



## REZILIENTKIDZ

Financial Statements  
With Independent Auditors' Report

September 30, 2023 and 2022

# REZILIENTKIDZ

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
RezilientKidz  
Colorado Springs, Colorado

### ***Opinion***

We have audited the accompanying financial statements of RezilientKidz, which comprise the statements 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 RezilientKidz 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of RezilientKidz and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these 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 RezilientKidz's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditors' 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 auditors' 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 RezilientKidz'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 RezilientKidz'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.

*Capin Crouse LLP*

Colorado Springs, Colorado  
February 1, 2024

# REZILIENTKIDZ

## Statements of Financial Position

	September 30,	
	2023	2022
ASSETS:		
Cash	\$ 450,430	\$ 316,985
Other assets	-	710
Inventory	59,502	49,581
Total Assets	<u>\$ 509,932</u>	<u>\$ 367,276</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued liabilities	\$ 8,173	\$ 7,215
Related party payable	245,959	21,497
Total liabilities	<u>254,132</u>	<u>28,712</u>
Net assets:		
Without donor restrictions	89,464	223,142
With donor restrictions	166,336	115,422
Total net assets	<u>255,800</u>	<u>338,564</u>
Total Liabilities and Net Assets	<u>\$ 509,932</u>	<u>\$ 367,276</u>

See notes to financial statements

# REZILIENTKIDZ

## Statements of Activities

	Year Ended September 30,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 50,907	\$ 209,981	\$ 260,888	\$ 528,975	\$ 80,000	\$ 608,975
Sales	30,177	-	30,177	30,800	-	30,800
Other revenue	1,056	-	1,056	1,323	-	1,323
Total Support and Revenue	82,140	209,981	292,121	561,098	80,000	641,098
NET ASSETS RELEASED:						
Purpose restrictions	159,067	(159,067)	-	118,608	(118,608)	-
EXPENSES:						
Program services:						
Parenting	362,710	-	362,710	393,744	-	393,744
Supporting activities:						
Management and general	12,175	-	12,175	4,804	-	4,804
Total Expenses	374,885	-	374,885	398,548	-	398,548
Change in Net Assets	(133,678)	50,914	(82,764)	281,158	(38,608)	242,550
Net Assets, Beginning of Year	223,142	115,422	338,564	(58,016)	154,030	96,014
Net Assets, End of Year	\$ 89,464	\$ 166,336	\$ 255,800	\$ 223,142	\$ 115,422	\$ 338,564

See notes to financial statements

# REZILIENTKIDZ

## Statements of Functional Expenses

	Year Ended September 30, 2023		
	Program Services:	Supporting Activities:	
	Parenting	Management and General	Total Expenses
Professional services	\$ 157,736	\$ -	\$ 157,736
Projects and events	117,676	-	117,676
Printing and publication	49,950	10,938	60,888
Grants and benevolence	19,642	-	19,642
Office and technology	17,706	1,237	18,943
Total Expenses	<u>\$ 362,710</u>	<u>\$ 12,175</u>	<u>\$ 374,885</u>

	Year Ended September 30, 2022		
	Program Services:	Supporting Activities:	
	Parenting	Management and General	Total Expenses
Projects and events	\$ 125,395	\$ -	\$ 125,395
Professional services	125,172	-	125,172
Printing and publication	91,813	3,100	94,913
Grants and benevolence	34,422	-	34,422
Office and technology	16,942	1,704	18,646
Total Expenses	<u>\$ 393,744</u>	<u>\$ 4,804</u>	<u>\$ 398,548</u>

See notes to financial statements

# REZILIENTKIDZ

## Statements of Cash Flows

	Year Ended June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (82,764)	\$ 242,550
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Change in operating assets and liabilities:		
Inventory	(9,921)	13,243
Other assets	710	(710)
Accounts payable	958	(15,765)
Related party payable	224,462	(188,138)
Net Cash Provided by Operating Activities	133,445	51,180
Net Change in Cash	133,445	51,180
Cash, Beginning of Year	316,985	265,805
Cash, End of Year	\$ 450,430	\$ 316,985

See notes to financial statements



# REZILIENTKIDZ

## Notes to Financial Statements

September 30, 2023 and 2022

1. NATURE OF ORGANIZATION:

RezilientKidz (RK) is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, RK is subject to federal income tax on any unrelated business taxable income. In addition, RK is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

RK is a charitable, educational, and scientific organization created to champion the needs of children and equip parents to build thriving, healthy families through research, community initiatives, and reliable content.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

RK maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from the estimates that were assumed in preparing the financial statements. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

### CASH

Cash consists of checking accounts. As of September 30, 2023 and 2022, RK has cash and cash equivalents on deposit with financial institutions that exceed the federally insured (FDIC) balance. Amounts exceeding the FDIC limits are covered by other insurance provided through a network of financial institutions.

### INVENTORY

Inventory consists of books, literature, and audio-visual materials, which are recorded at the lower of cost or net realizable value, using the weighted-average cost method (this method approximates the first-in first-out methodology). Based on inventory usage, management has determined that an allowance for obsolescence is not considered necessary as of September 30, 2023 and 2022.

### RELATED PARTY PAYABLE

Related party payable consists of an amount due to Focus on the Family (FOF), which shares leadership and management with RK.

### NET ASSETS

The net assets of RK are reported in the following classes:

*Net assets without donor restrictions* consist of amounts currently available for use in the ministry of RK.

*Net assets with donor restrictions* consist of donor-restricted contributions for special projects.

# REZILIENTKIDZ

## Notes to Financial Statements

September 30, 2023 and 2022

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash and other assets are received or when unconditionally promised. RK reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, 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. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Sales revenue consists primarily of books and audio-visual material sold to RK constituents, distributors, and institutions. Revenue is recognized when the performance obligation is satisfied, which is when the product is provided to the customer. Should amounts not be collected when the performance obligation is satisfied, accounts receivable is recorded for the outstanding amount.

Other income consists of other miscellaneous revenue and is recognized when earned.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The statements of functional expenses reports certain categories of expenses that are attributable to program or supporting activities of RK. These expenses include office and technology, which were allocated on estimates of time and effort. All other expenses are considered to be programmatic in nature. RK had no joint costs during the years ended September 30, 2023 and 2022.

### 3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects RK's financial assets as of September 30, 2023 and 2022, reduced by amounts not available for general use within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Financial assets available to meet cash needs for general expenditures within one year as of September 30, 2023 and 2022, consist of cash minus the related party payable, totaling \$204,471 and \$295,488, respectively.

RK has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management monitors cash flows through board meetings and detailed financial analysis.

# REZILIENTKIDZ

## Notes to Financial Statements

September 30, 2023 and 2022

4. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following:

	September 30,	
	2023	2022
Training	\$ 116,668	\$ 84,754
Unicity	48,000	29,000
Publications	1,668	1,668
	<u>\$ 166,336</u>	<u>\$ 115,422</u>

5. RELATED PARTIES AND CONCENTRATION:

During the year ended September 30, 2022, RK received a contribution from FOF that totaled \$500,000. This gift accounted for approximately 81% of total support and revenue for the year ended September 30, 2022. There was no such contribution during the year ended September 30, 2023.

Further, during the years ended September 30, 2023 and 2022, RK incurred expenses to FOF that totaled approximately \$324,000 and \$277,000, respectively. Expenses incurred but not yet paid to FOF at September 30, 2023 and 2022 were approximately \$246,000 and \$21,500, respectively, which is recorded as a related party payable on the statements of the financial position.

6. SUBSEQUENT EVENTS:

Subsequent events were evaluated through February 1, 2024, which is the date the financial statement were available to be issued.