

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

FINANCIAL STATEMENTS

**For the Years Ended
June 30, 2013 and 2012**

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Marin Senior Coordinating Council Incorporated (a California nonprofit public benefit corporation), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



October 30, 2013

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

STATEMENTS OF FINANCIAL POSITION
June 30, 2013 and 2012

	2013	2012
ASSETS		
Current assets:		
Cash and cash equivalents (Note 1)	\$ 343,438	\$ 202,101
Accounts and grants receivable (Note 1)	346,680	373,429
Bequests receivable (Note 1)	-	16,000
Inventory (Note 1)	26,553	38,474
Prepaid expenses	<u>66,567</u>	<u>26,208</u>
Total current assets	783,238	656,212
Rental and other deposits	86,205	61,713
Investments (Note 2)	711,653	647,811
Construction in progress (Note 3)	17,284	-
Property, equipment and improvements, net of accumulated depreciation of \$2,807,597 at 2013 and \$2,666,099 at 2012 (Notes 1 and 3)	<u>833,878</u>	<u>908,094</u>
Total assets	<u>\$ 2,432,258</u>	<u>\$ 2,273,830</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 136,707	\$ 141,398
Fares payable (Note 4)	108,511	79,880
Accrued payroll expenses	202,471	166,912
Deferred revenue (Note 1)	2,148	6,869
Accrued vacation	144,394	124,297
Capital lease, current portion (Note 5)	<u>7,893</u>	<u>-</u>
Total current liabilities	602,124	519,356
Capital lease, net of current portion (Note 5)	<u>32,619</u>	<u>-</u>
Total liabilities	<u>634,743</u>	<u>519,356</u>
Net assets:		
Unrestricted net assets	1,645,461	1,534,020
Temporarily restricted net assets (Note 6)	<u>152,054</u>	<u>220,454</u>
Total net assets	<u>1,797,515</u>	<u>1,754,474</u>
Total liabilities and net assets	<u>\$ 2,432,258</u>	<u>\$ 2,273,830</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
For the year ended June 30, 2013

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Public support:			
Donations and bequests	\$ 199,263	\$ -	\$ 199,263
Foundation grant	112,500	87,000	199,500
Total support	<u>311,763</u>	<u>87,000</u>	<u>398,763</u>
Revenue:			
Paratransit services	4,730,187	-	4,730,187
Transportation contracts	516,173	-	516,173
Special events	109,661	-	109,661
Nutrition services	365,248	-	365,248
Investment income (Note 2)	65,720	-	65,720
Other	156,357	-	156,357
Total revenue	<u>5,943,346</u>	<u>-</u>	<u>5,943,346</u>
Net assets released from restrictions (Note 8)	<u>155,400</u>	<u>(155,400)</u>	<u>-</u>
Total support, revenue and transfers	<u>6,410,509</u>	<u>(68,400)</u>	<u>6,342,109</u>
EXPENSES			
Program services	5,278,734	-	5,278,734
Management and general	773,665	-	773,665
Fundraising	246,669	-	246,669
Total expenses	<u>6,299,068</u>	<u>-</u>	<u>6,299,068</u>
Change in net assets	111,441	(68,400)	43,041
Net assets, beginning of year	<u>1,534,020</u>	<u>220,454</u>	<u>1,754,474</u>
Net assets, end of year	<u>\$ 1,645,461</u>	<u>\$ 152,054</u>	<u>\$ 1,797,515</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, 2012

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Public support:			
Donations and bequests	\$ 155,851	\$ 20,000	\$ 175,851
Foundation grant	105,000	135,400	240,400
Total support	<u>260,851</u>	<u>155,400</u>	<u>416,251</u>
Revenue:			
Paratransit services	4,416,028	-	4,416,028
Transportation contracts	433,415	-	433,415
Special events	124,382	-	124,382
Nutrition services	140,742	-	140,742
Investment income (Note 2)	37,234	-	37,234
Other	135,684	-	135,684
Total revenue	<u>5,287,485</u>	<u>-</u>	<u>5,287,485</u>
Net assets released from restrictions (Note 8)	<u>252,503</u>	<u>(252,503)</u>	<u>-</u>
Total support, revenue and transfers	<u>5,800,839</u>	<u>(97,103)</u>	<u>5,703,736</u>
EXPENSES			
Program services	4,893,791	-	4,893,791
Management and general	951,230	-	951,230
Fundraising	272,496	-	272,496
Total expenses	<u>6,117,517</u>	<u>-</u>	<u>6,117,517</u>
Change in net assets	(316,678)	(97,103)	(413,781)
Net assets, beginning of year	<u>1,850,698</u>	<u>317,557</u>	<u>2,168,255</u>
Net assets, end of year	<u>\$ 1,534,020</u>	<u>\$ 220,454</u>	<u>\$ 1,754,474</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, 2013

	Program Services			Supporting Services		Total
	Transportation Services	Nutrition Services	Active Aging	Management and General	Fundraising	
Salaries	\$ 2,520,406	\$ 145,002	\$ 208,790	\$ 360,172	\$ 120,447	\$ 3,354,817
Payroll taxes	229,158	14,048	18,968	25,180	9,672	297,026
Employee benefits	420,739	8,334	24,185	62,202	11,166	526,626
Workers compensation	348,063	8,964	3,618	4,317	4,742	369,704
Food and kitchen supplies	-	92,386	66	-	-	92,452
Insurance	165,480	1,162	2,253	8,370	1,819	179,084
Gas and oil	65,899	1,972	-	707	-	68,578
Vehicle registration and maintenance	201,941	1,922	-	-	95	203,958
Sub-contracted vehicle expense	12,949	4,321	-	-	-	17,270
Supplies and equipment	20,299	9,057	3,213	13,016	339	45,924
Utilities	23,796	16,271	-	22,299	-	62,366
Repairs and maintenance	7,056	11,643	-	10,562	-	29,261
Telecommunications	33,631	1,260	-	20,649	-	55,540
Postage, printing and copying	13,173	1,211	2,869	8,201	21,154	46,608
Consultants	140,054	3,571	-	156,998	51,292	351,915
Kitchen staff / consultant	-	100,800	-	-	-	100,800
Staff expenses	75,866	17,805	2,377	9,727	3,189	108,964
Information technology	19,800	160	-	6,913	2,976	29,849
Taxes and licenses	1,151	1,337	297	4,796	226	7,807
Rent	130,608	-	-	-	-	130,608
Interest and bank fees	-	-	-	12,631	-	12,631
Miscellaneous	17,734	1,850	1,496	39,702	5,000	65,782
Depreciation expense	91,811	11,724	16,188	7,223	14,552	141,498
Total	\$ 4,539,614	\$ 454,800	\$ 284,320	\$ 773,665	\$ 246,669	\$ 6,299,068

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, 2012

	Program Services			Supporting Services		Total
	Transportation Services	Nutrition Services	Active Aging	Management and General	Fundraising	
Salaries	\$ 2,360,518	\$ 16,143	\$ 249,588	\$ 501,110	\$ 126,066	\$ 3,253,425
Payroll taxes	276,954	11,385	24,991	43,474	14,578	371,382
Employee benefits	417,939	1,482	30,547	86,562	16,965	553,495
Workers compensation	192,780	426	1,769	3,078	3,575	201,628
Food and kitchen supplies	-	89,492	510	-	-	90,002
Insurance	160,078	486	7,201	9,244	1,950	178,959
Gas and oil	62,228	-	-	315	-	62,543
Vehicle registration and maintenance	210,894	-	2,177	377	-	213,448
Sub-contracted vehicle expense	50,863	-	-	-	-	50,863
Supplies and equipment	16,469	3,259	1,276	26,271	1,548	48,823
Utilities	24,805	15,417	-	24,582	-	64,804
Repairs and maintenance	6,483	7,306	-	8,219	-	22,008
Telecommunications	30,079	-	1,155	21,602	-	52,836
Postage, printing and copying	7,498	222	3,912	9,572	27,632	48,836
Consultants	111,248	100,800	3,748	170,627	60,202	446,625
Staff expenses	40,207	2,746	14,486	6,427	743	64,609
Information technology	19,601	-	298	1,409	949	22,257
Taxes and licenses	4,589	1,337	200	5,238	-	11,364
Rent	150,041	-	-	-	-	150,041
Interest and bank fees	-	-	-	11,983	-	11,983
Miscellaneous	20,577	-	983	14,097	2,130	37,787
Depreciation expense	105,909	13,002	17,687	7,043	16,158	159,799
Total	\$ 4,269,760	\$ 263,503	\$ 360,528	\$ 951,230	\$ 272,496	\$ 6,117,517

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, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 43,041	\$ (413,781)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	141,498	159,799
Unrealized (gain) loss on investments	(9,929)	8,208
Changes in assets and liabilities:		
Accounts and grants receivable	26,749	(6,898)
Bequests receivable	16,000	96,367
Inventory	11,921	(5,666)
Prepaid expenses	(40,359)	(20,763)
Rental and other deposits	(24,492)	(25,025)
Accounts payable and accrued expenses	(4,691)	15,625
Fares payable	28,631	(931)
Accrued payroll expenses	35,559	47,061
Deferred revenue	(4,721)	(243,131)
Accrued vacation	20,097	(13,342)
Total adjustments	<u>196,263</u>	<u>11,304</u>
Net cash provided (used) by operating activities	<u>239,304</u>	<u>(402,477)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, equipment, and improvements	(26,770)	(14,430)
Cash paid for work in progress	(17,284)	-
Purchases of investments	(53,913)	-
Sale of investments	-	65,615
Net cash (used) provided by investing activities	<u>(97,967)</u>	<u>51,185</u>
Net increase (decrease) in cash and cash equivalents	141,337	(351,292)
Cash and cash equivalents, beginning of year	<u>202,101</u>	<u>553,393</u>
Cash and cash equivalents, end of year	<u>\$ 343,438</u>	<u>\$ 202,101</u>
Supplementary information:		
Cash paid for interest	<u>\$ 2,635</u>	<u>\$ 2,787</u>
Non-cash transactions:		
Capital addition offset by capital lease	<u>\$ 40,512</u>	<u>\$ -</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, 2013 and 2012

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Celebrating its 60th year in 2014, Marin Senior Coordinating Council Inc. (dba Whistlestop) promotes the independence, well-being and quality of life for older adults and people living with disabilities in Marin County. Whistlestop achieves this mission by providing a variety of transportation, nutrition and activity services that address its clients' essential needs. These vital resources enable individuals to live more engaged and active lives for as long as possible.

Whistlestop provides special needs transportation services through Marin Access, a partnership of Whistlestop, Marin Transit and Golden Gate Transit. The agency's Jackson Café offers Whistlestop clients a warm, welcoming atmosphere and fresh, affordable lunchtime meals prepared by culinary institute graduates. Whistlestop's Active Aging Center provides educational classes, multicultural gatherings and helpful information and referral services.

This year, the organization's Marin Access collaboration provided 132,000 paratransit trips, an increase of 4% from the previous year. The Jackson Café served 18,373 meals, 95% of which were discounted meals for older adults. The Meals on Wheels home delivery program served an average of 250 monthly recipients, with over 5,400 meals delivered each month. The Active Aging Center continued to see a rise in the number of participants: 7,724 multicultural outreach contacts were made, 4,073 people engaged in exercise and wellness classes, 3,400 participants were involved with the center's social groups, 1,809 participants partook of the nutritional services offered, and over 1,000 other participants took advantage of computer classes and other information and referral services offered by the Active Aging Center.

In order to ensure that a wide population of older adults and individuals with disabilities receive services and support, Whistlestop relies heavily on the generosity of its many volunteers, who teach classes, deliver meals, provide support services and work in the Jackson Café.

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.

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.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2013 and 2012

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

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 diminishments 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, 2013 and 2012.

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. From time to time, amounts on deposit may exceed federally-insured limits.

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.

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.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2013 and 2012

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

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 printed fundraising mailers 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, 2013 and 2012, the Corporation received \$2,148 and \$6,869, respectively, for future 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 October 30, 2013, which is the date the financial statements were available to be issued.

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.

Reclassifications - Certain balances at, and for the year ended June 30, 2012, were reclassified to conform with June 30, 2013, balances.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2013 and 2012

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, 2013 and 2012, using quoted prices in active markets for identified assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

<u>Description</u>	Fair Value Measurements Using			<u>Total</u>
	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<u>June 30, 2013:</u>				
Equities	\$ 260,606	\$ -	\$ -	\$ 260,606
Fixed income	<u>451,047</u>	<u>-</u>	<u>-</u>	<u>451,047</u>
	<u>\$ 711,653</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 711,653</u>
<u>June 30, 2012:</u>				
Equities	\$ 290,628	\$ -	\$ -	\$ 290,628
Fixed income	<u>357,183</u>	<u>-</u>	<u>-</u>	<u>357,183</u>
	<u>\$ 647,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 647,811</u>

The following summarizes the investment income (loss), including amounts earned on interest-bearing cash accounts, for the years ended June 30, 2013 and 2012:

Interest and dividend income, including	2013	2012
interest earned on interest-bearing accounts	\$ 55,791	\$ 45,442
Unrealized gain (loss) on investments	<u>9,929</u>	<u>(8,208)</u>
	<u>\$ 65,720</u>	<u>\$ 37,234</u>

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2013 and 2012

NOTE 3 PROPERTY, EQUIPMENT, AND IMPROVEMENTS

Property, equipment, and improvements consisted of the following at June 30, 2013 and 2012:

<u>Property, equipment, and improvements, at cost</u>	<u>Land</u>	<u>Building and Leasehold Improvements</u>	<u>Furniture Vehicles, and Equipment</u>	<u>Total</u>
Balance, June 30, 2011	\$ 365,482	\$ 1,923,663	\$ 1,270,618	\$ 3,559,763
Additions	-	2,750	11,680	14,430
Balance, June 30, 2012	365,482	1,926,413	1,282,298	3,574,193
Additions	-	-	67,282	67,282
Balance, June 30, 2013	<u>365,482</u>	<u>1,926,413</u>	<u>1,349,580</u>	<u>3,641,475</u>
<u>Accumulated depreciation</u>				
Balance, June 30, 2011	-	1,454,505	1,051,795	2,506,300
Depreciation expense	-	69,852	89,947	159,799
Balance, June 30, 2012	-	1,524,357	1,141,742	2,666,099
Depreciation expense	-	65,012	76,486	141,498
Balance, June 30, 2013	<u>-</u>	<u>1,589,369</u>	<u>1,218,228</u>	<u>2,807,597</u>
Property, equipment, and improvements, net	<u>\$ 365,482</u>	<u>\$ 337,044</u>	<u>\$ 131,352</u>	<u>\$ 833,878</u>

In addition to the vehicles shown above, the Corporation utilizes vehicles owned by the Marin County Transit District to provide transit services. The value of those County-owned vehicles is not reflected in these financial statements.

During the year ended June 30, 2013, the Corporation entered into a memorandum of understanding to renovate the existing building (see Note 13). As of June 30, 2013, \$17,284 was incurred in pre-development costs related to this project.

NOTE 4 FARES PAYABLE

Fares collected by the Corporation are required to be remitted to the Marin County Transit District. At June 30, 2013 and 2012, there was a balance due to the Marin County Transit District of \$108,511 and \$79,880, respectively.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2013 and 2012

NOTE 5 CAPITAL LEASE

During the year ended June 30, 2013, the Corporation entered into a capital lease agreement for telephone equipment. The lease requires 60 monthly payments of principal and interest of \$916 plus tax, and has a \$1 purchase option at maturity. During the year ended June 30, 2013, the Corporation paid \$4,597 under this lease.

Minimum future principal obligations under this capital lease are:

Year ending June 30,		
2014	\$	7,893
2015		8,591
2016		9,350
2017		10,177
2018		4,501
	\$	40,512

NOTE 6 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, 2013 and 2012:

	2013	2012
Vehicles	\$ 65,054	\$ 65,054
Time-restricted	78,500	110,000
Promote volunteerism, Marin Community Foundation	8,500	10,000
Transportation	-	30,400
Jackson's Café	-	5,000
	\$ 152,054	\$ 220,454

NOTE 7 LINE 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 investments owned by the Corporation and requires interest-only monthly payments, with a principal due at maturity on May 5, 2014. Amounts drawn on the loan bear interest at the bank's Prime Rate, which was 3.25% in 2013 and 2012. As of June 30, 2013 and 2012, no amounts were outstanding on this line of credit.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2013 and 2012

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, 2013 and 2012:

	2013	2012
Time-restricted	\$ 110,000	\$ 112,367
Transportation	30,400	-
Promote Volunteerism, Marin Community Foundation	10,000	-
Jackson Café	5,000	-
Multicultural	-	46,667
Nutrition	-	46,667
Programs	-	46,666
Vehicles	-	136
	\$ 155,400	\$ 252,503

NOTE 9 OPERATING LEASES AND LONG-TERM CONTRACTS

The Corporation has entered into 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, 2014. The rent was \$10,013 per month for 2013 (\$12,503 for 2012), subject to annual adjustment based on changes in the consumer price index. Total rent expense under this lease for the years ended June 30, 2013 and 2012, was \$120,159 and \$150,041, 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 month-to-month thereafter, and the monthly payments to \$469. In 2013, a new phone system was installed and this equipment was returned. For the years ended June 30, 2013 and 2012, the Corporation paid \$7,477 and \$9,981, 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, 2013 and 2012, the Corporation paid \$7,724 and \$7,251, 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, 2013 and 2012, the Corporation paid \$1,060 and \$1,256, respectively, under this lease.

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

- 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, 2013 and 2012, the Corporation paid \$1,316 each year 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 \$225. For the years ended June 30, 2013 and 2012, the Corporation paid \$1,043 and \$996, respectively, under this contract.
- During the year ended June 30, 2012, the Corporation entered into two vehicles leases maturing January 2014. The leases require monthly payments of \$719 and \$718, respectively. For the years ended June 30, 2013 and 2012, the Corporation paid \$15,887 and \$10,592, respectively, under these leases.

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

<u>Year ending June 30,</u>	<u>Jordan Street</u>	<u>Vehicles</u>	<u>Copiers and Other Equipment</u>	<u>Total</u>
2014	\$ 130,608	\$ 10,055	\$ 5,171	\$ 145,834
2015	-	-	1,316	1,316
	<u>\$ 130,608</u>	<u>\$ 10,055</u>	<u>\$ 6,487</u>	<u>\$ 147,150</u>

NOTE 10 RELATED PARTY TRANSACTIONS

During the years ended June 30, 2013 and 2012, the Corporation engaged the services of a member of the Board of Directors for consulting related to the Transportation program. This transaction was approved by a majority vote of the dis-interested Board members. For the year ended June 30, 2013 and 2012, \$137,135 and \$108,421, respectively, was paid in fees/commissions under this engagement, and at June 30, 2013 and 2012, \$1,992 and \$829, respectively, was accrued under the agreement.

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NOTE 11 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, 2013 and 2012 totaled \$44,265 and \$54,859, respectively.

NOTE 12 CONCENTRATIONS

The Corporation has provided services to the Marin County Transit District (MCTD) for more than 20 years and earned gross revenue of approximately \$4,628,791 in the year ended June 30, 2013, which comprises approximately 72% of the Corporation's total gross revenue for the year (81% for 2012).

NOTE 13 REDEVELOPMENT AND IMPACT OF PROPOSED SMART STATION SITE

Whistlestop owns the property, 930 Tamalpais Avenue, San Rafael, which houses the organization's Active Aging Center. The planned location of the Sonoma Marin Area Rail Train (SMART) downtown San Rafael station is adjacent to the east side of the property. SMART is scheduled to begin construction in late 2014. During the past three years, Whistlestop management has been working with the SMART staff and the City of San Rafael to determine the SMART downtown station location's impact on Whistlestop's property.

In addressing the planned SMART downtown location, Whistlestop has embarked on a redevelopment plan for its existing property and site. The redevelopment plan proposes a re-build to include the addition of up to 51 senior affordable housing units combined with a new state of the art Active Aging center. The organization will be partnership with a notable nonprofit housing organization to develop, construct and manage the housing component of the project.

In February 2013, Whistlestop's board approved the MOU with Eden Housing that allowed for the predevelopment and due diligence phase of the project to proceed. Eden Housing is managing the predevelopment work and is also covering the expenses for work being done during this phase. Once this work is completed Whistlestop and Eden Housing will enter into negotiations for a Purchase and Sale Agreement (PSA) for the 930 Tamalpais Avenue property. Terms for the PSA are described in the MOU. It is anticipated that the PSA negotiations will take place during the spring of 2014.

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NOTE 13 REDEVELOPMENT AND IMPACT OF PROPOSED SMART STATION SITE (Continued)

Whistlestop has been involved in continuing discussions with SMART concerning the potential impact of their construction in front of the 930 Tamalpais Avenue property. As of this date, SMART has not provided a definitive timeline for construction to begin in front of the Whistlestop Active Aging Center. SMART continues to inform the public that they anticipate train service to begin operations in 2016.

As of the report date, the total cost of the development had not been determined, and only pre-development costs of \$17,284 have been recorded in these financial statements.

NOTE 14 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 15 SUBSEQUENT EVENTS

Subsequent to June 30, 2013, the Corporation assumed the role of fiscal sponsor for the Marin Valentine's Ball, a fundraising event supporting MSCC and three other local nonprofit organizations.