

**LIFELONG LEARNING INSTITUTE IN
CHESTERFIELD COUNTY, VA, INC.**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2012 AND 2011

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HARRIS, HARDY & JOHNSTONE, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Lifelong Learning Institute in Chesterfield County, VA, Inc.
Richmond, Virginia

We have reviewed the accompanying statements of financial position of Lifelong Learning Institute in Chesterfield County, VA, Inc. (the "Institute") as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Institute's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Harris, Hardy & Johnstone, P.C.

Richmond, Virginia
October 31, 2012

LIFELONG LEARNING INSTITUTE IN CHESTERFIELD COUNTY, VA, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	<u>\$ 176,482</u>	<u>\$ 143,130</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	25,801	25,100
Less: Accumulated depreciation	<u>16,324</u>	<u>12,768</u>
NET PROPERTY AND EQUIPMENT	<u>9,477</u>	<u>12,332</u>
TOTAL ASSETS	<u><u>\$ 185,959</u></u>	<u><u>\$ 155,462</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 27,725	\$ 16,104
Deferred membership fees	<u>35,678</u>	<u>31,282</u>
TOTAL CURRENT LIABILITIES	63,403	47,386
NET ASSETS		
Unrestricted	<u>122,556</u>	<u>108,076</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 185,959</u></u>	<u><u>\$ 155,462</u></u>

See Independent Accountant's Review Report and Notes to Financial Statements

LIFELONG LEARNING INSTITUTE IN CHESTERFIELD COUNTY, VA, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2012 AND 2011

	2012	2011
SUPPORT		
In-kind contributions	\$ 341,901	\$ 327,375
Membership fees, net of refunds	70,132	65,400
Other income	37,059	32,376
Contributions - County of Chesterfield, VA	25,019	22,895
Contributions - other	9,127	7,204
Fundraising	1,318	22,135
TOTAL SUPPORT	484,556	477,385
EXPENSES		
Program services		
Facilities	191,114	187,032
Faculty	152,773	141,691
Contract labor	71,625	73,428
Travel	20,029	19,478
Supplies	12,078	10,256
Exercise program	8,750	8,495
Depreciation	3,556	3,850
Printing	2,571	1,765
Donations	1,600	-
Postage	930	811
Miscellaneous	642	539
Telephone and website	249	-
Marketing	205	447
Total Program Services	466,122	447,792
Support Services		
Professional services	3,126	1,950
Fundraising		
Raffle	828	16,348
Total Support Services and Fundraising	3,954	18,298
TOTAL EXPENSES	470,076	466,090
INCREASE IN NET ASSETS	14,480	11,295
Net assets, beginning of year	108,076	96,781
NET ASSETS, END OF YEAR	\$ 122,556	\$ 108,076

See Independent Accountant's Review Report and Notes to Financial Statements

LIFELONG LEARNING INSTITUTE IN CHESTERFIELD COUNTY, VA, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 14,480	\$ 11,295
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	3,556	3,850
Increase in accounts payable	11,621	3,598
Increase in deferred membership fees	<u>4,396</u>	<u>807</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>34,053</u>	<u>19,550</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(701)</u>	<u>(2,107)</u>
NET INCREASE IN CASH	33,352	17,443
Cash and cash equivalents, beginning of year	<u>143,130</u>	<u>125,687</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 176,482</u></u>	<u><u>\$ 143,130</u></u>

See Independent Accountant's Review Report and Notes to Financial Statements

LIFELONG LEARNING INSTITUTE IN CHESTERFIELD COUNTY, VA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Lifelong Learning Institute in Chesterfield County, VA, Inc. (the "Institute") was organized as a non-profit corporation under the laws of Virginia for the purpose of providing a curriculum of intellectually stimulating learning opportunities and special activities for persons fifty (50) years of age or older.

Basis of presentation - The accounts of the Institute are maintained, and the financial statements are prepared, on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred. The financial statement presentation follows the recommendations of Financial Accounting Standards Board (FASB) ASC 958. Under FASB ASC 958, the Institute 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 Institute has no temporarily or permanently restricted net assets at June 30, 2012 and 2011.

Cash and cash equivalents - Cash equivalents consist of highly liquid investments with an initial maturity of three months or less.

Property and equipment - Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives (ranging from five to seven years).

Revenue recognition - Amounts received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or 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.

Membership fees cover classes for twelve months from date of receipt. Deferred membership fees represent unearned income as of year end.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

See Independent Accountant's Review Report

LIFELONG LEARNING INSTITUTE IN CHESTERFIELD COUNTY, VA, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

NOTE 2 - INCOME TAXES

The Institute is a qualified non-profit charitable organization as defined by the Internal Revenue Code Section 501(c)(3) and is thus exempt from federal income taxes. In addition, the Institute qualifies for charitable contributions deductions under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Income which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. The Institute did not have any net unrelated business income for the years ended June 30, 2012 and 2011.

The Institute applies FASB ASC 740-10, "*Accounting for Uncertainty in Income Taxes*", related to accounting for uncertainty in income taxes, which clarifies the accounting for income taxes by prescribing the minimum recognition threshold that a tax position is required to meet before being recognized in the financial statements. The standard also provides guidance on penalties and interest, classification, and disclosure. The Institute has not identified any uncertain tax positions. The Institute's income tax returns for years since 2009 remain open for examination by tax authorities.

NOTE 3 - CONTRIBUTED SERVICES AND MATERIALS

The Institute provides a variety of classes to its members. All instructors, who are experts in their field, contribute their time to teach the classes. During the years ended June 30, 2012 and 2011, the value of the instructors' hours contributed is \$151,582 and \$141,289, respectively, and is recorded as unrestricted support and expenses.

Chesterfield County Public Schools provide the classroom space for the Institute to hold its classes. The value of contributed facilities for both years ended June 30, 2012 and 2011 is \$186,086 and is recorded as unrestricted support and expenses.

A local computer technology company provided computers for use at the Institute for a portion of the year ending June 30, 2012. The value of this donation was \$4,233.

NOTE 4 - CONTRACT LABOR

The Institute's Executive Director is a part of the Virginia Center on Aging, Virginia Commonwealth University's payroll and benefits program. The Virginia Center bills the Institute quarterly for the costs associated with its Executive Director's services.

NOTE 5 - SUBSEQUENT EVENTS

In the preparation of its financial statements, Lifelong Learning Institute in Chesterfield County, VA, Inc. considered subsequent events through October 31, 2012, which was the date the financial statements were available to be issued.

See Independent Accountant's Review Report