



LEE AND CROWLEY

ACCOUNTANTS & ADVISORS

Reclaim Childhood, Inc.

Financial Statements

August 31, 2021 and 2020

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Reclaim Childhood, Inc.

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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, 2021 and 2020, 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 company 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 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 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

January 5, 2022
Boston, Massachusetts

Reclaim Childhood, Inc.

Statements of Financial Position

<i>August 31,</i>	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	\$ 498,437	\$ 303,481
Contributions receivable	5,000	29,500
Prepaid expenses	3,953	4,344
Total current assets	<u>507,390</u>	<u>337,325</u>
Total Assets	<u>\$ 507,390</u>	<u>\$ 337,325</u>
Liabilities and Net Assets		
Current liabilities:		
Current maturities of note payable, paycheck protection program	\$ 1,088	\$ 655
Total current liabilities	<u>1,088</u>	<u>655</u>
Long-term liabilities:		
Note payable, paycheck protection program, less current maturities	<u>15,612</u>	<u>15,215</u>
Total Liabilities	<u>16,700</u>	<u>15,870</u>
Net assets:		
Without donor restrictions	284,555	284,672
With donor restrictions	206,135	36,783
Total net assets	<u>490,690</u>	<u>321,455</u>
Total Liabilities and Net Assets	<u>\$ 507,390</u>	<u>\$ 337,325</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

	Without Donor Restriction	With Donor Restrictions	Total
Revenues:			
Contributions	\$ 174,742	\$ 227,300	\$ 402,042
Net assets released from restrictions	57,948	(57,948)	-
Total revenues	232,690	169,352	402,042
Expenses:			
Program services	192,888	-	192,888
Support services	34,383	-	34,383
Fundraising	21,406	-	21,406
Total expenses	248,677	-	248,677
(Deficit) Excess of Revenues Over Expenses	(15,987)	169,352	153,365
Other Income:			
Loan forgiveness, paycheck protection program	15,870	-	15,870
Change in Net Assets	(117)	169,352	169,235
Net Assets, beginning of year	284,672	36,783	321,455
Net Assets, end of year	\$ 284,555	\$ 206,135	\$ 490,690

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, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Contributions	\$ 202,179	\$ 34,500	\$ 236,679
Government grants	19,387	2,283	21,670
Net assets released from restrictions	9,656	(9,656)	-
Total revenues	<u>231,222</u>	<u>27,127</u>	<u>258,349</u>
Expenses:			
Program services	194,956	-	194,956
Support services	52,607	-	52,607
Fundraising	25,455	-	25,455
Total expenses	<u>273,018</u>	<u>-</u>	<u>273,018</u>
Change in Net Assets	(41,796)	27,127	(14,669)
Net Assets, beginning of year	<u>326,468</u>	<u>9,656</u>	<u>336,124</u>
Net Assets, end of year	<u>\$ 284,672</u>	<u>\$ 36,783</u>	<u>\$ 321,455</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, 2021

	Program Services	Support Services	Fundraising	Total
Direct program expenses	\$ 93,649	\$ -	\$ -	\$ 93,649
Employee compensation	45,302	15,101	15,101	75,504
Contract labor	34,584	-	-	34,584
Occupancy	5,998	483	-	6,481
Bank fees	-	6,341	-	6,341
Employee benefits	3,698	1,232	1,232	6,162
Payroll taxes	3,464	1,154	1,154	5,772
Professional fees	-	5,250	-	5,250
Events	-	-	3,850	3,850
Dues and subscriptions	-	2,961	-	2,961
Office expenses	1,830	45	-	1,875
Travel	1,541	-	-	1,541
Uniforms	812	-	-	812
Registration fees	-	755	-	755
Miscellaneous	2,010	1,061	69	3,140
Total	\$ 192,888	\$ 34,383	\$ 21,406	\$ 248,677
Percentage of Total	77.56%	13.83%	8.61%	100.00%

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, 2020

	Program Services	Support Services	Fundraising	Total
Direct program expenses	\$ 98,053	\$ -	\$ -	\$ 98,053
Employee compensation	62,229	18,160	18,160	98,549
Contract labor	8,785	-	-	8,785
Occupancy	6,711	456	-	7,167
Bank fees	-	1,440	-	1,440
Employee benefits	6,463	1,530	1,530	9,523
Payroll taxes	5,082	1,395	1,395	7,872
Professional fees	-	25,119	-	25,119
Events	-	-	4,052	4,052
Dues and subscriptions	-	2,351	-	2,351
Office expenses	380	316	-	696
Travel	2,727	-	118	2,845
Uniforms	1,687	-	-	1,687
Registration fees	1,216	1,196	-	2,412
Miscellaneous	1,623	644	200	2,467
Total	\$ 194,956	\$ 52,607	\$ 25,455	\$ 273,018
Percentage of Total	71.41%	19.27%	9.32%	100.00%

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>	2021	2020
Cash Flows From Operating Activities:		
Change in net assets	\$ 169,235	\$ (14,669)
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Increase (decrease) in cash resulting from a change in:		
Contributions receivable	24,500	(14,064)
Prepaid expenses	391	940
Accrued expenses	-	(522)
Net Cash Provided by (Used in) Operating Activities	<u>194,126</u>	<u>(28,315)</u>
Cash Flows From Financing Activities:		
Proceeds from note payable, paycheck protection program	16,700	15,870
Forgiveness of note payable, paycheck protection program	(15,870)	-
Net Cash Provided by Financing Activities	<u>830</u>	<u>15,870</u>
Net Increase (Decrease) in Cash and Cash Equivalents	194,956	(12,445)
Cash and Cash Equivalents, beginning of year	<u>303,481</u>	<u>315,926</u>
Cash and Cash Equivalents, end of year	<u>\$ 498,437</u>	<u>\$ 303,481</u>

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 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

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, 2021, and 2020, the Organization had \$206,135 and \$36,783 net asset 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 accounting principles generally accepted in the United States of America 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, 2021 and 2020, 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 asset 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

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
Occupancy	Square footage
Employee benefits	Time and effort
Payroll taxes	Time and effort
Office expenses	Time and effort
Travel	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, 2021 and 2020, there were no interest or penalties recorded or included in the Statements of Activities.

Subsequent Events

The Organization has evaluated subsequent events through January 5, 2022, 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, 2021, the Organization had \$12,937 of deposits in excess of FDIC limits.

See accompanying independent accountant’s review report.

Reclaim Childhood, Inc.

Notes to Financial Statements

Transactions with one and two donors accounted for 100% of the Organization's contributions receivable at August 31, 2021 and 2020, respectively.

Transactions with one donor accounted for 53% of the Organization's revenues for the year ended August 31, 2021.

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:

	2021	2020
Financial assets at year end:		
Cash and cash equivalents	\$ 498,437	\$ 303,481
Contributions receivable	5,000	29,500
	<u>503,437</u>	<u>332,981</u>
Less financial assets with restrictions	206,135	36,783
Total financial assets available for use	<u>\$ 297,302</u>	<u>\$ 296,198</u>

The Organization's goal is generally to maintain financial assets to meet at least 90 days of operating expenses (approximately \$75,000). As part of its liquidity plan, the Organization may deposit excess cash into money markets or certificates of deposits.

5. Note 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 is guaranteed by the United States Small Business Administration ("SBA"). Interest on the loan balance is charged at the rate of 1% per year, and repayment of the loan balance commences in May 2022, at which time the balance is payable in 60 monthly installments if not forgiven in accordance with the forgiveness rules under the CARES Act and Paycheck Protection Program. The Organization is using the loan proceeds for payroll and rent.

Future principal maturities of debt, if not forgiven, are as follows:

Years ending August 31,

2022	\$ 1,088
2023	3,284
2024	3,317
2025	3,351
2026	3,384
Thereafter	2,276
	<u>\$ 16,700</u>

See accompanying independent accountant's review report.

Reclaim Childhood, Inc.

Notes to Financial Statements

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.

Subsequent to year end the Organization applied for forgiveness of the second round of the PPP Loan, as of January 5, 2022, the loan had not been forgiven.

6. Operating Lease

In April 2021, the Organization renewed an agreement to lease office space in Jordan. The lease expires March 31, 2022. Under the agreement, the Company is required to pay monthly payments of \$455.

In March 2021, the Organization entered into an agreement to lease virtual office space. The agreement is a month to month commitment requiring monthly payments of \$69.

For the year ended August 31, 2021 and 2020, rent expense for the operating leases was \$5,904 and \$5,727, respectively and is included in Occupancy on the Statement of Functional Expenses.

7. Employee Retirement Plan

The Organization sponsors a Savings Incentive Match Plan For Employees for the benefits of its employees who meet certain requirements. Plan participation is voluntary. Employer and employee contributions may not exceed maximum amounts established by the Internal Revenue Code. At its discretion, the Organization matches 3% of participant's contributions. The Organization contributed \$2,265 and \$3,573 to the plan for the year ended August 31, 2021, and 2020, respectively.

8. Net Assets

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

Specific Purpose:	2021	2020
Direct program expense	\$ 203,135	\$ -
MERGE Grant	3,000	-
Qudrati Teen Leadership Programming	-	21,783
Fall Soccer Season	-	15,000
Total net assets with donor restrictions	<u>\$ 206,135</u>	<u>\$ 36,783</u>

Net assets released from net assets with donor restrictions for the years ended August 31, 2021 and 2020, is \$57,948 and \$9,656, respectively.

See accompanying independent accountant's review report.