

LET GROW, INC.

FINANCIAL STATEMENTS

December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Let Grow, Inc.
New York, New York

We have audited the accompanying financial statements of Let Grow, Inc., which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

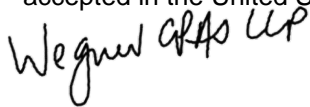
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Let Grow, Inc. as of December 31, 2020 and 2019, 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.



Wegner CPAs, LLP
New York, New York
May 20, 2021

LET GROW, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 148,837	\$ 161,947
Accounts receivable	3,000	4,000
Unconditional promises to give	151,665	100,100
Website and equipment, net	45,500	5,114
Security deposit	-	1,115
	<u> </u>	<u> </u>
Total assets	<u>\$ 349,002</u>	<u>\$ 272,276</u>
LIABILITIES		
Accounts payable	\$ 21,786	\$ 23,995
Accrued severance	48,250	-
	<u> </u>	<u> </u>
Total liabilities	70,036	23,995
NET ASSETS		
Without donor restrictions	278,966	148,281
With donor restrictions	-	100,000
	<u> </u>	<u> </u>
Total net assets	<u>278,966</u>	<u>248,281</u>
	<u> </u>	<u> </u>
Total liabilities and net assets	<u>\$ 349,002</u>	<u>\$ 272,276</u>

See accompanying notes.

LET GROW, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

	2020	2019
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contributions	\$ 1,418,002	\$ 517,789
Program service revenue	30,150	27,000
Other income	1,564	9,487
Total revenues without donor restrictions	1,449,716	554,276
EXPENSES AND LOSSES		
Program services	1,350,492	613,576
Management and general	68,914	73,918
Fundraising	41,264	46,966
Total expenses	1,460,670	734,460
Loss on disposal of equipment	3,361	-
Total expenses and losses	1,464,031	734,460
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of purpose restrictions	45,000	-
Satisfaction of time restrictions	100,000	-
Change in net assets without donor restrictions	130,685	(180,184)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	45,000	100,000
Net assets released from purpose restrictions	(45,000)	-
Net assets released from time restrictions	(100,000)	-
Change in net assets with donor restrictions	(100,000)	100,000
Change in net assets	30,685	(80,184)
Net assets at beginning of year	248,281	328,465
Net assets at end of year	\$ 278,966	\$ 248,281

See accompanying notes.

LET GROW, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2020 and 2019

	Program Services	Management and General	Fundraising	2020 Total
Personnel	\$ 879,598	\$ 27,984	\$ 37,146	\$ 944,728
Professional fees	327,412	20,158	-	347,570
Advertising	68,803	368	-	69,171
Office expenses	49,268	7,488	983	57,739
Travel and meetings	11,915	1,890	2,568	16,373
Grants expense	8,000	-	-	8,000
Insurance	2,479	4,372	-	6,851
Occupancy	647	4,134	-	4,781
Postage and printing	736	2,469	499	3,704
Depreciation	1,634	51	68	1,753
Total expenses	\$ 1,350,492	\$ 68,914	\$ 41,264	\$ 1,460,670
	Program Services	Management and General	Fundraising	2019 Total
Personnel	\$ 291,786	\$ 29,613	\$ 42,146	\$ 363,545
Professional fees	237,207	19,404	-	256,611
Advertising	39,650	479	-	40,129
Office expenses	26,391	7,970	2,474	36,835
Travel and meetings	13,409	664	2,023	16,096
Grants expense	125	-	-	125
Insurance	1,751	6,311	277	8,339
Occupancy	1,853	7,603	-	9,456
Postage and printing	1,287	1,397	29	2,713
Bad debt	-	465	-	465
Depreciation	117	12	17	146
Total expenses	\$ 613,576	\$ 73,918	\$ 46,966	\$ 734,460

See accompanying notes.

LET GROW, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 30,685	\$ (80,184)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	1,753	146
Loss on disposal of equipment	3,361	-
(Increase) decrease in assets		
Accounts receivable	1,000	2,701
Unconditional promises to give	(51,565)	(99,635)
Security deposit	1,115	(1,115)
Increase (decrease) in liabilities		
Accounts payable	(2,209)	(15,285)
Accrued severance	48,250	-
Net cash flows from operating activities	32,390	(193,372)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for website development	(45,500)	-
Purchases of equipment	-	(5,260)
Net cash flows from investing activities	(45,500)	(5,260)
Net change in cash	(13,110)	(198,632)
Cash at beginning of year	161,947	360,579
Cash at end of year	\$ 148,837	\$ 161,947

See accompanying notes.

LET GROW, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Incorporated in the state of Delaware in 2017, Let Grow, Inc. aims to create new paths for parents, schools, and America itself that lets kids have some adventures, develop more independence, and grow resilient. Let Grow, Inc. spreads its mindset through the use of media, curriculum, research, and engagement to educate America on the importance of letting kids grow.

Accounts Receivable

Accounts receivable represent amounts owed to Let Grow, Inc. for submissions of monthly written articles. Accounts receivable are stated at the amount management expects to be collected from outstanding balances. As of December 31, 2020 and 2019, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Promises to Give

Conditional promises to give are not recognized in the financial statements until conditions are substantially met. Unconditional 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 more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due dates.

Contributions

Contributions are reported as increases in net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

Revenue from Contracts with Customers

Let Grow, Inc. contracts with different schools and organizations to provide speaking engagements on parent related issues. Event revenues are generally considered to be single performance obligations that are satisfied at a point in time (for example, when the speaking engagement is held). Let Grow, Inc. also writes monthly articles on behalf of a magazine. Revenue is recognized and payments are received on a monthly basis when articles are written and submitted.

Website and Equipment

Purchases of equipment are stated at their original cost or, if donated, at their fair value on the date of donation. All development costs and costs that enhance the functionality of the website are capitalized and amortized in future years. All routine maintenance costs are expensed when incurred. Depreciation and amortization are provided using the straight-line method over the estimated useful life of 3 years.

LET GROW, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Personnel and depreciation expenses are allocated on the basis of estimates of time and effort. Occupancy is allocated based upon estimated usage of square footage. Other expenses are directly allocated to program services or supporting activities. The following program services and supporting activities are included in the accompanying financial statements:

Program—Let Grow, Inc. runs in school and after school programs that provide opportunities for kids to feel more empowered and develop trust in their own abilities. Let Grow, Inc. also publishes articles and disseminates informational content that advises parents and educators on why and how to let kids grow.

Management and general—Management and general expenses include the costs necessary to ensure proper administrative functioning of the board of directors, manage the financial and budgetary responsibilities of Let Grow, Inc. and perform other administrative tasks.

Fundraising—Fundraising expenses include the costs related to activities that involve inducing potential donors to contribute assets, services, or time to Let Grow, Inc.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Tax Status

Let Grow, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Date of Management's Review

Management has evaluated subsequent events through May 20, 2021, the date which the financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS

Contributors

Let Grow, Inc. had one donor who accounted for approximately 77% of the total contributions for the year ended December 31, 2020. Let Grow, Inc. had three donors who in combination accounted for approximately 75% of the total contributions for the year ended December 31, 2019.

LET GROW, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE

All unconditional promises to give at December 31, 2020 and 2019 were receivable in less than one year. Management has determined that no allowance for uncollectible promises to give was necessary at December 31, 2020 and 2019.

NOTE 4 – OPERATING LEASE

On June 1, 2019, Let Grow, Inc. entered into an operating lease for office space that required monthly payments of \$1,115 and expired May 2020. Let Grow, Inc. did not renew the lease and therefore has no future leasing obligations. Rent expense for the years ended December 31, 2020 and 2019 was \$4,781 and \$9,456.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2019 were restricted for subsequent year's activities and were fully released from restrictions in 2020. At December 31, 2020, Let Grow, Inc. had no net assets with donor restrictions.

NOTE 6 – WEBSITE AND EQUIPMENT

Website and equipment at December 31, 2020 and 2019 consisted of the following:

	2020	2019
Website	\$ 45,500	\$ -
Equipment	-	5,260
Less accumulated depreciation	-	(146)
Website and equipment, net	\$ 45,500	\$ 5,114

NOTE 7 – LIQUIDITY AND AVAILABILITY

At December 31, 2020 and 2019, Let Grow, Inc. has \$303,502 and \$266,047 of financial assets available within one year of the dates of the statements of financial position to meet cash needs for general expenditures consisting of cash, accounts receivable, and unconditional promises to give. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the date of the statement of financial position.

As part of Let Grow, Inc.'s liquidity management, it has a policy to structure its financial assets to be available for its general expenditures, liabilities, and other obligations that come due.

NOTE 8 – ACCRUED SEVERANCE

Prior to December 31, 2020, Let Grow, Inc. approved the termination of several employees to which the Organization provided severance agreements. The total obligation owed to the employees is \$48,250.

LET GROW, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 9 – COVID CONSIDERATIONS

The extent of the impact of COVID-19 on Let Grow, Inc.'s operations will depend on certain developments, including the duration and spread of the outbreak, and impact on Let Grow, Inc.'s employees, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact Let Grow, Inc.'s operations is uncertain.