

PARENTING NOW
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024
(with Comparative Totals for the Year Ended June 30, 2023)



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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, 2024, 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, 2024, 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 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 28, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Jones & Roth, P.C.

Jones & Roth, P.C.
Eugene, Oregon
July 16, 2025

FINANCIAL STATEMENTS

PARENTING NOW
STATEMENT OF FINANCIAL POSITION
June 30, 2024
(With Comparative Totals for June 30, 2023)

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	\$ 144,340	\$ 349,365
Receivables	251,626	130,472
Prepaid expenses	17,958	44,291
Inventory of curricula materials	49,652	38,089
Total current assets	463,576	562,217
Long-term assets		
Beneficial interest in the assets of The Oregon Community Foundation (OCF)	204,427	185,174
Property and equipment, net	466,939	483,148
Curricula development costs, net	216,266	255,093
Total long-term assets	887,632	923,415
Total assets	\$ 1,351,208	\$ 1,485,632
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 31,541	\$ 51,959
Accrued payroll and payroll taxes	93,367	90,656
Accrued vacation	38,657	47,969
Deferred income	8,115	39,700
Bank loans, current portion	8,937	9,475
Total current liabilities	180,617	239,759
Long-term liabilities		
Bank loans, long-term portion	323,799	332,087
Total liabilities	504,416	571,846
Net assets		
Net assets without donor restrictions:		
Undesignated operating funds	569,513	636,912
Board designated	204,427	185,174
Total net assets without donor restrictions	773,940	822,086
Net assets with donor restrictions	72,852	91,700
Total net assets	846,792	913,786
Total liabilities and net assets	\$ 1,351,208	\$ 1,485,632

The accompanying notes are an integral part of these statements.

PARENTING NOW
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support				
Contributions	\$ 112,314	\$ 164,700	\$ 277,014	\$ 330,794
Special events	241,441	-	241,441	241,436
Contributions in-kind	29,308	-	29,308	6,650
Total support	<u>383,063</u>	<u>164,700</u>	<u>547,763</u>	<u>578,880</u>
Revenues				
Curricula sales and training	211,987	-	211,987	177,799
Contract revenue	1,289,839	-	1,289,839	823,280
Parent dues	15,163	-	15,163	20,652
Miscellaneous income	2,962	-	2,962	516
Interest and dividends	3,648	-	3,648	20,351
Net realized gains (losses) on investments	1,249	-	1,249	(622)
Net unrealized gains (losses) on investments	18,261	-	18,261	11,335
Net assets released from restrictions	183,548	(183,548)	-	-
Total revenues	<u>1,726,657</u>	<u>(183,548)</u>	<u>1,543,109</u>	<u>1,053,311</u>
Total revenues and support	<u>2,109,720</u>	<u>(18,848)</u>	<u>2,090,872</u>	<u>1,632,191</u>
Expenses				
Program services	1,870,843	-	1,870,843	1,440,460
Management and general	160,148	-	160,148	179,995
Fundraising	126,875	-	126,875	135,727
Total expenses	<u>2,157,866</u>	<u>-</u>	<u>2,157,866</u>	<u>1,756,182</u>
Change in net assets	(48,146)	(18,848)	(66,994)	(123,991)
Net assets, beginning of year	<u>822,086</u>	<u>91,700</u>	<u>913,786</u>	<u>1,037,777</u>
Net assets, end of year	<u>\$ 773,940</u>	<u>\$ 72,852</u>	<u>\$ 846,792</u>	<u>\$ 913,786</u>

The accompanying notes are an integral part of these statements.

PARENTING NOW
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ (66,994)	\$ (123,991)
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	74,958	59,293
Loss on disposal of assets	57	-
Donated property and equipment	(6,322)	-
Net realized and unrealized (gain) loss on investments	(19,510)	(10,713)
(Increase) decrease in operating assets:		
Receivables	(121,154)	(34,383)
ERC receivable	-	291,926
Unconditional promises to give	-	290
Grants receivable	-	25,000
Prepaid expense	26,332	(6,695)
Inventory of curricula materials	(11,563)	(1,557)
Increase (decrease) in operating liabilities:		
Accounts payable	(20,418)	32,907
Deferred income	(31,585)	26,190
Accrued payroll and payroll taxes	2,711	1,435
Accrued vacation	(9,312)	(2,253)
Net cash provided (used) by operating activities	(182,800)	257,449
Cash flows from investing activities		
Purchase of property and equipment	(13,657)	(100,576)
Proceeds from beneficial interest in the assets of OCF	258	513
Net cash used by investing activities	(13,399)	(100,063)
Cash flows from financing activities		
Principal payments on long-term debt	(8,826)	(8,675)
Net cash used by financing activities	(8,826)	(8,675)
Net increase (decrease) in cash and cash equivalents	(205,025)	148,711
Cash and cash equivalents, beginning of year	349,365	200,654
Cash and cash equivalents, end of year	\$ 144,340	\$ 349,365
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 20,288	\$ 19,213

The accompanying notes are an integral part of these statements.

PARENTING NOW
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	Program Services			
	First Three Years	Make Parenting A Pleasure	Healthy Families	Curricula Sales and Training
Salaries	\$ 83,886	\$ 39,311	\$ 700,794	\$ 90,404
Payroll taxes and insurance	2,256	3,899	69,936	9,046
Health and disability benefits	1,137	2,940	44,560	7,313
Total salaries and related payroll expenses	87,279	46,150	815,290	106,763
Other expenses:				
Contracts	-	-	-	-
Nutrition	1,182	701	653	666
Utilities	263	444	7,994	431
Transportation	14	1,369	21,600	745
Program materials	1,637	435	5,981	4,945
Bank and investment fees	132	84	1,505	3,314
Professional fees	237	398	11,776	386
Insurance	413	695	12,383	674
Repairs and maintenance	439	740	13,978	718
Information technology	234	395	8,118	578
Equipment, furnishings, and renovations	49	232	2,320	279
Depreciation and amortization	862	271	22,135	38,217
Rent and storage fees	21	37	637	1,573
Supplies	86	255	1,978	962
Telephone	187	1,575	17,627	1,746
Postage	29	188	982	5,817
Staff development and conferences	-	63	434	3,413
Subscriptions	121	335	4,887	4,691
Membership fees and social support	16	94	661	25
Volunteer recognition	-	-	-	-
Printing	33	57	1,329	1,348
Copying	158	258	1,527	683
Criminal check	10	18	309	17
Interest expense	385	650	11,579	630
Advertising	-	-	50	-
Cost of curricula sold	-	-	-	26,711
Bad debts	-	-	-	-
Miscellaneous	-	-	411	-
Total other expenses	6,508	9,294	150,854	98,569
Total functional expenses	\$ 93,787	\$ 55,444	\$ 966,144	\$ 205,332

The accompanying notes are an integral part of these statements.

Supporting Services

Triple P	All Other	Total Program Services	Management and General	Fundraising	2024 Total	2023 Total
\$ 75,989	\$ 62,909	\$ 1,053,293	\$ 99,824	\$ 59,802	\$ 1,212,919	\$ 1,149,127
7,837	15,599	108,573	17,491	5,557	131,621	122,218
4,637	6,962	67,549	9,304	1,587	78,440	56,324
<u>88,463</u>	<u>85,470</u>	<u>1,229,415</u>	<u>126,619</u>	<u>66,946</u>	<u>1,422,980</u>	<u>1,327,669</u>
242,751	15,000	257,751	-	40,680	298,431	52,340
36	259	3,497	827	1,065	5,389	4,903
3,418	1,404	13,954	-	-	13,954	13,602
897	281	24,906	143	123	25,172	13,024
36,627	272	49,897	-	1,286	51,183	31,931
654	2,040	7,729	-	4,415	12,144	8,688
3,058	1,257	17,112	25,950	-	43,062	27,609
5,338	2,743	22,246	4,212	-	26,458	26,331
5,688	2,380	23,943	-	-	23,943	42,756
3,204	1,847	14,376	496	2,326	17,198	23,733
1,833	1,735	6,448	-	56	6,504	1,687
2,083	11,390	74,958	-	-	74,958	59,293
275	113	2,656	-	-	2,656	9,181
849	661	4,791	-	542	5,333	3,289
2,911	2,939	26,985	720	360	28,065	24,113
396	168	7,580	5	1,556	9,141	8,328
-	1,727	5,637	64	10	5,711	8,749
1,969	595	12,598	-	1,595	14,193	7,987
201	216	1,213	405	150	1,768	1,772
-	11	11	-	-	11	119
4,363	4,897	12,027	25	1,731	13,783	12,942
3	61	2,690	69	143	2,902	2,244
133	205	692	-	-	692	566
4,595	2,449	20,288	-	-	20,288	19,213
205	10	265	-	-	265	1,538
-	-	26,711	-	-	26,711	20,684
-	-	-	-	1,880	1,880	291
55	1	467	613	2,011	3,091	1,600
<u>321,542</u>	<u>54,661</u>	<u>641,428</u>	<u>33,529</u>	<u>59,929</u>	<u>734,886</u>	<u>428,513</u>
<u>\$ 410,005</u>	<u>\$ 140,131</u>	<u>\$ 1,870,843</u>	<u>\$ 160,148</u>	<u>\$ 126,875</u>	<u>\$ 2,157,866</u>	<u>\$ 1,756,182</u>

The accompanying notes are an integral part of these statements.

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

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, 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.

Triple P (Positive Parenting Program) provides a range of free parenting education classes, including online programs, discussion groups, and seminars. These services support caregivers of children ages 2 - 12 and teens aged 10 - 16, helping them strengthen their parenting skills and create positive home environments.

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 parenting educator training.

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS

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.

Receivables

Receivables are reported at the gross amount receivable without provision 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. These funds are not held in a depository account but rather are in an "endowment fund" that is legally owned by OCF. Under United States Treasury Regulations, all community foundation endowment fund agreements must include terms which grant the community foundation's Board of Directors the authority to modify restrictions and conditions of the fund agreement under certain circumstances (often referred to as "variance power"). As a result, all component funds are considered to be part of a single public charity, in this case, the OCF.

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS

1. Nature of Activities and Significant Accounting Policies, continued

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

The OCF variance power clause reads: “Whenever, in the sole judgment of the board of directors (without the necessity of the approval of any participating trustee, custodian or agent), any restriction or condition on the distribution of funds for any specified charitable, educational, or scientific purposes or to specified organizations or governmental units becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable, educational, and scientific needs of the state of Oregon, the board of directors may, by the affirmative vote of a majority of its members, order such modification of such restriction or condition and such application of the whole or any part of the principal or income of the funds as in its judgment is then necessary to serve more effectively the charitable, educational, and scientific purposes of the Corporation.”

The OCF accounts for these funds in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*, which states that if a community foundation accepts a contribution from an agency and agrees to transfer those assets and/or the investment return on those assets back to the agency, then those contributions are presented as both an asset and a liability on the financial statements of the community foundation (i.e., the OCF), and as an asset on the financial statements of the agency (i.e., the Organization). This treatment is for financial statement presentation purposes only as the legal ownership of these funds remains with the OCF.

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.

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS

1. Nature of Activities and Significant Accounting Policies, continued

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.

The policy sets forth that the Organization shall accept current and deferred gifts to the Reserve Fund. The policy allows for bi-annual distributions to be made based upon an annual dividend rate determined by OCF. 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.

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS

1. Nature of Activities and Significant Accounting Policies, continued

Contract Revenue

The primary sources of contract revenue for the Organization are derived from its Healthy Families program and the Triple P Program, both 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 credit loss is considered necessary. As of June 30, 2024 and 2023, contract receivables were \$246,697 and \$73,649, 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, 2024 and 2023, the total expense was \$265 and \$8, 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. 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.

Recent Accounting Standard Adopted

During the year ended June 30, 2024, Parenting Now adopted Accounting Standards Update (ASU) 2016-13 Financial Instruments - Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*, and all related amendments (ASC 326), which replace the incurred loss methodology for recognizing credit losses with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of lifetime expected credit losses to be recognized for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts, and for the financial assets to be presented at the net amount expected to be collected on the statement of financial position. Financial assets held by Parenting Now that are subject to ASC 326 are trade accounts receivable and contract assets recognized in accordance with ASC 606. The impact of adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS

2. Cash and Cash Equivalents

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

	<u>2024</u>	<u>2023</u>
Cash on hand	\$ -	\$ 73
Cash in depository accounts	<u>144,340</u>	<u>349,292</u>
Total cash and cash equivalents	<u>\$ 144,340</u>	<u>\$ 349,365</u>

3. Unconditional Promises to Give

As of June 30, 2024 and 2023, unconditional promises to give consisted of \$4,929 and -\$0-, respectively.

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, 2024 and 2023, all unconditional promises to give were considered fully collectible.

4. 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:

Additions:	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 1,515	\$ 1,153
Contributions	-	-
Realized gains	1,249	-
Unrealized gains	<u>18,262</u>	<u>11,335</u>
Total additions	<u>21,026</u>	<u>12,488</u>
Decreases:		
Unrealized losses	-	-
Investment management fees	(816)	(779)
Realized losses	-	(622)
Miscellaneous fees	<u>(957)</u>	<u>(887)</u>
Total decreases	<u>(1,773)</u>	<u>(2,288)</u>
Net change	19,253	10,200
Beginning balance at July 1	<u>185,174</u>	<u>174,974</u>
Ending balance at June 30	<u>\$ 204,427</u>	<u>\$ 185,174</u>

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

4. Beneficial Interest in the Assets of The Oregon Community Foundation (OCF), continued

Return Objectives and Risk Parameters

The objective of the fund is to retain (at a minimum) and, when possible, increase the purchasing power of the funds, while at the same time providing a reasonable return for distribution to meet current organizational needs. The funds are managed in good faith and with the care an ordinary prudent person in a like position would exercise under similar circumstances. The Organization expected the funds to provide an average rate of return of approximately 8 percent annually. Actual returns in any given year may vary from this amount, however.

Strategies Employed for Achieving Objectives

The OCF follows a total-return strategy in which decisions are made with the intent of maximizing the long-term total return of the portfolio, combining market value changes (realized and unrealized) and current yield (interest and dividends). The OCF invests in a mixture of equities, fixed-income investments, an alternative investment classes such as hedge funds, distressed debt, private investments, and cash.

The OCF utilizes the services of investment managers with proven records of performance in domestic and international markets, equity management, fixed-income management, and/or mixed-asset management. OCF managers with responsibility for equity management have demonstrated skill managing assets within but not necessarily including all of the following styles: core (including index funds), growth, value, small capitalization, and non-U.S. equities.

Spending Policy and How Investment Objectives Relate to the Spending Policy

Each year, the OCF board sets an annual payout rate for the coming year based on their Investment Committee's 10-year projection of investment return. The payout range is 4 percent to 5 percent and is calculated using a 13-quarter trailing average of fund market value. New permanent funds are invested for a minimum of six months before being included in the valuation for distribution.

5. Property and Equipment

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

	<u>2024</u>	<u>2023</u>
Land	\$ 168,863	\$ 168,863
Building and improvements	701,748	701,748
Furniture and equipment	<u>186,350</u>	<u>169,352</u>
	1,056,961	1,039,963
Accumulated depreciation	<u>(590,022)</u>	<u>(556,815)</u>
Property and equipment, net	<u>\$ 466,939</u>	<u>\$ 483,148</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$37,003 and \$33,076, respectively.

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS

6. Curricula Development Cost

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

	2024	2023
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	123,778	123,778
Parenting Knowledge Base	26,572	26,572
	1,157,400	1,157,400
Accumulated amortization	(941,134)	(902,307)
Curricula development costs, net	\$ 216,266	\$ 255,093

Amortization expense for the years ended June 30, 2024 and 2023 was \$37,955 and \$26,217, respectively.

7. Concentrations

Concentration of Revenue Sources and Receivables

Approximately 94 percent and 16 percent of receivables at June 30, 2024 and 2023, respectively, was due from Lane County. Approximately 62 percent and 50 percent of revenues during the years ended June 30, 2024 and 2023, respectively, was earned from Lane County.

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, at times in excess of the federally insured amount of \$250,000. At June 30, 2024 and 2023, \$-0- and \$109,360 were in excess of FDIC insured limits, 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, 2024 and 2023, the Organization had no conditional contributions whose conditions had not been met.

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS

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 the interest rate is to be recalculated based on the Bullet Rate for 5-Year FHLB Fixed Rate Advances plus 2.50 percent. As of February 2024, the interest rate was 6.58 percent. The loan calls for one final payment of all outstanding principal and interest at maturity. Principal payments on the loan of \$8,937 are due in fiscal year 2025 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:

<u>Year Ending June 30,</u>	
2025	\$ 8,937
2026	9,543
2027	10,190
2028	10,881
2029	<u>293,185</u>
Total	<u>\$ 332,736</u>

In October 2022, the Organization increased its line of credit from \$75,000 to \$150,000 with Banner Bank through October 1, 2025. This is secured by assets of the Organization. Borrowings accrue interest at the U.S. Prime Rate plus 2.00 percent, less 1.00 percent preferred rate reduction (minimum of 4.25 percent). At June 30, 2024 and 2023, there was no amount owing on the line of credit and interest rates were 9.50 percent.

10. Operating Leases

The Organization leases a copier 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 leased a postage meter under an operating lease that commenced December 2020 with minimum monthly payments of \$57. This meter was replaced by a new postage meter lease in March 2024 that includes minimum monthly payments of \$67 and expires in October 2029.

At June 30, 2024, future minimum rent payments under the lease agreements are as follows:

<u>Year Ending June 30,</u>	
2025	\$ 1,159
2026	804
2027	804
2028	804
2029	804
Thereafter	<u>201</u>
Total	<u>\$ 4,576</u>

Operating lease costs reported in the accompanying financial statements totaled \$2,403 and \$2,788 for the years ended June 30, 2024 and 2023, respectively.

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS

11. Endowment Fund

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

	2024	2023
Unrestricted, Board designated reserve	\$ 204,427	\$ 185,174

A summary of Endowment Fund activity was as follows:

	2024	2023
Balance, July 1	\$ 185,174	\$ 174,974
Funds added	-	-
Investment returns:		
Realized gain on investments	1,249	-
Unrealized gain on investments	18,262	11,335
Loss on investments	(258)	(1,135)
Investment returns, net	19,253	10,200
Balance, June 30	\$ 204,427	\$ 185,174

12. Net Assets with Donor Restrictions

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

	2024	2023
First Three Years	\$ 29,334	\$ 7,000
Make Parenting a Pleasure	20,995	29,700
Curriculum Sales and Training Director	22,523	55,000
Total net assets with donor restrictions	\$ 72,852	\$ 91,700

13. Fair Value Measurement

For the years ended June 30, 2024 and 2023, 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:

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS

13. Fair Value Measurement, continued

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, 2024 and 2023.

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, 2024 and 2023.

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, 2024			
	Level 1	Level 2	Level 3	Total
Beneficial interest in the assets of OCF	\$ -	\$ -	\$ 204,427	\$ 204,427
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,427</u>	<u>\$ 204,427</u>

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

13. Fair Value Measurement, continued

	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Beneficial interest in the assets of OCF	\$ -	\$ -	\$ 185,174	\$ 185,174
Total assets at fair value	\$ -	\$ -	\$ 185,174	\$ 185,174

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 \$8,800 and \$3,500 were recorded for the years ended June 30, 2024 and 2023, 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
MPAP Parent Educator Assistant & Children's Program	36
First Three Years Parent Educator Assistant & Children's Program	350
Development	299
Baby Connection	99
Board and Board Committees	198
Community Support to Finance	27
Total Volunteer Hours	1,009

The estimated fair value of this time is \$33,791 based on an estimated hourly rate of \$33.49.

16. Employee Retention Credit (ERC)

The Organization has assessed it qualified for the 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. The amounts claimed are subject to repayment if the IRS audit determined the Organization has not met the eligibility criteria. During the fiscal year ended June 30, 2023, ERC was fully received.

PARENTING NOW
NOTES TO FINANCIAL STATEMENTS

17. 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, 2024 and 2023, the Organization's financial assets, reduced by amounts not available for general expenditures, are comprised of the following:

	2024	2023
Cash and cash equivalents	\$ 144,340	\$ 349,365
Receivables	251,626	130,472
	395,966	479,837
Less: Net assets with donor restrictions	(72,852)	(91,700)
Financial assets available for general expenditure	\$ 323,114	\$ 388,137

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, 2023 in the accompanying financial statements are included to provide a basis for comparison with June 30, 2024 and present summarized totals only. Accordingly, 2023 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, 2023, from which the comparative data was derived.

SUPPLEMENTARY INFORMATION

PARENTING NOW
SCHEDULE OF ALL OTHER PROGRAM EXPENSES
For the Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	Public Relations	Volunteer Coordinator	Enrollment	Support
Salaries	\$ 8,528	\$ 10,993	\$ 18,449	\$ 24,939
Payroll taxes and insurance	841	1,059	1,809	11,890
Health and disability benefits	657	312	760	5,233
Total salaries and related payroll expenses	<u>10,026</u>	<u>12,364</u>	<u>21,018</u>	<u>42,062</u>
Other expenses:				
Contracts	-	-	-	15,000
Nutrition	-	159	-	100
Utilities	138	115	194	957
Transportation	74	6	10	191
Program materials	-	-	-	272
Bank and investment fees	26	22	37	1,955
Professional fees	123	103	174	857
Insurance	216	181	303	2,043
Repairs and maintenance	230	192	324	1,634
Information technology	122	103	172	1,450
Equipment, furnishings, and renovations	25	24	55	1,631
Depreciation and amortization	-	70	118	11,202
Rent and storage fees	11	9	16	77
Supplies	31	26	43	561
Telephone	98	82	420	2,339
Postage	27	12	22	107
Staff development and conferences	-	-	-	1,727
Subscriptions	387	53	89	66
Membership fees and social support	8	7	11	190
Volunteer recognition	-	11	-	-
Printing	4,734	15	25	123
Copying	-	2	-	59
Criminal check	5	155	8	37
Interest expense	186	168	284	1,811
Advertising	-	-	-	10
Miscellaneous	-	-	-	1
Total other expenses	<u>6,441</u>	<u>1,515</u>	<u>2,305</u>	<u>44,400</u>
Total functional expenses	<u>\$ 16,467</u>	<u>\$ 13,879</u>	<u>\$ 23,323</u>	<u>\$ 86,462</u>

<u>2024</u>	<u>2023</u>
<u>Total</u>	<u>Total</u>
\$ 62,909	\$ 114,173
15,599	19,325
<u>6,962</u>	<u>6,776</u>
<u>85,470</u>	<u>140,274</u>
15,000	18,832
259	142
1,404	2,979
281	241
272	2,022
2,040	2,672
1,257	1,510
2,743	4,909
2,380	28,800
1,847	11,821
1,735	618
11,390	7,190
113	151
661	717
2,939	4,527
168	1,396
1,727	855
595	915
216	190
11	119
4,897	5,714
61	287
205	260
2,449	4,206
10	66
<u>1</u>	<u>126</u>
<u>54,661</u>	<u>101,265</u>
<u>\$ 140,131</u>	<u>\$ 241,539</u>