

**Let's Get Ready, Inc.
Financial Statements
August 31, 2008**

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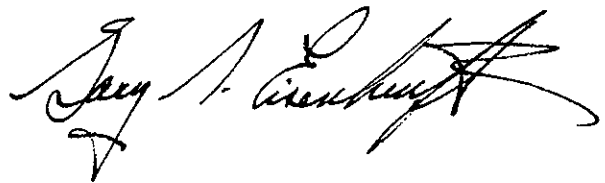
Independent Auditor's Report

To the Board of Directors
of Let's Get Ready, Inc.:

I have audited the accompanying statement of financial position of Let's Get Ready, Inc. as of August 31, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Let's Get Ready, Inc., as of August 31, 2008, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



June 4, 2009

Let's Get Ready, Inc.
Statement of Financial Position
August 31, 2008
(With Supplemental Summary Information for August 31, 2007)

	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Total 2008</u>	<u>Total 2007</u>
Assets				
Current Assets				
Cash	\$ 493,000	\$ 556,279	\$ 1,049,279	\$ 496,235
Program service fees receivable	-	18,775	18,775	35,251
Prepaid insurance	-	1,234	1,234	2,417
Prepaid rent	-	7,168	7,168	5,841
Grants and contributions receivable (1)	50,000	60,000	110,000	293,000
	<u>543,000</u>	<u>643,456</u>	<u>1,186,456</u>	<u>832,744</u>
Property and Equipment, net	-	26,830	26,830	21,330
	<u>\$ 543,000</u>	<u>\$ 670,286</u>	<u>\$ 1,213,286</u>	<u>\$ 854,074</u>
Liabilities and Net Assets				
Accounts payable	\$ -	\$ 3,688	\$ 3,688	\$ 11,289
Net Assets	543,000	666,598	1,209,598	842,785
	<u>\$ 543,000</u>	<u>\$ 670,286</u>	<u>\$ 1,213,286</u>	<u>\$ 854,074</u>

(1) See Note 5

See notes to these financial statements and independent auditor's report.

Let's Get Ready, Inc.
Statement of Activities
For the Year Ended August 31, 2008
(With Supplemental Summary Information for the Year Ended August 31, 2007)

	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Total 2008</u>	<u>Total 2007</u>
Support and revenue				
Contributions - cash: unrestricted	\$ -	\$ 886,017	\$ 886,017	\$ 801,887
temporarily restricted	450,000	-	450,000	130,000
Contributions - property, equipment and services	-	145,840	145,840	144,376
Program service income	-	185,904	185,904	120,506
Investment income	-	9,425	9,425	15,822
Direct costs of special events	-	(111,658)	(111,658)	(79,505)
Satisfaction of program restrictions	(167,333)	167,333	-	-
	<u>282,667</u>	<u>1,282,861</u>	<u>1,565,528</u>	<u>1,133,086</u>
Expenses				
Program services	-	1,002,607	1,002,607	707,987
Supporting services:				
General and administrative	-	71,912	71,912	112,400
Fund-raising	-	124,196	124,196	140,848
	<u>-</u>	<u>196,108</u>	<u>196,108</u>	<u>253,248</u>
Total expenses	<u>-</u>	<u>1,198,715</u>	<u>1,198,715</u>	<u>961,235</u>
Increase in net assets	282,667	84,146	366,813	171,850
Beginning net assets	260,333	582,452	842,785	670,935
Ending net assets	<u>\$ 543,000</u>	<u>\$ 666,598</u>	<u>\$ 1,209,598</u>	<u>\$ 842,785</u>

See notes to these financial statements and independent auditor's report.

Let's Get Ready, Inc.
Statement of Cash Flows
For the Year Ended August 31, 2008
(With Supplemental Summary Information for the Year Ended August 31, 2007)

	<u>Total</u>	<u>Total</u>
	2008	2007
Cash Flows from Operating Activities		
Increase in net assets	\$ 366,813	\$ 171,850
Adjustment to increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	5,320	4,290
(Increase) decrease in:		
Prepaid insurance	1,183	(1,088)
Program service fees receivable	16,476	(4,990)
Prepaid rent	(1,327)	(5,841)
Grants and contributions receivable	183,000	46,000
Decrease in:		
Accounts payable	(7,600)	(2,327)
Net cash provided by operating activities	563,865	207,894
Cash Flows from Investing Activities		
Purchase of property and equipment	(10,821)	(19,880)
Increase in Cash	553,044	188,014
Beginning Cash	496,235	308,221
Ending Cash	\$ 1,049,279	\$ 496,235

See notes to these financial statements and independent auditor's report.

Let's Get Ready, Inc
Statement of Functional Expenses
Year Ended August 31, 2008
(With Supplemental Summary Information for the Year Ended August 31, 2007)

	Program Services		Supporting Services			Total 2008	Total 2007
			General and Administrative	Fund-Raising	Direct Costs of Special Events		
Staff	\$ 347,210		\$ 26,708	\$ 78,623	\$ -	\$ 452,541	\$ 348,355
College program directors	136,240		-	-	-	136,240	105,805
Coach labor	134,400		-	-	-	134,400	27,000
Payroll taxes	37,013		2,847	7,592	-	47,452	38,026
Employee benefits	26,134		2,010	5,361	-	33,505	26,186
SAT trainers	8,697		-	-	-	8,697	3,853
Educational materials and expense	143,230		-	-	-	143,230	108,187
Rent and utilities - premises	67,412		5,186	13,828	-	86,425	88,941
Rent - office equipment	-		-	-	-	-	7,000
Printing and reproduction	11,177		860	2,293	8,150	22,479	34,291
Tech support	5,067		390	1,039	-	6,496	5,870
Legal fees	-		11,200	-	-	11,200	15,000
Postage and delivery	13,008		1,001	2,668	-	16,677	30,352
Catering & reception - special events	-		-	-	68,913	68,913	51,062
Graphic design	10,235		787	2,100	-	13,122	7,880
Telephone	13,110		1,008	2,689	-	16,808	16,331
Travel, meals and lodging	26,277		381	1,135	110	27,903	22,222
Insurance	-		7,040	-	-	7,040	7,197
Accounting fees	-		8,300	-	-	8,300	6,245
Gifts	-		-	-	3,155	3,155	4,064
Grant writing	-		-	1,648	-	1,648	5,000
Office and other	12,034		928	2,468	1,720	17,150	13,907
Staff recruitment	887		-	-	-	887	1,504
Payroll processing	4,043		311	829	-	5,183	4,310
Moving expenses	-		-	-	-	-	23,862
Staff and board meetings	1,483		114	304	-	1,901	3,730
Professional development	802		365	195	-	1,362	5,229
Depreciation expense	4,150		319	851	-	5,320	4,290
Dues and subscriptions	-		2,157	572	-	2,729	1,840
Event planning	-		-	-	25,000	25,000	17,675
Auction items	-		-	-	4,610	4,610	5,526
	1,002,607		71,912	124,196	111,658	1,310,373	1,040,740
Less expenses deducted from revenues on statement of changes in net assets	-		-	-	(111,658)	(111,658)	(79,505)
	\$ 1,002,607		\$ 71,912	\$ 124,196	\$ -	\$ 1,198,715	\$ 961,235

Less expenses deducted from revenues on statement of changes in net assets

See notes to these financial statements and independent auditor's report.

Let's Get Ready, Inc.
Notes to Financial Statements
August 31, 2008

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Let's Get Ready, Inc. (LGR) mobilizes, equips, and empowers talented college students to help the next generation step up to college. Through campus and community-based chapters, Let's Get Ready's trained college student volunteers provide free, high-quality college and SAT preparation and college - admissions guidance to under-served high school students. LGR's support comes primarily through donor contributions.

LGR was incorporated in the state of New York in 1999.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principals.

Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and / or nature of any donor restrictions. LGR has not received any contributions with donor-imposed restrictions that would result in permanently restricted net assets.

Program service income is recognized when earned.

Use of Estimates

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

Property and Equipment

Property and equipment are recorded at cost or, if donated, the approximate fair value at the date of donation. Depreciation is provided on the straight line method over the estimated useful lives of the assets.

It is the policy of LGR is to capitalize items with a value greater than \$2,500.

Income Taxes

LGR is exempt from federal income taxes under section 501(c) (3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statement.

See independent auditor's report.

Let's Get Ready, Inc.
Notes to Financial Statements
August 31, 2008

Note 1- (Continued)

Functional Allocation of Expenses

The costs of providing various program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program and supporting services benefited.

Concentrations

Approximately 30% of contributions came from one foundation.

LGR has had deposits in excess of FDIC insured limits in a bank. Subsequent to year end LGR instituted a policy of never exceeding FDIC limits on deposits.

Note 2 - Donated Property, Equipment and Services

Donated property, equipment and services consisted of:

	Year Ended August 31, <u>2008</u>	Year Ended August 31, <u>2007</u>
Printing and reproduction	\$ -	\$ 14,584
Office space	-	45,871
Coach labor	134,400	27,000
Legal services	11,200	15,000
Telephone	-	5,156
Graphic design	-	3,600
Web site	240	240
College program director fellowships	-	10,500
Utilities	-	1,125
Postage and mailing	-	14,400
Office equipment usage	-	7,000
	<u>\$ 145,840</u>	<u>\$ 144,376</u>

For the fiscal year ended August 31, 2008, LGR had a total of 775 coaches. In-kind contribution for coach labor is valued for only 400 coaches because documentation of hours worked for 375 of the coaches is insufficient for valuation purposes.

See independent auditor's report.

Let's Get Ready, Inc.
Notes to Financial Statements
August 31, 2008

Note 3 – Property and Equipment

Property and equipment consists of:

Computer equipment	\$ 16,230
Furniture & fixtures	23,080
Less: accumulated depreciation	<u>(12,480)</u>
	<u>\$ 26,830</u>

Depreciation expense was \$5,320 for the year ended August 31, 2008.

Note 4 – Temporarily Restricted Net Assets

As of the August 31, 2008, Temporarily Restricted Net Assets, totaling \$543,000 consist of the following:

The Goldman Sachs Foundation

In December 2005, LGR received a \$400,000 grant from the Goldman Sachs Foundation. As of August 31, 2008, \$68,000 is available for expenditure during the calendar year ending December 31, 2008.

In July 2008, LGR received a \$400,000 grant from the Goldman Sachs Foundation. As of August 31, 2008, \$200,000 is available for the expenditure during the calendar year ending December 31, 2009 and \$200,000 is available for the expenditure during the calendar year ending 2010.

Time Warner, Inc.

In August 2007, LGR received a grant from Time Warner, Inc. to be used over the period August 2007 to August 2009. As of August 31, 2008, \$50,000 is available for the expenditure during the year ending August 31, 2009.

See Note 5 relating to the contribution receivable of \$50,000.

JPMorgan Chase Foundation

In August 2008, LGR received a grant in the amount of \$50,000 from the JPMorgan Chase Foundation to fund the Mid-Atlantic Project. As of August 31, 2008, \$25,000 is available for expenditure during the calendar year ending December 31, 2008.

See independent auditor's report.

Let's Get Ready, Inc.
Notes to Financial Statements
August 31, 2008

Note 5 – Grants and Contributions Receivable

Contributions receivable contains the following:

Time Warner, Inc.	\$ 50,000
Lucerne Foundation	<u>60,000</u>
	<u>\$110,000</u>

Note 6 – Commitments

Lease: New York Central Office

LGR leases office space under a long term operating lease that expires April 30th 2012. At August 31, 2007 future minimum annual lease obligations are:

Year ended August 31, 2009	\$ 79,084
2010	84,230
2011	86,549
2012	<u>43,965</u>
	<u>\$293,828</u>

The lease is secured by an irrevocable standby letter of credit that was issued by a bank. The letter of credit is collateralized by \$21,616 of cash on deposit with the bank.

Lease: New England Hub Office

LGR leases office space under a long term operating lease that expires September 30, 2008. At August 31, 2007 future minimum annual lease obligations are:

Year ended August 31, 2009	<u>\$1,100</u>
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See independent auditor's report.