

PARENTING NOW

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**For the Year Ended June 30, 2022
(with Comparative Totals for the Year Ended June 30, 2021)**

Jones & Roth
CPAs & Business Advisors

PARENTING NOW
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2022
(with Comparative Totals for the Year Ended June 30, 2021)

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FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Parenting Now
Eugene, Oregon

Opinion

We have audited the accompanying financial statements of Parenting Now (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

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, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Parenting Now and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Parenting Now's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Parenting Now's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Parenting Now's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 29, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Jones & Roth, P.C.
Eugene, Oregon
February 14, 2023

PARENTING NOW
STATEMENT OF FINANCIAL POSITION
June 30, 2022
(With Comparative Totals for June 30, 2021)

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 200,654	\$ 245,198
Receivables	96,089	117,223
Employee Retention Credit (ERC) receivable	291,926	-
Unconditional promises to give	290	1,000
Grants receivable	25,000	75,000
Prepaid expenses	37,596	14,986
Inventory of curricula materials	36,532	24,083
Beneficial interest in the assets of The Oregon Community Foundation (OCF)	174,974	84,951
Total current assets	863,061	562,441
Long-term assets		
Property and equipment, net	486,427	504,581
Curricula development costs, net	210,531	183,748
Total long-term assets	696,958	688,329
Total assets	\$ 1,560,019	\$ 1,250,770
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 19,052	\$ 19,890
Accrued payroll and payroll taxes	89,221	75,266
Accrued vacation	50,222	50,709
Deferred income	13,510	6,700
Bank loans, current portion	9,054	8,585
Total current liabilities	181,059	161,150
Long-term liabilities		
Bank loans, long-term portion	341,183	349,956
Total liabilities	522,242	511,106
Net assets		
Net assets without donor restrictions:		
Undesignated operating funds	693,125	468,466
Board designated	174,974	84,951
Total net assets without donor restrictions	868,099	553,417
Net assets with donor restrictions	169,678	186,247
Total net assets	1,037,777	739,664
Total liabilities and net assets	\$ 1,560,019	\$ 1,250,770

The accompanying notes are an integral part of these statements.

PARENTING NOW
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support				
Contributions	\$ 368,511	\$ 313,288	\$ 681,799	\$ 401,022
Special events	264,590	-	264,590	223,827
Contributions in-kind	16,203	-	16,203	55,680
 Total support	 <u>649,304</u>	 <u>313,288</u>	 <u>962,592</u>	 <u>680,529</u>
Revenues				
Curricula sales and training	123,198	-	123,198	52,637
Contract revenue	745,372	-	745,372	653,878
Parent dues	8,380	-	8,380	9,876
Miscellaneous income	1,202	-	1,202	179
Interest and dividends	683	-	683	189
Net realized gains on investments	1,387	-	1,387	1,415
Net unrealized gains (losses) on investments	(11,085)	-	(11,085)	8,144
Net assets released from restrictions	329,857	(329,857)	-	-
 Total revenues	 <u>1,198,994</u>	 <u>(329,857)</u>	 <u>869,137</u>	 <u>726,318</u>
 Total revenues and support	 <u>1,848,298</u>	 <u>(16,569)</u>	 <u>1,831,729</u>	 <u>1,406,847</u>
Expenses				
Program services	1,238,137	-	1,238,137	1,045,440
Management and general	138,085	-	138,085	125,965
Fundraising	157,394	-	157,394	143,718
 Total expenses	 <u>1,533,616</u>	 <u>-</u>	 <u>1,533,616</u>	 <u>1,315,123</u>
 Change in net assets	 314,682	 (16,569)	 298,113	 91,724
Net assets, beginning of year	<u>553,417</u>	<u>186,247</u>	<u>739,664</u>	<u>647,940</u>
Net assets, end of year	<u>\$ 868,099</u>	<u>\$ 169,678</u>	<u>\$ 1,037,777</u>	<u>\$ 739,664</u>

The accompanying notes are an integral part of these statements.

PARENTING NOW
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ 298,113	\$ 91,724
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	55,383	48,258
Loss on disposal of assets	149	-
Donated property and equipment	(5,716)	(31,147)
Net realized and unrealized (gain) loss on investments	9,698	(9,559)
(Increase) decrease in operating assets:		
Receivables	21,134	(49,882)
Unconditional promises to give	710	7,670
Grants receivable	50,000	105,000
Prepaid expense	(22,610)	(2,136)
Inventory of curricula materials	(12,449)	(99)
Increase (decrease) in operating liabilities:		
Accounts payable	(838)	11,896
Deferred income	6,810	6,050
Accrued payroll and payroll taxes	13,955	(2,973)
Accrued vacation	(487)	157
	413,852	174,959
Net cash provided by operating activities		
Cash flows from investing activities		
Purchase of property and equipment	(58,738)	(16,258)
Reinvestments in beneficial interest in the assets of OCF	(99,428)	(49,874)
	(158,166)	(66,132)
Net cash used by investing activities		
Cash flows from financing activities		
Principal payments on long-term debt	(8,304)	(7,458)
Net increase in cash and cash equivalents	247,382	101,369
Cash and cash equivalents, beginning of year	245,198	143,829
Cash and cash equivalents, end of year	\$ 492,580	\$ 245,198
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 19,042	\$ 20,787

The accompanying notes are an integral part of these statements.

PARENTING NOW
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Program Services			
	First Three Years	Make Parenting A Pleasure	Healthy Families	Curricula Sales and Training
Salaries	\$ 67,060	\$ 26,331	\$ 567,282	\$ 68,300
Payroll taxes and insurance	1,449	2,857	61,569	7,373
Health and disability benefits	995	2,362	33,654	5,025
 Total salaries and related payroll expenses	 <u>69,504</u>	 <u>31,550</u>	 <u>662,505</u>	 <u>80,698</u>
Other expenses:				
Contracts	3	6	120	3,510
Nutrition	1	2	101	3
Utilities	191	415	8,336	700
Transportation	2	10	3,842	42
Program materials	2	457	5,253	75
Bank and investment fees	58	126	2,539	213
Professional fees	386	259	7,246	435
Insurance	326	712	14,306	1,198
Repairs and maintenance	733	816	16,396	1,375
Information technology	149	1,525	6,913	1,673
Equipment, furnishings, and renovations	9	20	933	33
Depreciation and amortization	1,575	949	19,044	26,731
Rent and storage fees	10	23	8,909	69
Supplies	48	179	2,338	382
Telephone	134	1,354	16,998	1,064
Postage	42	346	1,323	2,212
Staff development and conferences	-	-	278	1,550
Subscriptions	31	68	2,872	3,625
Membership fees and social support	7	16	500	26
Volunteer recognition	-	-	-	-
Printing	60	132	3,043	222
Copying	24	82	1,475	628
Criminal check	6	13	269	23
Interest expense	302	660	13,265	1,113
Advertising	-	50	-	-
Cost of curricula sold	-	-	-	14,393
Bad debts	-	-	-	-
Miscellaneous	-	-	79	-
 Total other expenses	 <u>4,099</u>	 <u>8,220</u>	 <u>136,378</u>	 <u>61,295</u>
Total functional expenses	<u>\$ 73,603</u>	<u>\$ 39,770</u>	<u>\$ 798,883</u>	<u>\$ 141,993</u>

Car Seat Safety Program	All Other	Total Program Services	Supporting Services		2022 Total	2021 Total
			Management and General	Fundraising		
\$ 3,312	\$ 82,661	\$ 814,946	\$ 85,289	\$ 92,111	\$ 992,346	\$ 844,741
378	14,634	88,260	9,436	9,775	107,471	90,118
284	8,401	50,721	6,461	4,502	61,684	62,563
<u>3,974</u>	<u>105,696</u>	<u>953,927</u>	<u>101,186</u>	<u>106,388</u>	<u>1,161,501</u>	<u>997,422</u>
3	3,800	7,442	12,000	28,466	47,908	18,615
1	699	807	545	262	1,614	981
181	2,226	12,049	-	-	12,049	10,568
2	370	4,268	-	-	4,268	2,750
11,098	1,643	18,528	83	8,107	26,718	32,558
55	1,550	4,541	-	1,431	5,972	7,042
113	461	8,900	15,912	-	24,812	19,691
310	3,681	20,533	3,548	-	24,081	24,626
355	5,116	24,791	-	-	24,791	13,105
142	15,403	25,805	575	2,209	28,589	31,800
9	170	1,174	-	69	1,243	2,425
94	6,990	55,383	-	-	55,383	48,258
10	120	9,141	-	-	9,141	5,231
46	864	3,857	62	1,226	5,145	4,003
128	4,138	23,816	720	750	25,286	22,054
19	1,163	5,105	21	1,312	6,438	7,268
-	795	2,623	119	339	3,081	8,133
30	605	7,231	156	941	8,328	5,770
62	200	811	1,590	186	2,587	4,059
-	268	268	-	-	268	-
58	6,436	9,951	28	2,658	12,637	13,274
21	209	2,439	19	68	2,526	2,350
6	397	714	-	-	714	433
288	3,414	19,042	-	-	19,042	20,787
-	334	384	1,047	2,065	3,496	231
-	-	14,393	-	-	14,393	4,575
-	-	-	-	917	917	6,170
-	135	214	474	-	688	944
<u>13,031</u>	<u>61,187</u>	<u>284,210</u>	<u>36,899</u>	<u>51,006</u>	<u>372,115</u>	<u>317,701</u>
<u>\$ 17,005</u>	<u>\$ 166,883</u>	<u>\$ 1,238,137</u>	<u>\$ 138,085</u>	<u>\$ 157,394</u>	<u>\$ 1,533,616</u>	<u>\$ 1,315,123</u>

The accompanying notes are an integral part of these statements.

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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.

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.

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

1. Nature of Activities and Significant Accounting Policies, continued

Income Taxes

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

Use of Estimates

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

Cash and Cash Equivalents

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

Receivables

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

Inventory

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

Investments

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

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

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

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

1. Nature of Activities and Significant Accounting Policies, continued

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as 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.

Curricula Development Cost

The Organization internally develops its curriculum and capitalizes development costs incurred during the course development stage. Costs that qualify for capitalization are external direct costs, payroll, and payroll-related expenses. Costs related to general and administrative functions are expensed as incurred. The Organization capitalizes curriculum development costs when the project under development reaches feasibility. Feasibility is established when planning, designing, and testing activities necessary to establish a course meet its design specifications. Capitalization ends when a course is available for general release, at which time amortization of the capitalized costs begins. The period of time over which these development costs will be amortized is generally ten 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 and other funds 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.

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

1. Nature of Activities and Significant Accounting Policies, continued

Endowment Fund Policy, continued

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 (OCF) (currently 4.5 percent) based upon a 13 quarter trailing average. Additional distributions may be made during the year, but must be approved by the Board of Directors and the OCF review board.

Support

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.

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 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 Revenue

The primary source of contract revenue for the Organization is derived from its Healthy Families program with Lane County. Revenue and related receivables for these programs are accounted for under cost reimbursement principles and are recorded when the related program costs are incurred, which is considered satisfaction of the performance obligation, subject to grant allocation limitations. There is no variable consideration relating to contract fulfillment. Receivables are considered by management to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary. As of June 30, 2022 and 2021, contracts receivables were \$78,384 and \$107,836, respectively.

Curricula Sales and Training

The Organization recognizes sales revenue at a point in time when the sale is made and training revenue when the service is performed, which is considered satisfaction of the performance obligation. There is no variable consideration for the sale.

Advertising Costs

The Organization's advertising costs are expensed as incurred. As of June 30, 2022 and 2021, the total expense was \$3,496 and \$231 respectively.

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

1. Nature of Activities and Significant Accounting Policies, continued

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. The Organization utilizes a simplified cost allocation method whereby specifically identifiable costs are charged directly to the program or supporting services and indirect costs are allocated among program and supporting services through an allocation base. The Organization uses an allocation based on the time and efforts of employees to allocate indirect costs to the functional expense categories. This allocation is evaluated on an annual basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

2. Cash and Cash Equivalents

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

	<u>2022</u>	<u>2021</u>
Cash on hand	\$ 75	\$ 75
Cash in depository accounts	<u>200,579</u>	<u>245,123</u>
Total cash and cash equivalents	<u>\$ 200,654</u>	<u>\$ 245,198</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>2022</u>	<u>2021</u>
Additions:		
Interest and dividends	\$ 615	\$ 149
Contributions	100,000	50,000
Realized gains	1,387	1,415
Unrealized gains	<u>-</u>	<u>8,144</u>
Total additions	<u>102,002</u>	<u>59,708</u>
Decreases:		
Unrealized losses	(11,085)	-
Investment management fees	(315)	(128)
Miscellaneous fees	<u>(579)</u>	<u>(148)</u>
Total decreases	<u>(11,979)</u>	<u>(276)</u>
Net change	90,023	59,432
Beginning balance at July 1	<u>84,951</u>	<u>25,519</u>
Ending balance at June 30	<u>\$ 174,974</u>	<u>\$ 84,951</u>

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

4. Unconditional Promises to Give

As of June 30, 2022 and 2021, unconditional promises to give consisted of \$290 and \$1,000, respectively, which is due in less than a year.

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, 2022 and 2021, all unconditional promises to give were considered fully collectible.

5. Concentrations

Concentration of Revenue Sources and Receivables

For the year ended June 30, 2021 grant revenue from one Foundation accounted for 15 percent of total revenue. At June 30, 2021, grant receivables from one Foundation account for approximately 13 percent of total assets. For the year ended June 30, 2022, there was no concentration of revenue sources.

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

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

	<u>2022</u>	<u>2021</u>
Land	\$ 168,863	\$ 168,863
Building and improvements	701,748	701,748
Furniture and equipment	<u>139,272</u>	<u>134,833</u>
	1,009,883	1,005,444
Accumulated depreciation	<u>(523,456)</u>	<u>(500,863)</u>
Property and equipment, net	<u>\$ 486,427</u>	<u>\$ 504,581</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$29,167, and \$22,042, respectively.

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

7. Curricula Development Cost

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

	2022	2021
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
Make Parenting a Pleasure – Spanish Adaptation Update	53,000	-
Parenting Knowledge Base	26,572	26,572
	1,086,622	1,033,622
Accumulated amortization	(876,091)	(849,874)
Curricula development costs, net	\$ 210,531	\$ 183,748

Amortization expense for the years ended June 30, 2022 and 2021 was \$26,216 and \$26,216, respectively.

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. At June 30, 2022 and 2021, 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 \$9,054 are due in fiscal year 2023 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,	
2023	\$ 9,054
2024	9,494
2025	9,885
2026	10,443
2027	11,032
Thereafter	300,329
Total	\$ 350,237

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

9. Bank Loan, continued

Beginning March 16, 2020, the Organization has a \$75,000 line of credit with Banner Bank through April 1, 2023 and is secured by assets of the Organization. Borrowings accrue interest at the U.S. Prime Rate plus 2.00 percent, less 1.00% preferred rate reduction (minimum of 5.00 percent). At June 30, 2022 and 2021, there was no amount owing on the line of credit and interest rates are at 5.75 percent and 5.00 percent, respectively.

10. Operating Leases

The Organization leases two 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, 2022, future minimum rent payments under the aforementioned lease agreements are as follows:

<u>Year Ending June 30,</u>	
2023	\$ 2,788
2024	2,403
2025	<u>354</u>
Total	<u>\$ 5,545</u>

11. Endowment Fund

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

	<u>2022</u>	<u>2021</u>
Unrestricted, Board designated reserve	<u>\$ 174,974</u>	<u>\$ 84,951</u>

A summary of Endowment Fund activity was as follows:

	<u>2022</u>	<u>2021</u>
Balance, July 1	<u>\$ 84,951</u>	<u>\$ 25,520</u>
Funds added	<u>100,000</u>	<u>50,000</u>
Investment returns:		
Unrealized gain (loss) on investments	(11,085)	8,144
Return on investments	<u>1,108</u>	<u>1,287</u>
Investment returns, net	<u>(9,977)</u>	<u>9,431</u>
Balance, June 30	<u>\$ 174,974</u>	<u>\$ 84,951</u>

PARENTING NOW
 NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2022

12. Net Assets with Donor Restrictions

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

	<u>2022</u>	<u>2021</u>
First 3 Years	\$ 20,000	\$ 20,000
Make Parenting a Pleasure	83,031	15,667
Car Seat Safety Program	10,000	14,225
Program Services	7,990	13,255
MPAP Second Edition – Spanish Translation	48,367	47,100
Unconditional Promises to Give – Future Periods	<u>290</u>	<u>76,000</u>
 Total net assets with donor restrictions	 <u>\$ 169,678</u>	 <u>\$ 186,247</u>

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

13. Fair Value Measurement

For the years ended June 30, 2022 and 2021, 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.

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

13. Fair Value Measurement, continued

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, 2022 and 2021.

Beneficial interest in the assets of OCF: Valued at the net asset value of units held by the Organization at year end.

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

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended June 30, 2022 and 2021.

The following tables set 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, 2022			
	Level 1	Level 2	Level 3	Total
Beneficial interest in the assets of OCF	\$ -	\$ -	\$ 174,974	\$ 174,974
Total assets at fair value	\$ -	\$ -	\$ 174,974	\$ 174,974

	Assets at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Beneficial interest in the assets of OCF	\$ -	\$ -	\$ 84,951	\$ 84,951
Total assets at fair value	\$ -	\$ -	\$ 84,951	\$ 84,951

14. Tax-Deferred Annuity Plan

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

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

15. Contributed Services

Professional services contributed (including attorney, accounting, and other services) are recorded as revenue. A total of \$3,250 and \$2,000 were recorded for the years ended June 30, 2022 and 2021, respectively.

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

Activity	Hours
Board of Directors	373
MPAP Parent Educator Assistant & Children's Program	61
INFANTS Parent Educator Assistant & Children's Program	9
ONE's Parent Educator Assistant & Children's Program	20
TWO's Parent Educator Assistant & Children's Program	33
THREE's Parent Educator Assistant & Children's Program	31
Baby Connection	9
Development	129
Office and Administration	77
Auction	10
Total Volunteer Hours	752

The estimated fair value of this time is \$22,522 based on an estimated hourly rate of \$29.95.

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, 2022 and 2021, the Organization's financial assets, reduced by amounts not available for general expenditures, are comprised of the following:

	2022	2021
Cash and cash equivalents	\$ 200,654	\$ 245,198
Receivables	388,015	117,223
Grants receivable	25,000	75,000
Unconditional promises to give	290	1,000
	613,959	438,421
Less: Net assets with donor restrictions	(169,678)	(186,247)
Financial assets available for general expenditure	\$ 444,281	\$ 252,174

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

17. COVID-19 Pandemic

As a result of the COVID-19 coronavirus pandemic, for the years ended June 30, 2022 and 2021, the Organization needed to cancel or modify certain fundraising events and in-person classes. Fundraising events, parenting classes and home visits were changed to virtual or hybrid formats to the extent possible. 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.

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

The Organization has assessed it qualified for the Employee Retention Credit (ERC) under the CARES Act. The ERC is a refundable tax credit against certain employment taxes equal to 50 percent of the qualified wages an eligible employer pays to employees. On July 15, 2022, the Organization filed amended tax returns which included a credit of \$291,926 covering the second quarter of 2020 and the first two quarters of 2021. In its accounting for ERC, management applied ASC Subtopic 958-605, *Not-for-Profit Entities — Revenue Recognition*, which provides guidance on determining whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome to be entitled to funds and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The Organization considers the submission of the amended returns as mere administrative task and that the condition has been met before filing with the Internal Revenue Service (IRS) is made. Accordingly, ERC is recognized as receivable in statement of financial position as of, and contributions in the statement of activities for the year ended June 30, 2022. The amounts claimed are subject to repayment if the IRS audit determined the Organization has not met the eligibility criteria. Subsequent to June 30, 2022, \$233,520 of the total ERC was received.

18. 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.

19. Comparative Data

The amounts shown for the year ended June 30, 2021 in the accompanying financial statements are included to provide a basis for comparison with June 30, 2022 and present summarized totals only. Accordingly, 2021 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, 2021, 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, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Teen Parents Foundations	MPAP Foundations	Creceer Foundations	2022 Total	2021 Total
Salaries	\$ -	\$ 26,331	\$ -	\$ 26,331	\$ 44,500
Payroll taxes and insurance	-	2,857	-	2,857	4,848
Health and disability benefits	-	2,362	-	2,362	4,395
 Total salaries and related payroll expenses	 -	 31,550	 -	 31,550	 53,743
Other expenses:					
Contracts	-	6	-	6	139
Nutrition	-	2	-	2	-
Utilities	-	415	-	415	1,776
Transportation	-	10	-	10	34
Program materials	-	457	-	457	196
Bank and investment fees	-	126	-	126	610
Professional fees	-	259	-	259	922
Insurance	-	712	-	712	2,984
Repairs and maintenance	-	816	-	816	2,165
Information technology	-	1,525	-	1,525	2,119
Equipment, furnishings, and renovations	-	20	-	20	458
Depreciation and amortization	-	949	-	949	988
Rent and storage fees	-	23	-	23	137
Supplies	-	179	-	179	310
Telephone	-	1,354	-	1,354	2,022
Postage	-	346	-	346	433
Staff development and conferences	-	-	-	-	89
Subscriptions	-	68	-	68	153
Membership fees and social support	-	16	-	16	70
Printing	-	132	-	132	549
Copying	-	82	-	82	137
Criminal check	-	13	-	13	62
Interest expense	-	660	-	660	1,694
Advertising	-	50	-	50	18
Miscellaneous	-	-	-	-	66
 Total other expenses	 -	 8,220	 -	 8,220	 18,131
Total functional expenses	\$ -	\$ 39,770	\$ -	\$ 39,770	\$ 71,874

PARENTING NOW
SCHEDULE OF ALL OTHER PROGRAM EXPENSES
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Public Relations	Triple P	Playtime	Volunteer Coordinator
Salaries	\$ 13,825	\$ 18,118	\$ 4,758	\$ (3)
Payroll taxes and insurance	1,497	1,969	512	592
Health and disability benefits	807	941	288	245
 Total salaries and related payroll expenses	 <u>16,129</u>	 <u>21,028</u>	 <u>5,558</u>	 <u>834</u>
Other expenses:				
Contracts	3	4	1	1
Nutrition	-	1	224	-
Utilities	194	270	77	169
Transportation	2	33	289	7
Program materials	75	1,022	204	1
Bank and investment fees	59	82	23	27
Professional fees	121	169	48	55
Insurance	333	464	131	152
Repairs and maintenance	381	532	151	175
Information technology	152	312	60	70
Equipment, furnishings, and renovations	9	13	4	71
Depreciation and amortization	100	140	40	1,331
Rent and storage fees	11	15	4	5
Supplies	49	94	28	43
Telephone	137	602	54	243
Postage	41	43	8	11
Staff development and conferences	-	-	-	-
Subscriptions	40	44	13	15
Membership fees and social support	7	10	3	103
Volunteer recognition	-	-	-	268
Printing	62	86	24	28
Copying	18	25	7	8
Criminal check	6	9	2	331
Interest expense	309	430	122	141
Advertising	-	-	128	131
Miscellaneous	-	-	-	135
 Total other expenses	 <u>2,109</u>	 <u>4,400</u>	 <u>1,645</u>	 <u>3,521</u>
Total functional expenses	<u>\$ 18,238</u>	<u>\$ 25,428</u>	<u>\$ 7,203</u>	<u>\$ 4,355</u>

Family Resource Poster	Enrollment and Support	2022 Total	2021 Total
\$ 2,199	\$ 43,764	\$ 82,661	\$ 47,914
252	9,812	14,634	9,779
128	5,992	8,401	6,499
<u>2,579</u>	<u>59,568</u>	<u>105,696</u>	<u>64,192</u>
1,252	2,539	3,800	1,536
1	473	699	425
126	1,390	2,226	2,748
1	38	370	55
1	340	1,643	1,521
38	1,321	1,550	1,394
78	(10)	461	1,463
216	2,385	3,681	7,932
248	3,629	5,116	3,428
169	14,640	15,403	18,234
6	67	170	343
426	4,953	6,990	5,598
7	78	120	216
64	586	864	544
89	3,013	4,138	3,633
648	412	1,163	1,155
-	795	795	498
242	251	605	300
5	72	200	393
-	-	268	-
5,793	443	6,436	5,143
11	140	209	163
4	45	397	158
200	2,212	3,414	7,271
-	75	334	102
-	-	135	67
<u>9,625</u>	<u>39,887</u>	<u>61,187</u>	<u>64,320</u>
<u>\$ 12,204</u>	<u>\$ 99,455</u>	<u>\$ 166,883</u>	<u>\$ 128,512</u>