



REZILIENTKIDZ

Financial Statements
With Independent Auditors' Report

September 30, 2024 and 2023

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, 2024 and 2023, 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, 2024 and 2023, 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.

Board of Directors
RezilientKidz
Colorado Springs, Colorado

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 LLC

Colorado Springs, Colorado
February 17, 2025

REZILIENTKIDZ

Statements of Financial Position

	September 30,	
	2024	2023
ASSETS:		
Cash	\$ 198,359	\$ 450,430
Accounts receivable	120,935	-
Inventory	69,584	59,502
Total Assets	<u>\$ 388,878</u>	<u>\$ 509,932</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued liabilities	\$ 13,307	\$ 8,173
Related party payable	30,588	245,959
Total liabilities	<u>43,895</u>	<u>254,132</u>
Net assets:		
Without donor restrictions	303,455	89,464
With donor restrictions	41,528	166,336
Total net assets	<u>344,983</u>	<u>255,800</u>
Total Liabilities and Net Assets	<u>\$ 388,878</u>	<u>\$ 509,932</u>

See notes to financial statements

REZILIENTKIDZ

Statements of Activities

	Year Ended September 30,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 354,758	\$ 10,000	\$ 364,758	\$ 50,907	\$ 209,981	\$ 260,888
Sales	175,389	-	175,389	30,177	-	30,177
Other revenue	1,144	-	1,144	1,056	-	1,056
Total Support and Revenue	531,291	10,000	541,291	82,140	209,981	292,121
NET ASSETS RELEASED:						
Purpose restrictions	134,808	(134,808)	-	159,067	(159,067)	-
EXPENSES:						
Program services:						
Parenting	430,629	-	430,629	362,710	-	362,710
Supporting activities:						
Management and general	21,479	-	21,479	12,175	-	12,175
Total Expenses	452,108	-	452,108	374,885	-	374,885
Change in Net Assets	213,991	(124,808)	89,183	(133,678)	50,914	(82,764)
Net Assets, Beginning of Year	89,464	166,336	255,800	223,142	115,422	338,564
Net Assets, End of Year	\$ 303,455	\$ 41,528	\$ 344,983	\$ 89,464	\$ 166,336	\$ 255,800

See notes to financial statements

REZILIENTKIDZ

Statements of Functional Expenses

	Year Ended September 30, 2024		
	Program Services:	Supporting Activities:	
	Parenting	Management and General	Total Expenses
Professional services	\$ 172,544	\$ -	\$ 172,544
Projects and events	149,139	-	149,139
Printing and publication	63,174	19,926	83,100
Office and technology	27,439	1,553	28,992
Grants and benevolence	18,333	-	18,333
	<u>\$ 430,629</u>	<u>\$ 21,479</u>	<u>\$ 452,108</u>

	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
	<u>\$ 362,710</u>	<u>\$ 12,175</u>	<u>\$ 374,885</u>

See notes to financial statements

REZILIENTKIDZ

Statements of Cash Flows

	Year Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 89,183	\$ (82,764)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Change in operating assets and liabilities:		
Inventory	(10,082)	(9,921)
Accounts receivable	(120,935)	710
Accounts payable	5,134	958
Related party payable	(215,371)	224,462
Net Cash Provided (Used) by Operating Activities	<u>(252,071)</u>	<u>133,445</u>
Net Change in Cash	(252,071)	133,445
Cash, Beginning of Year	<u>450,430</u>	<u>316,985</u>
Cash, End of Year	<u>\$ 198,359</u>	<u>\$ 450,430</u>

See notes to financial statements

REZILIENTKIDZ

Notes to Financial Statements

September 30, 2024 and 2023

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, RK has cash and cash equivalents on deposit with a financial institution that exceeded the federally insured (FDIC) balance. The amount exceeding the FDIC limits was covered by other insurance provided through a network of financial institutions.

ACCOUNTS RECEIVABLE

Accounts receivable consist primarily of receivables from trade sales. Management has evaluated the collectibility of trade receivables as of September 30, 2024 and 2023 and has determined there is no need for an allowance for uncollectible accounts.

INVENTORY

Inventory consists of books, literature, and audio-visual materials, which are recorded at the lower of cost or net realizable value, using the first-in first-out (FIFO) cost method. Based on inventory usage, management has determined that an allowance for obsolescence is not considered necessary as of September 30, 2024 and 2023.

RELATED PARTY PAYABLE

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

REZILIENTKIDZ

Notes to Financial Statements

September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

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.

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, 2024 and 2023.

RECENTLY ADOPTED ACCOUNTING STANDARD

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by RK that are subject to the guidance in FASB ASC 326 are trade accounts receivable. RK adopted the standard during the year ended September 30, 2024. The impact of the adoption was not considered material to the financial statements.

REZILIENTKIDZ

Notes to Financial Statements

September 30, 2024 and 2023

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects RK's financial assets as of September 30, 2024 and 2023, 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, 2024 and 2023, consist of cash and accounts receivable minus the related party payable, totaling \$288,706 and \$204,471, 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.

4. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following:

	September 30,	
	2024	2023
Unicity	\$ 26,000	\$ 116,668
Training	13,860	48,000
Publications	1,668	1,668
	<u>\$ 41,528</u>	<u>\$ 166,336</u>

5. RELATED PARTIES AND CONCENTRATION:

During the year ended September 30, 2024, RK received a contribution from FOF that totaled \$300,000. This gift accounted for approximately 55% of total support and revenue for the year ended September 30, 2024. There was no such contribution during the year ended September 30, 2023.

Further, during the years ended September 30, 2024 and 2023, RK incurred expenses to FOF that totaled approximately \$400,000 and \$324,000, respectively. Expenses incurred but not yet paid to FOF at September 30, 2024 and 2023 were \$30,588 and \$245,959, respectively, which are recorded as a related party payable on the statements of the financial position.

6. SUBSEQUENT EVENTS:

Subsequent events were evaluated through February 17, 2025, which is the date the financial statement were available to be issued.