

LIFE LEARNING CENTER

FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009



Maddox & Associates CPAs Inc  
Certified Public Accountants

1029 S Ft. Thomas Ave  
Ft. Thomas, KY 41075

3863 Glenmore Ave  
Cincinnati, OH 45211

LIFE LEARNING CENTER  
FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT  
TABLE OF CONTENTS

<u>Independent Auditor's Report</u>	<u>1</u>
<u>Statement of Financial Position</u>	<u>2</u>
<u>Statement of Activities</u>	<u>3</u>
<u>Statement of Functional Expenses</u>	<u>4</u>
<u>Statement of Cash Flows</u>	<u>5</u>
<u>Notes to Financial Statements</u>	<u>6</u>



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Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Life Learning Center

We have audited the accompanying statement of financial position of Life Learning Center (a nonprofit organization) as of December 31, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Life Learning Center as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Maddox & Associates CPAs Inc.  
May 28, 2010

**Life Learning Center**  
**Statement of Financial Position**  
**As of December 31, 2009**

<u>Assets</u>	<u>Unrestricted</u>
Cash - Operating	\$ 115,869
Prepaid expenses	6,228
Leasehold improvements	37,692
less accumulated depreciation	<u>(21,539)</u>
<b>Total Assets</b>	<b><u>\$ 138,250</u></b>
<u>Liabilities</u>	
Accounts payable	\$ 930
Accrued expenses	<u>10,052</u>
<b>Total Liabilities</b>	<b><u>10,982</u></b>
<b>Net Assets</b>	
Unrestricted	<u>127,268</u>
<b>Total Net Assets</b>	<b><u>127,268</u></b>
<b>Total Liabilities &amp; Net Assets</b>	<b><u>\$ 138,250</u></b>

The accompanying footnotes are an integral part of these financial statements

**Life Learning Center  
Statement of Activities  
For the year ended December 31, 2009**

**Public Support, Revenues, & Reclassifications**

Contributions	\$ 5,380
Foundation Grants	120,500
United Way/Community Chest	209,065
Consulting Services	2,050
Interest Income	274
<b>Total Public Support, Revenues, &amp; Reclassifications</b>	<b><u>337,269</u></b>

**Functional Expenses**

Program services	254,947
Management & general	72,906
Fundraising	15,068
<b>Total Functional Expenses</b>	<b><u>342,921</u></b>

<b>Change in Net Assets</b>	<b>(5,652)</b>
<b>Net Assets, Beginning of Year</b>	<b>132,920</b>
<b>Net Assets, End of Year</b>	<b><u>\$ 127,268</u></b>

The accompanying footnotes are an integral part of these financial statements

Life Learning Center  
Statement of Functional Expenses  
For the year ended December 31, 2009

	Program Services	Management and General	Fund Development	Total
<u>Payroll and Related Expenses:</u>				
Salaries	\$ 163,053	\$ 41,696	\$ 12,468	217,217
Employee benefits	9,184	5,975	57	15,216
Payroll taxes	17,773	3,190	2,209	23,172
	190,010	50,861	14,734	255,605
<u>Trainee Expenses:</u>				
Background checks	3,200	-	-	3,200
Career preference assessments	20	-	-	20
Child care	-	-	-	-
Class supplies	1,087	-	-	1,087
Drug testing	3,066	-	-	3,066
Food-evening classes	4,332	-	-	4,332
Member support	2,467	-	-	2,467
Presenters	740	-	-	740
Other reimbursements	75	-	-	75
<u>Other Expenses:</u>				
Accounting & bookkeeping	-	9,904	-	9,904
Dues & subscriptions	-	614	75	689
Insurance	2,981	198	-	3,179
Equipment expenses	-	-	-	-
IT & other equipment maintenance	1,595	537	-	2,132
Meeting expense	304	226	102	632
Miscellaneous	-	722	-	722
Postage	587	154	7	748
Printing	790	190	-	980
Professional fees	9,239	1,049	-	10,288
Staff travel	567	68	118	753
<u>Occupancy</u>				
Depreciation	4,655	730	-	5,385
Facility maintenance & cleaning	537	-	-	537
Office & custodial supplies	2,962	1,099	32	4,093
Telephone	3,573	715	-	4,288
Rent	22,160	5,540	-	27,700
Security system	-	299	-	299
<b>Total Functional Expenses</b>	<b>\$ 254,947</b>	<b>\$ 72,906</b>	<b>\$ 15,068</b>	<b>\$ 342,921</b>

The accompanying footnotes are an integral part of these financial statements

Life Learning Center  
Statement of Cash Flows  
For the year ended December 31, 2009

<b><u>Cash Flows From Operating Activities</u></b>	
Change in Net Assets	\$ (5,652)
Adjustments to Reconcile Excess of Revenues Over <u>Expenses to Net Cash Provided by Operating Activities</u>	
Depreciation	5,385
<u>(Increase) Decrease in:</u>	
Prepaid expenses	(1,711)
<u>Increase (Decrease) in:</u>	
Accounts payable	67
Accrued expenses	3,560
Net Cash Provided (Used) by Operating Activities	1,649
Cash Flows From Investing Activities	
Acquisition of property and equipment	-
Net Cash Provided (Used) by Investing Activities	-
Net Increase in Cash	1,649
Cash, Beginning of Year	114,220
Cash, End of Year	\$ 115,869
Supplementary Disclosure of Cash Flow Information:	
Cash Paid During the Year For:	
Interest	\$ -
Income Taxes	\$ -

The accompanying footnotes are in integral part of these financial statements

LIFE LEARNING CENTER  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Center is a United Way funded, not-for-profit organization that works with multiple local community partners and progressive employers to take individuals who demonstrate a commitment to stable employment and prepare them for productive, sustainable careers through education, training and life coaching. The Center's strategy is focused solely on employment enhancement, and is supplemented by four intertwined themes: foundation for success, personal life skills, education and/or skills advancement, and community involvement. The Center works with and provides support for our members for a minimum of a year after completion of training.

Community service agencies partner with the Center by nominating candidates they feel would benefit from our programs. Once a candidate becomes a member of the Center, the nominating agency will provide support as the member progresses in their job search and while on the job. There is no cost to enroll in the program. Several companies have agreed to utilize the Center as a recruiting resource for their hiring needs. Only members qualified for the specific position are recommended to an employer.

**Financial Statement Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Unrestricted net assets-Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets-Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. As of December 31, 2009 there are no temporarily restricted net assets.

Permanently restricted net assets-Net assets subject to donor-imposed stipulations that they be maintained permanently by the Center. The Center has no permanently restricted net assets as of December 31, 2009.

LIFE LEARNING CENTER  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**Leasehold Improvements**

Leasehold Improvements includes resources expended for capital improvements to office space rented by the Center. Depreciation of physical properties is calculated on the straight-line method over the following estimated useful lives:

Leasehold improvements	7 years
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**Income Taxes**

The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue code. Therefore, no provision for income taxes has been made in these financial statements. The Organization is not a private foundation as defined by Section 509(a) of the Internal Revenue code.

**Donated Materials and Services**

The Center records the value of donated goods or services used in the operations of the Center when there is an objective basis available to measure their value. Donated materials used by the Center are reflected as contributions at their estimated value at date of receipt. No amounts have been reflected in the statements for donated services as no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time to the Organization.

**Functional Allocation of Expenses**

The costs of providing the Center's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**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.

**Cash Equivalents**

For purposes of the statement of cash flows, the Center considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

LIFE LEARNING CENTER  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**NOTE B - BUSINESS AND SUPPORT CONCENTRATIONS**

The Center receives support from businesses, foundations, trusts, and individuals in the Northern Kentucky and Greater Cincinnati area. The Center received \$209,065 in support from United Way/Community Chest and \$100,000 from a foundation for the year ended December 31, 2009. These funding sources provided 62% and 30% respectively of the Center's total revenues received for the year.

**NOTE C - CONCENTRATION OF CREDIT RISK**

The Center maintains checking and savings accounts with one bank. As of December 31, 2009, \$115,869 was on deposit with this bank, which is fully insured with coverage provided by the FDIC.

**NOTE D - OFFICE LEASE**

The Center leases office space under a commercial lease agreement commencing May 28, 2007. The terms of the lease provide for monthly rent of \$2,150 for a one year term beginning May 28, 2007 and ending on May 31, 2008. The Center may renew the lease for four consecutive one year renewal terms. For each successive one year renewal term, the Center shall pay an additional \$1,200 per year over the prior year. Future minimum lease payments are as follows:

2010 \$ 28,900