

PARENTING NOW!

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

Jones & Roth

CPAs & Business Advisors

PARENTING NOW!
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6 - 7
Notes to Financial Statements	8 - 18
Supplementary Information:	
Schedule of Make Parenting A Pleasure Program Expenses	19
Schedule of All Other Program Expenses	20 - 21

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, 2018, 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, 2018, 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.

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 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 5, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Jones & Roth, P.C.
Eugene, Oregon
March 4, 2019

FINANCIAL STATEMENTS

PARENTING NOW!
STATEMENT OF FINANCIAL POSITION
June 30, 2018
(With Comparative Totals for June 30, 2017)

	<u>2018</u>	<u>2017</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 120,234	\$ 186,810
Receivables	94,262	107,033
Unconditional promises to give, current portion	11,860	15,984
Prepaid expenses	16,798	16,626
Inventory of curricula materials	18,214	20,430
Beneficial interest in the assets of The Oregon Community Foundation (OCF)	<u>82,937</u>	<u>82,952</u>
Total current assets	<u>344,305</u>	<u>429,835</u>
Long-term assets		
Unconditional promises to give, long-term portion	1,525	4,805
Property and equipment, net	520,343	545,775
Curricula development costs, net	<u>262,399</u>	<u>77,095</u>
Total long-term assets	<u>784,267</u>	<u>627,675</u>
Total assets	<u><u>\$ 1,128,572</u></u>	<u><u>\$ 1,057,510</u></u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 38,441	\$ 22,215
Accrued payroll and payroll taxes	76,016	70,950
Accrued vacation	37,247	37,110
Deferred income	150	475
Bank loans, current portion	<u>7,261</u>	<u>8,650</u>
Total current liabilities	159,115	139,400
Long-term liabilities		
Bank loans, long-term portion	<u>375,029</u>	<u>381,238</u>
Total liabilities	<u>534,144</u>	<u>520,638</u>
Net assets		
Unrestricted	409,745	335,490
Unrestricted, Board designated reserve	82,937	82,952
Temporarily restricted net assets	<u>101,746</u>	<u>118,430</u>
Total net assets	<u>594,428</u>	<u>536,872</u>
Total liabilities and net assets	<u><u>\$ 1,128,572</u></u>	<u><u>\$ 1,057,510</u></u>

The accompanying notes are an integral part of these statements.

PARENTING NOW!
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	2018			2017
	Unrestricted	Temporarily Restricted	Total	Total
Support				
Contributions	\$ 40,211	\$ 255,293	\$ 295,504	\$ 227,753
Special events	261,320	-	261,320	277,434
Contributions in-kind	91,276	-	91,276	17,126
	<u>392,807</u>	<u>255,293</u>	<u>648,100</u>	<u>522,313</u>
Revenues				
Curricula sales and training	99,470	-	99,470	192,255
Contract revenue	602,793	-	602,793	552,567
Parent dues	29,855	-	29,855	26,835
Miscellaneous income (loss)	1,581	-	1,581	(1,436)
Interest and dividends	694	-	694	921
Net realized gains on investments	1,565	-	1,565	888
Net unrealized gains on investments	5,998	-	5,998	13,937
Net assets released from restrictions	271,977	(271,977)	-	-
	<u>1,013,933</u>	<u>(271,977)</u>	<u>741,956</u>	<u>785,967</u>
Total revenues	<u>1,013,933</u>	<u>(271,977)</u>	<u>741,956</u>	<u>785,967</u>
Total revenues and support	<u>1,406,740</u>	<u>(16,684)</u>	<u>1,390,056</u>	<u>1,308,280</u>
Expenses				
Program services	999,834	-	999,834	951,739
Management and general	129,154	-	129,154	150,612
Fundraising	203,512	-	203,512	182,192
	<u>1,332,500</u>	<u>-</u>	<u>1,332,500</u>	<u>1,284,543</u>
Total expenses	<u>1,332,500</u>	<u>-</u>	<u>1,332,500</u>	<u>1,284,543</u>
Change in net assets	74,240	(16,684)	57,556	23,737
Net assets, beginning of year	<u>418,442</u>	<u>118,430</u>	<u>536,872</u>	<u>513,135</u>
Net assets, end of year	<u>\$ 492,682</u>	<u>\$ 101,746</u>	<u>\$ 594,428</u>	<u>\$ 536,872</u>

The accompanying notes are an integral part of these statements.

PARENTING NOW!
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Change in net assets	\$ 57,556	\$ 23,737
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	25,807	28,887
Loss on disposal of assets	25	4,000
Net realized and unrealized (gain) loss on investments	(7,563)	(14,825)
(Increase) decrease in operating assets:		
Receivables	12,771	(58,339)
Unconditional promises to give	7,404	(8,223)
Grants receivable	-	2,502
Prepaid expense	(172)	(8,328)
Inventory of curricula materials	2,216	10,095
Increase (decrease) in operating liabilities:		
Accounts payable	16,226	15,482
Deferred income	(325)	425
Accrued payroll and payroll taxes	5,066	6,011
Accrued vacation	137	2,581
	<u>119,148</u>	<u>4,005</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Purchase of property and equipment	(185,864)	(40,810)
Transfers from beneficial interest in the assets of OCF	7,501	140,000
Reinvestments in beneficial interest in the assets of OCF	<u>237</u>	<u>78</u>
	<u>(178,126)</u>	<u>99,268</u>
Net cash provided (used) by investing activities		
Cash flows from financing activities		
Principal payments on long-term debt	<u>(7,598)</u>	<u>(7,645)</u>
Net increase (decrease) in cash and cash equivalents	(66,576)	95,628
Cash and cash equivalents, beginning of year	<u>186,810</u>	<u>91,182</u>
Cash and cash equivalents, end of year	<u>\$ 120,234</u>	<u>\$ 186,810</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 17,607</u>	<u>\$ 19,125</u>

The accompanying notes are an integral part of these statements.

PARENTING NOW!
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	Program Services			
	First Three Years	Make Parenting A Pleasure	Healthy Families	Curricula Sales and Training
Salaries	\$ 26,814	\$ 27,200	\$ 433,087	\$ 32,951
Payroll taxes and insurance	2,765	2,731	44,543	3,388
Health and disability benefits	<u>2,128</u>	<u>1,833</u>	<u>40,335</u>	<u>1,855</u>
Total salaries and related payroll expenses	<u>31,707</u>	<u>31,764</u>	<u>517,965</u>	<u>38,194</u>
Other expenses:				
Contracts	-	-	-	1,034
Nutrition	665	2,529	3,985	5,632
Utilities	441	474	7,634	404
Transportation	-	338	22,282	13,952
Program materials	541	103	6,154	216
Bank and investment fees	205	219	3,538	187
Professional fees	242	259	4,183	222
Insurance	690	739	11,925	629
Repairs and maintenance	762	818	13,181	622
Information technology	116	125	2,550	1,261
Equipment, furnishings, and renovations	13	14	1,860	12
Depreciation and amortization	1,535	2,136	15,683	201
Rent and storage fees	31	709	3,540	29
Supplies	193	243	3,268	463
Telephone	225	416	14,050	205
Postage	37	39	810	844
Staff development and conferences	-	-	7,002	-
Subscriptions	-	-	100	629
Membership fees and social support	21	19	1,131	20
Volunteer recognition	-	-	-	-
Printing	104	113	2,157	95
Copying	395	79	1,555	415
Criminal check	16	20	322	14
Interest expense	708	758	12,255	647
Advertising	-	-	228	-
Cost of curricula sold	-	-	-	10,824
Bad debts	-	-	-	-
Miscellaneous	<u>338</u>	<u>49</u>	<u>770</u>	<u>37</u>
Total other expenses	<u>7,278</u>	<u>10,199</u>	<u>140,163</u>	<u>38,594</u>
Total functional expenses	<u>\$ 38,985</u>	<u>\$ 41,963</u>	<u>\$ 658,128</u>	<u>\$ 76,788</u>

Car Seat Safety Program	All Other	Total Program Services	Supporting Services		2018 Total	2017 Total
			Management and General	Fundraising		
\$ 3,018	\$ 120,317	\$ 643,387	\$ 93,883	\$ 93,797	\$ 831,067	\$ 790,039
316	12,601	66,344	9,697	9,661	85,702	82,337
270	8,662	55,083	4,952	9,296	69,331	62,802
<u>3,604</u>	<u>141,580</u>	<u>764,814</u>	<u>108,532</u>	<u>112,754</u>	<u>986,100</u>	<u>935,178</u>
-	1,556	2,590	984	42,094	45,668	48,168
2	610	13,423	760	8,697	22,880	20,677
59	1,957	10,969	-	-	10,969	11,723
15	844	37,431	306	104	37,841	44,380
71	856	7,941	-	16,071	24,012	21,079
27	908	5,084	765	2,811	8,660	8,949
31	1,123	6,060	11,524	-	17,584	18,874
91	3,060	17,134	3,441	121	20,696	20,020
101	3,191	18,675	-	-	18,675	12,234
15	1,167	5,234	80	3,226	8,540	9,741
2	394	2,295	-	171	2,466	-
7	6,245	25,807	-	-	25,807	28,887
4	137	4,450	-	2,000	6,450	3,845
707	1,598	6,472	93	1,237	7,802	3,841
50	1,919	16,865	240	440	17,545	16,505
5	1,196	2,931	564	3,228	6,723	4,999
-	756	7,758	12	137	7,907	3,161
-	101	830	-	183	1,013	1,906
3	154	1,348	1,083	12	2,443	3,130
-	355	355	-	-	355	105
14	4,294	6,777	221	7,238	14,236	15,391
2	315	2,761	387	418	3,566	3,698
8	317	697	-	-	697	611
94	3,145	17,607	-	-	17,607	19,125
-	1,035	1,263	11	187	1,461	862
-	-	10,824	-	-	10,824	19,064
-	-	-	-	2,383	2,383	5,867
6	239	1,439	151	-	1,590	2,523
<u>1,314</u>	<u>37,472</u>	<u>235,020</u>	<u>20,622</u>	<u>90,758</u>	<u>346,400</u>	<u>349,365</u>
<u>\$ 4,918</u>	<u>\$ 179,052</u>	<u>\$ 999,834</u>	<u>\$ 129,154</u>	<u>\$ 203,512</u>	<u>\$ 1,332,500</u>	<u>\$ 1,284,543</u>

The accompanying notes are an integral part of these statements.

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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.

Creceer 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.

Car Seat Safety:

New in the fiscal year ended June 30, 2018 is the addition of a program to assist parents and others in proper use of child car safety seats. The program allows for providing car safety seats for those in need and offers technical assistance with proper installation and fitting of car seats. Services are provided through public drop-in events and individual consultation appointments.

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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.

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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.

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.

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

1. Nature of Activities and Significant Accounting Policies, continued

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.

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, 2018 and 2017, the total expense was \$1,461 and \$862, 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.

2. Cash and Cash Equivalents

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

	<u>2018</u>	<u>2017</u>
Cash on hand	\$ 73	\$ 75
Cash in depository accounts	<u>120,161</u>	<u>186,735</u>
Total cash and cash equivalents	<u>\$ 120,234</u>	<u>\$ 186,810</u>

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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:

	2018	2017
Additions:		
Interest and dividends	\$ 687	\$ 913
Realized gains	1,565	888
Unrealized gains	5,998	13,937
Total additions	8,250	15,738
Decreases:		
Distributions	(7,501)	(140,000)
Investment management fees	(334)	(388)
Miscellaneous fees	(430)	(555)
Total decreases	(8,265)	(140,943)
Net change	(15)	(125,205)
Beginning balance at July 1	82,952	208,157
Ending balance at June 30	\$ 82,937	\$ 82,952

4. Unconditional Promises to Give

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

	2018	2017
Unconditional promises to give	\$ 13,385	\$ 20,789
Amounts due in:		
Less than one year	\$ 11,860	\$ 15,984
One to five years	1,525	4,805
Six to ten years	-	-
	\$ 13,385	\$ 20,789

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, 2018 and 2017, all unconditional promises to give were considered fully collectible.

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

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:

	<u>2018</u>	<u>2017</u>
Land	\$ 168,863	\$ 168,863
Building and improvements	701,748	701,748
Furniture and equipment	<u>101,786</u>	<u>103,717</u>
	972,397	974,328
Accumulated depreciation	<u>(452,054)</u>	<u>(428,553)</u>
Property and equipment, net	<u>\$ 520,343</u>	<u>\$ 545,775</u>

Depreciation expense for the years ended June 30, 2018 and 2017 was \$25,807 and \$26,548, respectively.

7. Curricula Development Costs

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

	<u>2018</u>	<u>2017</u>
Parenting: The First Three Years Curriculum	\$ 603,626	\$ 603,626
Make Parenting A Pleasure – Update	262,167	76,863
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	<u>26,572</u>	<u>26,572</u>
	1,033,622	848,318
Accumulated amortization	<u>(771,223)</u>	<u>(771,223)</u>
Curricula development costs, net	<u>\$ 262,399</u>	<u>\$ 77,095</u>

Amortization expense for the years ended June 30, 2018 and 2017 was \$0- and \$2,339, respectively.

PARENTING NOW!
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018

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, 2018 and 2017, the Organization had no conditional contributions reported as deferred revenue.

9. Bank Loans

As of June 30, 2018 and 2017, the Organization had two loans with Banner Bank:

Loan payable to Banner Bank (former line of credit) of \$240,244 and \$244,929, respectively, secured by interest in the Organization's assets, with a 5.00 percent interest rate and monthly payments of \$1,468.

Loan payable to Banner Bank of \$142,046 and \$144,959, respectively, secured by interest in the Organization's assets, with a 5.00 percent interest rate and monthly payments of \$882.

Both loans were refinanced and consolidated as of December 31, 2018.

The new loan to Banner Bank matures January 10, 2029 and is secured by assets of the Organization. It requires monthly installments of \$2,341, including interest at 5.50 percent through January, 2024 at which time monthly installments of \$2,323 are required and the interest rate is to be recalculated based on the Bullet Rate for 5-Year FHLB Fixed Rate Advances plus 2.50 percent. The loan calls for one final payment of all outstanding principal and interest at maturity. Principal payments on the loan of \$7,261 are due in fiscal year 2019 and are included in bank loans, current portion on the statement of financial position.

Principal payments due over the next five years and thereafter are as follows:

Year Ending June 30,		
2019	\$	7,261
2020		7,678
2021		8,111
2022		8,569
2023		9,052
Thereafter		341,619
Total	\$	382,290

PARENTING NOW!
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018

10. 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 through June 2018, and \$57 thereafter.

At June 30, 2018, future minimum rent payments under the aforementioned lease agreements are as follows:

<u>Year Ending June 30,</u>		
2019	\$	2,634
2020		1,335
2021		571
2022		-
2023		-
Thereafter		<u>-</u>
Total	\$	<u><u>4,540</u></u>

11. Endowment Fund

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

	<u>2018</u>	<u>2017</u>
Unrestricted, Board designated reserve	<u>\$ 82,937</u>	<u>\$ 82,952</u>

A summary of Endowment Fund activity is as follows:

	<u>2018</u>	<u>2017</u>
Balance, July 1	<u>\$ 82,952</u>	<u>\$ 208,157</u>
Appropriated expenditures	<u>(7,501)</u>	<u>(140,000)</u>
Investment returns:		
Unrealized gain on investments	5,998	13,937
Return on investments	<u>1,488</u>	<u>858</u>
Investment returns, net	<u>7,486</u>	<u>14,795</u>
Balance, June 30	<u>\$ 82,937</u>	<u>\$ 82,952</u>

PARENTING NOW!
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018

12. Temporarily Restricted Net Assets

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

	<u>2018</u>	<u>2017</u>
First Three Years	\$ 5,000	\$ 2,900
Making Parenting A Pleasure	-	93,046
Car Seat Safety Program	56,666	-
Program Services	1,695	1,695
Building Maintenance	25,000	-
Unconditional Promises to Give – Future Periods	<u>13,385</u>	<u>20,789</u>
Total temporarily restricted net assets	<u>\$ 101,746</u>	<u>\$ 118,430</u>

13. Fair Value Measurement

For the years ended June 30, 2018 and 2017, 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.

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, 2018 and 2017.

PARENTING NOW!
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2018

13. Fair Value Measurement, continued

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, 2018 and 2017.

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

	Assets at Fair Value as of June 30, 2018			
	Level 1	Level 2	Level 3	Total
Pooled separate accounts	\$ -	\$ -	\$ 82,937	\$ 82,937
Total assets at fair value	\$ -	\$ -	\$ 82,937	\$ 82,937

	Assets at Fair Value as of June 30, 2017			
	Level 1	Level 2	Level 3	Total
Pooled separate accounts	\$ -	\$ -	\$ 82,952	\$ 82,952
Total assets at fair value	\$ -	\$ -	\$ 82,952	\$ 82,952

14. 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.

15. Contributed Services

Professional services contributed (including attorney, accounting, and other services) are recorded as revenue. A total of \$2,374 and \$3,844 was recorded for the years ended June 30, 2018 and 2017, respectively.

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

15. Contributed Services, continued

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	625
MPAP Parent Educator Assistant & Children's Program	333
Teen Parent Educator Assistant & Children's Program	153
INFANTS Parent Educator Assistant & Children's Program	12
ONE's Parent Educator Assistant & Children's Program	384
TWO's Parent Educator Assistant & Children's Program	312
THREE's Parent Educator Assistant & Children's Program	279
CRECER Parent Educator Assistant & Children's Program	87
Playtime for Parents & Children	93
Baby Connection	137
Healthy Families	98
Development	26
Office & Administration	294
Resources for Families	56
Auction	134
Total volunteer hours	3,023

The estimated fair value of this time is \$74,638 based on an estimated hourly rate of \$24.69.

16. 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.

17. Comparative Data

The amounts shown for the year ended June 30, 2017 in the accompanying financial statements are included to provide a basis for comparison with June 30, 2018 and present summarized totals only. Accordingly, 2017 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, 2017, from which the comparative data was derived.

SUPPLEMENTARY INFORMATION

PARENTING NOW!
SCHEDULE OF MAKE PARENTING A PLEASURE PROGRAM EXPENSES
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	Teen Parents Foundations	MPAP Foundations	Creceer Foundations	2018 Total	2017 Total
Salaries	\$ 4,596	\$ 2,007	\$ 20,597	\$ 27,200	\$ 10,544
Payroll taxes and insurance	474	192	2,065	2,731	1,097
Health and disability benefits	280	36	1,517	1,833	610
Total salaries and related payroll expenses	<u>5,350</u>	<u>2,235</u>	<u>24,179</u>	<u>31,764</u>	<u>12,251</u>
Other expenses:					
Nutrition	427	172	1,930	2,529	908
Utilities	83	38	353	474	213
Transportation	-	259	79	338	31
Program materials	-	63	40	103	4
Bank and investment fees	38	17	164	219	88
Professional fees	45	20	194	259	96
Insurance	129	59	551	739	297
Repairs and maintenance	143	65	610	818	220
Information technology	22	10	93	125	80
Equipment, furnishings, and renovations	2	1	11	14	-
Depreciation and amortization	843	179	1,114	2,136	2,146
Rent and storage fees	456	3	250	709	15
Supplies	26	41	176	243	82
Telephone	42	94	280	416	115
Postage	7	3	29	39	24
Subscriptions	-	-	-	-	12
Membership fees and social support	-	2	17	19	4
Printing	20	9	84	113	58
Copying	10	3	66	79	18
Criminal check	3	1	16	20	5
Interest expense	132	60	566	758	347
Miscellaneous	9	4	36	49	5
Total other expenses	<u>2,437</u>	<u>1,103</u>	<u>6,659</u>	<u>10,199</u>	<u>4,768</u>
Total functional expenses	<u>\$ 7,787</u>	<u>\$ 3,338</u>	<u>\$ 30,838</u>	<u>\$ 41,963</u>	<u>\$ 17,019</u>

PARENTING NOW!
SCHEDULE OF ALL OTHER PROGRAM EXPENSES
For the Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)

	Public Relations	Triple P	Playtime	Volunteer Coordinator
Salaries	\$ 6,772	\$ 13,311	\$ 1,639	\$ 14,311
Payroll taxes and insurance	698	1,369	168	1,469
Health and disability benefits	683	1,168	23	911
 Total salaries and related payroll expenses	 <u>8,153</u>	 <u>15,848</u>	 <u>1,830</u>	 <u>16,691</u>
Other expenses:				
Contracts	-	300	-	-
Nutrition	-	7	1	465
Utilities	-	217	25	241
Transportation	-	-	-	-
Program materials	-	-	-	148
Bank and investment fees	-	101	11	112
Professional fees	-	119	14	133
Insurance	-	340	39	377
Repairs and maintenance	-	376	43	417
Information technology	-	57	7	64
Equipment, furnishings, and renovations	-	7	1	7
Depreciation and amortization	-	25	112	1,319
Rent and storage fees	-	15	2	17
Supplies	-	68	45	139
Telephone	40	351	13	323
Postage	-	18	2	20
Staff development and conferences	-	-	-	-
Subscriptions	-	40	-	-
Membership fees and social support	-	15	1	12
Volunteer recognition	-	-	-	355
Printing	-	52	6	57
Copying	2	9	4	98
Criminal check	-	8	1	240
Interest expense	-	349	40	388
Advertising	-	-	-	-
Miscellaneous	-	22	3	25
 Total other expenses	 <u>42</u>	 <u>2,496</u>	 <u>370</u>	 <u>4,957</u>
Total functional expenses	<u>\$ 8,195</u>	<u>\$ 18,344</u>	<u>\$ 2,200</u>	<u>\$ 21,648</u>

Family Resource Poster	Enrollment and Support	2018 Total	2017 Total
\$ 1,866	\$ 82,418	\$ 120,317	\$ 140,068
190	8,707	12,601	14,591
132	5,745	8,662	8,551
<u>2,188</u>	<u>96,870</u>	<u>141,580</u>	<u>163,210</u>
1,230	26	1,556	5,968
3	134	610	604
104	1,370	1,957	2,420
55	789	844	92
-	708	856	217
48	636	908	1,015
56	801	1,123	1,091
162	2,142	3,060	3,386
124	2,231	3,191	2,706
27	1,012	1,167	1,779
3	376	394	-
374	4,415	6,245	6,701
7	96	137	175
75	1,271	1,598	955
53	1,139	1,919	2,266
121	1,035	1,196	644
-	756	756	340
-	61	101	145
5	121	154	51
-	-	355	105
3,819	360	4,294	4,104
4	198	315	613
4	64	317	348
167	2,201	3,145	3,946
465	570	1,035	619
10	179	239	283
<u>6,916</u>	<u>22,691</u>	<u>37,472</u>	<u>40,573</u>
<u>\$ 9,104</u>	<u>\$ 119,561</u>	<u>\$ 179,052</u>	<u>\$ 203,783</u>