

# **THE READ TO ME PROJECT**

## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT ON UNAUDITED FINANCIAL STATEMENTS**

For the Year Ended June 30, 2023

**Prepared by:**  
**George Dimov, CPA**  
211E 43rd St  
New York, NY 10017  
(833) 829-1120  
[WWW.DIMOV.TAX.COM](http://WWW.DIMOV.TAX.COM)

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**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, 2023, 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 engagements 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.

We are required to be independent of The Read to Me Project and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

***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.

Sincerely,

George Dimov, CPA  
New York, NY  
August 21, 2023

**Statement of Financial Position  
as of June 30, 2023**

US Dollars	Note	June 30, 2023
<b>Assets</b>		
Property and Equipment (net of accumulated depreciation of \$1,091)	2	-
<b>Non-current Assets</b>		-
Cash and Cash Equivalents	3	581,267
Accounts Receivable		59,521
Prepaid Expenses		1,651
<b>Current Assets</b>		<b>642,439</b>
<b>Total Assets</b>		<b>642,439</b>
<b>Liabilities</b>		
Payroll Liabilities		11,781
Credit Card Payable		498
<b>Current Liabilities</b>		<b>12,279</b>
<b>Total Liabilities</b>		<b>12,279</b>
<b>Net Assets</b>		
Without Donor Restrictions		506,910
With Donor Restrictions	1	123,250
<b>Total Net Assets</b>		<b>630,160</b>
<b>Total Liabilities and Net Assets</b>		<b>642,439</b>

**Statement of Activities and Net Assets  
for the year ended June 30, 2023**

US Dollars	Note	Without Donor Restriction	With Donor Restriction	Total
<b>Revenues:</b>				
Business and Foundation Grants		150,774	123,250	274,024
Individual and Business Donations		94,154	-	94,154
Program Service Fees		71,707	-	71,707
Net Assets Released from Restrictions		159,000	(159,000)	-
<b>Total Revenues</b>		<b>475,635</b>	<b>(35,750)</b>	<b>439,885</b>
<b>Expenses:</b>				
Payroll Expenses		322,236	-	322,236
Direct Program Costs (Non-Payroll)		21,689	-	21,689
Occupancy		18,335	-	18,335
Contract Services/Professional Fees		6,748	-	6,748
Office Expenses		3,770	-	3,770
Insurance		3,424	-	3,424
Information Technology		2,305	-	2,305
Fund Development and Community Outreach		965	-	965
Recruiting, Training, Staff Development		619	-	619
Other expenses		2,638	-	2,638
<b>Total Expenses</b>		<b>382,729</b>	<b>-</b>	<b>382,729</b>
<b>Income from Operations before Other Income</b>		<b>92,906</b>	<b>(35,750)</b>	<b>57,156</b>
<b>Other Income</b>				
Employee Retention Credits		36,972	-	36,972
Interest Income		1,914	-	1,914
<b>Total Other Income</b>		<b>38,886</b>	<b>-</b>	<b>38,886</b>
<b>Change in Net Assets</b>		<b>131,792</b>	<b>(35,750)</b>	<b>96,042</b>
<b>Net Assets as of the Beginning of the Year</b>		<b>375,118</b>	<b>159,000</b>	<b>534,118</b>
<b>Net Assets as of the End of the Year</b>		<b>506,910</b>	<b>123,250</b>	<b>630,160</b>

**Statement of Cash Flows  
for the year ended June 30, 2023**

<b>US Dollars</b>	<b>Note</b>	<b>year ended June 30, 2023</b>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets		96,042
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Increase in Accounts Receivable		(44,609)
Increase in Prepaid Expenses		(1,651)
Increase in Accounts Payable		11,207
Decrease in Credit Card Payable		(410)
Decrease in Payroll Liabilities		(24,898)
<b>Net Cash Provided by Operating Activities</b>		<b>35,681</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>35,681</b>
Cash at Beginning of Period		545,586
<b>Cash at End of Period</b>	<b>3</b>	<b>581,267</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED JUNE 30, 2023**  
*(in US Dollars)*

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**Note 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 amounts collected subsequent to year end.

**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.

**Evaluation of Subsequent Events**

Management has evaluated subsequent events through August 21, 2023, the date on which the financial statements were available to be issued.

**Note 2: Property 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.

Property and Equipment	1,091
Accumulated Depreciation	(1,091)
Net Property and Equipment	-

**Note 3: Cash and Cash Equivalents**

As of June 30, 2023 cash and cash equivalents consisted of the following:

	<b>June 30, 2023</b>
USBank	231,057
1st Capital Bank	249,990
1st Capital Bank	100,220
<b>Total cash and cash equivalents</b>	<b>581,267</b>