
Read USA First Quarter Financial Review

As Read USA grows more accurate reporting developing

- Read USA undergoing audit – anticipated completion is May 2023
 - **Note – all financials in this review are draft until the audit is complete**
- Some **accounting treatments have changed** since Q4 2022 to more accurately represent *known* income streams
 - Duval County School income streams booked and accrued for quarterly
 - *Committed* donations have been booked as of 12/31/2022
 - With these changes we will view a *modified* income statement to show a more representative view of the activity in the quarter
- Read USA has **updated the full year budget and created a more accurate 2023 financial outlook** based on known organizational changes and refined full year view

Revised outlook projects (\$181k) loss for the year

DRAFT FINANCIALS (\$000's)	2023 Full Year Budget	2023 Revised OL	Change	Notes
Program Income	3,121.7	2,697.5	(424.1)	Clay County removed and Book Choice revised
Donation Income	1,227.7	1,038.0	(189.7)	Revised to what is known in pipeline and projected from donations
Program Accrual Adjustment		-	0.0	
Donation Income Accrual Adjustment		-	0.0	
Income	4,349.4	3,735.6	(613.8)	
Expenses (Program + G&A)				
Payroll and Benefits	1,637.1	1,845.1	208.0	Revised with operating changes - includes Tutoring and Management
Office and Technology	158.8	132.0	(26.8)	Revised to capture program specific costs
Facilities	40.0	43.4	3.4	
Professional Services	200.5	146.5	(54.0)	
Development / Donor Relations	72.1	144.9	72.8	
Loan Repayment	100.0	-	(100.0)	Delay in repayment of Homkor loan
Reserves	50.0	-	(50.0)	Reserves not budgeted while gap in P/L exists
Program Expenses	2,090.9	1,604.6	(486.3)	
Expenses (ex CapEx)	4,349.4	3,916.6	(432.8)	
Adjusted Operating Income	0.0	(181.0)	(181.0)	Current projected gap

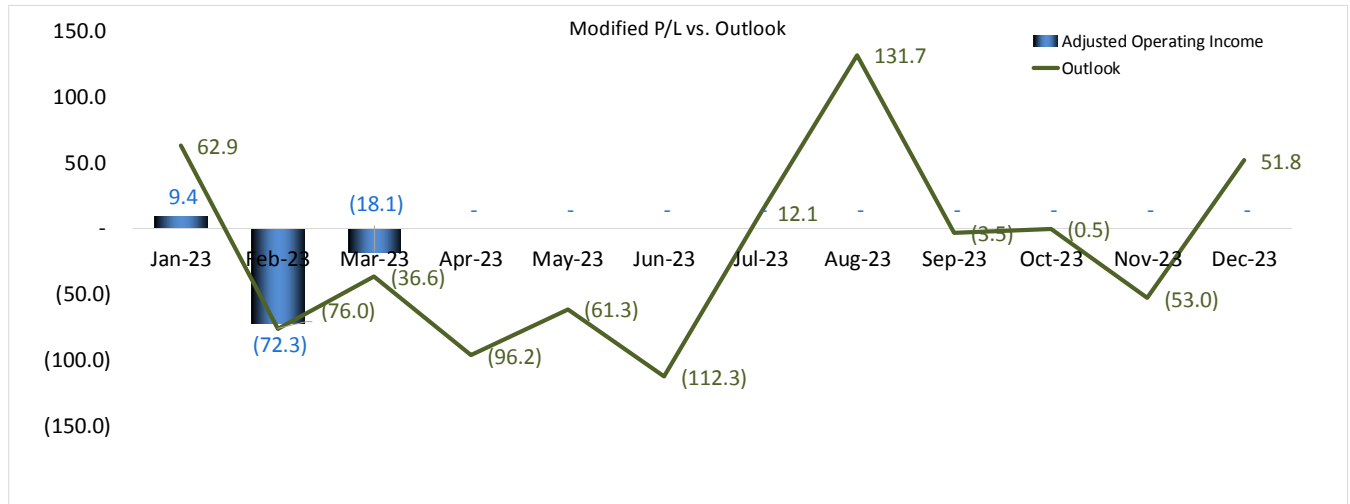
- Re-evaluation of program income and costs
- More accurate projection of donation income (vs. plugging gap)
- Delay in loan repayment and reserve funding until income gap closed

Q1 2023 Highlights

- **\$552k of program income**
 - \$542k Tutoring (DCPS & United Way)
 - \$8k Book Choice and Ownership
 - \$2k Book Fair
- **\$248k donation income**
- **\$881k in expenses**
 - \$400k direct program expenses
 - \$345k payroll and benefits (\$198k direct program related)
 - \$57k professional services (Spellman, Accounting, Lobbying)
 - \$27k marketing

Q1 had (\$81k) loss vs. projected (\$50k)

DRAFT Financials, nothing Final until audit is complete



Modified Income Statement	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	2023
Program Income	53.7	-	8.1	-	-	-	-	-	-	-	-	-	61.8
Program Accrual Adjustment	137.7	152.3	200.1	-	-	-	-	-	-	-	-	-	490.2
Donation Income	116.8	91.4	(166.8)	-	-	-	-	-	-	-	-	-	41.4
Donation Income Accrual Adjustment	-	-	206.9	-	-	-	-	-	-	-	-	-	206.9
Income	308.2	243.8	248.2	-	-	-	-	-	-	-	-	-	800.2
Expenses (Program + G&A)													
Payroll and Benefits	53.2	160.4	131.0	-	-	-	-	-	-	-	-	-	344.5
Office and Technology	16.2	8.9	10.9	-	-	-	-	-	-	-	-	-	35.9
Facilities	6.2	3.1	4.1	-	-	-	-	-	-	-	-	-	13.4
Professional Services	23.6	19.9	13.3	-	-	-	-	-	-	-	-	-	56.9
Development / Donor Relations	10.7	10.6	8.6	-	-	-	-	-	-	-	-	-	29.9
Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Program Expenses	188.9	113.1	98.5	-	-	-	-	-	-	-	-	-	400.5
Expenses (ex CapEx)	298.8	316.0	266.3	-	-	-	-	-	-	-	-	-	881.1
Adjusted Operating Income	9.4	(72.3)	(18.1)	-	-	-	-	-	-	-	-	-	(80.9)