



Reading to Kids
Financial Statements
For the Year Ended June 30, 2023

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

	Year Ended		Year Ended		
	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>
Assets					
Cash and cash equivalents	\$ 276,376	\$ 223,689	\$ 160,747	\$ 81,699	\$ 92,222
Grants and pledges receivable	-	2,707	31,795	30,903	150
Other receivables	1,750	1,700	1,700	1,700	1,600
Inventories	17,102	14,779	15,724	19,526	18,198
Prepaid expenses	-	-	-	1,112	-
Prepaid insurance	3,592	3,250	43	1,377	1,728
Equipment, net of depreciation	2,146	3,501	4,857	6,212	-
Total assets	<u>\$ 300,965</u>	<u>\$ 249,626</u>	<u>\$ 214,867</u>	<u>\$ 142,530</u>	<u>\$ 113,898</u>
Liabilities					
Accounts payable	\$ 4,109	\$ 3,877	\$ 2,099	\$ 1,635	\$ 2,904
PPP loan	-	-	22,685	21,107	-
Accrued expenses	847	1,376	11	312	2,299
Total liabilities	<u>4,956</u>	<u>5,253</u>	<u>24,795</u>	<u>23,054</u>	<u>5,203</u>
Net assets					
Unrestricted	262,689	195,698	110,054	71,390	72,031
Temporarily restricted	33,320	48,675	80,018	48,086	36,664
Total net assets	<u>296,009</u>	<u>244,373</u>	<u>190,072</u>	<u>119,476</u>	<u>108,695</u>
Total liabilities and net assets	<u>\$ 300,965</u>	<u>\$ 249,626</u>	<u>\$ 214,867</u>	<u>\$ 142,530</u>	<u>\$ 113,898</u>

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

	Year Ended		Year Ended		
	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Revenues and other support					
Individual contributions	\$ 115,572	\$ 99,344	\$ 86,260	\$ 95,400	\$ 87,184
Business donations	15,599	12,630	7,424	12,490	7,730
Corporate grants	28,000	30,000	15,000	12,000	51,500
Private foundation donations	6,448	8,404	3,052	4,539	5,720
Private foundation grants	50,000	30,000	50,000	15,000	40,000
Civic league donations	-	-	-	500	-
Civic league grants	-	-	20,000	10,000	-
Public charity donations	150	635	583	540	820
Public charity grants	22,750	5,000	29,224	38,000	2,150
Government grant	-	15,000	-	-	-
Government loan forgiveness	-	22,685	21,107	-	-
Donated reading club books	-	-	-	-	40
Donated food	240	-	-	640	960
Donated prize books	6,724	1,466	2,751	7,686	11,445
Donated volunteer recognition	701	-	-	1,150	1,724
Special events	7,014	9,864	5,494	6,488	12,836
Interest	985	17	7	13	10
Total revenues and other support	\$ 254,182	\$ 235,045	\$ 240,902	\$ 204,445	\$ 222,119
Expenses					
Functional expenses					
Office and other expenses					
Employee salary	\$ 115,487	\$ 106,041	\$ 102,417	\$ 111,119	\$ 101,873
Employee benefits	4,541	5,050	5,495	5,171	7,784
Payroll taxes	10,033	9,224	9,039	10,500	8,340
Professional fees	4,550	2,182	2,097	2,106	4,327
Supplies	3,816	679	182	2,233	2,228
Telecommunications	2,634	2,259	2,222	2,157	2,728
Postage, delivery, copying	16	3	696	1,065	1,107
Information technology	3,667	5,331	5,116	3,590	2,545
Occupancy expenses	20,510	20,260	20,260	19,560	19,060
Conferences and meetings	1,169	1,112	-	-	121
Depreciation expense	1,355	1,355	1,355	565	-
Insurance	3,362	2,752	2,639	2,636	2,635
Fundraising expenses	3,643	5,232	2,483	4,631	4,487
Miscellaneous expenses	2,278	751	378	991	1,943
Total office and other expenses	177,062	162,234	154,379	166,326	159,179
Reading club expenses					
Reading club books	13,643	7,856	8,096	12,639	21,290
Student prize books	4,598	2,571	3,616	6,010	11,084
Teacher prize books	929	1,652	2,435	1,175	1,505
Parent prize books	828	-	-	1,001	1,762
Food for volunteers	654	-	-	1,586	2,521
Electronic book expense	532	627	550	54	-
LAUSD Fees	-	90	-	-	-
Volunteer recognition expenses	701	-	-	1,150	1,724
Total reading club expenses	21,886	12,796	14,697	23,615	39,886
Total functional expenses	198,947	175,031	169,076	189,941	199,065
Fundraising direct expenses					
Special event direct expenses	3,599	5,713	1,230	3,724	8,671
Total fundraising direct expenses	3,599	5,713	1,230	3,724	8,671
Total expenses	\$ 202,546	\$ 180,744	\$ 170,306	\$ 193,665	\$ 207,737
Change in net assets	\$ 51,636	\$ 54,301	\$ 70,596	\$ 10,780	\$ 14,383

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

	Year Ended		Year Ended		
	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>
Reading club expenses					
School expenses					
Gratts					
Reading club books	\$ 1,243	\$ 982	\$ 1,002	\$ 1,737	\$ 2,906
Student prize books	430	456	433	1,007	1,227
Teacher prize books	30	205	284	110	151
Parent prize books	-	-	-	99	229
Food for volunteers	55	-	-	195	314
Total Gratts	1,758	1,643	1,719	3,147	4,827
Esperanza					
Reading club books	\$ 1,907	\$ 982	\$ 1,068	1,680	3,193
Student prize books	603	457	723	830	1,343
Teacher prize books	84	273	365	135	209
Parent prize books	91	-	-	71	170
Food for volunteers	90	-	-	137	222
Total Esperanza	2,776	1,712	2,155	2,854	5,137
Magnolia					
Reading club books	\$ 2,031	\$ 982	\$ 1,011	1,852	3,517
Student prize books	745	481	505	783	3,514
Teacher prize books	166	311	358	169	147
Parent prize books	154	-	-	150	178
Food for volunteers	91	-	-	212	356
Total Magnolia	3,186	1,773	1,875	3,167	7,713
Politi					
Reading club books	\$ 1,716	\$ 982	\$ 1,002	1,512	2,490
Student prize books	595	186	299	754	1,054
Teacher prize books	161	161	235	132	180
Parent prize books	166	-	-	197	316
Food for volunteers	87	-	-	223	351
Total Politi	2,726	1,330	1,536	2,818	4,392
White					
Reading club books	\$ 1,323	\$ 982	\$ 1,002	1,380	2,101
Student prize books	370	220	351	681	918
Teacher prize books	69	230	389	128	107
Parent prize books	171	-	-	134	329
Food for volunteers	86	-	-	203	323
Total White	2,018	1,432	1,743	2,526	3,778
Los Angeles					
Reading club books	\$ 2,073	\$ 982	\$ 1,002	1,653	3,097
Student prize books	729	134	323	717	1,294
Teacher prize books	181	149	297	195	304
Parent prize books	-	-	-	55	221
Food for volunteers	87	-	-	250	368
Total Los Angeles	3,071	1,265	1,621	2,869	5,284
Alta Loma					
Reading club books	\$ 1,586	\$ 982	\$ 1,000	1,145	1,397
Student prize books	482	230	246	482	658
Teacher prize books	92	186	185	155	203
Parent prize books	128	-	-	122	153
Food for volunteers	87	-	-	182	243
Total Alta Loma	2,376	1,398	1,431	2,086	2,652
MacArthur Park					
Reading club books	\$ 1,763	\$ 982	\$ 1,009	1,681	2,589
Student prize books	644	407	737	757	1,076
Teacher prize books	146	137	321	151	203
Parent prize books	117	-	-	172	166
Food for volunteers	71	-	-	184	343
Total MacArthur Park	2,742	1,526	2,066	2,944	4,378
Total school expenses	20,653	12,079	14,147	22,411	38,161
Other reading club expenses					
Electronic book expense	532	627	550	54	-
LAUSD Fees	-	90	-	-	-
Volunteer recognition expenses	701	-	-	1,150	1,724
Total other reading club expenses	1,233	717	550	1,204	1,724
Total reading club expenses	\$ 21,886	\$ 12,796	\$ 14,697	\$ 23,615	\$ 39,886

**Reading to Kids
Detailed Statement of Activities
For the Year Ended June 30, 2023**

	Unrestricted	Temporarily Restricted	Total
Revenues and other support			
Individual contributions	\$ 115,572	\$ -	\$ 115,572
Business donations	15,474	125	15,599
Corporate grants	-	28,000	28,000
Private foundation donations	6,448	-	6,448
Private foundation grants	(2,000)	52,000	50,000
Civic league donations	-	-	-
Civic league grants	-	-	-
Public charity donations	150	-	150
Public charity grants	250	22,500	22,750
Government grant	-	-	-
Government loan forgiveness	-	-	-
Donated reading club books	-	-	-
Donated food	240	-	240
Donated prize books	-	6,724	6,724
Donated volunteer recognition	701	-	701
Special events	7,014	-	7,014
Interest	985	-	985
Net assets released from restrictions			
Satisfaction of program restrictions	124,704	(124,704)	-
Total revenues and other support	<u>\$ 269,538</u>	<u>\$ (15,355)</u>	<u>\$ 254,182</u>
Expenses			
Functional expenses			
Office and other expenses			
Employee salary	\$ 115,487	\$ -	\$ 115,487
Employee benefits	4,541	-	4,541
Payroll taxes	10,033	-	10,033
Professional fees	4,550	-	4,550
Supplies	3,816	-	3,816
Telecommunications	2,634	-	2,634
Postage, delivery, copying	16	-	16
Information technology	3,667	-	3,667
Occupancy expenses	20,510	-	20,510
Conferences and meetings	1,169	-	1,169
Depreciation expense	1,355	-	1,355
Insurance	3,362	-	3,362
Fundraising expenses	3,643	-	3,643
Miscellaneous expenses	2,278	-	2,278
Total office and other expenses	<u>177,062</u>	<u>-</u>	<u>177,062</u>
Reading club expenses			
Reading club books	13,643	-	13,643
Student prize books	4,598	-	4,598
Teacher prize books	929	-	929
Parent prize books	828	-	828
Food for volunteers	654	-	654
Electronic book expense	532	-	532
LAUSD Fees	-	-	-
Volunteer recognition expenses	701	-	701
Total reading club expenses	<u>21,886</u>	<u>-</u>	<u>21,886</u>
Total functional expenses	<u>198,947</u>	<u>-</u>	<u>198,947</u>
Fundraising direct expenses			
Special event direct expenses	3,599	-	3,599
Total fundraising direct expenses	<u>3,599</u>	<u>-</u>	<u>3,599</u>
Total expenses	<u>\$ 202,546</u>	<u>\$ -</u>	<u>\$ 202,546</u>
Change in net assets	\$ 66,992	\$ (15,355)	\$ 51,636
Net assets at beginning of period	195,698	48,675	244,373
Net assets at end of period	<u>\$ 262,689</u>	<u>\$ 33,320</u>	<u>\$ 296,009</u>

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

	Year Ended		Year Ended		
	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Cash flows from operating activities					
Cash received from contributors	\$ 248,239	\$ 262,650	\$ 237,252	\$ 164,204	\$ 215,955
Cash paid to employees and vendors	(196,538)	(199,726)	(158,210)	(167,963)	(188,428)
Interest received	985	17	7	13	10
Net cash provided by operating activities	52,687	62,942	79,049	(3,746)	27,537
Cash flows from investing activities					
Purchase of equipment	-	-	-	(6,777)	-
Net cash provided by investing activities	-	-	-	(6,777)	-
Net increase in cash and cash equivalents	52,687	62,942	79,049	(10,523)	27,537
Cash and cash equivalents beginning of period	223,689	160,747	81,699	92,222	64,685
Cash and cash equivalents end of period	\$ 276,376	\$ 223,689	\$ 160,747	\$ 81,699	\$ 92,222
Reconciliation of change in net assets to net cash provided by operating activities					
Change in net assets	\$ 51,636	\$ 54,301	\$ 70,596	\$ 10,780	\$ 14,383
Adjustments to reconcile change in net assets to net cash provided by operating activities					
Depreciation	1,355	1,355	1,355	565	-
(Increase) decrease in					
Grants and pledges receivable	2,707	29,088	(892)	(30,753)	8,015
Other receivables	(50)	-	-	(100)	-
Inventories	(2,323)	946	3,802	(1,328)	3,613
Prepaid expenses	-	-	1,112	(1,112)	1,000
Prepaid insurance	(342)	(3,207)	1,334	351	1,161
Increase (decrease) in					
Accounts payable	232	1,777	464	(1,269)	(822)
PPP Loan	-	(22,685)	1,578	21,107	-
Accrued expenses	(529)	1,365	(301)	(1,988)	187
Net cash provided by operating activities	\$ 52,687	\$ 62,942	\$ 79,049	\$ (3,746)	\$ 27,537

**Reading to Kids
Statement of Functional Expenses
For the Year Ended June 30, 2023**

	Program Expenses	General and Administrative	Fundraising	Total
Personnel expenses				
Employee salary	\$ 86,615	\$ 14,436	\$ 14,436	\$ 115,487
Employee benefits	3,405	568	568	4,541
Payroll taxes	7,525	1,254	1,254	10,033
Total personnel expenses	97,545	16,258	16,258	130,061
Reading club expenses				
Reading club books	13,643	-	-	13,643
Student prize books	4,598	-	-	4,598
Teacher prize books	929	-	-	929
Parent prize books	828	-	-	828
Food for volunteers	654	-	-	654
Electronic book expense	532	-	-	532
LAUSD Fees	-	-	-	-
Volunteer recognition expenses	701	-	-	701
Total reading club expenses	21,886	-	-	21,886
Office and other expenses				
Professional fees	-	4,550	-	4,550
Supplies	2,862	477	477	3,816
Telecommunications	1,975	329	329	2,634
Postage, delivery, copying	12	2	2	16
Information technology	2,750	458	458	3,667
Occupancy expenses	15,383	2,564	2,564	20,510
Conferences and meetings	877	146	146	1,169
Depreciation expense	1,017	169	169	1,355
Insurance	-	3,362	-	3,362
Fundraising expenses	-	-	3,643	3,643
Miscellaneous expenses	1,709	285	285	2,278
Total office and other expenses	26,584	12,343	8,074	47,001
Total functional expenses	\$ 146,015	\$ 28,601	\$ 24,331	\$ 198,947
	73.4%	14.4%	12.2%	100.0%

Reading to Kids
Notes to Financial Statements
For the Year Ended June 30, 2023

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 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 eight elementary schools near downtown Los Angeles. We combine reading aloud with intellectual games, craft projects, and social interaction. 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.

In May 2020, during the COVID-19 pandemic, *Reading to Kids* shifted its model to hosting online reading clubs with teachers at our partner elementary schools serving as hosts along with our volunteer readers and their students. *Reading to Kids* returned to in-person reading clubs in September 2022.

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

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

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

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

Government grants: MacArthur Park Neighborhood Council; California Small Business COVID-19 Relief Grant Program

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

Donated volunteer hours: Total 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 **\$5,908,259 (232,335** volunteer hours – value set by Independent Sector).

NOTE 5 – STATEMENT OF FUNCTIONAL EXPENSES

Expenses identified with the monthly reading clubs are charged directly to that program. Expenses that benefit the program and the organization are allocated based on our estimate of time spent on the program, fundraising, and general/administrative work.

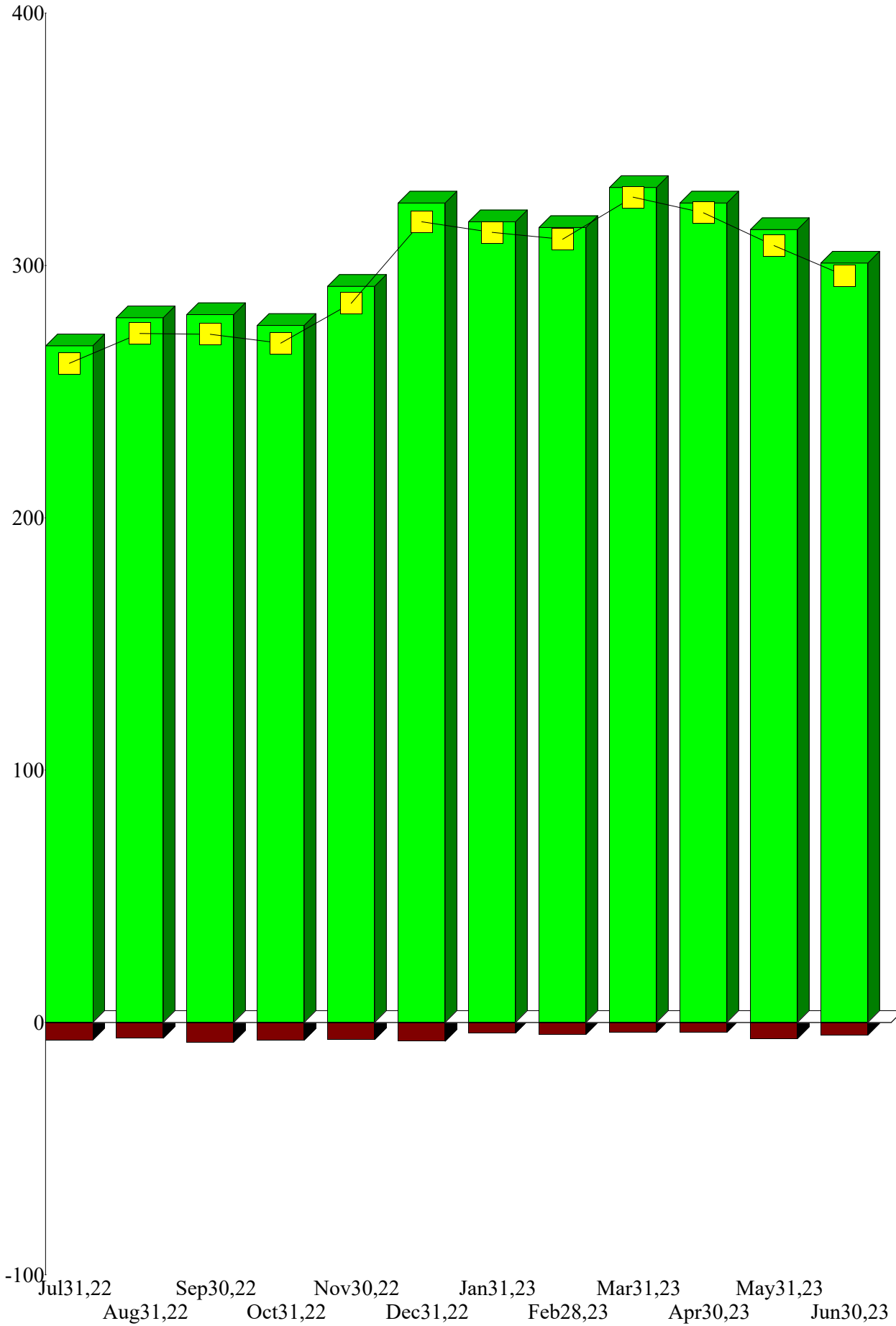
NOTE 6 – PAYCHECK PROTECTION PROGRAM ("PPP") LOAN

In 2020 and 2021, *Reading to Kids* was awarded loans under the PPP. *Reading to Kids* has fulfilled all requirements to receive forgiveness of the loans, and received forgiveness of the first in FY 2020-2021 and of the second in FY 2021-2022.

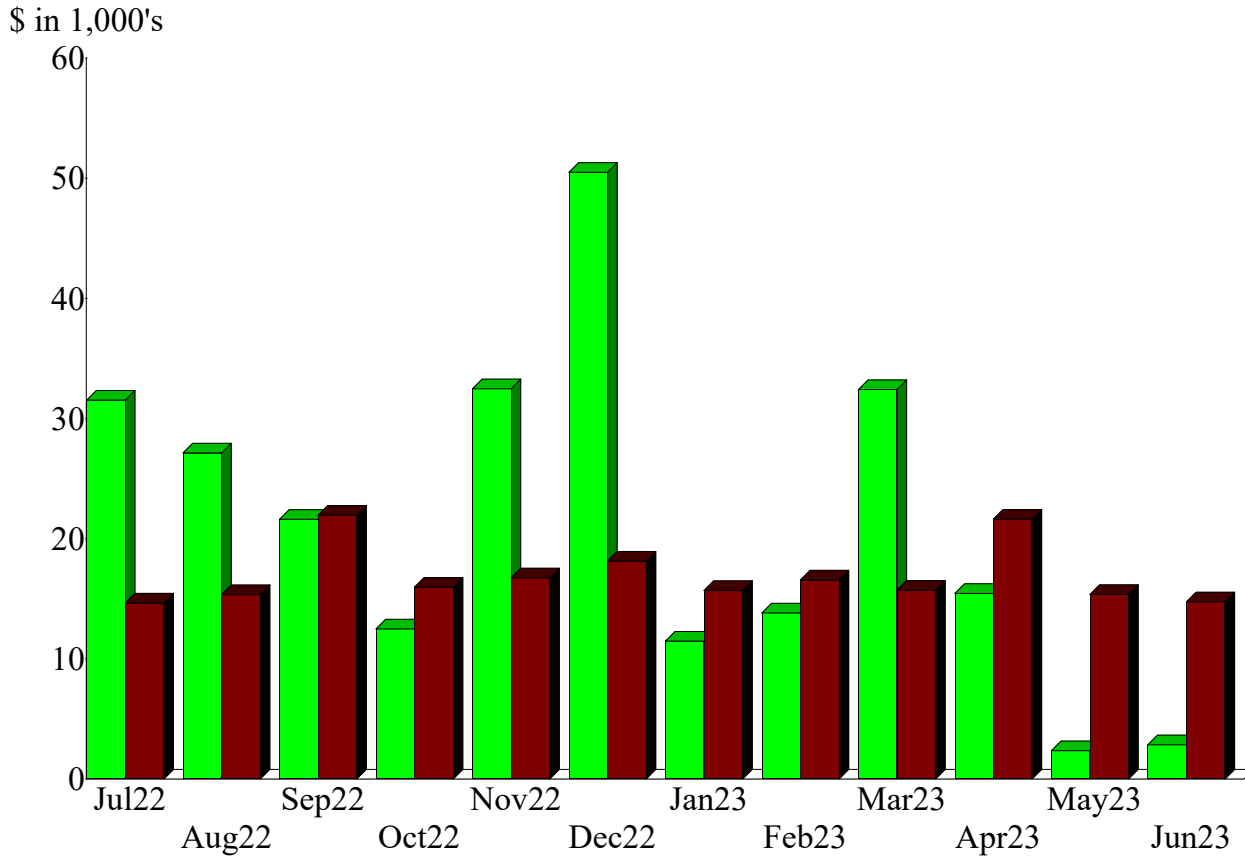
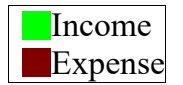
Net Worth by Month
As of June 30, 2023



\$ in 1,000's

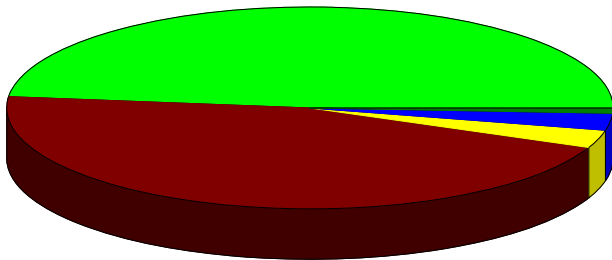


Income and Expense by Month July 2022 through June 2023



Income Summary July 2022 through June 2023

■	409999 · Corporations & foundations	48.37%
■	399999 · Individual contributions	45.47
■	489999 · In-kind contributions	3.02
■	619999 · Special events	2.76
■	539999 · Investment income	0.39
Total		\$254,182.06



By Account