



Reading to Kids
Financial Statements
For the Year Ended June 30, 2024

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

	Year Ended		Year Ended		
	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Assets					
Cash and cash equivalents	\$ 268,057	\$ 276,376	\$ 223,689	\$ 160,747	\$ 81,699
Grants and pledges receivable	6,500	-	2,707	31,795	30,903
Other receivables	4,750	1,750	1,700	1,700	1,700
Inventories	17,401	17,102	14,779	15,724	19,526
Prepaid expenses	1,000	-	-	-	1,112
Prepaid insurance	3,764	3,592	3,250	43	1,377
Equipment, net of depreciation	790	2,146	3,501	4,857	6,212
Total assets	\$ 302,262	\$ 300,965	\$ 249,626	\$ 214,867	\$ 142,530
Liabilities					
Accounts payable	\$ 11,958	\$ 3,981	\$ 3,749	\$ 1,972	\$ 1,635
PPP loan	-	-	-	22,685	21,107
Accrued expenses	1,536	847	1,376	11	312
Total liabilities	13,494	4,828	5,125	24,667	23,054
Net assets					
Unrestricted	264,802	262,817	195,825	110,181	71,390
Temporarily restricted	23,966	33,320	48,675	80,018	48,086
Total net assets	288,769	296,137	244,501	190,200	119,476
Total liabilities and net assets	\$ 302,262	\$ 300,965	\$ 249,626	\$ 214,867	\$ 142,530

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

	Year Ended		Year Ended		
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Revenues and other support					
Individual contributions	\$ 97,560	\$ 115,572	\$ 99,344	\$ 86,260	\$ 95,400
Business donations	17,152	15,599	12,630	7,424	12,490
Corporate grants	36,000	28,000	30,000	15,000	12,000
Private foundation donations	2,050	6,448	8,404	3,052	4,539
Private foundation grants	27,000	50,000	30,000	50,000	15,000
Civic league donations	-	-	-	-	500
Civic league grants	10,000	-	-	20,000	10,000
Public charity donations	290	150	635	583	540
Public charity grants	7,500	22,750	5,000	29,224	38,000
Government grant	-	-	15,000	-	-
Government loan forgiveness	-	-	22,685	21,107	-
Donated reading club books	57	-	-	-	-
Donated food	960	240	-	-	640
Donated prize books	4,828	6,724	1,466	2,751	7,686
Donated volunteer recognition	1,887	701	-	-	1,150
Special events	7,242	7,014	9,864	5,494	6,488
Interest	7,006	985	17	7	13
Total revenues and other support	\$ 219,531	\$ 254,182	\$ 235,045	\$ 240,902	\$ 204,445
Expenses					
Functional expenses					
Office and other expenses					
Employee salary	\$ 128,833	\$ 115,487	\$ 106,041	\$ 102,417	\$ 111,119
Employee benefits	4,541	4,541	5,050	5,495	5,171
Payroll taxes	10,250	10,033	9,224	9,039	10,500
Professional fees	2,192	4,550	2,182	2,097	2,106
Supplies	4,754	3,816	679	182	2,233
Telecommunications	2,886	2,634	2,259	2,222	2,157
Postage, delivery, copying	596	16	3	696	1,065
Information technology	4,543	3,667	5,331	5,116	3,590
Occupancy expenses	20,860	20,510	20,260	20,260	19,560
Conferences and meetings	1,169	1,169	1,112	-	-
Depreciation expense	1,355	1,355	1,355	1,355	565
Insurance	3,789	3,362	2,752	2,639	2,636
Fundraising expenses	4,948	3,643	5,232	2,355	4,631
Miscellaneous expenses	1,689	2,278	751	378	991
Total office and other expenses	192,404	177,062	162,234	154,251	166,326
Reading club expenses					
Reading club books	12,177	13,643	7,856	8,096	12,639
Student prize books	6,045	4,598	2,571	3,616	6,010
Teacher prize books	715	929	1,652	2,435	1,175
Parent prize books	819	828	-	-	1,001
Food for volunteers	2,400	654	-	-	1,586
Electronic book expense	567	532	627	550	54
LAUSD Fees	-	-	90	-	-
Volunteer recognition expenses	2,073	701	-	-	1,150
Total reading club expenses	24,796	21,886	12,796	14,697	23,615
Total functional expenses	217,200	198,947	175,031	168,948	189,941
Fundraising direct expenses					
Special event direct expenses	9,700	3,599	5,713	1,230	3,724
Total fundraising direct expenses	9,700	3,599	5,713	1,230	3,724
Total expenses	\$ 226,900	\$ 202,546	\$ 180,744	\$ 170,178	\$ 193,665
Change in net assets	\$ (7,369)	\$ 51,636	\$ 54,301	\$ 70,724	\$ 10,780

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

	Year Ended		Year Ended		
	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
Reading club expenses					
School expenses					
Gratts					
Reading club books	\$ 1,318	\$ 1,243	\$ 982	\$ 1,002	\$ 1,737
Student prize books	802	430	456	433	1,007
Teacher prize books	15	30	205	284	110
Parent prize books	-	-	-	-	99
Food for volunteers	254	55	-	-	195
Total Gratts	2,389	1,758	1,643	1,719	3,147
Esperanza					
Reading club books	\$ 1,476	\$ 1,907	\$ 982	\$ 1,068	1,680
Student prize books	768	603	457	723	830
Teacher prize books	71	84	273	365	135
Parent prize books	114	91	-	-	71
Food for volunteers	224	90	-	-	137
Total Esperanza	2,653	2,776	1,712	2,155	2,854
Magnolia					
Reading club books	\$ 1,747	\$ 2,031	\$ 982	\$ 1,011	1,852
Student prize books	855	745	481	505	783
Teacher prize books	77	166	311	358	169
Parent prize books	192	154	-	-	150
Food for volunteers	328	91	-	-	212
Total Magnolia	3,198	3,186	1,773	1,875	3,167
Politi					
Reading club books	\$ 1,400	\$ 1,716	\$ 982	\$ 1,002	1,512
Student prize books	680	595	186	299	754
Teacher prize books	227	161	161	235	132
Parent prize books	185	166	-	-	197
Food for volunteers	331	87	-	-	223
Total Politi	2,822	2,726	1,330	1,536	2,818
White					
Reading club books	\$ 1,252	\$ 1,323	\$ 982	\$ 1,002	1,380
Student prize books	606	370	220	351	681
Teacher prize books	13	69	230	389	128
Parent prize books	60	171	-	-	134
Food for volunteers	292	86	-	-	203
Total White	2,222	2,018	1,432	1,743	2,526
Los Angeles					
Reading club books	\$ 2,026	\$ 2,073	\$ 982	\$ 1,002	1,653
Student prize books	981	729	134	323	717
Teacher prize books	87	181	149	297	195
Parent prize books	56	-	-	-	55
Food for volunteers	313	87	-	-	250
Total Los Angeles	3,463	3,071	1,265	1,621	2,869
Alta Loma					
Reading club books	\$ 1,297	\$ 1,586	\$ 982	\$ 1,000	1,145
Student prize books	500	482	230	246	482
Teacher prize books	69	92	186	185	155
Parent prize books	81	128	-	-	122
Food for volunteers	324	87	-	-	182
Total Alta Loma	2,272	2,376	1,398	1,431	2,086
MacArthur Park					
Reading club books	\$ 1,662	\$ 1,763	\$ 982	\$ 1,009	1,681
Student prize books	854	644	407	737	757
Teacher prize books	157	146	137	321	151
Parent prize books	130	117	-	-	172
Food for volunteers	335	71	-	-	184
Total MacArthur Park	3,137	2,742	1,526	2,066	2,944
Total school expenses	22,156	20,653	12,079	14,147	22,411
Other reading club expenses					
Electronic book expense	567	532	627	550	54
LAUSD Fees	-	-	90	-	-
Volunteer recognition expenses	2,073	701	-	-	1,150
Total other reading club expenses	2,639	1,233	717	550	1,204
Total reading club expenses	\$ 24,796	\$ 21,886	\$ 12,796	\$ 14,697	\$ 23,615

Reading to Kids
Detailed Statement of Activities
For the Year Ended June 30, 2024

	Unrestricted	Temporarily Restricted	Total
Revenues and other support			
Individual contributions	\$ 97,560	\$ -	\$ 97,560
Business donations	17,152	-	17,152
Corporate grants	4,000	32,000	36,000
Private foundation donations	2,050	-	2,050
Private foundation grants	2,000	25,000	27,000
Civic league donations	-	-	-
Civic league grants	-	10,000	10,000
Public charity donations	290	-	290
Public charity grants	-	7,500	7,500
Government grant	-	-	-
Government loan forgiveness	-	-	-
Donated reading club books	-	57	57
Donated food	960	-	960
Donated prize books	-	4,828	4,828
Donated volunteer recognition	1,887	-	1,887
Special events	7,242	-	7,242
Interest	7,006	-	7,006
Net assets released from restrictions			
Satisfaction of program restrictions	88,739	(88,739)	-
Total revenues and other support	\$ 228,885	\$ (9,354)	\$ 219,531
Expenses			
Functional expenses			
Office and other expenses			
Employee salary	\$ 128,833	\$ -	\$ 128,833
Employee benefits	4,541	-	4,541
Payroll taxes	10,250	-	10,250
Professional fees	2,192	-	2,192
Supplies	4,754	-	4,754
Telecommunications	2,886	-	2,886
Postage, delivery, copying	596	-	596
Information technology	4,543	-	4,543
Occupancy expenses	20,860	-	20,860
Conferences and meetings	1,169	-	1,169
Depreciation expense	1,355	-	1,355
Insurance	3,789	-	3,789
Fundraising expenses	4,948	-	4,948
Miscellaneous expenses	1,689	-	1,689
Total office and other expenses	192,404	-	192,404
Reading club expenses			
Reading club books	12,177	-	12,177
Student prize books	6,045	-	6,045
Teacher prize books	715	-	715
Parent prize books	819	-	819
Food for volunteers	2,400	-	2,400
Electronic book expense	567	-	567
LAUSD Fees	-	-	-
Volunteer recognition expenses	2,073	-	2,073
Total reading club expenses	24,796	-	24,796
Total functional expenses	217,200	-	217,200
Fundraising direct expenses			
Special event direct expenses	9,700	-	9,700
Total fundraising direct expenses	9,700	-	9,700
Total expenses	\$ 226,900	\$ -	\$ 226,900
Change in net assets	\$ 1,985	\$ (9,354)	\$ (7,369)
Net assets at beginning of period	262,817	33,320	296,137
Net assets at end of period	\$ 264,802	\$ 23,966	\$ 288,769

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

	Year Ended		Year Ended		
	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Cash flows from operating activities					
Cash received from contributors	\$ 198,294	\$ 248,239	\$ 262,650	\$ 237,252	\$ 164,204
Cash paid to employees and vendors	(213,618)	(196,538)	(199,726)	(158,210)	(167,963)
Interest received	7,006	985	17	7	13
Net cash provided by operating activities	(8,319)	52,687	62,942	79,049	(3,746)
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	(8,319)	52,687	62,942	79,049	(10,523)
Cash and cash equivalents beginning of period	276,376	223,689	160,747	81,699	92,222
Cash and cash equivalents end of period	\$ 268,057	\$ 276,376	\$ 223,689	\$ 160,747	\$ 81,699
Reconciliation of change in net assets to net cash provided by operating activities					
Change in net assets	\$ (7,369)	\$ 51,636	\$ 54,301	\$ 70,724	\$ 10,780
Adjustments to reconcile change in net assets to net cash provided by operating activities					
Depreciation	1,355	1,355	1,355	1,355	565
(Increase) decrease in					
Grants and pledges receivable	(6,500)	2,707	29,088	(892)	(30,753)
Other receivables	(3,000)	(50)	-	-	(100)
Inventories	(299)	(2,323)	946	3,802	(1,328)
Prepaid expenses	(1,000)	-	-	1,112	(1,112)
Prepaid insurance	(172)	(342)	(3,207)	1,334	351
Increase (decrease) in					
Accounts payable	7,977	232	1,777	337	(1,269)
PPP Loan	-	-	(22,685)	1,578	21,107
Accrued expenses	689	(529)	1,365	(301)	(1,988)
Net cash provided by operating activities	\$ (8,319)	\$ 52,687	\$ 62,942	\$ 79,049	\$ (3,746)

Reading to Kids
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Expenses	General and Administrative	Fundraising	Total
Personnel expenses				
Employee salary	\$ 96,625	\$ 16,104	\$ 16,104	\$ 128,833
Employee benefits	3,405	568	568	4,541
Payroll taxes	7,687	1,281	1,281	10,250
Total personnel expenses	107,718	17,953	17,953	143,624
Reading club expenses				
Reading club books	12,177	-	-	12,177
Student prize books	6,045	-	-	6,045
Teacher prize books	715	-	-	715
Parent prize books	819	-	-	819
Food for volunteers	2,400	-	-	2,400
Electronic book expense	567	-	-	567
Volunteer recognition expenses	2,073	-	-	2,073
Total reading club expenses	24,796	-	-	24,796
Office and other expenses				
Professional fees	-	2,192	-	2,192
Supplies	3,565	594	594	4,754
Telecommunications	2,164	361	361	2,886
Postage, delivery, copying	447	75	75	596
Information technology	3,407	568	568	4,543
Occupancy expenses	15,645	2,608	2,608	20,860
Conferences and meetings	877	146	146	1,169
Depreciation expense	1,017	169	169	1,355
Insurance	-	3,789	-	3,789
Fundraising expenses	-	-	4,948	4,948
Miscellaneous expenses	1,267	211	211	1,689
Total office and other expenses	28,389	10,713	9,679	48,781
Total functional expenses	\$ 160,902	\$ 28,666	\$ 27,632	\$ 217,200
	<u>74.1%</u>	<u>13.2%</u>	<u>12.7%</u>	<u>100.0%</u>

Reading to Kids
Notes to Financial Statements
For the Year Ended June 30, 2024

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; Epton America, Inc.; Experian; The Fluor Fndn.; General Mills Fndn.; Hilton Hotels Corporation; IBM; International Lease Finance Corporation; Mattel Children's Fndn.; Munger, Tolles & Olson LLP; 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 **\$6,195,462 (239,658** 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.

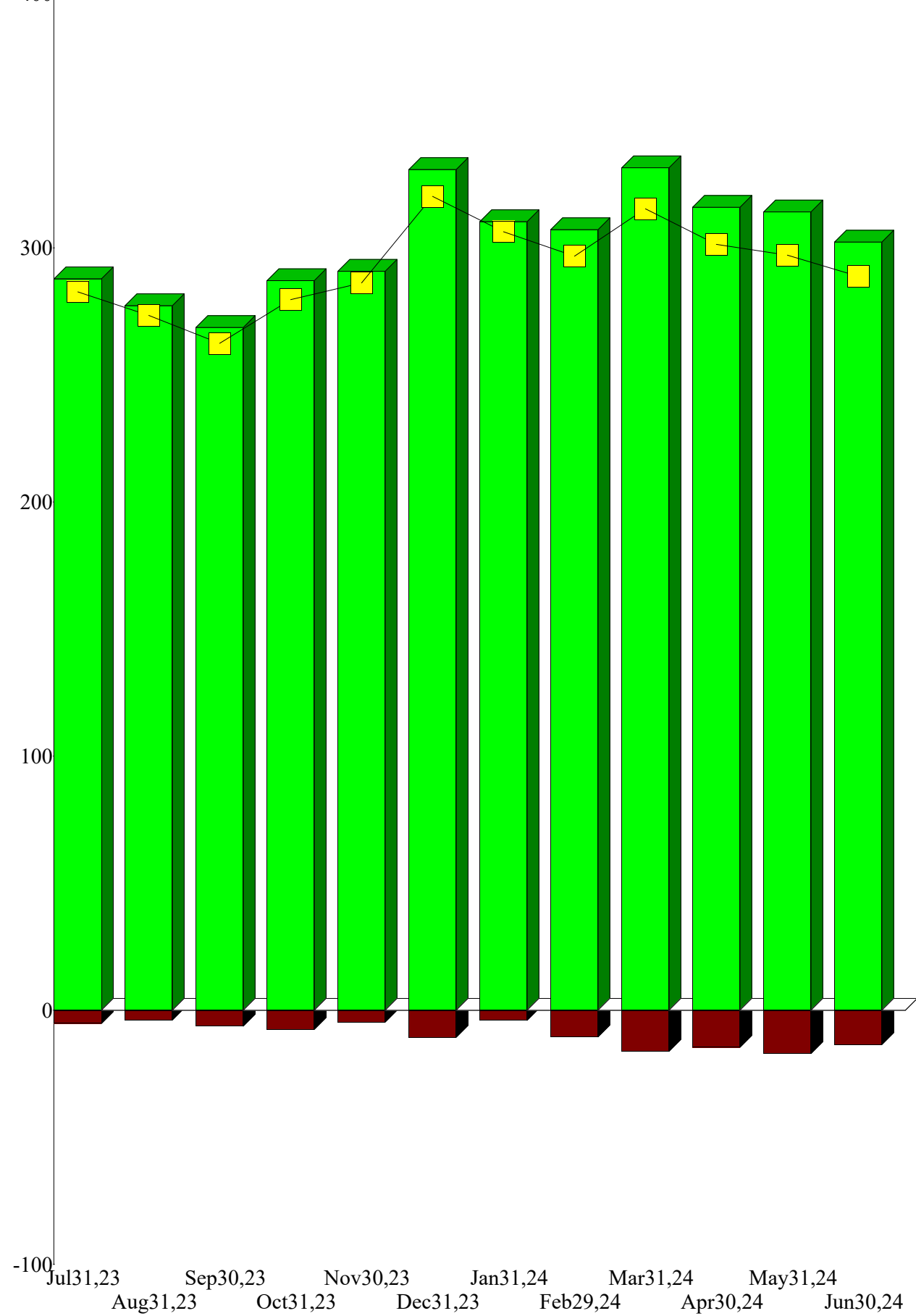
NOTE 6 – PAYCHECK PROTECTION PROGRAM ("PPP") LOAN

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.

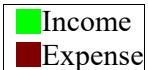
Net Worth by Month
As of June 30, 2024



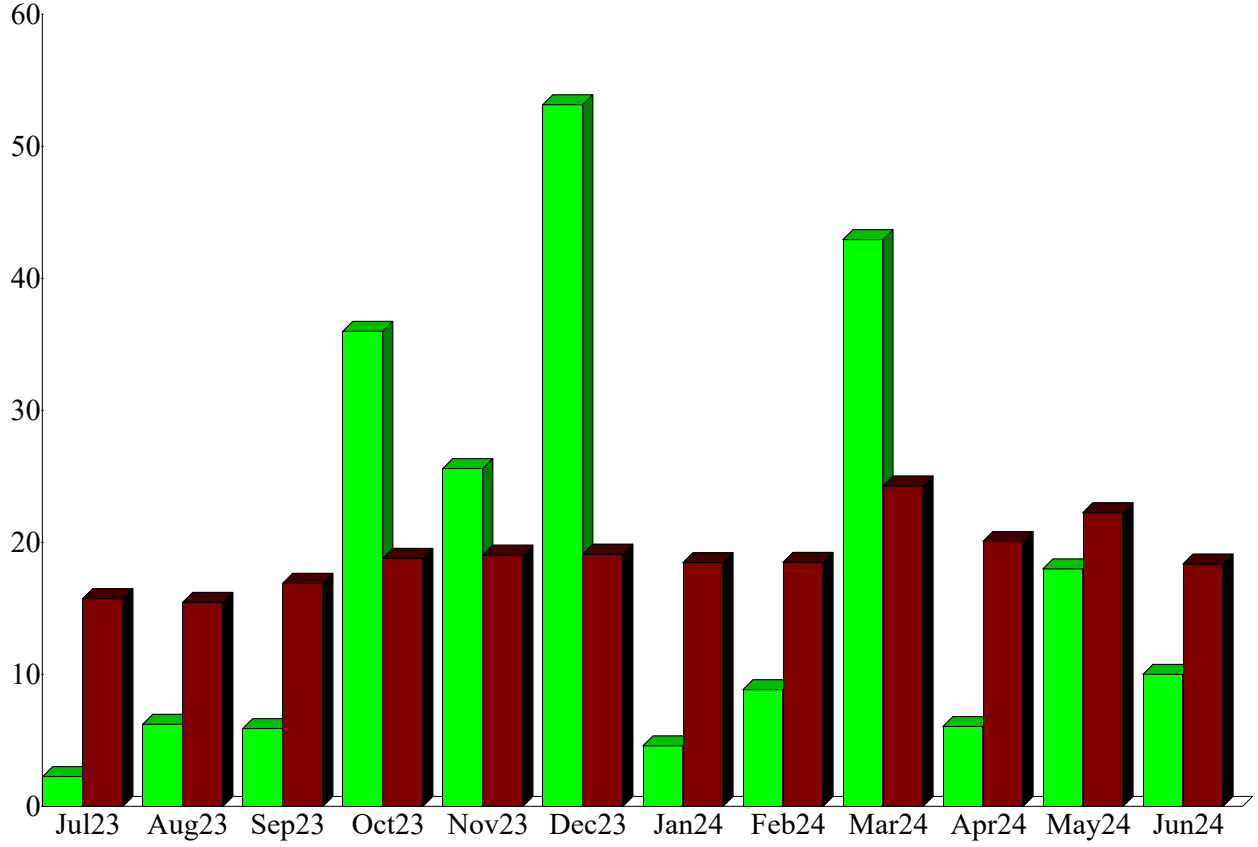
\$ in 1,000's



Income and Expense by Month
July 2023 through June 2024

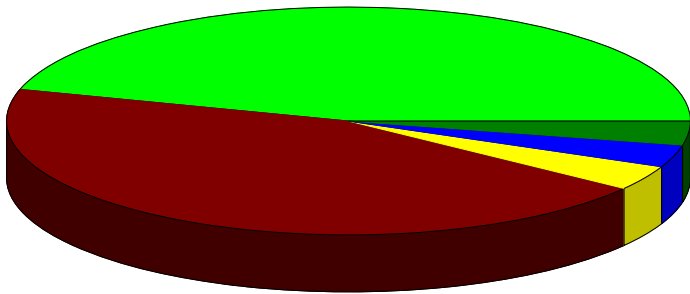


\$ in 1,000's



Income Summary
July 2023 through June 2024

409999 · Corporations & foundations	45.55%
399999 · Individual contributions	44.44
489999 · In-kind contributions	3.52
619999 · Special events	3.30
539999 · Investment income	3.19
Total	\$219,531.48



By Account