

Let's Get Ready, Inc.

Financial Statements

August 31, 2023 and 2022



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 statement of financial position as of August 31, 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 LGR as of August 31, 2023, and the changes in its 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 LGR 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.

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.

Report on Comparative Summarized Information

We have previously audited Let's Get Ready, Inc.'s August 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 12, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

April 11, 2024

Let's Get Ready, Inc.

Statement of Financial Position
August 31, 2023
(with comparative amounts at August 31, 2022)

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 373,124	\$ 328,330
Pledges and accounts receivable	1,131,994	831,500
Investments	2,154,609	1,768,805
Prepaid expenses	71,766	78,244
Furniture, equipment and software, net	26,909	55,860
Security deposits	<u>51,774</u>	<u>52,831</u>
 Total Assets	 <u>\$ 3,810,176</u>	 <u>\$ 3,115,570</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 89,028</u>	<u>\$ 244,148</u>
 Net Assets		
Without donor restrictions	2,590,324	2,221,422
With donor restrictions	<u>1,130,824</u>	<u>650,000</u>
Total Net Assets	<u>3,721,148</u>	<u>2,871,422</u>
 Total Liabilities and Net Assets	 <u>\$ 3,810,176</u>	 <u>\$ 3,115,570</u>

See notes to financial statements

Let's Get Ready, Inc.

Statement of Activities Year Ended August 31, 2023 (with summarized totals for the year ended August 31, 2022)

	Without Donor	With Donor	Total	
	Restrictions	Restrictions	2023	2022
OPERATING SUPPORT AND REVENUE				
Contributions	\$ 2,019,303	\$ 1,955,720	\$ 3,975,023	\$ 3,347,020
Paycheck protection program loan forgiveness	-	-	-	302,200
Program service income	242,367	-	242,367	78,256
In-kind contributions	-	-	-	4,268
Special events, (net of \$69,775 direct benefit to donors)	191,120	-	191,120	-
Net investment income (loss)	71,818	-	71,818	(20,929)
Total	2,524,608	1,955,720	4,480,328	3,710,815
Net assets released from restrictions	1,474,896	(1,474,896)	-	-
Total Operating Support and Revenue	3,999,504	480,824	4,480,328	3,710,815
OPERATING EXPENSES				
Program services	2,394,651	-	2,394,651	1,926,280
Supporting Services				
Management and general	557,237	-	557,237	551,376
Fundraising	678,714	-	678,714	510,719
Total Supporting Services	1,235,951	-	1,235,951	1,062,095
Total Operating Expenses	3,630,602	-	3,630,602	2,988,375
Change in Net Assets from Operations	368,902	480,824	849,726	722,440
NON-OPERATING ACTIVITY				
Loss on exit of rent obligation	-	-	-	(359,554)
Change in Net Assets	368,902	480,824	849,726	362,886
NET ASSETS				
Beginning of year	2,221,422	650,000	2,871,422	2,508,536
End of year	\$ 2,590,324	\$ 1,130,824	\$ 3,721,148	\$ 2,871,422

See notes to financial statements

Let's Get Ready, Inc.

Statement of Functional Expenses
Year Ended August 31, 2023
(with summarized totals for the year ended August 31, 2022)

	2023									2022	
	Program Services						Supporting Services				Total
	Access	Partnerships	Success	Transition	Educational Program	Program Services	Management and General	Fundraising	Sub-Total	Total	
Salaries	\$ 111,924	\$ 322,924	\$ 111,631	\$ 130,986	\$ 1,064,406	\$ 1,741,871	\$ 274,599	\$ 332,523	\$ 607,122	\$ 2,348,993	\$ 2,018,452
Fringe benefits	<u>12,617</u>	<u>57,475</u>	<u>13,273</u>	<u>20,960</u>	<u>231,550</u>	<u>335,875</u>	<u>41,616</u>	<u>55,300</u>	<u>96,916</u>	<u>432,791</u>	<u>368,382</u>
Total Personnel Cost	124,541	380,399	124,904	151,946	1,295,956	2,077,746	316,215	387,823	704,038	2,781,784	2,386,834
Professional fees	2,574	751	18,432	3,315	77,688	102,760	117,321	66,312	183,633	286,393	227,569
Office and other	8,073	6,136	2,363	3,062	111,048	130,682	55,400	44,843	100,243	230,925	256,721
Special event expense (production)	-	-	-	-	-	-	-	163,064	163,064	163,064	-
Special event expense (catering)	-	-	-	-	-	-	-	69,775	69,775	69,775	-
Travel, meals and lodging	152	8,515	3,095	411	1,216	13,389	40,291	10,973	51,264	64,653	28,166
Educational materials and expense	23,877	-	-	23,876	-	47,753	-	-	-	47,753	41,061
Depreciation and amortization	-	-	-	-	14,431	14,431	1,603	3,207	4,810	19,241	21,007
Insurance	-	-	-	-	-	-	12,268	-	12,268	12,268	8,969
Loss on disposal of furniture	-	-	-	-	-	-	9,710	-	9,710	9,710	-
Telephone	-	-	-	-	6,485	6,485	720	1,441	2,161	8,646	6,563
Professional development	214	125	-	-	1,055	1,394	1,095	398	1,493	2,887	4,952
Postage and delivery	-	-	-	-	-	-	2,177	653	2,830	2,830	3,232
Printing and reproduction	-	11	-	-	-	11	437	-	437	448	3,301
	<u>159,431</u>	<u>395,937</u>	<u>148,794</u>	<u>182,610</u>	<u>1,507,879</u>	<u>2,394,651</u>	<u>557,237</u>	<u>748,489</u>	<u>1,305,726</u>	<u>3,700,377</u>	<u>2,988,375</u>
Less: direct benefits to donors	-	-	-	-	-	-	-	(69,775)	(69,775)	(69,775)	-
Total Expenses	<u>\$ 159,431</u>	<u>\$ 395,937</u>	<u>\$ 148,794</u>	<u>\$ 182,610</u>	<u>\$ 1,507,879</u>	<u>\$ 2,394,651</u>	<u>\$ 557,237</u>	<u>\$ 678,714</u>	<u>\$ 1,235,951</u>	<u>\$ 3,630,602</u>	<u>\$ 2,988,375</u>

See notes to financial statements

Let's Get Ready, Inc.

Statement of Cash Flows
Year Ended August 31, 2023
(with comparative amounts for the year ended August 31, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 849,726	\$ 362,886
Adjustments to reconcile change in net assets to net cash from operating activities		
Paycheck protection program loan forgiveness	-	(302,200)
Depreciation and amortization	19,241	21,007
Loss on disposal of furniture	9,710	-
Loss on exit of rent obligation	-	147,880
Deferred rent	-	(14,506)
Unrealized (gain) loss on investments	(34,641)	27,541
Realized (gain) loss on investments	(574)	1,055
Donated stock	(198,984)	(188,580)
Changes in operating assets and liabilities		
Pledges and accounts receivable	(300,494)	(202,486)
Prepaid expenses	55,568	(47,905)
Security deposits	1,057	-
Accounts payable and accrued expenses	(204,210)	(111,523)
Net Cash from Operating Activities	196,399	(306,831)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturity of investments	1,200,504	216,264
Proceeds from rebate of furniture and equipment	-	7,900
Purchase of investments	(1,489,927)	(925,915)
Change in money fund	137,818	401,985
Net Cash from Investing Activities	(151,605)	(299,766)
 Net Change in Cash	44,794	(606,597)
 CASH		
Beginning of year	328,330	934,927
End of year	\$ 373,124	\$ 328,330

See notes to financial statements

Let's Get Ready, Inc.

Notes to Financial Statements
August 31, 2023 and 2022

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 employees (near-peer mentors) 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, 2023 and 2022

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, 2021 was \$17,750

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, 2023 and 2022

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, 2023 and 2022.

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, 2023 and 2022.

Concentration of Credit Risk and Other

Financial instruments that potentially subject LGR to concentrations of credit and market risk consist principally of receivables which are expected to be collected in the normal course of business, cash on deposit with financial institutions and investments held at financial institutions. Deposits held at financial institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. Investment holdings at financial institutions are insured by the Securities Investor Protection Corporation ("SIPC") up to \$500,000 (\$250,000 for cash holdings) as a result of brokerage firm failures. At times balances may exceed the FDIC and/or the SIPC limit. As of August 31, 2023 and 2022, LGR's uninsured cash balances on deposits totaled approximately \$107,000 and \$59,000. As of August 31, 2023 and 2022, LGR's uninsured investment holdings totaled approximately \$1,155,000 and \$1,133,000.

Let's Get Ready, Inc.

Notes to Financial Statements
August 31, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

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.

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.

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 and special event expenses. Costs that are common to several functions such as personnel costs, professional fees and office and other are allocated among the program and supporting services based on: time and effort records and 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, 2020.

Let's Get Ready, Inc.

Notes to Financial Statements
August 31, 2023 and 2022

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 April 11, 2024.

Summarized Comparative Information

The statement of activities and statement of functional expenses include certain prior year summarized information in total, which does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with LGR's financial statements as of and for the year ended August 31, 2022, from which the summarized information was derived.

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:

	2023	2022
Due in one year or less:		
Pledges receivable	\$ 908,184	\$ 667,500
Accounts receivable	<u>37,710</u>	<u>14,000</u>
	945,894	681,500
Due in two years or more:		
Pledges receivable	<u>186,100</u>	<u>150,000</u>
	<u>\$ 1,131,994</u>	<u>\$ 831,500</u>

Approximately 45% and 28% of LGR's total public support and revenue was received from three donors during the years ended August 31, 2023 and 2022. The amount due from these donors was approximately \$719,000 and \$500,000 as of August 31, 2023 and 2022.

Let's Get Ready, Inc.

Notes to Financial Statements August 31, 2023 and 2022

4. Investments

Investments are summarized as follows at August 31:

	<u>2023</u>	<u>2022</u>
Money market fund, at cost	\$ 512,111	\$ 649,929
United States Treasury Notes and Bills	1,388,070	892,652
Exchange traded funds	181,823	154,751
Mutual funds	72,605	71,473
	<u>\$ 2,154,609</u>	<u>\$ 1,768,805</u>

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

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 36,603	\$ 7,717
Unrealized gain (loss) on investments	34,641	(27,541)
Realized gain (loss) on investments	574	(1,055)
Investment fees	-	(50)
	<u>\$ 71,818</u>	<u>\$ (20,929)</u>

5. Furniture, Equipment and Software

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

	<u>2023</u>	<u>2022</u>
Furniture	\$ -	\$ 85,201
Equipment	53,700	53,700
	53,700	138,901
Accumulated depreciation	(26,791)	(83,041)
	<u>\$ 26,909</u>	<u>\$ 55,860</u>

In connection with the abandonment of the office lease (See Note 12), approximately \$60,000 of equipment and \$100,300 of fully depreciated software were deemed no longer in use during fiscal 2023 and removed from the books and records. In addition, approximately \$9,700 of furniture was disposed of and reflected as a loss on disposal of furniture in the August 31, 2023 statement of functional expenses.

Let's Get Ready, Inc.

Notes to Financial Statements August 31, 2023 and 2022

6. Loan Payable

On April 2, 2021, LGR received a \$302,200 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 April 18, 2022, 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 2022 statement of activities.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions at August 31, 2023 and 2022 were comprised of the following:

	2023	2022
Success program	\$ 40,000	\$ -
Hybird Advising Pilot Co-Op	72,104	-
Time restriction	1,018,720	650,000
	<u>\$ 1,130,824</u>	<u>\$ 650,000</u>

Net assets released from restrictions during 2023 and 2022 for various purposes are as follows:

	2023	2022
College access program	\$ -	\$ 70,000
Success program	915,000	922,664
Transition program	-	25,000
New England	36,000	190,500
New York	-	75,000
Hybird Advising Pilot Co-Op	23,896	-
Time restriction	500,000	150,000
	<u>\$ 1,474,896</u>	<u>\$ 1,433,164</u>

8. In-kind Contributions

In-kind contributions consist of investment advisory services in the amount of \$4,268 for the year ended August 31, 2022. These services are valued based on usual and customary rates of the vendor, are without donor restrictions and reflected in program services in the 2022 statement of functional expenses.

Let's Get Ready, Inc.

Notes to Financial Statements August 31, 2023 and 2022

9. Board Contributions

LGR received contributions of approximately \$621,000 and \$455,000 from the Board of Directors for the years ended August 31, 2023 and 2022.

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 \$47,799 and \$40,210 for the years ended August 31, 2023 and 2022.

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>2023</u>	<u>2022</u>
Financial Assets:		
Cash	\$ 373,124	\$ 328,330
Pledges and accounts receivable	1,131,994	831,500
Investments	<u>2,154,609</u>	<u>1,768,805</u>
Total Financial Assets	<u>3,659,727</u>	<u>2,928,635</u>
Less:		
Contractual or donor imposed restriction amounts		
Purpose restricted	(112,104)	-
Letter of credit - security deposit	-	(37,100)
Time restricted	<u>(1,018,720)</u>	<u>(650,000)</u>
	<u>(1,130,824)</u>	<u>(687,100)</u>
Purpose or time restrictions expected to be released in the next twelve months	<u>944,724</u>	<u>500,000</u>
Financial Assets Available to Meet General Operating Expenditures over the Next Twelve Months	<u>\$ 3,473,627</u>	<u>\$ 2,741,535</u>

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

Let's Get Ready, Inc.

Notes to Financial Statements
August 31, 2023 and 2022

12. Commitments and Contingencies

Lease Commitments

LGR leased office space in New York City under an operating lease scheduled to expire in June 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 was 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 was secured by both certificates of deposit and a standby letter of credit ("LOC"). The LOC was issued by a bank in the amount of \$37,100 and was secured by the balance held in LGR's bank account.

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