



WINKLEBLACK CPAs  
PROFESSIONAL CORPORATION

**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

Board of Directors  
Read to Me Project  
Salinas, California

We have reviewed the accompanying financial statements of the Read to Me Project (a non-profit organization), which comprise the statement of financial position as of June 30, 2018 and the related statement of activities and changes in net assets and statement of 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**

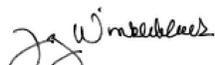
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and 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

September 27, 2018

**The Read to Me Project  
Statement of Financial Position  
as of June 30, 2018**

**ASSETS**

Current assets

Cash, cash equivalents and restricted cash	\$	240,449
Prepaid Expenses		<u>392</u>
Total current assets	\$	<u>240,841</u>

Other assets

Furniture and equipment (net of accumulated depreciation of \$636) (Note 2)	\$	455
Security deposits		<u>400</u>
Total other assets	\$	<u>855</u>

<b>Total assets</b>	<b>\$</b>	<b><u>241,696</u></b>
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**LIABILITIES & NET ASSETS**

Current liabilities

Accounts payable	\$	542
Credit card payable		<u>1,024</u>
Total current liabilities	\$	<u>1,566</u>

<b>Total liabilities</b>	<b>\$</b>	<b><u>1,566</u></b>
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Net Assets

Without donor restrictions		107,880
With donor restrictions (Note 1)		<u>132,250</u>
Total net assets		<u>240,130</u>

<b>Total liabilities &amp; net assets</b>	<b>\$</b>	<b><u>241,696</u></b>
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**The Read to Me Project  
Statement of Activities  
For the year ended June 30, 2018**

**Revenues:**

Business and Foundation Grants	\$ 199,952
Individual and Business Donations	55,645
Program Service Fees	<u>78,400</u>
<b>Total revenues</b>	<b>\$ 333,997</b>

**Cost and expenses:**

Contract Services/Professional Fees	4,403
Depreciation	218
Direct Program Costs	19,058
Fund Development and Community Outreach	1,432
Information Technology	834
Insurance	2,538
Occupancy	17,344
Office Expenses	2,792
Other Expenses	679
Payroll Expenses	210,419
Recruiting, Training, Staff Development	1,401
Travel and Meetings	<u>897</u>
<b>Total costs and expenses</b>	<b><u>262,015</u></b>

Income from operations before other income	<u>71,982</u>
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<b>Change in net assets</b>	<b>71,982</b>
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Net assets at beginning of year	<u>168,149</u>
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<b>Net assets as of June 30, 2018</b>	<b><u>\$ 240,131</u></b>
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**The Read to Me Project  
Statement of Cash Flows  
For the year ended June 30, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income	\$ 71,982
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation expense	218
Decrease in accounts receivable	-
Decrease in amount held at Paypal	-
Decrease in prepaid expenses	3,053
Decrease in security deposits	75
increase in credit cards payable	133
Decrease in accounts payable	<u>(45)</u>
Net Cash Provided by Operating Activities	<u>75,416</u>
Net increase in cash	75,416
Cash, cash equivalents and restricted cash at beginning of year	<u>165,033</u>
<b>Cash, cash equivalents and restricted cash at end of year</b>	<b><u><u>\$ 240,449</u></u></b>

## 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.

Read to Me Project  
Notes to Financial Statements  
June 30, 2018

Evaluation of Subsequent Events

Management has evaluated subsequent events through September 27, 2018, 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>(636)</u>
Net Furniture and equipment	<u>\$ 455</u>