

MARIN VENTURES

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

with

REPORT OF INDEPENDENT AUDITORS

NOTTI & COMPANY, LLP
Certified Public Accountants

MARIN VENTURES

Financial Statements

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Report of Independent Auditors

To the Board of Directors of Marin Ventures

Opinion

We have audited the accompanying financial statements of Marin Ventures (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, statement of functional expenses and cash flows for the year the ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marin Ventures as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Marin Ventures and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 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 Marin Venture's ability to continue as going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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.

Notti & Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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 Marin Ventures 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 Marin Venture'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.

Notti & Company, LLP

Notti & Company, LLP
San Rafael, CA
December 5, 2024

MARIN VENTURES
STATEMENT OF FINANCIAL POSITION
Year ended June 30, 2024

	2024	2023
ASSETS		Memorandum <u>total</u>
Current assets		
Cash and cash equivalents	\$ 1,158,402	\$ 1,251,696
Accounts Receivable	225,985	270,612
Prepaid expenses and other current assets	42,714	40,269
Total current assets	1,427,101	1,562,577
Equipment and improvements at cost (Note 2)	4,368,146	4,106,604
Less: accumulated depreciation	(763,534)	(597,565)
	3,604,612	3,509,039
Other assets		
Building deposit	7,000	7,000
TOTAL ASSETS	\$ 5,038,713	\$ 5,078,616
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accrued vacation	\$ 95,659	\$ 93,750
Accrued payroll costs	32,226	38,152
Other accounts payable and accrued expenses	30,835	13,171
Loan payable - current	210,000	141,803
Total current liabilities	368,720	286,876
Other liabilities		
Loan payable - non-current (Note 4)	1,309,927	1,580,841
TOTAL LIABILITIES	1,678,647	1,867,717
Net assets		
Without donor restrictions	3,360,066	3,203,352
With donor restrictions	-	7,547
TOTAL LIABILITIES AND NET ASSETS	\$ 5,038,713	\$ 5,078,616

See accompanying notes and accountant's report

MARIN VENTURES
STATEMENT OF ACTIVITIES AND
CHANGES IN NET ASSETS
Year ended June 30, 2024

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Memorandum Total
Support				
Donations	\$ 106,363	\$ -	106,363	\$ 80,254
Revenue				
Golden Gate Regional Center	3,024,869	-	3,024,869	2,924,607
Program Income	-	-	-	43,212
Sub-contract income	2,130	-	2,130	795
Investment income	13,954	-	13,954	751
Net assets released from restrictions	7,547	(7,547)	-	-
Total other revenue	3,048,500	(7,547)	3,040,953	2,969,365
Total public support and revenue	3,154,863	(7,547)	3,147,316	3,049,619
Expenses				
Program services	2,579,504	-	2,579,504	2,729,272
Management and general	334,037	-	334,037	322,011
Fundraising	84,607	-	84,607	79,654
Total operating expenses	2,998,149	-	2,998,149	3,130,937
Change in net assets	156,714	(7,547)	149,167	(81,318)
Net assets, beginning of year	3,203,352	7,547	3,210,899	3,292,217
Net assets, end of year	\$ 3,360,066	\$ -	\$ 3,360,066	\$ 3,210,899

See accompanying notes and accountant's report

MARIN VENTURES
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2024

	2024				2023
	Program Services	Management and General	Fundraising	Total	Memorandum Total
Salaries	\$ 1,525,186	\$ 140,892	\$ 67,079	\$ 1,733,157	\$ 1,864,988
Other employee costs	200,285	14,645	2,949	217,879	231,900
Payroll taxes	125,878	11,628	5,536	143,042	141,939
TOTAL SALARIES AND RELATED EXPENSES	1,851,349	167,165	75,564	2,094,078	2,238,827
Accounting	-	80,763	-	80,763	74,901
Board	-	22,455	-	22,455	19,492
Cleaning and maintenance	66,611	11,755	-	78,366	80,696
Event Expenses	3,942	3,942	-	7,884	80,696
Fundraising	-	-	476	476	1,810
Insurance	31,783	7,946	-	39,729	42,357
Interest	80,203	-	-	80,203	88,971
IT services	15,699	3,140	2,093	20,932	15,298
Legal and professional fees	-	9,333	-	9,333	8,784
Licenses, permits and taxes	20,289	-	-	20,289	24,877
Occupancy	64,523	16,131	-	80,654	92,268
Office expense & supplies	18,194	2,274	2,274	22,742	26,760
Other program expenses	82,572	-	-	82,572	76,640
Program Consultation	93,533	6,300	4,200	104,033	102,383
Staff training	11,171	-	-	11,171	11,338
Telephone and utilities	51,908	2,732	-	54,640	48,410
Travel	1,930	102	-	2,032	4,161
Vehicles	19,828	-	-	19,828	18,942
TOTAL EXPENSES BEFORE DEPRECIATION	2,413,535	334,037	84,607	2,832,180	2,976,915
Depreciation	165,969	-	-	165,969	154,022
TOTAL EXPENSES	\$ 2,579,504	\$ 334,037	\$ 84,607	\$ 2,998,149	\$ 3,130,937

See accompanying notes and accountant's report

MARIN VENTURES
STATEMENT OF CASH FLOWS
Year ended June 30, 2024

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 149,167	\$ (81,318)
Depreciation	165,969	154,022
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in accounts receivable	44,627	(39,106)
(Increase) decrease in other assets	(2,445)	(4,799)
Increase (decrease) in accrued vacation	1,909	(5,036)
Increase (decrease) in accrued payroll costs	(5,926)	8,831
Increase (decrease) in accrued expenses	17,664	(2,977)
Net cash provided (used) by operating activities	370,965	29,617
 CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	(261,542)	(368,833)
Net cash provided (used) by investing activities	(261,542)	(368,833)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on building loans	(202,717)	(193,753)
Net cash provided (used) by financing activities	(202,717)	(193,753)
Net increase (decrease) in cash and cash equivalents	(93,294)	(532,969)
Cash and cash equivalents, beginning of year	1,251,696	1,784,665
Cash and cash equivalents, end of year	\$ 1,158,402	\$ 1,251,696

See accompanying notes and accountant's report

MARIN VENTURES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Marin Ventures (The Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representative of the Organization's management who is responsible for their integrity and objectivity.

ORGANIZATION

Marin Ventures, a California non-profit public benefit corporation, was incorporated on March 29, 1990. It is organized under the Nonprofit Public Benefit Corporation Law of the State of California. The specific purposes for which this corporation is organized are to assist mentally, physically, and developmentally disabled adults to become more self-reliant and productive members of their communities through participating in the agency sponsored programs.

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

BASIS OF PRESENTATION

Financial statement presentation follows Not-for-Profit Entities topics of the Financial Accounting Standards Codification. As such, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

INCOME TAXES

The Organization is exempt from federal income taxes and state franchise taxes under Section 501 (c) (3) of the Internal Revenue Code and Section 23701d of the Revenue and Taxation Code of the State of California. In addition, Marin Ventures has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509 (a) of the Internal Revenue Code.

The federal income tax returns for the prior three years and the state income tax returns for the prior four years are subject to examination by the Internal Revenue Service or Franchise Tax Board respectively, per Internal Revenue Service and Franchise Tax Board statute of limitations.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, except for donated property and equipment which is stated at estimated fair market value on date of receipt. Depreciation of property and equipment is recorded on straight-line method based on the estimated useful lives of the assets.

MARIN VENTURES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist principally of amounts on deposit with commercial banks and registered investment companies, available within 90 days of demand. The carrying amount of such cash equivalents approximates fair value due to the short-term nature of these instruments.

At various times during the year ended June 30, 2024, cash and cash equivalents on deposit with commercial banks exceeded federal deposit insurance limits.

UNCERTAIN TAX POSITION

Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

RESTRICTIONS ON NET ASSETS

All revenues are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes, are reported as net assets with donor restrictions. When a restriction is fulfilled or expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

Net assets with donor restrictions as of June 30, 2024 were \$0.

REVENUE RECOGNITION

Contributions are recognized at either time of receipt or when a donor makes a promise that is, in substance, unconditional. Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Grants and contract income are recognized and accrued as a receivable at the time that services have been rendered and earned.

MARIN VENTURES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of donor-imposed restrictions:

Financial Assets at year-end	\$ 1,158,402
Less those unavailable for general expenditures within one year, due to:	
Donor restrictions	<u>0</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,158,402</u>

As part of the Organization's liquidity management, all cash is deposited into the main checking account for access when needed.

SUBSEQUENT EVENTS

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 5, 2024 (the date the financial statements were available to be issued).

NOTE 2. PROPERTY AND LEASEHOLD IMPROVEMENTS

Property and leasehold improvements consist of the following:

Building Improvements	\$ 1,850,299
Land	1,000,000
Building	859,345
Vehicles	341,158
Furniture & Fixtures	141,209
Computers	111,184
Interest	<u>64,951</u>
Sub-total	4,368,146
Accumulated Depreciation	<u>(763,534)</u>
Total	<u>\$ 3,604,612</u>

MARIN VENTURES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 3. EMPLOYEE BENEFIT PLAN

On April 1, 1998, the Organization adopted a retirement plan covering substantially all employees. Under the plan, the Organization has the choice of making additional contributions. The Board of Directors has approved matching contributions of up to 3% in the past. The Board elects from year to year if the Organization matches contributions. There was no employer contributions in the fiscal year ending June 30, 2024.

NOTE 4. DEBT OBLIGATIONS

Marin Ventures non-current debt consists of the following:

Five year promissory note at a 5% annual rate, with a balloon payment of all principal and interest due on August 1, 2025.	\$ 1,317,326
Note payable to Bank of Marin for up to \$800,000, due in monthly installments starting October 1, 2020 and maturing on September 1, 2025 at an interest rate of 4.42%	202,601
Less: current portion	<u>(210,000)</u>
Total non-current debt	<u>\$ 1,580,841</u>

Marin Ventures also has a line of credit available to them through Bank of Marin for \$250,000 with a new maturity date of February 5, 2025. As of June 30, 2024, there was \$0 drawn on the line of credit.

NOTE 5. RISKS AND UNCERTAINTIES

The Organization has received support that may be subject to audit or review by the grantor agencies. Management believes that the Organization has complied with all aspects of grant and contract provisions and disallowed costs, if any, would be insignificant to its financial position.

NOTE 6. LEASE OBLIGATIONS

On January 31, 2020, Marin Ventures entered into a non-cancelable operating lease renting office space for five years through March 31, 2025. Rent expense for the year ended June 30, 2024 was \$80,653.

The following is a breakdown of the future annual minimum lease payments for the Organization.

Year ended June 30,	
2025	61,848
Future years	<u>-</u>
Total minimum payments	<u>\$ 61,848</u>

MARIN VENTURES
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 7. MEMORANDUM TOTALS

The total columns captioned “2023 Memorandum total” represents certain prior year summarized comparative information in total but not by net asset class. Accordingly, such information should be read in conjunction with the audited financial statements of Marin Ventures for the year ended June 30, 2023, from which the summarized information was derived.