

**GROW AND KNOW, INC.**

Financial Report

December 31, 2017

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

**To the Board of Directors of  
Grow and Know, Inc.**

We have reviewed the accompanying financial statements of Grow and Know, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility 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; 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.

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Gruber Palumberi Raffaele Fried, P.C.*

March 12, 2018  
New York, NY

**GROW AND KNOW, INC**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2017, AND 2016**

<b>ASSETS</b>	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 318,488	280,778
Accounts receivable	<u>19,580</u>	<u>16,155</u>
<b>TOTAL ASSETS</b>	<u>\$ 338,068</u>	<u>\$ 296,933</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	<u>2,000</u>	<u>1,900</u>
<b>NET ASSETS</b>		
Unrestricted	<u>336,068</u>	<u>295,033</u>
<b>TOTAL NET ASSETS</b>	<u>336,068</u>	<u>295,033</u>
<b>TOTAL LIABILITIES NET ASSETS</b>	<u>\$ 338,068</u>	<u>\$ 296,933</u>

See accompanying notes and independent accountant's review report.

**GROW AND KNOW, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>			<u>2016</u>		
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>						
Support from the public:						
Contributions	\$ 66,051	\$ -	\$ 66,051	\$ 66,850	\$ -	\$ 66,850
Miscellaneous income	<u>1,486</u>	<u>-</u>	<u>1,486</u>	<u>-</u>	<u>-</u>	<u>-</u>
	67,537	-	67,537	66,850	-	66,850
<b>Net assets released from restriction</b>						
Satisfaction of program restriction	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,097</u>	<u>(27,097)</u>	<u>-</u>
<b>Total revenue and support</b>	<u>67,537</u>	<u>-</u>	<u>67,537</u>	<u>93,947</u>	<u>(27,097)</u>	<u>66,850</u>
<b>Expenses:</b>						
Program services	23,474		23,474	63,256		63,256
Management and general	<u>3,028</u>		<u>3,028</u>	<u>2,885</u>		<u>2,885</u>
Total expenses	<u>26,502</u>		<u>26,502</u>	<u>66,141</u>	<u>-</u>	<u>66,141</u>
<b>CHANGE IN NET ASSETS</b>	41,035	-	41,035	27,806	(27,097)	709
<b>NET ASSETS, beginning of year,</b>	<u>295,033</u>	<u>-</u>	<u>295,033</u>	<u>267,227</u>	<u>27,097</u>	<u>294,324</u>
<b>NET ASSETS, end of year</b>	<u>\$ 336,068</u>	<u>\$ -</u>	<u>\$ 336,068</u>	<u>\$ 295,033</u>	<u>\$ -</u>	<u>\$ 295,033</u>

See accompanying notes and independent accountant's review report.

**GROW AND KNOW, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FORE YEAR ENDED DECEMBER 31, 2017**

	Program Services				Supporting Services	
	Tanzania	Pakistan	United States	Total Program Services	Management and General	Total 2017
Publishing	\$ 12,445	\$ -	\$ -	\$ 12,445	\$ -	\$ 12,445
Travel	8,702	-	-	8,702	-	8,702
Research and fieldwork	-	832	1,495	2,327	-	2,327
Professional fees	-	-	-	-	2,100	2,100
Outside services	-	-	-	-	600	600
Bank and filing fees	-	-	-	-	328	328
<b>Total other expenses</b>	<u>21,147</u>	<u>832</u>	<u>1,495</u>	<u>23,474</u>	<u>3,028</u>	<u>26,502</u>
<b>Total expenses</b>	<u>\$ 21,147</u>	<u>\$ 832</u>	<u>\$ 1,495</u>	<u>\$ 23,474</u>	<u>\$ 3,028</u>	<u>\$ 26,502</u>

See accompanying notes and independent accountant's review report.

**GROW AND KNOW, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR YEAR ENDED DECEMBER 31, 2016**

	Program Services						Supporting Services		
	Cambodia	Madagascar	Tanzania	Pakistan	United States	Conferences and Other programs	Total Program Services	and Management and General	Total 2016
Publishing	\$ 5,954	\$ 11,510	\$ 1,594	\$ 18,552	\$ -	\$ -	\$ 37,610	\$ -	37,610
Research and fieldwork	-	10,336	3,130	9,750	2,173	-	25,389	-	25,389
Professional fees	-	-	-	-	-	-	-	1,900	1,900
Bank and filing fees	-	-	-	-	-	-	-	585	585
Website maintenance	-	-	-	-	-	-	-	400	400
Travel	-	-	-	-	-	257	257	-	257
Outside services	-	-	-	-	-	-	-	-	-
<b>Total other expenses</b>	<u>5,954</u>	<u>21,846</u>	<u>4,724</u>	<u>28,302</u>	<u>2,173</u>	<u>257</u>	<u>63,256</u>	<u>2,885</u>	<u>66,141</u>
<b>Total expenses</b>	<u>\$ 5,954</u>	<u>\$ 21,846</u>	<u>\$ 4,724</u>	<u>\$ 28,302</u>	<u>\$ 2,173</u>	<u>\$ 257</u>	<u>\$ 63,256</u>	<u>\$ 2,885</u>	<u>\$ 66,141</u>

See accompanying notes and independent accountant's review report.

**GROW AND KNOW, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<b>2017</b>	<b>2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 41,035	\$ 709
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
(Increase) in accounts receivable	(3,425)	(16,000)
Decrease in inventory	-	1,094
Increase in accounts payable and accrued expenses	100	-
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>37,710</b>	<b>(14,197)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>37,710</b>	<b>(14,197)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>280,778</b>	<b>294,975</b>
<b>CASH AND CASH EQUIVALENTS AT - END OF YEAR</b>	<b>\$ 318,488</b>	<b>\$ 280,778</b>

See accompanying notes and independent accountant's review report.



**GROW AND KNOW, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017 and 2016**

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**NOTE 1 - ORGANIZATION**

Grow and Know, Inc. (Grow and Know), is a not-for-profit organization with the purpose of empowering young girls and boys in developing nations, to feel stronger and more confident through the provision of guidance on the growing up experience. The Grow and Know mission is to develop, publish and distribute books that are grounded in the local social, cultural and economic context and that capture the real context of young people growing up today.

For Federal income tax purposes, Grow and Know is classified as a 501(c)(3) organization and is exempt under this section of the Internal Revenue Code and a similar provision of the New York State income tax laws.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Grow and Know have been prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America. The significant accounting policies are described below.

**Basis of Presentation**

The net assets of the Grow and Know are reported as follows:

Unrestricted

Unrestricted net assets are net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations and are available for the general operations of Grow and Know

Temporarily Restricted

Temporarily restricted net assets include gifts of cash and other assets received with donor stipulations that limit the use of the donated assets. When a donor restriction expires or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Grow and Know did not have any temporarily restricted net assets as of December 31, 2017 and 2016.

Permanently Restricted

Permanently restricted net assets include funds that have been restricted by the donor to be held in perpetuity. Grow and Know did not have any permanently restricted net assets at December 31, 2017 and 2016.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Cash and cash equivalents**

Grow and Know considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Grants and Contributions**

Grow and Know records contributions and grants when an unconditional promise to give such assets is received from a donor. Contributions and grants are recorded at the fair market value of the assets received and are classified as either unrestricted, temporarily restricted, or permanently restricted, depending on whether the donor has imposed a restriction on the use of such assets.

Contributions and grants receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using a risk-free interest rate determined in the year in which the contribution originates. Amortization of the discount is included in contribution revenue.

**Inventory**

Inventory of books are valued at cost, instead of lower of cost or market, because the books are given away to young girls and boys, free of charge.

**Distribution of Books**

Grow and Know distributes its books free of charge to young girls and boys in developing nations.

**Functional Expense Allocations**

The costs of providing the various programs and other activities of the Grow and Know have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting service benefited. Such allocations are determined by management in accordance with grant provisions and/or other equitable basis.

**GROW AND KNOW, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017 and 2016**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Income Taxes**

Grow and Know adopted Accounting Standards Codification 740 ("ASC 740") "Income Taxes." ASC 740 requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The implementation of ASC 740 did not have an impact on Grow and Know's tax-exempt status or on its financial statements. Grow and Know's currently has procedures in place to ensure the maintenance of its tax-exempt status. These include identifying and reporting unrelated business income, determining and meeting its filing and tax obligations in jurisdictions in which it operates. The management of Grow and Know does not believe its financial statements include any uncertain tax positions.

The Commission's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending December 31, 2014, 2015 and 2016 are subject to examination by the IRS, generally for three years after they are filed.

**NOTE 3 – DISTRIBUTION OF BOOKS**

In the years ended December 31, 2017 and 2016, the number of books distributed free of charge by Grow and Know to young girls and boys by country is listed below:

	<u>2017</u>	<u>2016</u>
Madagascar	-	15,000
Tanzania	20,000	-
Cambodia	<u>-</u>	<u>15,000</u>
	<u>20,000</u>	<u>30,000</u>

In addition, in 2017 and 2016 all the books published by Grow and Know were made available electronically through a collaboration with the not-for-profit organization World Reader.

**GROW AND KNOW, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017 and 2016**

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**NOTE 4- TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available to satisfy the following purpose restrictions at December 31, 2017 and 2016:

	<b>Net Assets Released</b>			
	<u>December 31, 2016</u>	<u>Contributions</u>	<u>From Restriction</u>	<u>December 31, 2017</u>
Purpose restricted	\$ -	\$ -	\$ -	\$ -

	<b>Net Assets Released</b>			
	<u>December 31, 2015</u>	<u>Contributions</u>	<u>From Restriction</u>	<u>December 31, 2016</u>
Purpose restricted	\$ 27,097	\$ -	\$ (27,097)	\$ -

**NOTE 5 – SUBSEQUENT EVENTS**

Grow and Know evaluated its December 31, 2017 financial statements for subsequent events through March 12, 2018 the date the financial statements were available to be issued. Grow and Know is not aware of any subsequent events which would require recognition or disclosure in the financial statements.