

PARENTING PLACE, INC.

Financial Statements

For the years ended

December 31, 2006 and 2005

(With Independent Auditor's Report Thereon)

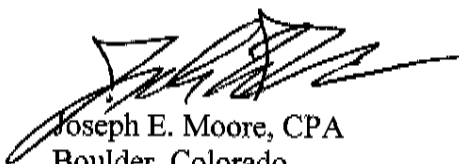
INDEPENDENT AUDITOR'S REPORT

Members of the Board
Parenting Place, Inc.

I have audited the accompanying statement of financial position of Parenting Place, Inc., (a nonprofit organization) as of December 31, 2006 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, Inc. as of December 31, 2006, 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
Boulder, Colorado
May 2, 2007

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PARENTING PLACE, INC.
STATEMENT OF FINANCIAL POSITION
as of December 31,

	<u>2006</u>	<u>2005</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 100,082	\$ 89,124
Accounts Receivable (net of allowance of \$2,161 for 2006 and \$255 for 2005)	10,119	2,632
Prepaid Expenses (including prepaid rent of \$29,000 in 2006-Note C)	<u>35,921</u>	<u>2,286</u>
TOTAL CURRENT ASSETS	146,122	94,042
Property and equipment, less accumulated depreciation of \$10,681 for 2006 and \$8,989 for 2005 (Note B)	17,914	19,606
TOTAL ASSETS	<u>\$ 164,036</u>	<u>\$ 113,648</u>
LIABILITIES		
Accounts Payable	\$ 4,247	\$ 3,414
Deferred Revenue	1,856	1,810
TOTAL LIABILITIES	<u>6,103</u>	<u>5,224</u>
NET ASSETS		
Unrestricted	98,454	64,674
Temporarily restricted	<u>59,479</u>	<u>43,750</u>
TOTAL NET ASSETS	157,933	108,424
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 164,036</u>	<u>\$ 113,648</u>

The accompanying notes are an integral part of these statements.

PARENTING PLACE, INC.
STATEMENT OF ACTIVITIES
For the years ended December 31,

	<u>2006</u>	<u>2005</u>
UNRESTRICTED SUPPORT AND REVENUE		
PUBLIC SUPPORT		
Government grants and contracts	\$ 64,603	\$ 55,574
Grants released from temporary restriction	43,750	43,033
Contributions	49,504	53,343
Fund-raising events	48,891	35,554
	<hr/>	<hr/>
Total public support	350,171	291,858
	<hr/>	<hr/>
REVENUE		
Newsletter advertising and subscriptions	37,667	45,782
Memberships	6,661	8,710
Program fees	370	-
Rentals and other	-	100
Interest	2,372	464
	<hr/>	<hr/>
Total Revenue	47,070	55,056
	<hr/>	<hr/>
TOTAL UNRESTRICTED REVENUE AND SUPPORT	397,241	346,914
	<hr/>	<hr/>
EXPENSES		
Program Services	310,662	283,141
Fundraising	29,564	28,694
Support Services	23,235	18,642
	<hr/>	<hr/>
TOTAL EXPENSES	363,461	330,477
	<hr/>	<hr/>
Change in unrestricted net assets	33,780	16,437
Temporarily restricted net assets		
Non-governmental grants	59,479	43,750
Temporarily restricted net assets released from restrictions	(43,750)	(43,033)
Change in temporarily restricted net assets	15,729	717
	<hr/>	<hr/>
Change in net assets	49,509	17,154
Net Assets at beginning of year	108,424	91,270
Net Assets at end of year	<u>\$ 157,933</u>	<u>\$ 108,424</u>

The accompanying notes are an integral part of these statements.

PARENTING PLACE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the years ended December 31,

	2006			2005			
	Program Services	Fundraising	Support Services	Program Services	Fundraising	Support Services	Total
Salaries and Related	\$ 167,775	\$ 3,608	\$ 9,020	\$ 157,517	\$ 3,387	\$ 8,469	\$ 169,373
Fundraising Events	-	14,928	-	-	18,311	-	18,311
Grant Writing	-	11,028	-	-	6,996	-	6,996
Dues and Subscriptions	1,114	-	232	967	-	201	1,169
Professional fees	9,534	-	3,656	4,325	-	1,659	5,984
Occupancy	30,325	-	5,351	20,528	-	3,623	24,150
Insurance	1,388	-	3,652	1,280	-	3,367	4,647
Telephone	3,461	-	182	1,944	-	102	2,047
Bad Debt	1,906	-	-	-	-	-	-
Postage	2,461	-	25	1,128	-	11	1,140
Supplies	26,089	-	485	28,086	-	522	28,608
Newsletter	46,927	-	-	47,408	-	-	47,408
Marketing	48	-	19	295	-	120	415
Training	2,469	-	-	90	-	-	90
Travel	816	-	-	1,830	-	-	1,830
Other	3,604	-	190	3,371	-	176	3,548
Depreciation	1,607	-	85	3,253	-	171	3,424
Emergency fund	4,726	-	-	6,929	-	-	6,929
Moving and repairs	3,777	-	199	2,746	-	145	2,890
Bank Charges	1,380	-	73	630	-	33	663
Non capitalized equipment	1,255	-	66	814	-	43	856
	<u>\$ 310,662</u>	<u>\$ 29,564</u>	<u>\$ 23,235</u>	<u>\$ 283,141</u>	<u>\$ 28,694</u>	<u>\$ 18,642</u>	<u>\$ 330,477</u>

The accompanying notes are an integral part of these statements.

PARENTING PLACE, INC.
STATEMENT OF CASH FLOWS
For the years ended December 31,

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities		
Change in net assets	\$ 33,780	\$ 16,437
Items not requiring cash:		
Depreciation	1,692	3,424
Noncash contributions of assets	-	(2,364)
Decreases (increases) in operating assets:		
Accounts and grants receivable	(7,486)	1,532
Prepaid Expenses	(33,635)	1,230
Increase (decrease) in operating liabilities:		
Accounts payable	833	(9,240)
Taxes payable	-	(5,508)
Deferred Revenue	45	1,810
	<hr/>	<hr/>
Net cash flows from operating activities	(4,771)	7,321
Cash flows due to temporarily restricted net assets:	<hr/> 15,729	<hr/> 717
NET INCREASE (DECREASE) IN CASH	10,958	8,038
Cash at beginning or period	89,124	81,086
Cash at December 31	<u>\$ 100,082</u>	<u>\$ 89,124</u>

The accompanying notes are an integral part of these statements.

PARENTING PLACE, INC.
Notes to Financial Statements
December 31, 2006

NOTE A—NATURE OF ACTIVITIES

Parenting Place, Inc. (PP) is a not-for-profit organization organized under Section 501(c)(3) of the Internal Revenue Code . It is a not for profit Colorado Corporation. The mission of Parenting Place is to promote healthy well functioning parent-child relationships by providing support and education to the people who are parenting.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2006 cash consisted solely of currency on hand, demand deposits and certificates of deposit.

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

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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.

At December 31, 2006 Parenting Place had temporarily restricted assets of \$59,479.

PARENTING PLACE, INC.
Notes to Financial Statements
December 31, 2006

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. Parenting Place 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. Property and equipment is summarized as follows:

	<u>2006</u>	<u>2005</u>
Leasehold Improvements	\$ 17,000	\$ 17,000
Furniture and equipment	<u>11,595</u>	<u>11,595</u>
	28,595	28,595
Accumulated depreciation	<u>(10,681)</u>	<u>(8,989)</u>
	<u>\$ 17,914</u>	<u>\$ 19,606</u>

Donated Services

No amounts have been reflected in the financial statements for donated services of volunteers. Parenting Place pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist Parenting Place with specific assistance programs, campaign solicitations and various committee assignments.

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 Amounts

The totals shown for 2005 in the accompanying financial statements are included to provide a basis for comparison with 2006. Certain reclassifications have been made to the December 2005 amounts to make them comparable to the classifications adopted for December 2006.

NOTE C-LEASES

Parenting Place leases office and program space for \$3,100 per month until May 31, 2009. The lease required that the organization prepay \$36,000 at the inception date of June 1, 2006, \$7,000 of which was expensed during 2006. At December 31, 2006 the remaining balance of \$29,000 is reflected in Prepaid Expense. The remaining balance of

PARENTING PLACE, INC.
Notes to Financial Statements
December 31, 2006

\$29,000 is to be amortized at the rate of \$1,000 per month in addition to a \$2,100 monthly payment over the term of the lease. Future annual lease payments based on the required monthly payments are as follows:

2007	25,200
2008	25,200
2009	<u>\$ 10,500</u>
Total	<u>\$ 60,900</u>

NOTE D-INCOME TAXES

Parenting Place 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, Parenting Place is taxed solely on revenue not related to their exempt function. Accordingly, the accompanying financial statements contain no provision for income taxes.

NOTE E-FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.