VIVALON

(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

VIVALON

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Aprio

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Vivalon

Opinion

We have audited the financial statements of Vivalon (a California nonprofit public benefit corporation), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Vivalon as of June 30, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Vivalon and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Vivalon's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Vivalon's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Vivalon's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Aprio, LLP

Walnut Creek, CA
May 4, 2026

VIVALON
STATEMENTS OF FINANCIAL POSITION
JUNE 30,

ASSETS

	2025	2024
Current assets		
Cash and cash equivalents	$ 1,175,509	$ 731,948
Restricted cash and cash equivalents	-	8,311
Accounts receivable	1,656,253	1,618,565
Pledges receivable, net	113,808	230,714
Other receivables	53,424	44,907
Automotive parts	106,696	92,240
Prepaid expenses	340,701	218,029
Short-term investments, at fair value	993,450	1,584,535
Total current assets	4,439,841	4,529,249
Long-term assets		
Property, equipment, and improvements	18,710,631	19,311,646
Security deposits	32,330	32,330
Long-term investments, at fair value	418,395	199,965
Programmatic Investment	1,069,578	1,094,347
Finance lease right of use assets, net	4,356,260	3,592,335
Operating lease right of use assets, net	1,036,926	1,117,896
Total long-term assets	25,624,120	25,348,519
Total assets	$ 30,063,961	$ 29,877,768

LIABILITIES AND NET ASSETS

	2025	2024
Current liabilities		
Accounts payable	$ 386,892	$ 389,135
Accrued expenses	1,322,237	1,022,839
Current portion of finance lease liabilities	1,220,462	681,852
Current portion of operating lease liabilities	482,141	421,531
Other current liabilities	9,975	158,139
Current portion of long-term debt	88,578	640,545
Total current liabilities	3,510,285	3,314,041
Long-term liabilities:		
Long-term debt	1,928,750	1,500,000
Finance lease liabilities, net of current portion	3,378,416	3,079,049
Operating lease liabilities, net of current portion	624,759	766,468
Total long-term liabilities	5,931,925	5,345,517
Total liabilities	9,442,210	8,659,558
Net assets		
Without donor restrictions	18,667,885	19,289,782
With donor restrictions	1,953,866	1,928,428
Total net assets	20,621,751	21,218,210
Total liabilities and net assets	$ 30,063,961	$ 29,877,768

See independent auditors' report and notes to the financial statements

VIVALON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Grants	$ 218,393	$ 140,701	$ 359,094
Donations and pledges	884,041	273,387	1,157,428
Bequests	35,490	21,639	57,129
Special events, net	511,014	2,500	513,514
In-kind donations	164,472	-	164,472
Net assets released from restrictions	450,653	(450,653)	-
Total support	2,264,063	(12,426)	2,251,637
Revenue			
Program service revenue	16,788,644	-	16,788,644
Investment income, net	75,588	62,632	138,220
Other income	43,225	-	43,225
Equity in loss of programmatic investment	-	(24,768)	(24,768)
Total revenue	16,907,457	37,864	16,945,321
Total support and revenue	19,171,520	25,438	19,196,958
Expenses			
Program services	15,105,536	-	15,105,536
Supporting activities:			
Management and general	3,612,403	-	3,612,403
Fundraising and development	1,075,478	-	1,075,478
Total expenses	19,793,417	-	19,793,417
Change in net assets	(621,897)	25,438	(596,459)
Net assets at beginning of year	19,289,782	1,928,428	21,218,210
Net assets at end of year	$ 18,667,885	$ 1,953,866	$ 20,621,751

See independent auditors' report and notes to the financial statements

VIVALON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Grants	$ 40,737	$ 258,161	$ 298,898
Donations and pledges	738,202	1,980,768	2,718,970
Bequests	1,583,368	22,245	1,605,613
Special events, net	75,475	-	75,475
Net assets released from restrictions	4,055,603	(4,055,603)	-
Total support	6,493,385	(1,794,429)	4,698,956
Revenue			
Program service revenue	15,297,924	-	15,297,924
Investment income, net	218,455	-	218,455
Other income	181,465	-	181,465
Total revenue	15,697,844	-	15,697,844
Total support and revenue	22,191,229	(1,794,429)	20,396,800
Expenses:			
Program services	13,426,960	-	13,426,960
Supporting activities:			
Management and general	3,497,411	-	3,497,411
Fundraising and development	1,185,214	-	1,185,214
Total expenses	18,109,585	-	18,109,585
Change in net assets	4,081,644	(1,794,429)	2,287,215
Net assets at beginning of year	15,208,138	3,722,857	18,930,995
Net assets at end of year	$ 19,289,782	$ 1,928,428	$ 21,218,210

See independent auditors' report and notes to the financial statements

VIVALON
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program Services				Supporting Activities		
	Healthy Aging Center	In-Home Services Including Nutrition	Transportation	Total	Management and General	Fundraising and Development	Total
Personnel costs							
Salaries & wages	$ 924,335	$ 291,552	$ 6,116,153	$ 7,332,040	$ 2,151,051	$ 523,094	$ 10,006,185
Employee benefits	186,161	23,567	797,222	1,006,950	3,986	82,003	1,092,939
Payroll taxes	70,607	23,718	487,208	581,533	162,412	39,156	783,101
Vehicle leasing & maintenance	1,180	13,729	1,546,142	1,561,051	3,550	-	1,564,601
Staff expenses	21,563	17,373	174,034	212,970	227,313	9,200	449,483
Total personnel costs	1,203,846	369,939	9,120,759	10,694,544	2,548,312	653,453	13,896,309
Non-personnel costs							
Workers compensation	2,009	10,238	280,572	292,819	4,656	1,486	298,961
Rent	-	-	276,211	276,211	78,000	-	354,211
Insurance	29,198	45,048	484,564	558,810	58,650	12,611	630,071
Utilities & telecommunications	67,573	21,725	155,167	244,465	80,307	25,056	349,828
Marketing & promotion	10,694	-	3,830	14,524	8,806	244,395	267,725
Postage & printing	4,008	-	10,685	14,693	6,285	39,426	60,404
Repairs & maintenance	45,654	27,498	61,410	134,562	67,767	3,937	206,266
Supplies & equipment	62,155	9,442	48,534	120,131	21,061	3,010	144,202
Meals & entertainment	25,057	-	210	25,267	7,309	64	32,640
Interest expense	-	-	249,070	249,070	128,280	-	377,350
Food & kitchen supplies	272,132	70,400	-	342,532	25	9	342,566
Bank fees	4,014	-	3,997	8,011	7,048	9,244	24,303
Payroll processing	-	-	-	-	67,069	-	67,069
Software license & maintenance	12,395	2,226	251,980	266,601	97,359	17,474	381,434
Course Instructors	91,733	-	-	91,733	675	-	92,408
Consultants	66,668	15,200	13,500	95,368	343,987	39,290	478,645
Dues & subscriptions	24,960	260	4,378	29,598	17,055	25,154	71,807
Licenses and taxes	30,378	-	9,006	39,384	10,532	-	49,916
Other expenses	-	-	-	-	-	615	615
Depreciation & amortization	435,207	12,733	1,159,273	1,607,213	59,220	254	1,666,687
Total non-personnel costs	1,183,835	214,770	3,012,387	4,410,992	1,064,091	422,025	5,897,108
Total functional expenses	$ 2,387,681	$ 584,709	$ 12,133,146	$ 15,105,536	$ 3,612,403	$ 1,075,478	$ 19,793,417

See independent auditors' report and notes to the financial statements

VIVALON
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services				Supporting Activities		
	Healthy Aging Center	In-Home Services including Nutrition	Transportation	Total	Management and General	Fundraising and Development	Total
Personnel costs							
Salaries & wages	$ 932,614	$ 268,193	$ 5,412,910	$ 6,613,717	$ 2,238,756	$ 614,747	$ 9,467,220
Employee benefits	109,482	36,388	710,958	856,828	94,552	54,216	1,005,596
Payroll taxes	71,772	22,719	432,182	526,673	149,541	45,669	721,883
Vehicle leasing & maintenance	-	24,022	1,726,204	1,750,226	1,275	-	1,751,501
Staff expenses	31,466	14,691	180,284	226,441	95,489	11,132	333,062
Total personnel costs	1,145,334	366,013	8,462,538	9,973,885	2,579,613	725,764	13,279,262
Non-personnel costs							
Workers compensation	1,424	7,325	196,893	205,642	3,804	1,041	210,487
Rent	-	-	311,233	311,233	41,328	-	352,561
Insurance	33,455	27,715	269,761	330,931	35,522	12,984	379,437
Utilities & telecommunications	45,193	23,601	171,187	239,981	64,867	17,542	322,390
Marketing & promotion	12,147	-	523	12,670	2,610	193,419	208,699
Postage & printing	8,103	-	11,119	19,222	11,269	91,881	122,372
Repairs & maintenance	51,654	1,901	56,062	109,617	86,162	288	196,067
Supplies & equipment	54,044	8,636	62,025	124,705	1,732	14,617	141,054
Meals & entertainment	1,615	143	365	2,123	5,088	1,110	8,321
Interest expense	-	-	217,670	217,670	82,026	-	299,696
Food & kitchen supplies	237,589	-	-	237,589	-	-	237,589
Bank fees	1,774	-	212	1,986	17,678	1,264	20,928
Payroll processing	-	-	-	-	67,180	-	67,180
Software license & maintenance	151	359	179,418	179,928	181,323	26,287	387,538
Course Instructors	124,948	-	-	124,948	-	-	124,948
Consultants	75,187	633	10,335	86,155	227,100	39,485	352,740
Dues & subscriptions	10,323	1,100	3,418	14,841	34,332	42,208	91,381
Licenses and taxes	1,863	-	6,378	8,241	12,002	-	20,243
Bad debt expense	-	-	-	-	10,858	-	10,858
Other expenses	2,215	840	4,882	7,937	5,456	1,305	14,698
Depreciation expense	214,043	22,169	981,444	1,217,656	27,461	16,019	1,261,136
Total non-personnel costs	875,728	94,422	2,482,925	3,453,075	917,798	459,450	4,830,323
Total functional expenses	2,021,062	460,435	10,945,463	13,426,960	3,497,411	1,185,214	18,109,585

See independent auditors' report and notes to the financial statements

VIVALON
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2025	2024
Cash flows from operating activities		
Change in net assets	$ (596,459)	2,321,775
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,666,687	1,261,136
Amortization of right of use assets - finance leases	-	545,994
Noncash contribution of property, equipment, and improvements	(130,000)	-
Net realized and unrealized loss (gain) on marketable securities	(75,485)	(193,918)
Unrealized gain (loss) on programmatic investment	24,768	(34,560)
Proceeds from contributions restricted for capital campaign	(175,000)	(1,946,650)
Donation of stock	(3,161)	-
Amortization of operating lease right of use assets	533,662	359,420
Straight-line operating lease expense	10,905	-
(Increase) decrease in assets:		
Accounts receivable	(37,688)	(409,979)
Grants receivable	-	64,592
Other receivables	(8,517)	(44,907)
Pledges receivable, net	100,827	274,086
Employee retention credit receivables	-	742,643
Automotive parts	(14,456)	(61,942)
Prepaid expenses	(122,672)	(123,363)
Security deposits	-	6,159
Increase (decrease) in liabilities:		
Accounts payable	(2,241)	68,643
Accrued expenses	299,397	251,090
Construction contracts payable	-	(2,323,447)
Current portion of finance lease liabilities	-	466,478
Operating lease liabilities	(544,696)	279,024
Deferred revenue	-	(310)
Other current liabilities	(148,164)	150,757
Lease liabilities - operating leases	-	(596,187)
Total adjustments	1,374,166	(1,265,241)
Net cash provided by operating activities	777,707	1,056,534
Cash flows from investing activities		
Proceeds from sales of investments	1,203,303	95,445
Purchases of investments	(735,923)	-
Purchases of property, equipment, and improvements	(110,637)	(8,945,333)
Net cash provided by (used in) investing activities	356,743	(8,849,888)
Cash flows from financing activities		
Contributions received, restricted for capital campaign	175,000	1,946,650
Proceeds from loans payable	-	2,650,000
Principal payments on loans payable	(123,217)	(509,455)
Payments on line of credit, net	-	(1,000,000)
Principal payments on finance lease	(750,983)	(918,557)
Net cash provided by (used in) financing activities	(699,200)	2,168,638
Net increase (decrease) in cash	435,250	(5,624,716)
Cash and cash equivalents, beginning of the year	740,259	6,364,975
Cash and cash equivalents, ending of the year	$ 1,175,509	$ 740,259

See independent auditors' report and notes to the financial statements

VIVALON
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2025	2024
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	$ 377,350	$ 299,696
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING ACTIVITIES:		
In-kind vehicle donations	$ 130,000	$ -
Securities received in satisfaction of pledge receivable	16,079	-
	$ 146,079	$ -
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING ACTIVITIES:		
Right of use assets acquired in exchange for lease obligations	$ 1,950,766	$ 4,111,768
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH CONSISTED OF THE FOLLOWING:		
Cash and cash equivalents	$ 1,175,509	$ 731,948
Restricted cash and cash equivalents	-	8,311
	$ 1,175,509	$ 740,259

See independent auditors' report and notes to the financial statements

Note 1
Nature of Organization

For the past 70 years since 1954, Vivalon (the "Organization"), formally known as Marin Senior Coordinating Council Incorporated, d.b.a. Whistlestop, has been providing much needed services for the ever increasing number of Marin County, California's (the "County") older adults, allowing them to age with independence, dignity, and grace. The Organization's mission is to promote the independence, well-being, and quality of life for older adults and people living with disabilities in the County.

The Organization envisions a community where the County's older adults are celebrated and honored. Vivalon's programs and services help older adults in the County thrive through the power of human connections. Every day, the Organization's staff connect older adults and people living with disabilities with a hub of essential services, such as transportation, nutrition, information, social connection, learning, meals, and classes that aim to keep them active, healthy, and engaged. The Organization focuses on helping older adults in the County reduce feelings of loneliness and social isolation as well as improve their mental and physical well being.

The Organization operates the Healthy Aging Campus located in downtown San Rafael, which serves as a central location for many of the Organization's programs and services. The campus includes community program space, administrative offices, and affordable senior housing developed in partnership with a nonprofit housing organization. The campus supports the Organization's mission by providing programs, services, and resources for older adults and people living with disabilities in the County.

During the years ended June 30, 2025 and 2024, the Organization focused on individuals that are low income and adults over 60 years old with a broad variety of services such as:

- Special Needs Transportation. Since 1969, the Organization serves residents with special transportation needs in the County and individuals traveling to or through the County and neighboring counties.
- Social Connection Activities and Classes.
- Nutrition programs include Vivalon Nourish, Meals-on-Wheels, the Vivalon Café, a food brown bag pantry. The Organization provides food servings and distributes food to older and disabled County residents.

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

Note 2
Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements of the Organization are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Financial Statement Presentation:

Financial statement presentation is in accordance with U.S. GAAP regarding the reporting of net assets. The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.
- Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor-imposed restrictions may be 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 may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Use of Estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents:

For the purpose of the statements of cash flows, the Organization considers all highly liquid instruments purchased with an original maturity of three months or less to be 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.

Restricted Cash and Cash Equivalents:

Restricted cash represents cash that is required to be held in a separate escrow cash account for the new Healthy Aging Campus project.

Note 2
Summary of Significant Accounting Policies (Continued)

Leases:

The Organization recognizes and measures its leases in accordance with ASC 842. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization recognizes a lease liability and a right of use ("ROU") asset at the commencement date of each lease. The lease liability is initially and subsequently recognized based on the present value of the contract's future lease payments.

Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate, if it is readily determinable, or the Organization's incremental borrowing rate. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

The Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease costs associated with its short-term leases on a straight-line basis over the lease term. When contracts contain lease and non-lease components, the Organization accounts for both components as a single lease component.

Revenue Recognition:

Exchange Transactions

In accordance with FASB Topic 606, *Revenue from Contracts with Customers*, or ASC 606, the Organization recognizes revenue from exchange transactions when a customer obtains control of promised goods or services, in an amount that reflects the consideration the Organization expects to receive in exchange for those goods or services. To determine revenue recognition, the Organization performs the following five steps:

- Identification of the contract, or contracts, with a customer (Step 1)
- Identification of the performance obligation(s) in the contract (Step 2)
- Determination of the transaction price (Step 3)
- Allocation of the transaction price to the performance obligation(s) in the contract (Step 4)
- Recognition of revenue when or as the Organization satisfies the performance obligations (Step 5)

The following revenue streams relate to exchange transactions and are described further below:

Note 2
Summary of Significant Accounting Policies (Continued)

Program Service Revenue – Meals and Transportation

The Organization provides meals and transportation services to elderly individuals under contracts with governmental agencies and other third-party payors. Each meal delivered or transportation service provided represents a single performance obligation that is satisfied at the point in time the service is provided. Revenue is recognized when control of the service has transferred to the customer, which typically occurs upon delivery of the meal or completion of the transportation service. Transaction prices are based on established rates set forth in the contracts. Payment terms do not include a significant financing component.

Active Aging Center Revenue

The Organization operates an Active Aging Center that provides classes, workshops, memberships, and retail sales of small-dollar items. Each class, workshop, membership, or retail sale represents a single performance obligation. Revenue is recognized at the point in time when control of the good or service is transferred to the customer, which generally occurs when the class or workshop takes place, the membership is activated, or the retail item is sold.

Balances from contracts with customers were as follows at the beginning and end of the periods presented:

	June 30, 2025	June 30, 2024	July 1, 2023
Accounts receivable	$ 1,656,253	$ 1,618,565	$ 1,208,586

Contributions and Other Revenue Not Subject to ASC 606

Contributions: The Organization recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as with donor restrictions or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. When donor restrictions are satisfied, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts on multi-year pledges is recorded as additional contribution revenue and as either with or without donor restrictions based on any donor-imposed restrictions, if any, on the related contributions.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Consequently, at June 30, 2024, contributions approximating $233,147 have not been recognized in the accompanying statements of activities because the conditions on which they depend have not yet been met. At June 30, 2025, there were no contributions that had not been recognized dependent upon conditions.

Note 2
Summary of Significant Accounting Policies (Continued)

The Organization recognizes contributions of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-term assets with explicit restrictions that specify how the assets are to be used and contributions of cash and other assets that must be used to acquire long-term assets are recognized as restricted support. In the absence of explicit donor stipulations about how those long-term assets must be maintained, the Organization reports expirations of donor-imposed restrictions when the donated or acquired long-term assets are placed in service.

Special events: Special event revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

In-kind donations:

In-kind contributions include donated professional services, donated tangible assets and materials, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. The Organization's policy is to recognize contributed professional services if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Accounts Receivable:

Accounts receivable consists primarily of receivables from program registrants and are stated at the amount management expects to collect from outstanding balances. The Organization has elected to apply the practical expedient in accordance with ASU No. 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets For Private Companies And Certain Not-For- Profit Entities and assumes that the current conditions as of the statement of financial position date do not change over the remaining life of the asset. The Organization has also elected the accounting policy option to consider post balance sheet date cash collections when evaluating the allowance. The standard allows the Organization to select a post-balance sheet date and the Organization has elected to use the audit report date for this purpose.

The Organization has determined that all accounts receivable are fully collectible and no allowance for credit losses has been recorded as of June 30, 2025.

Pledges Receivable:

Pledges receivable consists of amounts due from donors under unconditional promises to give. Unconditional pledges are recognized as contribution revenue when the pledge is made in accordance with ASC 958-605, and are recorded at the amount committed by the donor. If a pledge spans multiple years, the receivable is presented at its estimated net realizable value and, if material, future payments are discounted to present value.

Note 2
Summary of Significant Accounting Policies (Continued)

Pledges are classified as current or noncurrent based on the expected timing of collection. The Organization evaluates the collectability of pledges and records an allowance for doubtful accounts based on historical collection experience, donor-specific information, and current economic conditions. Pledges are written off when they are deemed uncollectible.

Donor-restricted pledges are reported within net assets with donor restrictions until the donor-imposed conditions or restrictions are satisfied.

The Organization has determined that an allowance for doubtful accounts of $5,000 at both June 30, 2025 and 2024, is sufficient to cover the amount of these receivables that may not be fully collectible. This is based on previous experience and management's analysis of future expected collections based on current conditions. All grants receivable are anticipated to be collected within the next fiscal year. All pledges and bequests receivable are anticipated to be collected within the next fiscal year.

Automotive Parts:

Automotive parts consists of vehicle repair parts that are used to repair the Organization's vehicles. The parts are recorded on a first-in, first-out basis and are valued at the lower of cost or net realizable value.

Investments:

Investments are carried at fair value. The fair value of a financial instrument is the amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Investment income and gains and losses on investments are recorded as increases or decreases in net assets without donor restriction, unless their use is restricted by explicit donor stipulations, or by law. Investment income and gains and losses on investments whose use is restricted by explicit donor stipulation, or by law, but whose restrictions expire in the same reporting period as earned, are reported as investment income without donor restriction. Investments primarily include publicly-traded 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.

Programmatic Investment:

The Organization accounts for its investment in Marin Aging and Disability Institute ("MADI"), in which it owns 50% interest using the equity method. The Organization has significant influence, but not control over MADI; therefore, the Organization's investment in MADI is accounted for using the equity method whereby the Organization reflects its investment as the net balance of all cash investments, reduced by distributions and increased by the pro rata share of MADI's annual income or loss.

Note 2
Summary of Significant Accounting Policies (Continued)

Fair Value Measurements:

The Organization applies FASB ASC 820, Fair Value Measurements (ASC 820), which establishes a framework for measuring fair value and expands disclosure requirements about fair value measurements. ASC 820 defines fair value 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 under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. ASC 820 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

The three general valuation techniques that may be used to measure fair value are described below:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 — Inputs to the valuation methodology include:

- Quoted market prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset or liability.

Note 2
Summary of Significant Accounting Policies (Continued)

Property, Equipment, and Improvements:

The Organization 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 estimated useful lives of the respective assets as follows in accordance with FASB guidelines:

Building and improvements	7 - 40 years
Furniture and equipment	3 - 10 years
Vehicles and transportation equipment	5 years
Software	10 years

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

The Organization reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the full carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying value 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 2025 or 2024.

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. Depreciation is allocated based on estimated percentages of fixed property, equipment, and improvements related to each program or supporting function.

Advertising:

Advertising costs are expensed as incurred and paid. For the years ended June 30, 2025 and 2024 advertising expense totaled $37,024 and $90,281, respectively.

Note 2
Summary of Significant Accounting Policies (Continued)

Tax Exempt Status:

The Organization is a nonprofit organization exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for Federal income taxes is required. The Organization applies the guidance on accounting for uncertain tax provisions in FASB ASC 740 Income Taxes. The Organization is no longer subject to income tax examinations for tax years up to and including 2022.

Reclassifications:

Certain reclassifications have been made to the prior year financial statements and disclosures in order to make prior year amounts and disclosures comparable to those of the current year. Such reclassifications had no effect on previously reported net assets or changes in net assets.

Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits:

The Organization maintains cash balances at two commercial banks, and these balances can exceed the FDIC insured deposit limit of $250,000 per financial institution. At June 30, 2025 and 2024 the Company's cash balances held at the commercial banks exceeded the FDIC limit by approximately $1,042,265 and $841,108, respectively. The Organization has not experienced any losses through the date when the financial statements were available to be issued.

Note 3
Liquidity and Availability of Resources

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following as of June 30, 2025 and 2024:

	2025	2024
Financial assets available for general expenditure within one year:		
Cash and cash equivalents	$ 1,175,509	$ 731,948
Accounts receivable	1,656,253	1,618,565
Pledges receivable, net	113,808	230,714
Other receivables	53,424	44,907
Short-term investments, at fair value	993,450	1,584,535
Total financial assets	3,992,444	4,210,669
Donor-restricted contributions	1,953,866	1,928,428
Programmatic investment	(1,069,578)	(1,094,347)
Total current donor restriction assets	884,288	834,081
Total financial assets available for general expenditure within one year	$ 3,108,156	$ 3,376,588

Note 3
Liquidity and Availability of Resources (Continued)

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments. In addition to financial assets available for general expenditure within one year, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Because the donor restrictions require resources to be used in a particular manner or in future periods, the Organization maintains sufficient resources to meet the responsibility to its donors. Thus, financial assets as they relate to donor restrictions may not be available for general expenditure within one year.

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds.

Note 4
Pledges Receivable

The Organization has received unconditional pledges receivable as of June 30, 2025 and 2024, as follows:

Description	Pledges Receivable	Allowance for Doubtful Accounts	Pledges Receivable, Net
June 30, 2025	$ 118,808	$ (5,000)	$ 113,808
June 30, 2024	$ 235,714	$ (5,000)	$ 230,714

All unconditional pledges receivable are deemed by management to be collectible within one year.

Note 5
Investments

The following are the major categories of investments measured at fair value on a recurring basis as of June 30, 2025, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3). Fixed income securities classified as Level 2 are valued using quoted prices for similar instruments and pricing models that incorporate observable inputs such as interest rates, yield curves, and credit spreads, generally obtained from independent pricing services. Investments consisted of the following as of June 30, 2025:

	Assets at Fair Value as of June 30, 2025			
	Level 1	Level 2	Level 3	Total Fair Value
Investments:				
Fixed income, preferred	$ 98,366	$ -	$ -	$ 98,366
Fixed income, government and non-government	-	507,933	-	507,933
Exchange traded funds	805,546	-	-	805,546
Total assets at fair value	$ 903,912	$ 507,933	$ -	1,411,845

Note 5
Investments (Continued)

	Assets at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total Fair Value
Investments:				
Fixed income, preferred	$ 131,318	$ -	$ -	$ 131,318
Fixed income, government and non-government	-	609,071	-	609,071
Exchange traded funds	707,093	-	-	707,093
Total assets at fair value	$ 838,411	$ 609,071	$ -	1,447,482
Cash				337,018
Total investments				$ 1,784,500

During the years ended June 30, 2025 and 2024, the Organization received and recognized $19,240 and $112,919, respectively, in stock donations which are immediately sold and either withdrawn or reinvested.

The components of investment return are as follows for the periods ended June 30, 2025 and 2024:

	2025	2024
Interest and dividends	$ 79,039	$ 85,301
Unrealized gains	75,612	148,583
Less: investment expenses	(16,431)	(15,429)
	$ 138,220	$ 218,455

Note 6
Programmatic Investment

In August 2017, Marinspace, a 501(c)(3) nonprofit organization based in the County, announced its intention to wind down its operations and gift 70 Skyview Property to a worthy nonprofit or collaboration of nonprofit organizations. In November 2017, the Marin Center for Independent Living ("MCIL") and the Organization were selected to receive the gift as a result of their strategic long-term vision of creating MADI.

Note 6
Programmatic Investment (Continued)

In June, 2018, MADI (a limited liability company) was formed for the specific purpose of holding title to the property, managing, operating, leasing and otherwise dealing with the property. The Organization and MCIL (the "Members") each own 50% of MADI. In June 2018, MADI was granted 501(c)(3) tax exempt status by the Internal Revenue Service. The MADI campus provides 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 and provides them with the support they need in a timely fashion.

As of June 30, 2024, the investment was accounted for as a programmatic investment and was measured at cost, less impairment. During the year ended June 30, 2025, the Organization began accounting for its investment in MADI under the equity method of accounting. Accordingly, the investment balance was adjusted for the Organization's share of MADI's change in net assets for the year.

There were no material related-party transactions between the Organization and MADI during the years ended June 30, 2025 and 2024.

The summarized internal financial statements for MADI at June 30, 2025 and 2024, are as follows:

	2025	2024
Assets		
Cash and cash equivalents	$ 231,185	$ 140,330
Accounts receivable	147,035	78,718
Deposit	2,560	2,560
Intangibles, net	36,400	37,549
Property and equipment, net	2,578,285	2,567,682
Total assets	$ 2,995,465	$ 2,826,839
Liabilities		
Accounts payable	$ 51,853	$ 34,551
Tenant security-deposits	22,746	22,746
Mortgage loan	502,291	511,728
Total liabilities	576,890	569,025
Net assets	2,418,575	2,257,814
Total liabilities and net assets	$ 2,995,465	$ 2,826,839

Note 7
Property, Equipment, and Improvements

The following is a summary of property, equipment, and improvements at cost at June 30, 2025 and 2024:

	2025	2024
Land	$ 1,488,018	$ 1,488,018
Buildings and improvements	18,461,637	18,461,637
Leasehold improvements	335,804	335,804
Furniture and equipment	870,691	724,537
Vehicles and transportation equipment	3,207,121	3,112,638
Software	266,537	266,537
	24,629,808	24,389,171
Less: accumulated depreciation	(5,919,177)	(5,077,525)
Property, equipment and improvements, net	$ 18,710,631	$ 19,311,646

Depreciation expense for the years ended June 30, 2025 and 2024, totaled $1,666,687 and $1,261,136, respectively.

On December 6, 2023, the Golden Gate Bridge and Highway Transit District ("GGBHTD") conducted its second Community Open House to share current design updates on its San Rafael Transit Center Replacement Project. This project was formally approved by the GGBHTD Board of Directors on December 15, 2022, a project plan concept that started in 2010. While their “Move Whistlestop Alternative” option that was approved is currently in the design phase, they have received state and local approval on the plan and are now awaiting final federal environmental clearance. The eminent domain process to acquire Vivalon’s 930 Tamalpais Avenue site, as well as neighboring properties, for this project was expected to begin by mid-2024 but has been put on hold indefinitely.

Note 8
Lines of Credit

The Organization had a $400,000 revolving line of credit with the Bank of Marin secured by certain properties of the Organization. The line of credit required interest-only monthly payments, with a principal due at maturity or upon the sale of the related property. The line of credit matured March 5, 2026, and was subsequently renewed and increased to $1,500,000 under a new agreement dated November 10, 2025. The renewed line bears interest at the bank’s Prime Rate and matures March 5, 2029.

Amounts drawn on the credit line bore interest at the bank’s Prime Rate plus 0.5% through November 9, 2025. The bank’s Prime Rate was 7.50% and 8.50% as of June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, there were no amounts outstanding on the line of credit.

Note 9
Long-term Debt

Notes payable at June 30, 2025 and 2024 are as follows:

	2025	2024
The Organization has a term loan with Bank of Marin requiring monthly payments of principal and interest. Interest is calculated on the outstanding balance at the Prime Rate plus 0.25%. The loan originally matured on December 5, 2024 and was subsequently extended to March 5, 2030 and is secured by the Organization's operating investments.	$ 517,328	$ 640,545
The Organization has a $1,500,000 interest-only loan from Marin Community Foundation secured by property located at 930 Tamalpais Avenue. The loan bears interest at 5.00% and, pursuant to an amendment executed subsequent to year-end, matures December 20, 2026.	1,500,000	1,500,000
	$ 2,017,328	$ 2,140,545

Future principal payments in each of the next five years are as follows:

June 30,	Amount
2026	$ 88,578
2027	1,603,465
2028	111,002
2029	119,191
2030	95,092
	2,017,328
Less: current maturities	(88,578)
Net long-term portion	$ 1,928,750

Note 10
Net Assets With Donor Restrictions

Net assets with donor restrictions represent donations, grants, and gifts to the Organization, which have been restricted by time and/or purpose and consisted of the following as of June 30, 2025:

	Beginning Balance	Contributions and Income	Released from Restrictions	Ending Balance
New Building Capital Campaign	$ 8,313	$ 175,000	$ (183,313)	$ -
Programmatic Investment	1,094,346	(24,768)	-	1,069,578
Nutrition Programs	-	101,639	(101,639)	-
Lifelong Learning Program ("LLLP")	825,769	62,632	(85,000)	803,401
Active Aging Center	-	80,701	(80,701)	-
Time-Restricted	-	80,887	-	80,887
	$ 1,928,428	$ 476,091	$ (450,653)	$ 1,953,866

Net assets with donor restrictions represent donations, grants, and gifts to the Organization, which have been restricted by time and/or purpose and consisted of the following as of June 30, 2024:

	Beginning Balance	Contributions and Income	Released from Restrictions	Ending Balance
New Building Capital Campaign	$ 1,773,803	$ 1,946,651	$ (3,712,141)	$ 8,313
Programmatic Investment	1,094,346	-	-	1,094,346
Nutrition Programs	-	109,275	(109,275)	-
LLLP	844,208	-	(18,439)	825,769
HAP	-	170,613	(170,613)	-
Time-Restricted - Trusts	10,500	-	(10,500)	-
Meals on Wheels Infrastructure Grants	-	34,635	(34,635)	-
	$ 3,722,857	$ 2,261,174	$ (4,055,603)	$ 1,928,428

Note 11
Special Events

During the years ended June 30, 2025 and 2024, the Organization held special events resulting in net income (loss) as follows:

	2025	2024
Special event donations:	$ 598,150	$ 88,125
Less: direct expenses	(84,636)	(12,650)
Total event income, net	$ 513,514	$ 75,475

Note 12
In-Kind Donations

Donated assets consist of the following for the year ended June 30, 2025:

	2025
Vehicles for transportation programs use	$ 130,000
Special event goods and services	31,972
Healthy Aging Campus donations	2,500
Total in-kind donations	$ 164,472

No contributions were subject to donor restrictions during the year. Contributed nonfinancial assets are recorded at estimated fair value on the date of donation using a market approach based on observable prices for similar assets or current market rates for comparable goods and services, in the principal market in which such assets would be transacted.

Contributed nonfinancial assets are used in the Organization's programs and supporting activities. Vehicles are utilized in transportation programs, event goods and services are used for fundraising activities, and campus-related donations support ongoing operations. The Organization does not monetize these contributed assets; rather, they are utilized in carrying out its mission.

Note 13
Concentrations

Transportation services provided to Regional Centers through the transportation broker R&D resulted in gross revenue of approximately $14,472,491 and $12,936,418 in the years ended June 30, 2025 and 2024, respectively, which represented 92% and 91% of transportation service revenue and 75% and 63% of total revenues for the years, respectively.

In the year ended June 30, 2024, the Organization recorded contribution revenue of $1,946,650, toward its capital campaign, which represented 10% of the total revenues for the years, respectively. Capital campaign funding did not represent a concentration (10% or above) for the year ended June 30, 2025.

Outstanding receivables from Regional Center transportation contracts totaled $1,198,547 and $1,174,149 as of June 30, 2025 and 2024, respectively, which represented 68% and 63% of the accounts and pledges receivable balances at June 30, 2025 and 2024, respectively. These balances represent one month of billing activities for two and four Regional Center transportation contracts, respectively.

Note 14
Retirement Plan

The Organization sponsors a 403(b) defined contribution plan known as Vivalon, Inc. 403(b) Plan (the "Plan"). Under the Plan, all employees who are not non-resident aliens are eligible to participate in the Plan upon their date of hire. Employees may contribute up to the maximum contributions as set periodically by the Internal Revenue Service. The Plan allows for the Organization to make discretionary matching contributions to the Plan typically equal to 100% of elective deferrals that do not exceed 3% of compensation, plus 50% of elective deferrals exceeding 3% but not over 5% of compensation. The Organization's discretionary matching contributions for the years ended June 30, 2025 and 2024, totaled $83,514 and $96,248, respectively. The Organization's contributions and employee contributions are 100% vested per the Plan's provisions.

Note 15
Right of Use Assets

The Organization's lease portfolio consists of non-cancelable operating and finance leases for office space, vehicles, and equipment. The operating leases have remaining lease terms of approximately two to five years while the finance leases have remaining lease terms of approximately one to six years. The Organization also has certain leases for equipment with terms less than 12 months for which the Organization has elected to recognize in operating expenses on the straight-line basis.

The components of the leases for the years ending June 30, 2025 and 2024, are as follows:

	2025	2024
Operating lease right-of-use-assets	$ 1,036,926	$ 1,117,896
Operating lease liabilities, current	$ 482,141	$ 421,531
Operating lease liabilities, net of current	624,759	766,468
Total operating lease liabilities	$ 1,106,900	$ 1,187,999
Finance lease right-of-use assets	$ 4,356,260	$ 3,592,335
Finance lease liabilities, current	$ 1,220,462	$ 681,852
Finance lease liabilities, net of current	3,378,416	3,079,049
Total finance lease liabilities	$ 4,598,878	$ 3,760,901

The following summarizes the weighted average remaining lease term and discount rate as of June 30, 2025 and 2024.

	2025	2024
Weighted Average Remaining Lease Term		
Operating leases	2.56 years	2.52 years
Finance leases	4.68 years	3.40 years
Weighted Average Discount Rate		
Operating leases	6.71 %	6.09 %
Finance leases	9.49 %	10.45 %

Note 15
Right of Use Assets (Continued)

The maturities of lease liabilities as of June 30, 2025 were as follows:

Year Ending June 30	Operating	Finance
2026	$ 482,141	$ 1,220,462
2027	404,137	1,177,438
2028	142,536	1,176,210
2029	113,910	1,173,171
2030	84,348	716,086
Thereafter	5,788	236,223
Total lease payments	1,232,860	5,699,590
Less: interest	(125,960)	(1,100,712)
Present value of lease liabilities	$ 1,106,900	$ 4,598,878

The following summarizes the line items in the statements of functional expenses which include the components of lease expense for the years ended June 30, 2025 and 2024:

	2025	2024
Operating lease costs, included in operating expenses:		
Operating leases	$ 524,175	$ 433,815
Variable lease payments	6,651	9,160
Total operating lease costs	530,826	442,975
Finance lease costs:		
Amortization of lease assets included in depreciation and amortization expense	825,036	545,994
Interest on lease liabilities included in interest expense	249,070	217,670
Total finance lease costs	1,074,106	763,664
Net lease cost	$ 1,604,932	$ 1,206,639

Note 15
Right of Use Assets (Continued)

The following summarizes cash flow information related to leases for the years ended June 30, 2025 and 2024:

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 544,696	$ 343,291
Operating cash flows from finance leases	249,070	217,670
Financing cash flows from finance leases	750,983	452,079
Lease assets obtained in exchange for lease obligations:		
Operating leases	$ 361,806	$ 742,373
Finance leases	1,588,960	3,369,395
	$ 1,950,766	$ 4,111,768

Note 16
Commitments and Contingencies

Funding:

The Organization 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 state of the global financial markets may have an impact on the level of funding provided by these sources and the market value of marketable equity securities held by the Organization. While it is impracticable to estimate the unforeseeable impact of future market events, the Organization monitors the overall market environment and addresses potential changes in funding levels to reduce the Organization’s exposure to significant losses associated with overall market events.

Litigation:

The Organization is subject to legal proceedings and claims that arise in the ordinary course of operations. Management believes that the resolution of these matters will not have a material adverse effect on the Organization’s financial position, results of operations, or cash flows. The Organization maintains insurance coverage for certain claims, which management believes is adequate to cover potential losses, subject to the terms and conditions of the applicable policies.

During the year ended June 30, 2025, the Organization settled certain claims related to prior periods. Amounts related to these matters had been previously accrued and were not material to the financial statements.

As of June 30, 2025, the Organization is involved pending employment-related matters. Only one accrual for a probable settlement in deemed necessary per management. The liability for approximately $80,000 has been recorded in the accompanying statement of financial position as of June 30, 2025. Management, in consultation with legal counsel, believes the outcome of other matters cannot be determined at this time, and no other estimates of possible losses or range of losses can be made.

Note 17
Subsequent Events

Management considered all events through May 4, 2026, the date the financial statements were available to be issued, in preparing the financial statements and the related disclosures. Other than what has been previously disclosed and is disclosed below, the Organization is not aware of any other significant events that occurred subsequent to June 30, 2025, but prior to the issuance of this report, that would have a material impact on the financial statements.

Programmatic Investment

In December 2025, MADI completed the sale of its primary property. Upon settlement of the transaction, MADI distributed proceeds to the Members, and the Organization received $1,069,578, representing its 50% ownership interest. The distribution reflects a significant reduction in MADI's net assets following the sale of its primary asset.

Following the sale, MADI is not expected to have significant ongoing operations, and future activity is expected to be limited.

Financing

Subsequent to year end, the Organization renewed and increased their line of credit with the Bank of Marin. The line principal will increase from $400,000 to the amount of $1,500,000, bearing interest at the Prime Rate, and maturing March 5, 2029 per the changes in terms agreement signed November 10, 2025.

Subsequent to year end, the Organization was in discussions with Marin Community Foundation regarding an extension of the $1,500,000 interest-only loan that matured on December 31, 2025. An amendment dated as of March 25, 2026 was signed to extend the maturity date of the loan to December 20, 2026. No change in interest rate was made per the amendment. According to the extension, the loan is classified as a long-term liability on the statements of financial position as of June 30, 2025.