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Mark R. McDonell
Certified Public Accountant

Member American Institute of Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees
Center for Spiritual Living, Santa Rosa

I have reviewed the accompanying statements of financial position of Center for Spiritual Living, Santa Rosa (an incorporated church) as of December 31, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Center 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, I do not express such an opinion.

Management's Responsibility 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; 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.

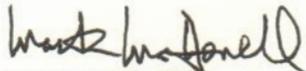
Accountant's Responsibility

My responsibility is to conduct the review engagements 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 me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Center for Spiritual Living, Santa Rosa and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my reviews.

Accountant's Conclusion

Based on my reviews, I am 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.



February 25, 2025

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	ASSETS		<u>2024</u>		<u>2023</u>
Current assets:					
Cash and cash equivalents		\$	293,492	\$	346,207
Inventory			9,792		10,009
Prepaid expenses			16,294		15,074
Total current assets			<u>319,578</u>		<u>371,290</u>
Fixed assets:					
Land and improvements			233,375		233,375
Buildings and improvements			2,870,385		2,870,385
Fixtures			205,241		205,241
Equipment			464,941		455,013
Subtotal			<u>3,773,942</u>		<u>3,764,014</u>
Less accumulated depreciation			<u>(2,397,323)</u>		<u>(2,309,773)</u>
Net fixed assets			<u>1,376,619</u>		<u>1,454,241</u>
Investments:					
Investment securities			878,046		795,617
Certificates of deposit			694,340		577,432
Certificate of deposit designated for minister's deferred compensation			92,918		71,771
Total investments			<u>1,665,304</u>		<u>1,444,820</u>
Other assets:					
Parking lot operating lease right of use asset			<u>9,400</u>		<u>635</u>
Total assets		\$	<u><u>3,370,901</u></u>	\$	<u><u>3,270,986</u></u>

See independent accountant's review report.
The accompanying notes are an integral part of these financial statements.

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

LIABILITIES AND NET ASSETS

	2024	2023
Current liabilities:		
Current portion of loans payable	\$ 83,932	\$ 79,650
Accrued vacation	18,056	11,171
Deferred revenue	16,680	12,530
Accounts payable	11,954	19,124
Other current liabilities	11,413	6,938
Current portion of finance lease of copier	11,000	11,700
Current portion of parking lot operating lease liability	4,500	697
Total current liabilities	157,535	141,810
Long-term liabilities:		
Mortgage loan, net of current portion	211,095	291,031
Economic injury disaster loan, net of current portion	132,152	136,252
Minister's deferred compensation contractual commitment	102,857	85,715
Finance lease of copier, net of current portion	26,466	37,440
Parking lot operating lease liability, net of current portion	4,900	-
Total liabilities	635,005	692,248
Net assets:		
Without donor restrictions	2,694,979	2,545,130
With donor restrictions	40,917	33,608
Total net assets	2,735,896	2,578,738
Total liabilities and net assets	\$ 3,370,901	\$ 3,270,986

See independent accountant's review report.
The accompanying notes are an integral part of these financial statements.

Center for Spiritual Living, Santa Rosa
Statements of Activities
For the years ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Contributions	\$860,963	\$51,741	\$912,704	\$858,408	\$12,671	\$871,079
Bookstore sales	40,539	-	40,539	41,800	-	41,800
Interest and dividends	38,014	-	38,014	24,965	-	24,965
Program services	37,176	-	37,176	32,001	-	32,001
Education	36,349	-	36,349	45,054	-	45,054
Fundraising	27,457	-	27,457	32,408	-	32,408
Net assets released from restrictions	44,432	(44,432)	-	34,182	(34,182)	-
Total Revenue and Support	1,084,930	7,309	1,092,239	1,068,818	(21,511)	1,047,307
Expenses						
Program services						
Celebration Services	419,731	-	419,731	412,552	-	412,552
Member services	227,227	-	227,227	222,070	-	222,070
Education	103,508	-	103,508	114,595	-	114,595
Tithing to CSL and non-profit partners	40,193	-	40,193	86,058	-	86,058
Youth and family	39,215	-	39,215	15,240	-	15,240
Bookstore	20,888	-	20,888	22,494	-	22,494
Supporting services						
Administrative	191,400	-	191,400	192,767	-	192,767
Fundraising	1,496	-	1,496	1,870	-	1,870
Total Expenses	1,043,658	-	1,043,658	1,067,646	-	1,067,646
Bookstore costs of sales	21,138	-	21,138	24,459	-	24,459
Change in Net Assets from Operations	20,134	7,309	27,443	(23,287)	(21,511)	(44,798)
Non-Operational Income and Expense						
Unrealized gains (losses) on investments	32,231	-	32,231	79,085	-	79,085
Dividends and interest	44,110	-	44,110	19,206	-	19,206
Rental income	33,082	-	33,082	18,248	-	18,248
Other income, includes \$20,000 bequest	20,292	-	20,292	-	-	-
Vandalism repair, net of insurance of \$13,170	-	-	-	(2,360)	-	(2,360)
Change in net assets	149,849	7,309	157,158	90,892	(21,511)	69,381
Net assets, beginning of year	2,545,130	33,608	2,578,738	2,454,238	55,119	2,509,357
Net assets, end of year	<u>\$ 2,694,979</u>	<u>\$ 40,917</u>	<u>\$ 2,735,896</u>	<u>\$ 2,545,130</u>	<u>\$ 33,608</u>	<u>\$ 2,578,738</u>

See independent accountant's review report.

The accompanying notes are an integral part of these financial statements.

Center for Spiritual Living, Santa Rosa
Statement of Functional Expenses
For the Year Ended December 31, 2024

Expenses by category	Programs and Activities						Administrative	Fundraising	Total expenses
	Celebration services	Education	Youth and family	Member services	Bookstore	Total			
Wages and compensation	\$194,130	\$48,892	\$12,314	\$112,177	\$10,036	\$377,549	\$80,724	\$ -	\$458,273
Payroll taxes	7,862	1,980	499	4,543	406	15,290	3,269	-	18,559
Benefits	40,583	10,221	2,574	23,451	2,098	78,927	16,875	-	95,802
Workers compensation insurance	608	153	39	351	31	1,182	253	-	1,435
Total compensation cost	<u>243,183</u>	<u>61,246</u>	<u>15,426</u>	<u>140,522</u>	<u>12,571</u>	<u>472,948</u>	<u>101,121</u>	<u>-</u>	<u>574,069</u>
Administration	3,227	813	205	1,864	167	6,276	27,068	-	33,344
Outside services	-	-	-	-	-	-	22,008	-	22,008
Bookstore	-	-	-	-	3,369	3,369	-	-	3,369
Celebration services	80,839	-	-	-	-	80,839	-	-	80,839
Copier maintenance and supplies	-	-	-	-	-	-	2,747	-	2,747
Depreciation	37,087	9,340	2,353	21,431	1,917	72,128	15,422	-	87,550
Education ministry	-	18,158	-	-	-	18,158	-	-	18,158
Facilities	25,354	6,385	1,608	14,650	1,311	49,308	10,543	-	59,851
Insurance	6,801	1,713	431	3,930	352	13,227	2,828	-	16,055
Interest	7,297	1,838	463	4,217	377	14,192	3,034	-	17,226
Ministry	-	-	-	15,199	-	15,199	-	-	15,199
Programs and events	-	-	-	16,201	-	16,201	-	1,496	17,697
Utilities	15,943	4,015	1,011	9,213	824	31,006	6,629	-	37,635
Youth ministry	-	-	17,718	-	-	17,718	-	-	17,718
Total expenses	<u>\$419,731</u>	<u>\$103,508</u>	<u>\$39,215</u>	<u>\$227,227</u>	<u>\$20,888</u>	<u>\$810,569</u>	<u>\$191,400</u>	<u>\$1,496</u>	<u>\$1,003,465</u>

See independent accountant's review report.

The accompanying notes are an integral part of these financial statements.

Center for Spiritual Living, Santa Rosa
Statement of Functional Expenses
For the Year Ended December 31, 2023

Expenses by category	Programs and Activities						Administrative	Fundraising	Total expenses
	Celebration services	Education	Youth and family	Member services	Bookstore	Total			
Wages and compensation	\$171,521	\$47,615	\$7,102	\$103,250	\$10,043	\$339,531	\$82,287	\$ -	\$421,818
Payroll taxes	7,030	1,952	291	4,232	412	13,917	3,373	-	17,290
Benefits	37,981	10,543	1,573	22,863	2,223	75,183	18,222	-	93,405
Workers compensation insurance	1,180	328	49	711	69	2,337	566	-	2,903
Total compensation cost	217,712	60,438	9,015	131,056	12,747	430,968	104,448	-	535,416
Administration	3,065	851	127	1,845	179	6,066	35,684	-	41,750
Outside services	-	-	-	-	-	-	15,789	-	15,789
Bookstore	-	-	-	-	3,764	3,764	-	-	3,764
Celebration services	92,597	-	-	-	-	92,597	-	-	92,597
Copier maintenance and supplies	-	-	-	-	-	-	4,824	-	4,824
Depreciation	37,390	10,380	1,548	22,508	2,189	74,015	17,938	-	91,953
Education ministry	-	25,792	-	-	-	25,792	-	-	25,792
Facilities	32,451	8,991	1,341	19,497	1,896	64,176	10	-	64,186
Insurance	5,494	1,525	228	3,307	322	10,876	2,636	-	13,512
Interest	8,536	2,369	353	5,138	500	16,896	4,095	-	20,991
Ministry	-	-	-	9,883	-	9,883	-	-	9,883
Programs and events	-	-	-	19,622	-	19,622	-	1,870	21,492
Utilities	15,307	4,249	634	9,214	896	30,300	7,343	-	37,643
Youth ministry	-	-	1,994	-	-	1,994	-	-	1,994
Total expenses	\$412,552	\$114,595	\$15,240	\$222,070	\$22,494	\$786,950	\$192,767	\$1,870	\$981,587

See independent accountant's review report.
The accompanying notes are an integral part of these financial statements.
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CENTER FOR SPIRITUAL LIVING, SANTA ROSA
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 157,158	\$ 69,381
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation	87,550	91,953
Net unrealized losses (gains) on investments	(32,231)	(79,085)
 (Increase) decrease in:		
Inventory	217	3,376
Prepaid expenses	(1,220)	904
Increase (decrease) in:		
Deferred revenue	4,150	(8,251)
Accounts payable, accrued expenses and other liabilities	21,270	2,086
Total cash provided by operating activities	236,894	80,364
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments, including certificates of deposit	(188,253)	(309,100)
Purchase of equipment	(9,928)	-
Total cash provided (used) by investing activities	(198,181)	(309,100)
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgage payable	(75,867)	(71,998)
Principal payments on finance lease of copier	(11,674)	(11,219)
Principal payments on economic injury disaster loan	(3,887)	(3,889)
Total cash provided (used) by financing activities	(91,428)	(87,106)
 NET CHANGE IN CASH	 (52,715)	 (315,842)
 CASH AND CASH EQUIVALENTS, beginning of year	 346,207	 662,049
 CASH AND CASH EQUIVALENTS, end of year	 \$ 293,492	 \$ 346,207
 Supplemental information:		
Cash paid for interest	\$ 17,226	\$ 20,991

See independent accountant's review report.
The accompanying notes are an integral part of these financial statements.

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The Center for Spiritual Living, Santa Rosa, is chartered by the Centers for Spiritual Living, an international organization headquartered in Golden, Colorado.

The Center is a spiritual community that promotes global transformation through personal transformation. It aspires to be a place of inspiration where people from all spiritual paths feel at home. At the Center one learns to live spiritually through participation in religious services, classes, workshops, social events, and community involvement. The Center is available to all people regardless of race, nationality, religion, age, sex, or sexual preference.

The Center is a giving organization. A percentage of its non-designated contributions are donated to spiritual and community service organizations on an on-going basis.

Programs and Activities

Celebration Services include two in-person Sunday morning services, one of which is live streamed, and a Wednesday Evening Service.

Education programs include Science of Mind classes, spiritual enrichment courses, meditation meetings, and workshops.

Youth and Family program continues to be well received by our community and grows in attendance each week.

Member Services include prayer support, outreach ministries, our Member Assistance Program, and tithing to our Home Office and our nonprofit partners in the local, national, and international community.

Stepping Stones Books and Gifts provides spiritual, inspiration, and Science of Mind books as well as an array of products to support the spiritual growth of our members. The store hours include Sundays, Tuesdays, and Wednesday evenings.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The financial statements of the Center are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation – The Center reports information regarding its financial position and activities in two classes of net assets:

Net Assets without Donor Restrictions: Net assets not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees.

Net Assets with Donor Restrictions: Net assets subject to donor-imposed stipulations that may be fulfilled by actions of the Center to meet the stipulations, or that become unrestricted at the date specified by the donor.

Recognition of Revenue and Support –

Sales and Services – Such revenue is required to be recognized through five steps consisting of identifying a contract with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the performance obligations, and recognizing revenue as the performance obligations are satisfied. Generally, the Center has to satisfy only one performance obligation: deliver its product or service. Product sales revenue is recognized at the point in time the product is transferred to the customer. And customer service revenue is recognized at the point in time the service is rendered or, in certain limited cases, ratably as service is rendered. Payment for products and services is generally collected in advance. Advance payments are deferred revenue until earned by delivering product or rendering service (e.g., holding applicable class, workshop, or event), typically within one year. Revenue in 2024 and 2023 include \$12,530 and \$20,781 that was deferred revenue at the beginning of those respective years.

Contributions – Contributions received are classified according to the existence and nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose restrictions. Contributions restricted for the purchase of property, equipment, or improvements are classified as net assets with donor restrictions until the assets are acquired and placed in service, unless the donor stipulates otherwise.

Contributed Services – The Center receives the services of hundreds of volunteers who donate their time and talent to assist in the celebration services, music ministry, education programs, bookstore, administrative and logistics services and fund-raising activities. These contributed services are not included in the contributed services income in the financial statements since these services do not meet the accounting standards' criteria for recognition as contributed services. Nonetheless, the Center recognizes that it would not be able to efficiently operate without the support of these volunteer contributed services.

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recognition of Revenue and Support (continued) –

Contributed Goods – Contributed goods are recorded at their estimated fair values.

Non-Operational Income and Expense Presented in Center’s Statements of Activities – Consists of (a) dividends, interest, and unrealized gains (losses) on the Center’s Legacy Investment Fund that was created with a prior year major bequest from the Estate of Cynthia Waggoner, (b) a \$20,000 bequest from the estate of Terri Timms, (c) facility rental income, and (d) vandalism repair to replace broken glass in the social hall doors and windows.

Cash and Cash Equivalents – For purposes of these statements, the Center considers all highly liquid investments with a maturity of three months or less to be cash equivalents. The Center maintains cash and cash equivalents accounts, including its certificate of deposits, at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation or National Credit Union Association up to \$250,000. All of the Center’s cash and cash equivalent balances were insured as of December 31, 2024 and 2023.

Investments – Investments are stated at fair value with unrealized and realized gains and losses reported in the Center’s statements of activities.

Inventory – The Center runs a bookstore which carries materials designed to empower individuals and support the ministry of the Center. The bookstore has a large inventory of spiritual, inspirational, and Science of Mind books and merchandise. Inventory is stated at the lower of cost or market, determined by the first-in, first-out method.

Leases - Effective January 1, 2023, the Center adopted a recently issued accounting standard for leases. It requires lessees to recognize a lease liability and a right of use (ROU) asset for most leases.

The Center determines if a contract is a lease at contract inception. A contract is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control the use of an asset includes the right to obtain substantially all of the economic benefits of the identified asset and the right to direct the use of the identified asset. ROU assets and lease liabilities are recognized at commencement based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease. Lease ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The Center does not recognize ROU assets or lease liabilities that arise from leases with terms of twelve months or less.

The Center uses its incremental borrowing rate for determining the present value of lease payments as most lease agreements do not provide an implicit rate. The incremental borrowing rate is the rate of interest the Center would have to pay to borrow, on a collateralized basis, an amount equal to the lease payments, in a similar economic environment and over a similar term.

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued) - Amortization of ROU lease assets is calculated on a straight-line basis over the lease term. Variable rental costs are excluded from ROU assets and lease liabilities, and instead are expensed as incurred.

Property and Equipment – The Center generally capitalizes equipment if cost equals or exceeds \$1,000, and buildings and improvements if cost equals or exceeds \$10,000. Fixed assets are carried at cost or at estimated fair market value at date of donation. Depreciation is calculated using the straight-line method over the estimated useful life of the asset. Estimated useful lives of depreciable assets are as follows: 3 to 7 years for equipment, 7 to 15 years for fixtures, 10 to 40 years for buildings and improvements.

Income Taxes – The Center is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code and the auspices of the Centers for Spiritual Living.

Estimates – The preparation of financial statements in conformity of generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Functional Expense Allocation - The Center’s expenses are presented on a functional basis (i.e., program, administrative, or fundraising). Certain categories of expenses are attributable to more than one function and must be allocated on a reasonable and consistent basis. Compensation and benefits are allocated on the basis of estimates of time and effort; facilities costs, including utilities, interest, insurance and depreciation are allocated on the basis of estimated usage. The allocations are presented in the accompanying statements of functional expenses.

Reclassifications - Certain 2023 amounts have been reclassified to conform to the 2024 presentation.

Date of Management’s Review - Subsequent events were evaluated through February 25, 2025, which is the date the financial statements were available to be issued.

NOTE 3 – INVENTORY

Inventory consists of stock on hand for bookstore operations as follows:

	2024	2023
Books	\$6,990	\$6,277
Other	2,802	3,732
	\$9,792	\$10,009

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4 – ACCRUED VACATION

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Center. The value of accrued vacation at December 31, 2024 and 2023 was \$18,056 and \$11,171 respectively.

Sick leave benefits are accumulated for each employee. The employees do not gain a vested right to accumulated sick leave. Accumulated sick leave benefits are not recognized as liabilities since payment of such benefits is not probable. Therefore, sick leave benefits are recorded as expenses in the period taken.

NOTE 5 – LONG TERM DEBT

In November 2012 the Center obtained a mortgage loan collateralized by its real property, amortized over fifteen years with a fixed rate of 5.1 percent, with monthly payments of \$10,935 consisting of principal and interest. In August 2017, the Center paid down \$300,000 of the principal. While the mortgage retains its original fifteen year term and fixed rate of 5.1 percent, monthly payments of principal and interest are now \$7,758. To address the financial impact of the COVID-19 pandemic, the Center’s lender provided a six-month deferral of mortgage payments in 2020. The outstanding balance on the loan at December 31, 2024 and 2023 was \$291,032 and \$366,899 respectively.

In May 2020, the Center obtained a \$150,000 Economic Injury Disaster Loan (EIDL) provided for by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). It is a 30-year loan at 2.75% interest. The loan term is from May 19, 2020 through May 19, 2050. The Center’s assets serve as collateral for the loan. The outstanding balance on the loan at December 31, 2024 and 2023 was \$136,147 and \$140,034 respectively.

Future scheduled maturities of long-term debt are as follows at December 31, 2024:

	<u>Mortgage</u>	<u>EIDL</u>
2025	\$79,937	\$3,995
2026	84,000	4,100
2027	89,000	4,200
2028	38,095	4,300
2029	-	4,500
Thereafter	-	115,052
	<u>291,032</u>	<u>136,147</u>
Less current portion	<u>(79,937)</u>	<u>(3,995)</u>
Long term portion	<u>\$211,095</u>	<u>\$132,152</u>

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 6 – LEGACY INVESTMENT FUND

The Center’s Board of Trustees has established a Legacy Investment Fund to create long-term financial stability for the Center. The Board periodically reviews its policies governing Legacy Funds and their availability to the Center.

The Center’s Legacy Investment Fund includes an investment brokerage account. Investment brokerage account investments are reported in the financial statements at fair value. Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level.

Level 1 inputs – quoted prices in active markets for identical assets

Level 2 inputs – quoted prices in active markets for similar assets or quoted prices in inactive markets for the same assets

Level 3 inputs – estimates using the best information available when there is little or no market

The Center’s investment brokerage account investment values use Level 1 inputs and were as follows:

	December 31,	
	<u>2024</u>	<u>2023</u>
Mutual Funds or Exchange Traded Funds emphasizing -		
United States equities	\$413,190	\$380,050
Bonds	180,452	154,344
International equities	164,730	156,773
Emerging markets equities	80,821	69,638
Real estate	34,621	30,348
Cash	<u>4,232</u>	<u>4,464</u>
Total Legacy Funds	<u>\$878,046</u>	<u>\$795,617</u>

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7 – CERTIFICATES OF DEPOSIT

In July 2019, the Stewardship committee researched and recommended a plan for the management of the Center’s cash reserve funds. The goals of the plan are:

- Maximize the return on the Center’s cash reserve funds
- Ensure sufficient liquidity to meet planned large expenses
- Protect the principal under Federal Deposit Insurance Corporation (FDIC) and/or National Credit Union Association (NCUA) coverage

Certificates of deposit consist of:

	As of December 31, 2024	2023	Interest Rate	Maturity Date
Redwood Credit Union	\$61,360	\$55,411	4.85%	November 10, 2025
Community First Credit Union	61,047	-	4.00%	January 24, 2026
North Bay Credit Union	51,415	52,413	4.57%	May 17, 2026
Summit State Bank	51,118	-	4.58%	July 5, 2025
Summit State Bank	50,992	-	5.23%	February 12, 2025
Redwood Credit Union	50,095	52,154	3.75%	May 13, 2026
North Bay Credit Union	47,121	-	5.25%	February 12, 2026
North Bay Credit Union	47,121	-	5.34%	February 12, 2025
North Bay Credit Union	47,121	-	5.34%	February 12, 2025
North Bay Credit Union	45,820	47,007	4.05%	July 18, 2025
Redwood Credit Union	45,480	45,581	4.25%	February 28, 2026
Summit State Bank	45,387	-	3.77%	October 5, 2025
Redwood Credit Union	45,242	45,290	4.15%	April 14, 2026
Summit State Bank	45,021	-	4.43%	December 20, 2025
North Bay Credit Union	-	77,346	4.25%	February 10, 2024
First Republic Bank	-	60,000	4.64%	January 17, 2024
Summit State Bank	-	51,520	4.50%	July 5, 2024
Summit State Bank	-	45,516	4.50%	October 5, 2024
Summit State Bank	-	45,194	4.50%	December 20, 2024
	<u>\$694,340</u>	<u>\$577,432</u>		

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
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NOTE 8 – BOARD DESIGNATIONS

The Center’s board of trustees has designated a portion of the Center’s net assets without donor restrictions as follows:

	December 31,	
	2024	2023
Waggoner Education Scholarship	\$7,170	\$7,954
Spanish Outreach	6,384	5,790
Member Assistance	3,456	3,920
	\$17,010	\$17,664

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purpose or periods:

	December 31,	
	2024	2023
Landscape project	\$15,000	\$ -
Music ministry	10,587	1,475
Other programs	5,386	2,894
Youth ministry	4,589	8,988
Renovation projects	3,295	12,298
Spiritual support	2,060	2,754
Manspirit	-	4,617
Hefferlin grant	-	582
	\$40,917	\$33,608

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NOTE 10 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors:

	Year Ended December 31,	
	2024	2023
Youth	\$11,854	\$12,299
Video team	11,358	-
Other programs	9,959	12,097
Renovation projects	9,298	3,650
Music ministry	1,269	2,250
Spiritual support program	694	886
Sound upgrade	-	3,000
	\$44,432	\$34,182

NOTE 11 – FINANCE LEASE OF OFFICE COPIER

In August 2022, the Center leased an office copier under a finance lease agreement. Monthly payments are \$1,199 over the 63 month term. Interest is imputed at 4.0%. The copier and its accumulated amortization are included in equipment and accumulated depreciation, respectively, in the accompanying statements of financial position. As of December 31, 2024, the copier’s cost was \$64,000 and accumulated amortization was \$25,600. For the year ended December 31, 2024, finance lease cost consisted of \$12,800 of right of use asset amortization and \$1,753 of imputed interest.

Future minimum lease payments under the finance lease are as follows:

	Year ending December 31,	
	2025	\$13,428
	2026	13,428
	2027	13,428
		40,284
Total minimum lease payments		40,284
Less amounts representing imputed interest		(2,818)
Present value of net minimum lease payments as of December 31, 2024		\$37,466

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
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NOTE 12 – PARKING LOT OPERATING LEASE WITH AT&T

In February 2024, the Center entered into a three-year agreement with AT&T that allows the Center to use AT&T’s empty lot for parking. The agreement covers the term of March 1, 2024 thru February 28, 2027. Operating lease cost in the year ended December 31, 2024 totaled \$4,450. The discount rate for the Center’s operating lease was 4%.

As of December 31, 2024, operating lease maturities were as follows:

Year ending December 31,	
2025	\$4,500
2026	4,500
2027	750
Total lease payments	9,750
Less imputed interest	(350)
Present value of lease liabilities	\$9,400

Supplemental statements of cash flows disclosures:

	2024	2023
Cash paid for amounts included in the measurement of the operating lease liability	\$4,450	\$4,200
Right-of-use asset obtained in exchange for operating lease liability	\$12,775	\$ -

NOTE 13 – CONTRACTUAL COMMITMENTS

In October 2011, the Center entered into a Solar Facility Installation and Power Purchase Agreement (PPA) with California Clean Energy. Under the terms of the PPA, California Clean Energy installed, owns, operates, and maintains, at its sole expense, a solar power generation system at the Center. The PPA obligates the Center to purchase the power generated by the system for a period of 18 years following the date that the solar facility first began supplying electricity to the Center (August 2013). The solar facility is expected to generate approximately 80% of the electrical power historically used by the Center. The Center will pay \$0.26 per kilowatt hour; this rate will be fixed for the eighteen year term of the agreement.

In January 2019, the Center entered into an agreement giving a gratitude gift of deferred compensation to Dr. Edward Viljoen in recognition of his years of service, the leadership culture he has created that will carry our Center forward, and in recognition of the financial hardships he has been willing to work

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NOTE 13 – CONTRACTUAL COMMITMENTS (continued)

through for the health of our community. The gratitude compensation is payable when Dr. Viljoen becomes 65 in January 2026. The amount is \$120,000. If Dr. Viljoen’s employment is terminated before he becomes 65, the gratitude compensation will be prorated and paid upon termination. The Center’s accrued deferred compensation liability was \$102,857 and \$85,715 as of December 31, 2024 and 2023, respectively. Certificates of deposit have been established to fund this liability, their balance was \$92,918 as of December 31, 2024, they earn from 4.5% to 4.75% annually, and mature by February 27, 2025.

NOTE 14 – LIQUIDITY MANAGEMENT

The Center has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. And occasionally, its Trustees may specifically designate a portion of an operating surplus to a liquidity reserve.

The following information reflects the Center’s financial assets reduced by amounts not available within one year due to donor-imposed restrictions or trustee designations.

Financial assets at December 31, 2024	
Cash and cash equivalents	\$293,492
Investment brokerage account	878,046
Certificates of deposit	694,340
Certificate of deposit designated for minister's deferred compensation	92,918
	1,958,796
Less those unavailable for general expenditures within one year due to:	
Restrictions:	
Donor	(40,917)
Trustee designations:	
Long term investments	(878,046)
Personnel costs - minister's deferred compensation	(102,857)
Net assets designations	(17,010)
	\$919,966
Financial assets available to meet cash needs for general expenditures within one year	\$919,966

Although the Trustees have designated Legacy Funds for long-term investment, the investments may be drawn upon in the event of financial need.