

**Let's Get Ready, Inc.**

Financial Statements

August 31, 2022 and 2021



## Independent Auditors' Report

**Board of Directors  
Let's Get Ready, Inc.**

### ***Opinion***

We have audited the accompanying financial statements of Let's Get Ready, Inc., ("LGR") which comprise the statements of financial position as of August 31, 2022 and 2021 and the related statements of activities, functional expenses and cash flows for the years 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 LGR as of August 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits 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 LGR and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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.

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 LGR'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 LGR'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 LGR's ability to continue as a going concern for a reasonable period of time.

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.

*PKF O'Connor Davies, LLP*

July 12, 2023

## Let's Get Ready, Inc.

### Statements of Financial Position

	August 31	
	2022	2021
<b>ASSETS</b>		
Cash	\$ 328,330	\$ 934,927
Pledges and accounts receivable	831,500	629,014
Investments	1,768,805	1,301,155
Prepaid expenses	78,244	30,339
Furniture, equipment and software, net	55,860	84,767
Security deposits	52,831	52,831
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 3,115,570</u>	<u>\$ 3,033,033</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 244,148	\$ 207,791
Deferred rent liability	-	14,506
Loan payable	-	302,200
	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>244,148</u>	<u>524,497</u>
Net Assets		
Without donor restrictions	2,221,422	1,560,872
With donor restrictions	650,000	947,664
	<u>                    </u>	<u>                    </u>
Total Net Assets	<u>2,871,422</u>	<u>2,508,536</u>
	<u>                    </u>	<u>                    </u>
Total Liabilities and Net Assets	<u>\$ 3,115,570</u>	<u>\$ 3,033,033</u>

See notes to financial statements

## Let's Get Ready, Inc.

### Statement of Activities Year Ended August 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING SUPPORT AND REVENUE</b>			
Contributions	\$ 2,211,520	\$ 1,135,500	\$ 3,347,020
Paycheck protection program loan forgiveness	302,200	-	302,200
Program service income	78,256	-	78,256
In-kind contributions	4,268	-	4,268
Net investment loss	<u>(20,929)</u>	<u>-</u>	<u>(20,929)</u>
Total	2,575,315	1,135,500	3,710,815
Net assets released from restrictions	<u>1,433,164</u>	<u>(1,433,164)</u>	<u>-</u>
Total Operating Support and Revenue	<u>4,008,479</u>	<u>(297,664)</u>	<u>3,710,815</u>
<b>OPERATING EXPENSES</b>			
Program services	<u>1,926,280</u>	<u>-</u>	<u>1,926,280</u>
Supporting Services			
Management and general	551,376	-	551,376
Fundraising	<u>510,719</u>	<u>-</u>	<u>510,719</u>
Total Supporting Services	<u>1,062,095</u>	<u>-</u>	<u>1,062,095</u>
Total Operating Expenses	<u>2,988,375</u>	<u>-</u>	<u>2,988,375</u>
Change in Net Assets from Operations	1,020,104	(297,664)	722,440
<b>NON-OPERATING ACTIVITY</b>			
Loss on exit of rent obligation	<u>(359,554)</u>	<u>-</u>	<u>(359,554)</u>
Change in Net Assets	660,550	(297,664)	362,886
<b>NET ASSETS</b>			
Beginning of year	<u>1,560,872</u>	<u>947,664</u>	<u>2,508,536</u>
End of year	<u>\$ 2,221,422</u>	<u>\$ 650,000</u>	<u>\$ 2,871,422</u>

See notes to financial statements

## Let's Get Ready, Inc.

### Statement of Activities Year Ended August 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING SUPPORT AND REVENUE</b>			
Contributions	\$ 1,584,235	\$ 1,679,500	\$ 3,263,735
Paycheck protection program loan forgiveness	524,300	-	524,300
Program service income	83,811	-	83,811
In-kind contributions	5,815	-	5,815
Net investment income	37,742	-	37,742
Total	2,235,903	1,679,500	3,915,403
Net assets released from restrictions	1,038,308	(1,038,308)	-
Total Operating Support and Revenue	3,274,211	641,192	3,915,403
<b>OPERATING EXPENSES</b>			
Program services	1,893,869	-	1,893,869
Supporting Services			
Management and general	377,504	-	377,504
Fundraising	419,700	-	419,700
Total Supporting Services	797,204	-	797,204
Total Operating Expenses	2,691,073	-	2,691,073
Change in Net Assets	583,138	641,192	1,224,330
<b>NET ASSETS</b>			
Beginning of the year	977,734	306,472	1,284,206
End of year	\$ 1,560,872	\$ 947,664	\$ 2,508,536

See notes to financial statements

## Let's Get Ready, Inc.

### Statement of Functional Expenses Year Ended August 31, 2022

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Sub-Total	
Salaries	\$ 1,430,683	\$ 251,791	\$ 335,978	\$ 587,769	\$ 2,018,452
Fringe benefits	<u>261,110</u>	<u>45,954</u>	<u>61,318</u>	<u>107,272</u>	<u>368,382</u>
Total Personnel Cost	1,691,793	297,745	397,296	695,041	2,386,834
Educational materials and expense	41,061	-	-	-	41,061
Printing and reproduction	119	3	3,179	3,182	3,301
Professional fees	47,640	110,476	69,453	179,929	227,569
Postage and delivery	39	2,972	221	3,193	3,232
Telephone	3,047	3,516	-	3,516	6,563
Travel, meals and lodging	9,872	12,214	6,080	18,294	28,166
Insurance	-	8,969	-	8,969	8,969
Office and other	128,570	93,961	34,190	128,151	256,721
Professional development	4,139	513	300	813	4,952
Depreciation and amortization	<u>-</u>	<u>21,007</u>	<u>-</u>	<u>21,007</u>	<u>21,007</u>
Total Expenses	<u>\$ 1,926,280</u>	<u>\$ 551,376</u>	<u>\$ 510,719</u>	<u>\$ 1,062,095</u>	<u>\$ 2,988,375</u>

See notes to financial statements

## Let's Get Ready, Inc.

### Statement of Functional Expenses Year Ended August 31, 2021

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Sub-Total	
Salaries	\$ 1,221,636	\$ 197,623	\$ 267,588	\$ 465,211	\$ 1,686,847
Fringe benefits	<u>224,271</u>	<u>36,280</u>	<u>49,125</u>	<u>85,405</u>	<u>309,676</u>
Total Personnel Cost	1,445,907	233,903	316,713	550,616	1,996,523
Educational materials and expense	49,507	-	-	-	49,507
Rent and utilities - premises	161,340	26,890	35,853	62,743	224,083
Printing and reproduction	3,636	727	2,909	3,636	7,272
Professional fees	69,786	80,162	19,399	99,561	169,347
Postage and delivery	67	9	18	27	94
Telephone	17,438	2,906	3,875	6,781	24,219
Travel, meals and lodging	3,403	486	972	1,458	4,861
Insurance	4,144	691	921	1,612	5,756
Office and other	127,965	29,990	36,564	66,554	194,519
Professional development	1,626	232	465	697	2,323
Depreciation and amortization	<u>9,050</u>	<u>1,508</u>	<u>2,011</u>	<u>3,519</u>	<u>12,569</u>
Total Expenses	<u>\$ 1,893,869</u>	<u>\$ 377,504</u>	<u>\$ 419,700</u>	<u>\$ 797,204</u>	<u>\$ 2,691,073</u>

See notes to financial statements



## Let's Get Ready, Inc.

### Statements of Cash Flows

	Year Ended August 31	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 362,886	\$ 1,224,330
Adjustments to reconcile change in net assets to net cash from operating activities		
Paycheck protection program loan forgiveness	(302,200)	(524,300)
Depreciation and Amortization		
Furniture and equipment	21,007	12,569
Loss on exit of rent obligation	147,880	-
Deferred rent	(14,506)	(272)
Unrealized loss on investments	27,541	37,685
Realized loss (gain) on investments	1,055	(71,693)
Donated stock	(188,580)	(153,894)
Changes in operating assets and liabilities		
Pledges and accounts receivable	(202,486)	(320,342)
Prepaid expenses	(47,905)	(24,791)
Accounts payable and accrued expenses	(111,523)	127,997
Net Cash from Operating Activities	(306,831)	307,289
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale and maturity of investments	216,264	154,920
Proceeds from rebate of furniture and equipment	7,900	-
Purchase of investments	(925,915)	(29,168)
Change in money fund	401,985	(129,485)
Purchase of furniture and equipment	-	(61,600)
Net Cash from Investing Activities	(299,766)	(65,333)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loan payable	-	302,200
 Net Change in Cash	(606,597)	544,156
 <b>CASH</b>		
Beginning of year	934,927	390,771
 End of year	\$ 328,330	\$ 934,927

See notes to financial statements

## **Let's Get Ready, Inc.**

Notes to Financial Statements  
August 31, 2022 and 2021

### **1. Organization and Tax Status**

Let's Get Ready, Inc. ("LGR") provides low-income high school students with SAT preparation, admissions counseling and other support services needed to gain admission to and graduate from college. Trained college student volunteers deliver these services while providing the inspiration and encouragement students need to succeed.

#### ***Tax Status***

LGR is a not-for-profit organization which was incorporated in the State of New York in 1999. LGR is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

### **2. Summary of Significant Accounting Policies**

#### ***Net Asset Presentation***

Net assets, support and revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, LGR's net assets are classified as with or without donor restrictions.

Net assets without donor restrictions include funds having no restrictions as to time or purpose imposed by donors.

Net assets with donor restrictions are those that will be met either by actions of LGR or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

#### ***Basis of Presentation***

The financial statements of LGR have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### ***Use of Estimates***

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

## Let's Get Ready, Inc.

Notes to Financial Statements  
August 31, 2022 and 2021

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Revenue Recognition***

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods.

Unconditional and conditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value for their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rate applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Gifts of goods and equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, LGR reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions of services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Donated services rendered by certain volunteers that do not meet the criteria for recognition are not recorded in the financial statements.

Program service income is for services provided to colleges and universities which is recognized at the time when the related services are provided.

Accounts receivable as of September 1, 2020 was \$26,200.

#### ***Measure of Operations***

Operations include all revenue and expenses that are an integral part of LGR's programs and supporting activities. The measure of operations does not include the loss on exit of rent obligation.

## **Let's Get Ready, Inc.**

Notes to Financial Statements  
August 31, 2022 and 2021

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Pledges Receivable***

Unconditional promises to give that are expected to be collected within one year are reported at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at their present value using a risk adjusted rate. Conditional promises to give are not included as support until conditions are substantially met. The allowance for doubtful accounts is based upon management's assessment of historical and expected net collections and in consideration of business and economic conditions. Management has determined that no allowance is necessary as of August 31, 2022 and 2021.

#### ***Investments***

Investments are stated at fair value based on quoted prices in active markets. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend basis. Realized and unrealized gains and losses are included in the determination of the change in net assets.

#### ***Fair Value Measurements***

LGR follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. All of LGR's investments are categorized as Level 1 investments as of August 31, 2022 and 2021.

#### ***Concentration of Credit Risk and Other***

Financial instruments that potentially subject to LGR to concentrations of credit risk consist principally of pledges receivables, which are expected to be collected in the normal course of business, cash and investments. LGR's cash account may exceed the federally insured limit during the year. LGR maintains its cash in bank deposits in one financial institution and its investments in three brokerage accounts. At times, these accounts may have exceeded the federally and securities protection insurance limits during fiscal 2022 and 2021, and subjected LGR to a concentration of credit risk.

#### ***Furniture and Equipment***

Furniture and equipment are stated at cost and depreciated on a straight-line basis over their estimated useful lives of 3 to 7 years.

## **Let's Get Ready, Inc.**

Notes to Financial Statements  
August 31, 2022 and 2021

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Accounting for Website and Software Development Costs***

All costs incurred in the planning stage of developing a website are expensed as incurred as are internal and external training costs and maintenance costs. Fees incurred to internet service providers in return for hosting a website on their servers are expensed over the period of benefit. Fees paid to consultants that develop computer systems and software used for LGR's internal reporting and management functions are deferred and amortized on the straight-line method over a 3 to 5 year period from the time the system becomes operational.

External and internal costs incurred during the application development stage of internal use website software are capitalized. Upgrades and enhancements that result in additional functionality to the website software, which enable it to perform tasks that it was previously incapable of performing, are also capitalized.

Capitalized internal use website development costs are amortized using the straight-line method over its estimated useful life of three years and begins when all substantial testing of the website is completed and the website is ready for its intended use.

#### ***Deferred Rent Liability***

Deferred rent liability is the difference between the cumulative amount recorded for occupancy expense on a straight-line basis over the term of the operating lease as compared to the cumulative amounts required under the lease.

#### ***Functional Expense Allocations***

The costs of providing the various program services and supporting services of LGR have been summarized on a functional basis in the statements of activities. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification; these expenses include educational material and expenses. Costs that are common to several functions such as salaries, fringe benefits, rent and utilities - premises, professional fees and office and other are allocated among the program and supporting services based on: time and effort records, square footage of office space, employee head count and estimates made by LGR's management.

#### ***Accounting for Uncertainty in Income Taxes***

LGR recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that LGR had no uncertain tax positions that would require financial statement recognition or disclosure. LGR is no longer subject to examinations by the applicable taxing jurisdictions for the periods prior to August 31, 2019.

## Let's Get Ready, Inc.

Notes to Financial Statements  
August 31, 2022 and 2021

### 2. Summary of Significant Accounting Policies *(continued)*

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is July 12, 2023.

### 3. Pledges and Accounts Receivable

LGR receives pledges from donors to support its fiscal operations and related programs, in addition to services provided to colleges, universities and other organizations. All outstanding receivables are due as follows at August 31:

	<u>2022</u>	<u>2021</u>
Due in one year or less:		
Pledges receivable	\$ 667,500	\$ 611,264
Accounts receivable	<u>14,000</u>	<u>17,750</u>
	681,500	629,014
Due in two years or more:		
Pledges receivable	<u>150,000</u>	<u>-</u>
	<u>\$ 831,500</u>	<u>\$ 629,014</u>

Approximately 28% and 32% of LGR's total public support and revenue was received from three donors during the years ended August 31, 2022 and 2021. The amount due from these donors was \$500,000 and \$586,264 as of August 31, 2022 and 2021.

### 4. Investments

Investments are summarized as follows at August 31:

	<u>2022</u>	<u>2021</u>
Money market fund, at cost	\$ 649,929	\$ 1,051,914
United States Treasury Notes and Bills	892,652	-
Exchange traded funds	154,751	183,490
Mutual funds	<u>71,473</u>	<u>65,751</u>
	<u>\$ 1,768,805</u>	<u>\$ 1,301,155</u>

## Let's Get Ready, Inc.

### Notes to Financial Statements August 31, 2022 and 2021

#### 4. Investments (continued)

The following table summarizes investment income (loss) for the years ended August 31:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 7,717	\$ 3,734
Unrealized loss on investments	(27,541)	(37,685)
Realized (loss) gain on investments	(1,055)	71,693
Investment fees	(50)	-
	<u>\$ (20,929)</u>	<u>\$ 37,742</u>

#### 5. Furniture, Equipment and Software

Furniture, equipment and software consist of the following as of August 31:

	<u>2022</u>	<u>2021</u>
Furniture	\$ 85,201	\$ 85,201
Equipment	113,689	121,589
Software	100,312	100,312
	<u>299,202</u>	<u>307,102</u>
Accumulated depreciation	<u>(243,342)</u>	<u>(222,335)</u>
	<u>\$ 55,860</u>	<u>\$ 84,767</u>

#### 6. Loan Payable

On May 13, 2020, LGR received a \$524,300 Paycheck Protection Program loan (the "PPP Loan") from the Small Business Administration ("SBA") with an interest rate of 1.0% per annum. If certain defined conditions are met, the loan may be forgiven.

On June 23, 2021, the defined conditions were met, and as a result, the SBA notified LGR that their PPP Loan was forgiven. Under requirements contained in ASU 2018-08, "Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made," LGR recognized the full amount of the proceeds from the PPP Loan as PPP Loan forgiveness in the 2021 statement of activities.

On April 2, 2021, LGR received a second PPP Loan from the SBA in the amount of \$302,200 with an interest rate of 1.0% per annum. If certain defined conditions are met, this loan may also be forgiven.

On April 18, 2022, the defined conditions were met, and as a result, the SBA notified LGR that their second PPP Loan was forgiven. Under requirements contained in ASU 2018-08, "Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made," LGR recognized the full amount of the proceeds from the second PPP Loan as PPP Loan forgiveness in the 2022 statement of activities.

## Let's Get Ready, Inc.

### Notes to Financial Statements August 31, 2022 and 2021

#### 7. Net Assets with Donor Restrictions

Net assets with donor restrictions at August 31, 2022 and 2021 were comprised of the following:

	<u>2022</u>	<u>2021</u>
Success program	\$ -	\$ 622,664
Transition program	-	25,000
Time restriction	<u>650,000</u>	<u>300,000</u>
	<u>\$ 650,000</u>	<u>\$ 947,664</u>

Net assets released from restrictions during 2022 and 2021 for various purposes are as follows:

	<u>2022</u>	<u>2021</u>
College access program	\$ 70,000	\$ 286,472
Success program	922,664	282,336
Transition program	25,000	40,000
New England	190,500	285,000
New York	75,000	80,000
Internship	-	14,500
Time restriction	<u>150,000</u>	<u>50,000</u>
	<u>\$ 1,433,164</u>	<u>\$ 1,038,308</u>

#### 8. In-kind Contributions

In-kind contributions consist of investment advisory services in the amount of \$4,268 and \$5,815 for the years ended August 31, 2022 and 2021. These services are valued based on usual and customary rates of the vendor and are without donor restrictions.

#### 9. Board Contributions

LGR received contributions of approximately \$455,000 and \$463,000 from the Board of Directors for the years ended August 31, 2022 and 2021.

#### 10. Employee Benefit Plan

LGR has a simple IRA plan covering eligible employees. LGR makes a matching contribution up to 3% of the employee's compensation. Employer contribution amounted to \$40,210 and \$30,423 for the years ended August 31, 2022 and 2021.



## Let's Get Ready, Inc.

### Notes to Financial Statements August 31, 2022 and 2021

#### 11. Liquidity and Availability of Financial Assets

LGR's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position were as follows:

	<u>2022</u>	<u>2021</u>
Financial Assets:		
Cash	\$ 328,330	\$ 934,927
Pledges receivable, net	831,500	629,014
Investments	<u>1,768,805</u>	<u>1,301,155</u>
Total Financial Assets	<u>2,928,635</u>	<u>2,865,096</u>
Less:		
Contractual or donor imposed restriction amounts		
Purpose restricted	-	(647,664)
Letter of credit - security deposit	(37,100)	-
Time restricted	<u>(650,000)</u>	<u>(300,000)</u>
	<u>(687,100)</u>	<u>(947,664)</u>
Purpose or time restrictions expected to be released in the next twelve months	<u>500,000</u>	<u>947,664</u>
Financial Assets Available to Meet General Operating Expenditures over the Next Twelve Months	<u>\$ 2,741,535</u>	<u>\$ 2,865,096</u>

LGR monitors its cash needs regularly and has special events and contributions appeals and support from its Board members throughout the year.

#### 12. Commitments and Contingencies

##### ***Lease Commitments***

LGR leases office space in New York City under an operating lease scheduled to expire on June 30, 2023. In fiscal 2022, and as part of its strategic plan, LGR conducted all program activities and support services on a remote basis. As such, the lease is considered abandoned and all lease payments for fiscal 2022 and future lease payments for fiscal 2023, aggregating \$359,554, are reflected as a loss on exit of rent obligation in the 2022 statement of activities.

The deposit for the lease is secured by both a certificate of deposit and a standby letter of credit ("LOC"). The LOC was issued by a bank in the amount of \$37,100 and is secured by the balance held in LGR's bank account.

Rental expenses for the years ended August 31, 2022 and 2021 was approximately \$306,000 and \$209,000.

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