



**Reading to Kids**  
**Financial Statements**  
**For the Year Ended June 30, 2018**

**Reading to Kids**  
**Statement of Financial Position**  
**Fiscal Year: July 1 through June 30**

	Year Ended	Year Ended			
	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
<b>Assets</b>					
Cash and cash equivalents	\$ 64,690	\$ 68,541	\$ 56,850	\$ 84,780	\$ 69,790
Grants and pledges receivable	8,165	10,218	7,013	15,380	10,003
Other receivables	1,600	1,600	1,500	1,500	1,500
Inventories	21,812	31,753	36,003	33,520	35,146
Prepaid expenses	1,000	917	1,059	1,968	-
Prepaid insurance	2,889	1,507	2,687	2,370	2,371
Equipment, net of depreciation	-	-	98	393	827
<b>Total assets</b>	<b><u>\$ 100,156</u></b>	<b><u>\$ 114,536</u></b>	<b><u>\$ 105,211</u></b>	<b><u>\$ 139,910</u></b>	<b><u>\$ 119,638</u></b>
<b>Liabilities</b>					
Accounts payable	\$ 3,726	\$ 3,468	\$ 3,504	\$ 3,123	\$ 2,512
Accrued expenses	2,113	1,485	238	1,153	570
<b>Total liabilities</b>	<b><u>5,839</u></b>	<b><u>4,953</u></b>	<b><u>3,742</u></b>	<b><u>4,277</u></b>	<b><u>3,083</u></b>
<b>Net assets</b>					
Unrestricted	39,284	36,169	38,159	73,748	50,783
Temporarily restricted	55,033	73,414	63,311	61,885	65,772
<b>Total net assets</b>	<b><u>94,318</u></b>	<b><u>109,582</u></b>	<b><u>101,469</u></b>	<b><u>135,633</u></b>	<b><u>116,555</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 100,156</u></b>	<b><u>\$ 114,536</u></b>	<b><u>\$ 105,211</u></b>	<b><u>\$ 139,910</u></b>	<b><u>\$ 119,638</u></b>

**Reading to Kids**  
**Statement of Activities**  
**Fiscal Year: July 1 through June 30**

	Year Ended		Year Ended		
	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
<b>Revenues and other support</b>					
Individual contributions	\$ 73,763	\$ 72,928	\$ 58,305	\$ 65,250	\$ 54,690
Business donations	\$ 8,166	13,421	10,801	10,362	27,347
Corporate grants	\$ 26,500	20,000	12,000	12,000	37,000
Private foundation donations	\$ 5,059	4,689	4,588	7,579	5,841
Private foundation grants	\$ 25,000	30,000	35,000	25,000	35,000
Civic league grants	\$ 10,000	10,000	-	10,000	-
Public charity donations	\$ 1,121	1,126	1,127	1,153	3,872
Public charity grants	\$ 26,950	45,000	22,300	44,000	10,000
Publicly-supported organizations	\$ -	-	-	-	-
Donated services	\$ -	-	100	600	600
Donated reading club books	\$ 107	81	-	15	67
Donated food	\$ 950	940	820	830	820
Donated prize books	\$ 3,594	10,021	17,773	13,568	12,521
Donated volunteer recognition	\$ 1,317	1,311	1,400	1,364	1,364
Donated software	\$ -	-	-	-	2,044
Other in kind donations	\$ -	-	-	399	-
Special events	\$ 10,645	9,698	8,347	5,235	14,599
Interest	\$ 10	13	12	18	11
<b>Total revenues and other support</b>	<b>\$ 193,182</b>	<b>\$ 219,228</b>	<b>\$ 172,573</b>	<b>\$ 197,372</b>	<b>\$ 205,776</b>
<b>Expenses</b>					
Functional expenses					
Office and other expenses					
Employee salary	\$ 108,917	\$ 109,072	\$ 100,984	\$ 81,682	\$ 76,279
Employee benefits	\$ 8,021	7,028	8,297	7,630	7,081
Payroll taxes	\$ 8,536	9,125	8,748	5,952	5,240
Professional fees	\$ 1,923	4,259	4,191	1,520	1,557
Supplies	\$ 2,072	2,716	2,060	2,619	2,662
Telecommunications	\$ 2,567	2,403	2,330	2,111	2,050
Postage, delivery, copying	\$ 874	1,108	704	1,211	666
Information technology	\$ 2,230	2,441	2,638	2,735	4,166
Occupancy expenses	\$ 19,110	18,360	17,860	17,860	17,335
Conferences and meetings	\$ 1,557	1,009	-	896	(100)
Depreciation expense	\$ -	98	295	434	551
Insurance	\$ 2,752	2,598	2,558	2,494	2,530
Fundraising expenses	\$ 4,388	3,494	4,193	1,719	1,613
Miscellaneous expenses	\$ 959	1,463	994	412	299
<b>Total office and other expenses</b>	<b>\$ 163,906</b>	<b>165,175</b>	<b>155,851</b>	<b>129,273</b>	<b>121,927</b>
Reading club expenses					
Reading club books	\$ 21,340	21,547	23,485	24,797	27,230
Student prize books	\$ 10,906	12,401	12,142	12,483	12,466
Teacher prize books	\$ 1,163	1,893	1,554	1,187	1,364
Parent prize books	\$ 1,425	1,471	1,619	1,583	1,530
Food for volunteers	\$ 2,571	2,636	2,445	2,287	2,189
Shipping cost for donated books	\$ -	-	3,893	2,796	1,627
Volunteer recognition expenses	\$ 1,317	1,311	1,400	1,364	1,364
<b>Total reading club expenses</b>	<b>\$ 38,723</b>	<b>41,258</b>	<b>46,538</b>	<b>46,497</b>	<b>47,771</b>
<b>Total functional expenses</b>	<b>\$ 202,628</b>	<b>206,433</b>	<b>202,389</b>	<b>175,770</b>	<b>169,698</b>
Fundraising direct expenses					
Special event direct expenses	\$ 5,818	4,681	4,348	2,523	5,556
<b>Total fundraising direct expenses</b>	<b>\$ 5,818</b>	<b>4,681</b>	<b>4,348</b>	<b>2,523</b>	<b>5,556</b>
<b>Total expenses</b>	<b>\$ 208,446</b>	<b>\$ 211,115</b>	<b>\$ 206,737</b>	<b>\$ 178,294</b>	<b>\$ 175,254</b>
<b>Change in net assets</b>	<b>\$ (15,265)</b>	<b>\$ 8,113</b>	<b>\$ (34,164)</b>	<b>\$ 19,078</b>	<b>\$ 30,522</b>

**Reading to Kids  
Detailed Reading Club Expenses  
Fiscal Year: July 1 through June 30**

	Year Ended	Year Ended			
	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
<b>Reading club expenses</b>					
School expenses					
Gratts					
Reading club books	\$ 2,743	\$ 2,617	\$ 2,989	\$ 2,895	\$ 3,544
Student prize books	1,601	1,811	1,798	1,475	1,723
Teacher prize books	132	92	119	50	16
Parent prize books	233	103	147	55	111
Food for volunteers	348	352	340	372	347
<b>Total Gratts</b>	<b>5,057</b>	<b>4,976</b>	<b>5,393</b>	<b>4,846</b>	<b>5,740</b>
Esperanza					
Reading club books	3,275	3,410	4,162	3,920	3,917
Student prize books	1,782	2,106	2,079	2,073	1,822
Teacher prize books	150	202	359	240	235
Parent prize books	141	88	237	170	161
Food for volunteers	225	227	215	214	189
<b>Total Esperanza</b>	<b>5,573</b>	<b>6,033</b>	<b>7,053</b>	<b>6,618</b>	<b>6,323</b>
Magnolia					
Reading club books	3,319	3,381	3,939	4,432	5,269
Student prize books	1,667	2,016	1,901	2,138	2,222
Teacher prize books	75	210	94	165	209
Parent prize books	151	266	286	400	349
Food for volunteers	359	382	418	393	417
<b>Total Magnolia</b>	<b>5,571</b>	<b>6,255</b>	<b>6,638</b>	<b>7,529</b>	<b>8,465</b>
Politi					
Reading club books	2,515	2,714	2,994	3,230	3,813
Student prize books	1,238	1,420	1,496	1,505	1,627
Teacher prize books	130	297	246	230	253
Parent prize books	283	313	296	300	287
Food for volunteers	328	356	345	329	323
<b>Total Politi</b>	<b>4,493</b>	<b>5,100</b>	<b>5,377</b>	<b>5,596</b>	<b>6,303</b>
White					
Reading club books	1,727	1,493	1,963	2,358	2,607
Student prize books	831	814	826	1,132	1,111
Teacher prize books	94	71	25	193	120
Parent prize books	226	86	17	91	68
Food for volunteers	341	293	294	293	247
<b>Total White</b>	<b>3,218</b>	<b>2,757</b>	<b>3,125</b>	<b>4,067</b>	<b>4,153</b>
Los Angeles					
Reading club books	3,303	3,996	4,778	5,222	5,018
Student prize books	1,660	2,022	2,837	2,953	2,826
Teacher prize books	226	603	378	179	418
Parent prize books	62	212	334	288	293
Food for volunteers	430	431	455	390	317
<b>Total Los Angeles</b>	<b>5,681</b>	<b>7,264</b>	<b>8,782</b>	<b>9,032</b>	<b>8,872</b>
Alta Loma					
Reading club books	2,064	1,734	2,003	2,739	3,064
Student prize books	876	1,007	814	1,207	1,136
Teacher prize books	133	174	190	130	112
Parent prize books	173	210	171	278	262
Food for volunteers	296	274	296	295	349
<b>Total Alta Loma</b>	<b>3,541</b>	<b>3,400</b>	<b>3,473</b>	<b>4,649</b>	<b>4,923</b>
MacArthur Park					
Reading club books	2,395	2,201	656	-	-
Student prize books	1,252	1,205	391	-	-
Teacher prize books	224	244	142	-	-
Parent prize books	156	193	132	-	-
Food for volunteers	246	319	83	-	-
<b>Total MacArthur Park</b>	<b>4,273</b>	<b>4,163</b>	<b>1,403</b>	<b>-</b>	<b>-</b>
<b>Total school expenses</b>	<b>\$ 37,406</b>	<b>\$ 39,947</b>	<b>\$ 41,245</b>	<b>\$ 42,337</b>	<b>\$ 44,779</b>
Other reading club expenses					
Shipping cost for donated books	-	-	3,893	2,796	1,627
Volunteer recognition expenses	1,317	1,311	1,400	1,364	1,364
<b>Total other reading club expenses</b>	<b>\$ 1,317</b>	<b>\$ 1,311</b>	<b>\$ 5,293</b>	<b>\$ 4,160</b>	<b>\$ 2,992</b>
<b>Total reading club expenses</b>	<b>\$ 38,723</b>	<b>\$ 41,258</b>	<b>\$ 46,538</b>	<b>\$ 46,497</b>	<b>\$ 47,771</b>

**Reading to Kids  
Detailed Statement of Activities  
For the Year Ended June 30, 2018**

	Unrestricted	Temporarily Restricted	Total
<b>Revenues and other support</b>			
Individual contributions	\$ 73,763	\$ -	\$ 73,763
Business donations	6,166	2,000	8,166
Corporate grants	2,000	24,500	26,500
Private foundation donations	3,559	1,500	5,059
Private foundation grants	-	25,000	25,000
Civic league grants	-	10,000	10,000
Public charity donations	1,121	-	1,121
Public charity grants	250	26,700	26,950
Publicly-supported organizations	-	-	-
Donated services	-	-	-
Donated reading club books	-	107	107
Donated food	950	-	950
Donated prize books	-	3,594	3,594
Donated volunteer recognition	1,317	-	1,317
Donated software	-	-	-
Other in kind donations	-	-	-
Special events	10,645	-	10,645
Interest	10	-	10
Net assets released from restrictions			
Satisfaction of program restrictions	111,781	(111,781)	-
<b>Total revenues and other support</b>	<b>\$ 211,562</b>	<b>\$ (18,380)</b>	<b>\$ 193,182</b>
<b>Expenses</b>			
Functional expenses			
Office and other expenses			
Employee salary	\$ 108,917	\$ -	\$ 108,917
Employee benefits	8,021	-	8,021
Payroll taxes	8,536	-	8,536
Professional fees	1,923	-	1,923
Supplies	2,072	-	2,072
Telecommunications	2,567	-	2,567
Postage, delivery, copying	874	-	874
Information technology	2,230	-	2,230
Occupancy expenses	19,110	-	19,110
Conferences and meetings	1,557	-	1,557
Depreciation expense	-	-	-
Insurance	2,752	-	2,752
Fundraising expenses	4,388	-	4,388
Miscellaneous expenses	959	-	959
<b>Total office and other expenses</b>	<b>163,906</b>	<b>-</b>	<b>163,906</b>
Reading club expenses			
Reading club books	21,340	-	21,340
Student prize books	10,906	-	10,906
Teacher prize books	1,163	-	1,163
Parent prize books	1,425	-	1,425
Food for volunteers	2,571	-	2,571
Shipping cost for donated books	-	-	-
Volunteer recognition expenses	1,317	-	1,317
<b>Total reading club expenses</b>	<b>38,723</b>	<b>-</b>	<b>38,723</b>
<b>Total functional expenses</b>	<b>202,628</b>	<b>-</b>	<b>202,628</b>
Fundraising direct expenses			
Special event direct expenses	5,818	-	5,818
<b>Total fundraising direct expenses</b>	<b>5,818</b>	<b>-</b>	<b>5,818</b>
<b>Total expenses</b>	<b>\$ 208,446</b>	<b>\$ -</b>	<b>\$ 208,446</b>
Change in net assets	\$ 3,116	\$ (18,380)	\$ (15,265)
Net assets at beginning of period	36,169	73,414	109,582
<b>Net assets at end of period</b>	<b>\$ 39,284</b>	<b>\$ 55,033</b>	<b>\$ 94,318</b>

**Reading to Kids**  
**Statement of Cash Flows**  
**Fiscal Year: July 1 through June 30**

	Year Ended	Year Ended			
	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
<b>Cash flows from operating activities</b>					
Cash received from contributors	\$ 189,364	\$ 203,738	\$ 160,835	\$ 175,216	\$ 197,274
Cash paid to employees and vendors	(193,225)	(192,060)	(188,777)	(160,244)	(161,270)
Interest received	10	13	12	18	11
<b>Net cash provided by operating activities</b>	<b>(3,851)</b>	<b>11,691</b>	<b>(27,930)</b>	<b>14,990</b>	<b>36,015</b>
<b>Cash flows from investing activities</b>					
Purchase of equipment	-	-	-	-	-
<b>Net cash provided by investing activities</b>	-	-	-	-	-
Net increase in cash and cash equivalents	(3,851)	11,691	(27,930)	14,990	36,015
Cash and cash equivalents beginning of period	68,541	56,850	84,780	69,790	33,775
<b>Cash and cash equivalents end of period</b>	<b>\$ 64,690</b>	<b>\$ 68,541</b>	<b>\$ 56,850</b>	<b>\$ 84,780</b>	<b>\$ 69,790</b>
Reconciliation of change in net assets to net cash provided by operating activities					
<b>Change in net assets</b>	<b>\$ (15,265)</b>	<b>\$ 8,113</b>	<b>\$ (34,164)</b>	<b>\$ 19,078</b>	<b>\$ 30,522</b>
Adjustments to reconcile change in net assets to net cash provided by operating activities					
Depreciation	-	98	295	434	551
(Increase) decrease in					
Grants and pledges receivable	2,053	(3,205)	8,366	(5,377)	6,814
Other receivables	-	(100)	-	-	(75)
Inventories	9,941	4,250	(2,484)	1,626	761
Prepaid expenses	(83)	142	909	(1,968)	-
Prepaid insurance	(1,383)	1,181	(317)	1	60
Increase (decrease) in					
Accounts payable	258	(36)	381	611	(2,594)
Accrued expenses	628	1,247	(916)	583	(25)
<b>Net cash provided by operating activities</b>	<b>\$ (3,851)</b>	<b>\$ 11,691</b>	<b>\$ (27,930)</b>	<b>\$ 14,990</b>	<b>\$ 36,015</b>

**Reading to Kids  
Statement of Functional Expenses  
For the Year Ended June 30, 2018**

	<b>Program Expenses</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>
<b>Personnel expenses</b>				
Employee salary	\$ 81,688	\$ 13,615	\$ 13,615	\$ 108,917
Employee benefits	6,016	1,003	1,003	8,021
Payroll taxes	6,402	1,067	1,067	8,536
<b>Total personnel expenses</b>	<b>94,105</b>	<b>15,684</b>	<b>15,684</b>	<b>125,474</b>
<b>Reading club expenses</b>				
Reading club books	21,340	-	-	21,340
Student prize books	10,906	-	-	10,906
Teacher prize books	1,163	-	-	1,163
Parent prize books	1,425	-	-	1,425
Food for volunteers	2,571	-	-	2,571
Shipping cost for donated books	-	-	-	-
Volunteer recognition expenses	1,317	-	-	1,317
<b>Total reading club expenses</b>	<b>38,723</b>	<b>-</b>	<b>-</b>	<b>38,723</b>
<b>Office and other expenses</b>				
Professional fees	-	1,923	-	1,923
Supplies	1,554	259	259	2,072
Telecommunications	1,925	321	321	2,567
Postage, delivery, copying	655	109	109	874
Information technology	1,673	279	279	2,230
Occupancy expenses	14,333	2,389	2,389	19,110
Conferences and meetings	1,168	195	195	1,557
Depreciation expense	-	-	-	-
Insurance	-	2,752	-	2,752
Fundraising expenses	-	-	4,388	4,388
Miscellaneous expenses	719	120	120	959
<b>Total office and other expenses</b>	<b>22,027</b>	<b>8,346</b>	<b>8,059</b>	<b>38,432</b>
<b>Total functional expenses</b>	<b>\$ 154,855</b>	<b>\$ 24,030</b>	<b>\$ 23,743</b>	<b>\$ 202,628</b>
	<b>76.4%</b>	<b>11.9%</b>	<b>11.7%</b>	<b>100.0%</b>

**Reading to Kids**  
Notes to Financial Statements  
For the Year Ended June 30, 2018

**NOTE 1 – ORGANIZATION**

*Reading to Kids* is incorporated as a nonprofit corporation under the laws of the state of California and has been classified as an organization described in section 501(c)(3) of the federal Internal Revenue Code. The organization is exempt from both state and federal taxes.

*Reading to Kids* is an organization committed to helping children become better readers. Children who learn the joy of reading have the potential for a brighter future, and our hope is to spark that interest. *Reading to Kids* gathers children and volunteers into reading groups on the second Saturday of every month at elementary schools near downtown Los Angeles. We combine reading aloud with intellectual games, craft projects, and social interaction. These Saturday reading clubs utilize the well established read-aloud program.

In conjunction with the program for the children, teachers at the schools hold workshops for the parents on how they can be good readers at home to their children. *Reading to Kids* also donates books purchased for the reading clubs to the school libraries and donates prize books directly to the children.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Reading to Kids* uses the accrual basis of accounting, wherein revenues are recognized when earned and expenses when incurred. The reporting of contributions distinguishes among contributions received that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. During the preparation of these financial statements, *Reading to Kids* has reviewed its previous financial statements, and it has revised journal entries to ensure that all the entries comply with Generally Accepted Accounting Principles. Therefore, any conflicting items on these financial statements concerning previous periods are intended to replace items made on previously issued financial statements. These financials were prepared without audit from the corporation's books and records.

**NOTE 3 – STATEMENT OF FINANCIAL POSITION**

*Cash and cash equivalents:* Includes cash on deposit in banks and funds received but not yet deposited.

*Other receivables:* Includes security deposit from rental of office.

*Inventories:* Includes books and prizes purchased prior to reading clubs.

*Equipment, net of depreciation:* Current value of office computers and printers.

**NOTE 4 – STATEMENT OF ACTIVITIES (major donations and grants received since 1999)**

***Individual donations:*** A complete list of donors to *Reading to Kids* can be found at [www.readingtokids.org](http://www.readingtokids.org).

***Business donations:*** Includes unsolicited donations received from businesses and organizations.

***Corporate grants:*** AOL Time Warner Foundation; Aon Foundation Bank of America Foundation; Build-A-Bear Workshop Bear Hugs Foundation; Candle Foundation; The Capital Group Companies Charitable Foundation; The Clorox Company Foundation; Countrywide Home Loans, Inc.; Dole Food Company; Epson America, Inc.; Experian; The Fluor Foundation; General Mills Foundation; Hilton Hotels Corporation; IBM; International Lease Finance Corporation; Mattel Children's Foundation; Northrop Grumman Space & Mission Systems; Pacific Life Foundation; Raytheon Company; Target Corporation; Time Warner; Toyota Motor Sales, Union Bank of California; USA, Inc.; Vons Foundation; Walt Disney Company; Wells Fargo Foundation.

***Private foundation donations:*** Bice Passavant Foundation; California Wellness Foundation; The Charles Evans Foundation; Charlotte & William Hinson Charitable Foundation; Eli and Edythe Broad Foundation; Everett and Alice Hess Family Fund; Goodrich Foundation; Helmut W. Schumann Foundation; Jacobson Charitable Foundation; James Irvine Foundation; Jerry & Terri Kohl Family Foundation; Kleiner Cohen Foundation; Marilyn and Jeffrey Katzenberg Foundation; National Notary Foundation; The Playa Foundation; The Riordan Foundation; Roth Family Foundation; Whitecap Foundation.

***Private foundation grants (including Civic League and Social Welfare Organizations):*** The Aaroe Associates Charitable Foundation; The Ahmanson Foundation; California Wellness Foundation; Crail-Johnson Foundation; The Durfee Foundation; Dwight Stuart Youth Fund; George Hoag Family Foundation; The Green Foundation; Henry L. Guenther Foundation; Muskin Family Foundation; National Starch & Chemical Foundation; The Ralph M. Parsons Foundation; The Riordan Foundation; The Rose Hills Foundation; S. Mark Taper Foundation; SKETCH Foundation; Weingart Foundation; Whitecap Foundation.

***Public charity donations and grants:*** Albertsons Companies Foundation; Disney VoluntEARS Community Fund; Elf (General Electric/GE Capital/NBC); Employees Charity Organization Northrop Grumman; Employee's Community Fund of Boeing California; Entertainment Industry Foundation; First Book; Frieda C. Fox Family Foundation; Hakka Foundation; Independent Colleges-Southern California; Jack & Denny Smith Literacy Memorial Fund; KTLA-TV Charities Fund, a fund of the McCormick Foundation; Los Angeles Clippers Foundation; L.A. Lakers Youth Foundation; Los Angeles Times Family Fund; Lucile Packard Foundation; Ronald McDonald House Charities of Southern California; Rx for Reading; Tiger Woods Foundation; Vons Foundation; Water Buffalo Club; Westwood Village Rotary Club Foundation; Yahoo! Employee Foundation.

***In-kind donations:*** Includes donated prize books for reading clubs from numerous sources, such as Barnes & Noble Encino; Ella Fitzgerald Charitable Foundation; Houghton Mifflin Harcourt; Kids in Distressed Situations; First Book; Scholastic.

***Donated volunteer hours:*** Donated volunteer hours from May 1999 through the date of these notes are not included in the Financial Statements, but their value has been estimated to be **\$4,870,434 (201,276** volunteer hours – value set by Independent Sector). ([www.readingtokids.org/AboutUs/AboutStatistics.php](http://www.readingtokids.org/AboutUs/AboutStatistics.php))

**NOTE 5 – STATEMENT OF FUNCTIONAL EXPENSES**

Expenses identified with a specific program or supporting service are charged directly to the related program or supporting service. Expenses associated with more than one program or supporting service have been allocated among the programs and supporting services benefited based on our estimates of time spent on various programs and services. The statement does not include donated services, which are included throughout the rest of the financial statements.



**Reading to Kids**  
Notes to Financial Statements  
For the Year Ended June 30, 2018

**NOTE 1 – ORGANIZATION**

*Reading to Kids* is incorporated as a nonprofit corporation under the laws of the state of California and has been classified as an organization described in section 501(c)(3) of the federal Internal Revenue Code. The organization is exempt from both state and federal taxes.

*Reading to Kids* is an organization committed to helping children become better readers. Children who learn the joy of reading have the potential for a brighter future, and our hope is to spark that interest. *Reading to Kids* gathers children and volunteers into reading groups on the second Saturday of every month at elementary schools near downtown Los Angeles. We combine reading aloud with intellectual games, craft projects, and social interaction. These Saturday reading clubs utilize the well established read-aloud program.

In conjunction with the program for the children, teachers at the schools hold workshops for the parents on how they can be good readers at home to their children. *Reading to Kids* also donates books purchased for the reading clubs to the school libraries and donates prize books directly to the children.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Reading to Kids* uses the accrual basis of accounting, wherein revenues are recognized when earned and expenses when incurred. The reporting of contributions distinguishes among contributions received that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. During the preparation of these financial statements, *Reading to Kids* has reviewed its previous financial statements, and it has revised journal entries to ensure that all the entries comply with Generally Accepted Accounting Principles. Therefore, any conflicting items on these financial statements concerning previous periods are intended to replace items made on previously issued financial statements. These financials were prepared without audit from the corporation's books and records.

**NOTE 3 – STATEMENT OF FINANCIAL POSITION**

*Cash and cash equivalents:* Includes cash on deposit in banks and funds received but not yet deposited.

*Other receivables:* Includes security deposit from rental of office.

*Inventories:* Includes books and prizes purchased prior to reading clubs.

*Equipment, net of depreciation:* Current value of office computers and printers.

**NOTE 4 – STATEMENT OF ACTIVITIES (major donations and grants received since 1999)**

***Individual donations:*** A complete list of donors to *Reading to Kids* can be found at [www.readingtokids.org](http://www.readingtokids.org).

***Business donations:*** Includes unsolicited donations received from businesses and organizations.

***Corporate grants:*** AOL Time Warner Foundation; Aon Foundation Bank of America Foundation; Build-A-Bear Workshop Bear Hugs Foundation; Candle Foundation; The Capital Group Companies Charitable Foundation; The Clorox Company Foundation; Countrywide Home Loans, Inc.; Dole Food Company; Epson America, Inc.; Experian; The Fluor Foundation; General Mills Foundation; Hilton Hotels Corporation; IBM; International Lease Finance Corporation; Mattel Children's Foundation; Northrop Grumman Space & Mission Systems; Pacific Life Foundation; Raytheon Company; Target Corporation; Time Warner; Toyota Motor Sales, Union Bank of California; USA, Inc.; Vons Foundation; Walt Disney Company; Wells Fargo Foundation.

***Private foundation donations:*** Bice Passavant Foundation; California Wellness Foundation; The Charles Evans Foundation; Charlotte & William Hinson Charitable Foundation; Eli and Edythe Broad Foundation; Everett and Alice Hess Family Fund; Goodrich Foundation; Helmut W. Schumann Foundation; Jacobson Charitable Foundation; James Irvine Foundation; Jerry & Terri Kohl Family Foundation; Kleiner Cohen Foundation; Marilyn and Jeffrey Katzenberg Foundation; National Notary Foundation; The Playa Foundation; The Riordan Foundation; Roth Family Foundation; Whitecap Foundation.

***Private foundation grants (including Civic League and Social Welfare Organizations):*** The Aaroe Associates Charitable Foundation; The Ahmanson Foundation; California Wellness Foundation; Crail-Johnson Foundation; The Durfee Foundation; Dwight Stuart Youth Fund; George Hoag Family Foundation; The Green Foundation; Henry L. Guenther Foundation; Muskin Family Foundation; National Starch & Chemical Foundation; The Ralph M. Parsons Foundation; The Riordan Foundation; The Rose Hills Foundation; S. Mark Taper Foundation; SKETCH Foundation; Weingart Foundation; Whitecap Foundation.

***Public charity donations and grants:*** Albertsons Companies Foundation; Disney VoluntEARS Community Fund; Elf (General Electric/GE Capital/NBC); Employees Charity Organization Northrop Grumman; Employee's Community Fund of Boeing California; Entertainment Industry Foundation; First Book; Frieda C. Fox Family Foundation; Hakka Foundation; Independent Colleges-Southern California; Jack & Denny Smith Literacy Memorial Fund; KTLA-TV Charities Fund, a fund of the McCormick Foundation; Los Angeles Clippers Foundation; L.A. Lakers Youth Foundation; Los Angeles Times Family Fund; Lucile Packard Foundation; Ronald McDonald House Charities of Southern California; Rx for Reading; Tiger Woods Foundation; Vons Foundation; Water Buffalo Club; Westwood Village Rotary Club Foundation; Yahoo! Employee Foundation.

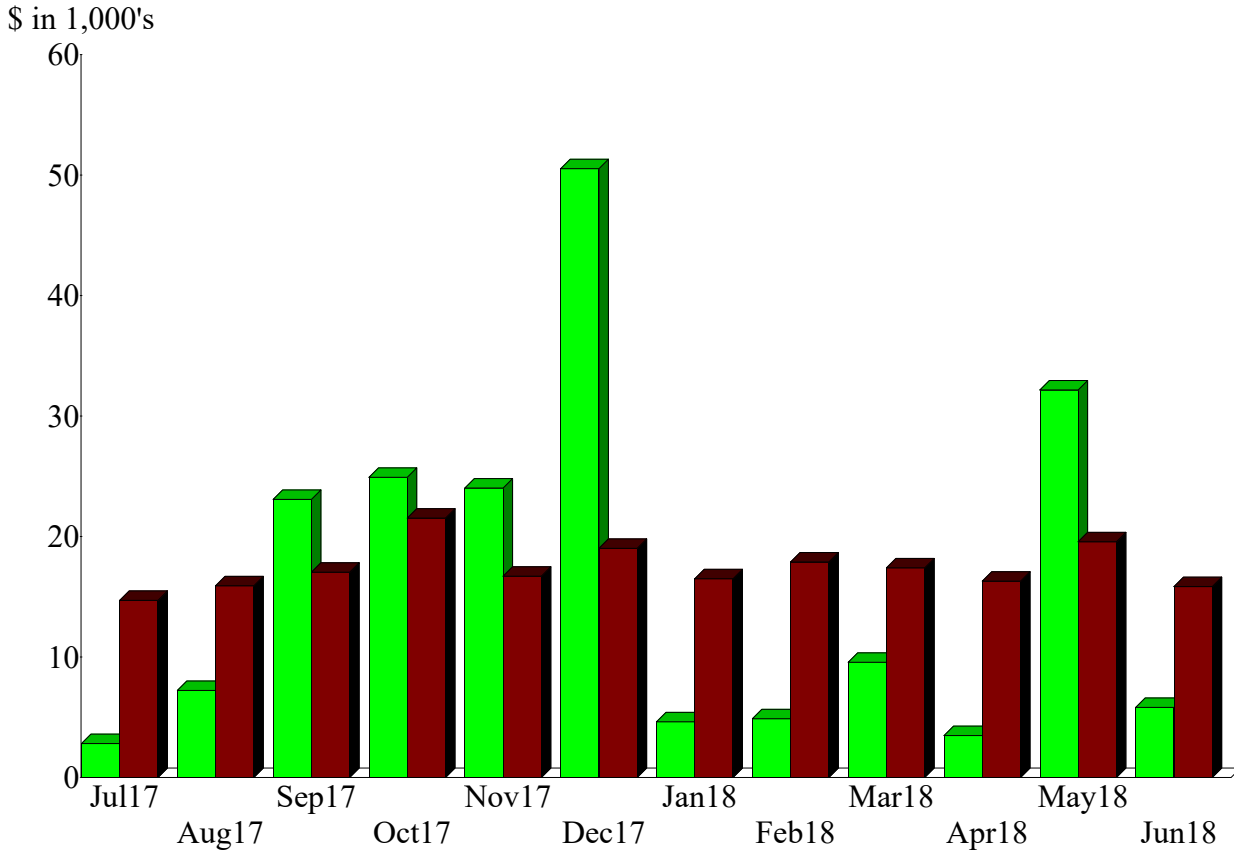
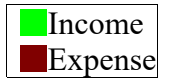
***In-kind donations:*** Includes donated prize books for reading clubs from numerous sources, such as Barnes & Noble Encino; Ella Fitzgerald Charitable Foundation; Houghton Mifflin Harcourt; Kids in Distressed Situations; First Book; Scholastic.

***Donated volunteer hours:*** Donated volunteer hours from May 1999 through the date of these notes are not included in the Financial Statements, but their value has been estimated to be **\$4,870,434 (201,276** volunteer hours – value set by Independent Sector). ([www.readingtokids.org/AboutUs/AboutStatistics.php](http://www.readingtokids.org/AboutUs/AboutStatistics.php))

**NOTE 5 – STATEMENT OF FUNCTIONAL EXPENSES**

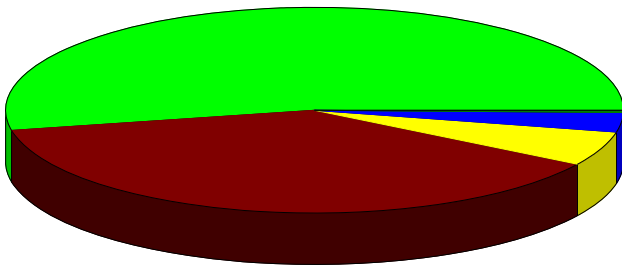
Expenses identified with a specific program or supporting service are charged directly to the related program or supporting service. Expenses associated with more than one program or supporting service have been allocated among the programs and supporting services benefited based on our estimates of time spent on various programs and services. The statement does not include donated services, which are included throughout the rest of the financial statements.

Income and Expense by Month  
July 2017 through June 2018



Income Summary  
July 2017 through June 2018

409999 · Corporations & foundations	53.21%
399999 · Individual contributions	38.18
619999 · Special events	5.51
489999 · In-kind contributions	3.09
539999 · Investment income	0.01
<b>Total</b>	<b>\$193,181.69</b>



By Account