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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, 2025 and 2024, 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.

Mark McDonell

February 26, 2026

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CENTER FOR SPIRITUAL LIVING, SANTA ROSA
STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 341,810	\$ 293,492
Inventory	10,995	9,792
Prepaid expenses	17,327	16,294
Total current assets	370,132	319,578
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	464,941
Subtotal	3,773,942	3,773,942
Less accumulated depreciation	(2,483,867)	(2,397,323)
Net fixed assets	1,290,075	1,376,619
Investments:		
Investment securities	1,030,529	878,046
Certificates of deposit	866,218	694,340
Certificate of deposit designated for minister's deferred compensation	114,071	92,918
Total investments	2,010,818	1,665,304
Other assets:		
Parking lot operating lease right of use asset	5,133	9,400
Total assets	\$ 3,676,158	\$ 3,370,901

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, 2025 and 2024

LIABILITIES AND NET ASSETS

	2025	2024
Current liabilities:		
Current portion of loans payable	\$ 88,100	\$ 83,932
Accrued vacation	18,610	18,056
Deferred revenue	6,799	16,680
Accounts payable	10,648	11,954
Other current liabilities	9,059	11,413
Current portion of finance lease of copier	12,000	11,000
Current portion of parking lot operating lease liability	4,500	4,500
Total current liabilities	149,716	157,535
Long-term liabilities:		
Mortgage loan, net of current portion	127,095	211,095
Economic injury disaster loan, net of current portion	128,052	132,152
Minister's deferred compensation contractual commitment	120,000	102,857
Finance lease of copier, net of current portion	13,316	26,466
Parking lot operating lease liability, net of current portion	654	4,900
Total liabilities	538,833	635,005
Net assets:		
Without donor restrictions	2,879,110	2,694,979
With donor restrictions	258,215	40,917
Total net assets	3,137,325	2,735,896
Total liabilities and net assets	\$ 3,676,158	\$ 3,370,901

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, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Contributions	\$822,544	\$265,911	\$1,088,455	\$860,963	\$51,741	\$912,704
Education	57,886	-	57,886	36,349	-	36,349
Bookstore sales	44,429	-	44,429	40,539	-	40,539
Interest and dividends	34,804	-	34,804	38,014	-	38,014
Fundraising	31,918	-	31,918	27,457	-	27,457
Program services	25,278	-	25,278	37,176	-	37,176
Net assets released from restrictions	48,613	(48,613)	-	44,432	(44,432)	-
Total Revenue and Support	<u>1,065,472</u>	<u>217,298</u>	<u>1,282,770</u>	<u>1,084,930</u>	<u>7,309</u>	<u>1,092,239</u>
Expenses						
Program services						
Celebration Services	456,807	-	456,807	419,731	-	419,731
Member services	206,699	-	206,699	227,227	-	227,227
Education	123,263	-	123,263	103,508	-	103,508
Tithing to CSL and non-profit partners	46,037	-	46,037	40,193	-	40,193
Youth and family	32,440	-	32,440	39,215	-	39,215
Bookstore	22,267	-	22,267	20,888	-	20,888
Supporting services						
Administrative	177,976	-	177,976	191,400	-	191,400
Fundraising	18,010	-	18,010	1,496	-	1,496
Total Expenses	<u>1,083,499</u>	<u>-</u>	<u>1,083,499</u>	<u>1,043,658</u>	<u>-</u>	<u>1,043,658</u>
Bookstore costs of sales	23,144	-	23,144	21,138	-	21,138
Change in Net Assets from Operations	(41,171)	217,298	176,127	20,134	7,309	27,443
Non-Operational Income and Expense						
Unrealized gains (losses) on investments	117,637	-	117,637	32,231	-	32,231
Rental income	43,312	-	43,312	33,082	-	33,082
Dividends and interest	39,091	-	39,091	44,110	-	44,110
Other income	25,262	-	25,262	20,292	-	20,292
Change in net assets	184,131	217,298	401,429	149,849	7,309	157,158
Net assets, beginning 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>
Net assets, end of year	<u>\$ 2,879,110</u>	<u>\$ 258,215</u>	<u>\$ 3,137,325</u>	<u>\$ 2,694,979</u>	<u>\$ 40,917</u>	<u>\$ 2,735,896</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, 2025

Expenses by category	Programs and Activities						Administrative	Fundraising	Total expenses
	Celebration services	Education	Youth and family	Member services	Bookstore	Total			
Wages and compensation	\$209,823	\$50,334	\$8,967	\$104,560	\$10,010	\$383,694	\$73,261	8,235	\$465,190
Payroll taxes	8,791	2,109	376	4,381	419	16,076	3,069	345	19,490
Benefits	46,432	11,138	1,984	23,138	2,215	84,907	16,212	1,822	102,941
Workers compensation insurance	1,553	373	66	774	74	2,840	542	61	3,443
Total compensation cost	266,599	63,954	11,393	132,853	12,718	487,517	93,084	10,463	591,064
Administration	3,582	859	153	1,785	171	6,550	18,570	141	25,261
Outside services	-	-	-	-	-	-	26,102	-	26,102
Bookstore	-	-	-	-	4,309	4,309	-	-	4,309
Celebration services	80,360	-	-	-	-	80,360	-	-	80,360
Copier maintenance and supplies	-	-	-	-	-	-	3,121	-	3,121
Depreciation	39,035	9,364	1,668	19,452	1,862	71,381	13,631	1,532	86,544
Education ministry	-	32,962	-	-	-	32,962	-	-	32,962
Facilities	34,705	8,355	1,488	17,356	1,662	63,566	12,161	1,367	77,094
Insurance	8,345	2,002	357	4,158	398	15,260	2,914	327	18,501
Interest	6,078	1,424	254	2,957	283	10,996	2,072	233	13,301
Ministry	-	-	-	11,683	-	11,683	-	-	11,683
Programs and events	-	-	-	7,434	-	7,434	-	3,237	10,671
Utilities	18,103	4,343	774	9,021	864	33,105	6,321	710	40,136
Youth ministry	-	-	16,353	-	-	16,353	-	-	16,353
Total expenses	\$456,807	\$123,263	\$32,440	\$206,699	\$22,267	\$841,476	\$177,976	\$18,010	\$1,037,462

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	243,183	61,246	15,426	140,522	12,571	472,948	101,121	-	574,069
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	\$419,731	\$103,508	\$39,215	\$227,227	\$20,888	\$810,569	\$191,400	\$1,496	\$1,003,465

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, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 401,429	\$ 157,158
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation	86,544	87,550
Net unrealized losses (gains) on investments	(117,637)	(32,231)
 (Increase) decrease in:		
Inventory	(1,203)	217
Prepaid expenses	(1,033)	(1,220)
Increase (decrease) in:		
Deferred revenue	(9,881)	4,150
Accounts payable, accrued expenses and other liabilities	14,058	21,270
Total cash provided by operating activities	372,277	236,894
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments, including certificates of deposit	(227,877)	(188,253)
Purchase of equipment	-	(9,928)
Total cash provided (used) by investing activities	(227,877)	(198,181)
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgage payable	(79,937)	(75,867)
Principal payments on finance lease of copier	(12,150)	(11,674)
Principal payments on economic injury disaster loan	(3,995)	(3,887)
Total cash provided (used) by financing activities	(96,082)	(91,428)
 NET CHANGE IN CASH	48,318	(52,715)
 CASH AND CASH EQUIVALENTS, beginning of year	293,492	346,207
 CASH AND CASH EQUIVALENTS, end of year	\$ 341,810	\$ 293,492
 Supplemental information:		
Cash paid for interest	\$ 18,275	\$ 17,226

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, 2025 AND 2024

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, 2025 AND 2024

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 2025 and 2024 include \$16,680 and \$12,530 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, 2025 AND 2024

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) facility rental income, and (c) bequests.

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. Uninsured cash and cash equivalent balances as of December 31, 2025 and 2024 were approximately \$32,000 and \$-0-, respectively.

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 - 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, 2025 AND 2024

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 2024 amounts have been reclassified to conform to the 2025 presentation.

Date of Management’s Review - Subsequent events were evaluated through February 26, 2026, 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:

	2025	2024
Books	\$7,018	\$6,990
Other	3,977	2,802
	\$10,995	\$9,792

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 4 – ACCRUED VACATION

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Center. The value of accrued vacation at December 31, 2025 and 2024 was \$18,610 and \$18,056 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, 2025 and 2024 was \$211,095 and \$291,032 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, 2025 and 2024 was \$132,152 and \$136,147 respectively.

Future scheduled maturities of long-term debt are as follows at December 31, 2025:

	Mortgage	EIDL
2026	\$84,000	\$4,100
2027	89,000	4,200
2028	38,095	4,300
2029	-	4,500
2030	-	4,600
Thereafter	-	110,452
	211,095	132,152
Less current portion	(84,000)	(4,100)
Long term portion	\$127,095	\$128,052

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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,	
	2025	2024
Mutual Funds or Exchange Traded Funds emphasizing -		
United States equities	\$519,984	\$413,190
International equities	231,653	164,730
Bonds	202,635	180,452
Emerging markets equities	51,662	80,821
Real estate	19,635	34,621
Cash	4,960	4,232
Total Legacy Funds	\$1,030,529	\$878,046

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

CENTER FOR SPIRITUAL LIVING, SANTA ROSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 7 – CERTIFICATES OF DEPOSIT (continued)

Certificates of deposit consist of:

	As of December 31, 2025	2024	Interest Rate	Maturity Date
Community First Credit Union	\$101,561	\$ -	3.55%	July 23, 2026
Community First Credit Union	63,489	61,047	4.00%	January 24, 2026
Redwood Credit Union	60,291	-	4.00%	April 17, 2027
North Bay Credit Union	53,771	51,415	4.58%	May 17, 2026
Redwood Credit Union	51,975	50,095	3.75%	May 13, 2026
Summit State Bank	50,851	-	3.44%	July 5, 2026
Summit State Bank	50,669	-	3.44%	August 12, 2026
North Bay Credit Union	49,645	-	5.35%	February 12, 2026
Redwood Credit Union	47,412	45,480	4.25%	February 28, 2026
Redwood Credit Union	47,119	45,242	4.15%	April 14, 2026
Community First Credit Union	46,391	-	3.50%	August 12, 2026
North Bay Credit Union	46,304	-	3.29%	February 12, 2026
North Bay Credit Union	45,672	-	3.29%	July 18, 2026
Summit State Bank	45,047	-	3.44%	December 20, 2026
Redwood Credit Union	40,576	-	3.80%	August 14, 2026
North Bay Credit Union	40,235	-	3.29%	October 27, 2026
Summit State Bank	25,210	-	3.44%	October 5, 2026
Redwood Credit Union	-	61,360	4.85%	November 10, 2025
Summit State Bank	-	51,118	4.58%	July 5, 2025
Summit State Bank	-	50,992	5.23%	February 12, 2025
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	4.05%	July 18, 2025
Summit State Bank	-	45,387	3.77%	October 5, 2025
Summit State Bank	-	45,021	4.43%	December 20, 2025
	<u>\$866,218</u>	<u>\$694,340</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,	
	2025	2024
Spanish Outreach	\$6,384	\$6,384
Waggoner Education Scholarship	4,365	7,170
Member Assistance	2,278	3,456
	\$13,027	\$17,010

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

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

	December 31,	
	2025	2024
Renovation projects	\$205,725	\$3,295
Music ministry	13,667	10,587
Landscape project	12,023	15,000
Education	9,007	-
Giving intention	6,720	-
Teen camp	4,007	-
Other programs	2,937	5,386
Youth ministry	2,603	4,589
Spiritual support	1,526	2,060
	\$258,215	\$40,917

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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,	
	2025	2024
Landscape project	\$22,977	\$ -
Music ministry	11,350	1,269
Other programs	4,175	9,959
Giving intention	4,170	-
Renovation projects	3,100	9,298
Youth	2,841	11,854
Video team	-	11,358
Spiritual support program	-	694
	\$48,613	\$44,432

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, 2025, the copier’s cost was \$64,000 and accumulated amortization was \$38,400. For the year ended December 31, 2025, finance lease cost consisted of \$12,800 of right of use asset amortization and \$1,278 of imputed interest.

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

	Year ending December 31,	
	2026	\$13,428
	2027	13,428
Total minimum lease payments		26,856
Less amounts representing imputed interest		(1,540)
Present value of net minimum lease payments as of December 31, 2025		\$25,316

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, 2025 totaled \$4,500. The discount rate for the Center’s operating lease was 4%.

As of December 31, 2025, operating lease maturities were as follows:

Year ending December 31,	
2026	\$4,500
2027	750
Total lease payments	5,250
Less imputed interest	(96)
Present value of lease liabilities	\$5,154

Supplemental statements of cash flows disclosures:

	2025	2024
Cash paid for amounts included in the measurement of the operating lease liability	\$4,450	\$4,450
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 of \$120,000 is payable when Dr. Viljoen becomes 65 in January 2026. The Center’s accrued deferred compensation liability was \$120,000 and \$102,857 as of December 31, 2025 and 2024, respectively. Certificates of deposit have been established to fund this liability, their balance was \$114,071 as of December 31, 2025, they earn from 3.44% to 3.65% annually, and mature by February 27, 2026. On January 1, 2026, the Center entered into a new employment agreement with Dr. Viljoen covering January 1, 2026 to December 31, 2027. Under the terms of this new employment agreement, the Center will pay an additional gratitude gift to Dr. Viljoen on or before January 31, 2028 in an amount to be determined by its Board of Trustees no later than October 1, 2027.

NOTE 14 – MAJOR DONOR

A major donor contributed \$100,000 in the year ended December 31, 2025 towards the Center’s future renovation projects. It is included in net assets with donor restrictions.

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 donor-imposed restrictions or trustee designations.

Financial assets at December 31, 2025	
Cash and cash equivalents	\$341,810
Investment brokerage account	1,030,529
Certificates of deposit	866,218
Certificate of deposit designated for minister's deferred compensation	114,071
	2,352,628
Less those unavailable for general expenditures within one year due to:	
Restrictions:	
Donor	(258,215)
Trustee designations:	
Long term investments	(1,030,529)
Personnel costs - minister's deferred compensation	(120,000)
Net assets designations	(13,027)
	\$930,857
Financial assets available to meet cash needs for general expenditures within one year	\$930,857

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