

PARENTING NOW!

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**For the Year Ended June 30, 2021
(with Comparative Totals for the Year Ended June 30, 2020)**

Jones & Roth
CPAs & Business Advisors

PARENTING NOW!
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2021
(with Comparative Totals for the Year Ended June 30, 2020)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Parenting Now!
Eugene, Oregon

We have audited the accompanying financial statements of Parenting Now! (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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.

The Right People Beside You.

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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, 2021, 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 24, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Jones & Roth, P.C.
Eugene, Oregon
December 29, 2021

FINANCIAL STATEMENTS

PARENTING NOW!
STATEMENT OF FINANCIAL POSITION
June 30, 2021
(With Comparative Totals for June 30, 2020)

| | 2021 | 2020 |
|---|---------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 245,198 | \$ 143,829 |
| Receivables | 117,223 | 67,341 |
| Unconditional promises to give, current portion | 1,000 | 4,135 |
| Grants receivable, short-term portion | 75,000 | 105,000 |
| Prepaid expenses | 14,986 | 12,850 |
| Inventory of curricula materials | 24,083 | 23,984 |
| Beneficial interest in the assets of The Oregon Community Foundation (OCF) | 84,951 | 25,520 |
| Total current assets | 562,441 | 382,659 |
| Long-term assets | | |
| Unconditional promises to give, long-term portion | - | 4,535 |
| Grants receivable, long-term portion | - | 75,000 |
| Property and equipment, net | 504,581 | 479,215 |
| Curricula development costs, net | 183,748 | 209,965 |
| Total long-term assets | 688,329 | 768,715 |
| Total assets | \$ 1,250,770 | \$ 1,151,374 |
| Liabilities and Net Assets | | |
| Current liabilities | | |
| Accounts payable | \$ 19,890 | \$ 7,994 |
| Accrued payroll and payroll taxes | 75,266 | 78,239 |
| Accrued vacation | 50,709 | 50,552 |
| Deferred income | 6,700 | 650 |
| Bank loans, current portion | 8,585 | 8,165 |
| Total current liabilities | 161,150 | 145,600 |
| Long-term liabilities | | |
| Bank loans, long-term portion | 349,956 | 357,834 |
| Total liabilities | 511,106 | 503,434 |
| Net assets | | |
| Net assets without donor restrictions: | | |
| Undesignated operating funds | 468,466 | 368,847 |
| Board designated | 84,951 | 25,520 |
| Total net assets without donor restrictions | 553,417 | 394,367 |
| Net assets with donor restrictions | 186,247 | 253,573 |
| Total net assets | 739,664 | 647,940 |
| Total liabilities and net assets | \$ 1,250,770 | \$ 1,151,374 |

The accompanying notes are an integral part of these statements.

PARENTING NOW!
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

| | 2021 | | | 2020 |
|--|-------------------------------|----------------------------|-------------------|-------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Total |
| Support | | | | |
| Contributions | \$ 173,112 | \$ 227,910 | \$ 401,022 | \$ 635,177 |
| Special events | 223,827 | - | 223,827 | 239,783 |
| Contributions in-kind | 55,680 | - | 55,680 | 12,671 |
| Total support | <u>452,619</u> | <u>227,910</u> | <u>680,529</u> | <u>887,631</u> |
| Revenues | | | | |
| Curricula sales and training | 52,637 | - | 52,637 | 49,738 |
| Contract revenue | 653,878 | - | 653,878 | 648,790 |
| Parent dues | 9,876 | - | 9,876 | 15,380 |
| Miscellaneous income | 179 | - | 179 | 1,215 |
| Interest and dividends | 189 | - | 189 | 195 |
| Net realized gains (loss) on investments | 1,415 | - | 1,415 | 97 |
| Net unrealized gains on investments | 8,144 | - | 8,144 | (173) |
| Net assets released from restrictions | 295,236 | (295,236) | - | - |
| Total revenues | <u>1,021,554</u> | <u>(295,236)</u> | <u>726,318</u> | <u>715,242</u> |
| Total revenues and support | <u>1,474,173</u> | <u>(67,326)</u> | <u>1,406,847</u> | <u>1,602,873</u> |
| Expenses | | | | |
| Program services | 1,045,440 | - | 1,045,440 | 1,185,544 |
| Management and general | 125,965 | - | 125,965 | 127,183 |
| Fundraising | 143,718 | - | 143,718 | 192,473 |
| Total expenses | <u>1,315,123</u> | <u>-</u> | <u>1,315,123</u> | <u>1,505,200</u> |
| Change in net assets | 159,050 | (67,326) | 91,724 | 97,673 |
| Net assets, beginning of year | <u>394,367</u> | <u>253,573</u> | <u>647,940</u> | <u>550,267</u> |
| Net assets, end of year | <u>\$ 553,417</u> | <u>\$ 186,247</u> | <u>\$ 739,664</u> | <u>\$ 647,940</u> |

The accompanying notes are an integral part of these statements.

PARENTING NOW!
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

| | 2021 | 2020 |
|--|-------------------|-------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ 91,724 | \$ 97,673 |
| Adjustment to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 48,258 | 46,413 |
| Donated property and equipment | (31,147) | |
| Net realized and unrealized (gain) loss on investments | (9,559) | 76 |
| (Increase) decrease in operating assets: | | |
| Receivables | (49,882) | 55,215 |
| Unconditional promises to give | 7,670 | 6,397 |
| Grants receivable | 105,000 | (180,000) |
| Prepaid expense | (2,136) | 635 |
| Inventory of curricula materials | (99) | (8,461) |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | 11,896 | (10,046) |
| Deferred income | 6,050 | (625) |
| Accrued payroll and payroll taxes | (2,973) | 2,160 |
| Accrued vacation | 157 | 9,725 |
| | <u>174,959</u> | <u>19,162</u> |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (16,258) | (3,766) |
| Reinvestments in beneficial interest in the assets of OCF | (49,874) | 55 |
| | <u>(66,132)</u> | <u>(3,711)</u> |
| Cash flows from financing activities | | |
| Principal payments on long-term debt | (7,458) | (7,660) |
| Net increase in cash and cash equivalents | 101,369 | 7,791 |
| Cash and cash equivalents, beginning of year | 143,829 | 136,038 |
| Cash and cash equivalents, end of year | <u>\$ 245,198</u> | <u>\$ 143,829</u> |
| Supplemental disclosure of cash flow information | | |
| Cash paid for interest | <u>\$ 20,787</u> | <u>\$ 18,734</u> |

The accompanying notes are an integral part of these statements.

PARENTING NOW!
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

| | Program Services | | | |
|--|--------------------------|---------------------------------|--------------------------|------------------------------------|
| | First Three Years | Make Parenting A Pleasure | Healthy Families | Curricula Sales and Training |
| Salaries | \$ 72,752 | \$ 44,500 | \$ 455,425 | \$ 50,488 |
| Payroll taxes and insurance | 3,398 | 4,848 | 48,435 | 5,367 |
| Health and disability benefits | 3,020 | 4,395 | 33,868 | 2,784 |
| Total salaries and related payroll expenses | <u>79,170</u> | <u>53,743</u> | <u>537,728</u> | <u>58,639</u> |
| Other expenses: | | | | |
| Contracts | 208 | 139 | 272 | 16 |
| Nutrition | - | - | 41 | - |
| Utilities | 2,199 | 1,776 | 3,445 | 200 |
| Transportation | 40 | 34 | 2,561 | 4 |
| Program materials | 413 | 196 | 6,851 | 4,940 |
| Bank and investment fees | 756 | 610 | 1,184 | 69 |
| Professional fees | 1,141 | 922 | 1,859 | 103 |
| Insurance | 3,698 | 2,984 | 5,792 | 337 |
| Repairs and maintenance | 2,684 | 2,165 | 4,339 | 245 |
| Information technology | 2,081 | 2,119 | 6,164 | 1,147 |
| Equipment, furnishings, and renovations | 299 | 458 | 1,223 | 51 |
| Depreciation and amortization | 1,748 | 988 | 13,478 | 26,390 |
| Rent and storage fees | 169 | 137 | 4,679 | 15 |
| Supplies | 730 | 310 | 982 | 888 |
| Telephone | 1,684 | 2,022 | 12,988 | 374 |
| Postage | 449 | 433 | 871 | 1,437 |
| Staff development and conferences | 31 | 89 | 5,312 | 1,580 |
| Subscriptions | 192 | 153 | 541 | 3,442 |
| Membership fees and social support | 55 | 70 | 316 | 5 |
| Volunteer recognition | - | - | - | - |
| Printing | 680 | 549 | 1,064 | 242 |
| Copying | 238 | 137 | 585 | 422 |
| Criminal check | 78 | 62 | 121 | 7 |
| Interest expense | 4,302 | 1,694 | 6,738 | 392 |
| Advertising | 21 | 18 | 58 | 2 |
| Cost of curricula sold | - | - | - | 4,575 |
| Bad debts | - | - | - | - |
| Miscellaneous | 43 | 66 | 78 | 260 |
| Total other expenses | <u>23,939</u> | <u>18,131</u> | <u>81,542</u> | <u>47,143</u> |
| Total functional expenses | <u>\$ 103,109</u> | <u>\$ 71,874</u> | <u>\$ 619,270</u> | <u>\$ 105,782</u> |

| Car Seat Safety Program | All Other | Total Program Services | Supporting Services | | 2021 Total | 2020 Total |
|-------------------------------|-------------------|------------------------------|---------------------------|-------------------|---------------------|---------------------|
| | | | Management and General | Fundraising | | |
| \$ 4,161 | \$ 47,914 | \$ 675,240 | \$ 85,706 | \$ 83,795 | \$ 844,741 | \$ 896,254 |
| 457 | 9,779 | 72,284 | 9,021 | 8,813 | 90,118 | 93,279 |
| 414 | 6,499 | 50,980 | 7,568 | 4,015 | 62,563 | 66,822 |
| <u>5,032</u> | <u>64,192</u> | <u>798,504</u> | <u>102,295</u> | <u>96,623</u> | <u>997,422</u> | <u>1,056,355</u> |
| 16 | 1,536 | 2,187 | 939 | 15,489 | 18,615 | 45,196 |
| - | 425 | 466 | 171 | 344 | 981 | 17,269 |
| 200 | 2,748 | 10,568 | - | - | 10,568 | 12,730 |
| 56 | 55 | 2,750 | - | - | 2,750 | 30,238 |
| 9,615 | 1,521 | 23,536 | - | 9,022 | 32,558 | 48,022 |
| 69 | 1,394 | 4,082 | - | 2,960 | 7,042 | 7,811 |
| 103 | 1,463 | 5,591 | 14,100 | - | 19,691 | 19,298 |
| 335 | 7,932 | 21,078 | 3,548 | - | 24,626 | 21,350 |
| 244 | 3,428 | 13,105 | - | - | 13,105 | 73,080 |
| 189 | 18,234 | 29,934 | 105 | 1,761 | 31,800 | 18,369 |
| 51 | 343 | 2,425 | - | - | 2,425 | 3,164 |
| 56 | 5,598 | 48,258 | - | - | 48,258 | 46,413 |
| 15 | 216 | 5,231 | - | - | 5,231 | 4,186 |
| 25 | 544 | 3,479 | 16 | 508 | 4,003 | 5,773 |
| 293 | 3,633 | 20,994 | 400 | 660 | 22,054 | 19,544 |
| 34 | 1,155 | 4,379 | 95 | 2,794 | 7,268 | 6,205 |
| 3 | 498 | 7,513 | 500 | 120 | 8,133 | 10,912 |
| 17 | 300 | 4,645 | - | 1,125 | 5,770 | 3,619 |
| 5 | 393 | 844 | 2,955 | 260 | 4,059 | 1,873 |
| - | - | - | - | - | - | 128 |
| 62 | 5,143 | 7,740 | - | 5,534 | 13,274 | 18,850 |
| 61 | 163 | 1,606 | 396 | 348 | 2,350 | 2,882 |
| 7 | 158 | 433 | - | - | 433 | 688 |
| 390 | 7,271 | 20,787 | - | - | 20,787 | 18,734 |
| 2 | 102 | 203 | 28 | - | 231 | 719 |
| - | - | 4,575 | - | - | 4,575 | 7,169 |
| - | - | - | - | 6,170 | 6,170 | 3,152 |
| 13 | 67 | 527 | 417 | - | 944 | 1,471 |
| <u>11,861</u> | <u>64,320</u> | <u>246,936</u> | <u>23,670</u> | <u>47,095</u> | <u>317,701</u> | <u>448,845</u> |
| <u>\$ 16,893</u> | <u>\$ 128,512</u> | <u>\$ 1,045,440</u> | <u>\$ 125,965</u> | <u>\$ 143,718</u> | <u>\$ 1,315,123</u> | <u>\$ 1,505,200</u> |

The accompanying notes are an integral part of these statements.

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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, 2021

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, 2021

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, 2021

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.

Contract Services

Revenue for services are recognized when earned which is at the time services are provided which is considered satisfaction of the performance obligation.

Advertising Costs

The Organization's advertising costs are expensed as incurred. As of June 30, 2021 and 2020, the total expense was \$231 and \$719, 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

The Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09 *Revenue from Contracts with Customers* (Topic 606) and related subsequently issued and clarifying ASUs. Topic 606 and related ASUs supersede previous revenue recognition principles for exchange transactions and establish a core principle requiring the recognition of revenue to depict that transfer of promised goods or services to customers in an amount that reflects consideration to which the entity expects to be entitled for such goods or services. The Organization adopted the new standard effective July 1, 2020, using the full retrospective approach. Based on the Organization's evaluation process and revenue of its contracts with customers, the timing and amount of revenue recognized previously are consistent with how revenue is recognized under the new standard. No change to previously reported net assets was required due to the adoption of the standard, and the adoption has not resulted in the recognition of additional assets or liabilities.

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

2. Cash and Cash Equivalents

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

| | <u>2021</u> | <u>2020</u> |
|---------------------------------|-------------------|-------------------|
| Cash on hand | \$ 75 | \$ 75 |
| Cash in depository accounts | <u>245,123</u> | <u>143,754</u> |
| Total cash and cash equivalents | <u>\$ 245,198</u> | <u>\$ 143,829</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:

| | <u>2021</u> | <u>2020</u> |
|-----------------------------|------------------|------------------|
| Additions: | | |
| Interest and dividends | \$ 149 | \$ 176 |
| Contributions | 50,000 | |
| Realized gains | 1,415 | 97 |
| Unrealized gains | <u>8,144</u> | <u>-</u> |
| Total additions | <u>59,708</u> | <u>273</u> |
| Decreases: | | |
| Distributions | - | - |
| Realized losses | - | - |
| Unrealized losses | - | (173) |
| Investment management fees | (128) | (104) |
| Miscellaneous fees | <u>(149)</u> | <u>(128)</u> |
| Total decreases | <u>(277)</u> | <u>(405)</u> |
| Net change | 59,431 | (132) |
| Beginning balance at July 1 | <u>25,520</u> | <u>25,652</u> |
| Ending balance at June 30 | <u>\$ 84,951</u> | <u>\$ 25,520</u> |

4. Unconditional Promises to Give

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

| | <u>2021</u> | <u>2020</u> |
|--------------------------------|-----------------|-----------------|
| Unconditional promises to give | <u>\$ 1,000</u> | <u>\$ 8,670</u> |
| Amounts due in: | | |
| Less than one year | \$ 1,000 | \$ 4,135 |
| One to five years | - | 4,535 |
| Six to ten years | <u>-</u> | <u>-</u> |
| | <u>\$ 1,000</u> | <u>\$ 8,670</u> |

PARENTING NOW!
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2021

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, 2021 and 2020, all unconditional promises to give were considered fully collectible.

5. Concentrations

Concentration of Revenue Sources and Receivables

For the year ended June 30, 2021, there were no concentrations in revenue sources. For the year ended June 30, 2020, grant revenue from one Foundation accounted for 15 percent of total revenue. As of June 30, 2021, there were no concentrations in receivables. As of June 30, 2020, grant receivables from one Foundation accounted for approximately 13 percent of total assets.

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:

| | <u>2021</u> | <u>2020</u> |
|-----------------------------|-------------------|-------------------|
| Property and equipment: | | |
| Land | \$ 168,863 | \$ 168,863 |
| Building and improvements | 701,748 | 701,748 |
| Furniture and equipment | <u>134,833</u> | <u>103,700</u> |
| | 1,005,444 | 974,311 |
| Accumulated depreciation | <u>(500,863)</u> | <u>(495,096)</u> |
| Property and equipment, net | <u>\$ 504,581</u> | <u>\$ 479,215</u> |

Depreciation expense for the years ended June 30, 2021 and 2020 was \$22,041, and \$20,196, respectively.

PARENTING NOW!
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2021

7. Curricula Development Cost

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

| | 2021 | 2020 |
|---|------------|------------|
| 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 | (849,874) | (823,657) |
| Curricula development costs, net | \$ 183,748 | \$ 209,965 |

Amortization expense for the years ended June 30, 2021 and 2020 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, 2021 and 2020, 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 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 \$8,585 are due in fiscal year 2022 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, | |
|----------------------|------------|
| 2022 | \$ 8,585 |
| 2023 | 9,070 |
| 2024 | 9,511 |
| 2025 | 9,903 |
| 2026 | 10,461 |
| Thereafter | 311,011 |
| Total | \$ 358,541 |

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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 percent. Beginning March 16, 2020, the Organization obtained a new \$75,000 line of credit with Banner Bank through April 1, 2023. Borrowings accrue interest at a variable rate with an initial rate of 5.00 percent. There was no amount owing on the line of credit at June 30, 2021.

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 December 2020 with minimum monthly payments of \$57.

At June 30, 2021, future minimum rent payments under the aforementioned lease agreements are as follows:

| Year Ending June 30, | |
|----------------------|----------|
| 2022 | \$ 2,788 |
| 2023 | 2,788 |
| 2024 | 2,403 |
| 2025 | 354 |
| 2026 | - |
| Thereafter | - |
| Total | \$ 8,333 |

11. Endowment Fund

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

| | 2021 | 2020 |
|--|-----------|-----------|
| Unrestricted, Board designated reserve | \$ 84,951 | \$ 25,520 |

A summary of Endowment Fund activity was as follows:

| | 2021 | 2020 |
|--------------------------------|-----------|-----------|
| Balance, July 1 | \$ 25,520 | \$ 25,652 |
| Funds added | 50,000 | - |
| Investment returns: | | |
| Unrealized gain on investments | 8,144 | 97 |
| Return on investments | 1,287 | (229) |
| Investment returns, net | 9,431 | (132) |
| Balance, June 30 | \$ 84,951 | \$ 25,520 |

PARENTING NOW!
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2021

12. Net Assets with Donor Restrictions

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

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|-------------------|
| First 3 Years | \$ 20,000 | \$ 30,000 |
| Make Parenting a Pleasure | 15,667 | 30,000 |
| Car Seat Safety Program | 14,225 | 28,208 |
| Program Services | 13,225 | 1,695 |
| MPAP Second Edition – Spanish Translation | 47,100 | - |
| Unconditional Promises to Give – Future Periods | <u>76,000</u> | <u>163,670</u> |
| Total net assets with donor restrictions | <u>\$ 186,247</u> | <u>\$ 253,573</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 ended June 30, 2021 and 2020, 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 methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2021 and 2020.

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, 2021

13. Fair Value Measurement, continued

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, 2021 and 2020.

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, 2021 | | | |
|----------------------------|--|---------|-----------|-----------|
| | Level 1 | Level 2 | Level 3 | Total |
| Pooled separate accounts | \$ - | \$ - | \$ 84,951 | \$ 84,951 |
| Total assets at fair value | \$ - | \$ - | \$ 84,951 | \$ 84,951 |

| | 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 |

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 \$2,000 and \$2,050 were recorded for the years ended June 30, 2021 and 2020, respectively.

PARENTING NOW!
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2021

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 | 340 |
| MPAP Parent Educator Assistant & Children's Program | 197 |
| INFANTS Parent Educator Assistant & Children's Program | 85 |
| ONE's Parent Educator Assistant & Children's Program | 169 |
| TWO's Parent Educator Assistant & Children's Program | 78 |
| THREE's Parent Educator Assistant & Children's Program | 74 |
| CRECER Parent Educator Assistant & Children's Program | 34 |
| Baby Connection | 45 |
| Healthy Families | 30 |
| Training | 10 |
| Triple P | 9 |
| Development | 116 |
| Office & Administration | 20 |
| Resources for Families | 50 |
| Auction | 15 |
| Total Volunteer Hours | 1,272 |

The estimated fair value of this time is \$36,303 based on an estimated hourly rate of \$28.54.

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, 2021 and 2020, the Organization's financial assets, reduced by amounts not available for general expenditures, are comprised of the following:

| | 2021 | 2020 |
|--|------------|------------|
| Cash and cash equivalents | \$ 245,198 | \$ 143,829 |
| Receivables | 117,223 | 67,341 |
| Grants receivable | 75,000 | 180,000 |
| Unconditional promises to give, current portion | 1,000 | 4,135 |
| | 438,421 | 395,305 |
| Less: Net assets with donor restrictions | (186,247) | (253,573) |
| Financial assets available for general expenditure | \$ 252,174 | \$ 141,732 |

PARENTING NOW!
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

17. Paycheck Protection Program

In February 2021 and April 2020, the Organization applied for and was awarded Paycheck Protection Program (PPP) loans under the Coronavirus Aid, Relief and Economic Security Act (the CARES Act) through Banner Bank. The Organization was approved for loans in the amount of \$117,468 and \$89,221, respectively. For the year ending June 30, 2021, the applications for loan forgiveness had both been approved and the full amount of PPP funds received were recognized as contributions.

18. Economic Uncertainties

As a result of the COVID-19 coronavirus pandemic, for the years ended June 30, 2021 and 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, 2020 in the accompanying financial statements are included to provide a basis for comparison with June 30, 2021 and present summarized totals only. Accordingly, 2020 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, 2020, 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, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

| | Teen Parents Foundations | MPAP Foundations | Creceer Foundations | 2021 Total | 2020 Total |
|--|-----------------------------|---------------------|------------------------|------------------|------------------|
| Salaries | \$ 1,667 | \$ 41,293 | \$ 1,540 | \$ 44,500 | \$ 46,935 |
| Payroll taxes and insurance | 193 | 4,482 | 173 | 4,848 | 4,870 |
| Health and disability benefits | 169 | 4,070 | 156 | 4,395 | 4,404 |
| Total salaries and related payroll expenses | <u>2,029</u> | <u>49,845</u> | <u>1,869</u> | <u>53,743</u> | <u>56,209</u> |
| Other expenses: | | | | | |
| Contracts | 13 | 119 | 7 | 139 | 39 |
| Nutrition | - | - | - | - | 1,159 |
| Utilities | 159 | 1,544 | 73 | 1,776 | 748 |
| Transportation | 3 | 29 | 2 | 34 | - |
| Program materials | - | 196 | - | 196 | 186 |
| Bank and investment fees | 55 | 555 | - | 610 | 279 |
| Professional fees | 82 | 792 | 48 | 922 | 378 |
| Insurance | 267 | 2,563 | 154 | 2,984 | 1,124 |
| Repairs and maintenance | 194 | 1,859 | 112 | 2,165 | 4,649 |
| Information technology | 150 | 1,882 | 87 | 2,119 | 1,115 |
| Equipment, furnishings, and renovations | 41 | 393 | 24 | 458 | - |
| Depreciation and amortization | 120 | 868 | - | 988 | 914 |
| Rent and storage fees | 12 | 118 | 7 | 137 | 249 |
| Supplies | 20 | 279 | 11 | 310 | 187 |
| Telephone | 122 | 1,830 | 70 | 2,022 | 678 |
| Postage | 41 | 376 | 16 | 433 | 91 |
| Staff development and conferences | 2 | 86 | 1 | 89 | - |
| Subscriptions | 14 | 133 | 6 | 153 | - |
| Membership fees and social support | 4 | 64 | 2 | 70 | 35 |
| Printing | 49 | 472 | 28 | 549 | 176 |
| Copying | 10 | 122 | 5 | 137 | 57 |
| Criminal check | 6 | 53 | 3 | 62 | 35 |
| Interest expense | 311 | 1,204 | 179 | 1,694 | 1,192 |
| Advertising | 2 | 15 | 1 | 18 | - |
| Miscellaneous | 22 | 33 | 11 | 66 | 25 |
| Total other expenses | <u>1,699</u> | <u>15,585</u> | <u>847</u> | <u>18,131</u> | <u>13,316</u> |
| Total functional expenses | <u>\$ 3,728</u> | <u>\$ 65,430</u> | <u>\$ 2,716</u> | <u>\$ 71,874</u> | <u>\$ 69,525</u> |

PARENTING NOW!
SCHEDULE OF ALL OTHER PROGRAM EXPENSES
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

| | <u>Public Relations</u> | <u>Triple P</u> | <u>Playtime</u> | <u>Volunteer Coordinator</u> |
|---|-----------------------------|------------------|-----------------|----------------------------------|
| Salaries | \$ 7,004 | \$ 11,327 | \$ - | \$ 84 |
| Payroll taxes and insurance | 739 | 1,232 | 9 | 890 |
| Health and disability benefits | <u>677</u> | <u>1,100</u> | <u>8</u> | <u>539</u> |
| Total salaries and related payroll expenses | <u>8,420</u> | <u>13,659</u> | <u>17</u> | <u>1,513</u> |
| Other expenses: | | | | |
| Contracts | - | 31 | - | 23 |
| Nutrition | - | - | - | 363 |
| Utilities | - | 389 | - | 298 |
| Transportation | - | 11 | - | 5 |
| Program materials | - | 1,260 | - | 225 |
| Bank and investment fees | - | 134 | - | 102 |
| Professional fees | - | 202 | - | 154 |
| Insurance | - | 653 | - | 500 |
| Repairs and maintenance | - | 474 | - | 363 |
| Information technology | - | 442 | - | 281 |
| Equipment, furnishings, and renovations | - | 100 | - | 77 |
| Depreciation and amortization | - | 109 | 18 | 1,175 |
| Rent and storage fees | - | 30 | - | 23 |
| Supplies | - | 48 | - | 37 |
| Telephone | - | 297 | - | 488 |
| Postage | - | 66 | - | 53 |
| Staff development and conferences | - | - | - | - |
| Subscriptions | - | 34 | - | 26 |
| Membership fees and social support | - | 10 | - | 108 |
| Volunteer recognition | - | - | - | - |
| Printing | - | 120 | - | 92 |
| Copying | - | 29 | - | 16 |
| Criminal check | - | 14 | - | 70 |
| Interest expense | - | 760 | - | 582 |
| Advertising | - | 4 | - | 3 |
| Miscellaneous | <u>-</u> | <u>3</u> | <u>4</u> | <u>-</u> |
| Total other expenses | <u>-</u> | <u>5,220</u> | <u>22</u> | <u>5,064</u> |
| Total functional expenses | <u>\$ 8,420</u> | <u>\$ 18,879</u> | <u>\$ 39</u> | <u>\$ 6,577</u> |

| Family Resource Poster | Enrollment and Support | 2021 Total | 2020 Total |
|------------------------------|---------------------------|-------------------|-------------------|
| \$ 2,128 | \$ 27,371 | \$ 47,914 | \$ 60,398 |
| 224 | 6,685 | 9,779 | 10,467 |
| 199 | 3,976 | 6,499 | 8,586 |
| <u>2,551</u> | <u>38,032</u> | <u>64,192</u> | <u>79,451</u> |
| 1,350 | 132 | 1,536 | 1,393 |
| - | 62 | 425 | 1,137 |
| - | 2,061 | 2,748 | 1,745 |
| - | 39 | 55 | 1,396 |
| - | 36 | 1,521 | 1,692 |
| - | 1,158 | 1,394 | 834 |
| - | 1,107 | 1,463 | 815 |
| - | 6,779 | 7,932 | 2,552 |
| - | 2,591 | 3,428 | 10,002 |
| 70 | 17,441 | 18,234 | 3,809 |
| - | 166 | 343 | 33 |
| 306 | 3,990 | 5,598 | 4,625 |
| - | 163 | 216 | 94 |
| 96 | 363 | 544 | 719 |
| 64 | 2,784 | 3,633 | 1,584 |
| 562 | 474 | 1,155 | 313 |
| - | 498 | 498 | 3,933 |
| 52 | 188 | 300 | 99 |
| - | 275 | 393 | 231 |
| - | - | - | 128 |
| 4,275 | 656 | 5,143 | 4,669 |
| - | 118 | 163 | 225 |
| - | 74 | 158 | 218 |
| - | 5,929 | 7,271 | 2,578 |
| - | 95 | 102 | 350 |
| - | 60 | 67 | 115 |
| <u>6,775</u> | <u>47,239</u> | <u>64,320</u> | <u>45,289</u> |
| <u>\$ 9,326</u> | <u>\$ 85,271</u> | <u>\$ 128,512</u> | <u>\$ 124,740</u> |