

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

FINANCIAL STATEMENTS

**For the Years Ended
June 30, 2016 and 2015**

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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 Marin Senior Coordinating Council (a California nonprofit public benefit corporation) which comprise the statements of financial position as of June 30, 2016 and 2015, 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 as of June 30, 2016 and 2015, 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.

Doran & Associates

November 10, 2016

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

STATEMENTS OF FINANCIAL POSITION
June 30, 2016 and 2015

	2016	2015
ASSETS		
Current assets:		
Cash and cash equivalents (Note 1)	\$ 2,524,866	\$ 974,610
Accounts and grants receivable (Note 1)	968,528	1,284,755
Current portion of pledge and bequest receivable (Note 2)	221,029	500,000
Inventory (Note 1)	37,558	26,225
Prepaid expenses	246,145	75,526
Total current assets	3,998,126	2,861,116
Rental and other deposits	114,897	62,348
Investments (Note 3)	758,751	761,009
Pledge receivable, net of current portion and present value discount (Note 2)	990,100	1,985,100
Construction in progress (Note 4)	15,279	8,064
Property, equipment and improvements, net of accumulated depreciation of \$2,696,263 at 2016 and \$2,959,084 at 2015 (Notes 1 and 4)	939,456	845,872
Total assets	\$ 6,816,609	\$ 6,523,509
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 168,076	\$ 205,749
Fares payable (Note 5)	67,463	143,098
Accrued payroll expenses	170,898	375,424
Deferred revenue (Note 1)	19,189	15,102
Accrued vacation	251,637	224,650
Capital lease, current portion (Note 6)	15,000	14,086
Loans payable, current portion (Note 7)	37,606	-
Total current liabilities	729,869	978,109
Capital lease, net of current portion (Note 6)	15,230	30,230
Loans payable, net of current portion (Note 7)	127,272	-
Total liabilities	872,371	1,008,339
Net assets:		
Unrestricted net assets	2,380,599	2,161,561
Temporarily restricted net assets (Note 8)	3,563,639	3,353,609
Total net assets	5,944,238	5,515,170
Total liabilities and net assets	\$ 6,816,609	\$ 6,523,509

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, 2016

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Public support:			
Donations, pledges, and bequests	\$ 671,463	\$ 261,029	\$ 932,492
Special event support (Note 10)	120,625	-	120,625
Foundation grants	68,500	205,000	273,500
Total support	<u>860,588</u>	<u>466,029</u>	<u>1,326,617</u>
Revenue:			
Paratransit services	4,963,750	-	4,963,750
Transportation contracts	5,105,529	-	5,105,529
Nutrition services	290,486	-	290,486
Special event, earned income (Note 10)	57,496	-	57,496
Investment income (Note 3)	39,768	-	39,768
Other	212,195	-	212,195
Total revenue	<u>10,669,224</u>	<u>-</u>	<u>10,669,224</u>
Net assets released from restrictions (Note 11)	<u>255,999</u>	<u>(255,999)</u>	<u>-</u>
Total support, revenue, and transfers	<u>11,785,811</u>	<u>210,030</u>	<u>11,995,841</u>
EXPENSES			
Program services	10,125,760	-	10,125,760
Management and general	727,438	-	727,438
Fundraising	713,575	-	713,575
Total expenses	<u>11,566,773</u>	<u>-</u>	<u>11,566,773</u>
Change in net assets	219,038	210,030	429,068
Net assets, beginning of year	<u>2,161,561</u>	<u>3,353,609</u>	<u>5,515,170</u>
Net assets, end of year	<u>\$ 2,380,599</u>	<u>\$ 3,563,639</u>	<u>\$ 5,944,238</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, 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	<u>117,167</u>	<u>100,000</u>	<u>217,167</u>
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 3)	33,392	-	33,392
Other	<u>288,455</u>	<u>-</u>	<u>288,455</u>
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	<u>575,501</u>	<u>-</u>	<u>575,501</u>
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 12)	<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 FUNCTIONAL EXPENSES
For the year ended June 30, 2016

	Program Services				Supporting Services		
	Transportation Services	Nutrition Services	Active Aging	Total Program	Management and General	Fundraising	Total
Salaries	\$ 5,002,816	\$ 182,361	\$ 436,454	\$5,621,631	\$ 430,726	\$ 252,232	\$ 6,304,589
Payroll taxes	457,872	16,699	37,207	511,778	33,060	19,402	564,240
Employee benefits	585,293	20,121	63,488	668,902	51,805	18,971	739,678
Workers compensation	518,042	7,047	3,947	529,036	5,983	1,557	536,576
Staff expenses	154,711	13,463	51,967	220,141	2,391	8,208	230,740
Insurance	304,464	10,181	4,382	319,027	10,711	4,225	333,963
Vehicle registration and maintenance	348,485	2,142	-	350,627	-	-	350,627
Gas and oil	272,933	2,653	-	275,586	650	-	276,236
Vehicle leasing	243,131	8,535	-	251,666	-	-	251,666
Rent	276,584	23,155	37,500	337,239	15,000	7,500	359,739
Supplies and equipment	34,519	10,773	21,292	66,584	2,256	3,889	72,729
Consultants	218,293	5,614	22,056	245,963	100,280	169,339	515,582
Utilities	39,592	27,410	10,388	77,390	4,155	2,078	83,623
Repairs and maintenance	43,309	7,056	6,413	56,778	14,529	277	71,584
Telecommunications	36,778	3,491	6,666	46,935	1,816	1,795	50,546
Postage and printing	19,931	1,896	14,384	36,211	509	68,785	105,505
Information technology	36,871	-	1,760	38,631	3,084	13,865	55,580
Interest and bank fees	-	-	-	-	15,005	-	15,005
Taxes and licenses	1,565	2,798	3,353	7,716	1,341	792	9,849
Food and kitchen supplies	-	91,838	-	91,838	-	-	91,838
Kitchen Staff	-	121,529	700	122,229	-	-	122,229
Marketing and promotion	2,929	-	5,689	8,618	-	86,489	95,107
Miscellaneous	67,305	2,671	7,408	77,384	2,659	51,130	131,173
Depreciation expense	84,095	27,872	51,883	163,850	31,478	3,041	198,369
Total	\$ 8,749,518	\$ 589,305	\$ 786,937	\$ 10,125,760	\$ 727,438	\$ 713,575	\$ 11,566,773

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, 2015

	<u>Program Services</u>				<u>Supporting Services</u>		
	<u>Transportation Services</u>	<u>Nutrition Services</u>	<u>Active Aging</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 3,924,780	\$ 188,108	\$ 251,138	\$ 4,364,026	\$ 360,726	\$ 189,158	\$ 4,913,910
Payroll taxes	353,371	18,128	21,573	393,072	28,183	20,126	441,381
Employee benefits	584,903	24,505	30,913	640,321	44,873	18,543	703,737
Workers compensation	510,092	14,465	3,909	528,466	11,257	1,909	541,632
Food and kitchen supplies	-	85,722	229	85,951	-	-	85,951
Insurance	257,136	11,084	4,645	272,865	8,203	3,208	284,276
Gas and oil	163,985	3,782	-	167,767	962	-	168,729
Vehicle registration and maintenance	225,050	1,467	-	226,517	-	-	226,517
Vehicle leasing	30,889	8,278	-	39,167	-	-	39,167
Supplies and equipment	36,888	6,483	7,942	51,313	10,155	2,239	63,707
Utilities	29,378	20,378	10,658	60,414	8,525	2,132	71,071
Repairs and maintenance	20,446	10,593	9,530	40,569	7,623	1,906	50,098
Telecommunications	28,165	2,040	7,567	37,772	5,798	2,616	46,186
Postage and printing	16,465	2,501	2,317	21,283	6,485	51,753	79,521
Marketing and promotion	10,825	218	2,707	13,750	-	63,979	77,729
Consultants	90,514	-	3,629	94,143	90,487	147,513	332,143
Kitchen staff	-	120,782	-	120,782	-	-	120,782
Staff expenses	155,873	11,907	6,756	174,536	2,510	2,756	179,802
Information technology	35,018	-	2,245	37,263	530	3,354	41,147
Taxes and licenses	2,000	2,513	2,766	7,279	1,106	553	8,938
Rent	201,397	15,000	37,500	253,897	15,000	7,500	276,397
Interest and bank fees	10,119	500	100	10,719	163	1,044	11,926
Miscellaneous	51,437	2,244	3,620	57,301	4,231	42,659	104,191
Depreciation expense	54,731	18,988	23,315	97,034	24,529	12,553	134,116
Total	\$ 6,793,462	\$ 569,686	\$ 433,059	\$ 7,796,207	\$ 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 CASH FLOWS
For the years ended June 30, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 429,068	\$ 3,337,302
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	198,369	134,116
Loss on disposal of property, equipment, and improvements	8,532	-
Change in allowance for present value discount	(5,000)	14,900
Unrealized loss (gain) on investments	22,181	(8,430)
Realized gain on investments	(32,843)	-
Property held under split-interest agreement	-	23,090
Changes in assets and liabilities:		
Restricted cash, split-interest agreement	-	6,463
Accounts and grants receivable	316,227	(905,570)
Accounts receivable, split-interest agreement	-	13,107
Pledge and bequest receivable	(221,029)	(3,000,000)
Inventory	(11,333)	780
Prepaid expenses	(170,619)	28,480
Rental and other deposits	(52,549)	35,729
Accounts payable and accrued expenses	(37,673)	57,819
Fares payable	(75,635)	21,417
Accrued payroll expenses	(204,526)	127,722
Deferred revenue	4,087	15,102
Accrued vacation	26,987	51,041
Total adjustments	<u>(234,824)</u>	<u>(3,384,234)</u>
Net cash provided (used) by operating activities	<u>194,244</u>	<u>(46,932)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, equipment, and improvements, including capital leases	(149,693)	(162,527)
Cash paid for work in progress	(7,215)	-
Sales (purchases) of investments	12,920	(14,683)
Net cash used by investing activities	<u>(143,988)</u>	<u>(177,210)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for capital campaign	<u>1,500,000</u>	<u>500,000</u>
Net increase in cash and cash equivalents	1,550,256	275,858
Cash and cash equivalents, beginning of year	<u>974,610</u>	<u>698,752</u>
Cash and cash equivalents, end of year	<u>\$ 2,524,866</u>	<u>\$ 974,610</u>
Supplementary information:		
Cash paid for interest	<u>\$ 6,005</u>	<u>\$ 5,789</u>
Non-cash transactions:		
Capital addition offset by capital lease	<u>\$ 164,878</u>	<u>\$ 11,697</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, 2016 and 2015

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Celebrating its 62nd 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 throughout Marin and San Francisco counties with private and public partnerships. The agency's Jackson Café, located in downtown San Rafael, 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 Transportation Services provided 393,000 vehicle trips, with a majority of these trips provided to disabled or handicapped riders. The Jackson Café served 22,000 meals, 95% of which were discounted meals for older adults. The Meals on Wheels home delivery program served an average of 345 monthly recipients, with over 83,000 meals delivered annually. The Active Aging Center continued to see a rise in the number of participants: 9,100 multicultural outreach contacts were made, 4,700 people engaged in exercise and wellness classes, 3,900 participants were involved with the center's social groups, 3,300 participants partook of the nutritional services offered, and over 1,100 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 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, 2016 and 2015

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, 2016 and 2015.

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 2016 or 2015.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2016 and 2015

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, 2016 and 2015, the Corporation received \$19,189 and \$15,102, respectively, held for future sponsorship benefits.

Volunteer Service - Whistlestop receives contributions through services provided by over 268 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 \$27 per hour according to a national volunteer value database. The organization currently estimates the value of the following services at \$534,600.

Volunteer hours provided:	
Center Administrative Services	3,680
Active Aging Programs	4,200
Jackson Café Service	5,730
Home Delivered Meals	4,770
Transportation Services	1,420
Total service hours provided	<u>19,800</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, 2016 and 2015, \$81,946 and \$75,046, 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, 2016 and 2015

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

Accounting Standards, ASU 2014-09, Revenue from Contracts with Customers (Topic 606)- In May 2014, the FASB issued new revenue recognition guidance, which applies to most contracts with customers. The core revenue recognition principle is that revenue should be recognized as the organization transfers goods or services to customers/clients in an amount reflecting the consideration it expects to receive. This new guidance is effective for the Corporation for annual reporting periods beginning after December 15, 2017. In the opinion of management, the implementation of this standard will not materially impact these financial statements.

Accounting Standards, ASU 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)- In August 2016, the FASB issued new financial statement presentation guidance, which applies to most nonprofit financial statements. The new guidance will impact net asset classes, the presentation of investment return, and other changes, and is effective for annual financial statements issued for fiscal years beginning after December 15, 2017. The new standard is not expected to have a material effect on the Corporation's financial position, results of operations, or cash flows.

Reclassifications - Certain balances at, and for the year ended June 30, 2015, were reclassified to conform with June 30, 2016, balances.

Subsequent Events - Subsequent events have been evaluated through November 10, 2016, which is the date the financial statements were available to be issued.

NOTE 2 PLEDGE AND BEQUEST RECEIVABLE

The Corporation has been awarded an unconditional pledge and an unconditional bequest receivable as of June 30, 2016, as follows:

	Pledge and Bequest Receivable	Allowance for Present Value Discount (0.5%)	Pledge and Bequest Receivable, Net
Current portion	\$ 221,029	\$ -	\$ 221,029
Long-term portion	<u>1,000,000</u>	<u>(9,900)</u>	<u>990,100</u>
Total	<u>\$ 1,221,029</u>	<u>\$ (9,900)</u>	<u>\$ 1,211,129</u>

The pledge and bequest receivable are expected to be collected in future periods as follows:

Year ending June 30,	
<u>2017</u>	\$ 221,029
2018	<u>1,000,000</u>
	<u>\$ 1,221,029</u>

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2016 and 2015

NOTE 3 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, 2016 and 2015, 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, 2016:</u>				
Equities	\$ 308,556	\$ -	\$ -	\$ 308,556
Fixed income	<u>450,195</u>	<u>-</u>	<u>-</u>	<u>450,195</u>
	<u>\$ 758,751</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 758,751</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>

The following summarizes the investment income, including amounts earned on interest-bearing cash accounts, for the year ended June 30, 2016:

Interest and dividend income, including interest earned on interest-bearing accounts	\$ 36,299
Unrealized loss on investments	(22,181)
Realized gain on investments	32,843
Fees	<u>(7,193)</u>
	<u>\$ 39,768</u>

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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2016 and 2015

NOTE 4 PROPERTY, EQUIPMENT, AND IMPROVEMENTS

Property, equipment, and improvements consisted of the following at June 30, 2016 and 2015:

<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, 2014	\$ 365,482	\$ 1,948,948	\$ 1,316,302	\$ 3,630,732
Additions	-	124,022	50,202	174,224
Balance, June 30, 2015	365,482	2,072,970	1,366,504	3,804,956
Additions	-	48,382	244,888	293,270
Disposals	-	-	(462,507)	(462,507)
Balance, June 30, 2016	<u>365,482</u>	<u>2,121,352</u>	<u>1,148,885</u>	<u>3,635,719</u>
<u>Accumulated depreciation</u>				
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	-	1,744,915	1,214,169	2,959,084
Depreciation expense	-	124,629	73,740	198,369
Disposals	-	-	(461,190)	(461,190)
Balance, June 30, 2016	<u>-</u>	<u>1,869,544</u>	<u>826,719</u>	<u>2,696,263</u>
Property, equipment, and improvements, net	<u>\$ 365,482</u>	<u>\$ 251,808</u>	<u>\$ 322,166</u>	<u>\$ 939,456</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, 2016 and 2015, \$15,279 and \$8,064, respectively, was incurred in unreimbursed pre-development costs related to this project.

NOTE 5 FARES PAYABLE

Fares collected by the Corporation are required to be remitted to the Marin County Transit District. At June 30, 2016 and 2015, there was a balance due to the Marin County Transit District of \$67,463 and \$143,098, respectively.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 6 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, 2016 and 2015, the Corporation paid \$11,044 and \$11,040, 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 years ended June 30, 2016 and 2015, the Corporation paid \$5,172 and \$4,741, respectively, under this lease.

Minimum future principal obligations under these capital leases are:

Year ending June 30,	Phone Equipment	Vehicle	Total
2017	\$ 10,177	\$ 4,823	\$ 15,000
2018	4,501	4,973	9,474
2019	-	5,756	5,756
	<u>\$ 14,678</u>	<u>\$ 15,552</u>	<u>\$ 30,230</u>

NOTE 7 LOANS PAYABLE

On August 29, 2015, the Corporation entered into a promissory note up to \$300,000 with the Bank of Marin. The note is secured by inventory, accounts, equipment, and a motor vehicle, as described in the Security Agreement. The note allows for interest-only payments on amounts drawn at the rate of 4.125% per annum for 6 months, followed by 59 payments of principal and interest of \$2,921 through the maturity date of March 5, 2021. As of June 30, 2016, \$144,601 had been drawn on this loan.

On May 5, 2016, the Corporation entered into a promissory note up to \$200,000 with the Bank of Marin. The note is secured by a motor vehicle, inventory, chattel paper, accounts, equipment, and general intangibles, as described in the Security Agreement. The note allows for interest-only payments on amounts drawn at the rate of 4.125% per annum for 6 months, followed by 59 payments of principal and interest of \$3,700 through the maturity date of November 5, 2021. As of June 30, 2016, \$20,277 had been drawn on this loan.

The estimated future minimum payments under these loans are as follows:

Year ended June 30,	Loan #1	Loan #2	Total
2017	\$ 25,770	\$ 2,550	\$ 28,320
2018	30,669	3,959	34,628
2019	31,976	4,126	36,102
2020	33,336	4,299	37,635
2021	22,850	4,480	27,330
Thereafter	-	863	863
	<u>\$ 144,601</u>	<u>\$ 20,277</u>	<u>\$ 164,878</u>

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NOTES TO FINANCIAL STATEMENTS
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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, 2016 and 2015:

	2016	2015
Vehicles	\$ 65,054	\$ 65,054
Computer Lab	5,000	-
Capital campaign	3,072,556	3,188,555
Safetynet programs	200,000	-
Meals on Wheels	110,514	100,000
Whistlestop programs	110,515	-
	<u>\$ 3,563,639</u>	<u>\$ 3,353,609</u>

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, 2017. Amounts drawn on the loan bear interest at the bank's Prime Rate plus 0.5%, which was 3.75% in 2016 and 2015. As of June 30, 2016 and 2015, no amounts were outstanding on this line of credit.

NOTE 10 SPECIAL EVENTS

During the years ended June 30, 2016 and 2015, the Corporation held special events resulting in net income as follows:

	2016	2015
Special event support	\$ 120,625	\$ 114,406
Earned income	57,496	42,245
Less: direct expenses	(46,464)	(39,296)
Net special event earned income	11,032	2,949
Total event net income	<u>\$ 131,657</u>	<u>\$ 117,355</u>

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NOTES TO FINANCIAL STATEMENTS
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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, 2016 and 2015:

	2016	2015
Time-restricted	\$ -	\$ 107,500
Capital campaign	155,999	25,000
Promote Volunteerism, Marin Community Foundation	-	8,750
Safetynet programs	100,000	-
Whistlestock event	-	35,000
	\$ 255,999	\$ 176,250

NOTE 12 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.

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.

NOTE 13 OPERATING LEASES AND LONG-TERM CONTRACTS

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

Type	Maturity	Monthly Payment	Expenses	
			2016	2015
15 Jordan Street San Rafael Property	6/2019	\$ 11,547 (\$11,211 for 2015)	\$ 138,564	\$ 134,532
Two vehicles	2/2017	\$ 454	\$ 5,448	\$ 5,448
Parking lot	6/2016	\$ 6,250	\$ 75,000	\$ 75,000
Parking spaces	12/2016	\$ 1,850	\$ 23,949	\$ 17,655
Commercial space, San Francisco	3/2018	\$ 5,800 - \$6,273	\$ 70,296	\$ 17,400

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NOTES TO FINANCIAL STATEMENTS
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NOTE 13 OPERATING LEASES AND LONG-TERM CONTRACTS (Continued)

<u>Type</u>	<u>Maturity</u>	<u>Monthly Payment</u>	<u>Expenses</u>	
			<u>2016</u>	<u>2015</u>
Three Shuttle Buses	10/2018	\$ 3,297	\$ 39,622	N/A
Two Shuttle Buses	10/2018	\$ 2,327	\$ 27,962	N/A
Photocopier	8/2018	\$ 403	\$ 4,401	N/A
Office Space, Novato	9/2016	\$ 1,800	\$ 10,059	N/A
Nine Shuttle Buses	11/2018	\$ 10,873	\$ 95,032	N/A
Four Shuttle Buses	11/2018	\$ 4,340	\$ 33,187	N/A

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

<u>Year ending June 30,</u>	<u>Parking Lots and Buildings</u>	<u>Vehicles</u>	<u>Copiers and Other Equipment</u>	<u>Total</u>
2017	\$ 217,069	\$ 253,674	\$ 4,833	\$ 475,576
2018	199,176	250,044	4,833	454,053
2019	147,000	69,846	806	217,652
	<u>\$ 563,245</u>	<u>\$ 573,564</u>	<u>\$ 10,472</u>	<u>\$ 1,147,281</u>

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, 2016 and 2015, totaled \$48,223 and \$46,311, respectively.

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NOTES TO FINANCIAL STATEMENTS
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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 \$5,096,000 in the year ended June 30, 2016, which comprises approximately 62% of the Corporation's total revenue for the year (70% for 2015).

The Corporation is also the recipient of a pledge from a donor that represents 100% of the non-current pledge receivable balance at June 30, 2016.

NOTE 16 REDEVELOPMENT AND IMPACT OF PROPOSED SMART STATION SITE

Whistlestop owns the property, 930 Tamalpais Avenue, San Rafael, which currently houses the organization's Active Aging Center, Jackson Café restaurant, and administrative offices. The recently constructed location of the Sonoma Marin Area Rail Train (SMART) downtown San Rafael station platform is adjacent to the east side of the property. It is anticipated that the SMART train will begin operations in the spring of 2017.

In addressing the challenges of the planned SMART downtown location, Whistlestop embarked on a redevelopment plan for its existing property and site. The redevelopment plan proposed a rebuild to include the addition of senior affordable housing units combined with a new state of the art Active Aging center. The organization has partnered with a notable nonprofit housing organization, Eden Housing, to develop, construct, and manage the housing component of the project. Whistlestop and Eden Housing submitted a formal application to the City of San Rafael's Planning department for the new redevelopment project in July, 2015.

In November 2015, Whistlestop began discussions with BioMarin who had recently purchased the 999 Third Street property from PG&E. This location is approximately 2.5 blocks from Whistlestop's 930 Tamalpais location. The concept discussed was to move the proposed Whistlestop/Eden project originally designed for the 930 Tamalpais site to the new BioMarin site at 999 Third street.

After several meetings involving Whistlestop, Eden Housing, BioMarin, and the City of San Rafael, it was decided that the 999 Third street property could be a more suitable site to locate the proposed Active Aging Senior Living building project. In February 2016, BioMarin, Whistlestop and Eden Housing signed a non-binding Memorandum of Understanding (MOU) to work together and develop a co-application for the 999 Third street property. The result of this work led to the submission of a pre-application for the 999 Third street property in August, 2016.

As a result of this new opportunity Whistlestop placed its filed application "on hold" for the redevelopment of the 930 Tamalpais location with the city of San Rafael effective February, 2016. If for some reason the 999 Third street application is not approved, Whistlestop will revert back to the original application filed for the 930 Tamalpais location.

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NOTES TO FINANCIAL STATEMENTS
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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.