

CENTER FOR MINDFUL SELF-COMPASSION

AUSTIN, TEXAS

Financial Statements

December 31, 2021

**CENTER FOR MINDFUL SELF-COMPASSION
AUSTIN, TEXAS**

**Financial Statements
December 31, 2021**

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Empowering Peace of Mind

Independent Accountants' Compilation Report

To the Board of Directors of
Center for Mindful Self-Compassion

Management is responsible for the accompanying financial statements of Center for Mindful Self-Compassion (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Bumgardner, Morrison and Company, LLP

Bumgardner, Morrison & Company, LLP
Victoria, Texas
June 21, 2022

Bumgardner, Morrison & Company, LLP
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Texas Society of Certified Public Accountants
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AICPA Employee Benefit Plan Audit Quality Center
AICPA Government Audit Quality Center

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**CENTER FOR MINDFUL SELF-COMPASSION
AUSTIN, TEXAS**

**Statement of Financial Position
December 31, 2021**

	<u>Assets</u>	
Current Assets		
Cash and cash equivalents	\$	1,073,688
Accounts receivable		23,381
Prepaid expenses		32,229
Total Current Assets		<u>1,129,298</u>
Total Assets	\$	<u><u>1,129,298</u></u>
	<u>Liabilities and Net Assets</u>	
Current Liabilities		
Accounts payable	\$	114,202
Unearned revenue		305,970
Total Current Liabilities		<u>420,172</u>
Net Assets		
Without donor restrictions		<u>709,126</u>
Total Net Assets		<u>709,126</u>
Total Liabilities and Net Assets	\$	<u><u>1,129,298</u></u>

See independent accountants' compilation report and accompanying notes to financial statements.

**CENTER FOR MINDFUL SELF-COMPASSION
AUSTIN, TEXAS**

**Statement of Activities
For the Year Ended December 31, 2021**

Changes in Net Assets Without Donor Restrictions

Revenues and support

Public course revenue	\$ 968,245
Professional training revenue	990,997
Contributions	173,935
Partnership and affiliate revenue	217,353
Total revenues and support without donor restrictions	<u>2,350,530</u>

Expenses

Program expenses

Public courses	633,531
Professional training	968,704
Partnership and affiliates	119,626

Supporting expenses

Management and general	278,081
Fundraising	33,685

Total expenses	<u>2,033,627</u>
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Increase in Net Assets	316,903
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Beginning Net Assets	<u>392,223</u>
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Ending Net Assets	<u><u>\$ 709,126</u></u>
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See independent accountants' compilation report and accompanying notes to financial statements.

CENTER FOR MINDFUL SELF-COMPASSION
AUSTIN, TEXAS

Statement of Functional Expenses
For the Year Ended December 31, 2021

	Public Courses	Professional Training	Partnership and Affiliates	Management and General	Fundraising	Total Expenses
Advertising	\$ 5,732	\$ 1,911	\$ -	\$ -	\$ -	\$ 7,643
Continuing education	3,604	1,202	-	-	-	4,806
Contract labor	339,333	714,832	43,899	91,223	120	1,189,407
Course expenses	16,155	5,385	-	-	-	21,540
Donations Expense	-	-	-	-	3,150	3,150
Insurance	-	-	-	1,952	-	1,952
Miscellaneous	-	-	-	447	-	447
Payment Processing	3,553	6,553	-	334	3,154	13,594
Professional fees	-	-	-	19,109	-	19,109
Salaries and wages	256,361	227,920	75,727	135,535	26,873	722,416
Software	7,630	7,315	-	24,408	388	39,741
Supplies	1,163	-	-	1,718	-	2,881
Website	-	3,586	-	3,355	-	6,941
Total functional expenses	\$ 633,531	\$ 968,704	\$ 119,626	\$ 278,081	\$ 33,685	\$ 2,033,627

See independent accountants' compilation report and accompanying notes to financial statements.

**CENTER FOR MINDFUL SELF-COMPASSION
AUSTIN, TEXAS**

**Statement of Cash Flows
For the Year Ended December 31, 2021**

Cash Flows from Operating Activities	
Change in net assets	\$ 316,903
Adjustments to reconcile change in net assets to net cash used in operating activities	
(Increase) decrease in	
Accounts receivable	215,016
Prepaid expenses	(23,077)
Increase in	
Accounts payable	1,225
Unearned revenue	295,912
Net Cash Provided by Operating Activities	<u>805,979</u>
Net Increase in Cash and Cash Equivalents	805,979
Cash and Cash Equivalents, Beginning of Year	<u>267,709</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,073,688</u></u>

See independent accountants' compilation report and accompanying notes to financial statements.

**CENTER FOR MINDFUL SELF-COMPASSION
AUSTIN, TEXAS**

**Notes to Financial Statements
December 31, 2021**

Note 1 Summary of Significant Accounting Policies

Organization

Center for Mindful Self-Compassion (the Organization), a nonprofit organization, was organized in 2015. The purpose of the Organization is to contribute to a more compassionate world through cultivating deep understanding and personal practice of self-compassion. The Organization provides resources and training opportunities to individuals seeking to learn and practice self-compassion. The Organization also provides quality training and professional support to teachers of the self-compassion programs.

Basis of Accounting

The Organization prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues are recognized when earned, and expenses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash subject to donor-imposed restrictions is separately identified in the statement of financial position as restricted.

Accounts Receivable

Accounts receivable represents amounts due from exchange transactions with participants. At December 31, 2021, there was no allowance for doubtful accounts recorded as management believes all receivables to be collectible. The entire beginning balance as of January 1, 2021 and the entire ending balance as of December 31, 2021 in accounts receivable were subject to ASC 606.

See independent accountants' compilation report.

**CENTER FOR MINDFUL SELF-COMPASSION
AUSTIN, TEXAS**

**Notes to Financial Statements, Continued
December 31, 2021**

Note 1 Summary of Significant Accounting Policies, Continued

Contributions

The Organization accounts for contributions in accordance with the guidance of ASC 958 such that contributions received are recorded as with donor restrictions or without donor restrictions, depending on the existence or nature of any donor-imposed restrictions.

Donor-Imposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or donor-restricted for specific purposes are reported as contributions with donor restrictions.

When a donor-stipulated time restriction ends or a purpose restriction is accomplished, then the restricted net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs, fundraising, and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the two programs, management and general, and fundraising activities benefited based on estimates of time and effort.

Income Taxes

The Organization is currently exempt from federal income taxes under Section 501(C)(3) of the Internal Revenue Code and has not conducted unrelated business activities. Thus, there is no provision for income taxes in the accompanying financial statements. As of December 31, 2021, the Organization's federal returns generally remain open for the last three years.

Advertising

Advertising costs are expensed as occurred. Total advertising costs were \$7,643 for the year ending December 31, 2021.

Unearned Revenue

Deposits or prepayments of course fees that are received before the event is held or the course period begins are recorded as unearned revenue.

See independent accountants' compilation report.

**CENTER FOR MINDFUL SELF-COMPASSION
AUSTIN, TEXAS**

**Notes to Financial Statements, Continued
December 31, 2021**

Note 1 Summary of Significant Accounting Policies, Continued

Revenue from Contracts with Customers

A description of the Organization's revenue streams accounted for under ASC 606 are as follows:

Public Programs: The Organization earns revenue (42% of total revenue in 2021) from program service fees charged to participants, which are based fees charged based on each individual program. Payment is due prior to the program being held. Revenue is recognized at the time services are rendered or program events are held.

Professional Training: The Organization also earns revenue (41% of total revenue in 2021) from specific public programs aimed at training individuals to teach the various programs offered by the Organization. Revenue is recognized in a similar fashion to public program revenue.

Partnership & Affiliate Revenue: The Organization earns revenue (9% of total revenue in 2021) from promoting events to its own client base that are offered by third parties. The Organization receives a commission for each person who registers and/or makes additional purchases and the revenue is recognized at the end of the month in which the event is held.

For the year ending December 31, 2021, total revenue included in ASC 606 recognized at a point in time totaled \$173,936 and \$1,481,973 over a period of time. The remaining revenue of the Organization is not within the scope of ASC 606.

Note 2 Concentrations of Credit Risk

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents. At times, such amounts may be in excess of limits insured by the Federal Deposit Insurance Corporation up to \$250,000, but the Organization has not experienced losses in the past due to such amounts and believes it is not exposed to any significant credit risk related to its cash balance. At December 31, 2021, the Organization had an uninsured cash balance of \$584,563.

See independent accountants' compilation report.

**CENTER FOR MINDFUL SELF-COMPASSION
AUSTIN, TEXAS**

**Notes to Financial Statements, Continued
December 31, 2021**

Note 3 Liquidity of Assets

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

Financial assets at year-end	
Cash and cash equivalents	\$ 1,073,688
Accounts Receivable	<u>23,381</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,097,069</u></u>

Note 4 Subsequent Events

The Organization has evaluated subsequent events through June 21, 2022, the date on which the financial statements were available to be issued.

See independent accountants' compilation report.