

LET GROW, INC.

FINANCIAL STATEMENTS

December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Let Grow, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 Let Grow, Inc. as of December 31, 2023 and 2022, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Let Grow, Inc. 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 Let Grow, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 GAAS 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 GAAS, 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 Let Grow, Inc.'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 Let Grow, Inc.'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.

Wegner CPAs LLP

Wegner CPAs, LLP
New York, New York
June 28, 2024

LET GROW, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 255,726	\$ 682,752
Investments	789,560	-
Accounts receivable	-	1,500
Prepaid expenses	-	4,000
Website and equipment, net	<u>12,700</u>	<u>34,788</u>
Total assets	<u><u>\$ 1,057,986</u></u>	<u><u>\$ 723,040</u></u>
LIABILITIES		
Accounts payable	\$ 5,000	\$ 5,900
NET ASSETS		
Without donor restrictions	957,133	717,140
With donor restrictions	<u>95,853</u>	<u>-</u>
Total net assets	<u>1,052,986</u>	<u>717,140</u>
Total liabilities and net assets	<u><u>\$ 1,057,986</u></u>	<u><u>\$ 723,040</u></u>

See accompanying notes.

LET GROW, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2023 and 2022

	2023	2022
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contributions	\$ 946,571	\$ 879,410
Program service revenue	36,350	39,525
Investment return, net	19,561	-
Total revenues without donor restrictions	1,002,482	918,935
EXPENSES		
Program services	478,060	361,773
Management and general	152,564	117,344
Fundraising	132,012	92,413
Total expenses	762,636	571,530
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of purpose restrictions	147	10,227
Change in net assets without donor restrictions	239,993	357,632
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	96,000	-
Net assets released from restrictions	(147)	(10,227)
Change in net assets with donor restrictions	95,853	(10,227)
Change in net assets	335,846	347,405
Net assets at beginning of year	717,140	369,735
Net assets at end of year	\$ 1,052,986	\$ 717,140

See accompanying notes.

LET GROW, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2023 and 2022

	Program Services	Management and General	Fundraising	2023 Total
Personnel	\$ 244,690	\$ 81,514	\$ 113,518	\$ 439,722
Professional fees	152,863	26,024	743	179,630
Advertising	26,752	6,112	9,000	41,864
Office	2,247	25,708	1,990	29,945
Travel and meetings	25,058	2,149	1,059	28,266
Grants	14,000	-	-	14,000
Insurance	-	5,494	-	5,494
Postage and printing	159	1,468	-	1,627
Depreciation	12,291	4,095	5,702	22,088
Total expenses	\$ 478,060	\$ 152,564	\$ 132,012	\$ 762,636
	Program Services	Management and General	Fundraising	2022 Total
Personnel	\$ 207,313	\$ 58,524	\$ 83,021	\$ 348,858
Professional fees	92,481	28,151	3,889	124,521
Advertising	30,586	9,240	62	39,888
Office	2,766	12,418	1,175	16,359
Travel and meetings	246	601	399	1,246
Grants	16,725	-	-	16,725
Insurance	1,175	4,439	-	5,614
Postage and printing	1,080	1,317	102	2,499
Depreciation	9,401	2,654	3,765	15,820
Total expenses	\$ 361,773	\$ 117,344	\$ 92,413	\$ 571,530

See accompanying notes.

LET GROW, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 335,846	\$ 347,405
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	22,088	15,820
(Increase) decrease in assets		
Accounts receivable	1,500	2,000
Prepaid expenses	4,000	(4,000)
Decrease in liabilities		
Accounts payable	<u>(900)</u>	<u>(11,025)</u>
Net cash flows from operating activities	362,534	350,200
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for website development	-	(18,806)
Purchases of and earnings retained in investments	<u>(789,560)</u>	<u>-</u>
Net cash flows from investing activities	<u>(789,560)</u>	<u>(18,806)</u>
Net change in cash	(427,026)	331,394
Cash at beginning of year	<u>768,277</u>	<u>162,577</u>
Cash at end of year	<u>\$ 341,251</u>	<u>\$ 682,752</u>

See accompanying notes.

LET GROW, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

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. The Organization is primarily funded by contributions and program service fees.

Accounts Receivable

Accounts receivable represent amounts owed to Let Grow, Inc. for submissions of monthly written articles. The Organization uses historical loss information based on the aging of accounts receivable as the basis to determine expected credit losses. Management believes the composition of accounts receivable is consistent with historical conditions and accounts receivable are expected to be settled within a relatively short time frame based on current conditions. As such, credit losses are expected to be insignificant.

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.

Program Service Revenue

Let Grow, Inc. contracts with different schools and organizations to provide speaking engagements on parent related issues. Speaking engagements 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.

Advertising

Advertising costs are expensed as incurred.

LET GROW, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Website and Equipment

Acquisitions of equipment in excess of \$1,000 are capitalized. 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.

Investments

Investments at December 31, 2023 and 2022, consist of open-end money market mutual funds, which are valued at the daily closing price as reported by the fund. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Organization are considered to be actively traded.

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. Other expenses are directly charged 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, as well as provides education, advocacy, and support for state policies regarding reasonable independence for children. 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.

LET GROW, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 June 28, 2024, the date which the financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS

Let Grow, Inc. had one donor who accounted for approximately 24% of the total contributions for the year ended December 31, 2023. Let Grow, Inc. had two donors who accounted for approximately 51% of the total contributions for the year ended December 31, 2022.

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2023, were restricted for Ed Prize.

NOTE 4 – WEBSITE AND EQUIPMENT

Website and equipment at December 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Website	\$ 64,306	\$ 64,306
Equipment	1,958	1,958
Less accumulated depreciation	<u>(53,564)</u>	<u>(31,476)</u>
Website and equipment, net	<u>\$ 12,700</u>	<u>\$ 34,788</u>

LET GROW, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 5 – LIQUIDITY AND AVAILABILITY

The following represents Let Grow, Inc.'s financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general expenditures within one year because of contractual or donor-imposed restrictions.

	2023	2022
Cash	\$ 255,726	\$ 682,752
Investments	789,560	-
Accounts receivable	-	1,500
Financial assets, at year-end	1,045,286	684,252
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with purpose restrictions	(95,853)	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 949,433	\$ 684,252

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.