

ProCon.org
(A NONPROFIT PUBLIC CHARITY CORPORATION)
Financial Statements
December 31, 2011 and 2010

PROCON.ORG
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December 31, 2011

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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, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of ProCon.org'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, 2011 and 2010 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.



April 9, 2012

PROCON.ORG
STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	<u>December 31</u>	
	<u>2011</u>	<u>2010</u>
Current assets:		
Cash	\$ 43,529	\$ 19,438
Cash designated for temporarily restricted net assets	650,000	-
Donations receivable	8,016	5,886
Prepaid expenses	<u>17,308</u>	<u>5,726</u>
Total current assets / Total assets	<u>\$ 718,853</u>	<u>\$ 31,050</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 4,578	\$ 8,325
Wages and related expenses payable	<u>13,726</u>	<u>24,858</u>
Total current liabilities / Total liabilities	<u>18,304</u>	<u>33,183</u>
Net assets:		
Unrestricted net assets	50,549	(2,133)
Temporarily restricted net assets	<u>650,000</u>	<u>-</u>
Total net assets	<u>700,549</u>	<u>(2,133)</u>
Total liabilities and net assets	<u>\$ 718,853</u>	<u>\$ 31,050</u>

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

PROCON.ORG
STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2011			2010
	Unrestricted	Temporarily Restricted	Total	Unrestricted
Support and revenue:				
Contributions	\$ 624,985	\$ 650,000	\$ 1,274,985	\$ 586,998
Contributed facilities	54,664	-	54,664	60,402
Contributed services	23,291	-	23,291	20,241
Contributed advertising	124,794	-	124,794	92,808
Sponsorships	9,200	-	9,200	15,400
Interest income	-	-	-	91
Fees	418	-	418	179
Total support and revenue	<u>837,352</u>	<u>650,000</u>	<u>1,487,352</u>	<u>776,119</u>
Expenses:				
Program services	692,841	-	692,841	705,855
Supporting activities:				
Management & general	64,669	-	64,669	65,852
Fundraising	27,160	-	27,160	18,580
Total Expenses	<u>784,670</u>	<u>-</u>	<u>784,670</u>	<u>790,287</u>
Change in net assets	52,682	650,000	702,682	(14,168)
Net assets at beginning of year	<u>(2,133)</u>	<u>-</u>	<u>(2,133)</u>	<u>12,035</u>
Net assets at end of year	<u>\$ 50,549</u>	<u>\$ 650,000</u>	<u>\$ 700,549</u>	<u>\$ (2,133)</u>

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

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STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2011				Year Ended December 31, 2010			
	Program Service	Management & General	Fund- Raising	Total Expenses	Program Service	Management & General	Fund- Raising	Total Expenses
Wages	\$ 373,036	\$ 19,343	\$ 3,908	\$ 396,287	\$ 406,977	\$ 21,424	\$ 4,330	\$ 432,731
Employee benefits	23,881	734	244	24,859	29,758	927	310	30,995
Payroll taxes	32,491	1,699	340	34,530	34,062	1,812	362	36,236
Insurance	6,157	63	-	6,220	3,743	38	-	3,781
Worker's compensation insurance	2,652	83	28	2,763	2,580	81	27	2,688
Parking	12,041	372	-	12,413	13,339	413	-	13,752
Professional fees	21,120	15,321	22,023	58,464	13,131	17,681	11,885	42,697
Promotional materials	-	-	-	-	1,711	31	499	2,241
Contributed facilities	52,478	1,640	547	54,665	57,986	1,812	604	60,402
Contributed services	-	23,291	-	23,291	-	20,241	-	20,241
Contributed advertising	124,794	-	-	124,794	92,808	-	-	92,808
Telephone	3,150	98	33	3,281	3,667	115	38	3,820
Postage	-	296	-	296	25	40	-	65
Advertising & promotion	12,747	-	-	12,747	22,817	-	-	22,817
Meals & entertainment	511	-	-	511	479	-	-	479
Auto fuel & mileage	353	-	-	353	482	-	-	482
Computer & web site	22,595	-	-	22,595	18,050	-	367	18,417
Office supplies	3,514	110	37	3,661	3,674	119	158	3,951
Dues & memberships	235	-	-	235	45	-	-	45
Education & conferences	550	-	-	550	-	-	-	-
Books & research access	536	-	-	536	521	-	-	521
Taxes & licenses	-	75	-	75	-	650	-	650
Bank charges & merchant fees	-	1,544	-	1,544	-	468	-	468
Total expenses	\$ 692,841	\$ 64,669	\$ 27,160	\$ 784,670	\$ 705,855	\$ 65,852	\$ 18,580	\$ 790,287

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

PROCON.ORG
STATEMENTS OF CASH FLOWS

	<u>Years Ended December 31,</u>	
	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$702,682	\$ (14,168)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in:		
Donations receivable	(2,130)	(5,264)
Prepaid expenses	(11,582)	91
Increase (decrease) in:		
Accounts payable	(3,747)	(1,053)
Wages and related expenses payable	(11,132)	9,275
Net cash provided (used) by operating activities	<u>674,091</u>	<u>(11,119)</u>
Net increase (decrease) in cash	674,091	(11,119)
Cash at beginning of year	<u>19,438</u>	<u>30,557</u>
Cash at end of year	<u>\$693,529</u>	<u>\$ 19,438</u>

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

PROCON.ORG
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

1. NATURE OF ORGANIZATION

ProCon.org is a nonprofit organization incorporated in California to promote critical thinking, education, 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.

Contributions, restricted contributions and reclassifications

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. When a restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributed services and facilities

During the years ended December 31, 2011 and 2010 contributed facilities in the value of \$54,664 and \$60,402 respectively and contributed accounting services in the value of \$23,291 and \$20,241 respectively were donated to ProCon.org. In addition during the same years, contributed advertising in the value of \$124,794 and \$92,808 respectively 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 the ProCon.org 's programs and operations and those resources invested in equipment. Temporarily restricted net assets are those that are restricted by donors for specific operating purposes. All donations are considered available for unrestricted use, unless specifically restricted by the donor.

PROCON.ORG
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

3. NET ASSETS

For the years ended December 31 net assets consist of:

	<u>Type of net asset</u>	<u>2011</u>	<u>2010</u>
Unrestricted		\$ 50,549	\$(2,133)
Temporarily restricted for expenses of 2012		<u>650,000</u>	---
Total net assets		<u>\$700,549</u>	<u>\$(2,133)</u>

4. 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, 2011 and 2010, total expense related to the plan was \$8,142 and \$7,802 respectively.

5. CONCENTRATIONS

ProCon.org is supported primarily by donor contributions. During 2011 approximately 90%, and 82% for 2010, of ProCon.org's cash support was 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 and 97% of the contributed advertising was donated by one unrelated commercial business corporation.

6. EVALUATION OF SUBSEQUENT EVENTS

ProCon.org has evaluated subsequent events through April 9, 2012, the date which the financial statements were available to be issued, and there are no subsequent events to report.