
PRINCETON SENIOR RESOURCE CENTER INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2017 and 2016

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 statements of financial position as of June 30, 2017 and 2016, 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, 2017 and 2016, 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 12, 2017

Princeton Senior Resource Center Inc.

Statements of Financial Position

June 30,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 194,361	\$ 128,184
Trade receivable	350	24,273
Other receivable	-	2,674
Investments, at fair market value	450,986	439,592
Endowment fund	1,886,010	1,714,583
J. Seward Johnson Sr. Assistance Fund	344,222	309,022
Prepaid expenses	1,528	14,054
Property and equipment, net	8,767	4,037
Total Assets	<u>\$ 2,886,224</u>	<u>\$ 2,636,419</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 3,750	\$ 7,877
Advance rent payment	6,250	5,875
Deferred revenue	4,000	29,761
Security deposits payable	2,600	2,600
Total Liabilities	<u>16,600</u>	<u>46,113</u>
Net Assets		
Unrestricted - available for general activities	603,470	623,667
Temporarily restricted	35,922	43,334
Permanently restricted	<u>2,230,232</u>	<u>1,923,305</u>
Total Net Assets	<u>2,869,624</u>	<u>2,590,306</u>
Total Liabilities & Net Assets	<u>\$ 2,886,224</u>	<u>\$ 2,636,419</u>

See accompanying notes.

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

	<u>2017</u>	<u>2016</u>
PUBLIC SUPPORT AND REVENUE - UNRESTRICTED		
Public Support		
Received Directly:		
Contributions - Individual	\$ 153,138	\$ 110,281
Contributions - Corporate	11,543	13,195
Received Indirectly:		
Grants	31,000	70,102
Other organizations	15,665	16,831
 Total public support	 <u>211,346</u>	 <u>210,409</u>
 Revenues, Gains & Other Support:		
Municipal contract	137,325	132,700
Special event proceeds, net	165,070	132,999
Program service fees	122,566	111,690
Comcast receipts	4,185	4,608
Rental income	35,622	35,250
Net realized and unrealized gain (loss) on investment	36,940	(26,862)
Interest & dividend income	24,743	17,875
Other revenue (loss)	2,484	(1,074)
 Total revenue	 <u>528,935</u>	 <u>407,186</u>
 Net assets temporarily restricted for future use	 16,282	 500
Net assets (released) from restrictions	(12,876)	(31,927)
 Total unrestricted and temporarily restricted public support and revenue	 <u>743,687</u>	 <u>586,168</u>
 EXPENSES		
Program Services:		
Senior programs	289,541	281,693
Social services	184,886	170,098
 Total program services	 <u>474,427</u>	 <u>451,791</u>
 Supporting Services:		
Management and general	95,872	86,671
Fundraising	154,697	172,733
 Total supporting services	 <u>250,569</u>	 <u>259,404</u>
 Total expenses	 <u>724,996</u>	 <u>711,195</u>
 Increase (Decrease) in net assets - unrestricted & temporarily restricted	 18,691	 (125,027)
 RESTRICTED NET ASSETS		
Endowment Funds income	19,594	62,001
Endowment Funds expenses	(18,716)	(14,245)
Endowment Funds contributions	4,000	-
Realized gain (loss) on investments	(14,558)	(41,167)
Net unrealized gain (loss) on investments	270,307	(18,108)
 Increase (Decrease) in net assets - permanently restricted	 <u>260,627</u>	 <u>(11,519)</u>
 Net Assets at June 30, 2016 and 2015	 <u>2,590,306</u>	 <u>2,726,852</u>
 Net Assets at June 30, 2017 and 2016	 <u>\$ 2,869,624</u>	 <u>\$ 2,590,306</u>

See accompanying notes.

Princeton Senior Resource Center Inc.

Statements of Cash Flows

Years Ended June 30,

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities:		
Cash rec'd from public support	\$ 211,346	\$ 219,031
Cash rec'd from municipal contract	137,325	110,258
Cash rec'd from special events & conference	211,102	225,678
Cash rec'd from program service fees & other	122,566	109,646
Cash rec'd from Comcast Media receipts	4,185	4,608
Cash rec'd from rental income	35,997	32,563
Interest & dividends	44,337	79,876
Cash paid for program expenses	(463,177)	(438,228)
Cash paid for mgmt, general & fundraising expenses	(303,722)	(394,622)
Cash paid for Endowment fund expenses	(18,716)	(14,245)
Net cash provided by (used in) operating activities	<u>(18,757)</u>	<u>(65,435)</u>
Cash Flows From Investing Activities:		
Capital expenditures	(7,018)	(2,085)
Proceeds from sale of securities	104,021	52,100
Other investing activities, net	(16,069)	(98,344)
Net cash provided by (used in) investing activities	<u>80,934</u>	<u>(48,329)</u>
Cash Flows From Financing Activities:		
Contributions permanently restricted	4,000	-
Net cash provided by financing activities	<u>4,000</u>	<u>-</u>
Increase (Decrease) in cash and cash equivalents	66,177	(113,764)
Cash and cash equivalents, June 30, 2016 and 2015 respectively	128,184	241,948
Cash and cash equivalents, June 30, 2017 and 2016 respectively	<u>\$ 194,361</u>	<u>\$ 128,184</u>

See accompanying notes.

Princeton Senior Resource Center Inc.

Statements of Cash Flows

Years Ended June 30,

	<u>2017</u>	<u>2016</u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Increase (decrease) in net assets	\$ 279,318	\$ (136,546)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	2,288	15,875
Unrealized (gain) loss on investments	(306,728)	29,360
Realized (gain) loss on investments	(7,399)	39,141
Contributions permanently restricted	4,000	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	26,751	(16,494)
(Increase) decrease in prepaid expenses	12,526	626
Increase (decrease) in accounts payable	(4,127)	3,869
Increase (decrease) in advance rent	375	(2,687)
Increase (decrease) in deferred revenue	(25,761)	1,421
Total adjustments	<u>(298,075)</u>	<u>71,111</u>
Net cash provided by (used in) operating activities	<u>\$ (18,757)</u>	<u>\$ (65,435)</u>

Supplementary Disclosure of Cash Flow Information

Federal income tax payments	<u>\$ -</u>	<u>\$ 67</u>
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See accompanying notes.

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

2017						
Program Services			Supporting Services			
Senior Programs	Social Services	Total Program Expenses	Management and General Expenses	Fundraising	Total Supporting Services	
Salaries and related charges	\$ 223,340	\$ 159,863	\$ 77,718	\$ 136,695	\$ 214,413	
Professional fees	11,890	8,520	7,350	4,150	11,500	
Office expenses	3,334	1,667	1,000	667	1,667	
Bank & credit card fees	1,997	-	-	3,876	3,876	
Program supplies and expenses	20,944	613	397	60	457	
Information technology	2,626	1,313	788	525	1,313	
Professional development	884	645	311	549	860	
Development expenses	-	-	-	3,273	3,273	
Equipment expense	2,393	1,196	718	478	1,196	
Marketing	14,728	7,364	4,418	2,946	7,364	
Miscellaneous	-	-	952	-	952	
Insurance	4,630	2,315	1,390	925	2,315	
Depreciation	1,145	575	340	228	568	
Investment management fees	1,630	815	490	325	815	
\$ 289,541	\$ 184,886	\$ 474,427	\$ 95,872	\$ 154,697	\$ 250,569	

2016						
Program Services			Supporting Services			
Senior Programs	Social Services	Total Program Expenses	Management and General Expenses	Fundraising	Total Supporting Services	
Salaries and related charges	\$ 227,794	\$ 147,162	\$ 57,533	\$ 151,528	\$ 209,061	
Professional fees	10,700	7,518	6,651	4,049	10,700	
Office expenses	2,663	478	5,290	364	5,654	
Bank & credit card fees	2,131	-	-	4,136	4,136	
Program supplies and expenses	10,808	233	577	59	636	
Information technology	300	-	3,682	-	3,682	
Professional development	691	628	1,593	428	2,021	
Development expenses	-	-	-	5,630	5,630	
Equipment expense	134	1,015	3,568	3	3,571	
Marketing	13,723	6,862	4,117	2,744	6,861	
Miscellaneous	-	-	407	-	407	
Insurance	2,883	1,729	577	577	1,154	
Depreciation	7,688	3,385	2,023	2,779	4,802	
Investment management fees	2,178	1,088	653	436	1,089	
\$ 281,693	\$ 170,098	\$ 451,791	\$ 86,671	\$ 172,733	\$ 259,404	

Princeton Senior Resource Center Inc.
Notes to Financial Statements
June 30, 2017 and 2016

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. PSRC is the go-to resource where aging adults and their families find support, guidance, educational and social programs to help navigate life transitions and continue to be active, healthy and engaged in the community. 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, retirement programs, informational seminars, programs promoting wellness, volunteer opportunities, GrandPals, computer assistance and recreational and social events.

Social Services: information and referral, maintaining resource directories, assistance with benefit applications, care coordination, transitions, consultations and counseling, support groups, Caregiver Resource Center, Partners in Caring-Princeton, Crosstown, HomeFriends, GrandPals.

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, 2017 and 2016

(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, 2017 and 2016

(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, 2017 and 2016 the Organization received more than 16,000 and 14,950 volunteer hours from over 375 and 400 volunteers and the estimated value of such services is \$399,539 and \$324,390, 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 Patterson 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, 2017 and 2016 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 Other Support

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)(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, 2017 and 2016. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2016, 2015, and 2014 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, 2017 and 2016.

Income tax expense on unrelated business income for the year ended June 30, 2017 and 2016 was \$186 and \$250, respectively. The Organization also received a foreign tax credit that was used to offset income tax expense in the amount of \$202 and \$183 for the years ended June 30, 2017 and 2016, respectively.

Princeton Senior Resource Center Inc.
Notes to Financial Statements
June 30, 2017 and 2016

(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, 2017 and 2016

(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.

For a further discussion of fair value see Note 9 Recurring Fair Value Measurements.

3 Investments

Investments are presented in the financial statements at fair market value. The following is a summary of investments at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
<i>Level 1 Inputs</i>		
Fidelity Stock Funds, cost \$299,909	\$ 339,578	\$ 331,029
Fidelity Bond Funds, cost \$ 108,150	111,408	108,563
	<u>450,986</u>	<u>439,592</u>
<i>Princeton Area Community Foundation (PACF)</i>		
Endowment Fund, corpus \$1,276,933	1,886,010*	1,714,583
J Seward Johnson Sr. Assistance	<u>344,222</u>	<u>309,022</u>
Fund, corpus \$250,000	<u>2,230,232</u>	<u>2,023,605</u>
	\$ <u>2,681,218</u>	\$ <u>2,463,197</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Dividends (unrestricted & endowment)	\$ 26,355	\$ 79,817
Net realized and unrealized gains (loss) (unrestricted)	36,940	(26,862)
Net realized and unrealized gains (loss) (Endowment)	<u>255,749</u>	<u>(59,275)</u>
Total investment return	\$ <u>319,044</u>	\$ <u>(6,320)</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:

2017

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>NBV</u>
Computers	\$ 41,375	\$ 38,915	\$ 2,460
Database Software	33,120	33,120	-
Furniture & Fixtures	14,979	8,672	6,307
Signs and Improvements	507	507	-
Office Equipment	<u>18,571</u>	<u>18,571</u>	<u>-</u>
	\$ <u>108,552</u>	\$ <u>99,785</u>	\$ <u>8,767</u>

Princeton Senior Resource Center Inc.
Notes to Financial Statements
June 30, 2017 and 2016

4 Property and Equipment - *continued*

2016

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>NBV</u>
Computers	\$ 40,169	\$ 37,895	\$ 2,274
Database Software	33,120	33,120	-
Furniture & Fixtures	9,167	7,404	1,763
Signs and Improvements	507	507	-
Office Equipment	<u>18,571</u>	<u>18,571</u>	<u>-</u>
	<u>\$ 101,534</u>	<u>\$ 97,497</u>	<u>\$ 4,037</u>

Depreciation expense was \$2,288 and \$15,875 at June 30, 2017 and 2016, respectively.

5 Fund-raising

Net proceeds from the Organization's major fund-raising events accounted for approximately 22.5% and 21.5% of unrestricted public support and revenue for the years ended June 30, 2017 and 2016, respectively.

During the current year, the Organization held two special events to raise funds for continuing operations. Expenses associated with the events amounting to approximately \$40,945 have been netted against revenues from the events of approximately \$211,102 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 \$94,572 have been netted against revenues from the events of approximately \$227,571 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. Effective January 1, 2016 the dollar for dollar match was increased to two percent. Plan expenses were \$13,275. and \$16,245. for the years ended June 30, 2017 and 2016, respectively.

7 Related Party Transactions

The Board of Trustees consists of 22 voting members. During the years ended June 30, 2017 and 2016 contributions from these trustees totaled approximately \$63,668 and \$69,254 respectively.

Princeton Senior Resource Center Inc.
Notes to Financial Statements
June 30, 2017 and 2016

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 operational support. An annual amount, not to exceed five percent of the total market value, where the total market value of the account will be determined by taking an average of the market value at the prior eight (8) quarterly measurement dates, shall be available to support the Organization.

The Organization adopted a resolution in January 2011 to establish an endowment fund to be known as the J Seward Johnson Sr. Assistance Fund at PACF. The fund was established by a grant received from the J Seward Johnson Sr. 1963 Charitable Trust. 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. An annual amount, not to exceed five percent of the total market value, where the total market value of the account will be determined by taking an average of the market value at the prior eight (8) quarterly measurement dates, shall be available to support the Organization.

Temporarily Restricted

	<u>2017</u>	<u>2016</u>
Building Fund	\$ 10,818	\$ 15,669
Technology Fund	7,998	7,998
Scholarship Fund	7,834	7,834
Other Time Restrictions	<u>9,272</u>	<u>11,833</u>
	<u>\$ 35,922</u>	<u>\$ 43,334</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, 2017 and 2016

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.

11 Program Expenses

Program supplies and expenses encompass all costs relating to the execution of programming by the Organization. Included in these costs is the rental of classroom space for Evergreen Forum when attendance dictates such a need. Total rental fees for the years ended June 30, 2017 and 2016 were \$14,340 and \$0.

12 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.

On May 17, 2017 the Board of Trustees approved a transfer of \$50,000 to the general operating account.

13 Subsequent Events

The Organization has evaluated subsequent events occurring after the statement of financial position date through the date of December 12, 2017 which is the date the financial statements were available to be issued.

County Lunch Program—Subsequent to the fiscal year end, the Organization was approached by representatives from Mercer County, along with Princeton municipality, and was asked to host the Mercer County Nutrition Program for Princeton residents. The program is designed to provide a hot meal to qualifying residents each weekday. The nutrition program has been dormant in Princeton since 2015, when its host at the time could no longer sustain the program at their location. The Organization is preparing to enter into an agreement to host the nutrition program at the Suzanne Patterson Building.

Princeton Senior Resource Center Inc.
Notes to Financial Statements
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13 Subsequent Events - *continued*

Lifelong Learning Campaign – In July of 2017, the Organization commenced the planning stages of a multiyear capital campaign known as the Lifelong Learning Campaign. The objective of the campaign is to raise funds that will cover operating and capital expenditures in support of Lifelong Learning programs facilitated by PSRC. In December of 2017, an endowment for the Lifelong Learning Campaign was established with Princeton Area Community Foundation and funded by initial contributions from donors.

No other events have occurred which require disclosure in or adjustment to the financial statements.