



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 Statement of Financial Position as of June 30, 2021 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 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.

September 23, 2021

Monterey
98 Del Monte Ave., Suite 202
Monterey, CA 93940

Phone: (831) 275-0084
Email: info@cal-cpa.com
Fax: (831) 708-6225

Carmel
26335 Carmel Rancho Blvd, Ste 9
Carmel, CA 93923

**The Read to Me Project
Statement of Financial Position
as of June 30, 2021**

ASSETS

Current assets

Cash, cash equivalents and restricted cash	\$	419,717
Accounts Receivable		-
Prepaid Expenses		-
Total current assets		419,717

Other assets

Furniture and equipment (net of accumulated depreciation of \$1,091) (Note 2)		-
Security deposits		-
Total other assets		-
Total assets		419,717

LIABILITIES & NET ASSETS

Current liabilities

Accounts payable		256
Payroll liabilities		22,313
Credit card payable		1,495
Total current liabilities		24,064
Total liabilities		24,064

Net Assets

Without donor restrictions		266,653
With donor restrictions (Note 1)		129,000
Total net assets		395,653
Total liabilities & net assets		\$ 419,717

The Read to Me Project
Statement of Activities and Net Assets for the year ended June 30, 2021

	Without Donor Restriction	With Donor Restriction	Total
Revenues:			
Business and Foundation Grants	\$ 22,658	\$ 129,000	\$ 151,658
Individual and Business Donations	82,963	-	82,963
Program Service Fees	1,698		1,698
Net assets released from restrictions	168,500	(168,500)	-
Total revenues	275,819	(39,500)	236,319
Cost and expenses:			
Contract Services/Professional Fees	552	-	552
Depreciation	-	-	-
Direct Program Costs (Non-Payroll)	6,028	-	6,028
Fund Development and Community Outreach	74	-	74
Information Technology	1,201	-	1,201
Insurance	2,407	-	2,407
Occupancy	17,741	-	17,741
Office Expenses	2,535	-	2,535
Other Expenses	1,830	-	1,830
Payroll Expenses	333,722	-	333,722
Recruiting, Training, Staff Development	638	-	638
Travel and Meetings	27	-	27
Total costs and expenses	366,755	-	366,755
Income from operations before other income	(90,936)	(39,500)	(130,436)
Other income (loss):			
Interest Income	29		29
Other income (PPP Forgiveness, SBA Grants)	118,007	-	118,007
Total Other Income (loss)	118,036	-	118,036
Change in net assets	27,100	(39,500)	(12,400)
Net assets at beginning of year	239,553	168,500	408,053
Net assets as of June 30, 2021	<u>\$ 266,653</u>	<u>\$ 129,000</u>	<u>\$ 395,653</u>

See accompanying notes and accountant's review report

**The Read to Me Project
Statement of Cash Flows
For the year ended June 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income	\$ (12,400)
Adjustments to reconcile net income to net cash provided by operating activities:	
Increase in accounts receivable	-
Depreciation expense	-
Decrease in prepaid expenses	319
Increase in payroll liabilities	3,452
Increase in credit cards payable	862
Increase in accounts payable	104
	<u> </u>
Net Cash Provided by Operating Activities	<u>(7,663)</u>
Net increase in cash	(7,663)
Cash, cash equivalents and restricted cash at beginning of year	<u>427,380</u>
Cash, cash equivalents and restricted cash at end of year	<u><u>\$ 419,717</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 organization is primarily funded through grants, individual and business donations, though there are also Program Service Fees.

Tax Exempt Status

The Organization is tax exempt under Internal Revenue Code 501(c)(3) for Federal and California 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 organization's vendors.

Restrictions on cash and cash equivalents

Some grants are received for specific programmatic areas or purposes, or 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, 2021

Evaluation of Subsequent Events

Management has evaluated subsequent events through September 23, 2021, 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	\$ 1,091
Accumulated depreciation	<u>(1,091)</u>
Net Furniture and equipment	<u>\$ 0</u>