

**OSHER LIFELONG LEARNING INSTITUTE  
AT GEORGE MASON UNIVERSITY**

**AUDITED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**DUNHAM, AUKAMP & RHODES, PLC**  
Certified Public Accountants  
Chantilly, Virginia

**OSHER LIFELONG LEARNING INSTITUTE  
AT GEORGE MASON UNIVERSITY**

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# **Dunham, Aukamp & Rhodes, PLC**

*Certified Public Accountants*

4443 Brookfield Corporate Drive, Suite 110  
Chantilly, VA 20151

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Osher Lifelong Learning Institute at George Mason University  
Fairfax, Virginia

### **Opinion**

We have audited the accompanying financial statements of Osher Lifelong Learning Institute at George Mason University (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 financial statements referred to above present fairly, in all material respects, the financial position of Osher Lifelong Learning Institute at George Mason University as of December 31, 2023 and 2022, 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 Osher Lifelong Learning Institute at George Mason University 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 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 Osher Lifelong Learning Institute at George Mason University's ability to continue as a 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, including omissions, 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 Osher Lifelong Learning Institute at George Mason University'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 Osher Lifelong Learning Institute at George Mason University'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.



Certified Public Accountants  
Chantilly, Virginia

April 21, 2025

**OSHER LIFE LONG LEARNING INSTITUTE  
AT GEORGE MASON UNIVERSITY**

**STATEMENTS OF FINANCIAL POSITION**

**December 31,**

	<b>ASSETS</b>	
	<u>2023</u>	<u>2022</u>
Current Assets		
Cash and cash equivalents	\$ 302,774	\$ 320,349
Investments	430,492	353,372
Accounts receivable	2,213	3,525
Prepaid expenses	9,049	11,470
Total Current Assets	<u>744,528</u>	<u>688,716</u>
Property and Equipment		
Computer equipment and software	7,729	7,729
Furniture and fixtures	179,312	177,526
Leasehold improvements	334,515	334,515
Website	38,600	38,600
Less: Accumulated depreciation	<u>(449,042)</u>	<u>(403,836)</u>
Total Property and Equipment	<u>111,114</u>	<u>154,534</u>
Other Assets		
Right of use asset	<u>59,487</u>	<u>74,464</u>
Total Other Assets	<u>59,487</u>	<u>74,464</u>
Total Assets	<u><u>\$ 915,129</u></u>	<u><u>\$ 917,714</u></u>

**LIABILITIES AND NET ASSETS**

Current Liabilities		
Accounts payable	\$ 40,402	\$ 36,593
Accrued payroll liabilities	4,128	6,021
Deferred revenue	224,638	222,813
Lease liability, current portion	<u>17,000</u>	<u>17,000</u>
Total Current Liabilities	<u>286,168</u>	<u>282,427</u>
Long-Term Liabilities		
Lease liability, net of current portion	<u>39,928</u>	<u>54,699</u>
Total Liabilities	<u>326,096</u>	<u>337,126</u>
Net Assets		
Without donor restrictions	565,084	561,639
With donor restrictions	<u>23,949</u>	<u>18,949</u>
Total Net Assets	<u>589,033</u>	<u>580,588</u>
Total Liabilities and Net Assets	<u><u>\$ 915,129</u></u>	<u><u>\$ 917,714</u></u>

The accompanying notes are an integral part of these financial statements.

**OSHER LIFELONG LEARNING INSTITUTE  
AT GEORGE MASON UNIVERSITY**

**STATEMENTS OF ACTIVITIES  
For the Years Ended December 31,**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Membership dues	\$ 391,275	\$ -	\$ 391,275	\$ 420,725	\$ -	\$ 420,725
Endowment distributions	79,500	-	79,500	104,352	-	104,352
Contributions	39,646	7,750	47,396	60,059	13,700	73,759
Lectures	28,379	-	28,379	-	-	-
Investment income	17,449	-	17,449	4,700	-	4,700
Miscellaneous income	1,050	-	1,050	-	-	-
Net assets released from donor restrictions	2,750	(2,750)	-	24,900	(24,900)	-
Total Support and Revenue	560,049	5,000	565,049	614,736	(11,200)	603,536
Expenses						
Program expenses	384,287	-	384,287	409,460	-	409,460
General and administrative	156,432	-	156,432	151,847	-	151,847
Fundraising	15,885	-	15,885	16,019	-	16,019
Total Expenses	556,604	-	556,604	577,326	-	577,326
Change in Net Assets before Contributed services	3,445	5,000	8,445	37,410	(11,200)	26,210
Contributed services and facilities support	541,459	-	541,459	438,362	-	438,362
Contributed facilities expense	(199,262)	-	(199,262)	(194,689)	-	(194,689)
Contributed services expense	(342,197)	-	(342,197)	(243,673)	-	(243,673)
Change in Net Assets from Contributed Services	-	-	-	-	-	-
Change in Net Assets	3,445	5,000	8,445	37,410	(11,200)	26,210
Net Assets at Beginning of Year	561,639	18,949	580,588	524,229	30,149	554,378
Net Assets at End of Year	<u>\$ 565,084</u>	<u>\$ 23,949</u>	<u>\$ 589,033</u>	<u>\$ 561,639</u>	<u>\$ 18,949</u>	<u>\$ 580,588</u>

The accompanying notes are an integral part of these financial statements.

**OSHER LIFELONG LEARNING INSTITUTE  
AT GEORGE MASON UNIVERSITY**

**STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2023**

	Program Expenses	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Expenses Incurred					
Bank charges	\$ 15,612	\$ 1,507	\$ 607	\$ 2,114	\$ 17,726
Conference	3,433	3,629	-	3,629	7,062
Depreciation	38,425	6,781	-	6,781	45,206
Equipment	10,908	3,873	-	3,873	14,781
Financial assistance	24,650	-	-	-	24,650
Insurance	-	4,990	-	4,990	4,990
Legal and professional	-	6,905	-	6,905	6,905
Membership committees	6,528	1,347	1,448	2,795	9,323
Office supplies and expense	2,696	4,448	-	4,448	7,144
Payroll taxes	16,044	7,703	974	8,677	24,721
Postage	2,871	1,400	264	1,664	4,535
Program expenses	6,168	-	-	-	6,168
Publications	18,936	220	-	220	19,156
Registration	8,058	-	-	-	8,058
Rent	18,253	-	-	-	18,253
Repairs and maintenance	404	816	-	816	1,220
Salaries	207,445	99,589	12,592	112,181	319,626
Special events	-	2,393	-	2,393	2,393
Telephone and internet	744	8,362	-	8,362	9,106
Training	681	98	-	98	779
Travel	2,431	2,371	-	2,371	4,802
Total Expenses Incurred	384,287	156,432	15,885	172,317	556,604
Contributed Expenses					
In-kind rent	121,172	6,378	-	6,378	127,550
In-kind maintenance	50,198	21,514	-	21,514	71,712
In-kind services	342,197	-	-	-	342,197
Total Contributed Expenses	513,567	27,892	-	27,892	541,459
Total Expense	<u>\$ 897,854</u>	<u>\$ 184,324</u>	<u>\$ 15,885</u>	<u>\$ 200,209</u>	<u>\$ 1,098,063</u>

**OSHER LIFELONG LEARNING INSTITUTE  
AT GEORGE MASON UNIVERSITY**

**STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2022**

		Supporting Services			
	Program Expenses	Management and General	Fundraising	Total Supporting Services	Total
Expenses Incurred					
Bank charges	\$ 16,221	\$ 1,309	\$ 518	\$ 1,827	\$ 18,048
Conference	-	1,755	-	1,755	1,755
Depreciation	37,182	6,562	-	6,562	43,744
Equipment	24,391	3,949	-	3,949	28,340
Financial assistance	27,431	-	-	-	27,431
Insurance	-	5,231	-	5,231	5,231
Legal and professional	-	6,590	-	6,590	6,590
Membership committees	6,573	1,511	1,643	3,154	9,727
Miscellaneous	-	35	-	35	35
Office supplies and expense	1,726	1,096	-	1,096	2,822
Payroll taxes	17,804	7,882	974	8,856	26,660
Postage	2,357	1,542	200	1,742	4,099
Program expenses	1,611	-	-	-	1,611
Publications	17,851	-	-	-	17,851
Registration	7,748	-	-	-	7,748
Rent	18,935	-	-	-	18,935
Repairs and maintenance	-	601	-	601	601
Salaries	229,360	102,295	12,684	114,979	344,339
Special events	108	829	-	829	937
Telephone and internet	-	9,672	-	9,672	9,672
Training	-	594	-	594	594
Travel	162	394	-	394	556
Total Expenses Incurred	409,460	151,847	16,019	167,866	577,326
Contributed Expenses					
In-kind rent	121,172	6,378	-	6,378	127,550
In-kind maintenance	46,997	20,142	-	20,142	67,139
In-kind services	243,673	-	-	-	243,673
Total Contributed Expenses	411,842	26,520	-	26,520	438,362
Total Expense	<u>\$ 821,302</u>	<u>\$ 178,367</u>	<u>\$ 16,019</u>	<u>\$ 194,386</u>	<u>\$1,015,688</u>



**OSHER LIFE LONG LEARNING INSTITUTE  
AT GEORGE MASON UNIVERSITY**

**STATEMENTS OF CASH FLOWS  
For the Years Ended December 31,**

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 8,445	\$ 26,210
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	45,206	43,744
Loss (gain) on investments	1,241	(1,472)
Changes in operating assets and liabilities:		
Decrease/(Increase) in accounts receivable	1,312	(300)
Decrease in prepaid expenses	2,421	7,974
Decrease/(Increase) in right-of-use asset	14,977	(74,464)
Increase in accounts payable	3,809	7,315
(Decrease)/Increase in accrued payroll liabilities	(1,893)	96
Increase/(Decrease) in deferred revenue	1,825	(19,774)
(Decrease)/Increase in lease liability	<u>(14,771)</u>	<u>71,699</u>
Net cash provided by operating activities	<u>62,572</u>	<u>61,028</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	(1,786)	(21,638)
Proceeds from investments	150	150
Purchases of investments	<u>(78,511)</u>	<u>(352,050)</u>
Net cash used in investing activities	<u>(80,147)</u>	<u>(373,538)</u>
Change in cash and cash equivalents	(17,575)	(312,510)
Cash and cash equivalents, beginning of year	<u>320,349</u>	<u>632,859</u>
Cash and cash equivalents, end of year	<u><u>\$ 302,774</u></u>	<u><u>\$ 320,349</u></u>

The accompanying notes are an integral part of these financial statements.

# **OSHER LIFELONG LEARNING INSTITUTE AT GEORGE MASON UNIVERSITY**

## **NOTES TO FINANCIAL STATEMENTS**

### **NOTE 1 – Organization and Summary of Accounting Policies**

Osher Lifelong Learning Institute at George Mason University, formerly known as Learning in Retirement Institute (the Institute) was incorporated in 1991, under the laws of the Commonwealth of Virginia. In June 2004, the Institute changed its name in accordance with grant requirements. The Institute operates sites in the counties of Fairfax and Loudoun that provide its members with learning opportunities, in which they can explore new interests, discover and develop their abilities and engage in intellectual pursuits. The Institute's primary sources of support are from membership dues, donated services, contributions and distributions from the George Mason University Foundation endowment.

Nature of Activities: The mission of the Osher Lifelong Learning Institute at George Mason University is to offer its members learning opportunities in a stimulating environment in which adults can share their talents, experiences and skills; explore new interests; discover and develop latent abilities; engage in intellectual and cultural pursuits; and socialize with others of similar interests. To accomplish its mission, the Institute is guided by the following principles.

- Provides noncredit, non-degree-granting programs, as well as special, cultural and social events.
- Is governed by its members through an elected Board of Directors.
- Functions as an intellectual cooperative in which members volunteer as planners, instructors, organizational officers and committee members.
- Serves as an important resource and forum for the discussion of current issues and concerns of its members and the community.
- Is an affirmative action, equal opportunity, nonprofit institution.

Program Expenses relate to educational programing that includes daytime courses, lectures, special events, and other activities held during spring, summer, fall, and winter terms. The reporting of Member Services has been combined with Program Expenses.

Management and General Expenses relate to operational and administrative uses.

Fundraising Expenses relate to events and activities associated with the raising money for the Institute.

A summary of the Institute's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

- (a) Basis of Accounting – The Institute prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.
- (b) Basis of Presentation – The Institute is required to report information regarding its financial position and activities according to two classes of net assets as follows:
  - Without Donor Restrictions – represents resources which have met applicable award restrictions and/or resources generated by sources other than from the award.

**OSHER LIFELONG LEARNING INSTITUTE  
AT GEORGE MASON UNIVERSITY**

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

NOTE 1 – Organization and Summary of Accounting Policies (continued)

(b) Basis of Presentation (continued)

- With Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted. As of December 31, 2023 and 2022 the Institute had \$23,949 and \$18,949 in net assets with donor restrictions, respectively.

(c) Support and Revenue – Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets.

(d) Revenue Recognition – All contributions 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 support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the organization reports the support as net assets without restrictions.

Membership dues are recognized over the class sessions remaining from the time of receipt.

(e) Cash and Cash Equivalents – For purposes of the statement of cash flows, the Institute considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Investments in money funds are considered to be cash equivalents.

(f) Accounts Receivable – The Institute solicits contributions from individuals, corporations, foundations, and businesses. Management periodically evaluates the accounts receivable and determines the need for an allowance for doubtful accounts. Management considers the Institution's past receivables loss experience, adverse situations that may affect the donor's ability to pay, and current economic conditions. The Institute expects all receivables at December 31, 2023 and 2022 to be received within one year and no allowance has been recorded for uncollectible amounts. Bad debt expense was \$-0- for the years ended December 31, 2023 and 2022.

(g) Deferred Revenue – Deferred revenue represents unearned membership dues received during the years ended December 31, 2023 and 2022. The Institutes policy is to allocate membership dues receipts ratably over the class sessions remaining from the time of receipt.

(h) Advertising Costs – Advertising costs are expensed as incurred.

**OSHER LIFELONG LEARNING INSTITUTE  
AT GEORGE MASON UNIVERSITY**

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

NOTE 1 – Organization and Summary of Accounting Policies (continued)

- (i) **Property and Equipment** – Property and equipment are recorded at cost for purchased items and market value at date of gift for donated items. It is the organization’s policy to capitalize acquisitions of property and equipment in excess of \$1,000. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets which range from three to seven years.
- (j) **Income Taxes** – The Institute is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code on all income other than unrelated business income. Accordingly, no provision for income tax has been provided in the accompanying financial statements. The Institute has been classified as an organization that is not a private foundation. In September 2000, the Institute elected 501(h) status. This election allows the Institute to make limited expenditures to influence legislation. Lobbying expenditures incurred by the Institute are taxable if the Institute exceeds the permitted total. As of December 31, 2023 and 2022, the Institute had not exceeded its allowable lobbying expenditure amount and therefore is not liable for any excise taxes.
- (k) **Uncertain Tax Positions** – As of December 31, 2023, the Institute had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The tax years subject to examination by the taxing authorities are the years ended December 31, 2020 through 2022.
- (l) **Use of Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- (m) **Concentration of Credit Risk** – Financial instruments that potentially expose the Institute to concentrations of credit risk consist primarily of cash and cash equivalents and certificates of deposit. Cash equivalents and certificates of deposit are maintained at high-quality financial institutions, which at times may exceed federally insured limits, and credit exposure is limited to any one institution. The Institute has not experienced any losses on its cash equivalents or certificates of deposit.
- (n) **Financial Assistance** – Financial Assistance consists of payment for scholarships and grants for George Mason University, support for George Mason University’s Fall for the Book Festival, and approved assistance to offset the cost of membership.
- (o) **Investments** – Investments consist of money market accounts and fixed income savings and time deposits. Investments are carried at fair value on the statement of financial position. Unrealized and realized gains and losses are included as components of investment income

# **OSHER LIFELONG LEARNING INSTITUTE AT GEORGE MASON UNIVERSITY**

## **NOTES TO FINANCIAL STATEMENTS**

(Continued)

### **NOTE 1 – Organization and Summary of Accounting Policies (continued)**

- (p) Leases – The Institute has a five-year operating lease for parking space at its Fairfax location through August 31, 2027. The Institute determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the statement of financial position. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities on the statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Institute's lease does not provide an implicit rate, the incremental borrowing rate is based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Institute's lease arrangement does not contain any material residual value guarantees or material restrictive covenants.

### **NOTE 2 – Development Grant**

In 2006, the George Mason University Foundation received a \$1,000,000 endowment from the Bernard Osher Foundation. Distributions from the endowment are available to the Institute for operating purposes, not including salaries and benefits for Institute staff, over the next several years. Annual distributions from the endowment are equal to the greater of half the endowment's return or 5% of the endowment valued as of July 1st of the preceding year. Annual distributions received in 2023 and 2022 were \$32,512 and \$42,675 respectively.

In 2012, the George Mason University Foundation received an additional \$1,000,000 endowment from the Bernard Osher Foundation. Distributions from the endowment are available to the Institute for operating purposes, not including salaries and benefits for Institute staff. Annual distributions from the additional endowment are equal to the greater of half the endowment's return or 5% of the endowment valued as of July 1st of the preceding year. Annual distributions received in 2023 and 2022 were \$46,988 and \$61,677 respectively.

### **NOTE 3 – Functional Allocation of Expenses**

The Institute's operating costs have been allocated between program, management and general, and fundraising expenses based on direct identification when possible, and allocation if a single expenditure benefits more than one program or function. Expenditures that require allocation are allocated on either a personnel-cost or square-footage basis, whichever is more reasonable for the expenditure.

**OSHER LIFELONG LEARNING INSTITUTE  
AT GEORGE MASON UNIVERSITY**

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

NOTE 4 – Investments and Fair Value Measurements

Net investment income consists of the following for the year ended December 31,:

	<u>2023</u>	<u>2022</u>
Interest and dividend income	\$18,840	\$3,378
(Loss)Gain on investments	(1,241)	1,472
Investment fees	<u>(150)</u>	<u>(150)</u>
Total	<u>\$17,449</u>	<u>\$4,700</u>

The Institute applies Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, which defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1: Quoted prices for identical assets or liabilities in active markets.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Valuation techniques used in fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Institute believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date. There have been no changes in the methodologies used during the year ended December 31, 2023

The underlying investments in marketable securities and domestic equities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain securities, and the level of uncertainty related to changes in the value of the marketable securities and domestic equities, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the statement of financial position and the statement of activities.

**OSHER LIFELONG LEARNING INSTITUTE  
AT GEORGE MASON UNIVERSITY**

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

NOTE 4 – Investments and Fair Value Measurements (continued)

The following table sets forth, by level, within the fair value hierarchy, amounts recorded in the Institute's financial statements at fair value as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed Income	\$362,030	\$ -	\$ -	\$362,030
Cash and Cash Equivalent	<u>68,462</u>	<u>-</u>	<u>-</u>	<u>68,462</u>
Total	<u>\$430,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$430,492</u>

The following table sets forth, by level, within the fair value hierarchy, amounts recorded in the Institute's financial statements at fair value as of December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed Income	\$303,271	\$ -	\$ -	\$303,271
Cash and Cash Equivalent	<u>50,101</u>	<u>-</u>	<u>-</u>	<u>50,101</u>
Total	<u>\$353,372</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$353,372</u>

NOTE 5 – Right of Use Asset

Right of use asset activity for the year ended December 31, 2023, was as follows:

	<u>Balance at January 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2023</u>
Right-of-use asset being amortized				
Leased Office Space	\$79,349	\$ -	\$ -	\$79,349
Total Right-of-Use Asset	<u>79,349</u>	<u>-</u>	<u>-</u>	<u>79,349</u>
Less Accumulated Amortization for:				
Leased Office Space	<u>4,885</u>	<u>14,977</u>	<u>-</u>	<u>19,862</u>
Total accumulated depreciation	<u>4,885</u>	<u>14,977</u>	<u>-</u>	<u>19,862</u>
Right-of-Use Asset, Net	<u>\$74,464</u>	<u>\$14,977</u>	<u>\$ -</u>	<u>\$59,487</u>

Right of use asset activity for the year ended December 31, 2022, was as follows:

	<u>Balance at January 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2022</u>
Right-of-use asset being amortized				
Leased Office Space	\$ -	\$79,349	\$ -	\$79,349
Total Right-of-Use Asset	<u>-</u>	<u>79,349</u>	<u>-</u>	<u>79,349</u>
Less Accumulated Amortization for:				
Leased Office Space	<u>-</u>	<u>4,885</u>	<u>-</u>	<u>4,885</u>
Total accumulated depreciation	<u>-</u>	<u>4,885</u>	<u>-</u>	<u>4,885</u>
Right-of-Use Asset, Net	<u>\$ -</u>	<u>\$74,464</u>	<u>\$ -</u>	<u>\$74,464</u>

**OSHER LIFELONG LEARNING INSTITUTE  
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**NOTES TO FINANCIAL STATEMENTS**

(Continued)

**NOTE 6 – Lease Commitments**

In January 2022, the Institute signed a lease extension agreement for parking space at its Fairfax location. The lease is extended through August 31, 2027. Rent is payable quarterly in the amount of \$4,250 for the first three years and then increases 2% annually for the last two years. The lease expense for the fiscal years ended December 31, 2023 and 2022, were \$18,253 and \$18,935 respectively.

The components of lease expense were as follows for the years ended December 31, :

	<u>2023</u>	<u>2022</u>
Operating lease cost	\$17,205	\$14,235
Short-term lease expense	<u>1,048</u>	<u>4,700</u>
Total lease expense	<u>\$18,253</u>	<u>\$18,935</u>

The minimum lease payments required under the operating lease in effect at December 31, 2023 are as follows:

Year ending December 31,	
2024	\$17,000
2025	17,170
2026	17,514
2027	8,843
Less: present value discount	<u>(3,599)</u>
Total minimum lease payments	<u>\$56,928</u>

**NOTE 7 – Donated Services-Facilities and Maintenance-Affiliation with George Mason University**

The Institute has a five-year renewable affiliation agreement with George Mason University (Mason) which expires on June 30, 2027. Under this agreement Mason provides the Institute with facilities and services, on the same terms and conditions as are available to other Mason affiliates, including use of printing and copying facilities, design services, fund-raising advice, use of conference rooms and banquet halls as well as providing and maintaining space used by the Institute as its main location. These donated services and the use and maintenance of the facilities for the years ended December 31, 2023 and 2022 are valued at \$199,262 and \$194,689, respectively and are included in revenue and rent expense in the accompanying financial statements.

Mason encourages its faculty to assist the Institute with its teaching needs but does not require its faculty to participate. Participating faculty do not receive any payment or honoraria. Also, under this agreement, the Institute is allowed the use of an escrow account, whereby the Institute deposits funds with Mason and Mason uses the funds to reimburse itself for costs incurred by the Institute, such as printing and copying fees. In return for these services, the Institute agrees to continue to provide older persons with educational classes, award annual scholarships to the Mason foundation, assist Mason in its fund-raising activities and publicize Mason sponsored events that may also be of interest to its members in any print or electronic publications generated by the Institute.



# OSHER LIFELONG LEARNING INSTITUTE AT GEORGE MASON UNIVERSITY

## NOTES TO FINANCIAL STATEMENTS

(Continued)

### NOTE 8 – Donated Services-Teaching Services

The Institute received contributed teaching services from various sources, including George Mason University, in the District of Columbia metropolitan area during the years ended December 31, 2023 and 2022, valued at \$342,197 and \$243,673, respectively. These services are included in revenue and in contributed services expense in the accompanying financial statements.

### NOTE 9 – Net Assets with Donor Restrictions

As of December 31, 2023 and 2022, the nature of the Institute's net assets with donor restrictions consists of the following:

	<u>2023</u>	<u>2022</u>
Landscaping	\$ 8,774	\$ 8,774
Future Planning	7,750	7,750
Website	3,000	-
Facility Improvement	2,425	2,425
Audio and Video Upgrades	<u>2,000</u>	<u>-</u>
	<u>\$23,949</u>	<u>\$18,949</u>

Net assets were released from donor restrictions by incurring expenses, satisfying the purpose or time restrictions specified by donors as follows:

	<u>2023</u>	<u>2022</u>
Website	\$2,000	\$ -
Audio and Video Upgrades	350	9,700
Landscaping	200	-
Financial Assistance to Members	200	-
Bernard and Barbro Osher	-	15,000
OLLI Players	<u>-</u>	<u>200</u>
	<u>\$2,750</u>	<u>\$24,900</u>

### NOTE 10 – Designation of Net Assets Without Donor Restrictions

The Institute's board has designated net assets without donor restrictions for the following purposes as of December 31:

	<u>2023</u>	<u>2022</u>
OLLI Reserve	\$258,596	\$264,558
Capital technology fund	64,029	72,183
Friends of OLLI	<u>16,399</u>	<u>13,199</u>
Total	<u>\$339,024</u>	<u>\$349,940</u>

**OSHER LIFELONG LEARNING INSTITUTE  
AT GEORGE MASON UNIVERSITY**

**NOTES TO FINANCIAL STATEMENTS**

(Continued)

NOTE 11 – Depreciation

<u>2023</u>	<u>Cost</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation</u>
Leasehold improvements	\$334,515	\$28,836	\$256,473
Furniture and fixtures	179,312	14,504	149,133
Website	38,600	-	38,600
Computer equipment and software	<u>7,729</u>	<u>1,866</u>	<u>4,836</u>
	<u>\$560,156</u>	<u>\$45,206</u>	<u>\$449,042</u>

  

<u>2022</u>	<u>Cost</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation</u>
Leasehold improvements	\$334,515	\$29,614	\$227,637
Furniture and fixtures	177,526	13,431	134,629
Website	38,600	-	38,600
Computer equipment and software	<u>7,729</u>	<u>699</u>	<u>2,970</u>
	<u>\$558,370</u>	<u>\$43,744</u>	<u>\$403,836</u>

NOTE 12 – Liquidity and Availability of Financial Assets

The Institute has \$711,530 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the Statement of Financial Position date. The contributions receivable are subject to implied time restrictions but are expected to be collected within one year. The Institute monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Institute has a goal to maintain financial assets on hand to meet 60 days of normal operating expenses, not including contributed services. On average, 60 days of normal operating expenses are approximately \$94,000. The Institute has the following financial assets that could readily be made available within one year of the statement of financial position date to fund expenses without limitations:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$302,774	\$320,349
Investments	430,492	353,372
Accounts receivable	<u>2,213</u>	<u>3,525</u>
Total	735,479	677,246
Less amount not available to be used within one year:		
Net assets with donor restrictions	<u>23,949</u>	<u>18,949</u>
Total Financial Assets Available to Use for General Expenditures Within One Year	<u>\$711,530</u>	<u>\$658,297</u>

**OSHER LIFELONG LEARNING INSTITUTE  
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**NOTES TO FINANCIAL STATEMENTS**

(Concluded)

NOTE 13 – Tax Shelter Annuity

The Institute makes available to all employees the opportunity to participate in a self-directed tax sheltered annuity as provided under Section 403(b) of the Internal Revenue Code. The Institute does not match employee contributions.

NOTE 14 – Evaluation of Subsequent Events

The Institute has evaluated subsequent events through April 21, 2025, the date which the financial statements were available to be issued.