

POPULATION RESOURCE CENTER, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
AND
INDEPENDENT AUDITOR'S REPORT

POPULATION RESOURCE CENTER, INC.

FINANCIAL STATEMENTS

For the Years Ended December 31, 2007 and 2006

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5 – 9

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To the Board of Directors
Population Resource Center, Inc.
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INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying statements of financial position of Population Resource Center, Inc. (a non-profit Organization) as of December 31, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Population Resource Center, Inc. as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years than ended in conformity with accounting principles generally accepted in the United States of America.



April 17, 2008

STATEMENTS OF FINANCIAL POSITION

December 31, 2007 and 2006

<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
Current assets:		
Cash and cash equivalents	\$ 65,241	\$ 236,711
Unconditional promises to give	16,097	122,544
Other receivables	1,715	5,571
Prepaid expenses	<u>3,664</u>	<u>6,150</u>
Total current assets	86,717	370,976
Investments	199,287	382,166
Office furniture and equipment, net of accumulated depreciation	5,229	1,479
Rent security deposits	<u>1,200</u>	<u>2,952</u>
Total assets	<u>\$ 292,433</u>	<u>\$ 757,573</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
Liabilities:		
Accounts payable and accrued expenses	\$ 23,431	\$ 40,875
Subtenant security deposit	-	2,500
Unearned income	<u>-</u>	<u>1,600</u>
Total liabilities	<u>23,431</u>	<u>44,975</u>
Net assets:		
Unrestricted		
Undesignated	(5,893)	(169,547)
Designated as Irving S. Friedman development funds	100,000	612,380
Designated as Henry McIntyre funds	170,800	170,800
Temporarily restricted	<u>4,095</u>	<u>98,965</u>
Total net assets	<u>269,002</u>	<u>712,598</u>
Total liabilities and net assets	<u>\$ 292,433</u>	<u>\$ 757,573</u>

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

POPULATION RESOURCE CENTER, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2007 and 2006

	2007			2006			
	Unrestricted		Total	Unrestricted		Temporarily Restricted	Total
	General Fund	Project Fund		General Fund	Project Fund		
Support and revenue:							
Foundations	\$ 56,900	\$ -	\$ 56,900	\$ 144,500	\$ 287,477	\$ 98,965	\$ 530,942
Individuals	10,106	-	10,106	27,348	-	-	27,348
Other income	85	-	85	72	-	-	72
Investment income	20,257	-	20,257	29,497	-	-	29,497
Rental income	8,225	-	8,225	13,538	-	-	13,538
Donated services-expert presenters and reviewers	-	105,000	105,000	-	78,000	-	78,000
Noncash contributions	-	28,107	28,107	-	39,126	-	39,126
Net assets released from restrictions	-	94,870	(94,870)	-	21,195	(21,195)	-
Total support and revenue	95,573	227,977	228,680	214,955	425,798	77,770	718,523
Expenses:							
Personnel	110,102	191,546	301,648	131,071	228,515	-	359,586
Professional fees	8,778	15,271	24,049	7,578	13,237	-	20,815
Occupancy costs	10,221	17,784	28,005	14,144	24,703	-	38,847
Noncash occupancy costs	-	22,800	22,800	-	22,800	-	22,800
Program, meetings and travel	33,907	75,471	109,378	31,195	69,220	-	100,415
Noncash program, meetings and travel	-	5,307	5,307	-	16,326	-	16,326
Educational and public information	1,088	725	1,813	1,610	98	-	1,708
Board and staff travel	35,604	-	35,604	27,618	-	-	27,618
Office and related expenses	8,322	29,511	37,833	8,392	30,398	-	38,790
Depreciation	839	-	839	560	-	-	560
Value of donated services	-	105,000	105,000	-	78,000	-	78,000
Total expenses	208,861	463,415	672,276	222,168	483,297	-	705,465
Changes in net assets	(113,288)	(235,438)	(443,596)	(7,213)	(57,499)	77,770	13,058
Net transfers	(235,438)	235,438	-	(57,499)	57,499	-	-
Net assets, beginning of year	613,633	-	712,598	678,345	-	21,195	699,540
Net assets, end of year	\$ 264,907	\$ -	\$ 269,002	\$ 613,633	\$ -	\$ 98,965	\$ 712,598

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

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Changes in net assets	\$ (443,596)	\$ 13,058
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	839	560
Donated services	105,000	78,000
Donated education, program, meetings and travel	5,307	16,326
In - kind occupancy	22,800	22,800
Non-cash contributions	(138,123)	(124,137)
Unrealized holding (gains) losses	(1,353)	(3,397)
Changes in operating assets and liabilities:		
Unconditional promises to give	106,447	(100,714)
Prepaid expenses	2,486	241
Other receivables	3,856	475
Rent security deposits	1,752	-
Accounts payable and accrued expenses	(17,444)	9,619
Subtenant security deposits	(2,500)	1,600
Unearned income	(1,600)	970
Total adjustments	<u>87,467</u>	<u>(97,657)</u>
Net cash used by operating activities	<u>(356,129)</u>	<u>(84,599)</u>
Cash flow from investing activities:		
Investments:		
Purchases of furniture and equipment	(4,589)	-
Purchases of investments	(305,768)	(485,345)
Proceeds from the sale of investments	490,000	500,000
Proceeds from the sale of investments - stock gifts	5,016	7,011
Net cash provided by investing activities	<u>184,659</u>	<u>21,666</u>
Net increase (decrease) in cash and cash equivalents	<u>(171,470)</u>	<u>(62,933)</u>
Cash and cash equivalents:		
Beginning of year	<u>236,711</u>	<u>299,644</u>
End of year	<u>\$ 65,241</u>	<u>\$ 236,711</u>
Supplemental disclosure of cash flow information:		
Non-cash contributions of services and rent	<u>\$ 127,800</u>	<u>\$ 100,800</u>
Non-cash contributions of education, programs, meeting and travel costs	<u>\$ 5,307</u>	<u>\$ 16,326</u>
Non-cash contribution of stock	<u>\$ 5,016</u>	<u>\$ 7,011</u>

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

POPULATION RESOURCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

1. Nature of Organization

Population Resource Center, Inc. (the Organization) was incorporated in the State of New York as a not-for-profit corporation. It was established to strengthen understanding and support for the broad field of population nationally and internationally, and to ensure that population factors are incorporated into public policy formation. The Organization has been determined by the Internal Revenue Service to be exempt from Federal income tax as a charitable and educational organization described in Section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

The financial statements of Population Resource Center have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 116, accounting for Contributions Received and Made, and SFAS No. 117, Financial Statements of Not-for-Profit Organizations. SFAS No. 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. The three net asset categories are unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. SFAS No. 116 requires that unconditional promises to give cash or other assets in the future be recorded currently as receivables and revenue, and requires the organization to record contributions received by net asset category in accordance with donor-imposed restrictions. For the years ended December 31, 2007 and 2006 the organization had accounting transactions in only two of the net asset categories as follows:

- Unrestricted net assets - Net assets that are not subject to donor- imposed restrictions.
- Temporarily restricted net assets - Net assets subject to donor- imposed restrictions that will be met by the passage of time or by some action of the organization.

Revenue and Support Recognition

Contributions are recognized as revenue when they are received or unconditionally pledged.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor's restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. Contributions whose restrictions are met in the same reporting period are reported as unrestricted support in the statement of activities.

POPULATION RESOURCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)2. Summary of Significant Accounting Policies (Continued)Revenue and Support Recognition (Continued)

Unconditional promises to give represent amounts committed by donors that have not been received by the Organization. Contributions with donor-imposed restrictions that limit their use in years subsequent to the next fiscal year are classified as noncurrent assets.

Office Furniture and Equipment

Population Resource Center, Inc. follows the practice of capitalizing major expenditures for equipment and furniture.

Office furniture and equipment are stated at cost or, if donated, at market value at the time of the donation. Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets. The lives used are as follows:

Equipment and furniture	5 years
Computer software	36 Months

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. The cost of repairs and maintenance are charged to income as incurred. Significant renewals and betterments are capitalized. A deduction is made for retirements resulting from renewals or betterments.

Donated Services

Expert presenters devote three days to each of the Organization's programs in which they participate: one day of preparation, one day of travel, and one day of speaking at the program. In 2007, 40 experts participated in the organizations program for total in-kind contribution of \$ 105,000. In 2006, 29 experts participated in the Organization's programs for a total in-kind contribution of \$69,000.

Reviewers of the Organization's executive summaries donated one day to editing these publications. In 2007, no experts reviewed the Organization's executive summaries for a total in-kind contribution of \$ 0 and in 2006, 9 experts donated total in-kind contributions of \$ 9,000.

Additionally, the voluntary service of board members is also calculated using the standard consulting compensation rate of \$500 per day. However, the value of this service is not recognized as income under the provisions of Statement of Financial Accounting Standards No. 116, Accounting for Contributions Received and Contributions Made.

Board members donate one and one half days for each meeting they attend. In 2007 and 2006, the total in-kind contribution of Board members' time was \$ 39,000 and \$64,500, respectively.

POPULATION RESOURCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)2. Summary of Significant Accounting Policies (Continued)Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking accounts, money market accounts and certificates of deposit with maturities at the time of purchase of less than ninety days. At December 31, 2007 and 2006, and throughout the year, deposits were made into a Merrill Lynch checking account. Management believes there is no significant credit risk on cash and cash equivalents.

Investments

The Population Resource Center, Inc. accounts for investments in accordance with SFAS No. 124, Accounting for Certain Investments Held by Not-for-Profit Organizations. As such, investments are presented in the financial statements at market value. Unrealized gains and losses are included in the statement of activities.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Income Taxes

The Population Resource Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for income taxes in the accompanying financial statements. In addition, Population Resource Center has been determined by the Internal Revenue Service not to be a "private foundation" within the scope of Section 509(a) of the Internal Revenue Code.

Reclassification

Certain amounts for the year ended December 31, 2006 have been reclassified to conform with the current period's presentation.

3. Cash and Cash Equivalents

As of December 31, 2007 and 2006 cash and cash equivalents included the following:

	<u>2007</u>	<u>2006</u>
On hand	\$ 150	\$ 150
Checking account	65,091	236,561
	<u>\$ 65,241</u>	<u>\$ 236,711</u>

4. Investments

At December 31, 2007 and 2006 investments were comprised as follows:

	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Certificates of Deposit	\$ 110,000	\$ 110,000	\$ 300,000	\$ 300,000
Mutual funds	73,601	89,287	67,833	82,166
	<u>\$ 183,601</u>	<u>\$ 199,287</u>	<u>\$ 367,833</u>	<u>\$ 382,166</u>

POPULATION RESOURCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)4. Investments (Continued)

Investment income is comprised of the following:

	<u>2007</u>	<u>2006</u>
Interest and dividend income	\$ 18,904	\$ 26,100
Unrealized gains (losses)	1,353	3,397
	<u>\$ 20,257</u>	<u>\$ 29,497</u>

5. Promises to Give

Unconditional promises to give at December 31, 2007 and 2006 consisted of the following:

	<u>2007</u>	<u>2006</u>
John Templeton Foundation	\$ 13,747	\$ 113,747
Individual contributions	2,350	8,797
Unconditional promises to give	<u>\$ 16,097</u>	<u>\$ 122,544</u>
Amount due in:		
Less than one year	<u>\$ 16,097</u>	<u>\$ 122,544</u>

6. Office Equipment and Furniture

The cost of the office equipment and furniture at December 31, 2007 and 2006 is summarized as follows:

	<u>2007</u>	<u>2006</u>
Office equipment and furniture	\$ 10,163	\$ 17,405
Less: accumulated depreciation	<u>(4,934)</u>	<u>(15,926)</u>
	<u>\$ 5,229</u>	<u>\$ 1,479</u>

Depreciation expense for the years ended December 31, 2007 and 2006 was \$839 and \$560, respectively.

7. Net Assets - Temporarily Restricted

The temporarily restricted net assets at December 31, 2007 and 2006 are comprised of foundation contributions which were designated by the donors for use in future periods. These donations, therefore, require the passage of time in order to satisfy the asset restriction. The time restrictions will be met in the succeeding years as follows:

	<u>2007</u>	<u>2006</u>
December 31, 2008	\$ 4,095	\$ -
December 31, 2007	-	98,965
	<u>\$ 4,095</u>	<u>\$ 98,965</u>

POPULATION RESOURCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)8. Pension Plan

The organization maintains a retirement plan covering all eligible permanent full-time employees. The plan conforms with Section 403(b) of the Internal Revenue Code. Currently, 10% of eligible compensation is contributed. During the year ended December 31, 2007 and 2006, \$15,260 and \$25,487 were contributed and charged to expense, respectively.

9. Lease Commitments

At December 31, 2007 lease commitments relating to rental space consisted of the following:

	<u>Term</u>	<u>Monthly Rental</u>
1729-1731 Connecticut Ave NW Washington, DC Office Space	June 1, 2007- May 31, 2008	\$ 1,200

All long-term leases have been categorized as operating leases. The total rental expense under the operating leases for the years ended December 31, 2007 and 2006 was \$26,265 and \$37,398, respectively.

Future minimum lease commitments at December 31, 2007 are as follows:

2007	<u>\$ 6,000</u>
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10. Non-Cash Occupancy Expense

During the years ended December 31, 2007 and 2006, space was provided to the Organization for 12 months at no charge. The amount of \$22,800 was recognized as a noncash contribution income and occupancy expense for the years ended December 31, 2007 and 2006.