



LEE AND CROWLEY

ACCOUNTANTS & ADVISORS

# Reclaim Childhood, Inc.

**Financial Statements**

August 31, 2022 and 2021

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# Reclaim Childhood, Inc.

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LEE AND CROWLEY

# Independent Accountant's Review Report

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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, 2022 and 2021, 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 conclusion.

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 5, 2022  
Boston, Massachusetts

# Reclaim Childhood, Inc.

## Statements of Financial Position

<i>August 31,</i>	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 458,276	\$ 498,437
Contributions receivable	3,898	5,000
Prepaid expenses	3,774	3,953
Total current assets	<u>465,948</u>	<u>507,390</u>
<b>Total Assets</b>	<u><u>\$ 465,948</u></u>	<u><u>\$ 507,390</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 5,577	\$ -
Current maturities of note payable, paycheck protection program	-	1,088
Total current liabilities	<u>5,577</u>	<u>1,088</u>
<b>Long-term liabilities:</b>		
Note payable, paycheck protection program, less current maturities	-	15,612
<b>Total Liabilities</b>	<u>5,577</u>	<u>16,700</u>
<b>Net assets:</b>		
Without donor restrictions	284,789	284,555
With donor restrictions	175,582	206,135
Total net assets	<u>460,371</u>	<u>490,690</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 465,948</u></u>	<u><u>\$ 507,390</u></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 Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues:</b>			
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>
<b>Expenses:</b>			
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>
<b>Change in Net Assets</b>	234	(30,553)	(30,319)
<b>Net Assets, beginning of year</b>	<u>284,555</u>	<u>206,135</u>	<u>490,690</u>
<b>Net Assets, end of year</b>	<u>\$ 284,789</u>	<u>\$ 175,582</u>	<u>\$ 460,371</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, 2021*

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues:</b>			
Contributions	\$ 174,742	\$ 227,300	\$ 402,042
Government grants	15,870	-	15,870
Net assets released from restrictions	57,948	(57,948)	-
Total revenues	<u>248,560</u>	<u>169,352</u>	<u>417,912</u>
<b>Expenses:</b>			
Program services	192,888	-	192,888
Support services	34,383	-	34,383
Fundraising	21,406	-	21,406
Total expenses	<u>248,677</u>	<u>-</u>	<u>248,677</u>
<b>Change in Net Assets</b>	(117)	169,352	169,235
<b>Net Assets, beginning of year</b>	<u>284,672</u>	<u>36,783</u>	<u>321,455</u>
<b>Net Assets, end of year</b>	<u>\$ 284,555</u>	<u>\$ 206,135</u>	<u>\$ 490,690</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, 2022*

	<b>Program Services</b>	<b>Support Services</b>	<b>Fundraising</b>	<b>Total</b>
Employee compensation	\$ 67,136	\$ 28,649	\$ 40,629	\$ 136,414
Direct program expenses	122,027	-	-	122,027
Contract labor	41,667	-	-	41,667
Employee benefits	6,804	2,369	3,516	12,689
Payroll taxes	5,330	2,193	3,110	10,633
Occupancy	6,752	2,323	-	9,075
Professional fees	-	6,500	-	6,500
Travel	3,888	-	1,415	5,303
Dues and subscriptions	-	3,273	-	3,273
Events	-	-	2,928	2,928
Office expenses	1,530	687	-	2,217
Registration fees	885	798	-	1,683
Bank fees	-	493	-	493
Miscellaneous	2,486	223	245	2,954
<b>Total</b>	<b>\$ 258,505</b>	<b>\$ 47,508</b>	<b>\$ 51,843</b>	<b>\$ 357,856</b>
<b>Percentage of Total</b>	<b>72%</b>	<b>13%</b>	<b>15%</b>	<b>100%</b>

*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, 2021*

	<b>Program Services</b>	<b>Support Services</b>	<b>Fundraising</b>	<b>Total</b>
Employee compensation	\$ 45,302	\$ 15,101	\$ 15,101	\$ 75,504
Direct program expenses	94,461	-	-	94,461
Contract labor	34,584	-	-	34,584
Employee benefits	3,698	1,232	1,232	6,162
Payroll taxes	3,464	1,154	1,154	5,772
Occupancy	5,998	483	-	6,481
Professional fees	-	5,250	-	5,250
Travel	1,541	-	-	1,541
Dues and subscriptions	-	2,961	-	2,961
Events	-	-	3,850	3,850
Office expenses	1,830	45	-	1,875
Registration fees	-	755	-	755
Bank fees	-	6,341	-	6,341
Miscellaneous	2,010	1,061	69	3,140
<b>Total</b>	<b>\$ 192,888</b>	<b>\$ 34,383</b>	<b>\$ 21,406</b>	<b>\$ 248,677</b>
<b>Percentage of Total</b>	<b>78%</b>	<b>14%</b>	<b>8%</b>	<b>100%</b>

*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>	<b>2022</b>	<b>2021</b>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ (30,319)	\$ 169,235
Adjustment to reconcile change in net assets to net cash (used in) provided by operating activities:		
Forgiveness of notes payable, paycheck protection program	(16,700)	(15,870)
(Decrease) increase in cash resulting from a change in:		
Contributions receivable	1,102	24,500
Prepaid expenses	179	391
Accounts payable and accrued expenses	5,577	-
<b>Net Cash (Used in) Provided by Operating Activities</b>	<u>(40,161)</u>	<u>178,256</u>
<b>Cash Flows From Financing Activities:</b>		
Proceeds from note payable, paycheck protection program	-	16,700
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(40,161)	194,956
<b>Cash and Cash Equivalents, beginning of year</b>	<u>498,437</u>	<u>303,481</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>\$ 458,276</u>	<u>\$ 498,437</u>

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

# Reclaim Childhood, Inc.

## Notes to Financial Statements

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### 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 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 and Zarqa, 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.

#### *Risks and Uncertainties*

On January 30, 2020, the World Health Organization (“WHO”) announced an international public health emergency related to the COVID-19 outbreak. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The extent to which the COVID-19 pandemic impacts the Organization’s financial condition will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as, the ultimate geographic spread of the virus, the duration of the outbreak, governmental regulations and restrictions, travel restrictions and actions to contain the outbreak or treat its impact.

### 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.

*See accompanying independent accountant’s review report.*

# Reclaim Childhood, Inc.

## Notes to Financial Statements

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*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, 2022 and 2021, the Organization had \$175,582 and \$206,135 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 Statement of Activities.

### *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, 2022 and 2021, no allowance for uncollectible contributions was deemed necessary.

### *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 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.

*See accompanying independent accountant's review report.*

# Reclaim Childhood, Inc.

## Notes to Financial Statements

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### *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 and supporting services benefit. 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
Employee benefits	Time and effort
Payroll taxes	Time and effort
Occupancy	Square footage
Travel	Time and effort
Office expenses	Time and effort
Registration fees	Time and effort
Miscellaneous	Time and effort

### *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. For the years ended August 31, 2022, and 2021, 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, 2021 financial statements have been reclassified to enhance financial statement presentation and ensure comparability with the fiscal year ended August 31, 2022 presentation.

### *Subsequent Events*

The Organization has evaluated subsequent events through December 5, 2022, which is the date the financial statements were available for issuance.

*See accompanying independent accountant’s review report.*

# Reclaim Childhood, Inc.

## Notes to Financial Statements

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### 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, 2022, the Organization had \$1,888 of deposits in excess of FDIC limits.

Transactions with two and one donor accounted for 100% of the Organization’s contributions receivable at August 31, 2022 and 2021, respectively.

Transactions with two and one donor accounted for 21% and 53% of the Organization’s revenues for the years ended August 31, 2022 and 2021, 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:

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	2022	2021
Financial assets at year end:		
Cash and cash equivalents	\$ 458,276	\$ 498,437
Contributions receivable	3,898	5,000
	<hr/> 462,174	<hr/> 503,437
Less financial assets with restrictions	175,582	206,135
Total financial assets available for use	<hr/> \$ 286,592	<hr/> \$ 297,302

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The Organization’s goal is generally to maintain financial assets to meet at least 90 days of operating expenses (approximately \$90,000). As part of its liquidity plan, the Organization may deposit excess cash into money markets or certificates of deposits.

### 5. 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 Economic Security Act (the “CARES Act”). The loan was guaranteed by the United States Small Business Administration (“SBA”). Interest on the loan balance was charged at a rate of 1% per year, and repayment of the loan balance was set to commence in May 2022 over a 60 monthly installments if not forgiven in accordance with the forgiveness rules under the CARES Act and Paycheck Protection Program. The Organization used the loan proceeds for payroll and rent.

During the year ended August 31, 2022, the Organization was notified by the SBA that the \$16,700 note payable received in 2021 during round two of the PPP was forgiven.

During the year ended August 31, 2021, the Organization was notified by the SBA that the \$15,870 note payable received in 2020 during round one of the PPP was forgiven.

*See accompanying independent accountant’s review report.*

# Reclaim Childhood, Inc.

## Notes to Financial Statements

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### 6. Operating Lease

In April 2022, the Organization renewed an agreement to lease office space in Jordan. The lease expires March 31, 2023. Under the agreement, the Company is required to pay monthly payments of \$455.

For the years ended August 31, 2022 and 2021, rent expense for the operating lease was \$5,342 and \$5,904, respectively, and is included in Occupancy Costs on the Statements of Functional Expenses.

### 7. 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 \$3,792 and \$2,265 to the plan for the years ended August 31, 2022 and 2021, respectively.

### 8. Net Assets

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

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Specific Purpose:	2022	2021
Direct program expense	\$ 148,135	\$ 203,135
Fall soccer season	19,790	-
Qudrati Teen Leadership Programming	7,657	-
MERGE Grant	-	3,000
Total net assets with donor restrictions	<u>\$ 175,582</u>	<u>\$ 206,135</u>

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Net assets released from donor restrictions for the years ended August 31, 2022 and 2021, is \$100,192 and \$57,948, respectively.