



LEE AND CROWLEY

ACCOUNTANTS & ADVISORS

Reclaim Childhood, Inc.

Financial Statements

August 31, 2023 and 2022

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Reclaim Childhood, Inc.

Table of Contents

Independent Accountant’s Review Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3-4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-14



LEE AND CROWLEY

Independent Accountant's Review Report

To the Board of Directors
Reclaim Childhood, Inc.
Cambridge, MA

We have reviewed the accompanying financial statements of Reclaim Childhood, Inc., which comprise the statements of financial position as of August 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization 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 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements 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 conclusions.

We are required to be independent of Reclaim Childhood, Inc. and to meet other ethical requirements in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

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

Lee & Crowley, LLC

December 22, 2023
Boston, Massachusetts

Reclaim Childhood, Inc.

Statements of Financial Position

<i>August 31,</i>	<i>2023</i>	<i>2022</i>
Assets		
Current assets:		
Cash and cash equivalents	\$ 441,691	\$ 458,276
Investments, at fair value	4,716	-
Contributions receivable	9,231	3,898
Prepaid expenses	3,943	3,774
Total current assets	<u>459,581</u>	<u>465,948</u>
Total Assets	<u>\$ 459,581</u>	<u>\$ 465,948</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	<u>\$ 10,401</u>	<u>\$ 5,577</u>
Net assets:		
Without donor restrictions	248,571	284,789
With donor restrictions	200,609	175,582
Total net assets	<u>449,180</u>	<u>460,371</u>
Total Liabilities and Net Assets	<u>\$ 459,581</u>	<u>\$ 465,948</u>

See accompanying independent accountant's review report and notes to the financial statements.

Reclaim Childhood, Inc.

Statement of Activities

For the year ended August 31, 2023

	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Contributions	\$ 163,244	\$ 200,841	\$ 364,085
Government grants	65,374	-	65,374
Net assets released from restrictions	175,814	(175,814)	-
Total revenues	<u>404,432</u>	<u>25,027</u>	<u>429,459</u>
Expenses:			
Program services	339,641	-	339,641
Support services	50,166	-	50,166
Fundraising	50,688	-	50,688
Total expenses	<u>440,495</u>	<u>-</u>	<u>440,495</u>
(Deficit) Excess of Revenues over Expenses	(36,063)	25,027	(11,036)
Non-Operating Activities:			
Dividend and interest income	168	-	168
Unrealized loss on investment	(323)	-	(323)
Total non-operating activities	<u>(155)</u>	<u>-</u>	<u>(155)</u>
Change in Net Assets	(36,218)	25,027	(11,191)
Net Assets, beginning of year	<u>284,789</u>	<u>175,582</u>	<u>460,371</u>
Net Assets, end of year	<u>\$ 248,571</u>	<u>\$ 200,609</u>	<u>\$ 449,180</u>

See accompanying independent accountant's review report and notes to the financial statements.

Reclaim Childhood, Inc.

Statement of Activities

For the year ended August 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Contributions	\$ 241,198	\$ 69,639	\$ 310,837
Government grants	16,700	-	16,700
Net assets released from restrictions	100,192	(100,192)	-
Total revenues	<u>358,090</u>	<u>(30,553)</u>	<u>327,537</u>
Expenses:			
Program services	258,505	-	258,505
Support services	47,508	-	47,508
Fundraising	51,843	-	51,843
Total expenses	<u>357,856</u>	<u>-</u>	<u>357,856</u>
Change in Net Assets	234	(30,553)	(30,319)
Net Assets, beginning of year	<u>284,555</u>	<u>206,135</u>	<u>490,690</u>
Net Assets, end of year	<u><u>\$ 284,789</u></u>	<u><u>\$ 175,582</u></u>	<u><u>\$ 460,371</u></u>

See accompanying independent accountant's review report and notes to the financial statements.

Reclaim Childhood, Inc.
Statement of Functional Expenses

For the year ended August 31, 2023

	Program Services	Support Services	Fundraising	Total
Direct program expenses	\$ 185,358	\$ -	\$ -	\$ 185,358
Employee compensation	113,763	25,803	28,110	167,676
Consulting expense	-	7,000	16,673	23,673
Payroll taxes	12,438	1,947	2,150	16,535
Travel	11,962	211	683	12,856
Employee benefits	5,193	1,560	1,736	8,489
Occupancy	5,998	2,360	-	8,358
Professional fees	-	6,750	-	6,750
Dues and subscriptions	-	3,412	-	3,412
Office expenses	1,822	35	5	1,862
Registration fees	705	810	-	1,515
Events	-	-	1,005	1,005
Bank fees	-	98	-	98
Miscellaneous	2,402	180	326	2,908
Total	\$ 339,641	\$ 50,166	\$ 50,688	\$ 440,495
Percentage of Total	77%	11%	12%	100%

See accompanying independent accountant's review report and notes to the financial statements.

Reclaim Childhood, Inc.
Statement of Functional Expenses

For the year ended August 31, 2022

	Program Services	Support Services	Fundraising	Total
Direct program expenses	\$ 122,027	\$ -	\$ -	\$ 122,027
Employee compensation	108,803	28,649	40,629	178,081
Payroll taxes	5,330	2,193	3,110	10,633
Travel	3,888	-	1,415	5,303
Employee benefits	6,804	2,369	3,516	12,689
Occupancy	6,752	2,323	-	9,075
Professional fees	-	6,500	-	6,500
Dues and subscriptions	-	3,273	-	3,273
Office expenses	1,530	687	-	2,217
Registration fees	885	798	-	1,683
Events	-	-	2,928	2,928
Bank fees	-	493	-	493
Miscellaneous	2,486	223	245	2,954
Total	\$ 258,505	\$ 47,508	\$ 51,843	\$ 357,856
Percentage of Total	72%	13%	15%	100%

*See accompanying independent accountant's review report and
notes to the financial statements.*

Reclaim Childhood, Inc.

Statements of Cash Flows

<i>For the years ended August 31,</i>	<i>2023</i>	<i>2022</i>
Cash Flows From Operating Activities:		
Change in net assets	\$ (11,191)	\$ (30,319)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Donated securities	(5,039)	-
Unrealized loss on investments	323	-
Forgiveness of notes payable, paycheck protection program	-	(16,700)
(Decrease) increase in cash resulting from a change in:		
Contributions receivable	(5,333)	1,102
Prepaid expenses	(169)	179
Accounts payable and accrued expenses	4,824	5,577
Net Cash Used in Operating Activities	<u>(16,585)</u>	<u>(40,161)</u>
Net Decrease in Cash and Cash Equivalents	(16,585)	(40,161)
Cash and Cash Equivalents, beginning of year	<u>458,276</u>	<u>498,437</u>
Cash and Cash Equivalents, end of year	<u>\$ 441,691</u>	<u>\$ 458,276</u>

Supplemental Disclosure of Non-Cash Financing Activities:

During the year ended August 31, 2022, the Organization received forgiveness of a note payable related to the paycheck protection program for \$16,700.

See accompanying independent accountant's review report and notes to the financial statements.

Reclaim Childhood, Inc.

Notes to Financial Statements

1. Business and Organization

Reclaim Childhood, Inc. (the “Organization”) is a 501(c)(3) organization empowering refugee and local women and girls through sport and play in the country of Jordan, located in Western Asia. The Organization’s mission is to create safe and inclusive spaces for local and refugee girls to thrive by playing sports, working with coaches, and building community. The Organization runs three main programs: Afterschool Programming, Qudrati Teen Leadership Programming, and Summer Camps.

After-School Programming: This runs throughout the academic year, with girls ages 6-18 participating in soccer, basketball, and frisbee. The Organization’s coaches go through training before each season and lead practices combining sport and socioemotional skills. There are four practices per week in the cities of Amman, Mafraq, and Zarqa, Jordan.

Qudrati Teen Leadership Programming: Teen participants attend weekly Saturday discussion sessions focused on issues relevant to their lives and developing their capacity to serve as leaders and agents of change in their communities.

Summer Camps: The Organization runs summer camp programming in Amman, Zarqa, and other communities in Jordan, with hundreds of girls rotating through frisbee, soccer, and basketball games.

The Organization’s sources of revenue and support consist primarily of contributions from the general public, fundraising activities, and government grants.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Organization presents its financial statements on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Net Assets

Net assets are classified as without donor restrictions or with donor restrictions, when appropriate, to properly disclose the nature and amount of significant resources that have been restricted in accordance with specified objectives as follows.

Without Donor Restrictions: Represents amounts not restricted for identified purposes by donors. These amounts are available to be used for general purposes of the Organization.

With Donor Restrictions: Represents amounts whose use by the Organization has been limited by donors to a specific period or purpose. As of August 31, 2023 and 2022, the Organization had \$200,609 and \$175,582 of net assets with donor restrictions, respectively.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities.

See accompanying independent accountant’s review report.

Reclaim Childhood, Inc.

Notes to Financial Statements

Use of Estimates

The preparation of financial statements in accordance with 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Contributions Receivable

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 future years are recorded at the present value of their estimated 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. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until conditions are met.

The Organization provides an allowance for doubtful accounts equal to estimated contribution defaults. The estimated defaults are based on historical collection experience together with a review of the current status of the existing receivables. At August 31, 2023 and 2022, no allowance for uncollectible contributions was deemed necessary.

Investment Valuation and Income (Loss) Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. See Note 6 for the discussion on fair value.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Organization reports investment income (losses) net of investment expenses.

Donated investments and other non-cash contributions are recorded as contributions at their estimated fair value at the date of donation.

Revenue Recognition

The Organization's revenue is presented in accordance with Accounting Standards Codification ("ASC") 606 *Revenue from Contracts with Customers* ("ASC 606"). The Organization recognizes revenues from contributions from the general public, fundraising activities, and government grants throughout the year and during events and programs put on by the Organization. Revenue is recognized when the cash has been received from the donor, or when a donor pledge is supported by a signed donor agreement or e-mail.

Revenues received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Revenues that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted revenues are reported as an increase in

See accompanying independent accountant's review report.

Reclaim Childhood, Inc.

Notes to Financial Statements

net assets with donor restrictions, depending on the nature of the restriction. 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.

Functional Expenses

The costs of providing program and other activities has been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among After-School Programming, Qudrati Teen Leadership Programming, and Summer Camps program services, supporting services and fundraising. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expenses	Method of Allocation
Employee compensation	Time and effort
Consulting expense	Time and effort
Payroll taxes	Time and effort
Travel	Time and effort
Employee benefits	Time and effort
Occupancy	Square footage
Office expenses	Time and effort
Registration fees	Time and effort
Miscellaneous	Time and effort

New Accounting Pronouncement

Effective September 1, 2022, the Organization adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-02, Leases (“Topic 842”), and all related amendments using the modified retrospective approach.

ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the balance sheet. At lease inception, leases are classified as either finance leases or operating leases with the associated right of use asset and lease liability measured at the net present value of future lease payments. On September 1, 2022, the date of adoption, there was no adjustment to be recorded, as all the Organization’s operating leases are considered short term (12 months or less). As stated below, leases with an original term of 12 months or less, are excluded from recognition requirements.

The new standard provides for several optional practical expedients. Upon transition to Topic 842, the Organization elected:

- The package of practical expedients permitted under the transition guidance which does not require the Organization to reassess prior conclusions regarding whether contracts are, or contain, a lease, lease classification and initial direct lease costs;
- The practical expedient to use hindsight in determining the lease term (that is, when considering options to extend or terminate the lease or to purchase the underlying asset) and in assessing impairment of the Organization's right of use assets.

See accompanying independent accountant’s review report.

Reclaim Childhood, Inc.

Notes to Financial Statements

The new standard also provides for several accounting policy elections, as follows:

- When the rate implicit in the lease is not determinable, rather than use the Organization's incremental borrowing rate, the Organization elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities for the Organization's operating lease right of use asset;
- The Organization elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which the Organization is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short term leases will continue to be recorded on a straight-line basis over the lease term.

Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). An exemption was granted to the Organization on June 15, 2009.

Under ASC 740, an organization must recognize the financial statement effects of a tax position taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. The Organization does not believe it has taken any material uncertain tax positions, and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Organization has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. The Organization's returns are subject to examination by federal and state jurisdictions. There are currently no on going examinations. For the years ended August 31, 2023, and 2022, there were no interest or penalties recorded or included in the Statements of Activities.

Reclassifications

Certain account balances from the fiscal year ended August 31, 2022 financial statements have been reclassified to enhance financial statement presentation and ensure comparability with the fiscal year ended August 31, 2023 presentation.

Subsequent Events

The Organization has evaluated subsequent events through December 22, 2023, which is the date the financial statements were available for issuance.

3. Concentrations

The Organization has a potential concentration of credit risk in that it sometimes maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC"). The maximum deposit insurance amount for interest-bearing and noninterest-bearing accounts, which is applied per depositor, per insured bank for each account ownership category, is \$250,000. As of August 31, 2023, the Organization did not have deposits in excess of FDIC limits.

Transactions with two donors accounted for 100% of the Organization's contributions receivable at August 31, 2023 and 2022, respectively.

See accompanying independent accountant's review report.

Reclaim Childhood, Inc.

Notes to Financial Statements

Transactions with two donors accounted for 25% and 21% of the Organization's revenues for the years ended August 31, 2023 and 2022, respectively.

4. Availability and Liquidity of Resources

The following represents the Organization's financial assets available within one year of the Statement of Financial Position date for general expenditures at August 31:

	2023	2022
Financial assets at year end:		
Cash and cash equivalents	\$ 441,691	\$ 458,276
Investments, at fair value	4,716	-
Contributions receivable	9,231	3,898
	<hr/> 455,638	<hr/> 462,174
Less financial assets with restrictions	200,609	175,582
Total financial assets available for use	<hr/> \$ 255,029	<hr/> \$ 286,592

The Organization's goal is generally to maintain financial assets to meet at least 90 days of operating expenses (approximately \$110,000). As part of its liquidity plan, the Organization may deposit excess cash into money markets, certificates of deposits, or publicly traded stocks. In addition, the Organization will liquidate any investments that were donated as contributions. Subsequent to August 31, 2023, the investment balance of \$4,716 was liquidated.

5. Investments

At August 31, 2023, investments consist of publicly traded stocks carried at their fair market value. Investments are not insured and are subject to ongoing market fluctuations. The investments are held in one investment portfolio and are managed by one investment advisor.

Cost and fair value of marketable securities at August 31, 2023 are as follows:

	Cost Basis	Fair Value	Unrealized Loss
Investments	\$ 5,039	\$ 4,716	\$ (323)

There was no investment balance at August 31, 2022.

During the year ended August 31, 2023 unrealized losses were recorded in the Statements of Activities totaling \$(323). Dividend and interest income from investments totaled \$168 for the year ended August 31, 2023.

6. Fair Value Measurements

Financial Accounting Standards Board ("FASB") ASC 820 Provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure

See accompanying independent accountant's review report.

Reclaim Childhood, Inc.

Notes to Financial Statements

fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that management has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets at fair value.

Common Stocks

Common stocks are valued at the closing price reported on the active market on which the individual securities are traded.

Fair value of assets measured on a recurring basis at August 31, 2023 are as follows:

	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
Common stock	\$ 4,716	\$ 4,716	\$ -	\$ -
Total Investments at Fair Value	\$ 4,716	\$ 4,716	\$ -	\$ -

7. Notes Payable, Paycheck Protection Program (“PPP”)

On February 2, 2021, the Organization obtained an unsecured loan through a bank in the amount of \$16,700 in connection with round two of the Paycheck Protection Program pursuant to the Coronavirus Aid, Relief, and

See accompanying independent accountant's review report.

Reclaim Childhood, Inc.

Notes to Financial Statements

Economic Security Act (the “CARES Act”). The loan was guaranteed by the United States Small Business Administration (“SBA”). The Organization used the loan proceeds for payroll and rent. During the year ended August 31, 2022, the Organization applied for and received full forgiveness of the entire round two PPP loan balance outstanding.

8. Operating Lease

Effective September 1, 2022, the Organization accounted for leases under Topic 842. As the Organization’s operating lease is short-term there was no adjustment to be recorded upon adoption of Topic 842.

The Organization leases office space in Jordan. Under the terms of the current lease agreement, which commenced April 1, 2023 and expires March 31, 2024, the Organization is required to make an annual payment of \$5,388.

For the years ended August 31, 2023 and 2022, rent expense for the operating lease was \$5,267 and \$5,342, respectively, and is included in Occupancy on the Statements of Functional Expenses.

9. Employee Retirement Plan

The Organization sponsors a Savings Incentive Match Plan For Employees (“SIMPLE IRA”) for the benefits of its employees who meet certain eligibility requirements. Plan participation is voluntary. Employer and employee contributions may not exceed maximum amounts established by the IRC. At its discretion, the Organization matches 3% of participant contributions. The Organization contributed \$3,177 and \$3,792 to the SIMPLE IRA for the years ended August 31, 2023 and 2022, respectively, which are included in Employee Benefits on the Statements of Functional Expenses.

10. Net Assets

Net assets with donor restrictions were as follows for the years ended August 31:

Specific Purpose:	2023	2022
Direct program expense	\$ 123,135	\$ 148,135
Consulting	36,677	-
Fall soccer season	27,669	19,790
Equal play effect	13,128	-
Qudrati teen leadership programming	-	7,657
Total net assets with donor restrictions	<u>\$ 200,609</u>	<u>\$ 175,582</u>

Net assets released from donor restrictions for the years ended August 31, 2023 and 2022, was \$175,814 and \$100,192, respectively.

See accompanying independent accountant’s review report.