



WINKLEBLACK CPAs
PROFESSIONAL CORPORATION

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
The Read to Me Project
Salinas, CA

We have reviewed the accompanying financial statements of The Read To Me Project (a non-profit organization), which comprise the balance sheet as of June 30, 2019 and the related statement of income and changes in members' equity and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Carmel, CA
November 27, 2019

**The Read to Me Project
Statement of Financial Position
as of June 30, 2019**

ASSETS

Current assets

Cash, cash equivalents and restricted cash	\$ 376,310
Accounts Receivable	\$ 100
Prepaid Expenses	<u>1,795</u>
Total current assets	<u>\$ 378,205</u>

Other assets

Furniture and equipment (net of accumulated depreciation of \$854) (Note 2)	\$ 237
Security deposits	<u>-</u>
Total other assets	<u>\$ 237</u>

Total assets **\$ 378,442**

LIABILITIES & NET ASSETS

Current liabilities

Accounts payable	\$ 13,159
Credit card payable	<u>2,120</u>
Total current liabilities	<u>\$ 15,279</u>

Total liabilities **\$ 15,279**

Net Assets

Without donor restrictions	175,913
With donor restrictions (Note 1)	<u>187,250</u>
Total net assets	<u>363,163</u>

Total liabilities & net assets **\$ 378,442**

The Read to Me Project
Statement of Activities Changes in Net Assets
For the year ended June 30, 2019

Revenues:

Business and Foundation Grants	\$ 330,689
Individual and Business Donations	61,297
Program Service Fees	<u>88,200</u>
Total revenues	\$ 480,186

Cost and expenses:

Contract Services/Professional Fees	10,324
Depreciation	218
Direct Program Costs	24,041
Fund Development and Community Outreach	1,922
Information Technology	2,190
Insurance	2,538
Occupancy	18,550
Office Expenses	3,191
Other Expenses	537
Payroll Expenses	287,375
Recruiting, Training, Staff Development	4,987
Travel and Meetings	<u>1,280</u>
Total costs and expenses	<u>357,153</u>

Income from operations before other income	<u>123,033</u>
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Change in net assets	123,033
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Net assets at beginning of year	<u>240,130</u>
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Net assets as of June 30, 2019	<u><u>\$ 363,163</u></u>
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**The Read to Me Project
Statement of Cash Flows
For the year ended June 30, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income	\$ 123,033
Adjustments to reconcile net income to net cash provided by operating activities:	
Increase in accounts receivable	(100)
Depreciation expense	218
Decrease in prepaid expenses	(1,403)
Decrease in security deposits	400
increase in credit cards payable	1,096
Decrease in accounts payable	<u>12,617</u>
 Net Cash Provided by Operating Activities	 <u>135,861</u>
 Net increase in cash	 135,861
 Cash, cash equivalents and restricted cash at beginning of year	 <u>240,449</u>
 Cash, cash equivalents and restricted cash at end of year	 <u><u>\$ 376,310</u></u>

See accompanying notes and accountant's review report

1. Summary of significant accounting policies

Basis of Accounting

The financial statements are prepared in conformity with generally accepted accounting principles in the United States of America (GAAP).

Nature of Operations

The Read to Me Project promotes early-learning literacy through ensuring underserved infants, toddlers and preschool children within Monterey County are being read to on a regular basis. The company is primarily funded through grants, though there are also Program Service Fees.

Tax Exempt Status

The Company is tax exempt under Internal Revenue Code 501(c)(3) for Federal income tax purposes.

Use of Estimates

Management does not use estimates in preparation of its financial statements, instead using actual amounts.

Balance Sheet Classification

A one-year time period is used as the basis for classifying all current assets and liabilities.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect based upon pledged amounts.

Accounts Payable

Accounts payable are stated at the amount owed. The amounts are payable to the company's vendors.

Restrictions on cash and cash equivalents

Grant applications are received for the subsequent fiscal year and specify that the grant cannot be used for existing financial obligations.

The Read to Me Project
Notes to Financial Statements
June 30, 2019

Evaluation of Subsequent Events

Management has evaluated subsequent events through November 27, 2019, the date on which the financial statements were available to be issued.

2. Property, plant and equipment

Property and equipment are stated at cost. Depreciation is stated using the straight-line method over the estimated useful lives of the equipment. Expenditures for repairs and maintenance are charged to expense as incurred.

Furniture and equipment	\$ 1091
Accumulated depreciation	<u>(854)</u>
Net Furniture and equipment	<u>\$ 237</u>