

**ProCon.org**  
(A NONPROFIT PUBLIC CHARITY CORPORATION)  
Financial Statements  
December 31, 2007 and 2006

**PROCON.ORG**

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December 31, 2007

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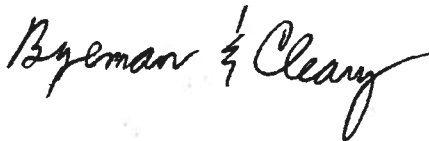
Board of Directors  
ProCon.org  
Santa Monica, California

**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying statements of financial position of ProCon.org as of December 31, 2007 and 2006, and the related statements of activities, functional expenses, and cash flows for the year ended December 31, 2007. 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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. We believe that our audit provides 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, 2007 and 2006 and the change in net assets and its cash flows for the year ended December 31, 2007 in conformity with generally accepted accounting principles in the United States of America.



February 29, 2008

**PROCON.ORG**  
STATEMENTS OF FINANCIAL POSITION

**ASSETS**

	December 31	
	2007	2006
<b>Current assets:</b>		
Cash	\$ 76,599	\$ 17,184
Prepaid expenses	3,200	2,720
<b>Total current assets / Total assets</b>	<b>79,799</b>	<b>19,904</b>

**LIABILITIES AND NET ASSETS**

<b>Current liabilities:</b>		
Accounts payable	20,874	6,707
Wages and related expenses payable	14,463	11,929
<b>Total current liabilities / Total liabilities</b>	<b>35,337</b>	<b>18,636</b>
<b>Net assets:</b>		
Unrestricted net assets	44,462	1,268
<b>Total net assets</b>	<b>44,462</b>	<b>1,268</b>
<b>Total liabilities and net assets</b>	<b>\$ 79,799</b>	<b>\$ 19,904</b>

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

**PROCON.ORG**  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Unrestricted</u>
<b>Support and revenue:</b>	
Contributions	\$ 658,717
Contributed facilities	53,196
Contributed services	<u>13,332</u>
<b>Total support and revenue</b>	<u>725,245</u>
<b>Expenses:</b>	
Program services	620,836
Supporting activities:	
Management & general	42,674
Fundraising	<u>18,541</u>
<b>Total Expenses</b>	<u>682,051</u>
<b>Change in net assets</b>	43,194
<b>Net assets at beginning of year</b>	<u>1,268</u>
<b>Net assets at end of year</b>	<u>\$ 44,462</u>

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

**PROCON.ORG**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Program</u> <u>Service</u>	<u>Management</u> <u>&amp; General</u>	<u>Fund-</u> <u>Raising</u>	<u>Total</u> <u>Expenses</u>
Wages	\$ 410,806	\$ 17,297	\$ 4,324	\$ 432,427
Employee benefits	29,436	920	307	30,663
Payroll taxes	33,823	1,424	356	35,603
Insurance	5,305	166	55	5,526
Worker's compensation insurance	6,132	192	64	6,388
Parking	11,429	357	119	11,905
Professional fees	-	2,845	12,318	15,163
Promotional materials	-	-	440	440
Contributed facilities	51,068	1,596	532	53,196
Contributed services	-	13,332	-	13,332
Telephone	2,523	78	26	2,627
Postage	40	-	-	40
Payroll & pension processing fees	-	3,874	-	3,874
Advertising and promotion	56,759	-	-	56,759
Meals and entertainment	297	-	-	297
Auto mileage	63	-	-	63
Computer and web site	9,006	-	-	9,006
Office supplies	3,933	-	-	3,933
Books and research access	216	-	-	216
Bank charges	-	593	-	593
<b>Total expenses</b>	<b><u>\$ 620,836</u></b>	<b><u>\$ 42,674</u></b>	<b><u>\$18,541</u></b>	<b><u>\$ 682,051</u></b>

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

**PROCON.ORG**  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2007

**Cash flows from operating activities:**

Change in net assets	\$ 43,194
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) decrease in:	
Prepaid expenses	(480)
Increase (decrease) in:	
Accounts payable	14,167
Wages and related expenses payable	<u>2,534</u>
<b>Net cash provided by operating activities</b>	<u>59,415</u>
<b>Net Increase in cash</b>	59,415
<b>Cash at beginning of year</b>	<u>17,184</u>
<b>Cash at end of year</b>	<u>\$ 76,599</u>

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

# PROCON.ORG

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007

## **1. NATURE OF ORGANIZATION**

ProCon.org is a nonprofit organization incorporated in California to promote education and informed citizenship by presenting controversial issues in a simple, 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 year ended December 31, 2007 contributed facilities in the value of \$53,196 and contributed accounting services in the value of \$13,332 were 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, 2007.

## **3. PENSION PLAN**

Procon.org has a defined contribution plan covering employees with at least \$5,000 of wages in the prior and current year. The required contribution to the plan is 2% of eligible employee compensation. For the year ended December 31, 2007, total expense related to the plan was \$6,641.



# **PROCON.ORG**

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2007

## **4. CONCENTRATIONS**

ProCon.org is supported primarily by donor contributions. Approximately 96% of ProCon.org's cash support is provided by a corporation controlled by the founder of ProCon.org. All in-kind donations were received from the same corporation.