

Jie (Jennifer) Li, CPA

19705 Eagle Ridge Ln, Northridge, CA 91326 Tel: (818) 368- 8272 Fax: (626) 270-4232 email:jenniferlicpa@yahoo.com

March 1, 2011

Board of Directors
The Center for Nonviolent Education and Parenting
dba Echo Parenting & Education
Los Angeles, California

I have audited the accompanying statement of financial position of The Center for Nonviolent Education and Parenting, dba Echo Parenting & Education, a nonprofit organization, as of June 30, 2010 and related statements 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. These 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 statement. 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 aspects, the financial position of The Center for Nonviolent Education and Parenting, dba Echo Parenting & Education, as of June 30, 2010, and the changes in its net assets and its cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on page 5 is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respected in relation to the basis financial statements taken as a whole.

Jie (Jennifer) Li
March 1, 2011

THE CENTER FOR NONVIOLENT EDUCATION AND PARENTING
dba ECHO PARENTING & EDUCATION
(A NONPROFIT CALIFORNIA CORPORATION)

STATEMENT OF FINANCIAL POSITIONS
JUNE 30, 2010 AND 2009

	<u>6/30/2010</u>	<u>6/30/2009</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 24,991	\$ 20,586
Accounts and grants receivable	189,695	158,161
Donations receivable	-	58,792
Prepaid expenses	5,108	1,349
Total current assets	<u>219,794</u>	<u>238,888</u>
Total assets	<u><u>\$ 219,794</u></u>	<u><u>\$ 238,888</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities:		
Accounts payable	\$ 9,308	\$ 17,538
Accrued vacation and sick leaves payable	17,196	21,441
Total current liabilities	<u>26,504</u>	<u>38,979</u>
Total liabilities	<u>26,504</u>	<u>38,979</u>
Net assets		
Unrestricted net assets	193,291	163,881
Temporarily restricted	-	36,029
Total net assets	<u>193,291</u>	<u>199,910</u>
Total liabilities and net assets	<u><u>\$ 219,794</u></u>	<u><u>\$ 238,888</u></u>

The accompanying notes are an integral part of these financial statements

THE CENTER FOR NONVIOLENT EDUCATION AND PARENTING
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STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>6/30/2010</u>			<u>6/30/2009</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
Revenues, gains, and other support				
Fees	\$ 325,174		\$ 325,174	\$ 253,565
Grants	100,000	589,526	689,526	648,394
Donations	104,907		104,907	74,649
Special events	7,743		7,743	\$ 44,602
Other income	90		90	885
Net assets released from restriction	654,541	(654,541)	-	-
Total revenue and support	<u>1,192,455</u>	<u>(65,014)</u>	<u>1,127,440</u>	<u>1,022,095</u>
Functional expenses				
Program services	977,111		977,111	849,700
Support services				
General and administrative	78,354		78,354	181,963
Fundraising	78,594		78,594	14,879
Total functional expenses	<u>1,134,060</u>	<u>-</u>	<u>1,134,059</u>	<u>1,046,542</u>
Change in net assets	58,395	(65,014)	(6,619)	(24,447)
Net assets, beginning of year	<u>134,896</u>	<u>65,014</u>	<u>199,910</u>	<u>224,357</u>
Net assets, end of year	<u>\$ 193,291</u>	<u>\$ -</u>	<u>\$ 193,291</u>	<u>\$ 199,910</u>

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**THE CENTER FOR NONVIOLENT EDUCATION & PARENTING
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**STATEMENT OF CASH FLOW
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

CASH FLOWS FROM OPERATING ACTIVITIES:	<u>6/30/2010</u>	<u>6/30/2009</u>
Increase (decrease) in net assets	\$ (6,619)	\$ (24,447)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease (increase) in accounts and grants receivable	(31,534)	(32,345)
Decrease (increase) in donation receivables	58,792	(52,309)
Decrease (increase) in prepaid expenses	(3,758)	729
Increase (decrease) in accrued liabilities	(12,475)	(15,632)
	<u>11,025</u>	<u>(99,556)</u>
Net cash provided (used) by operating activities	<u>4,406</u>	<u>(124,003)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,406	(124,003)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>20,586</u>	<u>144,589</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 24,991</u></u>	<u><u>\$ 20,586</u></u>

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THE CENTER FOR NONVIOLENT EDUCATION AND PARENTING
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STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2010

(With summarized Financial Information for the Year Ended June 30, 2009)

	2010										6/30/2009	
	Program Services							Support Services				Total
	First 5 LA Family Friends and Neighbors	Hathaway-School Readiness	Gang Reduction & Youth Development	Trainers Institute	Echo Parenting Program	Client Funded Programs	First 5 LA Community Opportunities	General & Administration	Fundraising	Total		
Personnel expenses												
Salaries and Fringe Benefits	\$ 124,670	\$ 263,074	\$ 43,098	\$ 20,865	\$ 149,431	\$ 92,882	\$ 56,266	\$ 66,722	\$ 46,598	\$ 863,605	\$ 812,820	
Total Personnel expenses	124,670	263,074	43,098	20,865	149,431	92,882	56,266	66,722	46,598	863,605	812,820	
Other expenses												
Festival of Childhood					4,216					4,216	4,364	
Outreach and education				2,155	27,422			324		29,901	19,137	
Program supplies	2,637	127	1,497	232	12,903	4,055		1,949		23,401	23,510	
Program evaluation	8,767				8,635			3,750		21,152	9,673	
Staff training		54		90	3,228	85				3,457	3,857	
Mileage	625	2,478	200	716	221	927				5,167	6,161	
Client activities	6,243		91		50	1,945				8,330	7,876	
Grantwriter									21,750	21,750	16,646	
Special event									4,444	4,444	7,185	
Direct Mail									2,202	2,202	1,721	
Professional fees	31,797		39	5,721	6,513	5,324	14,750	9,255	665	74,064	69,941	
Facilities	8,346	2,708	283	184	4,760	9,929	362	598	394	27,564	25,569	
Equipment lease	2,160	1,135	119	56	2,484	389	152	251	165	6,911	5,089	
Office supplies	523	1,652	173	82	979	567	221	365	240	4,802	8,177	
Telecommunication	1,855	10,984	173	82	6,130	971	421	365	240	21,221	13,407	
Insurance	422	1,333	139	66	790	457	178	294	194	3,873	5,936	
Dues and membership										-	1,044	
Service fees	722	2,280	239	113	1,352	782	305	504	1,702	7,999	4,429	
Total Other expenses	64,098	22,752	2,953	9,497	79,683	25,432	22,412	11,632	31,996	270,454	233,723	
Total functional expenses	\$ 188,768	\$ 285,826	\$ 46,051	\$ 30,362	\$ 229,114	\$ 118,313	\$ 78,678	\$ 78,354	\$ 78,594	\$ 1,134,060	\$ 1,046,542	

The accompanying notes are an integral part of these financial statements

THE ORGANIZATION FOR NONVIOLENT EDUCATION AND PARENTING
dba ECHO PARENTING & EDUCATION
(A NONPROFIT CALIFORNIA CORPORATION)
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 - ORGANIZATION

The Center for Nonviolent Education and Parenting, dba Echo Parenting & Education, (the "Organization"), located in Los Angeles, California, is a unique community-based organization that has served area residents since 1999. Established as a 501(c)(3) nonprofit organization under the Internal Revenue Code and the related law of State of California, the Organization promotes the acceptance and practice of nonviolent teaching and parenting by developing a center to teach and disseminate parent education materials, a speaker's bureau and customized training for parents, teachers, and caregivers and social services professionals.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements are prepared in accordance with the Financial Accounting Standards Board in its Statement of Financial Accounting Standards Number 117, Financial Statements of Non-for-Profit Organizations. Under SFAS Number 117, the Organization is required to report information regarding its financial position and activities according to three classifications of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

B. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments with original maturity of three months or less at the time of purchase to be cash equivalents.

D. Contributions

The Organization records contributions in accordance with the Financial Accounting Standards Board in SFAS Number 116, Accounting for Contributions Received and Contributions Made. In

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June 30, 2010

accordance with SFAS Number 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Conditional contributions are reported as temporarily restricted assets and are then reclassified to unrestricted net assets upon expiration of the restriction.

E. Functional Allocation of Expenses

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

F. Concentrations of Credit Risk

The financial instruments which potentially subject the Organization to credit risk are primarily cash and investments in marketable securities, which, at times, may exceed the Federal insured amount. The Organization has not experienced any losses in such accounts.

G. Income Taxes

The Organization, a not-for-profit corporation organized under the laws of the State of California, is a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code and similar California statutes and, as such, is exempt from federal income taxes and state franchise taxes.

NOTE 3 – DESCRIPTION OF PROGRAMS

First 5 LA Family Friends and Neighbors

First 5 LA Family Friends and Neighbors program provides training and mentoring at no cost for unlicensed child care providers to enhance the care they provide and develop their professional skills.

Hathaway School Readiness

Hathaway School Readiness provides various parent workshops focused on prevention and supporting very young children to be successful as they enter pre-school and elementary school. Some of the workshops include: Parents with Special Needs, Baby, Toddler, and Pre-School & ME, once a week pre-school experience, Family Literacy Event; Assistance with Kindergarten Enrollment, and Home Visitation services.

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June 30, 2010

Gang Reduction & Youth Development

The Gang Reduction and Youth Development program of the City of Los Angeles is part of an intensive effort to foster youth development and reduce the influence of street gangs in the lives of our youth.

First 5 LA Community Opportunities

The Community Opportunities Fund supports organizational capacity building, and policy and advocacy efforts by organizations serving the needs of children 0-5 and their families. The fund is intended to be responsive to the needs and creative ideas of community agencies to address and sustain outcomes identified by First 5 LA as key to the safety, health and readiness to learn of our youngest residents.

Trainers Institute

Trainers Institute provides professional development for adults working with children. Trainings apply the nonviolent philosophy to the professional setting and are located off-site or at our facility. The Organization also provides presentations, workshops, trainings and conferences for professionals.

Echo Parenting Program

Discussion groups, theory, role-playing and specific problem solving are part of the Echo Parenting Program's curriculum. These programs consist of parenting classes, presentations and workshops in childraising. These programs include Parenting Classes, Fathers Group, Weekend Intensives, Special Topic Series, Childcare, as well as one time presentations & workshops

Client Funded Programs

The Organization provides presentations, workshops, and classes throughout Los Angeles County to over 100 social services agencies, preschools, low-income housing development, and schools. These parenting class series range from four to twenty classes and are customized to the needs of the participants.

NOTE 4 – CASH AND CASH EQUIVALENTS

The Organization maintains its cash balances at Citibank. Cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 5 – INVESTMENTS IN MARKETABLE SECURITIES

Investments in marketable securities are presented at fair market value. Currently the Organization has a money market account with Vanguard as of June 30, 2010.

NOTE 6 – GRANTS RECEIVABLE

Costs incurred on grants but not reimbursed as of June 30, 2010 are reported on the statement of financial position as grants receivable.

NOTE 7 – SUPPORT AND REVENUE RECOGNITION

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is 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), restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restriction.

NOTE 8 - COMMITMENTS

The Organization entered into a lease for office space with Echo Park United Methodist Church, expiring on November 30, 2010 with monthly rent of \$1,050. The Organization entered into another lease for office space located on 1522 Liberty Street, Los Angeles, CA 90026 with David Goldberg, expiring on June 30, 2011 with monthly rent of \$1,270.