PARENTING NOW!

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

Jones & Roth
CPAs & Business Advisors

PARENTING NOW!
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Parenting Now!
Eugene, Oregon

We have audited the accompanying financial statements of Parenting Now! (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, cash flows, and functional expenses for the year 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parenting Now! as of June 30, 2016, 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.

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Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Parenting Now!'s 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 6, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Jones & Roth, P.C.

Jones & Roth, P.C.
Eugene, Oregon
December 21, 2016

FINANCIAL STATEMENTS

PARENTING NOW!
STATEMENT OF FINANCIAL POSITION
June 30, 2016
(With Comparative Totals for June 30, 2015)

	2016	2015
Assets		
Current assets		
Cash and cash equivalents	$ 91,182	$ 5,952
Receivables	48,694	33,963
Unconditional promises to give, current portion	9,741	30,441
Grants receivable	2,502	-
Prepaid expenses	8,298	8,498
Inventory of curricula materials	30,525	33,333
Beneficial interest in the assets of The Oregon Community Foundation (OCF)	208,157	294,363
Total current assets	399,099	406,550
Long-term assets		
Unconditional promises to give, long-term portion	2,825	6,350
Property and equipment, net	576,370	604,306
Curricula development costs, net	38,625	57,923
Total long-term assets	617,820	668,579
Total assets	$ 1,016,919	$ 1,075,129
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 6,733	$ 13,339
Accrued payroll and payroll taxes	64,939	63,680
Accrued vacation	34,529	34,669
Deferred income	50	9,833
Line of credit	249,607	279,869
Bank loan	147,926	-
Total liabilities	503,784	401,390
Net assets		
Unrestricted	253,207	335,787
Unrestricted, Board designated reserve	208,157	294,363
Temporarily restricted net assets	51,771	43,589
Total net assets	513,135	673,739
Total liabilities and net assets	$ 1,016,919	$ 1,075,129

The accompanying notes are an integral part of these statements.

PARENTING NOW!
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	2016			2015
	Unrestricted	Temporarily Restricted	Total	Total
Support				
Contributions	$ 113,314	$ 139,376	$ 252,690	$ 243,646
Special events	278,522	-	278,522	239,723
Contributions in-kind	13,919	-	13,919	36,492
Total support	405,755	139,376	545,131	519,861
Revenues				
Curricula sales and training	45,349	-	45,349	87,541
Contract revenue	426,246	-	426,246	367,716
Parent dues	34,233	-	34,233	24,576
Miscellaneous income	1,703	-	1,703	17,058
Interest and dividends	3,100	-	3,100	2,837
Net realized gains (losses) on investments	1,022	-	1,022	(76)
Net unrealized losses on investments	(13,068)	-	(13,068)	(1,110)
Net assets released from restrictions	131,194	(131,194)	-	-
Total revenues	629,779	(131,194)	498,585	498,542
Total revenues and support	1,035,534	8,182	1,043,716	1,018,403
Expenses				
Program services	850,869	-	850,869	921,972
Management	157,726	-	157,726	131,371
Fundraising	195,725	-	195,725	232,542
Total expenses	1,204,320	-	1,204,320	1,285,885
Change in net assets	(168,786)	8,182	(160,604)	(267,482)
Net assets, beginning of year	630,150	43,589	673,739	941,221
Net assets, end of year	$ 461,364	$ 51,771	$ 513,135	$ 673,739

The accompanying notes are an integral part of these statements.

PARENTING NOW!
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	2016	2015
Cash flows from operating activities		
Change in net assets	$ (160,604)	$ (267,482)
Adjustment to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	47,300	96,518
Loss on disposal of assets	52	-
Net realized and unrealized (gain) loss on investments	12,046	1,186
(Increase) decrease in operating assets:		
Receivables	(14,731)	(7,613)
Unconditional promises to give	24,225	21,350
Grants receivable	(2,502)	2,301
Prepaid expense	200	479
Inventory of curricula materials	2,808	15,370
Increase (decrease) in operating liabilities:		
Accounts payable	(6,606)	(2,682)
Deferred income	(9,783)	(44,764)
Accrued payroll and payroll taxes	1,259	2,361
Accrued vacation	(140)	(5,265)
Net cash used by operating activities	(106,476)	(188,241)
Cash flows from investing activities		
Purchase of property and equipment	(119)	(20,383)
Transfers from beneficial interest in the assets of OCF	75,281	12,834
Reinvestments in beneficial interest in the assets of OCF	(1,120)	(217)
Net cash provided (used) by investing activities	74,042	(7,766)
Cash flows from financing activities		
Net borrowings on line of credit	119,738	99,260
Principal payments on long-term debt	(2,074)	-
Net cash provided by financing activities	117,664	99,260
Net increase (decrease) in cash and cash equivalents	85,230	(96,747)
Cash and cash equivalents, beginning of year	5,952	102,699
Cash and cash equivalents, end of year	$ 91,182	$ 5,952
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 17,795	$ 17,134

The accompanying notes are an integral part of these statements.

PARENTING NOW!
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	Program Services			
	First Three Years	Make Parenting A Pleasure	Healthy Families	Curricula Sales and Training
Salaries	$ 37,883	$ 42,427	$ 311,692	$ 22,665
Payroll taxes and insurance	4,036	4,516	33,382	2,426
Health and disability benefits	1,486	1,572	20,108	633
Total salaries and related payroll expenses	43,405	48,515	365,182	25,724
Other expenses:				
Contracts	10	12	91	1,371
Nutrition	717	2,941	2,740	1,890
Utilities	794	892	7,238	75
Transportation	12	335	14,437	2,398
Program materials	1	377	4,596	101
Bank and investment fees	314	353	2,865	30
Professional fees	336	377	3,063	33
Insurance	1,017	1,143	9,271	96
Repairs and maintenance	893	1,006	8,146	85
Information technology	253	284	3,936	307
Equipment, furnishings, and renovations	-	-	70	-
Depreciation and amortization	1,630	2,024	17,194	19,518
Rent and storage fees	68	901	1,623	6
Supplies	65	123	1,351	166
Telephone	368	607	9,706	216
Postage	100	97	1,012	27
Staff development and conferences	1	-	3,717	-
Subscriptions	37	41	330	1,172
Membership fees and social support	8	9	984	1
Volunteer recognition	-	-	-	-
Printing	249	287	2,627	24
Copying	212	209	1,686	43
Criminal check	20	22	208	2
Interest expense	1,181	1,327	10,770	112
Advertising	-	-	-	-
Cost of curricula sold	-	-	-	3,118
Bad debts	-	-	-	-
Miscellaneous	16	19	143	1
Total other expenses	8,302	13,386	107,804	30,792
Total functional expenses	$ 51,707	$ 61,901	$ 472,986	$ 56,516

		Supporting Services			
All Other	Total Program Services	Management and General	Fund-raising	2016 Total	2015 Total
$ 140,633	$ 555,300	$ 116,876	$ 93,958	$ 766,134	$ 746,025
15,066	59,426	12,613	10,142	82,181	83,445
5,704	29,503	10,001	8,666	48,170	59,010
161,403	644,229	139,490	112,766	896,485	888,480
8,501	9,985	49	37,383	47,417	58,713
225	8,513	912	2,243	11,668	15,328
2,960	11,959	-	-	11,959	11,807
458	17,640	526	308	18,474	21,339
43	5,118	38	20,192	25,348	34,030
1,171	4,733	1,862	3,523	10,118	9,083
1,253	5,062	8,500	-	13,562	12,184
3,792	15,319	3,240	-	18,559	17,663
3,331	13,461	-	-	13,461	17,113
1,048	5,828	50	2,726	8,604	11,311
895	965	-	-	965	396
6,934	47,300	-	-	47,300	96,518
254	2,852	-	-	2,852	1,617
1,582	3,287	7	173	3,467	3,850
2,093	12,990	539	450	13,979	11,819
797	2,033	61	3,210	5,304	5,149
548	4,266	876	711	5,853	2,787
134	1,714	-	-	1,714	2,040
31	1,033	1,076	70	2,179	2,112
190	190	-	60	250	183
4,188	7,375	-	8,840	16,215	15,836
970	3,120	416	402	3,938	5,782
201	453	-	-	453	610
4,405	17,795	-	-	17,795	17,134
-	-	-	7	7	1,184
-	3,118	-	-	3,118	16,428
-	-	-	2,661	2,661	3,489
352	531	84	-	615	1,900
46,356	206,640	18,236	82,959	307,835	397,405
$ 207,759	$ 850,869	$ 157,726	$ 195,725	$ 1,204,320	$ 1,285,885

The accompanying notes are an integral part of these statements.

1. Nature of Activities and Significant Accounting Policies

Organization

Parenting Now!, formerly Birth To Three, Inc. (the Organization), was incorporated in 1978 as an Oregon not-for-profit organization whose objective is to strengthen families and promote the well-being of children through parenting education and support. Parents are brought together in groups with a professional parent educator to increase their knowledge of early childhood development, share their parenting experiences, learn about community resources, and create support networks among themselves.

In addition, Parenting Now! provides nationally recognized parenting curricula, materials, training, and consultation for programs and practitioners throughout the United States and internationally. Group programs and activities include:

First Three Years consists of the Incredible Infants, Wonderful ONEs and Terrific TWOs programs. Each program brings together families who have children of similar ages and provides parenting education and support based on the developmental stages of the children. It includes a children's program.

Make Parenting A Pleasure is designed for parents who are experiencing high levels of stress in their lives and have children between the ages of birth and 8 years. It includes a children's program.

Teen Parents provides parenting education and support in a program developed to meet the needs of pregnant and parenting teens 12-21 years of age. Based on Make Parenting A Pleasure, it includes weekly parenting support groups, individual home visits, assistance accessing community resources, as well as parenting education and family/child activities. It includes a children's program.

Crecer provides parenting education and support designed specifically for parents whose primary language is Spanish. It uses a culturally adapted version of the *Make Parenting A Pleasure* curriculum. It includes a children's program.

Home Visiting:

Healthy Families Lane County at Parenting Now! is a home-visiting program funded by Healthy Families Lane County. It provides ongoing parenting education, support, and referrals in the home of first-time parents with professional Family Support workers.

Telephone Based Support/Information:

Perinatal Mood Disorder Screening New mothers are called and offered screening for Perinatal Mood Disorder (PMD) using a standardized simple screening tool with several questions. Depending on their response and potential severity of their PMD, they are referred to resources in the community, including parenting classes, Well Mama, and mental health counselling.

1. Nature of Activities and Significant Accounting Policies, continued

Organization, continued

Funding for these programs, which primarily serve Lane County, Oregon, is provided by foundation grants and contracts, funding from United Way, donations from businesses and the general public, and from the sale of curricula and parent educator training.

Income Taxes

The Organization is a charitable organization exempt from payment of federal income taxes under Internal Revenue Code Section 501(c)(3). In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of three demand deposit accounts and a money market fund that is readily convertible into cash and has an insignificant risk of change in value.

Receivables

Receivables are reported at the gross amount receivable without provision for uncollectible accounts. The Organization uses the direct write-off method for uncollectible accounts. Receivables over 30 days old are considered past due.

Inventory

Inventory consists of curricula and related materials, such as instructor guides and media materials, available for sale. Inventory is valued at the lower of cost (first-in, first-out) or market.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses, if any, are included in the change in net assets.

Beneficial Interest in the Assets of The Oregon Community Foundation (OCF)

The Organization has established a reserve fund with OCF. The fund is reported as a beneficial interest in the assets of OCF on the statement of financial position. OCF has variance power over this fund and shall distribute not less often than annually an appropriate percentage of the fair value of the funds to the Organization.

1. Nature of Activities and Significant Accounting Policies, continued

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support 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 support. Absent donor stipulations regarding how long the donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Purchased property and equipment is recorded at cost at the date of acquisition and contributed property is recorded at the fair value at the date of the contribution. Purchases of property and equipment greater than $500 are capitalized and depreciated using the straight-line method over three to forty years.

Net Assets

Net assets of the Organization consisted of the following:

Unrestricted - These net assets are available for general obligations of the Organization.

Unrestricted, Board designated reserve - The Organization's Board of Directors has designated a portion of bequests to be held to benefit the general purposes of the Organization according to policies adopted by the Board of Directors.

Temporarily restricted - These net assets are restricted by donors to be used for specific purposes.

Permanently restricted - These net assets are permanently restricted by donors and cannot be used by the Organization. Currently, the Organization does not have any permanently restricted net assets.

Endowment Fund Policy

It is the intent of the Organization that the Endowment Fund be managed for long-term growth and remains intact except under the most critical of financial circumstances. The Board of Directors has established guidelines for the utilization of the Endowment Fund which exists to provide for the Organization's ongoing operational expenses, capital expenditures, and physical improvements as determined appropriate by the Board of Directors based upon the recommendations of the Executive and Finance Committees. The policy sets forth that the Organization shall accept current and deferred gifts to the Reserve Fund. The policy allows for bi-annual distributions to be made based upon an annual dividend rate determined by OCF (currently 4.5 percent) based upon a 13 quarter trailing average. Additional distributions may be made during the year, but must be approved by the Board of Directors and the OCF review board.

1. Nature of Activities and Significant Accounting Policies, continued

Contributions

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

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.

Contributed Services

Contributed services are recorded by the Organization at the fair market value of the services received. These amounts are recorded as in-kind contributions in accordance with professional standards.

Advertising Costs

The Organization’s advertising costs are expensed as incurred. As of June 30, 2016 and 2015, the total expense was $7 and $1,184, respectively.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Accounting Standards Update

In August 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-15, *Presentation of Financial Statements - Going Concern*. The amendments in this update require management to assess, at every reporting period, whether there is substantial doubt about an entity's ability to continue as a going concern for a period of one year after the date that the financial statements are issued or are available to be issued. The update also provides related footnote disclosures. Previous to the issuance of this ASU, there was no GAAP guidance on these matters.

ASU 2014-15 is effective for annual periods ending after December 15, 2016. Earlier application is permitted and has been adopted by the Organization. The Organization has applied the amendments of ASU 2014-15 for the period ended June 30, 2016.

2. Cash and Cash Equivalents

As of June 30, cash and cash equivalents consisted of the following amounts:

	2016	2015
Cash on hand	$ 71	$ 75
Cash in depository accounts	91,111	5,877
Total cash and cash equivalents	$ 91,182	$ 5,952

3. Beneficial Interest in the Assets of The Oregon Community Foundation (OCF)

The following schedule summarizes the activity of the Endowment Fund, reported at fair value, for the year ended June 30:

	2016	2015
Additions:		
Interest and dividends	$ 2,983	$ 2,837
Realized gains	1,022	-
Total additions	4,005	2,837
Decreases:		
Distributions	(75,281)	(12,834)
Realized losses	-	(76)
Unrealized losses	(13,068)	(1,110)
Investment management fees	(753)	(1,119)
Miscellaneous fees	(1,109)	(1,500)
Total decreases	(90,211)	(16,639)
Net change	(86,206)	(13,802)
Beginning balance at July 1	294,363	308,165
Ending balance at June 30	$ 208,157	$ 294,363

4. Unconditional Promises to Give

As of June 30, unconditional promises to give consisted of the following:

	2016	2015
Unconditional promises to give	$ 12,566	$ 36,791
Amounts due in:		
Less than one year	$ 9,741	$ 30,441
One to five years	2,575	6,100
Six to ten years	250	250
	$ 12,566	$ 36,791

The Organization uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of the individual pledges. As of June 30, 2016 and 2015, all unconditional promises to give were considered fully collectible.

5. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments, and accounts receivable. The Organization places its temporary cash investments with a financial institution. Interest bearing accounts are insured by the Federal Deposit Insurance Corporation up to $250,000.

6. Property and Equipment

As of June 30, property and equipment consisted of the following:

	2016	2015
Land	$ 168,863	$ 168,863
Building and improvements	701,748	701,748
Furniture and equipment	114,951	118,583
	985,562	989,194
Accumulated depreciation	(409,192)	(384,888)
Property and equipment, net	$ 576,370	$ 604,306

Depreciation expense for the years ended June 30, 2016 and 2015 was $27,883 and $26,798, respectively.

7. Curricula Development Cost

As of June 30, curricula development costs consisted of the following:

	2016	2015
Parenting: The First Three Years Curriculum	$ 639,679	$ 639,560
Parenting Now!	24,327	24,327
Words to Love By Cards	23,362	23,362
Make Parenting A Pleasure Curriculum – Spanish Adaptation	93,568	93,568
Parenting Knowledge Base	26,572	26,572
	807,508	807,389
Accumulated amortization	(768,883)	(749,466)
Curricula development costs, net	$ 38,625	$ 57,923

Amortization expense for the years ended June 30, 2016 and 2015 was $19,417 and $69,720, respectively.

8. Conditional Contributions and Deferred Revenue

The Organization receives some contributions which are considered conditional based on certain requirements for programs and staffing. These contributions are recorded as deferred revenue and recognized when the donor's conditions have been met. As of June 30, 2016, the Organization had no conditional contributions reported as deferred revenue. As of June 30, 2015, the Organization had the following conditional contributions reported as deferred revenue:

	Total Contribution	Deferred Revenue
Robert Randall Charitable Trust	$ 5,000	$ 5,000
United Way	4,833	4,833
Total conditional contributions	$ 9,833	
Total deferred revenue		$ 9,833

9. Line of Credit

A $250,000 revolving line of credit with a current 5.00 percent rate of interest has been established with Banner Bank to bridge timing differences between expenditures and the receipt of grants and donations. The line of credit is secured by interest in the Organization's assets. The outstanding balance as of June 30, 2016 and 2015 was $249,607 and $151,880, respectively. The line of credit is subject to various affirmative loan covenants. The line of credit matured July 10, 2016, and was refinanced with a term loan. The new loan carries a fixed interest rate of 5.00 percent with monthly payments of $1,468. The loan matures on February 10, 2017.

10. Bank Loan

A $150,000 non-revolving line of credit with a 5.00 percent rate of interest was entered into with Banner Bank in August 2014. The non-revolving line of credit was secured by interest in the Organization's assets. The outstanding balance as of June 30, 2015 was $127,989. The non-revolving line of credit was subject to various affirmative loan covenants. The non-revolving line of credit matured November 10, 2015 and was refinanced with a term loan. The term loan was established November 10, 2015 with a 5.00 percent interest rate and monthly payments of $882. The loan is secured by interest in the Organization's assets. The loan matures on February 10, 2017. As of June 30, 2016, the balance due was $147,926.

11. Operating Leases

The Organization leases two Ricoh copier/printers from Ricoh USA under an operating lease agreement that commenced November 2015. Monthly base rents under the lease are $147, including $15 in monthly maintenance charges (per copy overage charges are paid quarterly based on actual volume). In addition, the Organization also leases a postage meter under an operating lease that commenced May 2014 with minimum monthly payments of $44.

At June 30, 2016, future minimum rent payments under the aforementioned lease agreements are as follows:

Year Ending June 30,		
2017	$	2,389
2018		1,950
2019		1,950
2020		650
2021		-
Thereafter		-
Total	$	6,939

12. Temporarily Restricted Net Assets

As of June 30, temporarily restricted net assets were available for the following purposes:

	2016		2015	
First Three Years	$	1,010	$	2,388
Making Parenting A Pleasure		36,500		2,500
Program Services		1,695		1,195
First Three Years Online Project		-		715
Unconditional Promises to Give – Future Periods		12,566		36,791
Total temporarily restricted net assets	$	51,771	$	43,589

13. Endowment Fund

As of June 30, the Endowment Fund consisted of the following:

	2016	2015
Unrestricted, Board designated reserve	$ 208,157	$ 294,363

A summary of Endowment Fund activity was as follows:

	2016	2015
Balance, July 1	$ 294,363	$ 308,165
Appropriated expenditures	(75,281)	(12,834)
Investment returns:		
Unrealized loss on investments	(13,068)	(1,110)
Return on investments	2,143	142
Investment returns net	(10,925)	(968)
Balance, June 30	$ 208,157	$ 294,363

14. Fair Value Measurement

Generally accepted accounting principles require a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under professional standards are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

14. Fair Value Measurement, continued

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to their fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2016 and 2015.

Pooled separate accounts: Valued at the net asset value of units held by the Organization at year end.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended June 30, 2016 and 2015.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair values as of June 30.

	Assets at Fair Value as of June 30, 2016			
	Level 1	Level 2	Level 3	Total
Pooled separate accounts	$ -	$ -	$ 208,157	$ 208,157
Total assets at fair value	$ -	$ -	$ 208,157	$ 208,157

	Assets at Fair Value as of June 30, 2015			
	Level 1	Level 2	Level 3	Total
Pooled separate accounts	$ -	$ -	$ 294,363	$ 294,363
Total assets at fair value	$ -	$ -	$ 294,363	$ 294,363

15. Tax-Deferred Annuity Plan

A salary reduction 403(b) plan covers all eligible employees. Participation in the plan is voluntary. The employer makes no matching contribution.

16. Contributed Services

Professional services contributed (including attorney, accounting, and other services) are recorded as revenue. A total of $159 and $15,131 was recorded for the years ended June 30, 2016 and 2015, respectively.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization; however, these services do not meet the criteria for recognition as contributed services. The following schedule is a summary of the estimated volunteer time:

Activity	Hours
Board of Directors	275
MPAP Parent Educator Assistant & Children's Program	150
Teen Parent Educator Assistant & Children's Program	33
Crecer Parent Educator Assistant & Children's Program	72
ONE's Parent Educator Assistant & Children's Program	477
TWO's Parent Educator Assistant & Children's Program	215
THREE's Parent Educator Assistant & Children's Program	81
Playtime for Parents & Children	66
Baby Connection	207
Healthy Families	22
Office & Administration	18
Auction	100
Volunteer Program	27
Total Volunteer Hours	1,743

The estimated fair value of this time is $41,065 based on an estimated hourly rate of $23.56.

17. Subsequent Events

Management evaluates events and transactions that occur after the statement of financial position date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.

18. Comparative Data

The amounts shown for the year ended June 30, 2015 in the accompanying financial statements are included to provide a basis for comparison with June 30, 2016 and present summarized totals only. Accordingly, 2015 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. This comparative data should be read in conjunction with the Organization's financial statements for the year ended June 30, 2015, from which the comparative data was derived.

19. Operational Matters

The Organization has experienced operating deficits in the last several years. Management has devoted substantial efforts to address these conditions, which include enacting cost reductions and strengthening certain funding areas.

Management staff has recently completed a scientific study to establish the evidence-base of the flagship curricula, Make Parenting A Pleasure. Additionally, this curriculum is in the final stages of a major update, including new videos. The evidence-based designation and update are expected to enhance sales of the curriculum as well as sales of training for parent educators using this program. The Organization is currently working with a client on a sale that will significantly increase revenues in FY 16-17 and substantially improve cash flow for the year. The Organization has also had an increase in its contract to provide services for the Healthy Families program of Lane County, Oregon, resulting in increased organizational support as well as staffing.

Management has also improved development efforts, which have begun to show results. These improvements include a change in personnel, more focused efforts on major gifts as well as adding new fundraising events.

Management sees that the organization has turned a corner as a result of greater efficiencies and enhanced revenues and is confident it will meet its financial obligations going forward.

SUPPLEMENTARY INFORMATION

PARENTING NOW!
SCHEDULE OF MAKE PARENTING A PLEASURE PROGRAM EXPENSES
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	Teen Parents United Way	Teen Parents Foundations	MPAP Emergence	MPAP United Way
Salaries	$ 7,246	$ 5,140	$ 9,116	$ 2,908
Payroll taxes and insurance	784	525	982	285
Health and disability benefits	139	161	278	119
Total salaries and related payroll expenses	8,169	5,826	10,376	3,312
Other expenses:				
Contracts	2	1	3	1
Nutrition	466	68	1,368	221
Utilities	162	105	212	74
Transportation	310	2	3	1
Program materials	-	-	42	9
Bank and investment fees	64	42	84	29
Professional fees	69	44	90	31
Insurance	207	135	271	95
Repairs and maintenance	182	118	239	84
Information technology	51	33	68	24
Equipment, furnishings, and renovations	-	-	-	-
Depreciation and amortization	196	661	508	191
Rent and storage fees	14	9	18	606
Supplies	28	9	17	6
Telephone	195	49	171	34
Postage	18	12	23	8
Staff development and conferences	-	-	-	-
Subscriptions	7	5	10	3
Membership fees and social support	2	1	2	1
Printing	51	33	66	23
Copying	-	14	16	24
Criminal check	4	3	5	2
Interest expense	241	157	315	110
Miscellaneous	3	3	5	1
Total other expenses	2,272	1,504	3,536	1,578
Total functional expenses	$ 10,441	$ 7,330	$ 13,912	$ 4,890

MPAP Foundations	Crecer United Way	Crecer Foundations	MPAP Study Group	2016 Total	2015 Total
$ 2,773	$ 993	$ 12,254	$ 1,997	$ 42,427	$ 43,906
298	108	1,315	219	4,516	4,981
52	(6)	743	86	1,572	3,009
3,123	1,095	14,312	2,302	48,515	51,896
-	2	2	1	12	-
229	7	421	161	2,941	3,551
-	168	124	47	892	1,104
13	3	2	1	335	324
-	-	326	-	377	555
-	67	49	18	353	375
-	71	52	20	377	428
-	216	159	60	1,143	1,358
-	190	140	53	1,006	1,599
-	51	40	17	284	533
-	-	-	-	-	4
-	9	418	41	2,024	2,764
-	14	236	4	901	859
20	14	25	4	123	217
-	78	58	22	607	697
-	18	13	5	97	156
-	-	-	-	-	5
-	8	6	2	41	56
-	2	1	-	9	75
7	53	39	15	287	212
3	4	1	147	209	205
-	4	3	1	22	40
-	251	184	69	1,327	1,601
-	1	3	3	19	56
272	1,231	2,302	691	13,386	16,774
$ 3,395	$ 2,326	$ 16,614	$ 2,993	$ 61,901	$ 68,670

PARENTING NOW!
SCHEDULE OF ALL OTHER PROGRAM EXPENSES
For the Year Ended June 30, 2016
(With Comparative Totals for the Year Ended June 30, 2015)

	Public Relations	PMD Screening	Triple P	Special Projects
Salaries	$ 3,420	$ 3,136	$ 5,837	$ 404
Payroll taxes and insurance	364	339	622	44
Health and disability benefits	-	52	245	(2)
Total salaries and related payroll expenses	3,784	3,527	6,704	446
Other expenses:				
Contracts	5,164	1	1,900	1
Nutrition	-	3	46	3
Utilities	-	62	-	68
Transportation	-	1	14	1
Program materials	-	-	-	-
Bank and investment fees	-	25	-	27
Professional fees	-	27	-	29
Insurance	-	81	-	88
Repairs and maintenance	-	71	-	77
Information technology	-	20	-	21
Equipment, furnishings, and renovations	-	-	-	-
Depreciation and amortization	-	353	-	4
Rent and storage fees	-	5	-	6
Supplies	10	5	-	6
Telephone	-	29	20	32
Postage	-	7	-	7
Staff development and conferences	-	-	-	-
Subscriptions	-	3	-	3
Membership fees and social support	-	1	-	1
Volunteer recognition	-	-	-	-
Printing	-	20	-	21
Copying	1	-	-	-
Criminal check	-	2	-	2
Interest expense	-	94	-	102
Advertising	-	-	-	-
Miscellaneous	-	1	-	295
Total other expenses	5,175	811	1,980	794
Total functional expenses	$ 8,959	$ 4,338	$ 8,684	$ 1,240

Playtime	Volunteer Coordinator	Family Resource Poster	Enrollment and Support	2016 Total	2015 Total
$ 1,589	$ 11,979	$ 4,658	$ 109,610	$ 140,633	$ 135,388
170	1,267	494	11,766	15,066	14,788
3	1,027	360	4,019	5,704	10,417
1,762	14,273	5,512	125,395	161,403	160,593
-	3	1,402	30	8,501	12,560
1	51	7	114	225	334
32	269	183	2,346	2,960	2,752
-	4	44	394	458	336
-	1	-	42	43	414
12	106	72	929	1,171	935
13	114	77	993	1,253	1,068
40	345	233	3,005	3,792	3,391
36	302	205	2,640	3,331	3,988
10	86	57	854	1,048	1,810
-	-	-	895	895	372
120	1,395	397	4,665	6,934	5,963
3	23	16	201	254	185
3	87	15	1,456	1,582	1,239
15	365	84	1,548	2,093	2,261
3	67	176	537	797	682
-	1	-	547	548	902
1	12	8	107	134	217
-	3	2	24	31	268
-	190	-	-	190	135
10	84	3,130	923	4,188	4,380
1	82	31	855	970	1,198
1	101	5	90	201	342
46	400	271	3,492	4,405	3,993
-	-	-	-	-	626
-	5	4	47	352	164
347	4,096	6,419	26,734	46,356	50,515
$ 2,109	$ 18,369	$ 11,931	$ 152,129	$ 207,759	$ 211,108