

**READ TO A CHILD, INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

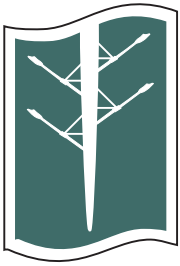


**READ TO A CHILD, INC.**

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Murphy,  
Edwards,  
Goncalves  
&  
Ferrera, PC

*Certified Public Accountants  
and Business Advisors*

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Read to a Child, Inc.

### **Opinion**

We have audited the accompanying financial statements of Read to a Child, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Read to a Child, Inc. as of September 30, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Read to a Child, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

## INDEPENDENT AUDITORS' REPORT

(Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Read to a Child, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Read to a Child, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Read to a Child, Inc.'s ability to continue as a going concern for a reasonable period of time.

## INDEPENDENT AUDITORS' REPORT

(Continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### Report on Summarized Comparative Information

We have previously audited Read to a Child, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 5, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Murphy, Edwards, Moncalves & Ferrera, PC*

Southborough, Massachusetts

December 6, 2023

**READ TO A CHILD, INC.**

**STATEMENT OF FINANCIAL POSITION**

**AS OF SEPTEMBER 30, 2023**

(With Comparative Totals as of September 30, 2022)

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and Cash Equivalents (Notes 2, 3 and 9)	\$ 544,682	\$ 747,013
Investments (Notes 3 and 6)	14,018	7,142
Contributions and Grants Receivable (Notes 2 and 3)	406,040	5,015
Prepaid Expenses	<u>14,520</u>	<u>14,731</u>
Total Current Assets	<u>979,260</u>	<u>773,901</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 979,260</u></u>	<u><u>\$ 773,901</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	\$ 21,111	\$ 10,560
Accrued Expenses	29,073	27,898
Deferred Income (Note 7)	<u>27,500</u>	<u>25,000</u>
Total Current Liabilities	<u>77,684</u>	<u>63,458</u>
<b>TOTAL LIABILITIES</b>	<u>77,684</u>	<u>63,458</u>
<b>NET ASSETS (Note 2):</b>		
Without Donor Restrictions	605,142	501,207
With Donor Restrictions (Notes 3 and 8)	<u>296,434</u>	<u>209,236</u>
Total Net Assets	<u>901,576</u>	<u>710,443</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 979,260</u></u>	<u><u>\$ 773,901</u></u>

*See Accompanying Notes and Independent Auditors' Report*

**READ TO A CHILD, INC.**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

(With Comparative Totals for the Year Ended September 30, 2022)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2023 Total</b>	<b>2022 Total</b>
<b>SUPPORT AND REVENUE (Note 2):</b>				
Special Events Income (Note 9)	\$ 231,915	\$ -	\$ 231,915	\$ 243,846
Direct Special Event Costs	<u>(17,222)</u>	<u>-</u>	<u>(17,222)</u>	<u>(15,816)</u>
Net Special Event Income	214,693	-	214,693	228,030
Contributions (Note 2)	375,257	-	375,257	404,903
Grant Income	773,799	296,434	1,070,233	903,521
In-Kind Contributions (Note 2)	131,503	-	131,503	113,314
Net Assets Released from Restriction (Note 2)	209,236	(209,236)	-	-
Investment Return	<u>5,341</u>	<u>-</u>	<u>5,341</u>	<u>255</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>1,709,829</u>	<u>87,198</u>	<u>1,797,027</u>	<u>1,650,023</u>
<b>FUNCTIONAL EXPENSES (Note 2):</b>				
Program Services	<u>1,226,737</u>	<u>-</u>	<u>1,226,737</u>	<u>1,002,669</u>
Support Services:				
Management and General	124,129	-	124,129	120,528
Fund Raising	<u>255,028</u>	<u>-</u>	<u>255,028</u>	<u>295,981</u>
Total Support Services	<u>379,157</u>	<u>-</u>	<u>379,157</u>	<u>416,509</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>1,605,894</u>	<u>-</u>	<u>1,605,894</u>	<u>1,419,178</u>
<b>INCREASE IN NET ASSETS</b>	103,935	87,198	191,133	230,845
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>501,207</u>	<u>209,236</u>	<u>710,443</u>	<u>479,598</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 605,142</u>	<u>\$ 296,434</u>	<u>\$ 901,576</u>	<u>\$ 710,443</u>

*See Accompanying Notes and Independent Auditors' Report*

**READ TO A CHILD, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

(With Comparative Totals for the Year Ended September 30, 2022)

	<b>SUPPORT SERVICES MANAGEMENT</b>			<b>2023</b>	<b>2022</b>
	<b>PROGRAM SERVICES</b>	<b>AND GENERAL</b>	<b>FUND RAISING</b>	<b>TOTAL</b>	<b>TOTAL</b>
Salaries and Wages	\$ 869,409	\$ 68,573	\$ 162,366	\$ 1,100,348	\$ 999,814
Payroll Taxes	73,646	4,696	14,061	92,403	83,975
Employee Benefits (Note 10)	<u>70,314</u>	<u>7,008</u>	<u>16,656</u>	<u>93,978</u>	<u>85,535</u>
Total Payroll and Related Expenses	1,013,369	80,277	193,083	1,286,729	1,169,324
In-Kind Rent (Note 2)	79,879	6,064	15,161	101,104	101,088
Program Books and Supplies (Note 2)	64,525	-	-	64,525	9,231
Professional Fees and Consultants	10,673	8,192	34,202	53,067	58,009
Office and Telecommunications Expense	16,580	6,099	10,582	33,261	34,200
Direct Special Event Costs	-	-	17,222	17,222	15,816
In-Kind Professional Fees (Note 2)	15,588	-	-	15,588	12,226
Accounting Services	-	14,175	-	14,175	13,675
Insurance	3,812	7,010	696	11,518	8,034
Volunteer Transportation (Note 2)	9,815	-	-	9,815	-
Travel	5,298	9	697	6,004	5,446
Conferences and Meetings	4,147	-	288	4,435	3,598
Miscellaneous	2,445	-	319	2,764	3,081
Filing Fees	-	2,059	-	2,059	1,788
Memberships and Dues	200	244	-	444	300
Maintenance and Storage Expense	406	-	-	406	527
Interest Expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,349)</u>
Gross Functional Expenses	1,226,737	124,129	272,250	1,623,116	1,434,994
Less Items Included in Statement of Activities:					
Direct Special Event Costs	<u>-</u>	<u>-</u>	<u>(17,222)</u>	<u>(17,222)</u>	<u>(15,816)</u>
Total Functional Expenses	<u>\$ 1,226,737</u>	<u>\$ 124,129</u>	<u>\$ 255,028</u>	<u>\$ 1,605,894</u>	<u>\$ 1,419,178</u>

*See Accompanying Notes and Independent Auditors' Report*



**READ TO A CHILD, INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

(With Comparative Totals for the Year Ended September 30, 2022)

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in Net Assets	\$ 191,133	\$ 230,845
Adjustments to Reconcile the Above to Net Cash Provided (Used) by Operating Activities:		
Paycheck Protection Program Loan Forgiveness	-	(249,933)
(Increase) Decrease in Current Assets:		
Contributions and Grants Receivable	(401,025)	18,607
Prepaid Expenses	211	(2,473)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	10,551	1,673
Accrued Expenses	1,175	(985)
Deferred Income	<u>2,500</u>	<u>(5,000)</u>
Net Cash Used by Operating Activities	<u>(195,455)</u>	<u>(7,266)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of Investments	(6,624)	-
Interest and Dividends Reinvested	<u>(252)</u>	<u>(4)</u>
Net Cash Used by Investing Activities	<u>(6,876)</u>	<u>(4)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(202,331)	(7,270)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>747,013</u>	<u>754,283</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 544,682</u>	<u>\$ 747,013</u>

*See Accompanying Notes and Independent Auditors' Report*

# READ TO A CHILD, INC.

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

### NOTE 1 ORGANIZATION AND NATURE OF ACTIVITIES

Read to a Child is a national literacy and mentoring nonprofit that fosters a love of reading, improves literacy skills and supports socio-emotional well-being in students from under-resourced communities. In Read to a Child's Read Aloud Mentoring Program, an adult is partnered one-on-one with a student attending one of our partner elementary schools for a rewarding, weekly read aloud experience. Read to a Child has programs in the greater metropolitan areas of Boston, Detroit, Hartford, Los Angeles and Miami, and offices in Los Angeles, CA and Wellesley, MA. Support and revenue is primarily derived from contributions, special events and grants.

### NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Presentation**

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the two net asset classes follows:

**Without Donor Restrictions** - Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

**With Donor Restrictions** - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time or are subject to donor-imposed restrictions such that they be maintained permanently by the Organization.

#### **Summarized Comparative Financial Statements**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the prior-year financial statements, from which the summarized totals were derived.

**READ TO A CHILD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

(Continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**New Accounting Pronouncement**

The Organization adopted the provisions of FASB ASU 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This update applies to nonprofit organizations that receive contributed nonfinancial assets (also referred to as gifts-in-kind) and address presentation and disclosure of those contributed nonfinancial assets. The term “nonfinancial assets” includes fixed assets, use of fixed assets or utilities, materials and supplies, intangible assets, cryptocurrency, services, and unconditional promises of those assets. Under ASU 2020-07, organizations must present gifts-in-kind as a separate line item in the statement of activities, apart from gifts of cash and other financial assets. In addition to this presentation requirement, the gifts-in-kind must be further broken down into categories (fixed assets, supplies, contributed services, etc.) in the notes to the financial statements. For each category of contributed nonfinancial assets recognized in the financial statements, further footnote disclosures are required under the ASU, including whether the gifts-in-kind were sold or used, among other disclosures. The provisions of ASU 2020-07 must be applied on a retrospective basis. Adoption of this standard had no effect on net assets for the years ending September 30, 2023 and 2022.

**Cash and Cash Equivalents**

The Organization considers equivalent to cash all money market funds and other deposits with an original maturity of ninety days or less from date of purchase. Cash equivalents are stated at cost which approximates market.

**Property and Equipment**

Property and equipment is stated at cost at the date of acquisition or fair value at the date of gift. Assets are capitalized if they are expected to have a useful life of greater than one year and their cost of acquisition exceeds one thousand dollars. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Depreciation expense is provided on a straight-line basis over the estimated useful life of the asset, which ranges from three to five years. There is no depreciation expense for the year ended September 30, 2023.

**READ TO A CHILD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

(Continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributions and Grants Receivable**

Contributions and grants to be received in one year or less are reported at net realizable value. Contributions and grants to be received after one year, net of an allowance for uncollectible amounts, are initially reported at fair value, estimated by discounting them using a present value technique. Thereafter, amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible receivables is provided based upon management's analysis of the individual receivables and management's judgment, considering such factors as prior collection history, the relationship with the donor, and other relevant factors. As of September 30, 2023, contributions and grants receivable are expected to be collected within one year of the statement of financial position date. Accordingly, no allowance for doubtful accounts has been recognized.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Public Support and Revenue Recognition**

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions, if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions in accordance with the restriction. Net assets with restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restriction when the donor stipulated time restriction ends or the purpose restriction is accomplished by the Organization.

**Paycheck Protection Program**

The Organization secured a second loan on March 18, 2021 under the Payroll Protection Program (PPP) of the Small Business Administration in the amount of \$249,933. The Organization spent the loan proceeds of the PPP for payroll expenses and met the requirements for full forgiveness under the Cares Act. The Organization received notification of the approval of loan forgiveness from the Small Business Administration on December 30, 2021, and therefore, the organization recorded \$249,933 as grant income in the year ended September 30, 2022.

**READ TO A CHILD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

(Continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Employee Retention Credit**

During the year, the Organization applied for payments under the Employee Retention Credit (ERC). The ERC is a refundable credit against certain payroll taxes allowed to an eligible employer for qualifying wages, that was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and further amended by the Consolidated Appropriations Act (CAA) and the American Rescue Plan (ARP). The Organization has met the ERC's eligibility requirements and recorded the credits as government grant income in the amount of \$323,540 on the statement of activities and as a grant receivable on the statement of financial position.

Laws and regulations concerning government programs, including the ERC established by the CARES Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization's claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Organization.

**Contributed Nonfinancial Assets**

Noncash donations are recorded as contributions at their fair market value at their date of donation. The Organization reports the donations in the net assets without donor restriction category, unless explicit donor stipulations specify how the donated assets must be used. Donated items such as vacation and entertainment related excursions and sports memorabilia are auctioned and sold during an annual event. The proceeds from these sales are recognized as special event income. For the year ended September 30, 2023, auction and related sales were \$13,600.

Donated services are recognized as in-kind contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased. In the operation of its Read Aloud Mentoring Program, the Organization relies heavily upon volunteers to read aloud to elementary students each week during the school year. No value for these services is reflected in the financial statements, as the criteria for recording these services in accordance with generally accepted accounting principles has not been met.

**READ TO A CHILD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

(Continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributed Nonfinancial Assets (Continued)**

During the year, the Organization received and fully utilized in-kind contributions as follow:

Rent	\$ 101,104
Laptops and Software Services	26,774
Transportation Costs	<u>3,625</u>
Total In-kind Contributions	<u>\$ 131,503</u>

**Functional Expenses**

The Organization classifies its expenses on a functional basis among its program and support services. Expenses that can be identified with specific program or support services are charged directly to their functional classification. Other expenses that are common to several services are allocated by various statistical bases.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Income Taxes**

Under FASB ASC 740-10, *Income Taxes*, an organization should recognize the tax benefit associated with uncertain tax positions taken for tax return purposes only when it is more likely than not that position will be sustained. Management does not believe there are any material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits, interest or penalties.

Read to a Child, Inc. qualifies as a tax exempt nonprofit organization under Section 501(c)(3) of the Internal Revenue Code, and as such, does not pay income taxes.

**READ TO A CHILD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

(Continued)

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Subsequent Events**

The Organization has evaluated subsequent events through December 6, 2023, the date that the financial statements were available to be issued. No significant subsequent events have been identified.

**NOTE 3 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization has a policy to manage its liquidity and reserves by following three principal guidelines, which include operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term goals will be met. On an annual basis the Board of Directors approves the range of cash that the Organization shall maintain, which generally targets a minimum of two months operating cash and a maximum of eight months operating cash. As of September 30, 2023, the cash balance was within the targeted range. The following reflects the Organization's financial assets as of September 30, 2023:

Cash and Cash Equivalents	\$ 544,682
Investments	14,018
Contributions and Grants Receivable	<u>406,040</u>
Total Financial Assets	964,740
Less Imposed Restrictions:	
Donor Restricted Funds	<u>(296,434)</u>
Total Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 668,306</u>

In addition, there is a \$125,000 line of credit in place that could be drawn upon if needed.

**NOTE 4 LINE OF CREDIT**

The Organization has a revolving line of credit of \$125,000 with Eastern Bank at a variable interest rate based on the bank's base rate plus 1.74%. The line of credit is secured by the assets of the Organization. As of September 30, 2023, the line of credit was fully available at year end.

**READ TO A CHILD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

(Continued)

**NOTE 5 PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of September 30, 2023:

Computer Systems	\$ 17,650
Less: Accumulated Depreciation	<u>(17,650)</u>
Property and Equipment, Net	<u>\$ -</u>

**NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS**

In accordance with the *Fair Value Measurement* standard, the Organization measures its investments at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The standards establish a fair value hierarchy that prioritizes the inputs and assumptions used to measure fair value.

This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets, Level 2 inputs consist of inputs other than quoted prices that are observable for the asset either directly or indirectly, including in markets that are not considered to be active, and Level 3 consists of inputs that are unobservable and which require significant judgment or estimation. A qualifying asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. The inputs and methodology used for valuing the investments are not indicators of the risks associated with those instruments. As of September 30, 2023, the Organization's investments are comprised entirely of cash, which are Level 1 assets within the fair value hierarchy.

**NOTE 7 DEFERRED INCOME**

As of September 30, 2023, deferred income consists of sponsorship contributions received in support of a special event to take place after the fiscal year end.



**READ TO A CHILD, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

(Continued)

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

As of September 30, 2023, net assets with donor restrictions are available for the following purposes:

Read Aloud Mentoring Program for FY24	\$ 283,363
Program Technology	<u>13,071</u>
Total Net Assets with Donor Restrictions	<u>\$ 296,434</u>

**NOTE 9 CONCENTRATIONS OF BUSINESS AND CREDIT RISK**

The Organization maintains its cash balances in various financial institutions. The amount insured by the Federal Deposit Insurance Corporation is \$250,000 per bank. At September 30, 2023, the uninsured cash balance was approximately \$45,000.

For the year ended September 30, 2023, one special event generated approximately 11% of the Organization's total support and revenue. In addition, the ERC grant generated approximately 18% of the Organization's total support and revenue.

**NOTE 10 RETIREMENT PLAN**

Effective January 1, 2016, the Organization adopted a 401(k) defined contribution retirement plan for the purpose of providing eligible employees who have attained the age of 18 a tax-deferred retirement plan. For the year ended September 30, 2023, the Organization did not elect to make any employer contributions into the plan.