

**Princeton Senior Resource Center, Inc.**  
**Financial Statements**  
**June 30, 2022**

**Princeton Senior Resource Center, Inc.**  
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**June 30, 2022**

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## **Independent Auditors' Report**

### **To the Trustees of Princeton Senior Resource Center, Inc.**

#### ***Opinion***

We have audited the accompanying financial statements of Princeton Senior Resource Center, Inc., which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Princeton Senior Resource Center, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibility under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Princeton Senior Resource Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibility of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Princeton Senior Resource Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not an absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepting auditing standards, we:

1. Exercise professional judgment and maintain professional skepticism throughout the audit.
2. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
3. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, no such opinion is expressed.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
5. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



East Brunswick, New Jersey

February 28, 2023

**Princeton Senior Resource Center, Inc.**  
**Statement of Financial Position**  
**June 30, 2022**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 543,169	\$ 10,380	\$ 553,549
Pledges receivable, current	-	292,975	292,975
Employee Retention Tax Credit receivable	370,389		370,389
Prepaid expenses	5,000	-	5,000
<b>Total Current Assets</b>	<b>918,558</b>	<b>303,355</b>	<b>1,221,913</b>
Investments, at fair value	872,331	2,396,372	3,268,703
Pledges receivable, long-term	-	371,860	371,860
Property and equipment, net	3,608,838	-	3,608,838
	<u>4,481,169</u>	<u>2,768,232</u>	<u>7,249,401</u>
<b>Total Assets</b>	<b>\$ 5,399,727</b>	<b>\$ 3,071,587</b>	<b>\$ 8,471,314</b>
<b>Liabilities and Net Assets</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses	\$ 6,753	\$ -	\$ 6,753
Deferred revenue	19,228	-	19,228
Security deposits payable	2,600	-	2,600
<b>Total Current Liabilities</b>	<b>28,581</b>	<b>-</b>	<b>28,581</b>
Long-term debt	788,000	-	788,000
<b>Total Liabilities</b>	<b>816,581</b>	<b>-</b>	<b>816,581</b>
<b>Net assets</b>			
Without donor restrictions			
Undesignated	4,443,862	-	4,443,862
Board-designated for building renovations	1,133	-	1,133
Board-designated for staff development	22,500	-	22,500
Board-designated for housing project	50,000	-	50,000
Board-designated for Life Long Learning	20,000	-	20,000
Board-designated for operations	45,651	-	45,651
	<u>4,583,146</u>	<u>-</u>	<u>4,583,146</u>
With donor restrictions	-	3,071,587	3,071,587
<b>Total Net Assets</b>	<b>4,583,146</b>	<b>3,071,587</b>	<b>7,654,733</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 5,399,727</b>	<b>\$ 3,071,587</b>	<b>\$ 8,471,314</b>

The accompanying notes are an integral part of these financial statements.

**Princeton Senior Resource Center, Inc.**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues</b>			
Contributions			
Individuals	\$ 272,008	\$ 285,324	\$ 557,332
In-kind	4,605	-	4,605
Corporations	91,812	100,000	191,812
Foundations	203,913	1,189,732	1,393,645
Other	9,745	-	9,745
Total Contributions	<u>582,083</u>	<u>1,575,056</u>	<u>2,157,139</u>
Municipal contracts	159,178	-	159,178
Contributed facilities	60,564	-	60,564
Special events, net of \$26,909 of expenses	48,731	-	48,731
Program services fees	137,397	-	137,397
Rental income	23,737	-	23,737
Other revenue, net of expenses	(2,130)	-	(2,130)
Net investment return	(321,619)	-	(321,619)
Employee Retention Tax Credits	370,389	-	370,389
Net assets released from restrictions			
Satisfaction of program restrictions	<u>2,028,980</u>	<u>(2,028,980)</u>	<u>-</u>
<b>Total Revenues</b>	<u>3,087,310</u>	<u>(453,924)</u>	<u>2,633,386</u>
<b>Expenses</b>			
Program Services			
Senior programs	465,121	-	465,121
Social services	387,394	-	387,394
Total Program Services	<u>852,516</u>	<u>-</u>	<u>852,514</u>
Management and general expenses	212,423	-	212,423
Fundraising	335,844	-	335,844
<b>Total Expenses</b>	<u>1,400,782</u>	<u>-</u>	<u>1,400,782</u>
<b>Change in Net Assets</b>	1,686,528	(453,924)	1,232,604
<b>Net Assets - Beginning of Year</b>	<u>2,896,618</u>	<u>3,525,511</u>	<u>6,422,129</u>
<b>Net Assets - End of Year</b>	<u>\$ 4,583,146</u>	<u>\$ 3,071,587</u>	<u>\$ 7,654,733</u>

The accompanying notes are an integral part of these financial statements.

**Princeton Senior Resource Center, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2022**

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	Program Services			Supporting Services		
	Senior Programs	Social Services	Total Program Services	Management & General	Fundraising	Total
Salaries and related charges	\$ 280,967	\$ 241,436	\$ 522,403	\$ 144,732	\$ 261,633	928,769
Professional fees	22,686	31,847	54,533	25,630	-	80,163
Office expenses	5,105	3,788	8,893	2,306	5,270	16,468
Bank and credit card fees	7,239	-	7,239	-	3,729	10,968
Program supplies and expenses	6,854	238	7,092	-	-	7,092
Occupancy	77,234	73,354	150,588	15,447	15,447	181,482
Information technology	11,203	8,312	19,515	5,059	11,564	36,138
Professional development	432	1,073	1,505	1,607	-	3,112
Development expenses	-	-	-	-	25,304	25,304
Equipment expense	2,663	1,975	4,638	1,202	2,748	8,589
Marketing	4,664	2,332	6,996	1,399	933	9,328
Insurance	10,518	5,259	15,777	3,156	2,104	21,037
Grants given	-	-	-	-	-	-
Depreciation	35,559	17,779	53,338	10,668	7,111	71,117
Miscellaneous	-	-	-	1,216	-	1,216
<b>Total Expenses</b>	<b>\$ 465,121</b>	<b>\$ 387,394</b>	<b>\$ 852,515</b>	<b>\$ 212,423</b>	<b>\$ 335,844</b>	<b>\$ 1,400,782</b>

The accompanying notes are an integral part of these financial statements.

**Princeton Senior Resource Center, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2022**

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**Cash Flows from Operating Activities**

Change in net assets	\$ 1,232,604
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Unrealized loss on investments	503,048
Realized gains on investments	(153,152)
Depreciation	71,117
Cash provided (used) by changes in	
Pledges receivable	570,446
Employee Retention Tax Credit receivable	(370,389)
Prepaid expenses	10,017
Accounts payable and accrued expenses	6,113
Deferred revenue	11,128

**Net Cash Provided by Operating Activities** 1,880,932

**Cash Flows from Investing Activities**

Proceeds from sale of investments	1,372,575
Purchase of investments	(1,003,238)
Purchase of property and equipment	<u>(1,588,209)</u>

**Net Cash Used by Investing Activities** (1,218,872)

**Cash Flows from Financing Activities**

Principal payments on long-term debt	<u>(600,000)</u>
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**Net Cash Used by Financing Activities** (600,000)

**Net Increase in Cash and Cash Equivalents** 62,060

**Cash and Cash Equivalents - Beginning of Year** 491,489

**Cash and Cash Equivalents - End of Year** \$ 553,549

**Supplemental Disclosures**

Cash Paid During the Year for	
Interest	<u>\$ 51,929</u>

The accompanying notes are an integral part of these financial statements.



**Princeton Senior Resource Center, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2022**

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**Note 1 Nature of Operations**

Princeton Senior Resource Center, Inc. (the "Organization" or "PSRC") is a New Jersey not-for-profit organization based in Princeton, New Jersey, whose purpose is provide 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 social 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.

**Note 2 Summary of Significant Accounting Policies**

**Basis of Presentation**

The Organization follows the recommendations of the accounting guidance provided by "Not-for-Profit Entities" which establishes standards for external financial reporting by not-for-profit organizations and requires that resources are classified for accounting and reporting purposes into two net asset categories according to externally imposed restrictions. For the year ended June 30, 2022, the Organization had accounting transactions in two of the net asset categories, as follows:

- *Net assets without donor restrictions* - Net assets that are not subject to donor imposed restrictions.
- *Net assets with donor restrictions* - Net assets subject to donor-imposed restrictions by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organizations and/or the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without restrictions and are reported in the statement of activities as net assets released from restrictions. Assets received and released within the same year are shown as reclassified within that year.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash in the bank as well as short-term securities held for the purpose of general liquidity. Such securities normally mature within three months from the date of acquisition.

**Investments**

Marketable securities and mutual funds held for long-term purposes are reported at fair value based on quoted market prices. Contributed marketable securities are valued at fair market value based on average quoted market prices on the date of contribution.

The Organization invests its endowment fund, the J. Seward Johnson Sr. Assistance Fund and the Lifelong Learning endowment fund with Princeton Area Community Foundation ("PACF"). The funds invested with PACF are carried at net asset value in the statement of financial position (see Note 5).

Net investment return (including realized and unrealized gains and losses on investments, interest and dividends, net of investment expenses) is included in net assets without donor restrictions unless the income is restricted by the donor or the law.

**Property and Equipment**

Property and equipment are recorded at cost. It is the Organization's policy to capitalize expenditures for those items in excess of \$500. Lesser amounts are expensed. Property and equipment are depreciated over the useful life of the related asset using the straight-line method. Donated property and equipment is recorded at their estimated fair value on the date of donation. Such donations are reported as contributions without donor restrictions, unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit instructions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donated restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

**Contributed Services and In-Kind Donations**

The Organization has not recorded amounts for donated services, since they do not meet the criteria for recognition. 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 year ended June 30, 2022, the Organization received more than 6,000 volunteer hours from over 275 volunteers and the estimated value of such services if \$253,000. During the year ended June 30, 2022, the Organization also received non-cash contributions in the form of donated vehicles, valued at \$7,050, which represents subsequent third-party auction proceeds received.

The Organization occupies and conducts its operations from two additional locations: the Spruce Circle location, which is owned by the Princeton Housing Authority and the Suzanne Patterson Center, which is owned by the Municipality of Princeton. No rent is paid by the Organization, however, an in-kind contribution by the Princeton Housing Authority is estimated to be \$27,014 and the in-kind contribution from the Municipality of Princeton is estimated to be \$33,550 for the year ended June 30, 2022.

**Contributions Received and Receivable**

The Organization recognizes revenue for contributions received, including those contributions received in the form of unconditional promises to give or pledges. These promises to give are recorded as contributions and pledges receivable on the statement of financial position.

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of the estimated future cash flows, discounted using the risk-free rate of return at the date of the promise to give. Amortization of the discounts is included in contribution revenue. An allowance for uncollectible pledges is recorded based on estimated amounts not expected to be collected. At June 30, 2022 there was no allowance for uncollectible amounts recorded.

**Revenue and Support Recognition**

*Contributions and Promises to Give* – Grants and contributions are recognized when cash is received or when the donor makes a promise to give to the Organization that is, in substance, unconditional. Grants and contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions and grants are recognized. All other donor-restricted grants and contributions are reported as increases in net assets with donor restrictions.

*Revenue from contracts with customers* – The Organization accounts for program services revenue as exchange transactions in the statement of activities and treats it as revenues without donor restrictions. Funds received in advance from customers for programs that have not been performed are recorded as deferred revenue in the statement of financial position.

Other revenues are obtained from rental income, miscellaneous and investment income. These revenues are used to offset program, management and general and fundraising expenses. Revenue from these sources are recognized when earned. Certain investment income has been classified as with donor restrictions based on donor stipulations.

The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized in revenue until the conditions on which they depend have been substantially met. Contributions, net assets and changes in net assets are classified and reported based on the existence or absence of donor-imposed restrictions. Revenue from government and private grant and contract agreements, which are generally considered non-exchange transactions, is recognized when qualifying expenditures incurred and conditions under the agreements are met. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

**Princeton Senior Resource Center, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2022**

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**Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation. The Organization is subject to tax on unrelated business income, if any.

The Organization files tax returns in the U.S. Federal jurisdiction. The Organization has no open years prior to 2019. The Organization has no tax examinations in progress. During 2022, the Organization recognized \$0 in interest and penalties.

Income tax expense on unrelated business income for the year ended June 30, 2022 amounted to \$-0-.

**Functional Expense Allocation**

The costs of providing various programs and activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated to the programs and supporting services based on analysis of personnel time and utilization of related activities if there is not a direct association to one of the functional categories. Management and general expenses include those expenses that are not directly identifiable with any specific function but provide for the overall support and direction of the Organization.

**Recent Accounting Pronouncements Not Yet Effective**

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02 Leases (Topic 842), which requires lessees to recognize lease assets and lease liabilities on the statement of financial position and disclose key information about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021. The Organization is evaluating the impact of this pronouncement but does not expect significant changes to the financial statements.

**Subsequent Events**

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure through the date of the auditors' report, which is the date the financial statements were available to be issued. See Note 16.

**Princeton Senior Resource Center, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2022**

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**Note 3 Liquidity**

The Organization's primary revenue sources are its contributions and program service fees. The Organization has various sources of liquidity including cash and mutual funds. Financial assets as of June 30, 2022 that are available to meet general expenditures within one year of the balance sheet date, reduced by amounts that are not available due to donor or spending restrictions, consist of the following:

**Financial Assets**

Cash and cash equivalents	\$ 543,169
Equity exchange traded funds	45,094
Bond exchange traded funds	<u>24,117</u>
Total Financial Assets	612,380

**Liquidity Resources**

Estimated annual draw from pooled investment funds	<u>250,000</u>
Total Financial Assets and Liquidity Resources	<u>\$ 862,380</u>

As part of the Organization's liquidity plan, excess cash is invested in short-term investments including money market accounts and mutual funds. The financial assets above are not subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The goal of the Organization is to have annual operating revenue cover expenses. Annually the Organization draws from its endowment in accordance with its spending policy (see Note 10) to cover operating expenses.

**Note 4 Pledges Receivable**

Long-term pledges receivable are shown at present value using a discount rate of 1.50%.

Pledges receivable at June 30, 2022 consists of:

Pledges receivable	\$ 681,800
Less: discount to net present value	<u>(16,965)</u>
Pledges receivable, net	<u>\$ 664,835</u>

Amounts due in	
Less than one year	\$ 292,975
One to five years	<u>388,825</u>
	<u>\$ 681,800</u>

**Princeton Senior Resource Center, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2022**

**Note 5 Investments**

Investments without donor restrictions consist of the following at June 30, 2022:

	<b>Cost</b>	<b>Unrealized Gains</b>	<b>Unrealized Losses</b>	<b>Market Value</b>
Exchange traded equity funds	\$ 50,900	\$ -	\$ (5,806)	\$ 45,094
Exchange traded bond funds	24,986	-	(869)	24,117
	<u>\$ 75,886</u>	<u>\$ -</u>	<u>\$ (6,675)</u>	<u>\$ 69,211</u>

Investment income for these investments consists of the following for the year ended June 30, 2022

Dividends & interest	\$ 26,234
Realized gains	72,726
Unrealized losses	(6,675)
Investment expenses	(5,063)
	<u>\$ 87,222</u>

Certain endowment investments are held in pooled funds invested with the Princeton Area Community Foundation, Inc. ("PACF"). As a participant in the pooled funds, the Organization's ownership interest is based on the units held by the Organization to the total of all units in the pooled funds. The pool is revalued monthly and income and gains or losses are allocated to participants based on their units.

The market value and cost of the pooled investments is as follows at June 30:

	<u>Cost</u>	<u>Market</u>
Pooled investments	<u>\$ 2,280,664</u>	<u>\$ 3,199,492</u>

Pooled separate accounts—Units held in pooled separate accounts are valued based on the net asset value ("NAV") of the shares held by PACF at year end, which is based on the unit prices quoted by PACF, representing the fair value of the underlying investments.

Investment income related to the pooled investments for the year ended June 30, 2022 consists of the following:

Dividends & interest	\$ 36,789
Realized gains	80,426
Unrealized losses	(496,283)
Investment expenses	(21,068)
	<u>\$ (400,136)</u>

The Organization uses NAV to determine the fair value of certain investments by major category as of June 30, 2022

<u>Category of Investment</u>	<u>Investment Strategy</u>	<u>NAV</u>	<u>Unfunded Commitments</u>	<u>Redemption Terms</u>	<u>Redemption Restrictions</u>
Pooled fund	Long-Term Growth	\$ 3,199,492	None	None	None

**Princeton Senior Resource Center, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2022**

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**Note 6 Fair Value Measurements**

The Organization follows the accounting guidance provided by *Fair Value Measurements and Disclosures*, (ASC Topic 820), which defines fair value, establishes a framework for measuring fair value in U.S. generally accepted accounting principles, and expands disclosures about fair value measurements. Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the Organization transacts. ASC 820 clarifies that fair value should be based on assumptions market participants would use when pricing an asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. ASC 820 requires fair value measurements to be separately disclosed by level within the fair value hierarchy. While not expanding the use of fair value, ASC 820 may change the measurement of fair value. Any change in the measurement of fair value would be considered a change in estimate and included in the results of operations in the period of adoption. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable.

These levels are:

**Level 1** – Valuation is based upon quoted prices for identical instruments traded in active markets.

**Level 2** – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

**Level 3** – Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect one’s estimates of assumptions that a market participant would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models based on profits interests and similar techniques. The Organization develops measurement criteria based on the best information available.

In accordance with ASC 820, the following table represents the Organization’s investments measured at fair value on a recurring basis as of June 30, 2022:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Exchange traded equity funds	\$ 45,094	\$ -	\$ -	\$ 45,094
Exchange traded bond funds	24,117	-	-	24,117
	<u>\$ 69,211</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,211</u>

**Princeton Senior Resource Center, Inc.**  
**Notes to the Financial Statements**  
**June 30, 2022**

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**Note 7 Property and Equipment**

Property and equipment consists of the following at June 30:

<b>Property and Equipment</b>	
Land	\$ 950,500
Building	987,682
Building improvements	1,419,645
Computers and technology	177,423
Software	33,120
Furniture and fixtures	<u>166,361</u>
	3,734,731
<b>Less Accumulated Depreciation</b>	<u>(125,893)</u>
<b>Property and Equipment, Net</b>	<u>\$ 3,608,838</u>

Depreciation expense amounted to \$71,117 for the year ended June 30, 2022.

**Note 8 Long-Term Debt**

In connection with the building purchase, the Organization obtained a loan from the Bryn Mawr Trust Company in December 2020 bearing interest at 3.69% per annum, maturing December 2027, with interest only payments through December 2022, then monthly payments of \$6,381 including principal and interest, with a balloon payment of approximately \$1,249,000 in December 2027. The Organization made a \$600,000 principal payment in June 2022, and the outstanding balance on the loan was \$788,000 as of June 30, 2022. Future minimum payments under this agreement for the years ending June 30 are as follows: 2023 - \$12,775, 2024 - \$26,266, 2025 - \$27,252, 2026 - \$28,275 and 2027 and thereafter - \$693,432. Interest expense capitalized during the building renovations amounted to \$21,767 for the year ended June 30, 2022. In August and October 2022, the Organization paid off the remaining principal balance of \$788,000 (see Note 16).

**Note 9 Restrictions on Net Assets**

Net assets without donor restrictions include board designated funds. Restricted net assets are available for the following purposes at June 30:

<b>Assets with donor restrictions</b>	
PSRC Endowment Fund	\$ 1,312,975
J. Seward Johnson Sr. Assistance Fund	250,000
Lifelong Learning Endowment Fund	1,382,524
Capacity building	58,876
Technology improvements	48,337
Program expenses	<u>18,875</u>
	<u>\$ 3,071,587</u>



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**Note 9 Restrictions on Net Assets (Continued)**

Net assets were released from donor restrictions by incurring expenses satisfying restricted purposes for the year ended June 30, 2022 as follows:

**Purpose restrictions accomplished**

Capacity building	\$ 32,083
Technology improvements	4,549
Program expenses	5,520
Building improvements and capital campaign	<u>1,986,828</u>
	<u>\$ 2,028,980</u>

**Note 10 Endowment Funds**

The Organization's endowment consists of three funds held at PACF: a general Endowment Fund, the J. Seward Johnson Sr. Assistance Fund, and the Lifelong Learning Endowment. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The general Endowment fund was established in March 2007 for the purpose of operational support. The endowment consists of gifts restricted for long-term support of the Organization. The investment earnings from this Fund are for the undesignated use by the Organization as determined by the Board of Trustees. An annual amount is available to the Organization, not to exceed five percent of the total market value, determined by taking an average of the market value for the prior eight quarters.

The J. Seward Johnson Sr. Assistance Fund was established in January 2011 through a grant received from the J. Seward Johnson Sr. 1963 Charitable Trust for the purpose of giving small grants to low and moderate income adults in Princeton to address problems that create significant risk to their independence. An annual amount is available to the Organization, not to exceed five percent of the total market value, determined by taking an average of the market value for the prior eight quarters.

The Lifelong Learning Endowment was established in November 2017 for the purpose of covering operating and capital expenditures in support of the Lifelong Learning programs facilitated by the Organization.

As of June 30, 2022, the corpus of the Organization's endowment funds was \$2,168,510, with the excess investment income of \$1,030,982 reflected within net assets without donor restrictions.

The Organization has interpreted state law as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations and decrements to the endowment made in accordance with the direction of the applicable donor gift instrument. The remaining portion of donor-restricted endowment funds are classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the Organization in a

**Princeton Senior Resource Center, Inc.**  
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**Note 10 Endowment Funds (Continued)**

manner consistent with the standard of prudence prescribed by state law.

The Organization considers the following factors in making a determination to appropriate or accumulate endowment funds:

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

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while maintaining the purchasing power of endowment assets. The investment goal for the Organization's various endowment funds is to preserve and maintain the purchasing power after taking into effect the various endowment draw policies as previously described for each fund.

Changes in endowment assets are as follows for the year ended June 30, 2022:

	Endowment Fund	J.Seward Johnson Sr. Assistance Fund	Lifelong Learning Fund	Total
Endowment net assets at July 1, 2021	\$ 2,648,371	\$ 382,720	\$ 605,534	\$ 3,636,625
Contributions			776,154	776,154
Unrealized gain on investments	(352,550)	(51,852)	(91,881)	(496,283)
Realized gain on investments	55,945	7,958	16,522	80,425
Investment income, net of fees	13,186	1,724	813	15,723
Amounts appropriated for expenditure	<u>(110,462)</u>	<u>(38,690)</u>	<u>(664,000)</u>	<u>(813,152)</u>
Endowment net assets at June 30, 2022	<u>\$ 2,254,490</u>	<u>\$ 301,860</u>	<u>\$ 643,142</u>	<u>\$ 3,199,492</u>

**Note 11 Employee Benefit Plan**

The Organization has a defined contribution retirement plan under Section 403(b) (the "Plan") available to all employees of the organization after they have completed six months of employment. The Plan allows for participant contributions, and the Organization, at its discretion, may match those contributions up to 2% of the participant's eligible compensation. During the year ended June 30, 2022, the Organization contributed \$12,417 to the Plan.

**Note 12 Related Party Transactions**

For the year ended June 30, 2022, contributions from the Board of Trustees amounted to approximately \$253,000.

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**Note 13 Concentrations of Risk**

The Organization maintains a portion of its cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

For the year ended June 30, 2022, the Organization had three donors that comprised approximately 30%, 16% and 12% of total contribution revenue.

At June 30, 2022, those one donor comprised 59% of the outstanding pledges receivable.

**Note 14 Commitments**

The Organization leases office equipment under a noncancelable lease expiring December 2022. Future annual minimum rental payments are as follows for the years ending June 30:

2023	\$ <u>990</u>
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**Note 15 COVID-19 Impact**

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The outbreak and the response of various governmental units in dealing with the pandemic has impacted organization operations, however, the organization has been able to continue many of its programs virtually, while experiencing some decreased expenses from operating remotely. In 2022, the Organization applied for Employee Retention Tax Credits under the Federal Coronavirus Aid, Relief and Economic Security (CARES) Act in the amount of \$370,389, all of which is receivable at June 30, 2022.

**Note 16 Subsequent Events**

In July 2022, the Organization received a grant from the NJ Economic Development Authority (NJEDA) in the amount of \$21,372 towards equipment to be used for the Life Long Learning Program at 101 Poor Farm Road.

In August 2002, the Organization paid back \$400,000 of its mortgage using funds drawn from the Life Long Learning Fund, and in October 2022, it paid off the remaining mortgage balance of \$388,000 using contributions received for the Life Long Learning Fund.

In September 2022, the Organization entered into an agreement to absorb the operations of Communities Without Walls, a social services organization helping people remain active members of their communities as they age.

Through January 2023, the Organization has drawn \$120,049 as an annual draw from its Endowment Fund and \$400,000 from its Life Long Learning Fund towards debt repayment, and received \$360,000 of pledges receivable and approximately \$293,000 in contributions for the Life Long Learning Fund.