

TABLE OF CONTENTS

	Page No.
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2 - 3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to the Financial Statements	8 - 19

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, 2019 and 2018, 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

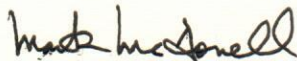
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair 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 American Institute of Certified Public Accountants. 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.

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 27, 2020

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

ASSETS

	2019	2018
Current assets:		
Cash and cash equivalents	\$ 292,313	\$ 537,002
Inventory	21,821	18,218
Prepaid expenses	17,523	17,468
Total current assets	331,657	572,688
Fixed assets:		
Land and improvements	233,375	233,375
Buildings and improvements	2,865,673	2,865,673
Fixtures	205,241	205,241
Equipment	391,013	387,116
Subtotal	3,695,302	3,691,405
Less accumulated depreciation	(1,954,883)	(1,850,788)
Net fixed assets	1,740,419	1,840,617
Investments:		
Investment securities	636,065	478,592
Certificates of deposit	301,939	129,747
Total investments	938,004	608,339
Total assets	\$ 3,010,080	\$ 3,021,644

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, 2019 and 2018

LIABILITIES AND NET ASSETS

	2019	2018
Current liabilities:		
Accounts payable	\$ 17,401	\$ 19,761
Accrued vacation	25,164	43,319
Current portion of mortgage payable	63,562	60,449
Other current liabilities	22,284	6,224
Deferred revenue	38,242	59,959
Total current liabilities	166,653	189,712
Long-term liabilities:		
Mortgage payable, net of current portion	534,964	598,524
Total liabilities	701,617	788,236
Net assets:		
Without donor restrictions	2,128,044	2,124,136
With donor restrictions	180,419	109,272
Total net assets	2,308,463	2,233,408
Total liabilities and net assets	\$ 3,010,080	\$ 3,021,644

2018 balances are as restated, see Note 9

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, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
				As Restated, see Note 9		
Revenue and Support						
Contributions	\$1,027,418	\$98,306	\$1,125,724	\$1,032,924	\$100,913	\$1,133,837
Education	98,697	-	98,697	93,584	-	93,584
Program services	95,536	-	95,536	128,512	-	128,512
Bookstore sales	94,881	-	94,881	105,072	-	105,072
Fundraising	49,020	-	49,020	28,376	-	28,376
Interest and dividends	2,576	-	2,576	9,950	-	9,950
Net assets released from restrictions	27,159	(27,159)	-	69,698	(69,698)	-
Total Revenue and Support	1,395,287	71,147	1,466,434	1,468,116	31,215	1,499,331
Expenses						
Program services						
Celebration Services	438,520	-	438,520	441,078	-	441,078
Education	184,381	-	184,381	210,727	-	210,727
Youth and family	123,823	-	123,823	130,328	-	130,328
Member services	271,395	-	271,395	298,363	-	298,363
Tithing to CSL and non-profit partners	102,383	-	102,383	102,507	-	102,507
Bookstore	82,559	-	82,559	86,716	-	86,716
Supporting services						
Administrative	212,629	-	212,629	198,796	-	198,796
Fundraising	26,815	-	26,815	11,423	-	11,423
Total Expenses	1,442,505	-	1,442,505	1,479,938	-	1,479,938
Bookstore costs of sales	51,866	-	51,866	56,895	-	56,895
Change in Net Assets from Operations	(99,084)	71,147	(27,937)	(68,717)	31,215	(37,502)
Non-Operational Income and Expense						
Unrealized gains on investments	85,379	-	85,379	(54,838)	-	(54,838)
Dividends and interest	17,613	-	17,613	13,327	-	13,327
Bequest	-	-	-	157,430	-	157,430
Tithes	-	-	-	(39,373)	-	(39,373)
Change in net assets	3,908	71,147	75,055	7,829	31,215	39,044
Net assets, beginning of year	2,124,136	109,272	2,233,408	2,116,307	78,057	2,194,364
Net assets, end of year	<u>\$ 2,128,044</u>	<u>\$ 180,419</u>	<u>\$ 2,308,463</u>	<u>\$ 2,124,136</u>	<u>\$ 109,272</u>	<u>\$ 2,233,408</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, 2019

Expenses by category	Programs and Activities						Administrative	Fundraising	Total expenses
	Celebration services	Education	Youth and family	Member services	Bookstore	Total			
Wages and compensation	194,360	68,192	57,180	104,923	38,378	\$463,033	77,519	5,790	\$546,342
Payroll taxes	14,160	4,968	4,166	7,644	2,796	33,734	5,647	422	39,803
Benefits	62,276	21,850	18,322	33,619	12,297	148,364	24,838	1,855	175,057
Workers compensation insurance	4,809	1,687	1,415	2,596	950	11,457	1,918	143	13,518
Total compensation cost	275,605	96,697	81,083	148,782	54,421	656,588	109,922	8,210	774,720
Administration	1,983	696	583	1,070	391	4,723	30,548	59	35,330
Outside services	-	-	-	-	-	-	12,378	-	12,378
Bookstore	-	-	-	-	9,267	9,267	-	-	9,267
Celebration services	67,334	-	-	-	-	67,334	-	-	67,334
Copier maintenance and supplies	-	-	-	-	-	-	22,450	-	22,450
Depreciation	37,031	12,993	10,895	19,991	7,312	88,222	14,770	1,103	104,095
Education ministry	-	54,148	-	-	-	54,148	-	-	54,148
Facilities	25,714	9,022	7,565	13,881	5,077	61,259	10,256	766	72,281
Insurance	4,353	1,527	1,281	2,350	859	10,370	1,736	130	12,236
Interest	11,614	4,075	3,417	6,270	2,293	27,669	4,632	346	32,647
Ministry	-	-	-	17,674	-	17,674	-	-	17,674
Programs and events	-	-	-	53,341	-	53,341	-	15,758	69,099
Utilities	14,886	5,223	4,379	8,036	2,939	35,463	5,937	443	41,843
Youth ministry	-	-	14,620	-	-	14,620	-	-	14,620
Total expenses	\$438,520	\$184,381	\$123,823	\$271,395	\$82,559	\$1,100,678	\$212,629	\$26,815	\$1,340,122

See independent accountant's review report.
The accompanying notes are an integral part of these financial statements.
Page 5

Center for Spiritual Living, Santa Rosa
Statement of Functional Expenses
For the Year Ended December 31, 2018

Expenses by category	Programs and Activities						Administrative	Fundraising	Total expenses
	Celebration services	Education	Youth and family	Member services	Bookstore	Total			
Wages and compensation	\$186,402	\$71,970	\$55,702	\$98,031	\$37,999	\$450,104	\$67,376	\$5,306	\$522,786
Payroll taxes	13,453	5,194	4,020	7,075	2,742	32,484	4,863	383	37,730
Benefits	64,086	24,744	19,151	33,704	13,064	154,749	23,164	1,824	179,737
Workers compensation insurance	4,021	1,552	1,202	2,115	820	9,710	1,453	114	11,277
Total compensation cost	267,962	103,460	80,075	140,925	54,625	647,047	96,856	7,627	751,530
Administration	1,844	712	551	970	376	4,453	28,312	52	32,817
Outside services	-	-	-	-	-	-	13,456	-	13,456
Bookstore	-	-	-	-	10,406	10,406	-	-	10,406
Celebration services	66,739	-	-	-	-	66,739	-	-	66,739
Copier maintenance and supplies	-	-	-	-	-	-	22,389	-	22,389
Depreciation	44,340	17,407	13,472	23,710	9,190	108,119	16,295	1,283	125,697
Education ministry	-	66,194	-	-	-	66,194	-	-	66,194
Facilities	26,868	10,374	8,029	14,130	5,477	64,878	9,711	765	75,354
Insurance	4,557	1,759	1,362	2,396	929	11,003	1,647	130	12,780
Interest	14,050	5,138	3,977	6,998	2,713	32,876	4,810	379	38,065
Ministry	-	-	-	49,039	-	49,039	-	-	49,039
Programs and events	-	-	-	52,454	-	52,454	-	768	53,222
Utilities	14,718	5,683	4,398	7,741	3,000	35,540	5,320	419	41,279
Youth ministry	-	-	18,464	-	-	18,464	-	-	18,464
Total expenses	\$441,078	\$210,727	\$130,328	\$298,363	\$86,716	\$1,167,212	\$198,796	\$11,423	\$1,377,431

See independent accountant's review report.
The accompanying notes are an integral part of these financial statements.
Page 6

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 75,055	\$ 39,044
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation	104,095	125,697
Net unrealized loss (gain) on investments	(85,379)	54,838
 (Increase) decrease in:		
Inventory	(3,603)	6,869
Prepaid expenses	(55)	(452)
Increase (decrease) in:		
Deferred revenue	(21,717)	22,146
Accounts payable, accrued expenses and other liabilities	(4,455)	(2,328)
Total cash provided by operating activities	63,941	245,814
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(244,286)	(6,597)
Purchase of property and equipment	(3,897)	-
Proceeds from bond sinking fund	-	7,485
Total cash provided (used) by investing activities	(248,183)	888
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgage payable	(60,447)	(57,406)
Payments on bonds payable	-	(4,080)
Total cash used by financing activities	(60,447)	(61,486)
 NET CHANGE IN CASH	(244,689)	185,216
 CASH AND CASH EQUIVALENTS, beginning of year	537,002	351,786
 CASH AND CASH EQUIVALENTS, end of year	\$ 292,313	\$ 537,002
 Supplemental information:		
Cash paid for interest	\$ 32,647	\$ 41,145

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, 2019 AND 2018

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The Center for Spiritual Living, Santa Rosa, is chartered by the Centers for Spiritual Living, which is 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 tithing 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 three Sunday morning services, a Sunday evening service for a smaller and quieter service, and a Wednesday evening service that provides mid-week sanctuary. The Sunday services include a featured topic, along with music, choir, and guest speakers. On Wednesday evenings the services may include a featured topic, song and music, and sacred chanting.

Education programs include Science of Mind classes, spiritual enrichment courses, workshops, and the School of Spiritual Leadership, a ministerial master's degree program.

Youth and family ministries include Sunday morning youth groups and teen group, as well as teen camps and activities at various times during the year.

Member services include prayer services, support services and ministries, support groups, outreach services, and our Member Assistance Program. It also includes the tithing to the home office and our nonprofit partners in the local, national, or international community.

Bookstore activities include providing spiritual, inspirational, and Science of Mind books and materials to support the spiritual growth of our members. The bookstore also presents evening events featuring published authors and other speakers.

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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.

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 – A recent accounting standard requires revenue 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. The Center's contracts with customers are generally short-term with a single performance obligation – delivery of a product, in the case of books sold through its bookstore, or rendering of a service, in the case of Center programs and education offerings. Product sales revenue is recognized at the point in time a product is transferred to the customer and service revenue is recognized at the point in time a service is rendered, or ratably over the service period in some cases. Payment for products and services is collected in advance and advance payments for an education class, workshop, or event are deferred revenue until the class, workshop, or event takes place. Except for deferred revenue, the Center does not have contract assets or liabilities.

Contributions – Contributions received are recorded depending on 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 reported as net assets with donor restrictions. The restrictions are satisfied when the acquired assets are placed in service, unless the donor stipulates otherwise.

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed Services – Contributed services are recognized when received if such services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

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 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.

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

Non-Operational Income and Expense Presented in Center’s Statements of Activities – Certain income and expenses associated with a recent, major bequest from the Estate of Cynthia Waggoner and the Legacy Investment Fund it created are presented as non-operational income and expense in the Center’s Statements of Activities.

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 up to \$250,000. All of the Center’s cash and cash equivalent balances were insured as of December 31, 2019 and 2018.

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.

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.

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. The Center is exempt from Federal, State, and local taxes and, accordingly, no provision for income taxes is included in the financial statements.

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.

Date of Management’s Review - Subsequent events were evaluated through February 27, 2020, 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:

	2019	2018
Books	\$12,390	\$10,414
Other	9,431	7,804
	\$21,821	\$18,218

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 4 – ACCRUED VACATION

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Center. The value of accrued vacation at December 31, 2019 and 2018 was \$25,164 and \$43,319 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 payable 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. The outstanding balance on the loan at December 31, 2019 and 2018 was \$598,526 and \$658,973 respectively.

Future scheduled maturities of long-term debt are as follows at December 31, 2019:

2020	\$63,562
2021	67,015
2022	70,564
2023	74,300
2024	78,188
Thereafter	<u>244,897</u>
	598,526
Less current portion	<u>(63,562)</u>
Long term portion	<u>\$534,964</u>

In May 1998, the Center issued \$250,000 of revenue mortgage bonds. The maturity dates ranged from one-half to twenty years. The last bond was paid off in May 2018.

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 6 – BEQUEST FROM ESTATE OF CYNTHIA WAGGONER

In March 2017 the Center received \$900,000 from the estate of Cynthia Waggoner. The Board of Trustees, with input from the Giving Intention Team and the Legacy Committee, authorized the use of these funds in 2017 as follows:

Create Board directed Legacy Investment Fund	\$500,000
Reduce principal of Center's mortgage	300,000
Tithe to teens attending 2017 Teen Summer Camp	45,000
Tithe to International Science of Mind works	45,000
Retain in Center's operating funds	<u>10,000</u>
	<u><u>\$900,000</u></u>

In August 2018, the Center received an additional \$157,430 from the estate. The Board of Trustees authorized the use of these funds as follows:

Personnel costs	\$76,833
General expenses	64,854
Tithe	<u>15,743</u>
	<u><u>\$157,430</u></u>

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 7 – 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 or inactive markets for the same or similar 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>2019</u>	<u>2018</u>
Mutual Funds or Exchange Traded Funds emphasizing -		
United States equities	\$273,421	\$202,528
Bonds	127,602	97,292
International equities	118,826	87,594
Real estate	47,585	42,784
Emerging markets equities	61,900	40,939
Cash	<u>6,731</u>	<u>7,455</u>
Total	<u>\$636,065</u>	<u>\$478,592</u>

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 8 – 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

Cash reserves in excess of \$300,000 will be invested in Certificates of Deposit in \$50,000 increments. Maturity dates will be staggered.

	As of December 31, 2019	2018	Interest Rate	Maturity Date
First Republic Bank	\$100,000	\$ -	2.00%	January 19, 2020
Redwood Credit Union	50,301	-	1.50%	February 7, 2020
Redwood Credit Union	50,520	-	2.60%	August 7, 2020
Redwood Credit Union	50,549	-	2.75%	August 7, 2021
Redwood Credit Union	50,569	-	2.85%	August 7, 2022
Luther Burbank Savings	-	110,212	0.20%	June 2, 2019
Legacy Funds				
Luther Burbank Savings	-	19,535	0.20%	June 4, 2019
	<u>\$301,939</u>	<u>\$129,747</u>		

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 9 – RESTATEMENTS TO PRIOR PERIOD FINANCIAL STATEMENTS

In 2019 the Center became aware a portion of 2018 net assets were misclassified as subject to donor restrictions when actually they were without donor restrictions but subject to board designations. Net assets and contributions for 2018 have been restated as follows:

	2018 Restatements		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year, as originally reported	\$2,103,165	\$91,199	\$2,194,364
Restatement	13,142	(13,142)	-
Net assets, beginning of year, as restated	<u>\$2,116,307</u>	<u>\$78,057</u>	<u>\$2,194,364</u>
Net assets, end of year, as originally reported	\$2,089,779	\$143,629	\$2,233,408
Restatement	34,357	(34,357)	-
Net assets, end of year, as restated	<u>\$2,124,136</u>	<u>\$109,272</u>	<u>\$2,233,408</u>
Contributions, as originally reported	\$1,011,709	\$122,128	\$1,133,837
Restatement	21,215	(21,215)	-
Contributions, as restated	<u>\$1,032,924</u>	<u>\$100,913</u>	<u>\$1,133,837</u>

NOTE 10 – BOARD DESIGNATIONS

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

	As of December 31,	
	2019	2018
Waggoner Education Scholarship	\$11,500	\$12,000
Spanish Outreach	10,535	4,810
Member Assistance	4,836	5,456
Satellite Ministry Fund	-	7,142
	<u>\$26,871</u>	<u>\$29,408</u>

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

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

	December 31,	
	<u>2019</u>	<u>2018</u>
Renovation projects	\$108,748	\$50,559
Other programs	19,146	9,739
Youth Ministry	15,888	18,460
Paradise Fire Relief	10,258	12,362
Unsheltered Fund	8,486	-
Music Ministry	5,789	5,791
Spiritual Support	5,007	5,677
Hefferlin Grant	5,000	-
Member Assistance – Fire Relief	2,097	6,684
	<u>\$180,419</u>	<u>\$109,272</u>

NOTE 12 – 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,	
	<u>2019</u>	<u>2018</u>
Member assistance – fire relief	\$5,655	\$37,172
Music ministry	5,327	675
Renovation projects	3,200	7,416
Youth Ministry	2,716	1,540
Spiritual support program	1,729	680
Spanish outreach	-	1,190
Member assistance - other	-	1,145
Other programs	8,532	19,880
	<u>\$27,159</u>	<u>\$69,698</u>

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 13 – OPERATING LEASE

In March 2016, the Center entered into a five-year agreement with AT&T that allows the Center to use AT&T’s empty lot for parking. Rent paid in 2019 and 2018 to AT&T totaled \$4,200 and \$4,200 respectively. The current agreement covers the term of March 1, 2016 through February 28, 2021 and obligates the Center to pay AT&T according to the schedule shown below.

2020	\$4,200
2021	<u>4,200</u>
Total	<u>\$8,400</u>

NOTE 14 – 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 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.

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 15– 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 either contractual or donor-imposed restrictions or trustee designations.

Financial assets at December 31, 2019	
Cash and cash equivalents	\$292,313
Investment brokerage account	636,065
Certificates of deposit	301,939
	1,230,317
Less those unavailable for general expenditures within one year due to:	
Restrictions:	
Donor	(180,419)
Contractual	(4,200)
Trustee designations:	
Long term investments	(636,065)
Net assets designations	(26,871)
Personnel costs	(18,944)
	\$363,818
Financial assets available to meet cash needs for general expenditures within one year	\$363,818

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