Restless Development USA, Inc.

(A Not-for-Profit Organization)

Financial Statements

Years ended September 30, 2023 and 2022

LEHMAN FLYNN VOLLARO PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Restless Development USA, Inc.
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September 30, 2023 and 2022

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Report of Independent Auditors

The Board of Directors
Restless Development USA, Inc.
New York, NY

Opinion

We have audited the accompanying financial statements of Restless Development USA, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 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 Restless Development USA, Inc. as of September 30, 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 audit in accordance with auditing standards generally accepted in the United States of America. 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 Restless Development USA, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Restless Development USA, 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Restless Development USA, 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 Restless Development USA, 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.

Lehman Flynn Vollaro CPAs PLLC

Melville, NY
August 2, 2024

Restless Development USA, Inc.
Statements of Financial Position
September 30,

	2023	2022
Assets		
Cash and cash equivalents	$ 31,608	$ 103,316
Contributions receivable, net	-	24,366
Due from Restless Development International	5,536	12,749
Property, net of depreciation	-	532
Total assets	$ 37,144	$ 140,963
Liabilities and net assets		
Accounts payable	$ -	$ 143
Accrued expenses and other liabilities	10,499	15,157
Deferred revenue	-	49,634
Deferred revenue - capital grant	-	532
Total liabilities	10,499	65,466
Net assets		
Board designated - free reserve	26,645	75,497
Total net assets	26,645	75,497
Total liabilities and net assets	$ 37,144	$ 140,963

See notes to financial statements

Restless Development USA, Inc.
Statement of Activities
Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains			
Contributions and grants	$ 52,726	$ 126,649	$ 179,375
Net assets released from restrictions	126,649	(126,649)	-
Total revenue, support, and gains	179,375	-	179,375
Expenses and losses			
Program services expense	168,601	-	168,601
Supporting services expense			
Management and general	48,762	-	48,762
Fundraising and development	12,007	-	12,007
Total supporting services expenses	60,769	-	60,769
Total expenses and losses	229,370	-	229,370
Change in net assets before foreign exchange	(49,995)	-	(49,995)
Gain/(loss) on foreign exchange	1,143	-	1,143
Change in net assets	(48,852)	-	(48,852)
Net assets, beginning of year	75,497	-	75,497
Net assets, end of year	$ 26,645	$ -	$ 26,645

See notes to financial statements

Restless Development USA, Inc.
Statement of Activities
Year Ended September 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains			
Contributions and grants	$ 92,300	$ 370,470	$ 462,770
Net assets released from restrictions	370,470	(370,470)	-
Total revenue, support, and gains	462,770	-	462,770
Expenses and losses			
Program services expense	416,787	-	416,787
Supporting services expense			
Management and general	89,074	-	89,074
Fundraising and development	23,193	-	23,193
Total supporting services expenses	112,267	-	112,267
Total expenses and losses	529,054	-	529,054
Change in net assets before foreign exchange	(66,284)	-	(66,284)
Gain/(loss) on foreign exchange	3,251	-	3,251
Change in net assets	(63,033)	-	(63,033)
Net assets, beginning of year	138,530	-	138,530
Net assets, end of year	$ 75,497	$ -	$ 75,497

See notes to financial statements

Restless Development USA, Inc.
Statement of Functional Expenses
Year Ended September 30, 2023

	Program	Management and General	Fundraising	Total
Salaries and benefits	$ 155,633	$ 24,256	$ 11,871	$ 191,760
Professional fees	-	17,419	-	17,419
Travel and meetings	8,986	-	-	8,986
Consultants	-	5,106	-	5,106
Office supplies	1,562	270	97	1,929
Intership costs	1,800	-	-	1,800
Insurance	-	1,604	-	1,604
Communications	579	100	36	715
Equipment and maintenance	41	7	3	51
Total expenses by function	$ 168,601	$ 48,762	$ 12,007	$ 229,370

See notes to financial statements

Restless Development USA, Inc.
Statement of Functional Expenses
Year Ended September 30, 2022

	Program	Management and General	Fundraising	Total
Salaries and benefits	$ 360,981	$ 63,516	$ 22,941	$ 447,438
Professional fees	-	16,930	-	16,930
Travel and meetings	3,478	-	-	3,478
Consultants	-	5,009	-	5,009
Office supplies	2,571	450	163	3,184
Intership costs	5,500	-	-	5,500
Insurance	-	2,922	-	2,922
Communications	860	151	54	1,065
Equipment and maintenance	545	96	35	676
Program support costs	42,852	-	-	42,852
Total expenses by function	$ 416,787	$ 89,074	$ 23,193	$ 529,054

See notes to financial statements

Restless Development USA, Inc.
Statements of Cash Flows
Years Ended September 30,

	2023	2022
Cash flows from operating activities		
Change in net assets	$ (48,852)	$ (63,033)
Adjustments to reconcile change in net assets to net cash from(used for) operating activities		
Depreciation	51	676
Changes in operating assets and liabilities		
Contributions receivable, net	24,366	(24,366)
Accounts payable	(143)	(478)
Accrued expenses and other liabilities	(4,658)	(1,226)
Deferred revenue	(49,634)	49,634
Deferred revenue - capital grant	(532)	(676)
Due to/from Restless Development International	7,213	(85,233)
Net cash from(used for) operating activities	(72,189)	(124,702)
Cash from investing activities		
Sale of property and equipment	481	-
Net cash from(used for) investing activities	481	-
Net change in cash and cash equivalents	(71,708)	(124,702)
Cash and cash equivalents, beginning of year	103,316	228,018
Cash and cash equivalents, end of year	$ 31,608	$ 103,316
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	$ -	$ -
Unrelated business income taxes	-	-
	$ -	$ -

See notes to financial statements

Note 1 - Principal activity and significant accounting policies

Organization

Restless Development USA, Inc. (RD USA, we, us, our) is a U.S. affiliate of London-based Restless Development International, whose primary purpose is to provide financial support for youth development volunteers and programs in Asia and Africa and to promote youth-led development programs and practices, including development activities delivered through youth volunteers.

Cash and cash equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Contributions receivable

We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At September 30, 2023 and 2022, no allowance was necessary.

Property and equipment

We record property and equipment additions over $5,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended September 30, 2023 and 2022.

Net assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and revenue recognition

We recognize contributions and when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Rental revenue is recognized monthly as per the rent agreement. Other income comes from adjustments to grants and other amounts during the year and is recognized when recorded.

Donated services and in-kind contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the years ended September 30, 2023 and 2022, respectively.

Functional allocation of expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income taxes

RD USA is organized as a New York nonprofit corporation and have been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and have been determined not to be private foundations under IRC Sections 509(a)(1). RD USA is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, RD USA is subject to income tax on net income that is derived from business activities that is unrelated to its exempt purpose. We have determined that RD USA is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. We believe we have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Financial instruments and credit risk

We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of our mission.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Compensated absences

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. Our policy is to recognize these costs when actually paid.

Subsequent events

We have evaluated subsequent events through August 2, 2024, the date the financial statements were available to be issued.

Note 2 - Liquidity and availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, consists of the following: We regularly monitor the availability of resources required to meet our operating needs and other contractual commitments.

Cash and cash equivalents	$ 31,608
	$ 31,608

As part of the our liquidity management, we have a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 3 - Contributions receivable, net

Unconditional promises to give are estimated to be collected as follows at September 30:

	2023	2022
Within one year	$ -	$ 24,366
Over one year	-	-
	-	24,366
Less allowance for uncollectable promises to give	-	-
	$ -	$ 24,366

Note 4 - Board designated reserve funds

The board has designated two reserve funds; a free reserve and a designated reserve.

Free reserves are from a Reserve Policy that requires the board set aside a portion of available unrestricted net assets at the end of each fiscal year to fund a free reserve. The policy also establishes a goal for the free reserve of a benchmark balance equal to three months of operating expenses (excluding direct program expenditure). The balance in the free reserves at September 30, 2023 and 2022 is $26,645 and $75,497, respectively.

Designated reserves are a portion of the accumulation of unrestricted surpluses that are available for use at the discretion of an organization's board. The presence of a designated reserve increases an organization's ability to absorb or respond to temporary changes in its environment or circumstances, for example the unanticipated event of significant unbudgeted increases in operating expenses and/or losses in operating revenues. No amounts are put into the designated reserves for the years ended September 30, 2023 and 2022.

Note 5 - Net assets with donor restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended September 30:

	2023	2022
Expiration of time restrictions	$ -	$ -
Satisfaction of purpose restrictions		
Citi Foundation	$ (34,000)	$ (166,000)
Education Training & Research Associates	(30,000)	(30,000)
USAID - YP2LE	(21,354)	(81,447)
SHE SOARS	(20,353)	(44,755)
Stavros Niarchos Foundation	(18,348)	-
Rockefeller Philanthropy Advisors	(2,594)	(23,024)
EMpower	-	(14,862)
Propel	-	(10,382)
	(126,649)	(370,470)
	$ (126,649)	$ (370,470)

Note 6 - Grants

Grants awarded to us are subject to funding agencies' criteria and agreement terms under which expenditures may be charged and are subject to audit. Occasionally, such audits may determine that certain costs incurred in connection with the grants do not comply with the established criteria that govern them, In such cases, we could be held responsible for repayments to the funding agency for the costs or be subject to a reduction of future funding in the amount of the costs. Management does not anticipate any material questioned costs for the grants administered during the period.

Note 7 - Functionalized expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include supplies, salaries and wages, benefits, payroll taxes, professional fees and others which are allocated on the basis of estimates of time and effort.

Note 8 - Related party transactions

During the years ended September 30, 2023 and 2022, we received and paid monies to our international affiliate organization. The totals due to us from the affiliate organization for the years ending September 30, 2023 and 2022 are $5,536 and $12,749, respectively.