

PARENTING PLACE

Financial Statements

For the year ended December 31, 2009

(With Independent Auditor's Report Thereon)

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INDEPENDENT AUDITOR'S REPORT

Members of the Board
Parenting Place

I have audited the accompanying statement of financial position of Parenting Place, (a nonprofit organization) as of December 31, 2009 and the related statement of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parenting Place, as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

[Joseph E. Moore, CPA, PC](#)

Joseph E. Moore, CPA
Boulder, Colorado
June 16, 2010

**PARENTING PLACE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009**

(with comparative totals for December 31,2008)

| | <u>2009</u> | <u>2008</u> |
|--|------------------------------|------------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 107,502 | \$ 182,722 |
| Accounts Receivable | 481 | 2,795 |
| Unconditional promises to give | 63,950 | 30,000 |
| Prepaid Expenses | <u>9,263</u> | <u>12,102</u> |
| TOTAL CURRENT ASSETS | 181,196 | 227,619 |
| Property and equipment, less accumulated depreciation of \$20,545 for 2009 and \$16,510 for 2008 | 9,987 | 14,022 |
| TOTAL ASSETS | <u><u>\$ 191,183</u></u> | <u><u>\$ 241,641</u></u> |
| LIABILITIES | | |
| Accounts payable and accrued expenses | <u>\$ 9,616</u> | <u>\$ 2,738</u> |
| TOTAL LIABILITIES | 9,616 | 2,738 |
| NET ASSETS | | |
| Unrestricted | 124,067 | 163,633 |
| Temporarily restricted | <u>57,500</u> | <u>75,270</u> |
| TOTAL NET ASSETS | <u>181,567</u> | 238,903 |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 191,183</u></u> | <u><u>\$ 241,641</u></u> |

See accompanying notes.

PARENTING PLACE
STATEMENT OF ACTIVITIES
For the year ended December 31, 2009
(with comparative totals for December 31,2008)

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total 2009</u> | <u>Total 2008</u> |
|--|---------------------|-----------------------------------|-----------------------|-----------------------|
| Public support and revenue | | | | |
| Public Support | | | | |
| Government grants and contracts | 63,000 | - | 63,000 | 63,000 |
| Non-governmental grants | 179,253 | 57,500 | 236,753 | 301,878 |
| Contributions | 61,048 | - | 61,048 | 59,955 |
| Fund-raising events | 62,329 | - | 62,329 | 55,612 |
| | <u>365,630</u> | <u>57,500</u> | <u>423,130</u> | <u>480,445</u> |
| Net assets released from restriction | 75,270 | (75,270) | - | - |
| Total public support | <u>440,900</u> | <u>(17,770)</u> | <u>423,130</u> | <u>480,445</u> |
| Other revenue | | | | |
| Newsletter advertising and subscriptions | 26,009 | - | 26,009 | 35,133 |
| Memberships | 5,196 | - | 5,196 | 3,924 |
| Interest | 1,106 | - | 1,106 | 1,442 |
| Other | 1,789 | - | 1,789 | |
| Total other revenue | <u>34,100</u> | <u>-</u> | <u>34,100</u> | <u>40,499</u> |
| Total public support and revenue | <u>475,000</u> | <u>(17,770)</u> | <u>457,230</u> | <u>520,944</u> |
| Expenses | | | | |
| Program services | 428,270 | - | 428,270 | 406,496 |
| Fundraising | 64,359 | - | 64,359 | 46,050 |
| Administration | 21,938 | - | 21,938 | 28,348 |
| Total expenses | <u>514,566</u> | <u>-</u> | <u>514,566</u> | <u>480,894</u> |
| Change in net assets | <u>(39,566)</u> | <u>(17,770)</u> | <u>(57,336)</u> | <u>40,050</u> |
| Net assets, beginning of year as as previously reported | 163,633 | 45,270 | 208,903 | 198,853 |
| Prior period adjustment | - | 30,000 | 30,000 | - |
| Net assets, beginning of year as restated | <u>163,633</u> | <u>75,270</u> | <u>238,903</u> | <u>198,853</u> |
| Net assets, end of year | <u>124,067</u> | <u>57,500</u> | <u>181,567</u> | <u>238,903</u> |

See accompanying notes.

PARENTING PLACE
STATEMENT OF CASH FLOWS
For the years ended December 31,
(with comparative totals for December 31,2008)

| | <u>2009</u> | <u>2008</u> |
|--|-------------------|-------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ (57,336) | \$ 40,050 |
| Adjustments to reconcile change in ner assets to net cash provided by operating activities: | | |
| Depreciation | 4,035 | 4,717 |
| Decreases (increases) in operating assets: | | |
| Accounts and grants receivable | 2,314 | 18,610 |
| Unconditional promises to give | (33,950) | (30,000) |
| Prepaid Expenses | 2,839 | 10,803 |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | 6,878 | (666) |
| Total adjustments | <u>(17,884)</u> | <u>3,463</u> |
| Net cash flows from operating activities | <u>(75,220)</u> | <u>43,513</u> |
| Cash flows from investing activities | | |
| Cash used for purchase of equipment | - | (1,937) |
| Net cash used by investing activities | <u>-</u> | <u>(1,937)</u> |
| NET INCREASE (DECREASE) IN CASH | (75,220) | 41,576 |
| Cash at beginning or period | 182,722 | 141,146 |
| Cash at December 31 | <u>\$ 107,502</u> | <u>\$ 182,722</u> |

See accompanying notes.

PARENTING PLACE
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2009
(with comparative totals for December 31,2008)

| | 2009 | | | | 2008 | | | |
|----------------------------------|-----------------------------|-------------------------|-------------------------|-------------------------|-----------------------------|-------------------------|-------------------------|-------------------------|
| | Program Services | Fund Raising | Administration | Total | Program Services | Fund Raising | Administration | Total |
| Salaries and Related | \$258,452 | \$22,059 | \$ 9,197 | \$289,709 | 236,231 | 7,940 | 13,234 | 257,405 |
| Fundraising Events | - | 31,386 | - | 31,386 | - | 26,154 | - | 26,154 |
| Grantwriting | - | 4,855 | - | 4,855 | - | 8,261 | - | 8,261 |
| Dues and Subscriptions | 2,303 | - | 472 | 2,775 | 4,843 | - | 1,009 | 5,852 |
| Professional fees | 3,059 | 200 | 3,072 | 6,331 | 3,075 | 261 | 3,206 | 6,542 |
| Occupancy | 39,036 | 3,481 | 3,206 | 45,723 | 38,610 | 1,326 | 5,289 | 45,225 |
| Bank Fees | - | - | 2,098 | 2,098 | - | - | 1,483 | 1,483 |
| Insurance | 3,300 | 295 | 271 | 3,865 | 3,029 | 124 | 1,054 | 4,207 |
| Child Care | 7,000 | - | - | 7,000 | 9,049 | - | - | 9,049 |
| Telephone | 3,800 | 324 | 136 | 4,260 | 3,220 | - | 169 | 3,389 |
| Printing and Postage | 2,787 | 933 | 621 | 4,341 | 5,925 | 1,984 | 1,320 | 9,229 |
| Supplies | 17,066 | - | 2,105 | 19,171 | 21,153 | - | 561 | 21,714 |
| Newsletter | 48,740 | - | - | 48,740 | 49,136 | - | - | 49,136 |
| Community Outreach | 3,675 | - | - | 3,675 | 2,721 | - | - | 2,721 |
| Parent Education | 6,074 | - | - | 6,074 | 5,381 | - | - | 5,381 |
| Staff Training and Development | 11,731 | - | - | 11,731 | 1,888 | - | - | 1,888 |
| Travel | 1,571 | - | - | 1,571 | 1,279 | - | - | 1,279 |
| Other | 1,820 | - | - | 1,820 | 232 | - | 158 | 390 |
| Depreciation | 3,445 | 307 | 282 | 4,035 | 4,481 | - | 236 | 4,717 |
| Emergency Fund | 8,601 | - | - | 8,601 | 4,283 | - | - | 4,283 |
| Cleaning and Repairs | 5,809 | 518 | 477 | 6,805 | 11,960 | - | 629 | 12,589 |
| Total Functional Expenses | <u>\$428,270</u> | <u>\$64,359</u> | <u>\$ 21,938</u> | <u>\$514,566</u> | <u>\$406,496</u> | <u>\$46,050</u> | <u>\$ 28,348</u> | <u>\$480,894</u> |

**PARENTING PLACE
NOTES TO FINANCIAL STATEMENTS**

NOTE A: NATURE OF ACTIVITIES

Parenting Place is a not-for-profit Colorado corporation organized under Section 501(c)(3) of the Internal Revenue Code. Parenting Place is a family resource center whose mission is to relieve isolation, reduce the stress of parenting, and prevent child abuse and neglect by providing outreach and a place where families can receive support, education, and develop a sense of community. Activities include support groups, parenting classes, case management and providing resources, referrals and educational materials.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recent Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board ("FASB") changed the hierarchy of U.S. generally accepted accounting principles ("GAAP") such that the newly released FASB Accounting Standards Codification ("ASC") will replace other sources of authoritative GAAP. The ASC is effective for financial statements issued for interim and annual periods ending after September 15, 2009 and is not intended to significantly change GAAP.

In May 2009, the FASB updated ASC Topic 855, setting (1) the period after the balance sheet date during which management should evaluate events or transactions for potential recognition or disclosure in the financial statements, (2) the circumstances under which an entity should recognize in its financial statements events or transactions occurring after the balance sheet date, and (3) the related disclosures that an entity should make. This update is effective for interim or annual periods ending after June 15, 2009. Other than events disclosed elsewhere in these footnotes, the adoption of ASC Topic 855 has no impact on the Company's financial statements.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

In accordance with ASC Topic 958-210, the Organization is required to report information regarding its financial position and activities according to three classes of net assets based on externally (donor) imposed restrictions: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently

**PARENTING PLACE
NOTES TO FINANCIAL STATEMENTS**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The Organization had no permanently restricted net assets at December 31 2009 and 2008.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions whose restrictions are met in the same year are reported as unrestricted support.

The Organization had temporarily restricted assets of \$57,500 and \$75,270 at December 31 2009 and 2008 respectively.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the organization considers all highly liquid debt instruments with a maturity of less than three months to be cash equivalents. As of December 31, 2009 cash consisted solely of currency on hand, demand deposits and certificates of deposit.

**PARENTING PLACE
NOTES TO FINANCIAL STATEMENTS**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment is recorded at the original cost or, if donated, the fair market value at the date of the donation. The Organization capitalizes items with an original value greater than \$500 and a life of more than one year. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The cost of repairs and maintenance that do not extend the useful life of the assets are charged to expense as incurred

Income Taxes

The Organization has received determination from the Internal Revenue Service that it qualifies as a public charity under the requirements of Section 501 (C)(3) of the Internal Revenue Code. In accordance with the Internal Revenue Code, the Organization is taxed solely on revenue not related to their exempt function (unrelated business income). The Organization currently has no unrelated business income. Accordingly, no provision has been made for income taxes.

Use of Estimates

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

Comparative Financial Statements

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended December 13, 2008, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform to current year presentation.

Functional Allocation of Expenses

The costs of providing the program and supporting services of the Organization have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the functional categories benefited.

**PARENTING PLACE
NOTES TO FINANCIAL STATEMENTS**

NOTE C: CERTIFICATES OF DEPOSIT

Certificates of deposit totaling \$29,892 (\$62,203 at December 31, 2008) are included in cash in the accompanying financial statements. The certificates bear interest ranging from .4% to 1.9% and have maturities ranging from eight to sixteen months.

NOTE D: PROPERTY AND EQUIPMENT

The Organizations property and equipment consists of the following at December 31, 2009 and 2008:

| | <u>2009</u> | <u>2008</u> |
|--------------------------|-----------------|------------------|
| Leasehold Improvements | \$ 17,000 | \$ 17,000 |
| Furniture and equipment | <u>13,532</u> | <u>13,532</u> |
| | 30,532 | 30,532 |
| Accumulated depreciation | <u>(20,545)</u> | <u>(16,510)</u> |
| | <u>\$ 9,987</u> | <u>\$ 14,022</u> |

NOTE E: IN-KIND CONTRIBUTIONS

Contributed goods and services are reflected in the financial statements at fair value. Contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The fair value of contributed goods and services received during 2009 and 2008 were as follows:

| | <u>Period Ended</u> | |
|--|---------------------|------------------|
| | <u>12/31/09</u> | <u>12/31/08</u> |
| Program materials | \$ 11,862 | 7,942 |
| Program staff support, technical assistance and program development costs | 10,070 | - |
| Marketing material | 1,165 | 1,474 |
| Program evaluation | 301 | 643 |
| Other assistance | 579 | 819 |
| Event facility use | <u>1,150</u> | <u>-</u> |
| | <u>\$ 25,127</u> | <u>\$ 10,878</u> |

Many individuals volunteer their time and perform a variety of tasks within the Organization's programs. However, these services do not meet the criteria for

**PARENTING PLACE
NOTES TO FINANCIAL STATEMENTS**

recognition as contributed services in accordance with accounting principles generally accepted in the United States of America.

NOTE F: LEASE AGREEMENT

The Organization leases office and program space for \$3,300 per month until May 31, 2011. The Organization has the option to extend the lease for an additional two years for \$3,400 per month.

Future annual lease payments based on the required monthly payments are as follows:

| | |
|-------|------------------|
| 2010 | 39,600 |
| 2011 | <u>16,500</u> |
| Total | <u>\$ 56,100</u> |

NOTE G: PRIOR PERIOD ADJUSTMENTS

Certain errors resulting in an understatement of previously reported unconditional promises to give were discovered during the current year. Accordingly, an adjustment of \$30,000 was made for 2008 to increase Unconditional Promises to Give and Non Governmental Grants. The effect of the restatement increased restricted net assets by \$30,000 for the year ended 2008.

NOTE H: SUBSEQUENT EVENTS

Management evaluated subsequent events through June 16, 2010, the date the financial statements were available to be issued. There are no subsequent events to be reported through June 16, 2010.