

**MARIN SENIOR COORDINATING  
COUNCIL INCORPORATED**  
(A California Nonprofit Public Benefit Corporation)

**FINANCIAL STATEMENTS**

**For the Years Ended  
June 30, 2011 and 2010 (as restated)**

## CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3 - 4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 15

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Marin Senior Coordinating Council Incorporated  
San Rafael, California

We have audited the accompanying statements of financial position of Marin Senior Coordinating Council Incorporated (a California nonprofit public benefit corporation), as of June 30, 2011 and 2010 (as restated), and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marin Senior Coordinating Council Incorporated as of June 30, 2011 and 2010 (as restated), and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Doran & Associates*

January 25, 2012

**MARIN SENIOR COORDINATING COUNCIL INCORPORATED**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2011 and 2010 (as restated)**

	2011	2010 (Restated)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents (Note 1)	\$ 553,393	\$ 224,549
Accounts and grants receivable (Note 1)	366,531	643,772
Bequests receivable (Note 1)	112,367	692,000
Inventory (Note 1)	32,808	29,835
Prepaid expenses	5,445	43,761
Total current assets	1,070,544	1,633,917
Rental and other deposits	36,688	28,106
Investments (Note 2)	721,634	661,234
Property, equipment and improvements, net of accumulated depreciation of \$2,506,300 at 2011 and \$3,756,887 at 2010 (Notes 1 and 3)	1,053,463	1,227,270
Total assets	\$ 2,882,329	\$ 3,550,527
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 125,773	\$ 197,798
Fares payable (Note 4)	80,811	138,170
Accrued payroll expenses	119,851	110,965
Deferred revenue (Note 1)	250,000	-
Accrued vacation	137,639	163,975
Line of credit (Note 5)	-	370,000
Note payable (Note 6)	-	31,309
Total current liabilities	714,074	1,012,217
Net assets:		
Unrestricted net assets	1,850,698	1,530,987
Temporarily restricted net assets (Note 7)	317,557	1,007,323
Total net assets	2,168,255	2,538,310
Total liabilities and net assets	\$ 2,882,329	\$ 3,550,527

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

**MARIN SENIOR COORDINATING COUNCIL INCORPORATED**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENTS OF ACTIVITIES**  
**For the year ended June 30, 2011**

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
Public support:			
Donations and bequests	\$ 171,025	\$ -	\$ 171,025
Foundation grant	<u>68,000</u>	<u>140,000</u>	<u>208,000</u>
Total support	<u>239,025</u>	<u>140,000</u>	<u>379,025</u>
Revenue:			
Paratransit services	4,085,428	-	4,085,428
Transportation contracts	412,832	-	412,832
Special events	88,471	-	88,471
Food income	84,469	-	84,469
Investment income (Note 2)	152,157	-	152,157
Other	<u>226,382</u>	<u>-</u>	<u>226,382</u>
Total revenue	<u>5,049,739</u>	<u>-</u>	<u>5,049,739</u>
Net assets released from restrictions (Note 8)	<u>829,766</u>	<u>(829,766)</u>	<u>-</u>
Total support, revenue and transfers	<u>6,118,530</u>	<u>(689,766)</u>	<u>5,428,764</u>
<b>EXPENSES</b>			
Program services	4,546,168	-	4,546,168
Management and general	867,512	-	867,512
Fundraising	<u>385,139</u>	<u>-</u>	<u>385,139</u>
Total expenses	<u>5,798,819</u>	<u>-</u>	<u>5,798,819</u>
Change in net assets	319,711	(689,766)	(370,055)
Net assets, beginning of year	<u>1,530,987</u>	<u>1,007,323</u>	<u>2,538,310</u>
Net assets, end of year	<u>\$ 1,850,698</u>	<u>\$ 317,557</u>	<u>\$ 2,168,255</u>

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

**MARIN SENIOR COORDINATING COUNCIL INCORPORATED**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENTS OF ACTIVITIES (CONTINUED)**  
**For the year ended June 30, 2010 (as restated)**

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
Public support:			
Donations and bequests	\$ 322,021	\$ 706,000	\$ 1,028,021
Foundation grant	<u>45,834</u>	<u>229,166</u>	<u>275,000</u>
Total support	<u>367,855</u>	<u>935,166</u>	<u>1,303,021</u>
Revenue:			
Paratransit services	3,772,084	-	3,772,084
Transportation contracts	382,551	-	382,551
Special events	80,929	-	80,929
Food income	80,159	-	80,159
Investment income (Note 2)	111,206	-	111,206
Other	<u>193,622</u>	<u>-</u>	<u>193,622</u>
Total revenue	<u>4,620,551</u>	<u>-</u>	<u>4,620,551</u>
Net assets released from restrictions (Note 8)	<u>316,174</u>	<u>(316,174)</u>	<u>-</u>
Total support, revenue and transfers	<u>5,304,580</u>	<u>618,992</u>	<u>5,923,572</u>
<b>EXPENSES</b>			
Program services	4,651,314	-	4,651,314
Management and general	606,958	-	606,958
Fundraising	<u>573,928</u>	<u>-</u>	<u>573,928</u>
Total expenses	<u>5,832,200</u>	<u>-</u>	<u>5,832,200</u>
Change in net assets	(527,620)	618,992	91,372
Net assets, beginning of year	<u>2,058,607</u>	<u>388,331</u>	<u>2,446,938</u>
Net assets, end of year	<u>\$ 1,530,987</u>	<u>\$ 1,007,323</u>	<u>\$ 2,538,310</u>

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

**MARIN SENIOR COORDINATING COUNCIL INCORPORATED**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the year ended June 30, 2011**

	Program Services				Supporting Services		Total
	Paratransit Services	Transportation Services	Nutrition Services	Other Programs	Management and General	Fundraising	
Salaries	\$ 2,163,287	\$ 166,233	\$ 45,888	\$ 157,752	\$ 517,463	\$ 138,976	\$ 3,189,599
Payroll taxes	202,683	7,704	15,539	10,976	53,515	14,339	304,756
Employee benefits	374,061	34,624	5,047	31,235	56,278	16,424	517,669
Workers compensation	138,375	9,945	811	685	2,648	608	153,072
Food and kitchen supplies	-	-	66,448	131	-	34	66,613
Insurance	163,331	19,514	3,350	7,248	13,602	3,720	210,765
Gas and oil	34,986	24,708	-	-	58	-	59,752
Vehicle registration and maintenance	155,307	33,554	-	-	38	-	188,899
Taxi overflow	74,556	-	-	-	-	-	74,556
Supplies and equipment	17,480	3,140	9,183	1,889	23,937	2,498	58,127
Utilities	20,322	2,233	12,704	-	22,751	-	58,010
Repairs and maintenance	6,597	1,069	4,247	-	19,978	-	31,891
Telecommunications	25,989	5,996	-	-	22,035	-	54,020
Postage, printing and copying	6,593	1,611	106	934	10,777	81,430	101,451
Consultants	8,898	2,039	70,498	6,404	67,619	93,045	248,503
Staff expenses	26,517	4,460	1,357	187	4,044	2,381	38,946
Technology	18,097	2,423	-	-	1,715	2,849	25,084
Taxes and licenses	3,555	277	820	-	5,606	-	10,258
Rent	136,803	10,297	-	-	-	-	147,100
Interest and bank fees	1,382	-	-	-	16,166	23	17,571
Miscellaneous	21,143	17,145	-	630	25,230	1,408	65,556
Depreciation expense	96,502	10,098	26,321	12,244	4,052	27,404	176,621
<b>Total</b>	<b>\$ 3,696,464</b>	<b>\$ 357,070</b>	<b>\$ 262,319</b>	<b>\$ 230,315</b>	<b>\$ 867,512</b>	<b>\$ 385,139</b>	<b>\$ 5,798,819</b>

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

**MARIN SENIOR COORDINATING COUNCIL INCORPORATED**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)**  
**For the year ended June 30, 2010**

	Program Services				Supporting Services			Total
	Paratransit Services	Transportation Services	Nutrition Services	Other Programs	Management and General	Fundraising		
Salaries	\$ 2,195,319	\$ 195,191	\$ 85,211	\$ 166,779	\$ 397,806	\$ 126,011	\$	3,166,317
Payroll taxes	215,024	14,779	6,024	12,497	29,984	9,478		287,786
Employee benefits	354,845	30,123	14,791	27,239	35,517	8,050		470,565
Workers compensation	164,661	15,673	2,992	1,083	2,984	816		188,209
Food and food supplies	52	6	66,492	1,054	240	17		67,861
Insurance	167,382	19,040	4,275	8,440	10,583	4,492		214,212
Gas and oil	5,488	51,588	-	-	-	-		57,076
Vehicle registration and maintenance	178,990	28,701	2	3	197	6		207,899
Taxi overflow	39,504	-	-	-	-	-		39,504
Supplies and equipment	33,761	2,986	2,181	4,537	20,607	3,443		67,515
Utilities	24,410	2,441	11,384	208	15,466	500		54,409
Repairs and maintenance	16,391	1,498	5,409	629	19,315	624		43,866
Telecommunications	27,746	6,272	202	225	16,781	853		52,079
Postage, printing and copying	8,360	435	69	896	5,441	217,882		233,083
Consultants	12,451	1,394	1,343	1,590	17,148	151,141		185,067
Staff expenses	23,729	3,758	2,143	148	2,935	2,496		35,209
Technology	15,142	1,598	13	1,077	1,057	5,442		24,329
Taxes	5,020	502	724	46	3,415	130		9,837
Rent	129,183	12,001	-	-	-	-		141,184
Interest and bank fees	6,672	374	196	219	16,278	526		24,265
Miscellaneous	19,514	394	122	601	7,935	14,455		43,021
Depreciation and amortization	133,661	13,964	28,119	12,328	3,269	27,566		218,907
<b>Total</b>	<b>\$ 3,777,305</b>	<b>\$ 402,718</b>	<b>\$ 231,692</b>	<b>\$ 239,599</b>	<b>\$ 606,958</b>	<b>\$ 573,928</b>	<b>\$</b>	<b>\$ 5,832,200</b>

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



**MARIN SENIOR COORDINATING COUNCIL INCORPORATED**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENTS OF CASH FLOWS**  
**For the years ended June 30, 2011 and 2010**

	2011	2010 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (370,055)	\$ 91,372
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	176,621	218,907
Stock contributions received	-	(4,446)
Realized loss (gain) on investments	10,875	(91)
Unrealized gain on investments	(139,678)	(83,243)
Loss on disposal of property, equipment and improvements	6,613	10,173
Changes in assets and liabilities:		
Accounts and grants receivable	277,241	259,199
Bequests receivable	579,633	(692,000)
Inventory	(2,973)	7,674
Prepaid expenses	38,316	35,066
Rental and other deposits	(8,582)	3,080
Accounts payable and accrued expenses	(72,025)	28,337
Fares payable	(57,359)	69,512
Accrued payroll expenses	8,886	21,901
Deferred revenue	250,000	-
Accrued vacation	(26,336)	34,652
Total adjustments	<u>1,041,232</u>	<u>(91,279)</u>
Net cash provided by operating activities	<u>671,177</u>	<u>93</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, equipment, and improvements	(9,427)	(42,085)
Sale of investments	<u>68,403</u>	<u>186,292</u>
Net cash provided by investing activities	<u>58,976</u>	<u>144,207</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Line of credit	(370,000)	45,000
Note payable	<u>(31,309)</u>	<u>(35,199)</u>
Net cash (used) provided by financing activities	<u>(401,309)</u>	<u>9,801</u>
Net increase in cash and cash equivalents	328,844	154,101
Cash and cash equivalents, beginning of year	<u>224,549</u>	<u>70,448</u>
Cash and cash equivalents, end of year	<u>\$ 553,393</u>	<u>\$ 224,549</u>
Supplementary information:		
Cash paid for interest	<u>\$ 7,509</u>	<u>\$ 16,584</u>
Non-cash transactions: contribution of marketable equity securities	<u>\$ -</u>	<u>\$ 4,446</u>

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

**MARIN SENIOR COORDINATING COUNCIL INCORPORATED**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2011 and 2010**

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Marin Senior Coordinating Council Incorporated was incorporated as a not-for-profit corporation in 1954 to promote the independence and well-being of senior citizens in Marin County, California. The Corporation provides a comprehensive, integrated program of services and activities to enhance their quality of life, and provides paratransit services for elderly and disabled persons. The Corporation receives a major portion of its revenue from transportation services, donations and bequests.

Basis of Presentation - Resources are classified for accounting and reporting purposes into three classes of net assets, according to externally imposed restrictions:

*Unrestricted net assets* - Net assets that are not subject to any donor-imposed restrictions. This class also includes restricted gifts whose donor-imposed restrictions were met during the fiscal year.

*Temporarily restricted net assets* - Net assets resulting (a) from contributions and other inflows of assets whose use by the Corporation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Corporation pursuant to those stipulations, (b) from other asset enhancements and diminishment that are subject to the same kind of stipulations, and (c) from reclassification from (or to) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of the Corporation pursuant to those stipulations.

*Permanently restricted net assets* - Net assets resulting (a) from contributions and other inflows of assets whose use by the Corporation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Corporation, (b) from other asset enhancements and diminishment that are subject to the same kinds of stipulations, and (c) from reclassification from (or to) other classes of net assets as a consequence of donor-imposed stipulations.

There were no permanently restricted net assets as of June 30, 2011 and 2010.

Method of Accounting - The financial statements of the Corporation are prepared using the accrual basis of accounting, which reflects revenue when earned and expenses as incurred.

Cash and Cash Equivalents - Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

Accounts, Grants and Bequests Receivable - It is the practice of the Corporation to expense uncollectibles only after exhausting all efforts to collect the amounts due. There is no allowance for doubtful accounts and management believes all amounts will be collected in full.

**MARIN SENIOR COORDINATING COUNCIL INCORPORATED**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2011 and 2010**

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions - Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Property, Equipment, and Improvements - The Corporation records property, equipment, and improvements at cost of acquisition, or, if donated, the fair market value at the date of donation. Depreciation is recognized using the straight-line method over the useful lives of the assets, which range from 3 to 40 years. The Corporation capitalizes all property and equipment with a cost in excess of \$1,000.

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

Income Taxes - The Corporation is exempt from federal and state taxes under Section 501(c)(3) of the Internal Revenue Service Code and Section 23701d of the California Revenue and Taxation Code, and is considered by the IRS to be an organization other than a private foundation.

Inventory - Inventory consists of raw food and vehicle parts. The items are recorded on a first-in, first-out basis and are valued at the lower of cost or market value.

Deferred Revenue - The Corporation has a fee-for-service agreement that allows the Corporation to receive advances on future reimbursable services. As of June 30, 2011, the Corporation received \$250,000 for July 2011 reimbursable services.

Services of Volunteers - Many individuals volunteer their time and perform a variety of tasks that assist the Corporation with specific assistance programs, campaign solicitations, and various committee assignments. Since such services generally do not meet the requirements for recognition as contributed services they are not recorded.

Subsequent Events - Subsequent events have been evaluated through January 25, 2012, which is the date the financial statements were available to be issued.

Restatement - The financial statements as of and for the year ended June 30, 2010, have been restated to reflect the correction of an error relating to the billing of Paratransit Services and related expenses, increasing Paratransit Services revenue by \$78,171, decreasing related expenses by \$6,903, and increasing the change in net assets by \$85,074 on the Statement of Activity. These changes also increased accounts receivable and unrestricted net assets on the Statement of Financial Position as of June 30, 2010, by \$85,074.

**MARIN SENIOR COORDINATING COUNCIL INCORPORATED**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2011 and 2010**

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASC 740-10, Accounting for Uncertainty in Income Taxes - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Corporation to report information regarding its exposure to various tax positions taken by the Corporation. The Corporation has determined whether any tax positions have met the recognition threshold and have measured the Corporation's exposure to those tax positions. Management believes that the Corporation has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Corporation are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

NOTE 2 INVESTMENTS

The following are the major categories of investments measured at fair value on a recurring basis during the years ended June 30, 2011 and 2010, using quoted prices in active markets for identified assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

	<u>Fair Value Measurements Using</u>			<u>Total</u>
	<u>Quoted Price in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	
<u>June 30, 2011:</u>				
<u>Description</u>				
Equities	\$ 460,928	\$ -	\$ -	\$ 460,928
Fixed income	<u>260,706</u>	<u>-</u>	<u>-</u>	<u>260,706</u>
	<u>\$ 721,634</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 721,634</u>
 <u>June 30, 2010:</u>				
<u>Description</u>				
Equities	\$ 419,984	\$ -	\$ -	\$ 419,984
Fixed income	<u>241,250</u>	<u>-</u>	<u>-</u>	<u>241,250</u>
	<u>\$ 661,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 661,234</u>

The following summarizes the investment income, including amounts earned on interest-bearing cash accounts, for the years ended June 30, 2011 and 2010:

Interest and dividend income, including interest earned on interest-bearing accounts	<u>2011</u>	<u>2010</u>
	\$ 23,354	\$ 27,872
Unrealized gain on investments	139,678	83,243
Realized (loss) gain on investments	<u>(10,875)</u>	<u>91</u>
	<u>\$ 152,157</u>	<u>\$ 111,206</u>

**MARIN SENIOR COORDINATING COUNCIL INCORPORATED**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2011 and 2010**

NOTE 3 PROPERTY, EQUIPMENT, AND IMPROVEMENTS

Property, equipment, and improvements consisted of the following at June 30, 2011 and 2010:

Property, equipment, and improvements, at cost	<u>Land</u>	<u>Building and Leasehold Improvements</u>	<u>Furniture Vehicles, and Equipment</u>	<u>Total</u>
Balance, June 30, 2009	\$ 365,482	\$ 1,895,496	\$ 2,691,267	\$ 4,952,245
Additions	-	22,163	19,922	42,085
Disposals	-	-	(10,173)	(10,173)
Balance, June 30, 2010	365,482	1,917,659	2,701,016	4,984,157
Additions	-	6,004	3,423	9,427
Disposals	-	-	(1,433,821)	(1,433,821)
Balance, June 30, 2011	<u>365,482</u>	<u>1,923,663</u>	<u>1,270,618</u>	<u>3,559,763</u>
<u>Accumulated depreciation</u>				
Balance, June 30, 2009	-	1,304,841	2,233,139	3,537,980
Depreciation expense	-	74,680	144,227	218,907
Balance, June 30, 2010	-	1,379,521	2,377,366	3,756,887
Depreciation expense	-	74,984	101,637	176,621
Disposals	-	-	(1,427,208)	(1,427,208)
Balance, June 30, 2011	<u>-</u>	<u>1,454,505</u>	<u>1,051,795</u>	<u>2,506,300</u>
Property, equipment, and improvements, net	<u>\$ 365,482</u>	<u>\$ 469,158</u>	<u>\$ 218,823</u>	<u>\$ 1,053,463</u>

In addition to the vehicles shown above, the Corporation utilizes vehicles owned by the Marin County Transit District to provide transit services.

NOTE 4 FARES PAYABLE

Fares collected by the Corporation are required to be remitted to the Marin County Transit District. Fares collected during the fiscal years ended June 30, 2011 and 2010, totaled approximately \$292,208 and \$272,768, respectively. At June 30, 2011 and 2010, there was a balance due to the Marin County Transit District of \$80,811 and \$138,170, respectively.

**MARIN SENIOR COORDINATING COUNCIL INCORPORATED**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2011 and 2010**

NOTE 5 LINES OF CREDIT

The Corporation maintains a line of credit with Bank of Marin with a maximum borrowing of \$400,000. The line of credit is secured by \$572,000 in investments owned by the Corporation and requires interest-only monthly payments, with a principal due at maturity, on May 5, 2012. Amounts drawn on the loan bear interest at the bank's Prime Rate, which was 3.25% in 2011 and 2010. As of June 30, 2010, the balance of the line of credit was \$370,000. The line of credit was repaid during the year ended June 30, 2011, and no amount was drawn as of June 30, 2011.

In December 2009 the Corporation opened a revolving line of credit with Tamalpais Bank (now Union Bank) with a maximum borrowing of \$500,000. The line of credit was secured by inventory, chattel paper, accounts and equipment and required interest-only monthly payments, with the principal balance due at maturity. Amounts drawn on the loan bore interest at Prime Rate Index. The loan matured January 1, 2011, and the line of credit was closed. As of June 30, 2010, no amount had been drawn on this line of credit.

NOTE 6 NOTE PAYABLE

On April 25, 2006, the Corporation borrowed \$165,000 from the Marin Community Foundation for leasehold improvements. As of June 30, 2010, the balance of the loan was \$31,309, which was collateralized by investments owned by the Corporation, subordinate to the Bank of Marin line of credit (see Note 5). During the year ended June 30, 2011, the note was paid in full. The note bore interest at the rate of 6% per annum and required monthly payments of \$3,190 for 60 months, maturing in May 2011.

NOTE 7 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets represent donations, grants, and gifts to the Corporation, which have been restricted by time and/or purpose and consisted of the following at June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Vehicles	\$ 65,190	\$ 67,391
Nutrition	46,667	77,916
Multicultural	46,667	96,432
Programs	46,666	59,584
Transportation	-	14,000
Time-restricted	<u>112,367</u>	<u>692,000</u>
	<u>\$ 317,557</u>	<u>\$ 1,007,323</u>

**MARIN SENIOR COORDINATING COUNCIL INCORPORATED**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2011 and 2010**

**NOTE 8 TEMPORARILY RESTRICTED NET ASSETS RELEASED FROM RESTRICTIONS**

The Corporation fulfilled the time and/or purpose restrictions of the following temporarily restricted items and they were released to unrestricted net assets at June 30, 2011 and 2010:

	2011	2010
Vehicles	\$ -	\$ 17,955
Transportation	16,201	-
Operating	-	4,209
Multicultural	96,432	2,343
Nutrition	77,916	-
Programs	59,584	-
Time-restricted	579,633	291,667
	\$ 829,766	\$ 316,174

**NOTE 9 OPERATING LEASES AND LONG-TERM CONTRACTS**

The Corporation has entered into several operating leases and long-term contracts as follows:

- In July 2005, the Corporation entered into a lease to rent property at 15 Jordan Street, San Rafael. The term of the lease is from July 1, 2005 through June 30, 2012. The rent is \$12,258 per month (\$11,765 for 2010), subject to annual adjustment based on changes in the consumer price index. Total rent expense under this lease for the years ended June 30, 2011 and 2010, was \$147,099 and \$141,184, respectively.
- In August 2006, the Corporation entered into a lease to rent telephone equipment. On July 12, 2011, the lease was modified to extend the maturity to July 15, 2012 and the monthly payments to \$469. For the years ended June 30, 2011 and 2010, the Corporation paid \$10,299 and \$9,882, respectively, under this lease.
- In March 2008, the Corporation entered into a lease for a photocopier. The lease is for 60 months and requires monthly payments of \$452. For the years ended June 30, 2011 and 2010, the Corporation paid \$10,526 and \$10,798, respectively, under this lease.
- In February 2009, the Corporation entered into a lease for a postage meter. The lease is for 63 months and requires quarterly payments of \$265. For the years ended June 30, 2011 and 2010, the Corporation paid \$996 and \$1,294, respectively, under this lease.
- In June 2010, the Organization entered into a lease agreement for equipment. The lease is for 60 months and requires monthly payments of \$110. For the years ended June 30, 2011 and 2010, the Corporation paid \$1,595 and \$0, respectively, under this lease.
- The Corporation has entered into a long-term contract for elevator maintenance. The contract matures February 2014, and required quarterly payments of \$584, which were reduced during the year ended June 30, 2010 to quarterly payments of \$225. For the years ended June 30, 2011 and 2010, the Corporation paid \$955 and \$1,277, respectively, under this contract.

**MARIN SENIOR COORDINATING COUNCIL INCORPORATED**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2011 and 2010**

NOTE 9 OPERATING LEASES AND LONG-TERM CONTRACTS (Continued)

Minimum future obligations under these operating leases and long-term contracts are:

<u>Year ending June 30,</u>	<u>Jordan Street</u>	<u>Copier</u>	<u>Elevator Maintenance, Telephone and Other Equipment</u>	<u>Total</u>
2012	\$ 147,099	\$ 5,424	\$ 7,844	\$ 160,367
2013	-	4,068	2,216	6,284
2014	-	-	1,991	1,991
2015	-	-	1,316	1,316
	<u>\$ 147,099</u>	<u>\$ 9,492</u>	<u>\$ 13,367</u>	<u>\$ 169,958</u>

NOTE 10 TAX-SHELTERED ANNUITY PLAN

The Corporation sponsors a tax-sheltered annuity plan in accordance with Internal Revenue Code Section 403(b). Employees may participate and are allowed to direct a portion of their compensation into a tax-deferred account after 90 days of employment. The Corporation also contributes up to 3% of eligible participants' compensation to the employees' account after one year of service. Employer contributions made for the years ended June 30, 2011 and 2010 totaled \$37,963 and \$26,504, respectively.

NOTE 11 CONCENTRATIONS

The Corporation has provided services to the Marin County Transit District (MCTD) for more than 20 years and earned gross revenue of approximately \$4,215,787 in the year ended June 30, 2011, which comprises approximately 78% of the Corporation's total gross revenue for the year (66% for 2010).



**MARIN SENIOR COORDINATING COUNCIL INCORPORATED**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2011 and 2010**

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**NOTE 12 IMPACT OF PROPOSED SMART STATION SITE**

The Corporation owns and operates its Active Aging Center in an owned building adjacent to the proposed Downtown San Rafael station of the Sonoma Marin Area Rail Train (SMART). Management believes that the construction and operation of this station adjacent to the Active Aging Center will have a severe impact on the Corporation's ability to provide its services to the elderly and disabled.

Recent events indicate there will be no impact on the Corporation until the Summer of 2013 at the earliest. Management intends to vigorously pursue all available remedies to protect its property and operations.

**NOTE 13 CONTINGENCIES AND COMMITMENTS**

The Corporation relies on a significant amount of funding received in the form of donations and grants from individuals and foundations as well as investment income to support its operations. The current global financial markets and discussions of a U.S. economic downturn may have an impact on the level of funding provided by these funding sources and the market value of marketable equity securities held by the Corporation. While it is impracticable to determine the impact of these events, management is taking steps to address potential changes in funding levels and reduce the Corporation's exposure to impact from these events.

**NOTE 14 LITIGATION**

The Corporation has been named in vehicle-related lawsuits and employment-related claims. All suits are being addressed by the Corporation's insurance companies. In the opinion of management, all potential damages will be covered by insurance with no out-of-pocket costs being incurred by the Corporation.