

**PARENTING PLACE, INC.**

**Financial Statements**

**For the Years Ended**

**December 31, 2007 and 2006**

**(With Independent Auditor's Report Thereon)**

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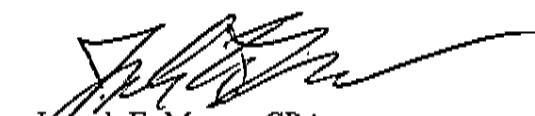
## INDEPENDENT AUDITOR'S REPORT

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, 2007 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, 2007, 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 13, 2008

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

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 141,146	\$ 100,082
Accounts Receivable (net of allowance of \$2,161 for 2006)	21,404	10,119
Prepaid Expenses (including prepaid rent of \$19,200 in 2007 and \$29,000 in 2006-Note C)	<u>22,905</u>	<u>35,921</u>
<b>TOTAL CURRENT ASSETS</b>	185,455	146,123
Property and equipment, less accumulated depreciation of \$11,793 for 2007 and \$10,681 for 2006 (Note B)	16,802	17,914
<b>TOTAL ASSETS</b>	<u><u>\$ 202,257</u></u>	<u><u>\$ 164,037</u></u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 3,405	\$ 4,247
Deferred Revenue	-	1,856
<b>TOTAL LIABILITIES</b>	<u>3,405</u>	<u>6,103</u>
<b>NET ASSETS</b>		
Unrestricted	167,803	98,455
Temporarily restricted	<u>31,050</u>	<u>59,479</u>
<b>TOTAL NET ASSETS</b>	<u>198,853</u>	<u>157,934</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 202,257</u></u>	<u><u>\$ 164,037</u></u>

The accompanying notes are an integral part of these statements.

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

	<u>2007</u>	<u>2006</u>
UNRESTRICTED REVENUE AND SUPPORT		
PUBLIC SUPPORT		
Government grants and contracts	\$ 67,421	\$ 64,603
Non-governmental grants	173,639	143,423
Non-governmental grants released from temporary restriction	59,479	43,750
Contributions	61,334	49,504
Fund-raising events	52,191	48,891
	<hr/>	<hr/>
Total public support	414,064	350,172
	<hr/>	<hr/>
REVENUE		
Newsletter advertising and subscriptions	41,128	37,667
Memberships	5,582	6,661
Program fees	-	370
Rentals and other	78	-
Interest	3,471	2,372
	<hr/>	<hr/>
Total Revenue	50,259	47,070
	<hr/>	<hr/>
TOTAL UNRESTRICTED REVENUE AND SUPPORT	464,323	397,242
	<hr/>	<hr/>
EXPENSES		
Program Services	329,198	310,662
Fundraising	39,739	29,564
Support Services	26,038	23,235
	<hr/>	<hr/>
TOTAL EXPENSES	394,975	363,461
	<hr/>	<hr/>
Change in unrestricted net assets	69,348	33,781
Temporarily restricted net assets		
Non-governmental grants	31,050	59,479
Temporarily restricted net assets released from restrictions	(59,479)	(43,750)
Change in temporarily restricted net assets	<hr/>	<hr/>
	(28,429)	15,729
	<hr/>	<hr/>
Change in net assets	40,919	49,510
Net Assets at beginning of year	157,934	108,424
Net Assets at end of year	<hr/>	<hr/>
	\$ 198,853	\$ 157,934
	<hr/>	<hr/>

The accompanying notes are an integral part of these statements.

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

	2007			2006			
	Program Services	Fundraising	Support Services	Program Services	Fundraising	Support Services	Total
Salaries and Related	\$ 176,796	\$ 3,802	\$ 9,505	\$ 167,775	\$ 3,608	\$ 9,020	\$ 180,403
Fundraising Events	-	24,172	-	-	14,928	-	14,928
Grant Writing	-	11,765	-	-	11,028	-	11,028
Dues and Subscriptions	1,638	-	341	1,114	-	232	1,346
Professional fees	9,689	-	3,716	9,534	-	3,656	13,191
Occupancy	35,503	-	6,265	30,325	-	5,351	35,676
Insurance	1,829	-	4,812	1,388	-	3,652	5,040
Telephone	2,661	-	140	3,461	-	182	3,643
Bad Debt	2,090	-	-	1,906	-	-	1,906
Postage	1,772	-	18	2,461	-	25	2,486
Supplies	28,434	-	528	26,089	-	485	26,574
Newsletter	47,478	-	-	46,927	-	-	46,927
Marketing	-	-	-	48	-	19	67
Training	2,007	-	-	2,469	-	-	2,469
Travel	-	-	-	816	-	-	816
Other	2,509	-	132	3,604	-	190	3,794
Depreciation	1,056	-	56	1,607	-	85	1,692
Emergency Fund	5,759	-	-	4,726	-	-	4,726
Cleaning and Repairs	9,356	-	492	3,777	-	199	3,976
Bank Charges	622	-	33	1,380	-	73	1,453
Non Capitalized Equipment	-	-	-	1,255	-	66	1,321
	<u>\$ 329,198</u>	<u>\$ 39,739</u>	<u>\$ 26,038</u>	<u>\$ 310,662</u>	<u>\$ 29,564</u>	<u>\$ 23,235</u>	<u>\$ 363,461</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>2007</u>	<u>2006</u>
Cash flows from operating activities		
Change in net assets	\$ 69,348	\$ 33,780
Items not requiring cash:		
Depreciation	1,112	1,692
Decreases (increases) in operating assets:		
Accounts and grants receivable	(11,285)	(7,486)
Prepaid Expenses	13,016	(33,635)
Increase (decrease) in operating liabilities:		
Accounts payable	(842)	833
Deferred Revenue	(1,856)	45
	69,493	(4,770)
Net cash flows from operating activities	69,493	(4,770)
Cash flows due to temporarily restricted net assets:	(28,429)	15,729
NET INCREASE (DECREASE) IN CASH	41,064	10,959
Cash at beginning or period	100,082	89,124
Cash at December 31	\$ 141,146	\$ 100,082

The accompanying notes are an integral part of these statements.

**PARENTING PLACE, INC.**  
**Notes to Financial Statements**  
**December 31, 2007**

**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, 2007 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, 2007 Parenting Place had temporarily restricted assets of \$31,050.

**PARENTING PLACE, INC.**  
**Notes to Financial Statements**  
**December 31, 2007**

**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>2007</u>	<u>2006</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>(11,793)</u>	<u>(10,681)</u>
	<u>\$ 16,802</u>	<u>\$ 17,914</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 2006 in the accompanying financial statements are included to provide a basis for comparison with 2007. Certain reclassifications have been made to the December 2006 amounts to make them comparable to the classifications adopted for December 2007.

**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, \$12,000 of which was expensed during 2007. At December 31, 2007 the remaining balance of \$17,000 is reflected as part of Prepaid Expense. The remaining

**PARENTING PLACE, INC.**  
**Notes to Financial Statements**  
**December 31, 2007**

balance of \$17,000 is to be amortized at the rate of \$1,000 per month in addition to a \$2,200 monthly payment over the term of the lease. Future annual lease payments based on the required monthly payments are as follows:

2008	26,400
2009	<u>\$ 11,000</u>
Total	<u>\$ 37,400</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.