



Reading to Kids
Financial Statements
For the Year Ended June 30, 2019

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

	Year Ended	Year Ended			
	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Assets					
Cash and cash equivalents	\$ 92,222	\$ 64,685	\$ 68,541	\$ 56,850	\$ 84,780
Grants and pledges receivable	150	8,165	10,218	7,013	15,380
Other receivables	1,600	1,600	1,600	1,500	1,500
Inventories	18,198	21,812	31,753	36,003	33,520
Prepaid expenses	-	1,000	917	1,059	1,968
Prepaid insurance	1,728	2,889	1,507	2,687	2,370
Equipment, net of depreciation	-	-	-	98	393
Total assets	\$ 113,898	\$ 100,151	\$ 114,536	\$ 105,211	\$ 139,910
Liabilities					
Accounts payable	\$ 2,908	\$ 3,726	\$ 3,468	\$ 3,504	\$ 3,123
Accrued expenses	2,299	2,113	1,485	238	1,153
Total liabilities	5,207	5,839	4,953	3,742	4,277
Net assets					
Unrestricted	72,027	39,279	36,169	38,159	73,748
Temporarily restricted	36,664	55,034	73,414	63,311	61,885
Total net assets	108,691	94,313	109,582	101,469	135,633
Total liabilities and net assets	\$ 113,898	\$ 100,151	\$ 114,536	\$ 105,211	\$ 139,910

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

	Year Ended		Year Ended		
	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Revenues and other support					
Individual contributions	\$ 87,184	\$ 73,763	\$ 72,928	\$ 58,305	\$ 65,250
Business donations	7,730	8,161	13,421	10,801	10,362
Corporate grants	51,500	26,500	20,000	12,000	12,000
Private foundation donations	5,720	5,059	4,689	4,588	7,579
Private foundation grants	40,000	25,000	30,000	35,000	25,000
Civic league grants	-	10,000	10,000	-	10,000
Public charity donations	820	1,121	1,126	1,127	1,153
Public charity grants	2,150	26,950	45,000	22,300	44,000
Donated services	-	-	-	100	600
Donated reading club books	40	107	81	-	15
Donated food	960	950	940	820	830
Donated prize books	11,445	3,594	10,021	17,773	13,568
Donated volunteer recognition	1,724	1,317	1,311	1,400	1,364
Other in kind donations	-	-	-	-	399
Special events	12,836	10,645	9,698	8,347	5,235
Interest	10	10	13	12	18
Total revenues and other support	\$ 222,119	\$ 193,177	\$ 219,228	\$ 172,573	\$ 197,372
Expenses					
Functional expenses					
Office and other expenses					
Employee salary	\$ 101,873	\$ 108,917	\$ 109,072	\$ 100,984	\$ 81,682
Employee benefits	7,784	8,021	7,028	8,297	7,630
Payroll taxes	8,340	8,536	9,125	8,748	5,952
Professional fees	4,327	1,923	4,259	4,191	1,520
Supplies	2,228	2,072	2,716	2,060	2,619
Telecommunications	2,728	2,567	2,403	2,330	2,111
Postage, delivery, copying	1,107	874	1,108	704	1,211
Information technology	2,545	2,230	2,441	2,638	2,735
Occupancy expenses	19,060	19,110	18,360	17,860	17,860
Conferences and meetings	121	1,557	1,009	-	896
Depreciation expense	-	-	98	295	434
Insurance	2,639	2,752	2,598	2,558	2,494
Fundraising expenses	4,487	4,388	3,494	4,193	1,719
Miscellaneous expenses	1,943	959	1,463	994	412
Total office and other expenses	159,184	163,906	165,175	155,851	129,273
Reading club expenses					
Reading club books	21,290	21,340	21,547	23,485	24,797
Student prize books	11,084	10,906	12,401	12,142	12,483
Teacher prize books	1,505	1,163	1,893	1,554	1,187
Parent prize books	1,762	1,425	1,471	1,619	1,583
Food for volunteers	2,521	2,571	2,636	2,445	2,287
Shipping cost for donated books	-	-	-	3,893	2,796
Volunteer recognition expenses	1,724	1,317	1,311	1,400	1,364
Total reading club expenses	39,886	38,723	41,258	46,538	46,497
Total functional expenses	199,069	202,628	206,433	202,389	175,770
Fundraising direct expenses					
Special event direct expenses	8,671	5,818	4,681	4,348	2,523
Total fundraising direct expenses	8,671	5,818	4,681	4,348	2,523
Total expenses	\$ 207,741	\$ 208,446	\$ 211,115	\$ 206,737	\$ 178,294
Change in net assets	\$ 14,378	\$ (15,270)	\$ 8,113	\$ (34,164)	\$ 19,078

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

	Year Ended		Year Ended		
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Reading club expenses					
School expenses					
Gratts					
Reading club books	\$ 2,906	\$ 2,743	\$ 2,617	\$ 2,989	\$ 2,895
Student prize books	1,227	1,601	1,811	1,798	1,475
Teacher prize books	151	132	92	119	50
Parent prize books	229	233	103	147	55
Food for volunteers	314	348	352	340	372
Total Gratts	4,827	5,057	4,976	5,393	4,846
Esperanza					
Reading club books	3,193	3,275	3,410	4,162	3,920
Student prize books	1,343	1,782	2,106	2,079	2,073
Teacher prize books	209	150	202	359	240
Parent prize books	170	141	88	237	170
Food for volunteers	222	225	227	215	214
Total Esperanza	5,137	5,573	6,033	7,053	6,618
Magnolia					
Reading club books	3,517	3,319	3,381	3,939	4,432
Student prize books	3,514	1,667	2,016	1,901	2,138
Teacher prize books	147	75	210	94	165
Parent prize books	178	151	266	286	400
Food for volunteers	356	359	382	418	393
Total Magnolia	7,713	5,571	6,255	6,638	7,529
Politi					
Reading club books	2,490	2,515	2,714	2,994	3,230
Student prize books	1,054	1,238	1,420	1,496	1,505
Teacher prize books	180	130	297	246	230
Parent prize books	316	283	313	296	300
Food for volunteers	351	328	356	345	329
Total Politi	4,392	4,493	5,100	5,377	5,596
White					
Reading club books	2,101	1,727	1,493	1,963	2,358
Student prize books	918	831	814	826	1,132
Teacher prize books	107	94	71	25	193
Parent prize books	329	226	86	17	91
Food for volunteers	323	341	293	294	293
Total White	3,778	3,218	2,757	3,125	4,067
Los Angeles					
Reading club books	3,097	3,303	3,996	4,778	5,222
Student prize books	1,294	1,660	2,022	2,837	2,953
Teacher prize books	304	226	603	378	179
Parent prize books	221	62	212	334	288
Food for volunteers	368	430	431	455	390
Total Los Angeles	5,284	5,681	7,264	8,782	9,032
Alta Loma					
Reading club books	1,397	2,064	1,734	2,003	2,739
Student prize books	658	876	1,007	814	1,207
Teacher prize books	203	133	174	190	130
Parent prize books	153	173	210	171	278
Food for volunteers	243	296	274	296	295
Total Alta Loma	2,652	3,541	3,400	3,473	4,649
MacArthur Park					
Reading club books	2,589	2,395	2,201	656	-
Student prize books	1,076	1,252	1,205	391	-
Teacher prize books	203	224	244	142	-
Parent prize books	166	156	193	132	-
Food for volunteers	343	246	319	83	-
Total MacArthur Park	4,378	4,273	4,163	1,403	-
Total school expenses	38,161	37,406	39,947	41,245	42,337
Other reading club expenses					
Shipping cost for donated books	-	-	-	3,893	2,796
Volunteer recognition expenses	1,724	1,317	1,311	1,400	1,364
Total other reading club expenses	1,724	1,317	1,311	5,293	4,160
Total reading club expenses	\$ 39,886	\$ 38,723	\$ 41,258	\$ 46,538	\$ 46,497

Reading to Kids
Detailed Statement of Activities
For the Year Ended June 30, 2019

	Unrestricted	Temporarily Restricted	Total
Revenues and other support			
Individual contributions	\$ 86,184	\$ 1,000	\$ 87,184
Business donations	7,655	75	7,730
Corporate grants	-	51,500	51,500
Private foundation donations	4,220	1,500	5,720
Private foundation grants	-	40,000	40,000
Public charity donations	820	-	820
Public charity grants	150	2,000	2,150
Donated reading club books	-	40	40
Donated food	960	-	960
Donated prize books	-	11,445	11,445
Donated volunteer recognition	1,724	-	1,724
Special events	12,836	-	12,836
Interest	10	-	10
Net assets released from restrictions			
Satisfaction of program restrictions	125,930	(125,930)	-
Total revenues and other support	\$ 240,489	\$ (18,370)	\$ 222,119
Expenses			
Functional expenses			
Office and other expenses			
Employee salary	\$ 101,873	\$ -	\$ 101,873
Employee benefits	7,784	-	7,784
Payroll taxes	8,340	-	8,340
Professional fees	4,327	-	4,327
Supplies	2,228	-	2,228
Telecommunications	2,728	-	2,728
Postage, delivery, copying	1,107	-	1,107
Information technology	2,545	-	2,545
Occupancy expenses	19,060	-	19,060
Conferences and meetings	121	-	121
Depreciation expense	-	-	-
Insurance	2,639	-	2,639
Fundraising expenses	4,487	-	4,487
Miscellaneous expenses	1,943	-	1,943
Total office and other expenses	159,184	-	159,184
Reading club expenses			
Reading club books	21,290	-	21,290
Student prize books	11,084	-	11,084
Teacher prize books	1,505	-	1,505
Parent prize books	1,762	-	1,762
Food for volunteers	2,521	-	2,521
Shipping cost for donated books	-	-	-
Volunteer recognition expenses	1,724	-	1,724
Total reading club expenses	39,886	-	39,886
Total functional expenses	199,069	-	199,069
Fundraising direct expenses			
Special event direct expenses	8,671	-	8,671
Total fundraising direct expenses	8,671	-	8,671
Total expenses	\$ 207,741	\$ -	\$ 207,741
Change in net assets	\$ 32,748	\$ (18,370)	\$ 14,378
Net assets at beginning of period	39,279	55,034	94,313
Net assets at end of period	\$ 72,027	\$ 36,664	\$ 108,691

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

	Year Ended	Year Ended			
	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Cash flows from operating activities					
Cash received from contributors	\$ 215,995	\$ 189,359	\$ 203,738	\$ 160,835	\$ 175,216
Cash paid to employees and vendors	(188,468)	(193,225)	(192,060)	(188,777)	(160,244)
Interest received	10	10	13	12	18
Net cash provided by operating activities	27,537	(3,856)	11,691	(27,930)	14,990
Cash flows from investing activities					
Purchase of equipment	-	-	-	-	-
Net cash provided by investing activities	-	-	-	-	-
Net increase in cash and cash equivalents	27,537	(3,856)	11,691	(27,930)	14,990
Cash and cash equivalents beginning of period	64,685	68,541	56,850	84,780	69,790
Cash and cash equivalents end of period	\$ 92,222	\$ 64,685	\$ 68,541	\$ 56,850	\$ 84,780
Reconciliation of change in net assets to net cash provided by operating activities					
Change in net assets	\$ 14,378	\$ (15,270)	\$ 8,113	\$ (34,164)	\$ 19,078
Adjustments to reconcile change in net assets to net cash provided by operating activities					
Depreciation	-	-	98	295	434
(Increase) decrease in					
Grants and pledges receivable	8,015	2,053	(3,205)	8,366	(5,377)
Other receivables	-	-	(100)	-	-
Inventories	3,613	9,941	4,250	(2,484)	1,626
Prepaid expenses	1,000	(83)	142	909	(1,968)
Prepaid insurance	1,161	(1,383)	1,181	(317)	1
Increase (decrease) in					
Accounts payable	(818)	258	(36)	381	611
Accrued expenses	187	628	1,247	(916)	583
Net cash provided by operating activities	\$ 27,537	\$ (3,856)	\$ 11,691	\$ (27,930)	\$ 14,990

**Reading to Kids
Statement of Functional Expenses
For the Year Ended June 30, 2019**

	Program Expenses	General and Administrative	Fundraising	Total
Personnel expenses				
Employee salary	\$ 76,405	\$ 12,734	\$ 12,734	\$ 101,873
Employee benefits	5,838	973	973	7,784
Payroll taxes	6,255	1,043	1,043	8,340
Total personnel expenses	88,498	14,750	14,750	117,998
Reading club expenses				
Reading club books	21,290	-	-	21,290
Student prize books	11,084	-	-	11,084
Teacher prize books	1,505	-	-	1,505
Parent prize books	1,762	-	-	1,762
Food for volunteers	2,521	-	-	2,521
Volunteer recognition expenses	1,724	-	-	1,724
Total reading club expenses	39,886	-	-	39,886
Office and other expenses				
Professional fees	-	4,327	-	4,327
Supplies	1,671	278	278	2,228
Telecommunications	2,046	341	341	2,728
Postage, delivery, copying	830	138	138	1,107
Information technology	1,909	318	318	2,545
Occupancy expenses	14,295	2,383	2,383	19,060
Conferences and meetings	91	15	15	121
Depreciation expense	-	-	-	-
Insurance	-	2,639	-	2,639
Fundraising expenses	-	-	4,487	4,487
Miscellaneous expenses	1,457	243	243	1,943
Total office and other expenses	22,299	10,683	8,204	41,186
Total functional expenses	\$ 150,683	\$ 25,433	\$ 22,954	\$ 199,069
	75.7%	12.8%	11.5%	100.0%

Reading to Kids
Notes to Financial Statements
For the Year Ended June 30, 2019

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.

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; Oath Foundation; 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: AmazonSmile Foundation; Bice Passavant Foundation; California Wellness Foundation; The Charitable 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; Helen & John McKetta Charitable 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; Elfun (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 **\$5,220,207 (212,766** volunteer hours – value set by Independent Sector). (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.

Net Worth by Month
As of June 30, 2019



\$ in 1,000's
150

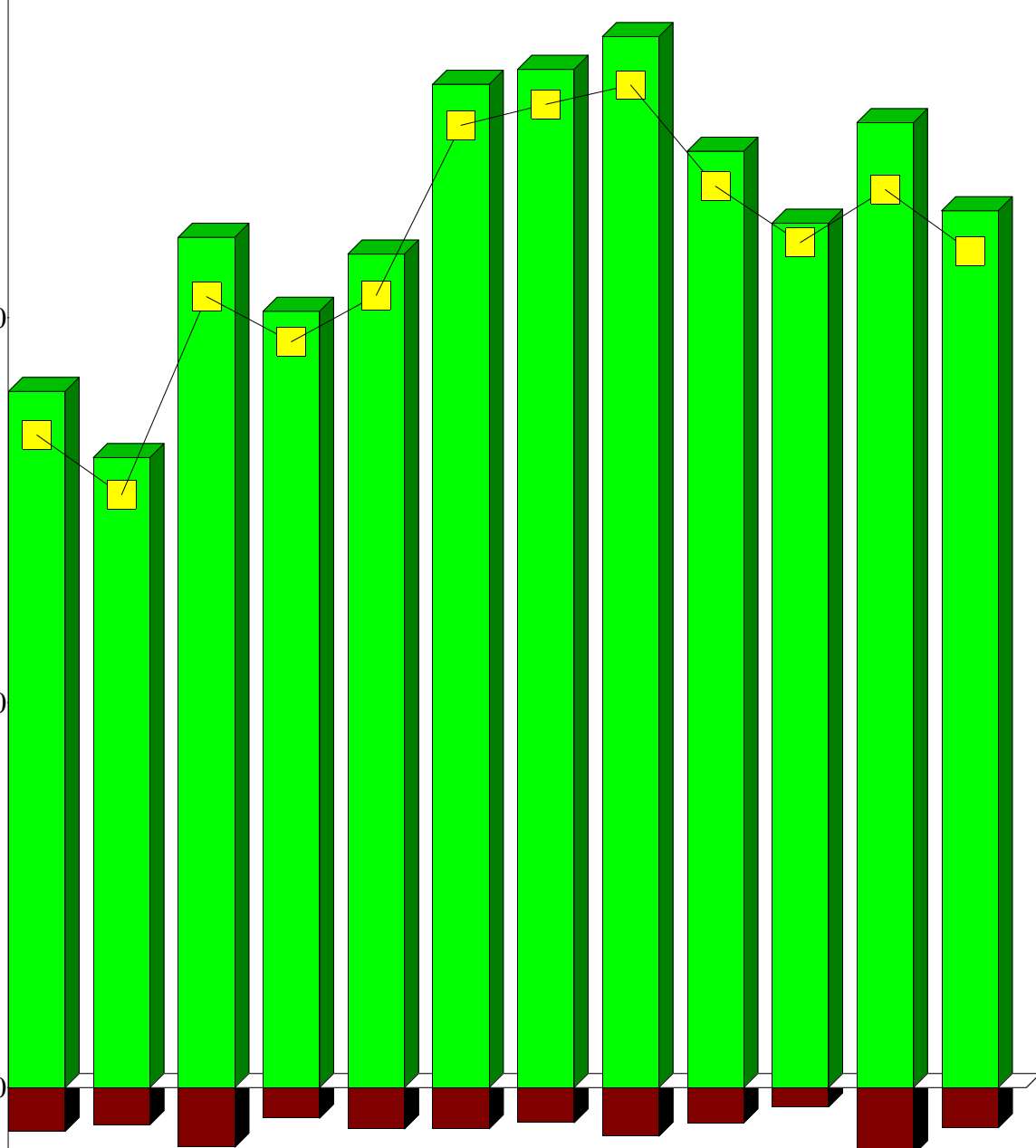
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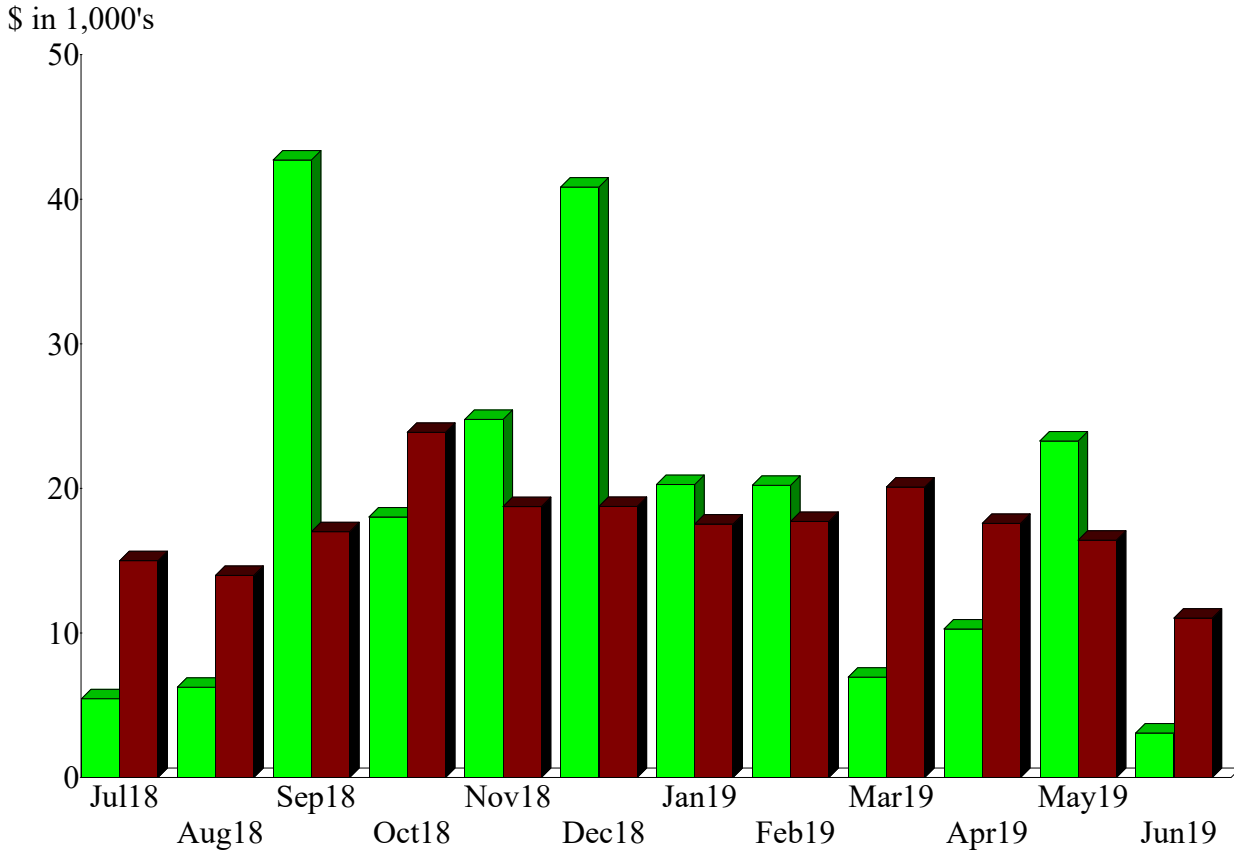
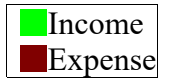
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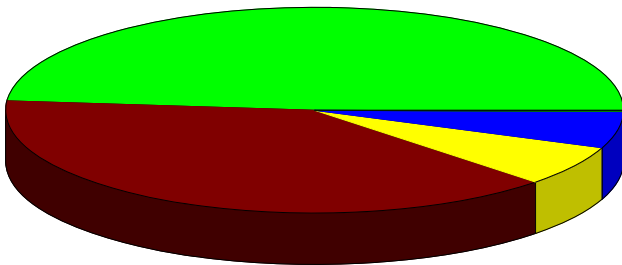


Income and Expense by Month
July 2018 through June 2019



Income Summary
July 2018 through June 2019

409999 · Corporations & foundations	48.59%
399999 · Individual contributions	39.25
489999 · In-kind contributions	6.38
619999 · Special events	5.78
539999 · Investment income	0.01
Total	\$222,119.19



By Account