

**SPIRITUALITY FOR KIDS
INTERNATIONAL, INC.**

(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021



Gurseley | Schneider LLP
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

CONTENTS

	<u>Pages</u>
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
FINANCIAL STATEMENTS:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3 – 4
Statements of Functional Expenses	5 – 6
Statements of Cash Flows	7
Notes to Financial Statements	8 – 15

Independent Accountant's Review Report

To the Board of Directors
Spirituality for Kids International, Inc.
Los Angeles, California

We have reviewed the accompanying financial statements of Spirituality for Kids International, Inc. (a California nonprofit public benefit corporation), which comprise the statements of financial position as of December 31, 2022 and 2021 and the related statements of activities and changes in net assets, 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 entity 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 review, 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.



April 18, 2023
Los Angeles, California

SPIRITUALITY FOR KIDS INTERNATIONAL, INC.
(A California Nonprofit Public Benefit Corporation)
Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
<u>ASSETS</u>		
Cash and cash equivalents	\$ 26,775	\$ 63,362
Investments	1,456,899	1,885,734
Prepaid expenses and other assets	6,393	12,391
Intangible assets, net	135,546	182,160
TOTAL ASSETS	\$ 1,625,613	\$ 2,143,647
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable and accrued expenses	\$ 39,449	\$ 79,772
Note payable - Paycheck Protection Program	-	43,828
TOTAL LIABILITIES	39,449	123,600
NET ASSETS		
Without donor restrictions	1,581,164	2,020,047
With donor restrictions	5,000	-
TOTAL NET ASSETS	1,586,164	2,020,047
TOTAL LIABILITIES AND NET ASSETS	\$ 1,625,613	\$ 2,143,647

See Independent Accountant's Review Report and
Accompanying Notes to Financial Statements

SPIRITUALITY FOR KIDS INTERNATIONAL, INC.
(A California Nonprofit Public Benefit Corporation)
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2022

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	\$ 76,574	\$ 5,000	\$ 81,574
Investment income (loss), net	(178,874)	-	(178,874)
Licensing and other revenue	17,856	-	17,856
Government support - PPP loan forgiveness	43,828	-	43,828
Government support - ERC payroll tax credits	24,522	-	24,522
<i>Total Revenue and Support</i>	(16,094)	5,000	(11,094)
FUNCTIONAL EXPENSES			
Program expenses	322,137	-	322,137
General and administrative	59,169	-	59,169
Fundraising	41,483	-	41,483
<i>Total Functional Expenses</i>	422,789	-	422,789
CHANGES IN NET ASSETS	(438,883)	5,000	(433,883)
NET ASSETS, Beginning of Year	2,020,047	-	2,020,047
NET ASSETS, End of Year	\$ 1,581,164	\$ 5,000	\$ 1,586,164

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Accompanying Notes to Financial Statements

SPIRITUALITY FOR KIDS INTERNATIONAL, INC.
(A California Nonprofit Public Benefit Corporation)
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	\$ 73,945	\$ -	\$ 73,945
Investment income, net	236,605	-	236,605
Licensing and other revenue	57,043	-	57,043
Forgiveness of debt - PPP loan	42,918	-	42,918
<i>Total Revenue and Support</i>	<u>410,511</u>	<u>-</u>	<u>410,511</u>
FUNCTIONAL EXPENSES			
Program expenses	322,998	-	322,998
General and administrative	60,826	-	60,826
Fundraising	44,334	-	44,334
<i>Total Functional Expenses</i>	<u>428,158</u>	<u>-</u>	<u>428,158</u>
CHANGES IN NET ASSETS	(17,647)	-	(17,647)
NET ASSETS, Beginning of Year	<u>2,037,694</u>	<u>-</u>	<u>2,144,332</u>
NET ASSETS, End of Year	<u><u>\$ 2,020,047</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,020,047</u></u>

See Independent Accountant's Review Report and
Accompanying Notes to Financial Statements

SPIRITUALITY FOR KIDS INTERNATIONAL, INC.
(A California Nonprofit Public Benefit Corporation)
Statement of Functional Expenses
For the Year Ended December 31, 2022

	2022			
	Program Expenses	General and Administrative	Fundraising	Total
PERSONNEL EXPENSES				
Salaries	\$ 190,357	\$ 23,795	\$ 23,795	\$ 237,947
Employee benefits	31,272	3,909	3,910	39,091
<i>Total Personnel Expenses</i>	<u>221,629</u>	<u>27,704</u>	<u>27,705</u>	<u>277,038</u>
OTHER FUNCTIONAL EXPENSES				
Amortization	52,414	-	-	52,414
Bank fees	-	2,305	2,596	4,901
Computer	4,454	2,310	578	7,342
Insurance	-	8,684	-	8,684
Marketing	23,210	1,235	1,238	25,683
Miscellaneous	304	1,220	-	1,524
Office and curriculum expenses	-	269	-	269
Outreach	12,125	-	3,031	15,156
Outside services	4,800	3,678	-	8,478
Permits	-	-	1,909	1,909
Professional fees	-	11,225	4,025	15,250
Rent	3,201	400	401	4,002
Travel	-	139	-	139
<i>Total Other Functional Expenses</i>	<u>100,508</u>	<u>31,465</u>	<u>13,778</u>	<u>145,751</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 322,137</u>	<u>\$ 59,169</u>	<u>\$ 41,483</u>	<u>\$ 422,789</u>

See Independent Accountant's Review Report and
Accompanying Notes to Financial Statements

SPIRITUALITY FOR KIDS INTERNATIONAL, INC.
(A California Nonprofit Public Benefit Corporation)
Statement of Functional Expenses
For the Year Ended December 31, 2021

	2021			
	Program Expenses	General and Administrative	Fundraising	Total
PERSONNEL EXPENSES				
Salaries	\$ 187,819	\$ 23,477	\$ 23,477	\$ 234,773
Employee benefits	31,672	3,959	3,958	39,589
<i>Total Personnel Expenses</i>	219,491	27,436	27,435	274,362
OTHER FUNCTIONAL EXPENSES				
Amortization	54,864	-	-	54,864
Bank fees	-	2,319	3,103	5,422
Computer	6,177	2,694	673	9,544
Insurance	-	8,872	-	8,872
Marketing	19,481	2,000	1,992	23,473
Miscellaneous	735	1,465	-	2,200
Office and curriculum expenses	-	1,495	-	1,495
Outreach	10,134	-	2,533	12,667
Outside services	4,482	-	-	4,482
Permits	-	-	2,236	2,236
Postage	-	142	-	142
Professional fees	150	13,467	5,425	19,042
Rent	7,484	936	937	9,357
<i>Total Other Functional Expenses</i>	103,507	33,390	16,899	153,796
TOTAL FUNCTIONAL EXPENSES	\$ 322,998	\$ 60,826	\$ 44,334	\$ 428,158

See Independent Accountant's Review Report and
Accompanying Notes to Financial Statements

SPIRITUALITY FOR KIDS INTERNATIONAL, INC.
(A California Nonprofit Public Benefit Corporation)
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (433,883)	\$ (17,647)
Adjustments to reconcile changes in net assets to net cash (used in) operating activities		
Forgiveness of debt - PPP loan	(43,828)	(42,918)
Amortization of intangible assets	52,414	54,864
Realized and unrealized (gains) losses on investments	216,715	(205,882)
Decrease (increase) in operating assets:		
Prepaid expenses and other assets	5,998	(3,333)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(40,323)	(34,418)
	(242,907)	(249,334)
NET CASH (USED IN) OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from the sale of investments	568,670	275,726
Cash used for the purchase of investments	(356,550)	(112,541)
Purchases of intangible assets	(5,800)	(10,715)
	206,320	152,470
NET CASH PROVIDED BY INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from Paycheck Protection Program loan	-	43,828
	(36,587)	(53,036)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	63,362	116,398
END OF YEAR	\$ 26,775	\$ 63,362

See Independent Accountant's Review Report and
Accompanying Notes to Financial Statements

SPIRITUALITY FOR KIDS INTERNATIONAL, INC.
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2022 and 2021

NOTE 1 – ORGANIZATION

Spirituality for Kids International, Inc. (“SFK” or “the Organization”) is a 501(c)(3) educational non-profit organization founded in 2001, that provides parents and children, teachers, counselors and caregivers, a comprehensive stepped program to teach children how to recognize their potential and deepen their sense of purpose in life.

The mission of SFK is to encourage children to:

- Develop self-awareness;
- Reflect on their purpose in life;
- Make wise decisions and understand the impact of their choices;
- Build resilience and treat challenges as opportunities;
- Learn behavioral tools to bring more fulfillment into their lives;
- Tap into their inner strengths and develop self-esteem; and
- Awaken their desire to have influence in the world around them.

The SFK program is taught in schools and community-based organizations in major cities in the US. In 2007, after an outcome study by RAND Corporation confirmed that SFK programs were having a positive impact on children’s behavior, the program expanded to seven countries in eight different languages.

Since 2012, SFK has been expanding into a multimedia model, offering online programs for home use and classroom settings.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Use of Estimates – The preparation of financial statements in conformity 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 and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Net Asset Accounting — To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of SFK are maintained in accordance with the principles of net assets accounting. Net assets, revenues and releases from restriction are classified based on the existence or absence of donor-imposed or board-imposed restrictions. Accordingly, the net assets of SFK and the changes therein are classified and reported in two categories of net assets.

- **Without Donor Restrictions** — Net assets that are not subject to donor-imposed restrictions, including the net investment in fixed assets, gifts with no donor restriction and current funds without donor restriction.

SPIRITUALITY FOR KIDS INTERNATIONAL, INC.
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

- **With Donor Restrictions** — Net assets that are subject to donor-imposed restrictions that limit the use of their contributions. Donor restrictions may result in temporarily restricted net assets, where the use of contributions is limited by donor-imposed stipulations that either expire by the passage of time or when used for specified purposes. Donor restrictions may also result in permanently restricted net assets, where the donor stipulations neither expire by the passage of time nor can be fulfilled or otherwise removed by SFK's actions. SFK had \$5,000 in donor-restricted net assets on December 31, 2022, and \$0 in 2021.

Cash and Cash Equivalents – The Organization considers highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

Investments – Investments are stated at fair value with unrealized gains and losses on investments resulting from fair value fluctuations recorded in the statements of activities in the period that such fluctuations occur. Purchases and sales of investments are recorded on the trade date. Dividend income is recorded based on the record date. Interest income is recorded as earned on an accrual basis. Realized gains and losses are recorded upon disposition of securities. Investment income and realized and unrealized gains and losses are recognized as unrestricted net assets unless their use is temporarily or permanently restricted by donors to a specified purpose or future period.

Interest and dividend income for the year ended December 31, 2022 and 2021 is presented net of related investment fees of \$12,122 and \$14,029, respectively.

Investment Risks and Uncertainties — Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term. Such changes could materially affect the amounts reported in the statements of financial position and statements of activities.

Intangible Assets – The Organization's intangible assets include trademarks, its website and internally developed software. The website and software are being amortized using the straight-line method over their estimated useful lives of three years. Trademarks are not amortized but evaluated for impairment annually.

Long-Lived Assets – Long-lived assets, such as property and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require that a long-lived asset be evaluated for possible impairment, the Organization first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment loss is recognized to the extent that the carrying value exceeds its fair value. There were no impairment losses recognized in 2022 and 2021.

Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

SPIRITUALITY FOR KIDS INTERNATIONAL, INC.
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Income Taxes – The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code of the State of California. In addition, the Organization does not have any revenue which it believes would subject it to unrelated business income taxes.

The Organization recognizes the impact of tax positions in the financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. To date, the Organization has not recorded any uncertain tax positions. The Organization recognizes potential accrued interest and penalties related to uncertain tax positions in income tax expense. During the years ended December 31, 2022 and 2021, the Organization did not recognize any amount in potential interest and penalties associated with uncertain tax positions. At December 31, 2022, the open tax years for the Organization were 2019 to 2022.

Contributions and Revenue – Contributions received are recorded at fair value and are recognized as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions. Conditional contributions are recorded as support in the period the condition is met. All gifts and other public support are included in unrestricted net assets unless they are specifically restricted by the terms of the gift or grant instrument or require the passage of time.

The Organization records contributions receivable, net of allowances for uncollectible amounts, whenever there is sufficient evidence in the form of verifiable documentation that an unconditional promise was made and received. At December 31, 2022 and 2021, there was no allowance for doubtful accounts.

Two donors comprised 43% of total contributions during the year ended December 31, 2022 and 11% of total contributions during the year ended December 31, 2021.

Donated Goods and Services – Donated services are recognized if the services received create or enhance long-lived assets, require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization did not receive any donated services during the years ended December 31, 2022 and 2021, respectively.

Functional Allocation of Expenses – Expenses that can be identified with a specific program or supporting service are charged directly to that related program or supporting service. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The Organization generally uses salary dollars allocated based on employee time in order to allocate indirect costs.

SPIRITUALITY FOR KIDS INTERNATIONAL, INC.
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Fair Value of Financial Instruments – The Organization has adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic No. 820, "Fair Value Measurements and Disclosures" ("ASC 820"), which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. ASC 820 does not require any new fair value measurements but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information.

ASC 820 establishes a three-level valuation hierarchy of valuation techniques that is based on observable and unobservable inputs. Classification within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement. The first two inputs that may be used to measure fair value are considered observable and the last unobservable; they include the following:

- | | |
|---------|--|
| Level 1 | Quoted prices in active markets for identical assets or liabilities |
| Level 2 | Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. |
| Level 3 | Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. |

In accordance with ASC 820, the Organization has classified all of its cash and cash equivalents and investments in the Level 1 fair value hierarchy measured at fair value on a recurring basis at December 31, 2022 and 2021. The carrying value of accounts receivable, accounts payable, and accrued expenses represent a reasonable estimate of fair values due to their short-term maturity.

Subsequent Events – Subsequent events have been evaluated through April 18, 2023, the date the financial statements were available to be issued.

SPIRITUALITY FOR KIDS INTERNATIONAL, INC.
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2022 and 2021

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure without donor or other restrictions limiting their use, within one year of statement of financial position date, comprise the following:

	2022	2021
Cash and cash equivalents	\$ 26,775	\$ 63,362
Investments without liquidity restrictions	1,456,899	1,885,734
	\$ 1,483,674	\$ 1,949,096

The Organization’s financial assets available to meet cash needs for general expenditures within one year represent funding for ongoing operational requirements and planned increase in program expenditure in 2023.

The Organization has an investment policy authorized by the board of directors that provides guidance and oversight for the management of cash and cash equivalents. The policy provides that the Organization maintain an adequate level of cash to meet on-going operational and liquidity requirements. Substantially all liquid assets are invested in cash and cash equivalents, corporate bonds, and publicly traded equity securities on December 31, 2022.

NOTE 4 – CONCENTRATION OF CREDIT RISK

Financial instruments that potentially expose the Organization to a concentration of credit risk consist primarily of cash and cash equivalents, and investments.

The Organization maintains its cash accounts at high-credit, quality financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At times, cash in these accounts may exceed the insured amounts. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Investments are subject to certain risks such as market fluctuation and changes in interest rates, which could result in losses in the event of adverse economic circumstances. The Organization attempts to limit its credit risks associated with its investments through diversification and by utilizing the expertise and processes of an outside investment manager.

SPIRITUALITY FOR KIDS INTERNATIONAL, INC.
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2022 and 2021

NOTE 5 – INVESTMENTS

Investments consist of the following on December 31:

	<u>2022</u>	<u>2021</u>
Corporate bonds	\$ 295,136	\$ 405,893
Equity securities	<u>1,161,763</u>	<u>1,479,841</u>
	<u>\$ 1,456,899</u>	<u>\$ 1,885,734</u>

The following table represents the levels of the fair value hierarchy for the Organization's investments:

	<u>December 31, 2022</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Corporate bonds	\$ -	\$ 295,136	\$ -	\$ 295,136
Equity securities	<u>1,161,763</u>	<u>-</u>	<u>-</u>	<u>1,161,763</u>
	<u>\$ 1,161,763</u>	<u>\$ 295,136</u>	<u>\$ -</u>	<u>\$ 1,456,899</u>

	<u>December 31, 2021</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Corporate bonds	\$ -	\$ 405,893	\$ -	\$ 405,893
Equity securities	<u>1,479,841</u>	<u>-</u>	<u>-</u>	<u>1,479,841</u>
	<u>\$ 1,479,841</u>	<u>\$ 405,893</u>	<u>\$ -</u>	<u>\$ 1,885,734</u>

The following is a summary of net investment income (loss) for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 49,963	\$ 44,752
Realized gains, net	22,162	30,948
Unrealized gains (losses), net	<u>(238,877)</u>	<u>174,934</u>
	(166,752)	250,634
Investment management fees	<u>(12,122)</u>	<u>(14,029)</u>
Investment income (loss), net	<u>\$ (178,874)</u>	<u>\$ 236,605</u>

See Independent Accountant's Review Report

SPIRITUALITY FOR KIDS INTERNATIONAL, INC.
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2022 and 2021

NOTE 6 – INTANGIBLE ASSETS

Intangible assets consist of the following on December 31,

	2022	2021
Trademarks, indefinite lives	\$ 26,505	\$ 26,505
Website and program content	683,488	677,688
	709,993	704,193
Less: Accumulated amortization	(574,447)	(522,033)
	\$ 135,546	\$ 182,160

Amortization expense for the years ended December 31, 2022 and 2021 amounted to \$52,414 and \$54,864, respectively, and is included in the accompanying statements of functional expenses.

The estimated amortization expense for the Organization's website for the next five years is expected to be as follows:

Years Ending December 31,	
2023	\$ 52,902
2024	45,417
2025	10,722
	\$ 109,041

NOTE 7 – GOVERNMENT SUPPORT

Paycheck Protection Program – On May 1, 2020, the Organization was able to borrow \$42,918 loan under the Paycheck Protection Program (“PPP”) of the U.S. Small Business Administration (“SBA”). The interest rate on the loan was 1.0% per annum. This loan was forgiven on July 29, 2021.

On April 23, 2021, the Organization was able to borrow an additional \$43,828 under the PPP program. This loan bears interest at 1.0% and matures April 23, 2026. This loan was forgiven on August 9, 2022.

Employee Retention Tax Credit – The Employee Retention Credit (ERC) was created as part of the CARES Act to encourage businesses to continue paying employees by providing a credit to the eligible employer for wages paid to eligible employees. During the year ended December 31, 2022, the Organization qualified for and received benefits of refundable tax credits which were paid to the Organization under this program totaling \$24,522.

SPIRITUALITY FOR KIDS INTERNATIONAL, INC.
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
December 31, 2022 and 2021

NOTE 8 – RELATED PARTY TRANSACTION

On July 8, 2020, the Organization entered into an Intellectual Property Purchase and Transfer Agreement to purchase the rights to educational course content from a related party. The course content was valued at \$200,000 and is included as a component of intangible assets in the accompanying statement of net assets. The purchase price was reduced to \$100,000, payable in quarterly installments, and a \$100,000 donation in-kind for the balance. On December 31, 2022, the accounts payable and accrued expense balance includes a remaining payable balance of \$17,000 due in quarterly installments. Management anticipates this remaining amount will be paid during the year ending December 31, 2023.

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consists of temporarily restricted contributions received for the following programs:

	Available at December 31, 2021	New Revenue	Expenditures / Released from Restriction	Available at December 31, 2022
Bolivia Outreach	\$ -	\$ 5,000	\$ -	\$ 5,000

Management anticipates fulfilling this restricted purpose during the year ending December 31, 2023.