

**ProCon.org**  
(A NONPROFIT PUBLIC CHARITY CORPORATION)  
Financial Statements  
December 31, 2010 and 2009

**BYEMAN & CLEARY**  
CERTIFIED PUBLIC ACCOUNTANTS

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Board of Directors  
ProCon.org  
Santa Monica, California

**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying statements of financial position of ProCon.org (a nonprofit public charity corporation) as of December 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ProCon.org as of December 31, 2010 and 2009 and the changes in net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.

*Byeman & Cleary*

March 18, 2011

**PROCON.ORG**  
TABLE OF CONTENTS  
December 31, 2010

	<b>PAGE NUMBER</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1</b>
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>2</b>
<b>STATEMENTS OF ACTIVITIES</b>	<b>3</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>4</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>5</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>6 - 7</b>

**PROCON.ORG**  
STATEMENTS OF FINANCIAL POSITION

**ASSETS**

	December 31,	
	2010	2009
<b>Current assets:</b>		
Cash	\$ 19,438	\$ 30,557
Donations receivable	5,886	622
Prepaid expenses	5,726	5,817
<b>Total current assets / Total assets</b>	<b>\$ 31,050</b>	<b>\$ 36,996</b>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities:</b>		
Accounts payable	\$ 8,325	\$ 9,378
Wages and related expenses payable	24,858	15,583
<b>Total current liabilities / Total liabilities</b>	33,183	24,961
<b>Net assets:</b>		
Unrestricted net assets	(2,133)	12,035
<b>Total net assets</b>	(2,133)	12,035
<b>Total liabilities and net assets</b>	<b>\$ 31,050</b>	<b>\$ 36,996</b>

*The accompanying notes are an integral part of these financial statements.*

**PROCON.ORG**  
STATEMENTS OF ACTIVITIES

	Years Ended December 31,	
	2010	2009
	Unrestricted	Unrestricted
<b>Support and revenue:</b>		
Contributions	\$ 586,998	\$ 583,075
Contributed facilities	60,402	59,464
Contributed services	20,241	17,423
Contributed advertising	92,808	-
Sponsorships	15,400	-
Interest income	91	-
Fees	179	50
Total support and revenue	776,119	660,012
<b>Expenses:</b>		
Program services	705,855	618,097
Supporting activities:		
Management & general	65,852	62,527
Fundraising	18,580	39,527
Total Expenses	790,287	720,151
<b>Change in net assets</b>	(14,168)	(60,139)
<b>Net assets at beginning of year</b>	12,035	72,174
<b>Net assets at end of year</b>	\$ (2,133)	\$ 12,035

*The accompanying notes are an integral part of these financial statements.*

**PROCON.ORG**  
STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2010			Year Ended December 31, 2009				
	Program Service	Management & General	Fund-Raising	Total Expenses	Program Service	Management & General	Fund-Raising	Total Expenses
Wages	\$ 406,977	\$ 21,424	\$ 4,330	\$ 432,731	\$ 389,599	\$ 20,572	\$ 4,143	\$ 414,314
Employee benefits	29,758	927	310	30,995	30,469	928	342	31,739
Payroll taxes	34,062	1,812	362	36,236	33,094	1,744	345	35,183
Insurance	3,743	38	27	3,808	3,426	32	10	3,468
Worker's compensation insurance	2,580	81	-	2,661	1,700	53	18	1,771
Parking	13,339	413	-	13,752	11,968	371	30	12,369
Professional fees	13,131	17,681	11,885	42,697	17,551	18,972	32,565	69,088
Promotional materials	1,711	31	499	2,241	-	-	-	-
Contributed facilities	57,986	1,812	604	60,402	57,085	1,784	595	59,464
Contributed services	-	20,241	-	20,241	-	17,423	-	17,423
Contributed advertising	92,808	-	-	92,808	-	-	-	-
Telephone	3,667	115	38	3,820	3,882	121	40	4,043
Postage	25	40	-	65	21	34	-	55
Advertising and promotion	22,817	-	-	22,817	46,132	-	-	46,132
Meals and entertainment	479	-	-	479	120	-	-	120
Auto fuel and mileage	482	-	-	482	-	-	-	-
Computer and web site	18,050	-	367	18,417	17,330	-	270	17,600
Office supplies	3,674	119	158	3,951	4,573	152	174	4,899
Books and research access	566	-	-	566	1,147	-	995	2,142
Taxes & licenses	-	650	-	650	-	75	-	75
Bank charges	-	468	-	468	-	266	-	266
<b>Total expenses</b>	<b>\$ 705,855</b>	<b>\$ 65,852</b>	<b>\$ 18,580</b>	<b>\$ 790,287</b>	<b>\$ 618,097</b>	<b>\$ 62,527</b>	<b>\$ 39,527</b>	<b>\$ 720,151</b>

The accompanying notes are an integral part of these financial statements.

**PROCON.ORG**  
STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2010	2009
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (14,168)	\$ (60,139)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
(Increase) decrease in:		
Prepaid expenses	91	(169)
Donations receivable	(5,264)	(622)
Increase (decrease) in:		
Accounts payable	(1,053)	(16,217)
Wages and related expenses payable	9,275	8,261
<b>Net cash used by operating activities</b>	<b>(11,119)</b>	<b>(68,886)</b>
<b>Net decrease in cash</b>	<b>(11,119)</b>	<b>(68,886)</b>
<b>Cash at beginning of year</b>	<b>30,557</b>	<b>99,443</b>
<b>Cash at end of year</b>	<b>\$ 19,438</b>	<b>\$ 30,557</b>

*The accompanying notes are an integral part of these financial statements.*

**PROCON.ORG**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**1. NATURE OF ORGANIZATION**

ProCon.org is a nonprofit organization incorporated in California to promote education, critical thinking and informed citizenship by presenting controversial issues in a straightforward, nonpartisan primarily pro-con format.

ProCon.org is tax-exempt as a public charity under Internal Revenue Code Section 501(c)(3).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting**

ProCon.org uses accrual basis accounting.

**Cash**

Cash is cash in a bank checking account.

**Public support, revenue, and reclassifications**

Revenue is recognized when earned and support is recognized when cash is received, unconditional promises are made, or ownership of other assets is transferred. All contributions received were unrestricted and available for use in current operations.

**Contributed services and facilities**

During the years ended December 31, 2010 and 2009 contributed facilities in the value of \$60,402 and \$59,464 respectively and contributed accounting services in the value of \$20,241 and \$17,423 respectively were donated to ProCon.org. During the year ended December 31, 2010 contributed advertising in the value of \$92,808 of was also donated to ProCon.org.

**Use of estimates**

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

**Classes of net assets**

Unrestricted net assets include amounts available to be used at the discretion of the board of directors in ProCon.org's programs and operations. No donations were received with restrictions by donors. Therefore there are no restricted net assets at December 31, 2010.

**3. PENSION PLAN**

ProCon.org has a defined contribution plan. The required contribution to the plan is 2% of eligible employee compensation. For the years ended December 31, 2010 and 2009, total expense related to the plan was \$7,802 and \$7,995 respectively.

**PROCON.ORG**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010

**4. CONCENTRATIONS**

ProCon.org is supported primarily by donor contributions. During 2010 approximately 82%, and 83% for 2009, of ProCon.org's cash support is provided by a corporation controlled by the founder of ProCon.org. Contributed facilities and services were also received from a corporation controlled by the founder of ProCon.org. All the contributed advertising was donated by one unrelated commercial business corporation.

**5. EVALUATION OF SUBSEQUENT EVENTS**

ProCon.org has evaluated subsequent events through March 18, 2011, the date which the financial statements were available to be issued, and there are no subsequent events to report.