

**PARENTING NOW!**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**For the Year Ended June 30, 2020  
(with Comparative Totals for the Year Ended June 30, 2019)**

*Jones & Roth*  
CPAs & Business Advisors

**PARENTING NOW!**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**

**For the Year Ended June 30, 2020**  
**(with Comparative Totals for the Year Ended June 30, 2019)**

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, 2020, 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 13, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Jones & Roth, P.C.  
Eugene, Oregon  
March 24, 2021

## FINANCIAL STATEMENTS

PARENTING NOW!  
STATEMENT OF FINANCIAL POSITION  
June 30, 2020  
(With Comparative Totals for June 30, 2019)

	2020	2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 143,829	\$ 136,038
Receivables	67,341	122,556
Unconditional promises to give, current portion	4,135	8,335
Grants receivable, short-term portion	105,000	-
Prepaid expenses	12,850	13,485
Inventory of curricula materials	23,984	15,523
Beneficial interest in the assets of The Oregon Community Foundation (OCF)	25,520	25,652
Total current assets	382,659	321,589
<b>Long-term assets</b>		
Unconditional promises to give, long-term portion	4,535	6,732
Grants receivable, long-term portion	75,000	-
Property and equipment, net	479,215	495,643
Curricula development costs, net	209,965	236,182
Total long-term assets	768,715	738,557
<b>Total assets</b>	<b>\$ 1,151,374</b>	<b>\$ 1,060,146</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 7,994	\$ 18,040
Accrued payroll and payroll taxes	78,239	76,079
Accrued vacation	50,552	40,827
Deferred income	650	1,275
Bank loans, current portion	8,165	7,726
Total current liabilities	145,600	143,947
<b>Long-term liabilities</b>		
Bank loans, long-term portion	357,834	365,932
Total liabilities	503,434	509,879
<b>Net assets</b>		
Net assets without donor restrictions:		
Undesignated operating funds	368,847	409,697
Board designated	25,520	25,652
Total net assets without donor restrictions	394,367	435,349
Net assets with donor restrictions	253,573	114,918
Total net assets	647,940	550,267
<b>Total liabilities and net assets</b>	<b>\$ 1,151,374</b>	<b>\$ 1,060,146</b>

The accompanying notes are an integral part of these statements.

PARENTING NOW!  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020  
(With Comparative Totals for the Year Ended June 30, 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Support</b>				
Contributions	\$ 142,233	\$ 492,946	\$ 635,179	\$ 277,983
Special events	239,781	-	239,781	302,607
Contributions in-kind	12,671	-	12,671	21,818
	<u>394,685</u>	<u>492,946</u>	<u>887,631</u>	<u>602,408</u>
<b>Revenues</b>				
Curricula sales and training	49,738	-	49,738	154,316
Contract revenue	648,790	-	648,790	651,557
Parent dues	15,380	-	15,380	22,512
Miscellaneous income	1,215	-	1,215	10,227
Interest and dividends	195	-	195	209
Net realized gains on investments	97	-	97	178
Net unrealized gains on investments	(173)	-	(173)	2,581
Net assets released from restrictions	354,291	(354,291)	-	-
	<u>1,069,533</u>	<u>(354,291)</u>	<u>715,242</u>	<u>841,580</u>
Total revenues	<u>1,069,533</u>	<u>(354,291)</u>	<u>715,242</u>	<u>841,580</u>
Total revenues and support	<u>1,464,218</u>	<u>138,655</u>	<u>1,602,873</u>	<u>1,443,988</u>
<b>Expenses</b>				
Program services	1,185,544	-	1,185,544	1,173,096
Management and general	127,183	-	127,183	112,280
Fundraising	192,473	-	192,473	202,773
	<u>1,505,200</u>	<u>-</u>	<u>1,505,200</u>	<u>1,488,149</u>
Total expenses	<u>1,505,200</u>	<u>-</u>	<u>1,505,200</u>	<u>1,488,149</u>
<b>Change in net assets</b>	(40,982)	138,655	97,673	(44,161)
Net assets, beginning of year	<u>435,349</u>	<u>114,918</u>	<u>550,267</u>	<u>594,428</u>
Net assets, end of year	<u>\$ 394,367</u>	<u>\$ 253,573</u>	<u>\$ 647,940</u>	<u>\$ 550,267</u>

The accompanying notes are an integral part of these statements.

PARENTING NOW!  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2020  
(With Comparative Totals for the Year Ended June 30, 2019)

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 97,673	\$ (44,161)
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	46,413	50,920
Net realized and unrealized (gain) loss on investments	76	(2,759)
(Increase) decrease in operating assets:		
Receivables	55,215	(28,294)
Unconditional promises to give	6,397	(1,682)
Grants receivable	(180,000)	-
Prepaid expense	635	3,313
Inventory of curricula materials	(8,461)	2,691
Increase (decrease) in operating liabilities:		
Accounts payable	(10,046)	(20,401)
Deferred income	(625)	1,125
Accrued payroll and payroll taxes	2,160	63
Accrued vacation	9,725	3,580
	<u>19,162</u>	<u>(35,605)</u>
<b>Net cash provided (used) by operating activities</b>		
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(3,766)	-
Transfers from beneficial interest in the assets of OCF	55	60,046
	<u>(3,711)</u>	<u>60,046</u>
<b>Net cash provided (used) by investing activities</b>		
<b>Cash flows from financing activities</b>		
Principal payments on long-term debt	(7,660)	(8,637)
<b>Net increase in cash and cash equivalents</b>	7,791	15,804
Cash and cash equivalents, beginning of year	<u>136,038</u>	<u>120,234</u>
Cash and cash equivalents, end of year	<u>\$ 143,829</u>	<u>\$ 136,038</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for interest	<u>\$ 18,734</u>	<u>\$ 19,076</u>

The accompanying notes are an integral part of these statements.

PARENTING NOW!  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended June 30, 2020  
(With Comparative Totals for the Year Ended June 30, 2019)

	Program Services			
	First Three Years	Make Parenting A Pleasure	Healthy Families	Curricula Sales and Training
Salaries	\$ 55,708	\$ 46,935	\$ 483,331	\$ 61,362
Payroll taxes and insurance	1,563	4,870	50,064	6,374
Health and disability benefits	1,167	4,404	39,954	2,863
 Total salaries and related payroll expenses	 <u>58,438</u>	 <u>56,209</u>	 <u>573,349</u>	 <u>70,599</u>
Other expenses:				
Contracts	16	39	455	2,812
Nutrition	360	1,159	5,071	6,131
Utilities	258	748	8,735	833
Transportation	-	-	17,878	10,520
Program materials	-	186	5,522	348
Bank and investment fees	89	279	2,980	286
Professional fees	121	378	4,053	389
Insurance	360	1,124	12,040	1,156
Repairs and maintenance	1,482	4,649	49,731	4,774
Information technology	248	1,115	8,680	1,489
Equipment, furnishings, and renovations	-	-	2,318	412
Depreciation and amortization	1,007	914	13,305	26,475
Rent and storage fees	14	249	3,763	44
Supplies	422	187	2,811	972
Telephone	142	678	15,650	825
Postage	29	91	1,423	1,410
Staff development and conferences	-	-	2,948	3,328
Subscriptions	-	-	-	2,545
Membership fees and social support	11	35	608	35
Volunteer recognition	-	-	-	-
Printing	56	176	1,880	356
Copying	66	57	1,432	305
Criminal check	11	35	371	35
Interest expense	381	1,192	12,754	1,225
Advertising	-	-	335	-
Cost of curricula sold	-	-	-	7,169
Bad debts	-	-	-	-
Miscellaneous	9	25	276	14
 Total other expenses	 <u>5,082</u>	 <u>13,316</u>	 <u>175,019</u>	 <u>73,888</u>
<b>Total functional expenses</b>	<b><u>\$ 63,520</u></b>	<b><u>\$ 69,525</u></b>	<b><u>\$ 748,368</u></b>	<b><u>\$ 144,487</u></b>

			Supporting Services			
Car Seat Safety Program	All Other	Total Program Services	Management and General	Fundraising	2020 Total	2019 Total
\$ 14,125	\$ 60,398	\$ 721,859	\$ 82,649	\$ 91,746	\$ 896,254	\$ 908,190
1,434	10,467	74,772	8,842	9,665	93,279	94,068
1,380	8,586	58,354	3,850	4,618	66,822	70,836
<u>16,939</u>	<u>79,451</u>	<u>854,985</u>	<u>95,341</u>	<u>106,029</u>	<u>1,056,355</u>	<u>1,073,094</u>
20	1,393	4,735	10,114	30,347	45,196	59,191
-	1,137	13,858	977	2,434	17,269	19,122
411	1,745	12,730	-	-	12,730	13,635
77	1,396	29,871	367	-	30,238	41,604
12,274	1,692	20,022	-	28,000	48,022	39,082
141	834	4,609	-	3,202	7,811	10,779
192	815	5,948	13,350	-	19,298	21,758
570	2,552	17,802	3,548	-	21,350	22,538
2,357	10,002	72,995	-	85	73,080	15,130
393	3,809	15,734	92	2,543	18,369	12,112
-	33	2,763	-	401	3,164	2,000
87	4,625	46,413	-	-	46,413	50,920
22	94	4,186	-	-	4,186	4,693
103	719	5,214	-	559	5,773	8,040
425	1,584	19,304	240	-	19,544	18,383
46	313	3,312	278	2,615	6,205	6,010
-	3,933	10,209	372	331	10,912	4,829
-	99	2,644	-	975	3,619	3,708
17	231	937	453	483	1,873	3,009
-	128	128	-	-	128	1,101
89	4,669	7,226	520	11,104	18,850	17,938
106	225	2,191	512	179	2,882	3,107
18	218	688	-	-	688	559
604	2,578	18,734	-	-	18,734	19,075
-	350	685	-	34	719	570
-	-	7,169	-	-	7,169	10,317
-	-	-	-	3,152	3,152	4,065
13	115	452	1,019	-	1,471	1,780
<u>17,965</u>	<u>45,289</u>	<u>330,559</u>	<u>31,842</u>	<u>86,444</u>	<u>448,845</u>	<u>415,055</u>
<u>\$ 34,904</u>	<u>\$ 124,740</u>	<u>\$ 1,185,544</u>	<u>\$ 127,183</u>	<u>\$ 192,473</u>	<u>\$ 1,505,200</u>	<u>\$ 1,488,149</u>

The accompanying notes are an integral part of these statements.

PARENTING NOW!  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2020

**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:

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, 2020

**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, 2020

**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, 2020

**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, 2020 and 2019, the total expense was \$719 and \$570 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.

**Change in Accounting Principle**

During the year ended June 30, 2020, the Organization adopted the provisions of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities (Topic 958) to clarify the scope and accounting guidance for contributions made and received. ASU 2018-08 assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions. The standard effectively excludes contributions from the requirements of ASU 2014-09 *Revenue from Contracts with Customers* (Topic 606) and related subsequently issued clarifying ASUs. The Organization adopted the new standard effective July 1, 2019, using a modified prospective approach in these financial statements. No change to previously recognized revenue was required as a result of adopting ASU No. 2018-08. The Organization elected to delay implementation of ASU No. 2014-09 pursuant to ASU No. 2020-05 which delayed the implementation date for the Organization to July 1, 2020.

PARENTING NOW!  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2020

**2. Cash and Cash Equivalents**

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

	2020	2019
Cash on hand	\$ 75	\$ 74
Cash in depository accounts	143,754	135,964
Total cash and cash equivalents	<u>\$ 143,829</u>	<u>\$ 136,038</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:

	2020	2019
Additions:		
Interest and dividends	\$ 176	\$ 195
Realized gains	97	178
Unrealized gains	-	2,581
Total additions	<u>273</u>	<u>2,954</u>
Decreases:		
Distributions	-	(60,000)
Realized losses	-	-
Unrealized losses	(172)	-
Investment management fees	(104)	(102)
Miscellaneous fees	(129)	(137)
Total decreases	<u>(406)</u>	<u>(60,239)</u>
Net change	(132)	(57,285)
Beginning balance at July 1	<u>25,652</u>	<u>82,937</u>
Ending balance at June 30	<u>\$ 25,520</u>	<u>\$ 25,652</u>

**4. Unconditional Promises to Give**

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

	2020	2019
Unconditional promises to give	<u>\$ 8,670</u>	<u>\$ 15,067</u>
Amounts due in:		
Less than one year	\$ 4,135	\$ 8,335
One to five years	4,535	6,732
Six to ten years	-	-
	<u>\$ 8,670</u>	<u>\$ 15,067</u>

PARENTING NOW!  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2020

**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, 2020 and 2019, all unconditional promises to give were considered fully collectible.

**5. Concentrations**

**Concentration of Revenue Sources and Receivables**

For the year ended June 30, 2020, grant revenue from one Foundation accounted for 15% of total revenue. For the year ended June 30, 2019, there were no concentrations in revenue. As of June 30, 2020, grant receivables from one Foundation accounted for approximately 13% of total assets. As of June 30, 2019, there were no concentrations in receivables.

**Concentration of Custodial Risk Arising From Cash Deposits in Excess of Insured Limits**

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:	2020	2019
Land	\$ 168,863	\$ 168,863
Building and improvements	701,748	701,748
Furniture and equipment	103,700	100,559
	974,311	971,170
Accumulated depreciation	(495,096)	(475,527)
Property and equipment, net	\$ 479,215	\$ 495,643

Depreciation Expense for the year ending June 30, 2020 and 2019 was \$20,196, and \$24,703 respectively.

PARENTING NOW!  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2020

**7. Curricula Development Cost**

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

	2020	2019
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
	1,033,622	1,033,622
Accumulated amortization	(823,657)	(797,440)
Curricula development costs, net	\$ 209,965	\$ 236,182

Amortization expense for the year ending June 30, 2020 and 2019 was \$26,217.

**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, 2020 and 2019, 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 \$8,165 are due in fiscal year 2021 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,		
2021	\$	8,165
2022		8,625
2023		9,112
2024		9,556
2025		9,950
Thereafter		320,591
Total	\$	365,999

PARENTING NOW!  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2020

**9. Bank Loan, continued**

Beginning August 6, 2019 the Organization obtained a \$75,000 Line of Credit with Banner Bank through March 16, 2020. Borrowings accrued interest at a variable interest rate with an initial rate of 6.250%. Beginning March 16, 2020, the Organization obtained a new \$75,0000 Line of Credit with Banner Bank through April 1, 2023. Borrowings accrue interest at a variable rate with an initial rate of 5.00%. There was no amount owing on the line of credit at June 30, 2020.

**10. Operating Leases**

The Organization leases two Ricoh Copier/printers from Ricoh USA under an operating lease agreement that commenced August, 2019. Monthly base rents under the lease are \$177 (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, 2018 with minimum monthly payments of \$57.

At June 30, 2020, future minimum rent payments under the aforementioned lease agreements are as follows:

Year Ending June 30,		
2021	\$	2,699
2022		2,128
2023		2,128
2024		2,128
2025		177
Thereafter		-
Total	\$	9,260

**11. Endowment Fund**

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

	2020	2019
Unrestricted, Board designated reserve	\$ 25,520	\$ 25,652

A summary of Endowment Fund activity was as follows:

	2020	2019
<b>Balance, July 1</b>	\$ 25,652	\$ 82,937
Appropriated expenditures	-	(60,000)
Investment returns:		
Unrealized gain (loss) on investments	97	2,581
Return on investments	(229)	134
Investment returns, net	(132)	(57,285)
Balance, June 30	\$ 25,520	\$ 25,652

PARENTING NOW!  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2020

**12. Net Assets with Donor Restrictions**

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

	2020	2019
First 3 Years	\$ 30,000	\$ -
Make Parenting a Pleasure	30,000	4,500
Car Seat Safety Program	28,208	38,156
Program Services	1,695	1,695
Building Maintenance	-	55,500
Unconditional Promises to Give – Future Periods	163,670	15,067
	<u>\$ 253,573</u>	<u>\$ 114,918</u>
Total net assets with donor restrictions	<u>\$ 253,573</u>	<u>\$ 114,918</u>

Support for General Operations and Make Parenting a Pleasure include funding from multi-year grants which will be received in the two subsequent fiscal years.

**13. Fair Value Measurement**

For the years ending June 30, 2020 and 2019, 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, 2020 and 2019.

*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, 2020

**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, 2020 and 2019.

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, 2020			
	Level 1	Level 2	Level 3	Total
Pooled separate accounts	\$ -	\$ -	\$ 25,520	\$ 25,520
Total assets at fair value	\$ -	\$ -	\$ 25,520	\$ 25,520

	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

**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 \$2,050 and \$4,239 were recorded for the years ended June 30, 2020 and 2019 respectively.

PARENTING NOW!  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2020

**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	412
MPAP Parent Educator Assistant & Children's Program	267
INFANTS Parent Educator Assistant & Children's Program	26
ONE's Parent Educator Assistant & Children's Program	174
TWO's Parent Educator Assistant & Children's Program	42
THREE's Parent Educator Assistant & Children's Program	117
CRECER Parent Educator Assistant & Children's Program	18
Playtime for Parents & Children	65
Baby Connection	153
Healthy Families	69
Training	18
Development	145
Office & Administration	8
Resources for Families	30
Auction	37
Total Volunteer Hours	1,581

The estimated fair value of this time is \$43,300 based on an estimated hourly rate of \$27.20.

**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, 2020 and 2019, the Organization's financial assets, reduced by amounts not available for general expenditures, are comprised of the following:

	2020	2019
Cash and cash equivalents	\$ 143,829	\$ 136,038
Receivables	67,341	122,556
Grants receivable	180,000	-
Unconditional promises to give, current portion	4,135	8,335
	395,305	266,929
Less: Net assets with donor restrictions	(253,573)	(114,418)
Financial assets available for general expenditure	\$ 141,732	\$ 152,511

PARENTING NOW!  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended June 30, 2020

**17. Paycheck Protection Program**

In April 2020, the Organization applied for and was awarded a Paycheck Protection Program (PPP) loan under the Coronavirus Aid, Relief and Economic Security Act (The CARES Act) through Banner Bank. The Organization was approved for a loan in the amount of \$89,221 as evidenced by a promissory note dated April 14, 2020. The CARES Act and the provisions of the loan agreement state that the Organization may apply to the lender for forgiveness of the loan in the amount equal to the sum of eligible costs incurred by the Organization as defined in the CARES Act and the loan agreement. Given the circumstances, the Organization accounted for the funds received via the PPP as a conditional contribution pursuant to FASB Accounting Standards Codification (ASC) Topic 958-605. As of June 30, 2020, the Organization had substantially met the conditions of the contribution by overcoming the barriers for loan forgiveness by incurring sufficient eligible costs and maintaining sufficient employee head counts in order to apply for full forgiveness of the loan. The application for loan forgiveness was considered by management to be administrative in nature and not considered a true barrier to recognition. Therefore, the full amount of PPP funds received were recognized as revenue during the year ended June 30, 2020. To the extent that all or part of the PPP loan is not forgiven, the Organization will be required to pay interest on the PPP loan at a rate of 1.0% per annum, and commencing in November 2020 principal and interest payments will be required through the maturity date of April 14, 2022. The PPP loan is unsecured.

**18. Economic Uncertainties**

As a result of the COVID-19 coronavirus pandemic, for the year ended June 30, 2020, the Organization needed to cancel or modify certain fundraising events and in-person classes. Fundraising events were changed to virtual format to the extent possible. Parenting classes and home visits were also changed to virtual, allowing the Organization to continue providing services to families. As of the date of the independent auditor's report, there still exists certain economic uncertainties related to the COVID-19 coronavirus pandemic. These continuing uncertainties have the potential to result in a significant impact to the Organization's future financial condition and operating results. However, any such future financial impact and duration of such impact cannot be reasonably estimated at this time. To date, the Organization has been able to sustain much of its traditional revenue streams despite impacts from the pandemic.

**19. 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.

**20. Comparative Data**

The amounts shown for the year ended June 30, 2019 in the accompanying financial statements are included to provide a basis for comparison with June 30, 2020 and present summarized totals only. Accordingly, 2019 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, 2019, 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, 2020  
(With Comparative Totals for the Year Ended June 30, 2019)

	Teen Parents Foundations	MPAP Foundations	Creceer Foundations	2020 Total	2019 Total
Salaries	\$ 1,953	\$ 42,972	\$ 2,010	\$ 46,935	\$ 42,374
Payroll taxes and insurance	198	4,457	215	4,870	4,379
Health and disability benefits	179	4,098	127	4,404	4,108
<b>Total salaries and related payroll expenses</b>	<u>2,330</u>	<u>51,527</u>	<u>2,352</u>	<u>56,209</u>	<u>50,861</u>
Other expenses:					
Contracts	1	37	1	39	10
Nutrition	310	849	-	1,159	2,073
Utilities	37	682	29	748	753
Transportation	-	-	-	-	106
Program materials	-	186	-	186	194
Bank and investment fees	13	266	-	279	412
Professional fees	17	345	16	378	399
Insurance	51	1,027	46	1,124	1,106
Repairs and maintenance	212	4,247	190	4,649	837
Information technology	35	1,048	32	1,115	414
Equipment, furnishings, and renovations	-	-	-	-	-
Depreciation and amortization	260	562	92	914	1,985
Rent and storage fees	2	245	2	249	705
Supplies	8	171	8	187	356
Telephone	20	640	18	678	356
Postage	4	83	4	91	58
Staff development and conferences	-	-	-	-	65
Subscriptions	-	-	-	-	35
Membership fees and social support	2	32	1	35	41
Printing	-	176	-	176	188
Copying	3	52	2	57	107
Criminal check	2	32	1	35	19
Interest expense	54	1,089	49	1,192	1,111
Miscellaneous	1	23	1	25	24
<b>Total other expenses</b>	<u>1,032</u>	<u>11,792</u>	<u>492</u>	<u>13,316</u>	<u>11,354</u>
<b>Total functional expenses</b>	<u>\$ 3,362</u>	<u>\$ 63,319</u>	<u>\$ 2,844</u>	<u>\$ 69,525</u>	<u>\$ 62,215</u>

**PARENTING NOW!**  
**SCHEDULE OF ALL OTHER PROGRAM EXPENSES**  
For the Year Ended June 30, 2020  
(With Comparative Totals for the Year Ended June 30, 2019)

	Public Relations	Triple P	Playtime	Volunteer Coordinator
Salaries	\$ 7,707	\$ 14,529	\$ 1,321	\$ 15,104
Payroll taxes and insurance	812	1,491	136	1,558
Health and disability benefits	754	1,427	130	730
 Total salaries and related payroll expenses	 <u>9,273</u>	 <u>17,447</u>	 <u>1,587</u>	 <u>17,392</u>
Other expenses:				
Contracts	-	18	3	13
Nutrition	-	575	-	471
Utilities	-	336	22	256
Transportation	-	1,327	-	60
Program materials	-	730	-	-
Bank and investment fees	-	116	8	88
Professional fees	-	157	10	120
Insurance	-	467	31	355
Repairs and maintenance	-	1,928	125	1,467
Information technology	-	342	21	245
Equipment, furnishings, and renovations	-	-	-	-
Depreciation and amortization	-	71	105	947
Rent and storage fees	-	18	1	14
Supplies	-	78	5	73
Telephone	40	381	12	235
Postage	1	37	2	30
Staff development and conferences	-	-	-	-
Subscriptions	-	-	-	-
Membership fees and social support	-	14	1	165
Volunteer recognition	-	-	-	128
Printing	-	73	5	55
Copying	-	99	2	20
Criminal check	-	14	1	69
Interest expense	-	494	32	376
Advertising	13	-	-	-
Miscellaneous	-	11	1	8
 Total other expenses	 <u>54</u>	 <u>7,286</u>	 <u>387</u>	 <u>5,195</u>
<b>Total functional expenses</b>	<b><u>\$ 9,327</u></b>	<b><u>\$ 24,733</u></b>	<b><u>\$ 1,974</u></b>	<b><u>\$ 22,587</u></b>

Family Resource Poster	Enrollment and Support	2020 Total	2019 Total
\$ 2,838	\$ 18,899	\$ 60,398	\$ 60,396
287	6,183	10,467	11,351
202	5,343	8,586	9,032
<u>3,327</u>	<u>30,425</u>	<u>79,451</u>	<u>80,779</u>
1,308	51	1,393	2,085
-	91	1,137	1,011
127	1,004	1,745	1,951
9	-	1,396	290
-	962	1,692	192
43	579	834	1,254
60	468	815	984
176	1,523	2,552	2,720
724	5,758	10,002	2,060
121	3,080	3,809	2,107
-	33	33	634
278	3,224	4,625	5,902
7	54	94	120
136	427	719	1,605
69	847	1,584	1,795
84	159	313	182
-	3,933	3,933	725
-	99	99	84
5	46	231	366
-	-	128	194
4,320	216	4,669	5,446
8	96	225	246
5	129	218	169
186	1,490	2,578	2,731
-	337	350	119
4	91	115	635
<u>7,670</u>	<u>24,697</u>	<u>45,289</u>	<u>35,607</u>
<u>\$ 10,997</u>	<u>\$ 55,122</u>	<u>\$ 124,740</u>	<u>\$ 116,386</u>