



# Senior Transportation Connection

Financial Statements  
Years Ended December 31, 2015 and 2014

The report accompanying these financial statements was issued by

BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.



# Senior Transportation Connection

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Financial Statements  
Years Ended December 31, 2015 and 2014

# Senior Transportation Connection

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## Independent Auditor's Report

To the Board of Directors  
Senior Transportation Connection  
Cleveland, Ohio

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Senior Transportation Connection (the "Organization"), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Senior Transportation Connection as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

Cleveland, OH  
March 14, 2016

## Financial Statements

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# Senior Transportation Connection

## Statements of Financial Position

<i>December 31,</i>	2015	2014
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 75,018	\$ 123,050
Accounts receivable	209,561	203,762
Grants receivable	157,665	142,508
Other receivable	15,554	16,332
Prepaid insurance	28,707	20,204
<b>Total Current Assets</b>	<b>486,505</b>	<b>505,856</b>
<b>Property and Equipment, net</b>	<b>575,558</b>	<b>604,060</b>
<b>Other Assets</b>		
Grants receivable, long-term	26,000	83,000
Vehicle liens held	15,171	15,171
Projects in process	-	56,124
Software costs, net	34,729	-
Deposits	17,869	16,232
<b>Total Assets</b>	<b>\$ 1,155,832</b>	<b>\$ 1,280,443</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Capital lease, current portion	\$ 17,771	\$ 16,252
Notes payable, current portion	16,391	-
Accounts payable	56,995	62,237
Accrued payroll, taxes, and benefits	20,394	33,313
Accrued expenses	19,601	21,304
<b>Total Current Liabilities</b>	<b>131,152</b>	<b>133,106</b>
Notes payable, net of current portion	60,191	-
Capital Lease, net of current portion	11,123	28,894
<b>Total Liabilities</b>	<b>202,466</b>	<b>162,000</b>
<b>Net Assets</b>		
Unrestricted	809,704	844,843
Temporarily restricted	143,662	273,600
<b>Total Net Assets</b>	<b>953,366</b>	<b>1,118,443</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,155,832</b>	<b>\$ 1,280,443</b>

*See accompanying notes to financial statements.*

# Senior Transportation Connection

## Statements of Activities

<i>Year Ended December 31, 2015 with Comparative Totals for 2014</i>	Unrestricted	Temporarily Restricted	Total	2014 Total
<b>Revenue and Support</b>				
Program revenue	\$ 2,001,367	\$ -	\$ 2,001,367	\$ 2,002,111
Federal Transit Authority (FTA) Assistance	185,770	-	185,770	385,478
Grants	256,269	59,762	316,031	680,571
Donations	83,375	-	83,375	15,790
Other income	132,385	-	132,385	119,010
Net assets, released from restrictions	189,700	(189,700)	-	-
<b>Total Revenue and Support</b>	<b>2,848,866</b>	<b>(129,938)</b>	<b>2,718,928</b>	<b>3,202,960</b>
<b>Expenses</b>				
Program services:				
Transportation	1,785,295	-	1,785,295	1,800,440
Call Center	315,675	-	315,675	329,525
<b>Total program services</b>	<b>2,100,970</b>	<b>-</b>	<b>2,100,970</b>	<b>2,129,965</b>
Supporting services:				
Management and administrative	499,645	-	499,645	423,449
Grant development expenses	187,998	-	187,998	53,669
<b>Total supporting services</b>	<b>687,643</b>	<b>-</b>	<b>687,643</b>	<b>477,118</b>
<b>Total Functional Expenses</b>	<b>2,788,613</b>	<b>-</b>	<b>2,788,613</b>	<b>2,607,083</b>
Other:				
Impairment of software	92,936	-	92,936	-
Loss on disposal of fixed assets	2,456	-	2,456	-
	95,392	-	95,392	-
<b>Total Expenses</b>	<b>2,884,005</b>	<b>-</b>	<b>2,884,005</b>	<b>2,607,083</b>
<b>Change in Net Assets</b>	<b>(35,139)</b>	<b>(129,938)</b>	<b>(165,077)</b>	<b>595,877</b>
<b>Net Assets, beginning of year</b>	<b>844,843</b>	<b>273,600</b>	<b>1,118,443</b>	<b>522,566</b>
<b>Net Assets, end of year</b>	<b>\$ 809,704</b>	<b>\$ 143,662</b>	<b>\$ 953,366</b>	<b>\$ 1,118,443</b>

*See accompanying notes to financial statements.*



# Senior Transportation Connection

## Statement of Activities

<i>Year Ended December 31, 2014</i>	Unrestricted	Temporarily Restricted	Total
<b>Revenue and Support</b>			
Program revenue	\$ 2,002,111	\$ -	\$ 2,002,111
Federal Transit Authority (FTA) Capital Assistance	385,478	-	385,478
Grants	157,971	522,600	680,571
Donations	15,790	-	15,790
Other income	119,010	-	119,010
Net assets, released from restrictions	393,217	(393,217)	-
<b>Total Revenue and Support</b>	<b>3,073,577</b>	<b>129,383</b>	<b>3,202,960</b>
<b>Expenses</b>			
Program services:			
Transportation	1,800,440	-	1,800,440
Call Center	329,525	-	329,525
<b>Total program services</b>	<b>2,129,965</b>	<b>-</b>	<b>2,129,965</b>
Supporting services:			
Management and administrative	423,449	-	423,449
Grant development expenses	53,669	-	53,669
<b>Total supporting services</b>	<b>477,118</b>	<b>-</b>	<b>477,118</b>
<b>Total Expenses</b>	<b>2,607,083</b>	<b>-</b>	<b>2,607,083</b>
<b>Change in Net Assets</b>	<b>466,494</b>	<b>129,383</b>	<b>595,877</b>
<b>Net Assets, beginning of year</b>	<b>378,349</b>	<b>144,217</b>	<b>522,566</b>
<b>Net Assets, end of year</b>	<b>\$ 844,843</b>	<b>\$ 273,600</b>	<b>\$ 1,118,443</b>

*See accompanying notes to financial statements.*

## Senior Transportation Connection

### Statement of Functional Expenses

<i>Year Ended December 31, 2015</i>	Transportation	Call Center	Program Service Total	Management and Administrative	Grant Development	Total
Salaries and wages	\$ 726,420	\$ 126,342	\$ 852,762	\$ 294,520	\$ 130,465	\$ 1,277,747
Payroll taxes and employee benefits	141,634	9,863	151,497	28,461	3,237	183,195
<b>Total payroll and related expenses</b>	<b>868,054</b>	<b>136,205</b>	<b>1,004,259</b>	<b>322,981</b>	<b>133,702</b>	<b>1,460,942</b>
Fuel	223,641	-	223,641	-	-	223,641
Occupancy	9,245	118,824	128,069	39,017	19,508	186,594
Depreciation and amortization	153,784	27,082	180,866	8,837	4,629	194,332
Equipment rental and maintenance	151,754	-	151,754	-	-	151,754
Contract labor	182,955	-	182,955	-	-	182,955
Insurance	113,249	19,944	133,193	6,508	3,408	143,109
Professional fees	-	2,223	2,223	55,413	-	57,636
Supplies and office expense	31,811	5,601	37,412	36,824	18,311	92,547
Communications	32,922	5,796	38,718	-	-	38,718
Advertising and promotions	-	-	-	1,282	910	2,192
Bank fees	-	-	-	14,375	7,530	21,905
Travel	-	-	-	10,026	-	10,026
Employee training	12,163	-	12,163	-	-	12,163
Licenses and fees	5,717	-	5,717	-	-	5,717
Dues and subscriptions	-	-	-	4,382	-	4,382
<b>Total Functional Expenses</b>	<b>\$ 1,785,295</b>	<b>\$ 315,675</b>	<b>\$ 2,100,970</b>	<b>\$ 499,645</b>	<b>\$ 187,998</b>	<b>\$ 2,788,613</b>

*See accompanying notes to financial statements.*

## Senior Transportation Connection

### Statement of Functional Expenses

<i>Year Ended December 31, 2014</i>	Transportation	Call Center	Program Service Total	Management and Administrative	Grant Development	Total
Salaries and wages	\$ 713,631	\$ 140,232	\$ 853,863	\$ 250,304	\$ 48,247	\$ 1,152,414
Payroll taxes and employee benefits	140,493	11,446	151,939	21,103	922	173,964
<b>Total payroll and related expenses</b>	<b>854,124</b>	<b>151,678</b>	<b>1,005,802</b>	<b>271,407</b>	<b>49,169</b>	<b>1,326,378</b>
Fuel	334,540	-	334,540	-	-	334,540
Occupancy	10,764	122,936	133,700	34,674	-	168,374
Depreciation and amortization	140,841	26,362	167,203	7,330	-	174,533
Equipment rental and maintenance	129,612	-	129,612	-	-	129,612
Contract labor	144,591	-	144,591	-	-	144,591
Insurance	106,099	19,859	125,958	5,522	-	131,480
Professional fees	-	1,730	1,730	63,659	-	65,389
Supplies and office expense	6,573	1,231	7,804	24,281	4,285	36,370
Communications	30,599	5,729	36,328	-	-	36,328
Advertising and promotions	-	-	-	1,217	215	1,432
Bank fees	-	-	-	8,374	-	8,374
Travel	-	-	-	5,329	-	5,329
Employee training	10,969	-	10,969	-	-	10,969
Licenses and fees	5,178	-	5,178	-	-	5,178
Dues and subscriptions	-	-	-	1,656	-	1,656
Expiration of vehicle liens held	26,550	-	26,550	-	-	26,550
<b>Total Functional Expenses</b>	<b>\$ 1,800,440</b>	<b>\$ 329,525</b>	<b>\$ 2,129,965</b>	<b>\$ 423,449</b>	<b>\$ 53,669</b>	<b>\$ 2,607,083</b>

*See accompanying notes to financial statements.*

# Senior Transportation Connection

## Statements of Cash Flows

<i>Years Ended December 31,</i>	2015	2014
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (165,077)	\$ 595,877
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities		
Depreciation and amortization	194,332	174,533
Expiration of vehicle liens held	-	26,550
Loss on disposal of fixed assets	2,456	-
Impairment of software	92,936	-
(Increase) decrease in:		
Accounts receivable	(5,799)	(10,674)
Grants receivable	41,843	(176,070)
Other receivable	778	(16,332)
Prepaid insurance	(8,503)	4,734
Deposits	(1,637)	(1,638)
Increase (decrease) in:		
Accounts payable	(5,242)	(45,635)
Accrued payroll, taxes and benefits	(14,622)	(77,018)
<b>Net Cash and Cash Equivalents Provided by Operating Activities</b>	<b>131,465</b>	<b>474,327</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(164,427)	(325,426)
Purchase of software	(38,588)	-
Purchase of projects in process	(36,812)	(56,124)
<b>Net Cash and Cash Equivalents Used in Investing Activities</b>	<b>(239,827)</b>	<b>(381,550)</b>
<b>Cash Flows From Financing Activities</b>		
Net repayment on line of credit	-	(99,844)
Proceeds from notes payable	85,800	-
Payments on notes payable	(9,218)	-
Payments on capital lease	(16,252)	(6,353)
<b>Net Cash and Cash Equivalents Provided by (Used in) Financing Activities</b>	<b>60,330</b>	<b>(106,197)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(48,032)</b>	<b>(13,420)</b>
<b>Cash and Cash Equivalents, beginning of the year</b>	<b>123,050</b>	<b>136,470</b>
<b>Cash and Cash Equivalents, end of the year</b>	<b>\$ 75,018</b>	<b>\$ 123,050</b>

**Supplemental Disclosures:**

During 2014, the Organization purchased equipment under capital lease obligation for \$51,500.

Cash paid for interest	\$ 4,989	\$ 3,704
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**Supplemental Disclosures of Non-Cash Transactions:**

Reclassification of projects in progress to software	\$ 92,936	\$ -
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*See accompanying notes to financial statements.*

# Senior Transportation Connection

## Notes To Financial Statements

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### 1. Summary of significant accounting policies

#### *Nature of operations*

Senior Transportation Connection (STC or the Organization) is a private non-profit organization designed to centralize and coordinate senior transportation services in Northeast Ohio with a concentration in Cuyahoga County. The objectives of STC are to: provide enhanced transportation services to senior adults through coordinated systems and providers; create and implement a senior transportation delivery model that enhances efficiency, cost effectiveness and coordination; consolidate and manage multiple funding sources; and advocate a concept that offers a comprehensive range of services for senior consumers.

The primary service provided by STC is the operation of centralized call center services for scheduling rides and managing dispatch of vehicles. STC supports maximizing the efficiency of local services provided by coordinated local municipal governments and non-profit agencies. In 2015, STC successfully negotiated and managed fee for service contracts with 24 suburban municipalities, 17 wards in the City of Cleveland and 5 non-profit organizations. STC continues to provide supplemental paratransit services for the Greater Cleveland Regional Transit Authority (GCRTA).

Along with providing transit for basic human needs (medical appointments, grocery shopping) STC also provides rides to beauty appointments and social / educational opportunities. This not only accomplishes the necessities for independent living, but supports activities that lend to personal fulfillment and enables older adults to stay connected with the greater community.

The Organization is a local, state and national model of regionalism, collaboration and cooperation. Most importantly, on a daily basis, STC enhances the independence and quality of life of senior adults in our community.

The Organization's governing documents require certain board members be appointed to represent local municipal governments and certain nonprofit agencies that are customers of STC.

#### *Basis of presentation*

The Organization's financial statements have been prepared as recommended by the American Institute of Certified Public Accountants' (AICPA) Audit and Accounting Guide for Not-for-Profit Organizations. The audit guide includes the requirements of Financial Accounting Standards Board (FASB) Codification, Financial Statements of Not-for-Profit Organizations (the Codification). Under the Codification, Senior Transportation Connection is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when the stipulated time restriction expires or the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. A temporarily restricted contribution whose restriction is satisfied in the same time period it is received is reported as unrestricted.

# Senior Transportation Connection

## Notes To Financial Statements

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### *Cash and cash equivalents*

The Organization considers all unrestricted cash and highly liquid investments with initial maturities of three months or less to be cash equivalents.

### *Property and equipment*

Property and equipment is recorded at cost at the date of acquisition or fair market value at the date of donation.

The Organization provides for depreciation of property and equipment using the straight-line method over the estimated useful lives of the assets. Routine expenditures for repairs and maintenance are expensed as incurred.

Estimated useful lives are as follows:

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Furniture, fixtures and equipment	7 years
Vehicles	6 years
Computer equipment and software	5 years
Leasehold improvements	3 years

### *Software costs*

Software costs net of accumulated amortization are included in other assets. Amortization expense on software costs was \$3,859 as of December 31, 2015. Estimated future annual amortization expense is expected to be \$7,717 for the years ending December 2016 through 2019 and \$3,861 for the year ending December 31, 2020.

### *Asset impairments*

The Organization reviews the carrying value of its long-lived assets whenever events or changes in circumstances indicate that it's carrying amounts may not be recoverable. If indicators of impairment exist, the Organization would determine whether the assets and their eventual disposition is less than its carrying amount. If less, an impairment loss would be recognized if, and to the extent the carrying amounts of such assets exceeds their respective fair value.

### *Recognition of revenue*

Revenue on fares are recognized as they are billed to communities and nonprofit organization on a monthly basis. Contributions and grants received, including unconditional promises, are recognized as revenue when the donor's commitment is received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances (fair value). Promises made that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support. Conditional promises are recorded when the donor stipulations are substantially met.

# Senior Transportation Connection

## Notes To Financial Statements

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Unconditional promises to give and grants comprise of the following at December 31, 2015 and 2014 as follows:

<i>December 31,</i>	2015	2014
Receivable in less than one year	\$ 157,665	\$ 142,508
Receivable in one to five years	26,000	83,000
	<b>\$ 183,665</b>	<b>\$ 225,508</b>

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During the year ended December 31, 2014, the Organization received a grant of \$400,000 from a foundation, payable in two installments, based upon objectives stated in the grant. The first installment of \$300,000 was paid during 2014, and the second installment of \$100,000 was received in full during the year ended December 31, 2015.

No allowance for losses on accounts or grants receivable has been recorded. The Organization has not experienced bad debts since inception, and there are no anticipated future write-offs of allowances or grants. In the event that such allowances are necessary, the expenses will be recognized as management and administrative expenses.

### *Income tax status*

The Internal Revenue Service has ruled that the Organization qualifies under Section 501(c)(3) of the Internal Revenue Code and is, therefore, not subject to tax under present federal income tax laws. The Organization has not been classified as a private foundation within the meaning of Section 509(a) and does qualify for deductible contributions as provided in Section 170(b)(1)(A)(vi).

The Organization follows generally accepted accounting principles (GAAP) for Uncertainty in Income Taxes. The Organization's income tax filings are subject to audit by various taxing authorities. The Organization's open audit periods are 2012 through current. In evaluating the Organization's activity, management believes its position of tax-exempt status is appropriate based on current facts and circumstances, and there have been no uncertain positions taken related to recording of income taxes. Management has assessed that there are no activities unrelated to the purpose of the Organization and therefore no tax is to be recognized. The unrelated business income of the Organization is primarily derived from advertising revenues on vehicles. Expenses for taxes of approximately \$14,900 were recorded for the year ended December 31, 2015. No tax expense was recognized during the year ended December 31, 2014.

It is the policy of the Organization to include in management and administrative expenses penalties and interest assessed by income taxing authorities. There are no penalties or interest from taxing authorities included in management and administrative expenses for the years ended December 31, 2015 and 2014.

### *Concentrations of credit risk*

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents, and accounts and grants receivable. The Organization maintains its cash and cash equivalents with one financial institution and at times during the year they have invested amounts in excess of the federal insurance limits.

# Senior Transportation Connection

## Notes To Financial Statements

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The Organization had program revenue from two organizations that amounted to 61% and 51% of total program revenue for the years ended December 31, 2015 and 2014, respectively. The organizations comprised 60% and 45% of trade receivables at December 31, 2015 and 2014, respectively. The Organization had no other significant concentrations of credit risk as of December 31, 2015 and 2014.

### *Functional expenses*

Expenses are charged to functional areas based on specific identification when possible. Expenses that cannot be specifically identified to a function are allocated to the functional areas based on historical data and experience.

### *Use of estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosed in the footnotes. Actual results could differ from those estimates.

### *Reclassifications*

Certain December 31, 2014 financial statement items have been reclassified to conform to the December 31, 2015 financial statement presentation. Such reclassifications have no effect on the change in net assets.

### *Evaluation of subsequent events*

The Organization has evaluated subsequent events through March 14, 2016, the date the financial statements were available to be issued and has determined that there were no subsequent events to recognize or disclose in these financial statements.

## 2. Property, equipment and software

Property, equipment and software consists of the following:

<i>December 31,</i>	2015	2014
Furniture, fixtures and equipment	\$ 233,076	\$ 245,983
Leasehold improvement	3,740	3,740
Computer equipment	79,594	51,500
Vehicles	1,421,556	1,335,757
Telephone equipment	45,165	-
	<u>1,783,131</u>	<u>1,636,980</u>
Less accumulated depreciation	<u>1,207,573</u>	<u>1,032,920</u>
	575,558	604,060
Software	<u>38,588</u>	-
Less accumulated amortization	<u>3,859</u>	-
	<u>\$ 610,287</u>	<u>\$ 604,060</u>

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# Senior Transportation Connection

## Notes To Financial Statements

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As of December 31, 2014 there was a project in process in the amount of \$56,124 relating to the implementation of the new Ecolane software. The full implementation of this software occurred in mid-year 2015, and was subsequently determined to be ineffective. Management has since impaired the related asset, with an adjustment of \$92,936.

Depreciation and amortization expense for the years ended December 31, 2015 and 2014 was \$194,332 and \$174,533, respectively.

### 3. Fair value measurements

The FASB Codification for Fair Value Measurements and Disclosures establishes a hierarchy for inputs used in measuring assets and liabilities reported at fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable input be used when available. Observable inputs are those that market participants would use in measuring investments at fair value based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in measuring investments at fair value based on the best information available in the circumstances. Investments are measured and disclosed in one of the three levels based on the reliability of inputs:

- Level 1 - Valuations based on quoted market prices in active markets for identical assets and liabilities as of the reporting date.
- Level 2 - Valuations is based on quoted prices for similar instruments in an active market.
- Level 3 - Valuations derived from other methodologies, including pricing models, discounted cash flow models and similar techniques, and not based on market, dealer, or broker-traded transactions. The determination of fair value requires significant management judgment or estimation.

The following table sets forth by level, within the fair value hierarchy, the Organization's financial assets measured on a non-recurring basis as of December 31, 2015:

	<u>Fair Market Value Measurement at the Reporting Date Using</u>					
	Level 1	Level 2	Level 3	Total Gains (Losses)	Fair Value	
Intangible assets	\$ -	\$ -	\$ 38,588	\$ (92,936)	\$ 38,588	

An assessment of intangible assets was made as of December 31, 2015 and management determined that \$92,936 of intangible assets were impaired.

### 4. Lease obligations

#### *Operating lease*

The Organization leases its office and garage space, two copy machines, and eight vehicles. Rent and lease expense for the years ended December 31, 2015 and 2014 was \$146,038 and \$103,593, respectively. Future minimum lease payments for the noncancellable operating leases having a remaining term in excess of one year at December 31, 2015 are as follows:

# Senior Transportation Connection

## Notes To Financial Statements

<i>Year ended December 31,</i>	Office and Garage Space	Copy Machines	Vehicles	Total
2016	\$ 96,825	\$ 6,588	\$ 83,731	\$ 187,144
2017	64,200	4,044	83,731	151,975
2018	10,700	4,044	83,731	98,475
2019	-	3,033	55,822	58,855
	\$ 171,725	\$ 17,709	\$ 307,015	\$ 496,449

### *Capital lease*

The Organization leases its computer equipment under a capital lease agreement which expires in August 2017. The lease is secured by the underlying asset. The asset is being depreciated over the estimated useful life. Interest paid and expensed for the years ended December 31, 2015 and 2014 was \$3,392 and \$1,831, respectively.

The gross amount of the computer equipment and software under capital lease and the related accumulated amortization, which is included in computer equipment and accumulated depreciation and amortization (Note 2) consists of the following:

<i>December 31,</i>	2015	2014
Equipment under capital lease	\$ 51,500	\$ 51,500
Accumulated amortization	(24,319)	(7,153)
	\$ 27,181	\$ 44,347

The present value of future minimum capital lease payments are as follows:

<i>December 31,</i>	
2016	\$ 19,644
2017	11,459
Total minimum lease payments	31,103
Less amounts representing interest payments	2,209
Less current portion	17,771
	\$ 11,123

Interest rate on this capital lease obligation is approximately 8.97%, and is imputed based upon the lessor's implicit rate.

# Senior Transportation Connection

## Notes To Financial Statements

### 5. Long-term debt

During 2015, the Organization obtained two separate loans with PNC Capital Finance in the total amount of \$85,800 for the purchase of two vehicles. The notes are payable in sixty monthly payments of a combined \$1,553 and are collateralized by the vehicles. The interest rate for the loans is fixed at 3.25%. The combined balance as of December 31, 2015 was \$76,582.

Future annual maturities of long-term debt are as follows:

*Year ended December 31,*

2016	\$	16,391
2017		16,933
2018		17,492
2019		18,069
2020		7,697
	\$	76,582

Interest expense on the this debt was \$1,553 for the year ended December 31, 2015.

### 6. Temporarily restricted net assets

Temporarily restricted net asset balances and amounts released from restrictions are as follows:

Restriction	Balance December 31, 2014	Additions	Net Assets Released	Balance December 31, 2015
For use in a future period	\$ 192,000	\$ 44,100	\$ 108,100	\$ 128,000
Vehicles	30,600	-	30,600	-
Technological upgrades	-	10,662	-	10,662
Capacity Building	-	5,000	-	5,000
Capitalization of the Mt. Sinai Signature Project	51,000	-	51,000	-
For use in a future period	\$ 273,600	\$ 59,762	\$ 189,700	\$ 143,662

  

Restriction	Balance December 31, 2013	Additions	Net Assets Released	Balance December 31, 2014
For use in a future period	\$ 43,299	\$ 192,000	\$ 43,299	\$ 192,000
Vehicles	62,000	30,600	62,000	30,600
Consultant Study	1,500	-	1,500	-
Capacity Building	37,418	-	37,418	-
Capitalization of the Mt. Sinai Signature Project	-	300,000	249,000	51,000
For use in a future period	\$ 144,217	\$ 522,600	\$ 393,217	\$ 273,600

# Senior Transportation Connection

## Notes To Financial Statements

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### 7. Federal transit assistance

During 2007, the Organization purchased 22 vehicles at a total cost of \$834,526, to be used in fulfillment of the Organization's primary purpose. Funds for 80% of the cost of the vehicles were provided by a federal transit grant passed through the Greater Cleveland Regional Transit Authority. The Organization entered into sub-recipient agreements, with governmental and non-profit agencies for 21 of the vehicles, transferring title and use of the vehicle in exchange for 10% of the vehicle cost and a security interest in the vehicle. After certain time and usage criteria as outlined in the sub-recipient agreements are met, the liens are to be released. In the event the recipients fail to comply with the provisions of the sub-recipient agreements, ownership will revert to the Organization. The security interest is recorded in these financial statements as vehicle liens held at December 31, 2015 and 2014 on the remaining vehicles.

The value of these liens is reviewed by the Organization for impairment on an annual basis. During 2014 the liens on seven vehicles expired under the sub-recipient agreement, and title transferred to the sub-recipients. During 2014, STC wrote off the liens related to these vehicles and recognized an expense of \$26,550, included in expiration of vehicle liens held in the accompanying statements of activities. No liens expired during 2015.

All of the vehicles and equipment noted above, for which STC retains title, are included in property and equipment in the accompanying financial statements.

During 2014, the Organization purchased software and seven vehicles to be used in fulfillment of the Organization's primary purpose. For these acquisitions, 80% of the cost, or \$305,239, was provided by a federal transit grant (FTA) passed through the GCRTA.

During 2015, the Organization leased 8 vehicles to be used in fulfillment of the Organization's primary purpose. For the lease, 80% is to be funded by a federal transit grant (FTA) passed through the GCRTA. Anticipated funding is \$267,940, to be received as lease payments are made, of which \$22,328 has been provided as of December 31, 2015.

### 8. Line of credit

The Organization has a \$100,000 line of credit available from a bank which will expire in June 2016. Outstanding balances are due on demand and bear interest at a rate of prime (3.50% and 3.25% at December 31, 2015 and 2014, respectively) plus 0.35% for the years ended December 31, 2015 and 2014. There was no balance outstanding as of December 31, 2015 and 2014. Interest paid and expensed for the years ended December 31, 2015 and 2014 was \$43 and \$3,583, respectively. The line is secured by all real and personal property of the Organization.

### 9. Commitments

In 2013, the Organization entered into an agreement with GCRTA for supplemental paratransit services for a base period of three years with two optional years and a total contract amount not to exceed \$5,874,039. Related revenues will be recognized as services are provided over the contract period. Revenues earned under this contract were \$872,334 and \$704,031 for the years ended December 31, 2015 and 2014, respectively.