

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**For the Years Ended
June 30, 2015 and 2014**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Marin Senior Coordinating Council (a California nonprofit public benefit corporation), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Marin Senior Coordinating Council as of June 30, 2015 and 2014, 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.

Other Matters*Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2015, on our consideration of the Marin Senior Coordinating Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marin Senior Coordinating Council's internal control over financial reporting and compliance.

Doran & Associates

November 16, 2015

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

STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents (Note 1)	\$ 974,610	\$ 698,752
Restricted cash, split-interest agreement (Note 2)	-	6,463
Accounts and grants receivable (Note 1)	1,284,755	379,185
Accounts receivable, split-interest agreement (Note 2)	-	13,107
Current portion of pledge receivable (Note 3)	500,000	-
Inventory (Note 1)	26,225	27,005
Prepaid expenses	75,526	104,006
Total current assets	2,861,116	1,228,518
Rental and other deposits	62,348	98,077
Investments (Note 4)	761,009	737,896
Pledge receivable, net of current portion and present value discount (Note 3)	1,985,100	-
Property held under split-interest agreement (Note 2)	-	23,090
Construction in progress (Note 5)	8,064	8,064
Property, equipment and improvements, net of accumulated depreciation of \$2,959,084 at 2015 and \$2,824,968 at 2014 (Notes 1 and 5)	845,872	805,764
Total assets	\$ 6,523,509	\$ 2,901,409
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 205,749	\$ 147,930
Fares payable (Note 6)	143,098	121,681
Accrued payroll expenses	375,424	247,702
Deferred revenue (Note 1)	15,102	-
Accrued vacation	224,650	173,609
Capital lease, current portion (Note 7)	14,086	8,591
Total current liabilities	978,109	699,513
Capital lease, net of current portion (Note 7)	30,230	24,028
Total liabilities	1,008,339	723,541
Net assets:		
Unrestricted net assets	2,161,561	1,936,564
Temporarily restricted net assets (Note 8)	3,353,609	241,304
Total net assets	5,515,170	2,177,868
Total liabilities and net assets	\$ 6,523,509	\$ 2,901,409

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, 2015

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Public support:			
Donations, pledges, and bequests	\$ 607,182	\$ 3,188,555	\$ 3,795,737
Special event support (Note 10)	114,406	-	114,406
Foundation grants	117,167	100,000	217,167
Total support	<u>838,755</u>	<u>3,288,555</u>	<u>4,127,310</u>
Revenue:			
Paratransit services	5,607,759	-	5,607,759
Transportation contracts	1,998,191	-	1,998,191
Nutrition services	285,789	-	285,789
Special event, earned income (Note 10)	42,245	-	42,245
Investment income (Note 4)	33,392	-	33,392
Other	288,455	-	288,455
Total revenue	<u>8,255,831</u>	<u>-</u>	<u>8,255,831</u>
Net assets released from restrictions (Note 11)	<u>176,250</u>	<u>(176,250)</u>	<u>-</u>
Total support, revenue, and transfers	<u>9,270,836</u>	<u>3,112,305</u>	<u>12,383,141</u>
EXPENSES			
Program services	7,796,207	-	7,796,207
Management and general	631,346	-	631,346
Fundraising	575,501	-	575,501
Total expenses	<u>9,003,054</u>	<u>-</u>	<u>9,003,054</u>
Change in net assets before other revenue/expense	267,782	3,112,305	3,380,087
OTHER REVENUE/EXPENSE			
Transfer of split-interest event to fiscal sponsor (Note 2)	<u>(42,785)</u>	<u>-</u>	<u>(42,785)</u>
Change in net assets	224,997	3,112,305	3,337,302
Net assets, beginning of year	<u>1,936,564</u>	<u>241,304</u>	<u>2,177,868</u>
Net assets, end of year	<u>\$ 2,161,561</u>	<u>\$ 3,353,609</u>	<u>\$ 5,515,170</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, 2014

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Public support:			
Donations and bequests	\$ 399,901	\$ 60,000	\$ 459,901
Foundation grants	107,250	116,250	223,500
Total support	<u>507,151</u>	<u>176,250</u>	<u>683,401</u>
Revenue:			
Paratransit services	5,194,254	-	5,194,254
Transportation contracts	520,559	-	520,559
Nutrition services	291,990	-	291,990
Investment income (Note 4)	85,805	-	85,805
Other	140,682	-	140,682
Total revenue	<u>6,233,290</u>	<u>-</u>	<u>6,233,290</u>
Net assets released from restrictions (Note 11)	<u>87,000</u>	<u>(87,000)</u>	<u>-</u>
Total support, revenue, and transfers	<u>6,827,441</u>	<u>89,250</u>	<u>6,916,691</u>
EXPENSES			
Program services	5,675,184	-	5,675,184
Management and general	648,396	-	648,396
Fundraising	308,993	-	308,993
Total expenses	<u>6,632,573</u>	<u>-</u>	<u>6,632,573</u>
Change in net assets before other revenue/expense	194,868	89,250	284,118
OTHER REVENUE/EXPENSE			
Proceeds from split-interest event, net of expenses (Note 2)	<u>96,235</u>	<u>-</u>	<u>96,235</u>
Change in net assets	291,103	89,250	380,353
Net assets, beginning of year	<u>1,645,461</u>	<u>152,054</u>	<u>1,797,515</u>
Net assets, end of year	<u>\$ 1,936,564</u>	<u>\$ 241,304</u>	<u>\$ 2,177,868</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, 2015

	Program Services			Supporting Services		Total
	Transportation Services	Nutrition Services	Active Aging	Management and General	Fundraising	
Salaries	\$ 3,924,780	\$ 188,108	\$ 251,138	\$ 360,726	\$ 189,158	\$ 4,913,910
Payroll taxes	353,371	18,128	21,573	28,183	20,126	441,381
Employee benefits	584,903	24,505	30,913	44,873	18,543	703,737
Workers compensation	510,092	14,465	3,909	11,257	1,909	541,632
Food and kitchen supplies	-	85,722	229	-	-	85,951
Insurance	257,136	11,084	4,645	8,203	3,208	284,276
Gas and oil	163,985	3,782	-	962	-	168,729
Vehicle registration and maintenance	225,050	1,467	-	-	-	226,517
Vehicle leasing	30,889	8,278	-	-	-	39,167
Supplies and equipment	36,888	6,483	7,942	10,155	2,239	63,707
Utilities	29,378	20,378	10,658	8,525	2,132	71,071
Repairs and maintenance	20,446	10,593	9,530	7,623	1,906	50,098
Telecommunications	28,165	2,040	7,567	5,798	2,616	46,186
Postage and printing	18,465	2,501	2,317	6,485	51,753	79,521
Marketing and promotion	10,825	218	2,707	-	63,979	77,729
Consultants	90,514	-	3,629	90,487	147,513	332,143
Kitchen staff	-	120,782	-	-	-	120,782
Staff expenses	155,873	11,907	6,756	2,510	2,756	179,802
Information technology	35,018	-	2,245	530	3,354	41,147
Taxes and licenses	2,000	2,513	2,766	1,106	553	8,938
Rent	201,397	15,000	37,500	15,000	7,500	276,397
Interest and bank fees	10,119	500	100	163	1,044	11,926
Miscellaneous	51,437	2,244	3,620	4,231	42,659	104,191
Depreciation expense	54,731	18,988	23,315	24,529	12,553	134,116
Total	\$ 6,793,462	\$ 569,686	\$ 433,059	\$ 631,346	\$ 575,501	\$ 9,003,054

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, 2014

	Program Services			Supporting Services			Total
	Transportation Services	Nutrition Services	Active Aging	Management and General	Fundraising		
Salaries	\$ 2,747,109	\$ 155,301	\$ 212,873	\$ 264,190	\$ 149,223	\$	3,528,696
Payroll taxes	244,941	14,007	20,093	23,792	12,142		314,975
Employee benefits	420,537	19,500	23,620	42,656	14,476		520,789
Workers compensation	420,711	13,206	3,091	5,525	1,961		444,494
Food and kitchen supplies	-	87,447	880	-	-		88,327
Insurance	224,579	5,369	3,025	7,213	2,079		242,265
Gas and oil	65,742	3,552	20	107	-		69,421
Vehicle registration and maintenance	156,795	1,779	-	-	-		158,574
Vehicle leasing	-	12,930	-	-	-		12,930
Supplies and equipment	21,882	3,893	8,551	5,710	2,495		42,531
Utilities	26,775	19,987	-	22,513	-		69,275
Repairs and maintenance	11,099	10,618	35	9,643	-		31,395
Telecommunications	22,495	1,851	3,806	6,816	2,342		37,310
Postage and printing	18,797	2,073	3,181	6,545	29,715		60,311
Marketing and promotion	8,641	6,967	7,450	-	38,655		61,713
Consultants	150,686	2,210	2,468	197,769	29,640		382,773
Kitchen staff	-	120,000	-	-	-		120,000
Staff expenses	87,881	12,937	1,802	7,711	4,545		114,876
Information technology	28,427	-	1,400	3,710	5,210		38,747
Taxes and licenses	1,224	1,337	-	5,821	50		8,432
Rent	133,208	-	-	-	-		133,208
Interest and bank fees	21	-	-	7,941	-		7,962
Bad debt expense	-	-	-	433	-		433
Miscellaneous	22,173	405	1,900	21,443	2,267		48,188
Depreciation expense	44,123	11,475	16,299	8,858	14,193		94,948
Total	\$ 4,857,846	\$ 506,844	\$ 310,494	\$ 648,396	\$ 308,993	\$	\$ 6,632,573

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, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	<u>\$ 3,337,302</u>	<u>\$ 380,353</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	134,116	94,948
Unrealized gain on investments	(8,430)	(62,063)
Property held under split-interest agreement	23,090	(23,090)
Changes in assets and liabilities:		
Restricted cash, split-interest agreement	6,463	(6,463)
Accounts and grants receivable	(905,570)	(32,505)
Accounts receivable, split-interest agreement	13,107	(13,107)
Pledge receivable	(2,485,100)	-
Inventory	780	(452)
Prepaid expenses	28,480	(37,439)
Rental and other deposits	35,729	(11,872)
Accounts payable and accrued expenses	57,819	11,223
Fares payable	21,417	13,170
Accrued payroll expenses	127,722	45,231
Deferred revenue	15,102	(2,148)
Accrued vacation	51,041	29,215
Total adjustments	<u>(2,884,234)</u>	<u>4,648</u>
Net cash provided by operating activities	<u>453,068</u>	<u>385,001</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, equipment, and improvements, including capital lease	(162,527)	(74,727)
Reimbursement received for work in progress	-	9,220
Purchases of investments	(14,683)	-
Sale of investments	-	35,820
Net cash used by investing activities	<u>(177,210)</u>	<u>(29,687)</u>
Net increase in cash and cash equivalents	275,858	355,314
Cash and cash equivalents, beginning of year	<u>698,752</u>	<u>343,438</u>
Cash and cash equivalents, end of year	<u>\$ 974,610</u>	<u>\$ 698,752</u>
Supplementary information:		
Cash paid for interest	<u>\$ 5,789</u>	<u>\$ 5,236</u>
Non-cash transactions:		
Capital addition offset by capital lease	<u>\$ 11,697</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, 2015 and 2014

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Celebrating its 61st year, 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 150,000 paratransit trips, an increase of 9% from the previous year. The Jackson Café served 20,000 meals, 95% of which were discounted meals for older adults. The Meals on Wheels home delivery program served an average of 267 monthly recipients, with over 6,300 meals delivered each month. The Active Aging Center continued to see a rise in the number of participants: 7,800 multicultural outreach contacts were made, 4,200 people engaged in exercise and wellness classes, 3,500 participants were involved with the center's social groups, 2,800 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. All figures are approximate.

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 diminishments 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, 2015 and 2014

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, 2015 and 2014.

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.

The Corporation reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized in 2015 or 2014.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

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

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 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 sponsorship that allows the Corporation to receive advances on future sponsorship benefits. As of June 30, 2015, the Corporation received \$15,102 held for future sponsorship benefits.

Volunteer Service - Whistlestop receives contributions through services provided by over 178 volunteers annually. Though not recognized in the financial statements because their services do not require any specialized skills, they have an invaluable impact on our wide population of older adults, who receive support and services from Whistlestop. Currently the average volunteer hourly rate in our locality is valued at \$26 per hour according to a national volunteer value database. The organization currently estimates the value of the following services at \$511,420.

Volunteer hours provided:	
Center Administrative Services	3,430
Active Aging Programs	4,710
Jackson Café Service	4,660
Home Delivered Meals	4,720
Food Pantry Service	<u>2,150</u>
Total service hours provided	<u><u>19,670</u></u>

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.

Advertising - The Corporation expenses advertising costs as incurred. During the years ended June 30, 2015 and 2014, \$75,046 and \$27,113, respectively, was paid in advertising costs.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

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

New Audit Requirements Under the Final OMB Grant Guidance - On December 26, 2013, the Office of Management and Budget (OMB) published the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule*, also referred to as the Uniform Grant Guidance. The new Guidance will impact many areas of the federal award process, as well as the thresholds at which a single audit is required and the single audit reporting presentation. This Guidance is effective for federal awards or funding increments provided after December 26, 2014. As of the report date, management believes that the federal Uniform Grant Guidance, which will be effective for the year ended June 30, 2016, will not have a significant impact on the organization.

Subsequent Events - Subsequent events have been evaluated through November 16, 2015, which is the date the financial statements were available to be issued.

NOTE 2 SPLIT-INTEREST AGREEMENT

In July 2013 the Corporation agreed to serve as fiscal sponsor under a Memorandum of Understanding split-interest agreement to conduct the Marin Valentine's Ball. Proceeds from the event benefitted the Corporation and three other nonprofit organizations.

Under the terms of the agreement, the Corporation received \$1,200 in administrative support fees and \$52,250 in proceeds distributions for the year ended June 30, 2014, which have been eliminated in the consolidation of the split-interest activity in these financial statements.

On July 1, 2014, the split-interest agreement was modified to remove the Corporation as fiscal sponsor, and all related assets and liabilities totaling \$42,785 were transferred to the new fiscal sponsor.

The financial activity for the split-interest agreement as of and for the year ended June 30, 2014, was as follows:

Assets:

Restricted cash and cash equivalents	\$ 6,463
Accounts receivable	13,107
Property, timeshare	23,090
Deposits and prepaid expenses	3,500
Total assets	\$ 46,160

Liabilities and Net Assets:

Liabilities:	
Accounts payable	\$ 3,374
Net assets, unrestricted	42,785
Total liabilities and net assets	\$ 46,160

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 2 SPLIT-INTEREST AGREEMENT (Continued)

Revenue and support:	
Initial transfer, fiscal sponsor	\$ 37,378
Sponsorship income	175,300
Marin Valentine's Ball:	
Tickets	8,920
Advertising	6,750
Auction and raffle	59,533
Donations	<u>83,925</u>
	<u>371,806</u>
Expenses:	
Direct donor benefit expenses	97,290
Other expenses, including distribution to other beneficiaries	<u>178,281</u>
Total expenses	<u>275,571</u>
Split-interest net income for the year ended June 30, 2014	96,235
Distributions, MSCC	(52,250)
Administrative support fee, MSCC	<u>(1,200)</u>
Net assets at June 30, 2014	<u>\$ 42,785</u>

NOTE 3 PLEDGE RECEIVABLE

The Corporation has been awarded an unconditional pledge receivable as of June 30, 2015, as follows:

	Pledge Receivable	Allowance for Present Value Discount (0.5%)	Pledge Receivable, Net
Current portion	\$ 500,000	\$ -	\$ 500,000
Long-term portion	<u>2,000,000</u>	<u>(14,900)</u>	<u>1,985,100</u>
Total	<u>\$ 2,500,000</u>	<u>\$ (14,900)</u>	<u>\$ 2,485,100</u>

The pledge receivable is expected to be collected in future periods as follows:

Year ending June 30,	
2016	\$ 500,000
2017	1,000,000
2018	<u>1,000,000</u>
	<u>\$ 2,500,000</u>

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 4 INVESTMENTS

The following are the major categories of investments measured at fair value on a recurring basis using the market method during the years ended June 30, 2015 and 2014, 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>	<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, 2015:</u>				
Equities	\$ 336,611	\$ -	\$ -	\$ 336,611
Fixed income	<u>424,398</u>	<u>-</u>	<u>-</u>	<u>424,398</u>
	<u>\$ 761,009</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 761,009</u>
<u>June 30, 2014:</u>				
Equities	\$ 319,536	\$ -	\$ -	\$ 319,536
Fixed income	<u>418,360</u>	<u>-</u>	<u>-</u>	<u>418,360</u>
	<u>\$ 737,896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 737,896</u>

The following summarizes the investment income, including amounts earned on interest-bearing cash accounts, for the years ended June 30, 2015 and 2014:

Interest and dividend income, including	<u>2015</u>	<u>2014</u>
interest earned on interest-bearing accounts	\$ 24,962	\$ 23,742
Unrealized gain on investments	<u>8,430</u>	<u>62,063</u>
	<u>\$ 33,392</u>	<u>\$ 85,805</u>

MARIN SENIOR COORDINATING COUNCIL INCORPORATED
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 5 PROPERTY, EQUIPMENT, AND IMPROVEMENTS

Property, equipment, and improvements consisted of the following at June 30, 2015 and 2014:

<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, 2013	\$ 365,482	\$ 1,926,413	\$ 1,349,580	\$ 3,641,475
Additions	-	22,535	44,299	66,834
Disposals	-	-	(77,577)	(77,577)
Balance, June 30, 2014	365,482	1,948,948	1,316,302	3,630,732
Additions	-	124,022	50,202	174,224
Balance, June 30, 2015	<u>365,482</u>	<u>2,072,970</u>	<u>1,366,504</u>	<u>3,804,956</u>
<u>Accumulated depreciation</u>				
Balance, June 30, 2013	-	1,589,369	1,218,228	2,807,597
Depreciation expense	-	63,696	31,252	94,948
Disposals	-	-	(77,577)	(77,577)
Balance, June 30, 2014	-	1,653,065	1,171,903	2,824,968
Depreciation expense	-	91,850	42,266	134,116
Balance, June 30, 2015	<u>-</u>	<u>1,744,915</u>	<u>1,214,169</u>	<u>2,959,084</u>
Property, equipment, and improvements, net	<u>\$ 365,482</u>	<u>\$ 328,055</u>	<u>\$ 152,335</u>	<u>\$ 845,872</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 16). As of June 30, 2015 and 2014, \$8,064 was incurred in unreimbursed pre-development costs related to this project.

NOTE 6 FARES PAYABLE

Fares collected by the Corporation are required to be remitted to the Marin County Transit District. At June 30, 2015 and 2014, there was a balance due to the Marin County Transit District of \$143,098 and \$121,681, respectively.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 7 CAPITAL LEASES

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 years ended June 30, 2015 and 2014, the Corporation paid \$11,040 and \$10,114, respectively, under this lease.

In August 2014 the Corporation entered into a capital lease agreement for a vehicle. The lease requires 60 monthly payments of principal and interest of \$431, plus tax. During the year ended June 30, 2015, the Corporation paid \$4,741 under this lease.

Minimum future principal obligations under these capital leases are:

Year ending June 30,	Phone Equipment	Vehicle	Total
2016	\$ 9,350	\$ 4,736	\$ 14,086
2017	10,177	4,853	15,030
2018	4,501	4,973	9,474
2019	-	5,095	5,095
2020	-	631	631
	<u>\$ 24,028</u>	<u>\$ 20,288</u>	<u>\$ 44,316</u>

NOTE 8 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, 2015 and 2014:

	2015	2014
Vehicles	\$ 65,054	\$ 65,054
Time-restricted	-	107,500
Promote volunteerism, Marin Community Foundation	-	8,750
Capital campaign	3,188,555	25,000
Whistlestock event	-	35,000
Meals on Wheels	<u>100,000</u>	<u>-</u>
	<u>\$ 3,353,609</u>	<u>\$ 241,304</u>

MARIN SENIOR COORDINATING COUNCIL INCORPORATED
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 9 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 a commercial security instrument and requires interest-only monthly payments, with a principal due at maturity on May 5, 2016. Amounts drawn on the loan bear interest at the bank's Prime Rate plus 0.5%, which was 3.75% in 2015 and 2014. As of June 30, 2015 and 2014, no amounts were outstanding on this line of credit.

NOTE 10 SPECIAL EVENT

During the year ended June 30, 2015, the Corporation held a special event resulting in net income as follows:

Special event support		\$ 114,406
Earned income		42,245
Less: direct expenses		<u>(39,296)</u>
Net special event earned income		<u>2,949</u>
 Total event net income		 <u>\$ 117,355</u>

NOTE 11 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, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Time-restricted	\$ 107,500	\$ 77,000
Capital campaign	25,000	-
Promote Volunteerism, Marin Community Foundation	8,750	10,000
Whistlestock event	<u>35,000</u>	<u>-</u>
	<u>\$ 176,250</u>	<u>\$ 87,000</u>

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 12 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 was originally from July 1, 2005 through June 30, 2014; in April 2014 the lease was extended to June 30, 2016 with an option to extend for an additional 12 months. The rent was \$11,211 per month for 2015 (\$10,884 for 2014), subject to annual adjustment based on changes in the consumer price index. Total rent expense under this lease for the years ended June 30, 2015 and 2014, was \$134,532 and \$130,608, respectively.
- In March 2008, the Corporation entered into a lease for a photocopier. The lease was for 60 months and month-to-month thereafter and required monthly payments of \$452. The lease matured and the equipment was returned in 2014. For the year ended June 30, 2014, the Corporation paid \$6,167 under this lease.
- In February 2009, the Corporation entered into a lease for a postage meter. The lease was for 63 months and required quarterly payments of \$265. The lease matured and the equipment was returned in 2014. For the year ended June 30, 2014, the Corporation paid \$963 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, 2015 and 2014, the Corporation paid \$1,352 and \$1,440, respectively, under this lease.
- The Corporation has entered into a long-term contract for elevator maintenance. The contract originally matured February 2014 and was extended to February 2019, and requires quarterly payments of \$225. For the years ended June 30, 2015 and 2014, the Corporation paid \$1,094 and \$1,062, respectively, under this contract.
- During the year ended June 30, 2012, the Corporation entered into two vehicles leases that matured January 2014. The vehicles were returned upon maturity. The leases required monthly payments of \$719 and \$718, respectively. For the year ended June 30, 2014, the Corporation paid \$8,659 under these leases.
- In December 2013, the Corporation entered into a 36-month operating lease for a photocopier. The lease calls for monthly payments of \$414, and matures December 2017. For the years ended June 30, 2015 and 2014, the Corporation paid \$5,424 and \$2,708, respectively, under this lease.
- In February 2014, the Corporation entered into a 36-month operating lease for a vehicle. The lease calls for monthly payments of \$227, and matures February 2017. For the years ended June 30, 2015 and 2014, the Corporation paid \$5,448 and \$2,273, respectively, under this lease.

MARIN SENIOR COORDINATING COUNCIL INCORPORATED
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 12 OPERATING LEASES AND LONG-TERM CONTRACTS (Continued)

- In April 2014, the Corporation entered into an operating lease for a postage meter. The lease is for 36 months and requires quarterly payments of \$130. For the years ended June 30, 2015 and 2014, the Corporation paid \$568 and \$1,136, respectively, under this lease including operating costs.
- On June 27, 2014, the Corporation entered into a ground lease for a parking lot. The lease calls for monthly payments of \$6,250 for the term of July 1, 2014, through June 30, 2016. During the year ended June 30, 2015, the Corporation paid \$75,000 under this lease.
- In August 2014 the Corporation entered into a 36-month operating lease for a vehicle. The lease calls for monthly payments of \$256, and matures August 2017. During the year ended June 30, 2015, the Corporation paid \$2,816 under this lease.
- On September 14, 2014, the Corporation entered into a parking space lease agreement that calls for monthly payments of \$1,850. The agreement matures June 30, 2016, but may be cancelled by either party upon 30 days notice. During the year ended June 30, 2015, the Corporation paid \$17,655 under this cancellable lease.
- On April 1, 2015, the Corporation entered into a commercial lease for space in San Francisco, California. The lease matures March 31, 2018, and requires monthly rental payments ranging from \$5,800 in the first lease year to \$6,273 in the final lease year. During the year ended June 30, 2015, the Corporation paid \$17,400 under this lease.

Subsequent Leases:

- On July 7, 2015, the Corporation entered into a 36-month operating lease for three shuttle buses. The lease calls for monthly payments of \$3,297, starting on October 1, 2015.
- On July 23, 2015, the Corporation entered into a 36-month operating lease for two shuttle buses. The lease calls for monthly payments of \$2,327, starting on October 22, 2015.
- On August 13, 2015, the Corporation entered into a 36-month operating lease for equipment. The lease calls for monthly payments of \$403.

MARIN SENIOR COORDINATING COUNCIL INCORPORATED
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 12 OPERATING LEASES AND LONG-TERM CONTRACTS (Continued)

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

Year ending June 30,	Parking Lots and Jordan Street	Vehicles	Copiers and Other Equipment	Total
2016	\$ 283,858	\$ 50,792	\$ 10,414	\$ 345,064
2017	73,107	72,380	11,090	156,577
2018	56,457	67,744	8,217	132,418
2019	-	22,496	1,481	23,977
	<u>\$ 413,422</u>	<u>\$ 213,412</u>	<u>\$ 31,202</u>	<u>\$ 658,036</u>

NOTE 13 RELATED PARTY TRANSACTIONS

During the year ended June 30, 2014, 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, 2014, \$152,928 was paid in fees/commissions under this engagement, and at June 30, 2014, \$993 was accrued under the agreement. As of July 1, 2014, the related party had resigned from the Board of Directors.

NOTE 14 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, 2015 and 2014, totaled \$46,311 and \$35,818, respectively.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 15 CONCENTRATIONS

The Corporation has provided services to the Marin County Transit District (MCTD) for more than 20 years and earned gross revenue of approximately \$5,780,000 in the year ended June 30, 2015, which comprises approximately 70% of the Corporation's total revenue for the year (86% for 2014).

The Corporation is also the recipient of a pledge from a donor that represents 72% of total support for the year ended June 30, 2015, and 100% of the pledge receivable balance at June 30, 2015.

NOTE 16 REDEVELOPMENT AND IMPACT OF PROPOSED SMART STATION SITE

The impending arrival of the SMART train in the downtown area of central San Rafael has presented Whistlestop with an opportunity to transform its current property into a transit-oriented senior center with on-site services and housing for seniors. This transformation will not only allow Whistlestop to manage the impacts of the new train station, but will also modernize and expand their facilities that serve seniors all over Marin and create critically needed affordable housing for seniors.

Whistlestop has partnered with Eden Housing to help realize the vision for a new facility that will include 41 units of on-site very affordable senior housing to complement its Active Aging Center and Jackson Café. The new Whistlestop Mission Plaza development will allow a highly respected and admired local non-profit to continue serving Marin and meet the growing demand for their services.

More than one in every three Marin residents will be 65 or older by 2030. Meeting the needs of this surge of seniors will require a variety of improvements to available services including more convenient public transit, improved access to affordable health care, and increased availability of meal and home-delivered food programs. Whistlestop – as the oldest and largest senior services provider, the paratransit operator for the County and with its location at Marin County's regional transportation hub (Bettini Transit Center) and future SMART station – is ideally positioned to help meet these needs and serve the aging population in Marin in the most efficient way possible. Its central location and transit options will make it easier for seniors to travel to the center, and the expanded building space will allow Whistlestop to continue leveraging partnerships with other nonprofits to offer a wide array of services to seniors (health clinics, screenings, etc.).

The new development will provide 41 units of critically needed affordable housing for seniors. These one-bedroom and studio units will provide homes to very low to extremely low income seniors, who earn less than 50% of Area Median Income. The project will include high quality amenities including a community room, a computer center, and landscaped courtyards and furnished lobbies for casual social interaction. The affordable units will not only offer quality, safe homes at an affordable price, but as the first affordable, transit-oriented community for older adults in Marin County, the development will also allow residents a high degree of mobility without a car. Combined with the on-site services offered by Whistlestop and the amenities in nearby downtown San Rafael, seniors will be able to live rich, engaged lives.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 16 REDEVELOPMENT AND IMPACT OF PROPOSED SMART STATION SITE (Continued)

Whistlestop Mission Plaza will be developed on a quintessential infill site, located in the downtown area, and close to transportation, services, and community amenities. The future SMART train station will be located adjacent to development and will offer seniors the ability to travel easily through Marin and Sonoma counties. For more local trips, seniors will be able to walk across the street to the Bettini Transportation Center where there are over 16 separate bus routes operated by three carriers: Marin Transit, Golden Gate Transit and Sonoma County Transit. In addition, Whistlestop Wheels Paratransit service will be available on-site for qualifying residents.

Residents will be able to use the senior services offered on-site in the Whistlestop Active Aging Center. Seniors will find enrichment and fitness courses, special events, game groups, specialty groups, and outreach services that bring people together, encourage social connections, and create new learning experiences. Finally, residents will also be eligible to receive low-cost lunches in the on-site Jackson Café, a program operated by Whistlestop. Other important amenities within 0.5 miles include grocery stores, pharmacies, several banks, retail stores, restaurants and coffee shops.

The estimated total costs for the development are \$25 million including both the Active Aging Center and housing. The potential funding sources for this project include tax credit equity, Marin County HOME funds, City Inclusionary/In-Lieu funds, and other grants/loans from private foundations and individuals, and an estimated \$8 million capital campaign.

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 in the fall of 2016.

In August 2015, Whistlestop, in partnership with Eden Housing, submitted a formal application to the City of San Rafael's Planning Department for the redevelopment of its property located at 930 Tamalpais Ave., in downtown San Rafael. The application described the proposed Whistlestop Mission Plaza Project, and addressed the majority of issues, suggestions and concerns raised during the public vetting process over the past twelve months. As part of the application process the city is conducting an Environmental Impact Review (EIR) that is expected to be completed in late spring 2016. It is anticipated that the Mission Plaza project will be brought before the San Rafael City Council for approval in the summer of 2016.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 17 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 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 18 SUBSEQUENT EVENTS

Promissory Note:

On August 29, 2015, the Corporation entered into a \$300,000 promissory note with the Bank of Marin. The note allows for interest-only payments at the rate of 4.125% per annum for 6 months, followed by 59 payments of principal and interest of \$5,550 through the maturity date of March 5, 2021. As of the report date no funds had been drawn on this loan.

The estimated future minimum payments under this loan are as follows:

Year ended June 30,	
2016	\$ 13,536
2017	55,682
2018	58,056
2019	60,531
2020	63,103
Thereafter	<u>49,092</u>
	<u>\$ 300,000</u>

Subsequent Leases:

- On July 7, 2015, the Corporation entered into a 36-month operating lease for three shuttle buses. The lease calls for monthly payments of \$3,297, starting on October 1, 2015.
- On July 23, 2015, the Corporation entered into a 36-month operating lease for two shuttle buses. The lease calls for monthly payments of \$2,327, starting on October 22, 2015.
- On August 13, 2015, the Corporation entered into a 36-month operating lease for equipment. The lease calls for monthly payments of \$403.

See Note 12 for the schedule of future minimum obligations under these and other leases.

SUPPLEMENTARY INFORMATION

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2015

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Transportation</u>		
<i>Pass-through from Marin County Transit District:</i>		
Federal Transit-Formula Grants (Urbanized Area Formula Program), ADA Set-Aside, Agreement #CA-90-Z068-00	20.507	\$ 677,859
New Freedom Program	20.521	29,674
<u>U.S. Department of Health and Human Services</u>		
<i>Pass-through from County of Marin:</i>		
Special Programs for the Aging - Title III, Part C - Nutrition Services, Meals of Marin	93.045	<u>82,836</u>
		<u>\$ 790,369</u>

This schedule of expenditures of federal awards includes the federal grant activity of the Marin Senior Coordinating Council and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

According to OMB Circular A-133, the major program shown on the schedule is a Type A program (over \$300,000).

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Marin Senior Coordinating Council (a California nonprofit public benefit corporation) which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Marin Senior Coordinating Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



November 16, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the Marin Senior Coordinating Council's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Marin Senior Coordinating Council's major federal programs for the year ended June 30, 2015. Marin Senior Coordinating Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Project's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Marin Senior Coordinating Council's compliance.

Opinion on Each Major Federal Program

In our opinion, Marin Senior Coordinating Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Marin Senior Coordinating Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with the type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control* is a deficiency, or a combination of deficiencies, in internal control over compliance with the type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Doran & Associates

November 16, 2015

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, SUMMARY SCHEDULE OF
PRIOR AUDIT FINDINGS, AND CORRECTIVE ACTION PLAN
For the year ended June 30, 2015**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial statements

4. The auditors, Doran & Associates, have issued an unmodified auditor's report.
5. No material weaknesses were identified during the audit of the financial statements.
6. No instances of noncompliance material to financial statements were disclosed during the audit.

Federal awards

7. No material weaknesses were identified during the audit of the major federal award programs.
8. The auditors have issued an unqualified auditor's report on compliance for major federal award programs.
9. No audit findings that are required to be reported in accordance with section 510(a) of OMB Circular A-133 were identified.

10. Identification of major program(s):

CFDA #20.507, U.S. Department of Transportation,
Pass-through from the Marin County Transit District,
Federal Transit - Formula Grants (Urbanized Area Formula),
ADA Set-Aside

\$ 677,859

- The dollar threshold used to distinguish between type A and type B programs is \$300,000.
- The auditee does not qualify as a low-risk auditee.

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

SCHEDULE OF PRIOR AUDIT FINDINGS

None

CORRECTIVE ACTION PLAN

None