\$ <u>2,288,710</u>	\$ <u>1,986,751</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Dividends (unrestricted & endowment)	\$ 35,424	\$ 32,673
Net realized and unrealized gains (loss) (unrestricted)	35,428	20,884
Net realized and unrealized gains (loss) (Endowment)	<u>194,212</u>	<u>94,490</u>
Total investment return	\$ <u>265,064</u>	\$ <u>124,689</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:

2014

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>NBV</u>
Computers	\$ 36,806	\$ 30,256	\$ 6,550
Database Software	33,120	11,040	22,080
Furniture & Fixtures	9,167	6,034	3,133
Signs and Improvements	507	507	-
Office Equipment	<u>18,571</u>	<u>18,395</u>	<u>176</u>
	\$ <u>98,171</u>	\$ <u>66,232</u>	\$ <u>31,939</u>

Princeton Senior Resource Center Inc.
Notes to Financial Statements
June 30, 2014 and 2013

4 Property and Equipment - *continued*

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>

Depreciation expense was \$15,357 and \$3,540 at June 30, 2014 and 2013, respectively.

5 Fund-raising

Net proceeds from the Organization's major fund-raising events accounted for approximately 13.6% and 16.4% of unrestricted public support and revenue for the years ended June 30, 2014 and 2013, respectively.

During the current year, the Organization held two special events to raise funds for continuing operations, Brunch at Home, and Capitol Steps. Expenses associated with the events amounting to approximately \$36,151 have been netted against revenues from the events of approximately \$122,188 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 \$55,506 have been netted against revenues from the events of approximately \$156,495 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 (full and part time) of the Organization after they have completed six months of employment. Details of this plan are provided separately to each employee, and the plan documents govern eligibility and terms. 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 \$14,463. and \$19,672. for the years ended June 30, 2014 and 2013, respectively.

7 Related Party Transactions

The Board of Trustees consists of 22 voting members. During the years ended June 30, 2014 and 2013 contributions from these trustees and members of the Organizations staff totaled approximately \$44,712 and \$19,089 respectively.

Princeton Senior Resource Center Inc.
Notes to Financial Statements
June 30, 2014 and 2013

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 return 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.

Temporarily Restricted

	<u>2014</u>	<u>2013</u>
Human Capital Fund	\$ 82,606	\$ 82,606
Building Fund	18,768	18,768
Technology Fund	6,515	6,515
Special Projects Fund	850	850
Other Time Restrictions	<u>1,075</u>	<u>4,277</u>
	<u>\$ 109,814</u>	<u>\$ 113,016</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.

Princeton Senior Resource Center Inc.
Notes to Financial Statements
June 30, 2014 and 2013

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. Two funding sources accounted for approximately \$135,323 (26.5%) and three funding sources accounted for approximately \$144,554 (23.9%) of unrestricted public support and revenue for the years ended June 30, 2014 and 2013, respectively.

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, 2013 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, 2014 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.