

LAMP, INC.
dba LAMP COMMUNITY

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

LAMP, INC. dba LAMP COMMUNITY

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
LAMP, Inc. dba LAMP Community

We have audited the accompanying statement of financial position of LAMP, Inc. dba LAMP Community (LAMP) as of June 30, 2011, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of LAMP'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 LAMP as of June 30, 2011, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2011, on our consideration of LAMP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of LAMP taken as a whole. The accompanying Schedule of Expenditures of Federal and Nonfederal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Green Hasson & Janks LLP

October 25, 2011
Los Angeles, California

LAMP, INC. dba LAMP COMMUNITY

STATEMENT OF FINANCIAL POSITION

June 30, 2011

ASSETS

Cash and Cash Equivalents	\$	95,523
Restricted Cash		104,725
Accounts and Other Receivables		433,502
Prepaid Expenses and Other Assets		71,508
Property and Equipment (Net)		<u>5,222,002</u>
TOTAL ASSETS	\$	<u>5,927,260</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts Payable	\$	23,840
Accrued Liabilities		144,392
Accrued Interest on Notes Payable		605,000
Funds Held on Behalf of Members		104,725
Refundable Advances		433,413
Lines of Credit		130,000
Notes Payable		<u>1,050,000</u>

TOTAL LIABILITIES \$ 2,491,370

NET ASSETS:

Unrestricted - Undesignated		<u>3,435,890</u>
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TOTAL LIABILITIES AND NET ASSETS \$ **5,927,260**

The Accompanying Notes are an Integral Part of These Financial Statements

LAMP, INC. dba LAMP COMMUNITY**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT:			
Governmental Revenue	\$ 3,949,758	\$ -	\$ 3,949,758
Contributions and Grants	1,022,340	-	1,022,340
Forgiveness of Note Payable	500,000	-	500,000
Apartment Rentals	156,480	-	156,480
Program Service Fees	78,107	-	78,107
Business Revenue	49,810	-	49,810
In-Kind Contributions	92,155	-	92,155
Interest Income	786	-	786
Other Income	2,413	-	2,413
Loss on Disposal of Property and Equipment	(20,021)	-	(20,021)
Net Assets Released from Purpose Restrictions	244,547	(244,547)	-
TOTAL REVENUE AND SUPPORT	6,076,375	(244,547)	5,831,828
EXPENSES:			
Program Services	4,351,263	-	4,351,263
Fundraising	237,292	-	237,292
Management and General	883,833	-	883,833
TOTAL EXPENSES	5,472,388	-	5,472,388
CHANGE IN NET ASSETS	603,987	(244,547)	359,440
Net Assets - Beginning of Year	2,831,903	244,547	3,076,450
NET ASSETS - END OF YEAR	\$ 3,435,890	\$ -	\$ 3,435,890

The Accompanying Notes are an Integral Part of These Financial Statements

LAMP, INC. dba LAMP COMMUNITY

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2011

	Program Services	Support Services		Total
		Fundraising	Management and General	
Salaries and Member Stipends	\$ 2,527,392	\$ 143,412	\$ 496,883	\$ 3,167,687
Payroll Taxes and Employee Benefits	494,181	30,357	143,332	667,870
TOTAL PERSONNEL COSTS	3,021,573	173,769	640,215	3,835,557
Professional Fees and Outside Services	214,250	37,801	110,764	362,815
Depreciation	201,202	4,452	15,663	221,317
Utilities	134,256	826	2,492	137,574
Repairs and Maintenance	125,445	1,699	2,889	130,033
Computer Maintenance	96,359	2,247	15,763	114,369
Food	103,467	4,413	1,925	109,805
Member Expenses	101,402	-	-	101,402
Housing and Shelter	90,433	-	-	90,433
Program and Office Supplies	39,754	5,252	18,742	63,748
Insurance	49,742	1,270	11,583	62,595
Telephone and Internet	50,270	1,291	10,591	62,152
Transportation	48,822	1,368	4,692	54,882
Equipment, Furniture and Fixtures	43,347	495	704	44,546
Training	10,996	203	5,783	16,982
Taxes and Licenses	-	-	14,538	14,538
Bad Debt Expense	-	-	12,704	12,704
Laundromat Supplies	11,072	-	-	11,072
Miscellaneous	1,935	1,859	6,576	10,370
Bank and Credit Card Fees	-	347	8,209	8,556
Rent	6,938	-	-	6,938
TOTAL FUNCTIONAL EXPENSES	\$ 4,351,263	\$ 237,292	\$ 883,833	\$ 5,472,388
	80%	4%	16%	100%

The Accompanying Notes are an Integral Part of These Financial Statements

LAMP, INC. dba LAMP COMMUNITY

STATEMENT OF CASH FLOWS Year Ended June 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$	359,440
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation		221,317
Forgiveness of Note Payable		(500,000)
Loss on Disposal of Property and Equipment		20,021
Bad Debt Expense		12,704
(Increase) Decrease in:		
Restricted Cash		94,937
Accounts and Other Receivables		414,036
Contributions Receivable		36,630
Prepaid Expenses and Other Assets		(22,263)
Increase (Decrease) in:		
Accounts Payable		(30,292)
Accrued Interest on Notes Payable		(14,108)
Accrued Liabilities		(124,470)
Funds Held on Behalf of Members		(94,937)
Refundable Advances		15,209
		<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	388,224
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds on Disposal of Property and Equipment		1,000
Purchase of Property and Equipment		(100,788)
		<hr/>
NET CASH USED IN INVESTING ACTIVITIES		(99,788)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Note Payable		50,000
Repayments on Lines of Credit		(130,000)
Payment on Note Payable		(185,713)
		<hr/>
NET CASH USED IN FINANCING ACTIVITIES		(265,713)
NET INCREASE IN CASH AND CASH EQUIVALENTS		22,723
Cash and Cash Equivalents - Beginning of Year		<hr/>
		72,800
CASH AND CASH EQUIVALENTS - END OF YEAR	\$	95,523
		<hr/> <hr/>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash Paid During the Year for Interest	\$	11,072
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The Accompanying Notes are an Integral Part of These Financial Statements

LAMP, INC. dba LAMP COMMUNITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE 1 - NATURE OF ORGANIZATION

LAMP, Inc. dba Lamp Community (LAMP) is a Los Angeles-based nonprofit organization that permanently ends homelessness, improves health, and builds self-sufficiency among men and women living with severe mental illness.

LAMP helps people living with severe mental illness move from streets to homes. LAMP offers immediate access to affordable, safe and permanent housing without requiring sobriety or participation in treatment. Once settled in their home, new tenants are surrounded with consumer-driven customized services such as mental health treatment, drug recovery, healthcare, budgeting, visual and performing arts, job opportunities, and other supports to help them achieve their goals and become an integrated of their community.

The approach LAMP uses, and helped to pioneer, is called housing first. Conventional wisdom has long said that homeless people with disabilities had to “straighten up” before they could obtain housing. But people with severe disabilities cannot access treatment, let alone make dramatic changes in their lives, while struggling to survive on the streets. LAMP treats housing as a prerequisite for coping with the debilitating challenges of mental illness, addiction, physical disability, chronic disease, and the trauma associated with years of homelessness.

Customer choice is central to all of LAMP’s services. Historically, people with schizophrenia, bipolar disorder, and other serious mental illnesses have been denied a voice in decisions that affect their lives. But LAMP knows that personal choice is paramount to success in treatment and in all aspects of one’s life.

Specifically, LAMP offers the following housing solutions and services:

Supportive Housing

LAMP offers immediate housing linked to wraparound health and social services to homeless individuals living with severe mental illness. Most of the people LAMP serves face additional challenges such as drug/alcohol addiction, physical disabilities, HIV/AIDS and other chronic diseases, and a history of incarceration. LAMP’s supportive housing is:

- Immediate - There are no pre-conditions such as sobriety, income eligibility or participation in treatment. This allows us to house the most vulnerable - those who have been shut out of or unable to access other programs and left unsheltered on the streets.
- Permanent - There are no time limitations.
- Affordable - Tenants contribute up to 30% of their income. A new tenant’s contribution toward rent typically ranges from \$0 - \$260 a month.
- Service-Rich - Comprehensive services ranging from medication management to household budgeting are offered where people live and in the local community.
- Customer-Driven - All services are voluntary and tailored to the needs of each tenant.

LAMP was the first agency in Los Angeles to provide **permanent supportive housing** and remains one of only a few agencies that house and serve the chronically homeless - people with severe disabilities who have been on the streets, cycling through institutions, shelters, and jails for years.

LAMP, INC. dba LAMP COMMUNITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE 1 - NATURE OF ORGANIZATION (continued)

Private Apartments and Services

LAMP helps its members to access studio apartments Downtown and in other neighborhoods in the city. New tenants sign a standard lease and have the rights and responsibilities of any renter. Many of the units are in buildings owned and operated by LAMP or by partner organizations. These buildings are typically complexes developed for homeless people with disabilities and designed to accommodate on-site services, giving tenants access to medical and mental healthcare where they live. LAMP's service team also includes advocates who work closely with tenants to help them achieve goals such as obtaining disability benefits and health insurance, enrolling in school, re-uniting with family, overcoming legal barriers, and even cooking and decorating their new apartment.

LAMP also leases affordable units in complexes owned and operated by private landlords. This **scattered-site model** uses existing housing to quickly move people directly from streets to homes. With the support of rental subsidies it gives tenants greater choice in neighborhood and allows them to live among people from all walks of life while receiving home- and community-based services. Due to a scarcity of permanent rental subsidies, LAMP also helps people move into affordable unsubsidized apartments and offers ongoing services to help support that transition.

LAMP is one of the only local agencies to finance the security deposit and first month's rent for people moving into apartments owned by partner agencies and private landlords. LAMP provides this critical assistance to ensure that chronically homeless people are not turned away due to lack of move-in funds.

Community Residences

Based in the Skid Row community, The Village offers emergency accommodations in a community setting. With one staff person to every nine residents, people have access to an unprecedented scope of individualized services under one roof while working to secure permanent housing.

Models of Sustainability in Permanent Supportive Housing

The San West Health & Housing Collaborative is a multi-agency project that seeks to create a financially sustainable models by integrating on-site primary care and behavioral health services in permanent supportive housing.

Frank Rice Access Center

The Frank Rice facility houses LAMP's outreach program, which seeks to engage the hardest-to-reach homeless adults living with serious psychiatric illnesses on the streets. In a low-demand environment, LAMP offers high staff support to engage and house people who have been rejected by mainstream providers due to behaviors, addictions, and severity of mental illness. Both a street-to-homes outreach team and Access Center team work collaboratively to offer flexible and responsive services to unsheltered homeless. The Center also houses emergency beds for individuals engaged in services that are seeking permanent housing.

Wellness Centers

Operating at two sites, the Centers offer mental and physical health care, psychiatric and nursing services, medication management, counseling, harm reduction, recovery groups, nutrition, and alternative treatments for homeless and formerly homeless Downtown residents.

LAMP, INC. dba LAMP COMMUNITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE 1 - NATURE OF ORGANIZATION (continued)

Money Management

LAMP offers personal banking services to hundreds of Skid Row residents, both housed and homeless, who have chosen to deposit their government disability checks and other income with LAMP. LAMP helps these individuals maintain and live on limited household budgets, pay bills, and save.

Art Project

LAMP's professional-level art project provides workspace and instruction in painting, photography, and other media. Artists' works have been featured in film and television, and exhibited at galleries, corporations, and public spaces.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) ACCOUNTING

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of LAMP are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

- **Unrestricted.** These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving income from investments less expenses incurred in providing program related services, raising contributions, and performing administrative functions.
- **Temporarily Restricted.** LAMP reports gifts of cash and other assets as temporarily 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 a stipulated time restriction ends or the purpose of the 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 purpose or time restrictions. Restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted contributions. LAMP has no temporarily restricted net assets at June 30, 2011.
- **Permanently Restricted.** These net assets are received from donors who stipulate that resources are to be maintained permanently, but permit LAMP to expend all of the income (or other economic benefits) derived from the donated assets. LAMP has no permanently restricted net assets at June 30, 2011.

LAMP, INC. dba LAMP COMMUNITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

LAMP considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash and cash equivalents. The carrying value of cash and cash equivalents at June 30, 2011 approximates its fair value.

LAMP maintains separate cash accounts for certain of its members who receive pension and social security payments, as well as cash from other sources. Member funds that have been set aside in restricted trust bank accounts at June 30, 2011 amounted to \$104,725.

(d) ACCOUNTS AND OTHER RECEIVABLES

Receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, if any, represents their estimated fair value. The allowance for doubtful accounts, if any, is estimated based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectibility of those balances and the allowance is adjusted accordingly. Past due receivable balances are written off when internal collection efforts have been unsuccessful in collecting the amount due. At June 30, 2011, LAMP evaluated the collectibility of its receivables and determined that no allowance for uncollectible receivables was necessary.

(e) CONCENTRATIONS

LAMP places its temporary cash investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. LAMP has not incurred losses related to these investments and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The accounts receivable balance outstanding at June 30, 2011 consists primarily of government contract receivables due from county, state, and federal granting agencies. Concentration of credit risks with respect to trade receivables are limited, as the majority of LAMP's receivables consist of earned fees from contract programs granted by governmental agencies.

During the year ended June 30, 2011, LAMP earned \$2,453,209 (42% of total revenue and support) under mental health service programs administered by the U.S. Department of Health and Human Services. LAMP also earned \$1,199,432 (21% of total revenue and support) under homeless services programs administered by the U.S. Department of Housing and Urban Development. LAMP anticipates that it will continue to run these programs. There can be no assurance that LAMP will be able to obtain future grant agreements upon the expiration of the current term of the contracts.

LAMP, INC. dba LAMP COMMUNITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost if purchased or at fair value at the date of donation, if donated. Depreciation is provided over the estimated useful lives of the related assets on a straight-line basis as follows:

Buildings and Improvements	27-40 Years
Furniture and Fixtures	5-10 Years
Automobiles and Trucks	7 Years
Leasehold Improvements	Lease Term (Including Extensions)

Expenditures for maintenance and repairs are charged to operations as incurred while renewals and betterments are capitalized. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$5,000 and the useful life is greater than one year.

(g) LONG-LIVED ASSETS

LAMP reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flow is less than the carrying amount of the assets, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized on long-lived assets during the year ended June 30, 2011.

(h) REFUNDABLE ADVANCES

Grant funds are recognized as revenue in accordance with the term of the grants and when funds are expended for grant purposes. Refundable advances include both amounts received in excess of funds expended to date as well as grant amounts awarded and not yet expended. In accordance with the term of the grant, each contract must be treated as separate fund; therefore, continuing programs that accrue debts related to one contract period cannot be paid by cash advances related to another contract period.

(i) CONTRIBUTIONS

Unconditional contributions are recognized as revenues at fair value in the period received. LAMP reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. Conditional promises to give are not included as support until such time as the conditions are substantially met.

(j) CONTRIBUTED GOODS AND SERVICES

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. A substantial number of volunteers have donated significant amounts of their time to LAMP. Some of the services that these individuals rendered, however, do not meet the above criteria and, as such, are not recognized as revenue. In-kind contributions of \$92,155 were received which satisfied the criteria for recognition during the year ended June 30, 2011.

LAMP, INC. dba LAMP COMMUNITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) INCOME TAXES

LAMP is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

(l) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing LAMP's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. LAMP uses full time equivalents to allocate indirect and shared costs.

(m) USE OF 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 reported amounts of assets, liabilities, revenues and expenses as of the date and for the period presented. Accordingly, actual results could differ from those estimates.

(n) SUBSEQUENT EVENTS

LAMP has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2011 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through October 25, 2011, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2011:

Land	\$	122,732
Buildings and Improvements		3,278,208
Furniture and Fixtures		515,004
Automobiles and Trucks		110,547
Leasehold Improvements		5,111,806
TOTAL		9,138,297
Less: Accumulated Depreciation		(3,916,295)
PROPERTY AND EQUIPMENT (NET)	\$	5,222,002

Depreciation expense for the year ended June 30, 2011 was \$221,317.

LAMP, INC. dba LAMP COMMUNITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE 4 - ACCRUED LIABILITIES

Accrued liabilities at June 30, 2011 consist of the following:

Accrued Payroll	\$	50,573
Accrued Vacation		69,746
Other Accrued Expenses		24,073
TOTAL ACCRUED LIABILITIES	\$	144,392

NOTE 5 - LINES OF CREDIT

LAMP has two revolving bank lines of credit with facilities of \$425,000 (secured by receivables and equipment) and \$170,000 (secured by real property) through December 2011 and June 2012, respectively. Both lines of credit bear interest at the bank's prime rate plus 1.375%, with a floor rate of 5.0%. The outstanding balance at June 30, 2011 on these lines of credit was zero and \$130,000, respectively. The bank's prime rate at June 30, 2011 was 3.25%.

NOTE 6 - NOTES PAYABLE

Notes payable consist of the following at June 30, 2011:

Note payable to California Department of Housing and Community Development in the original principal amount of \$1,000,000, collateralized by 660 South Stanford Avenue, Los Angeles (Lamp Lodge), principal and interest at 3% due in annual payments made exclusively from residual receipts (as defined in the loan agreement) derived from Lamp Lodge, due April 2021. \$ 1,000,000

Note payable to Corporation for Supportive Housing in the amount of \$50,000, unsecured, interest-free, due in full November 1, 2012, forgivable if certain conditions are met. 50,000

TOTAL NOTES PAYABLE \$ 1,050,000

LAMP does not expect to have residual receipts or make payments on the loan from the California Department of Housing and Community Development within the next five years.

NOTE 7 - PROFIT SHARING PLAN

LAMP has established a profit sharing plan for its full time employees. The plan provides for annual contributions to be made at the discretion of the Board of Directors. LAMP made no contributions to this plan during the year ended June 30, 2011. For the year ended June 30, 2011, LAMP contributed 25% of eligible contributions up to 2.5% of compensation.

LAMP, INC. dba LAMP COMMUNITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

NOTE 8 - COMMITMENTS AND CONTINGENCIES

(a) OPERATING LEASES

On January 1, 2009, LAMP entered into an operating lease with the City of Los Angeles for facilities located at 527 Crocker Street, Los Angeles (The Village) and 526 South San Pedro Street, Los Angeles. The lease term is through December 31, 2028. There are no monthly lease payments, provided LAMP continues to provide housing and social services to the homeless community of Los Angeles and performs certain prescribed maintenance, repairs and upgrades to the premises.

LAMP leases property located at 660 South Stanford Avenue, Los Angeles (Lamp Lodge) from the Community Redevelopment Agency of the City of Los Angeles (CRA). The term of the lease, which was entered into in April 1990, is 55 years, with an option to extend for 44 years. At the end of the lease term, LAMP will release the site to CRA free of all liens and encumbrances. The lease provides for annual rental payments equal to 50% of the annual residual receipts of Lamp Lodge. Through June 30, 2011, there have been no residual receipts.

LAMP also leases certain supportive housing units and equipment under month-to-month operating leases.

Rent expense for the year ended June 30, 2011 was \$97,371 (included in rent and housing and shelter in the statement of functional expenses).

(b) CONTRACTS

LAMP's grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated.

LAMP, INC.
dba LAMP COMMUNITY
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2011

LAMP, INC. dba LAMP COMMUNITY

SCHEDULE OF EXPENDITURES OF FEDERAL AND NONFEDERAL AWARDS
Year Ended June 30, 2011

FEDERAL AND NONFEDERAL AWARDS Agency/Program Grant Title	Federal CFDA Number	Contract Number	Governmental Revenue		Program Expenditures from Governmental Revenue
			Federal	Nonfederal	
MAJOR AWARDS					
U.S. Department of Health and Human Services:					
Pass-through, Los Angeles County Department of Mental Health, Projects for Assistance in Transition from Homelessness	93.150	MH120463	\$ 384,445	\$ -	\$ 384,445
MHSA - New Lease on Life	N/A	MH120463	-	816,500	816,500
Department of Human Services LAMP	N/A	MH120463	-	50,000	50,000
MHSA - Wellness Centers	N/A	MH120463	-	280,000	280,000
Medi-Cal	N/A	MH120463	-	813,600	813,600
Mental Health Services Act Housing Trust Fund	N/A	MH120463	-	73,628	73,628
Mental Health Services Act Technological Needs	N/A	MH100317	-	35,036	35,036
TOTAL MAJOR AWARDS			<u>384,445</u>	<u>2,068,764</u>	<u>2,453,209</u>
NON-MAJOR AWARDS					
U.S. Department of Housing and Urban Development:					
Pass-through, Los Angeles Homeless Services Authority, Inner City Law Center, and Legal Aid Foundation of Los Angeles: Homelessness Prevention and Rapid Re-Housing Program - ARRA	14.257	2009HPRP05	111,850	-	111,850
U.S. Department of Housing and Urban Development:					
Pass-through, Los Angeles Homeless Services Authority, Supportive Housing Program	14.238	HA-2009-044SPC	253,366	-	253,366
Year-round Emergency Program	N/A	2010YRP14	-	266,145	266,145
Year-round Emergency Program	N/A	2010YRP12	-	184,934	184,934
			<u>253,366</u>	<u>451,079</u>	<u>704,445</u>
Pass-through, Los Angeles Homeless Services Authority, A Community of Friends: Supportive Housing Program	14.235	N/A	47,231	-	47,231
	14.235	N/A	92,720	-	92,720
	14.235	N/A	115,752	-	115,752
	N/A	N/A	-	68,680	68,680
			<u>255,703</u>	<u>68,680</u>	<u>324,383</u>
Pass-through, City of Los Angeles, Housing Opportunities for Persons with AIDS	14.241	C112230	212,591	-	212,591
Pass-through, Housing Authority of the City of Los Angeles, Shelter Plus Care Program	14.238	HA-2009-044SPC	99,529	-	99,529
U.S. Department of Homeland Security:					
Pass-through, United Way, Emergency Food and Shelter National Board Program	97.024	069500-145	31,288	-	31,288
U.S. Department of Health and Human Services					
Pass-through, Downtown Women's Center, Office of Minority Health: Community Programs to Improve Minority Health	93.137	069500-145	12,463	-	12,463
TOTAL NON-MAJOR AWARDS			<u>976,790</u>	<u>519,759</u>	<u>1,496,549</u>
TOTAL FEDERAL AND NONFEDERAL AWARDS			<u>\$ 1,361,235</u>	<u>\$ 2,588,523</u>	<u>\$ 3,949,758</u>

Summary of Significant Accounting Policies

1. Basis of Accounting - The Schedule of Expenditures of Federal and Nonfederal Awards has been reported on the accrual basis of accounting.
2. LAMP is exempt from income taxation under Internal Revenue Code Section 501(c)(3) and California Revenue Taxation Code Section 23701d.