

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

FINANCIAL STATEMENTS

**For the Years Ended
June 30, 2020 and 2019 (as restated)**

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8 - 9
Notes to Financial Statements	10 - 30



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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, 2020 and 2019 (as restated; see Note 3), 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, 2020 and 2019 (as restated), 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.

Change in Accounting Principle

As described in Note 2 to the financial statements, the Corporation has adopted the Financial Accounting Standards Board Accounting Standards Update 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to that matter.

Emphasis of Matter

As discussed in Note 21, Coronavirus Pandemic, the World Health Organization had declared COVID-19 as a public health emergency of international concern. Because of this, and local operational restrictions, the Corporation has not been able to conduct normal program activities. Given the uncertainty of the situation, the duration of any business disruption and the related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Doran & Associates

January 20, 2021

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

STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019 (as restated)

	2020	2019 (Restated)
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 6,434,740	\$ 2,177,501
Accounts and grants receivable (Note 2)	1,883,782	1,367,123
Current portion of pledges and bequests receivable, net (Note 5)	1,997,986	1,017,926
Inventory (Note 2)	54,925	22,741
Prepaid expenses	118,878	79,247
Investments, current (Note 6)	597,982	512,165
Total current assets	<u>11,088,293</u>	<u>5,176,703</u>
Rental and other deposits	65,342	37,477
Long-term investments (Note 6)	100,327	160,220
Pledges receivable, net of current portion and allowances (Note 5)	86,516	146,308
Charitable remainder trust (Note 7)	182,573	119,523
Programmatic equity instruments (Note 8)	1,118,171	1,074,477
Construction in progress (Note 9)	33,389	28,959
Property, equipment and improvements, net of accumulated depreciation of \$3,147,616 at 2020 and \$2,994,633 at 2019 (Notes 2 and 9)	<u>1,815,772</u>	<u>1,473,555</u>
Total assets	<u>\$ 14,490,383</u>	<u>\$ 8,217,222</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 112,612	\$ 148,933
Fares payable (Note 10)	-	5,971
Accrued payroll expenses	207,122	236,325
Accrued vacation	315,259	297,356
Loans payable, current portion (Note 11)	282,037	298,266
Total current liabilities	<u>917,030</u>	<u>986,851</u>
Conditional grant/PPP loan payable (Note 12)	1,537,775	-
Loans payable, net of current portion (Note 11)	144,817	426,497
Line of credit (Note 13)	<u>900,000</u>	<u>-</u>
Total liabilities	<u>3,499,622</u>	<u>1,413,348</u>
Net assets:		
Net assets without donor restrictions	1,647,050	2,004,280
Net assets with donor restrictions (Note 14)	9,343,711	4,799,594
Total net assets	<u>10,990,761</u>	<u>6,803,874</u>
Total liabilities and net assets	<u>\$ 14,490,383</u>	<u>\$ 8,217,222</u>

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

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

STATEMENTS OF ACTIVITIES
For the year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants	\$ 20,000	\$ 220,573	\$ 240,573
Donations, pledges, and bequests	1,142,247	4,804,333	5,946,580
Special event, net of expenses of \$35,111 (Note 15)	131,732	-	131,732
In-kind donation (Note 2)	8,700	-	8,700
Programmatic equity instruments (Note 8)	-	43,694	43,694
Paratransit services	-	5,237,856	5,237,856
Transportation contracts	4,249,423	-	4,249,423
Donated vehicles (Note 2)	-	491,777	491,777
Nutrition services	409,990	34,182	444,172
Investment income (Note 6)	17,736	-	17,736
Other	333,435	15,000	348,435
Net assets released from restrictions, fulfillment of purpose and/or time restrictions	<u>6,303,298</u>	<u>(6,303,298)</u>	<u>-</u>
Total support, revenue, and transfers	<u>12,616,561</u>	<u>4,544,117</u>	<u>17,160,678</u>
EXPENSES AND LOSSES			
Program services	9,796,974	-	9,796,974
Management and general	1,996,454	-	1,996,454
Fundraising	<u>1,180,363</u>	<u>-</u>	<u>1,180,363</u>
Total expenses and losses	<u>12,973,791</u>	<u>-</u>	<u>12,973,791</u>
Change in net assets	(357,230)	4,544,117	4,186,887
Net assets, beginning of year	<u>2,004,280</u>	<u>4,799,594</u>	<u>6,803,874</u>
Net assets, end of year	<u>\$ 1,647,050</u>	<u>\$ 9,343,711</u>	<u>\$ 10,990,761</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, 2019 (as restated)

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants	\$ 105,500	\$ 169,511	\$ 275,011
Donations, pledges, and bequests	765,015	609,758	1,374,773
Special event, net of expenses of \$104,454 (Note 15)	172,927	-	172,927
Programmatic equity instruments (Note 8)	-	1,074,477	1,074,477
Paratransit services	-	5,361,143	5,361,143
Transportation contracts	3,941,038	-	3,941,038
Nutrition services	287,000	42,826	329,826
Investment income (Note 6)	63,384	-	63,384
Other	234,963	-	234,963
Net assets released from restrictions, fulfillment of purpose and/or time restrictions	<u>5,931,480</u>	<u>(5,931,480)</u>	<u>-</u>
Total support, revenue, and transfers	<u>11,501,307</u>	<u>1,326,235</u>	<u>12,827,542</u>
EXPENSES AND LOSSES			
Program services	10,229,505	-	10,229,505
Management and general	1,233,777	-	1,233,777
Fundraising	<u>1,170,022</u>	<u>-</u>	<u>1,170,022</u>
Total expenses and losses	<u>12,633,304</u>	<u>-</u>	<u>12,633,304</u>
Change in net assets	<u>(1,131,997)</u>	<u>1,326,235</u>	<u>194,238</u>
Net assets, beginning of year, as originally presented	3,088,557	3,473,359	6,561,916
Prior period adjustment (Note 3)	<u>47,720</u>	<u>-</u>	<u>47,720</u>
Net assets, beginning of year, as restated	<u>3,136,277</u>	<u>3,473,359</u>	<u>6,609,636</u>
Net assets, end of year	<u>\$ 2,004,280</u>	<u>\$ 4,799,594</u>	<u>\$ 6,803,874</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, 2020

	Program Services			Supporting Services			
	Transportation	Active Aging Center	Nutrition	Total Program	Management and General	Fundraising and Development	
Salaries and wages	\$ 5,288,681	\$ 274,385	\$ 214,054	\$ 5,777,120	\$ 1,178,687	\$ 417,359	\$ 7,373,166
Payroll taxes	422,439	23,067	19,446	464,952	109,876	30,994	605,822
Employee benefits	579,908	17,126	14,620	611,654	104,058	30,020	745,732
Workers compensation	211,371	936	3,790	216,097	4,202	1,007	221,306
Staff expenses	192,481	8,384	12,822	213,687	59,829	5,049	278,565
Consultants	90,252	25,023	11,787	127,062	311,603	463,350	902,015
Kitchen Staff	-	-	114,811	114,811	-	-	114,811
Food and kitchen supplies	-	216	65,090	65,306	-	-	65,306
Vehicle leasing/maintenance	709,631	1,084	15,181	725,896	4,471	-	730,367
Insurance	324,013	4,789	12,349	341,151	21,812	5,056	368,019
Facilities expense	565,589	41,870	56,297	663,756	166,369	131,168	961,293
Other	169,824	3,240	1,271	174,335	28,767	93,688	296,790
Event facility, food and entertainment expense	-	-	-	-	-	35,111	35,111
Depreciation expense	275,347	17,310	8,490	301,147	6,780	2,672	310,599
Total expenses by function	8,829,536	417,430	550,008	9,796,974	1,996,454	1,215,474	13,008,902
Less: expenses included with revenues on the Statement of Activities:							
Event facility, food and entertainment expense	-	-	-	-	-	35,111	35,111
Total expenses included in the expenses section on the Statement of Activities	\$ 8,829,536	\$ 417,430	\$ 550,008	\$ 9,796,974	\$ 1,996,454	\$ 1,180,363	\$ 12,973,791

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, 2019

	Program Services			Supporting Services			
	Transportation	Active Aging Center	Nutrition	Total Program	Management and General	Fundraising and Development	Total
Salaries	\$ 5,494,824	\$ 216,754	\$ 224,663	\$ 5,936,241	\$ 674,766	\$ 403,210	\$ 7,014,217
Payroll taxes	475,147	17,397	19,391	511,935	53,585	30,243	595,763
Employee benefits	588,761	14,771	21,935	625,467	74,631	27,272	727,370
Workers compensation	326,820	676	6,486	333,982	5,738	1,644	341,364
Staff expenses	158,684	6,521	11,672	176,877	26,517	5,665	209,059
Consultants	203,185	40,654	9,412	253,251	295,200	534,728	1,083,179
Kitchen Staff	-	-	136,210	136,210	-	-	136,210
Food and kitchen supplies	-	85	93,801	93,886	-	-	93,886
Vehicle leasing/maintenance	792,742	-	16,811	809,553	544	-	810,097
Insurance	263,160	4,131	13,200	280,491	8,373	4,518	293,382
Facilities expense	556,415	71,949	81,912	710,276	68,644	102,240	881,160
Other	115,915	4,310	4,354	124,579	15,839	58,295	198,713
Event facility, food and entertainment expense	-	-	-	-	-	104,454	104,454
Depreciation expense	218,666	9,871	8,220	236,757	9,940	2,207	248,904
Total expenses by function	<u>9,194,319</u>	<u>387,119</u>	<u>648,067</u>	<u>10,229,505</u>	<u>1,233,777</u>	<u>1,274,476</u>	<u>12,737,758</u>
Less: expenses included with revenues on the Statement of Activities:							
Event facility, food and entertainment expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,454</u>	<u>104,454</u>
Total expenses included in the expenses section on the Statement of Activities	<u>\$ 9,194,319</u>	<u>\$ 387,119</u>	<u>\$ 648,067</u>	<u>\$ 10,229,505</u>	<u>\$ 1,233,777</u>	<u>\$ 1,170,022</u>	<u>\$ 12,633,304</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 CASH FLOWS
For the years ended June 30, 2020 and 2019 (as restated)

	2020	2019 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	<u>\$ 4,186,887</u>	<u>\$ 194,238</u>
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	310,599	248,904
Loss on disposal of property, equipment, and improvements	33,235	8,103
Change in allowances for uncollectibility and present value discount	(3,908)	16,268
Net unrealized loss (gain) on investments	33,872	(21,548)
Donation of charitable remainder trust	-	(119,523)
Unrealized gain on charitable remainder trust	(63,050)	-
Donation of programmatic equity instruments	-	(1,074,477)
Unrealized gain on programmatic equity instruments	(43,694)	-
Donation of capitalized vehicles	(491,777)	-
Changes in assets and liabilities:		
Accounts and grants receivable	(481,398)	(236,065)
Inventory	(32,184)	(3,937)
Prepaid expenses	(39,631)	(10,882)
Rental and other deposits	(27,865)	43,033
Accounts payable and accrued expenses	(36,321)	(32,606)
Fares payable	(5,971)	(26,160)
Accrued payroll expenses	(29,203)	58,132
Deferred revenue	-	(5,000)
Accrued vacation	17,903	10,376
Total adjustments	<u>(859,393)</u>	<u>(1,145,382)</u>
Net cash provided (used) by operating activities	<u>3,327,494</u>	<u>(951,144)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, equipment, and improvements, including capital leases	(492,183)	(293,340)
Cash paid for work in progress	(4,430)	(4,650)
(Purchases) sales of investments	<u>(59,796)</u>	<u>10,307</u>
Net cash used by investing activities	<u>(556,409)</u>	<u>(287,683)</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 CASH FLOWS (Continued)
For the years ended June 30, 2020 and 2019 (as restated)

	2020	2019 (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for capital campaign	2,502,539	56,524
Pledges receivable, capital campaign	(3,454,160)	(207,000)
Proceeds from conditional grant/PPP loan	1,537,775	-
Proceeds from loan payable	<u>900,000</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>1,486,154</u>	<u>(150,476)</u>
Net increase (decrease) in cash and cash equivalents	4,257,239	(1,389,303)
Cash and cash equivalents, beginning of year	<u>2,177,501</u>	<u>3,566,804</u>
Cash and cash equivalents, end of year	<u>\$ 6,434,740</u>	<u>\$ 2,177,501</u>
Supplementary information:		
Cash paid for interest	<u>\$ 34,615</u>	<u>\$ 32,588</u>
Non-cash transactions:		
Capital addition offset by capital lease / loan	<u>\$ 297,909</u>	<u>\$ 423,394</u>
Donated capitalized vehicles	<u>\$ 491,777</u>	<u>\$ -</u>
Donated charitable remainder trust	<u>\$ -</u>	<u>\$ 119,523</u>
Donated programmatic equity instruments	<u>\$ -</u>	<u>\$ 1,074,477</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, 2020 and 2019

NOTE 1 ORGANIZATION

Since 1954, Marin Senior Coordinating Council Incorporated, d.b.a Whistlestop, has been providing much needed services for the ever-increasing number of Marin County's most vulnerable older adults allowing them to age with independence, dignity and grace. The agency's mission is to promote the independence, well-being and quality of life for older adults and people living with disabilities in Marin County.

Whistlestop envisions a community where its older adults are celebrated and honored. Whistlestop's programs and services help older adults in Marin thrive through the power of human connections. Every day Whistlestop staff connect older adults and people living with disabilities with a hub of essential services like transportation, nutrition, information, social connection and learning meals, and classes that keep them active, healthy, and engaged. Whistlestop helps thousands of older adults in Marin reduce feelings of loneliness and social isolation as well as improve their mental and physical health.

Whistlestop served over 18,000 individuals in FY19-20, the vast majority of whom are low income and over 60 years old, with a broad variety of services such as:

- Special Needs Transportation. Since 1969, and in partnership with Marin Transit, Golden Gate Transit, and many other nonprofit organizations, Whistlestop serves residents with special transportation needs in Marin County, and individuals traveling to or through Marin from the surrounding counties. Whistlestop acts as a lifeline to their clients through helping to maintain their independence by transporting them to medical appointments, special day care programs, stores, friends, family and more, keeping them connected with anywhere they need to go in Marin, San Francisco and Sonoma counties. Whistlestop operates these transportation services with 130 specialized vehicles and over 175 employees focused on providing high-quality transportation services. The 20 hour a day, 365 days a year operation includes a call center as well as compassionate drivers who help the frailest residents remain independent through the provision of over 240,000 rides in FY19-20. This service is backed up by Whistlestop's CarePool program utilizing over 65 trained volunteer drivers able to assist older adults with their transportation needs.
- Nutrition programs including Nourish, Meals on Wheels, the Jackson Café, a food brown bag pantry (in collaboration with the SF/Marin Food Bank), Friday community breakfasts and other special nutrition programs. Whistlestop provided over 211,000 food servings to older Marin residents in FY19-20.
- Social Connection Activities and Classes like arts and entertainment, computers, ukulele lessons, ping pong competitions, discussion groups, fitness, health and wellness, citizenship, English as a second language, understanding Medicare, cultural group gatherings, and senior counseling. In addition, Whistlestop has partnered with LITA (Love is the Answer) of Marin on an in-home social visiting program for homebound seniors, called Caring Connections. Whistlestop has also partnered with Covia in Marin County for a phone visiting program for seniors called Social Call.
- Information and referral services that include a help line and a help desk, the Directory of Older Adult Services for Marin County, and provision of legal services in partnership with Legal Aid of Marin, including immigration assistance and legal aid counseling.

The Corporation receives a major portion of its revenue from transportation services, donations and bequests.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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 and Grants Receivable - It is the practice of the Corporation to expense uncollectibles only after exhausting all efforts to collect the amounts due.

Investments - Investments primarily include corporate stocks and government and corporate bonds. Purchased investments in equity and debt securities with readily determinable fair values are reported at fair value based on quoted market prices. Other investment instruments are measured on the net equity basis, as reported on the K-1 or other year-end report. Investments received by donation are recorded at the fair value at the date of donation.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements - Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Corporation determines the fair values of its assets and liabilities based on the fair value hierarchy, which includes three levels of inputs that may be used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are significant other observable inputs other than Level 1 inputs, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data. Level 3 inputs are unobservable inputs for the assets or liabilities. Unobservable inputs reflect the Corporation's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances, and may include the Corporation's own data.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The Corporation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

Management has elected, as a practical expedient, to measure the fair value of investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or one that has the attributes of an investment company, on the basis of the net asset value ("NAV") per share of the investment or its equivalent, if the NAV or its equivalent is calculated in a manner consistent with the measurement principles of accounting for investment companies as of the entity's measurement date. The relevant guidance also requires disclosures by major category of investments about the attributes of investments. Management has elected to adopt this practical expedient for its investment in a limited liability Corporation.

Revenue and Revenue Recognition - The Corporation recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and right of return - are not recognized until the conditions on which they depend have been met. See Note 20 regarding conditional commitments that have not been recognized in the accompanying financial statements, because the conditions have not yet been met.

A portion of the Corporation's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Corporation has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position.

Revenue, other than unconditional contributions, bequests, and grants, is recognized in the period in which service is provided.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Leased assets are depreciated over the lesser of the estimated useful life or the lease term. The Corporation capitalizes all property and equipment with a cost in excess of \$5,000.

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 2020 or 2019.

Functional Expenses - The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include facilities, which are allocated on a square footage basis; payroll processing costs, which are allocated to each department according to a percentage of the total number of employees per department, as well as salaries and wages, benefits, payroll taxes, workers compensation, and other, which are allocated on the basis of estimates of time and effort.

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 vehicle equipment and parts. The items are recorded on a first-in, first-out basis and are valued at the lower of cost or net realizable value.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Donation - The Corporation received the benefit of donated vehicles and other in-kind benefits during the year ended June 30, 2020, which was recorded at fair value based on the market approach on a non-recurring basis using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

	Fair Value Measurements Using			Total
	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Vehicles	\$ -	\$ 491,777	\$ -	\$ 491,777
Other	-	8,700	-	8,700
Total	\$ -	\$ 500,477	\$ -	\$ 500,477

Volunteer Service - The Corporation receives contributions through services provided by over 348 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. The organization currently estimates the value of the following services at \$552,286:

Volunteer hours provided:	
Center Administrative Services	763
Community Breakfast	81
Computer Services	197
Jackson Café Service	3,275
Meals on Wheels	6,620
Resource Office	294
Special Events	1,609
Non-Meals on Wheels Transportation Services	2,289
Staff Support	410
Programs including pantry and classes	3,555
Total service hours provided	19,093

Advertising - The Corporation expenses advertising costs as incurred. During the years ended June 30, 2020 and 2019, \$29,072 and \$25,316, 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, 2020 and 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASC 740-10, Accounting for Uncertainty in Income Taxes - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Corporation to report information regarding its exposure to various tax positions taken by the Corporation. The Corporation has determined whether any tax positions have met the recognition threshold and has 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 (four years for California). 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.

Accounting Standards Update, ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash - In response to divergence in the way restricted cash is classified and presented in financial statements, FASB issued an amendment requiring that a statement of cash flows explain the change during a reporting period of the total of cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents. The amendment was effective for fiscal years beginning after December 31, 2018. The new standard did not have an impact on the Corporation's statement of cash flows.

Accounting Standards Update, ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made - In June 2018, the FASB issued clarified guidance regarding the way nonprofit organizations record contracts and grants being received and issued. For each arrangement, the organization will have to determine key elements of the agreement including (a) whether or not there is an exchange transaction (i.e., direct commensurate value to funder), (b) whether there are donor-imposed conditions for non-exchange transactions (e.g., measurable performance barriers, etc.) before commitment may be recognized as income, and (c) whether there are donor-imposed restrictions on non-exchange, unconditional funds (i.e., limited purpose or timing restrictions). The new standard was effective for resource recipients for fiscal years beginning after December 15, 2018, and for resource providers for fiscal years beginning after December 15, 2019, did not have a material impact on the Corporation's statement of financial position, results of operations, and cash flows.

Accounting Standards Update, ASU 2018-13 - Fair Value Measurement (Topic 820); Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement - In August 2018 the Financial Accounting Standards Board issued ASU 2018-13 as part of a disclosure framework project to improve the effectiveness of disclosures. In addition to the removal of certain disclosure requirements, the Standard provides for various modifications to others, and new disclosure requirements. The amendment is effective for fiscal years beginning after December 15, 2019, but early adoption is permitted, and has been adopted by the Corporation as of the year ended June 30, 2020.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Standards Update, ASU 2016-02, Leases - In February 2016, the FASB issued amendments to the way lessees record lease transactions. Upon implementation, lessees will be required to recognize at commencement the right-of-use asset and a lease liability representing the lessee's obligation to make lease payments arising from the lease, as discounted, for all leases except short-term leases. This Standard is effective for annual financial statements issued for fiscal years beginning after December 15, 2021, and early adoption is permitted. Management is currently evaluating the impact the amendments to this ASU will have on the financial statements of the Corporation.

Reclassifications - Certain balances at, and for the year ended June 30, 2019, were reclassified to conform with June 30, 2020, balances.

Subsequent Events - Subsequent events have been evaluated through January 20, 2021, which is the date the financial statements were available to be issued.

NOTE 3 PRIOR PERIOD ADJUSTMENT

The Corporation recognized that prior year balances in the fares payable account related to the Fares Assistance Program were incorrect. Income related to this MCTD discounted fares program was recorded to the liability account, rather than booked as revenue when paid. This adjustment made in FY2020 resulted in an adjustment totaling \$78,160, of which \$30,440 resulted in a restatement of FY2019 figures and \$47,720 was a prior period adjustment. The Fares Assistance Program was discontinued in September 2020.

NOTE 4 LIQUIDITY AND AVAILABILITY OF RESOURCES

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

Cash and cash equivalents	\$ 702,602
Accounts, grants, and pledges receivable	1,540,221
Operating investments and cash	<u>728,700</u>
	<u>\$ 2,971,523</u>

Whistlestop has a policy to position its financial assets to be available as its general operating expenditures, liabilities, and other obligations come due, with a goal to maintain financial assets (cash, receivables, and short-term investments) sufficient to meet at least 60 days of operational cash flow needs, which is approximately \$2,000,000. The Organization invests cash in excess of daily requirements in short-term investments, CDs, and money market funds. The Organization also has two lines of credit totaling up to \$1,900,000. As of June 30, 2020, the Organization had \$1,000,000 remaining on the lines of credit, upon which it could draw to manage short-term liquidity needs.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 5 PLEDGES AND BEQUESTS RECEIVABLE

The Corporation has been awarded unconditional pledges and unconditional bequests receivable as of June 30, 2020 and 2019, as follows:

Description:	Pledges and Bequests Receivable	Allowance for Doubtful Accounts (A) and Allowance for Present Value Discount (B)	Pledges and Bequests Receivable, Net
<u>June 30, 2020:</u>			
Current portion	\$ 2,052,774	\$ (54,788)	\$ 1,997,986
Long-term portion	<u>98,300</u>	<u>(11,784)</u>	<u>86,516</u>
Total	<u>\$ 2,151,074</u>	<u>\$ (66,572)</u>	<u>\$ 2,084,502</u>
<u>June 30, 2019:</u>			
Current portion	\$ 1,072,714	\$ (54,788)	\$ 1,017,926
Long-term portion	<u>162,000</u>	<u>(15,692)</u>	<u>146,308</u>
Total	<u>\$ 1,234,714</u>	<u>\$ (70,480)</u>	<u>\$ 1,164,234</u>

(A) 3% for 2020; 5% for 2019

(B) 1.75% for 2020 and 2019

NOTE 6 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, 2020 and 2019, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

Description	Fair Value Measurements Using				Total
	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at Cost or NAV	
<u>June 30, 2020:</u>					
Fixed income, preferred	\$ 330,082	\$ -	\$ -	\$ -	\$ 330,082
Fixed income, government and non-government, non-current	-	100,327	-	-	100,327
Equity investments	13,422	-	-	-	13,422
ETFs	251,251	-	-	-	251,251
Accrued interest	<u>3,227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,227</u>
	<u>\$ 597,982</u>	<u>\$ 100,327</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 698,309</u>

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 6 INVESTMENTS (Continued)

Description	Fair Value Measurements Using				Total
	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at Cost or NAV	
<u>June 30, 2019:</u>					
Fixed income, preferred	\$ 238,146	\$ -	\$ -	\$ -	\$ 238,146
Fixed income, government and non-government, non-current	-	160,220	-	-	160,220
Equity investments	13,720	-	-	-	13,720
ETFs	254,890	-	-	-	254,890
Accrued interest	5,409	-	-	-	5,409
	<u>\$ 512,165</u>	<u>\$ 160,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 672,385</u>

The following summarizes the investment income, including amounts earned on interest-bearing cash accounts, for the years ended June 30, 2020 and 2019:

	2020	2019
Interest and dividend income, including interest earned on interest-bearing accounts	\$ 58,046	\$ 47,949
Unrealized (loss) gain on investments	(33,872)	21,548
Investment management fees	(6,438)	(6,113)
	<u>\$ 17,736</u>	<u>\$ 63,384</u>

NOTE 7 CHARITABLE REMAINDER TRUST

The Corporation is the charitable remainder beneficiary for a charitable remainder trust (CRT) holding cash and marketable securities. The CRT is subject to a life estate, whereby the assets, upon death of the income beneficiary, are distributed to the Corporation.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 7 CHARITABLE REMAINDER TRUST (Continued)

The CRT is measured at fair value using the market approach on a recurring basis during the years ended June 30, 2020 and 2019, as follows:

<u>Description:</u>	Fair Value Measurements Using				<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>Measured at Cost or NAV</u>	
Charitable remainder trust:					
2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,573</u>	<u>\$ 182,573</u>
2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,523</u>	<u>\$ 119,523</u>

The following is a reconciliation of the beginning and ending balances for the charitable remainder trusts:

Initial recognition	\$ 119,523
Unrealized gain/loss	<u>-</u>
Balance, June 30, 2019	119,523
Unrealized gain	<u>63,050</u>
Balance, June 30, 2020	<u>\$ 182,573</u>

NOTE 8 PROGRAMMATIC EQUITY INSTRUMENTS

In August 2017, Marinspace, a 501(c)(3) nonprofit organization based in Marin CA, announced its intention to wind down its operations and gift 70 Skyview Property to a worthy nonprofit or collaboration of nonprofits. In November, 2017, after an exhaustive vetting process, the Marin Center for Independent Living (MCIL) and Whistlestop were selected to receive the gift as a result of their strategic vision for the long-term vision of creating the Marin Aging and Disability Institute.

The formation of the Marin Aging and Disability Institute (MADI) will serve as a critical community resource for Marin County residents who desire to age in place and access the social services and supports they need. MADI will take a “No-Wrong Door,” approach to service delivery where community-based organizations serving older adults and people with disabilities will be invited to co-locate and/or establish offices at the Skyview campus for one-stop intake and enrollment into multi-agency services.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 8 PROGRAMMATIC EQUITY INSTRUMENTS (Continued)

The MADI campus will provide what the health care sector refers to as “coordinated care”, the strategic collaboration and coordination of services from multiple service providers that meets the individual where they are at and provides them with the support they need in a timely fashion. Coordinated care takes many forms: facilitating transportation to and from medical appointments, accessing food and nutritional support, participating in an adult day health program, navigating public and private benefits, hiring a caregivers to support an individual in their activities of daily living and/or reducing fall risk through home access modifications.

In June, 2018, the Marin Aging and Disability Institute LLC was formed for the specific purpose of holding title to property, including real and personal property located at 70 Skyview Terrace, San Rafael, California, 94903, managing, operating, leasing and otherwise dealing with the property to principally house public agencies and nonprofit organizations providing services for the public benefit and those in need, including but not limited to aging, disability, health, education, housing and human services. Whistlestop and MCIL are each 50% Members in the LLC. In June 2018, MADI was granted 501(c)(3) tax exempt status by the IRS.

MCIL and Whistlestop have established a comprehensive Operating Agreement in order to complete the organization of the company, provide for the governance of the company and establish conduct for the company’s business. The establishment of MADI will move the county forward and create systems change by redefining how Marin’s elders and individuals with disabilities live, learn, earn and age in place.

The management of the business and assets of the MADI LLC are vested solely in six Managers (the “Managers”), three appointed by MCIL and three appointed by Whistlestop. Each of the Members shall have the power to fill vacancies, and remove and replace the Managers appointed by them respectively, from time to time, with or without cause. The Managers shall have the full and sole power and authority to manage, control and conduct the business and affairs of the MADI LLC and may exercise all powers of the Company without the need for further approval by the Members or any additional or successor members of the Company.

The asset transfer from Marinspace to MADI was completed on October 31, 2018. Whistlestop, as a 50% Member of the MADI LLC, recorded a programmatic investment in the amount of \$1,118,171 and \$1,074,477 based on the net assets of that organization as of June 30, 2020 and 2019, respectively.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 8 PROGRAMMATIC EQUITY INSTRUMENTS (Continued)

The summarized internal financial statements for MADI LLC at June 30, 2020 and 2019, are as follows:

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 341,959	\$ 228,784
Deposit	2,560	2,560
Intangibles, net	40,491	41,640
Land and buildings, net	<u>2,404,313</u>	<u>2,454,439</u>
Total assets	<u>\$ 2,789,323</u>	<u>\$ 2,727,423</u>
 <u>Liabilities and net assets</u>		
Prepaid rents	\$ -	\$ 12,806
Tenant security deposit	23,347	29,316
Long-term loan	<u>529,635</u>	<u>536,347</u>
Total liabilities	552,982	578,469
Net assets (Whistlestop 50% = \$1,118,171 / \$1,074,477)	<u>2,236,341</u>	<u>2,148,954</u>
Total liabilities and net assets	<u>\$ 2,789,323</u>	<u>\$ 2,727,423</u>

The programmatic equity instrument is measured at fair value using the equity approach on a recurring basis during the years ended June 30, 2020 and 2019, as follows:

Description:	<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>Measured at Cost or NAV</u>	
Programmatic equity instrument:					
2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,118,171</u>	<u>\$ 1,118,171</u>
2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,074,477</u>	<u>\$ 1,074,477</u>

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 8 PROGRAMMATIC EQUITY INSTRUMENTS (Continued)

The following is a reconciliation of the beginning and ending balances for assets, using the market approach, for the programmatic equity instruments:

Initial recognition	\$ 1,074,477
Unrealized gain/loss	<u>-</u>
Balance, June 30, 2019	1,074,477
Unrealized gain/loss	<u>43,694</u>
Balance, June 30, 2020	<u><u>\$ 1,118,171</u></u>

NOTE 9 PROPERTY, EQUIPMENT, AND IMPROVEMENTS

Property, equipment, and improvements consisted of the following at June 30, 2020 and 2019:

Property, equipment, and improvements, at cost	Land	Building and Leasehold Improvements	Furniture Vehicles, and Equipment	Total
Balance, June 30, 2018	\$ 365,482	\$ 2,170,164	\$ 1,447,705	\$ 3,983,351
Additions	-	45,066	671,668	716,734
Disposals	<u>-</u>	<u>-</u>	<u>(231,897)</u>	<u>(231,897)</u>
Balance, June 30, 2019	365,482	2,215,230	1,887,476	4,468,188
Additions	-	6,492	679,559	686,051
Disposals	<u>-</u>	<u>-</u>	<u>(190,851)</u>	<u>(190,851)</u>
Balance, June 30, 2020	<u>365,482</u>	<u>2,221,722</u>	<u>2,376,184</u>	<u>4,963,388</u>
Balance, June 30, 2018	-	1,958,009	1,011,514	2,969,523
Depreciation expense	-	36,215	212,689	248,904
Disposals	<u>-</u>	<u>-</u>	<u>(223,794)</u>	<u>(223,794)</u>
Balance, June 30, 2019	-	1,994,224	1,000,409	2,994,633
Depreciation expense	-	29,813	280,786	310,599
Disposals	<u>-</u>	<u>-</u>	<u>(157,616)</u>	<u>(157,616)</u>
Balance, June 30, 2020	<u>-</u>	<u>2,024,037</u>	<u>1,123,579</u>	<u>3,147,616</u>
Property, equipment, and improvements, net	<u><u>\$ 365,482</u></u>	<u><u>\$ 197,685</u></u>	<u><u>\$ 1,252,605</u></u>	<u><u>\$ 1,815,772</u></u>

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 9 PROPERTY, EQUIPMENT, AND IMPROVEMENTS (Continued)

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 19). As of June 30, 2020 and 2019, \$33,389 and \$28,959, respectively, was incurred in unreimbursed pre-development costs related to this project.

NOTE 10 FARES PAYABLE

Fares collected by the Corporation are required to be remitted to the Marin County Transit District. At June 30, 2020 and 2019, there was a balance due to the Marin County Transit District of \$0 and \$5,971, respectively.

NOTE 11 LOANS PAYABLE

Loan #1: On August 29, 2015, the Corporation entered into a promissory note up to \$300,000 with the Bank of Marin. The note was secured by inventory, accounts, equipment, and a motor vehicle, as described in the Security Agreement. The note allowed for interest-only payments on amounts drawn at the fixed 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, 2019, \$29,987 was outstanding on this loan, and during the year ended June 30, 2020, this loan was repaid.

Loan #2: 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 fixed rate of 4.125% per annum for 6 months, followed by 59 payments of principal and interest of \$743 through the maturity date of November 5, 2021. As of June 30, 2020 and 2019, \$11,617 and \$19,853, respectively, was outstanding on this loan.

Loan #3: On June 27, 2018, the Corporation entered into a promissory note up to \$800,000 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 the amounts drawn at the fixed rate of 5% per annum for 7 months, followed by 36 payments of principal and interest of \$23,999 through the maturity date of February 5, 2022. As of June 30, 2020 and 2019, \$415,237 and \$674,923, respectively, was outstanding on this loan.

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

Year ending June 30,	Loan #2	Loan #3	Total
2021	\$ 8,598	\$ 273,439	\$ 282,037
2022	3,019	141,798	144,817
	\$ 11,617	\$ 415,237	\$ 426,854

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 12 CONDITIONAL GRANT / PPP LOAN

On April 27, 2020, the Corporation entered into an unsecured note payable to Bank of Marin as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act's "Paycheck Protection Program" which is guaranteed by the U.S. Small Business Administration. The loan is for \$1,537,775, matures on April 27, 2022, and bears interest at the fixed rate of 1% per annum. Payments of principal and interest are deferred through September 27, 2021, then shall be made in seven equal payments of \$86,540 and a balloon payment of \$961,291. Under the terms of the program, some or all of the loan may be forgiven if funds are used during the covered period for costs identified in the CARES Act: payroll costs, covered rent obligations, and covered utility payments.

The future minimum principal payments under this loan, if the full amount is not forgiven, are as follows:

Year ending June 30,	
2021	\$ -
2022	<u>1,537,775</u>
	<u>\$ 1,537,775</u>

NOTE 13 LINES OF CREDIT

In December 2019, the Corporation refinanced its existing \$400,000 revolving line of credit and secured a new \$1,500,000 non-revolving credit line with Bank of Marin. Both lines of credit are secured by the 930 Tamalpais, San Rafael property and have interest-only monthly payments, with a principal due at maturity or upon the sale of the property. The maturity date of the original line of credit is 12/5/2021, and the new line of credit matures 1/5/2025. Amounts drawn on the loans bear interest at the bank's Prime Rate plus 0.5% for the smaller line and 0.25% for the larger line. The bank's Prime Rate was 4.75% in 2019 and 2020. As of June 30, 2020 and 2019, there were no amounts outstanding on the original line of credit. As of June 30, 2020, the outstanding balance on the new line of credit was \$900,000.

NOTE 14 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Vehicles	\$ 65,054	\$ 65,054
New Building Capital campaign (see Note 19)	6,752,913	3,290,540
Programmatic equity instruments	1,118,171	1,074,477
Safetynet programs	150,000	150,000
Healthcare rides	35,000	-
Lifelong Learning Program (LLL)	880,000	-
Healthy Aging Program (HAP)	60,000	-
Time-restricted	<u>282,573</u>	<u>219,523</u>
	<u>\$ 9,343,711</u>	<u>\$ 4,799,594</u>

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 15 SPECIAL EVENTS

During the years ended June 30, 2020 and 2019, the Corporation held special events resulting in net income as follows:

	2020	2019
Special event donations	\$ 143,965	\$ 167,024
Earned income	22,878	110,357
Less: direct expenses	(35,111)	(104,454)
Net special event earned income	(12,233)	5,903
Total event net income	\$ 131,732	\$ 172,927

NOTE 16 OPERATING LEASES AND LONG-TERM CONTRACTS

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

Type	Maturity	Monthly Payment	Expenses	
			2020	2019
15 Jordan Street San Rafael Property	6/2022	\$12,250-\$13,386	\$ 151,411	\$ 147,000
Parking lot, San Rafael property	1/2020	\$6,250 - \$7,240	\$ 86,880	\$ 85,410
Parking spaces, San Francisco	6/2020	\$1,850 - \$1,982	\$ 23,784	\$ 22,872
San Francisco yard/parking	4/2020	\$6,273 - \$8,000	\$ 69,248	\$ 78,126
San Francisco yard	4/2023	\$ 9,000	\$ 18,000	\$ -
Santa Rosa yard	7/2023	\$ 4,750	\$ 2,700	\$ -
Mobile Office Container	4/2021	\$ 279	\$ 3,348	\$ 3,348
Mobile Office Container	8/2021	\$ 306	\$ 3,058	\$ -
Two vehicles	1/2020	\$ 462	\$ 2,772	\$ 5,544
One vehicle	8/2020	\$ 230	\$ 2,755	\$ 2,530
One vehicle	12/2023	\$ 263	\$ 1,315	\$ -
One vehicle	12/2023	\$ 263	\$ 1,315	\$ -
Nine Shuttle Buses	11/2018	\$ 10,873	\$ -	\$ 47,606

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 16 OPERATING LEASES AND LONG-TERM CONTRACTS (Continued)

Type	Maturity	Monthly Payment	Expenses	
			2020	2019
Four Shuttle Buses	11/2018	\$ 4,340	\$ -	\$ 23,672
Three Shuttle Buses	9/2024	\$ 3,917	\$ 40,094	\$ -
Eight Shuttle Buses	1/2025	\$ 10,168	\$ 50,840	\$ -
Postage machine (2)	9/2020	\$ 46	\$ 548	\$ 548
Photocopier	2/2023	\$ 710	\$ 8,520	\$ 6,423
Photocopier	6/2023	\$ 668	\$ 8,016	\$ 5,600

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

Year ending June 30,	Parking Lots and Buildings	Vehicles	Other Equipment	Total
2021	\$ 327,415	\$ 175,792	\$ 16,628	\$ 519,835
2022	326,243	175,332	16,536	518,111
2023	147,000	175,332	13,696	336,028
2024	4,750	172,176	-	176,926
2025	-	79,010	-	79,010
	<u>\$ 805,408</u>	<u>\$ 777,642</u>	<u>\$ 46,860</u>	<u>\$ 1,629,910</u>

NOTE 17 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 on his/her first day of employment with the Corporation. The Corporation may decide at their annual discretion to make a matching contribution to the plan of up to 3% of an eligible employees' compensation but not greater than equal to a plan participants' elective deferrals. In order to become an eligible participant the employee must complete one year of service, which is defined as 1,000 worked hours during the Corporation's fiscal year ending June 30th, and they must still be employed with the Corporation as of the end of the Corporations' fiscal year. Employer has made discretionary matching contributions for the years ended June 30, 2020 and 2019, totaling \$51,676 and \$42,901, respectively.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 18 CONCENTRATIONS

The Corporation has provided services to the Marin County Transit District (MCTD) for more than 20 years and earned gross revenue of approximately \$5,237,856 in the year ended June 30, 2020, which comprises approximately 31% of the Corporation's total revenue for the year (42% for 2019). Services provided to Regional Centers through the transportation broker R&D resulted in gross revenue of approximately \$4,038,568 in the year ended June 30, 2020, which represented 24% of total revenues for the year.

In the year ended June 30, 2020 the Corporation recorded pledges of \$3,458,067 toward its capital campaign, which represented 20% of the total revenues for the year. Additionally, the Corporation received a \$996,410 contribution in support of developing its Life Long Learning Program from an individual donor during the year.

The Corporation is also the recipient of pledges from two donors with a combined remaining balance of \$1,800,000 that represents 82% of the current capital campaign pledge receivable balance at June 30, 2020.

NOTE 19 NEW HEALTHY AGING CAMPUS BUILDING PROJECT

Whistlestop owns the property, 930 Tamalpais Avenue, San Rafael, which currently houses the organization's Active Aging Center, Jackson Café, and administrative offices. The Sonoma Marin Area Rail Train (SMART) downtown San Rafael station platform is adjacent to the east side of the property. SMART train began operations in the late summer of 2017.

In addressing the challenges of the SMART downtown location, Whistlestop embarked on a redevelopment plan for its existing property and site. The redevelopment plan proposed a re-build to include the addition of senior affordable housing units combined with a new state of the art Healthy Aging Center. The organization 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 west 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 Whistlestop new building project. In October 2018, Whistlestop, Eden Housing, and BioMarin entered into a binding MOU that describes and memorializes the parties' mutual understanding of how they will cooperate in carrying out their respective development, financial, and constructions responsibilities as sponsors of the 999 Third Street Development project. On October 5, 2018, Whistlestop, Eden Housing and BioMarin submitted their formal application for the 999 Third Street development project to the City of San Rafael's Planning department.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 19 NEW HEALTHY AGING CAMPUS BUILDING PROJECT (Continued)

On March 23, 2020, the proposed new Healthy Aging Campus building project at BioMarin's 999 Third Street property received a unanimous 5-0 vote of approval by the San Rafael City Council for entitlement of this new project. Whistlestop, BioMarin and Eden Housing converted the MOU into a Property Exchange Agreement that was signed by all parties on September 14, 2020. Eden Housing then began their work to secure the appropriate financing for the project's estimated cost of \$38 million for the 67 units of affordable housing. Whistlestop is responsible for \$10 million of the new building's cost, and has already raised over \$10 million in Capital Campaign pledges. Whistlestop expects to continue raising funds for the Capital Campaign through June 2021. New construction could begin by mid to late 2021.

The new opening of the Healthy Aging Campus is estimated to take place in mid to late 2022.

NOTE 20 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.

On May 3, 2017, the Buck Family Fund (MCF) Board of Trustees approved a Grant for \$2,000,000 to support the development of its Aging Access Center. Grant funds will be recorded as an asset and disbursed to Whistlestop once certain conditions have been satisfied. MCF is making the grant subject to the following conditions being met: provide MCF with evidence of building entitlements and construction permits; final project budget and proof of other committed source of funds; confirm that final project scope aligns and conforms with original grant request; and a five-year proforma operating budget and plan, and a final project team list.

In November 2019, the Corporation received a \$250,000 pledge from an anonymous donor through a Marin Community Foundation's donor advised fund. As of June 30, 2020, the remaining \$150,000 has not been recorded as it is split in to two \$75,000 matching gifts for both 2020 and 2021.

The Organization, from time to time, receives information regarding claims against the Organization in the ordinary course of business. Such claims can involve current and former employees' and clients, or client families. Management has represented that its insurance company is responsible for handling any and all such claims, and believes the insurance coverage is adequate to protect the Organization in the event of a successful claim. An estimate of possible damages, if any, which the Organization would be liable for, cannot be made at this time, however management believes any such liability would be immaterial in amount.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 21 CONCENTRATIONS AND RISKS

Coronavirus Pandemic - In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) began to spread among various countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S., including California, had declared a state of emergency and had issued shelter-in-place orders in response to the outbreak. The immediate impact to the Corporation's operations includes restrictions on employees' and volunteers' ability to work, and reductions or cancellation of program activities and services.

At the start of the shelter-in place mid-March, Whistlestop's Active Aging Center closed to the public, with classes being shifted online and the Jackson Café converted to a lunch take-out service. While the organization's food delivery services experienced increased volumes and new County programs, the transportation service volumes decreased almost 85% in total. During this time, Whistlestop relied significantly on funding from increased donor and grant activity, as well as continued funding from Marin Transit and the Regional Center transportation contracts. The organization also received a \$1,537,775 SBA Paycheck Protection Plan (PPP) loan provided through the CARES Act.

It is anticipated that the impacts from this pandemic will continue for some time, and as of the report date, the financial impact of the coronavirus outbreak cannot be fully measured.

Other Risks - In November 2019, a California organization filed suit against Whistlestop alleging that donations intended for them in 2017 and 2018 were misdirected to Whistlestop instead. The Organization filed a general denial in January 2020, contending that the donations were intended for a program that Whistlestop has been operating since December 2012. Additionally, the Organization filed a cross complaint for \$800,000 related to additional donations received by the plaintiff in 2014 and 2017 that were also allegedly intended for the Whistlestop program.

In November 2020, the Organization received a demand letter in the amount of \$270,000 related to an alleged incident that occurred during one of their transportation rides performed in June 2019. Both of these referenced claims are in the discovery phase, so an estimate of possible damages, if any, which the Organization would be liable for, cannot be made at this time. Based on this fact and the legal opinion of counsel received, no loss contingency has been accrued as of June 30,2020.

NOTE 22 SUBSEQUENT EVENT - NAME CHANGE

After an extensive 2-year planning process, on September 1, 2020, the Marin Senior Coordinating Council dba Whistlestop unveiled a new corporate name to reflect the organization's continued growth, community reach and vision for the future. As of that date the corporation began operating under a new corporate name and is now known as Vivalon. Along with the name change, a newly redesigned logo was rolled out, and a new website is planned to launch in February 2021. The name Whistlestop will continue to be used for Vivalon's transportation services division, which will now be called Whistlestop Wheels by Vivalon.

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

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2020 and 2019

NOTE 22 SUBSEQUENT EVENT - NAME CHANGE (Continued)

A lot of research and consideration went into selecting a new name that reflects the organization's vision for the future. The organization has been growing its service offerings, expanding geographically, and is reaching more people in need, so it chose a more progressive name to reflect and support its path for growth. Vivalon is an invented word conveying life, longevity, activity, vitality, and connection. It exudes vibrancy and energy.