

PARENTING NOW!

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**For the Year Ended June 30, 2019
(with Comparative Totals for the Year Ended June 30, 2018)**

Jones & Roth

CPAs & Business Advisors

PARENTING NOW!
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019
(with Comparative Totals for the Year Ended June 30, 2018)

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' 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 - 19
Supplementary Information:	
Schedule of Make Parenting a Pleasure Program Expenses	20
Schedule of All Other Program Expenses	21 - 22

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, 2019, 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, 2019, 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 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 4, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Jones & Roth, P.C.
Eugene, Oregon
January 13, 2020

FINANCIAL STATEMENTS

PARENTING NOW!
STATEMENT OF FINANCIAL POSITION
June 30, 2019
(With Comparative Totals for June 30, 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 136,038	\$ 120,234
Receivables	122,556	94,262
Unconditional promises to give, current portion	8,335	11,860
Prepaid expenses	13,485	16,798
Inventory of curricula materials	15,523	18,214
Beneficial interest in the assets of The Oregon Community Foundation (OCF)	<u>25,652</u>	<u>82,937</u>
Total current assets	<u>321,589</u>	<u>344,305</u>
Long-term assets		
Unconditional promises to give, long-term portion	6,732	1,525
Property and equipment, net	495,643	520,343
Curricula development costs, net	<u>236,182</u>	<u>262,399</u>
Total long-term assets	<u>738,557</u>	<u>784,267</u>
Total assets	<u>\$ 1,060,146</u>	<u>\$ 1,128,572</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 18,040	\$ 38,441
Accrued payroll and payroll taxes	76,079	76,016
Accrued vacation	40,827	37,247
Deferred income	1,275	150
Bank loans, current portion	<u>7,726</u>	<u>7,261</u>
Total current liabilities	143,947	159,115
Long-term liabilities		
Bank loans, long-term portion	<u>365,932</u>	<u>375,029</u>
Total liabilities	<u>509,879</u>	<u>534,144</u>
Net assets		
Net assets without donor restrictions:		
Undesignated operating funds	409,697	409,745
Board designated	<u>25,652</u>	<u>82,937</u>
Total net assets without donor restrictions	435,349	492,682
Net assets with donor restrictions	<u>114,918</u>	<u>101,746</u>
Total net assets	<u>550,267</u>	<u>594,428</u>
Total liabilities and net assets	<u>\$ 1,060,146</u>	<u>\$ 1,128,572</u>

The accompanying notes are an integral part of these statements.

PARENTING NOW!
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support				
Contributions	\$ 44,864	\$ 233,119	\$ 277,983	\$ 295,504
Special events	302,607	-	302,607	261,320
Contributions in-kind	21,818	-	21,818	91,276
	<u>369,289</u>	<u>233,119</u>	<u>602,408</u>	<u>648,100</u>
Revenues				
Curricula sales and training	154,316	-	154,316	99,470
Contract revenue	651,557	-	651,557	602,793
Parent dues	22,512	-	22,512	29,855
Miscellaneous income	10,227	-	10,227	1,581
Interest and dividends	209	-	209	694
Net realized gains on investments	178	-	178	1,565
Net unrealized gains on investments	2,581	-	2,581	5,998
Net assets released from restrictions	219,947	(219,947)	-	-
	<u>1,061,527</u>	<u>(219,947)</u>	<u>841,580</u>	<u>741,956</u>
Total revenues and support	<u>1,430,816</u>	<u>13,172</u>	<u>1,443,988</u>	<u>1,390,056</u>
Expenses				
Program services	1,173,096	-	1,173,096	999,834
Management and general	112,280	-	112,280	129,154
Fundraising	202,773	-	202,773	203,512
	<u>1,488,149</u>	<u>-</u>	<u>1,488,149</u>	<u>1,332,500</u>
Change in net assets	(57,333)	13,172	(44,161)	57,556
Net assets, beginning of year	<u>492,682</u>	<u>101,746</u>	<u>594,428</u>	<u>536,872</u>
Net assets, end of year	<u>\$ 435,349</u>	<u>\$ 114,918</u>	<u>\$ 550,267</u>	<u>\$ 594,428</u>

The accompanying notes are an integral part of these statements.

PARENTING NOW!
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ (44,161)	\$ 57,556
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	50,920	25,807
Loss on disposal of assets	-	25
Net realized and unrealized (gain) loss on investments	(2,759)	(7,563)
(Increase) decrease in operating assets:		
Receivables	(28,294)	12,771
Unconditional promises to give	(1,682)	7,404
Prepaid expense	3,313	(172)
Inventory of curricula materials	2,691	2,216
Increase (decrease) in operating liabilities:		
Accounts payable	(20,401)	16,226
Deferred income	1,125	(325)
Accrued payroll and payroll taxes	63	5,066
Accrued vacation	3,580	137
	<u>(35,605)</u>	<u>119,148</u>
Net cash provided (used) by operating activities		
Cash flows from investing activities		
Purchase of property and equipment	-	(185,864)
Transfers from beneficial interest in the assets of OCF	60,046	7,738
	<u>60,046</u>	<u>7,738</u>
Net cash provided (used) by investing activities	<u>60,046</u>	<u>(178,126)</u>
Cash flows from financing activities		
Principal payments on long-term debt	<u>(8,637)</u>	<u>(7,598)</u>
Net increase (decrease) in cash and cash equivalents	15,804	(66,576)
Cash and cash equivalents, beginning of year	<u>120,234</u>	<u>186,810</u>
Cash and cash equivalents, end of year	<u>\$ 136,038</u>	<u>\$ 120,234</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 19,076</u>	<u>\$ 17,607</u>

The accompanying notes are an integral part of these statements.

PARENTING NOW!
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	Program Services			
	First Three Years	Make Parenting A Pleasure	Healthy Families	Curricula Sales and Training
Salaries	\$ 74,596	\$ 42,374	\$ 477,676	\$ 64,520
Payroll taxes and insurance	2,690	4,379	49,405	6,659
Health and disability benefits	1,929	4,108	42,190	3,240
 Total salaries and related payroll expenses	 <u>79,215</u>	 <u>50,861</u>	 <u>569,271</u>	 <u>74,419</u>
Other expenses:				
Contracts	6	10	280	5,241
Nutrition	647	2,073	4,128	6,503
Utilities	476	753	9,136	636
Transportation	14	106	23,437	16,915
Program materials	993	194	4,533	1,325
Bank and investment fees	247	412	4,728	330
Professional fees	238	399	4,573	320
Insurance	663	1,106	12,665	885
Repairs and maintenance	503	837	9,594	1,416
Information technology	248	414	4,762	331
Equipment, furnishings, and renovations	-	-	434	-
Depreciation and amortization	1,604	1,985	14,954	26,405
Rent and storage fees	29	705	3,758	39
Supplies	198	356	1,892	939
Telephone	213	356	14,721	484
Postage	34	58	895	1,086
Staff development and conferences	-	65	2,830	828
Subscriptions	20	35	390	1,613
Membership fees and social support	23	41	950	185
Volunteer recognition	-	-	-	-
Printing	112	188	2,187	190
Copying	88	107	1,075	615
Criminal check	11	19	218	126
Interest expense	666	1,111	12,723	888
Advertising	-	-	-	-
Cost of curricula sold	-	-	-	10,317
Bad debts	-	-	-	-
Miscellaneous	(41)	24	272	20
 Total other expenses	 <u>6,992</u>	 <u>11,354</u>	 <u>135,135</u>	 <u>77,637</u>
Total functional expenses	<u>\$ 86,207</u>	<u>\$ 62,215</u>	<u>\$ 704,406</u>	<u>\$ 152,056</u>

Car Seat Safety Program	All Other	Total Program Services	Supporting Services		2019 Total	2018 Total
			Management and General	Fundraising		
\$ 26,066	\$ 60,396	\$ 745,628	\$ 77,304	\$ 85,258	\$ 908,190	\$ 831,067
2,692	11,351	77,176	8,033	8,859	94,068	85,702
2,189	9,032	62,688	3,306	4,842	70,836	69,331
<u>30,947</u>	<u>80,779</u>	<u>885,492</u>	<u>88,643</u>	<u>98,959</u>	<u>1,073,094</u>	<u>986,100</u>
9	2,085	7,631	-	51,560	59,191	45,668
18	1,011	14,380	410	4,332	19,122	22,880
683	1,951	13,635	-	-	13,635	10,969
83	290	40,845	299	460	41,604	37,841
14,223	192	21,460	88	17,534	39,082	24,012
355	1,254	7,326	(1)	3,454	10,779	8,660
344	984	6,858	14,900	-	21,758	17,584
951	2,720	18,990	3,548	-	22,538	20,696
720	2,060	15,130	-	-	15,130	18,675
356	2,107	8,218	448	3,446	12,112	8,540
-	634	1,068	319	613	2,000	2,466
70	5,902	50,920	-	-	50,920	25,807
42	120	4,693	-	-	4,693	6,450
132	1,605	5,122	203	2,715	8,040	7,802
486	1,795	18,055	180	148	18,383	17,545
49	182	2,304	547	3,159	6,010	6,723
-	725	4,448	105	276	4,829	7,907
29	84	2,171	454	1,083	3,708	1,013
35	366	1,600	909	500	3,009	2,443
907	194	1,101	-	-	1,101	355
162	5,446	8,285	-	9,653	17,938	14,236
233	246	2,364	378	365	3,107	3,566
16	169	559	-	-	559	697
956	2,731	19,075	-	-	19,075	17,607
-	119	119	-	451	570	1,461
-	-	10,317	-	-	10,317	10,824
-	-	-	-	4,065	4,065	2,383
20	635	930	850	-	1,780	1,590
<u>20,879</u>	<u>35,607</u>	<u>287,604</u>	<u>23,637</u>	<u>103,814</u>	<u>415,055</u>	<u>346,400</u>
<u>\$ 51,826</u>	<u>\$ 116,386</u>	<u>\$ 1,173,096</u>	<u>\$ 112,280</u>	<u>\$ 202,773</u>	<u>\$ 1,488,149</u>	<u>\$ 1,332,500</u>

The accompanying notes are an integral part of these statements.

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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.

Car Seat Safety:

Car Seat Safety Clinics is 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, 2019

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.

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

1. Nature of Activities and Significant Accounting Policies, continued

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.

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restriction 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 support with donor restriction. 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 net assets with donor restriction to net assets without donor restriction 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:

Net assets without donor restrictions - These net assets are available for general obligations of the Organization. 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.

Net assets with donor restrictions - These net assets are restricted by donors to be used for specific purposes. These net assets also include net assets that 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 Oregon Community Foundation (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.

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

1. Nature of Activities and Significant Accounting Policies, continued

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, 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 net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restriction depending on the nature of the restrictions. When a restriction expires, these net assets are reclassified to net assets without donor restrictions.

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, 2019 and 2018, the total expense was \$569 and \$1,461 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.

Recent Accounting Standard Adopted

During the year ended June 30, 2019, the Organization adopted the provisions of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2016-14: *Presentation of Financial Statements of Not-for-Profit Entities*. The standard was applied on a retrospective basis. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources and related to functional allocation of expenses. The June 30, 2018 financial statements have been restated to conform to the presentation disclosure requirements of ASU 2016-14, with no change to total net assets.

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

2. Cash and Cash Equivalents

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

	2019	2018
Cash on hand	\$ 74	\$ 73
Cash in depository accounts	135,964	120,161
Total cash and cash equivalents	<u>\$ 136,038</u>	<u>\$ 120,234</u>

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:

	2019	2018
Additions:		
Interest and dividends	\$ 195	\$ 687
Realized gains	178	1,565
Unrealized gains	2,581	5,998
Total additions	<u>2,954</u>	<u>8,250</u>
Decreases:		
Distributions	(60,000)	(7,501)
Investment management fees	(102)	(334)
Miscellaneous fees	(137)	(430)
Total decreases	<u>(60,239)</u>	<u>(8,265)</u>
Net change	(57,285)	(15)
Beginning balance at July 1	<u>82,937</u>	<u>82,952</u>
Ending balance at June 30	<u>\$ 25,652</u>	<u>\$ 82,937</u>

4. Unconditional Promises to Give

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

	2019	2018
Unconditional promises to give	<u>\$ 15,067</u>	<u>\$ 13,385</u>
Amounts due in:		
Less than one year	\$ 8,335	\$ 11,860
One to five years	6,732	1,525
Six to ten years	-	-
	<u>\$ 15,067</u>	<u>\$ 13,385</u>

PARENTING NOW!
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

4. Unconditional Promises to Give, continued

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, 2019 and 2018, 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:

Property and equipment:	2019	2018
Land	\$ 168,863	\$ 168,863
Building and improvements	701,748	701,748
Furniture and equipment	100,559	101,786
	<u>971,170</u>	<u>972,397</u>
Accumulated depreciation	(475,527)	(452,054)
	<u>\$ 495,643</u>	<u>\$ 520,343</u>

Depreciation Expense for the year ending June 30, 2019 and 2018 was \$24,703, and \$25,807 respectively.

7. Curricula Development Cost

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

	2019	2018
Parenting: The First Three Years Curriculum	\$ 603,626	\$ 603,626
Make Parenting a Pleasure – Update	262,167	262,167
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
	<u>1,033,622</u>	<u>1,033,622</u>
Accumulated amortization	(797,440)	(771,223)
	<u>\$ 236,182</u>	<u>\$ 262,399</u>

Amortization expense for the year ending June 30, 2019 and 2018 was \$26,217 and \$0- respectively.

PARENTING NOW!
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

8. Conditional Contributions

The Organization receives some contributions which are considered conditional based on certain requirements for programs and staffing. These contributions are recognized when the donor's conditions have been met. As of June 30, 2019 and 2018, the Organization had no conditional contributions.

9. Bank Loan

Note payable 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% 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 \$7,726 are due in fiscal year 2020 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,		
2020	\$	7,726
2021		8,162
2022		8,622
2023		9,109
2024		9,552
Thereafter		330,487
Total	\$	373,658

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.

In August, 2019 The Organization began a new lease with Ricoh USA for two copiers. The lease requires 60 monthly payments of \$177 (per copy overage charges are paid quarterly based on actual volume).

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

10. Operating Leases, continued

At June 30, 2019, future minimum rent payments under the aforementioned lease agreements are as follows:

	<u>Year Ending June 30,</u>	
2020	\$	3,285
2021		2,699
2022		2,128
2023		2,128
2024		2,128
Thereafter		177
Total	\$	12,545

11. Endowment Fund

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

	2019	2018
Unrestricted, Board designated reserve	\$ 25,652	\$ 82,937

A summary of Endowment Fund activity was as follows:

	2019	2018
Balance, July 1	\$ 82,937	\$ 82,952
Appropriated expenditures	(60,000)	(7,501)
Investment returns:		
Unrealized gain (loss) on investments	2,581	5,998
Return on investments	134	1,488
Investment returns, net	(57,285)	(15)
Balance, June 30	\$ 25,652	\$ 82,937

PARENTING NOW!
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

12. Net Assets with Donor Restrictions

At June 30, net assets with donor restrictions are available for the following purposes:

	2019	2018
First 3 Years	\$ -	\$ 5,000
Make Parenting a Pleasure	4,500	-
Car Seat Safety Program	38,156	56,666
Program Services	1,695	1,695
Building Maintenance	55,500	25,000
Unconditional Promises to Give – Future Periods	15,067	13,385
	<hr/>	<hr/>
Total net assets with donor restrictions	\$ 114,918	\$ 101,746

13. Fair Value Measurement

For the years ending June 30, 2019 and 2018, professional standards 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 methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2019 and 2018.

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

PARENTING NOW!
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

13. Fair Value Measurement, continued

The methods 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 methods are 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, 2019 and 2018.

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, 2019			
	Level 1	Level 2	Level 3	Total
Pooled separate accounts	\$ -	\$ -	\$ 25,652	\$ 25,652
Total assets at fair value	\$ -	\$ -	\$ 25,652	\$ 25,652

	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

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.

PARENTING NOW!
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2019

15. Contributed Services

Professional services contributed (including attorney, accounting, and other services) are recorded as revenue. A total of \$4,239 and \$2,374 were recorded for the years ended June 30, 2019 and 2018 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	463
MPAP Parent Educator Assistant & Children's Program	427
Teen Parent Educator Assistant & Children's Program	78
INFANTS Parent Educator Assistant & Children's Program	15
ONE's Parent Educator Assistant & Children's Program	305
TWO's Parent Educator Assistant & Children's Program	342
THREE's Parent Educator Assistant & Children's Program	84
CRECER Parent Educator Assistant & Children's Program	42
Playtime for Parents & Children	51
Baby Connection	264
Healthy Families	93
Training	20
Development	260
Office & Administration	121
Resources for Families	131
Auction	146
Total Volunteer Hours	2,842

The estimated fair value of this time is \$72,272 based on an estimated hourly rate of \$25.43.

16. Liquidity and Availability of Resources

The Organization has a policy to manage its liquidity and reserves in order to meet its needs to fund operating expenditures. At June 30, 2019 and 2018, the Organization's financial assets, reduced by amounts not available for general expenditures, are comprised of the following:

	2019	2018
Cash and cash equivalents	\$ 136,038	\$ 120,234
Receivables	122,556	94,262
Unconditional promises to give, current portion	8,335	11,860
	266,929	226,356
Less: Net assets with donor restrictions	(114,418)	(101,746)
Financial assets available for general expenditure	\$ 152,511	\$ 124,610

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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, 2018 in the accompanying financial statements are included to provide a basis for comparison with June 30, 2019 and present summarized totals only. Accordingly, 2018 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, 2018, 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, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	Teen Parents Foundations	MPAP Foundations	Creceer Foundations	2019 Total	2018 Total
Salaries	\$ 2,573	\$ 34,084	\$ 5,717	\$ 42,374	\$ 27,200
Payroll taxes and insurance	267	3,524	588	4,379	2,731
Health and disability benefits	238	3,465	405	4,108	1,833
Total salaries and related payroll expenses	<u>3,078</u>	<u>41,073</u>	<u>6,710</u>	<u>50,861</u>	<u>31,764</u>
Other expenses:					
Contracts	1	8	1	10	-
Nutrition	315	1,095	663	2,073	2,529
Utilities	50	606	97	753	474
Transportation	18	86	2	106	338
Program materials	-	194	-	194	103
Bank and investment fees	26	386	-	412	219
Professional fees	25	320	54	399	259
Insurance	70	885	151	1,106	739
Repairs and maintenance	52	671	114	837	818
Information technology	26	331	57	414	125
Equipment, furnishings, and renovations	-	-	-	-	14
Depreciation and amortization	620	939	426	1,985	2,136
Rent and storage fees	3	695	7	705	709
Supplies	6	336	14	356	243
Telephone	22	285	49	356	416
Postage	4	46	8	58	39
Staff development and conferences	-	65	-	65	-
Subscriptions	2	28	5	35	-
Membership fees and social support	3	33	5	41	19
Printing	-	188	-	188	113
Copying	-	103	4	107	79
Criminal check	1	15	3	19	20
Interest expense	70	889	152	1,111	758
Miscellaneous	1	20	3	24	49
Total other expenses	<u>1,315</u>	<u>8,224</u>	<u>1,815</u>	<u>11,354</u>	<u>10,199</u>
Total functional expenses	<u>\$ 4,393</u>	<u>\$ 49,297</u>	<u>\$ 8,525</u>	<u>\$ 62,215</u>	<u>\$ 41,963</u>

PARENTING NOW!
SCHEDULE OF ALL OTHER PROGRAM EXPENSES
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	Public Relations	Triple P	Playtime	Volunteer Coordinator
Salaries	\$ 7,335	\$ 14,855	\$ 1,677	\$ 14,901
Payroll taxes and insurance	762	1,537	174	1,541
Health and disability benefits	657	1,325	124	801
 Total salaries and related payroll expenses	 <u>8,754</u>	 <u>17,717</u>	 <u>1,975</u>	 <u>17,243</u>
Other expenses:				
Contracts	-	718	-	24
Nutrition	-	295	1	522
Utilities	-	280	29	271
Transportation	-	8	1	179
Program materials	-	50	-	-
Bank and investment fees	-	146	15	141
Professional fees	-	142	15	137
Insurance	-	391	41	378
Repairs and maintenance	-	296	31	287
Information technology	-	146	15	142
Equipment, furnishings, and renovations	-	-	-	-
Depreciation and amortization	-	29	107	1,251
Rent and storage fees	-	17	2	17
Supplies	-	161	35	112
Telephone	40	386	13	282
Postage	-	20	2	20
Staff development and conferences	-	-	-	-
Subscriptions	-	12	1	12
Membership fees and social support	-	15	2	25
Volunteer recognition	-	-	-	194
Printing	-	66	7	64
Copying	16	-	-	74
Criminal check	-	7	1	97
Interest expense	-	392	41	381
Advertising	59	-	-	-
Miscellaneous	-	8	1	8
 Total other expenses	 <u>115</u>	 <u>3,585</u>	 <u>360</u>	 <u>4,618</u>
Total functional expenses	<u>\$ 8,869</u>	<u>\$ 21,302</u>	<u>\$ 2,335</u>	<u>\$ 21,861</u>

Family Resource Poster	Enrollment and Support	2019 Total	2018 Total
\$ 2,382	\$ 19,246	\$ 60,396	\$ 120,317
243	7,094	11,351	12,601
157	5,968	9,032	8,662
<u>2,782</u>	<u>32,308</u>	<u>80,779</u>	<u>141,580</u>
1,327	16	2,085	1,556
4	189	1,011	610
132	1,239	1,951	1,957
4	98	290	844
-	142	192	856
68	884	1,254	908
67	623	984	1,123
183	1,727	2,720	3,060
139	1,307	2,060	3,191
69	1,735	2,107	1,167
-	634	634	394
357	4,158	5,902	6,245
8	76	120	137
72	1,225	1,605	1,598
59	1,015	1,795	1,919
25	115	182	1,196
-	725	725	756
6	53	84	101
7	317	366	154
-	-	194	355
4,843	466	5,446	4,294
1	155	246	315
3	61	169	317
184	1,733	2,731	3,145
-	60	119	1,035
4	614	635	239
<u>7,562</u>	<u>19,367</u>	<u>35,607</u>	<u>37,472</u>
<u>\$ 10,344</u>	<u>\$ 51,675</u>	<u>\$ 116,386</u>	<u>\$ 179,052</u>