

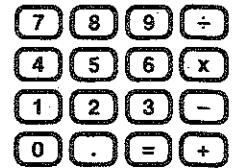
# Rock for Reading, NFP

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Member: American Institute  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Rock for Reading, NFP

We have audited the accompanying consolidated balance sheets of Rock for Reading, NFP, as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Rock for Reading, NFP, as of December 31, 2010 and 2009, and the changes in its net assets and in cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

H.A. Gorden & Company, P.C.  
May 5, 2011

**Rock for Reading, NFP**  
**Statements of Financial Position**  
**For the Years Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Current Assets		
Cash	\$ 12,940	\$ 15,523
Total Current Assets	12,940	15,523
Fixed Assets		
Property and Equipment, net	995	1,193
Total fixed Assets	995	1,193
Total Assets	<u>\$ 13,935</u>	<u>\$ 16,716</u>
 <b>NET ASSETS</b>		
Unrestricted	<u>\$ 13,935</u>	<u>\$ 16,716</u>
Total Net Assets	<u>13,935</u>	<u>16,716</u>
Total Liabilities and Net Assets	<u>\$ 13,935</u>	<u>\$ 16,716</u>

**Rock for Reading, NFP**  
**Statement of Activities**  
**For the Years Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>UNRESTRICTED NET ASSETS:</b>		
Unrestricted Revenues		
Sponsorship	\$ 0	\$ 5,500
Event Revenue	23,239	25,313
Contributions	23,731	24,735
Total Unrestricted Revenue	46,970	55,548
<b>EXPENSES</b>		
Advertising & Promotion	\$ 0	\$ 650
Bank Charges	6	0
Contract Labor	22,040	28,167
Depreciation	198	396
Event Expenses	5,134	8,812
Grants	0	55,000
Insurance	980	980
Professional	2,550	2,500
Maintenance Fee	0	96
Meeting Expense	43	60
Miscellaneous	65	30
Office Supplies	0	297
Postage and Printing	62	2,350
Program Expenses	18,073	15,590
Telephone	0	45
Website	600	1,980
Total Expenses	\$ 49,751	\$ 116,953
Decrease in Unrestricted Net Assets	(2,781)	(61,405)
Net Assets at Beginning of Year	16,716	78,121
Net Assets at End of Year	\$ 13,935	\$ 16,716

**Rock for Reading, NFP**  
**Statement of Cash Flows**  
**For the Years Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets	\$ (2,781)	\$ (61,009)
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating:		
Depreciation	198	396
Net Cash Provided by Operating Activities	(2,583)	(60,217)
Beginning Cash and Cash Equivalents	15,523	76,532
Ending Cash and Cash Equivalents	\$ 12,940	\$ 15,523

**NOTE A: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Rock for Reading, NFP (the Organization) awards grants to libraries, schools and education/advocacy organizations that support reading programs. Rock for Reading, NFP raises awareness, funds and tools through a series of musical concerts. The Organization is supported primarily through donor contributions, sponsorships, and revenue earned at the musical concerts.

Contributed Services

During the year ended December 31, 2010 and 2009, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization in obtaining grants and organizing the musical concerts, but these services do not meet the criteria for recognition as contributed services.

Estimates

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

Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line methods.

Financial Statement Presentation

The organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Organization does not use fund accounting.

**Rock for Reading, NFP**  
**Notes to Financial Statements**

Advertising

The total advertising cost expensed by the organization at December 31, 2010 and 2009, was \$0 and \$650 respectively. The organization expenses advertising costs as incurred.

Contributions

Under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501©(3) of the Internal Revenue Code. The Internal Revenue Service further classifies the Organization as a public charity. The Organization received Internal Revenue Service classification on January 18, 2005.

Cash and Cash Equivalents

For purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**NOTE B: CASH**

The total cash held by the Organization at December 31, 2010 and 2009, includes \$0.00 and \$0.00, respectively, in monies that are not covered by insurance provided by the federal government. It is the opinion of management that the solvency of the referenced financial institution is not of particular concern at this time.

**NOTE C: PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	<u>2010</u>	<u>2009</u>
Computer Equipment	\$3,438	\$3,438
Accumulated Depreciation	<u>(2,443)</u>	<u>(2,245)</u>
Total	<u>\$ 995</u>	<u>\$1,193</u>