

**LAMP, INC.**  
**dba LAMP COMMUNITY**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2012

**LAMP, INC. dba LAMP COMMUNITY**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

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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, 2012, 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, 2012, 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 23, 2012, 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 23, 2012  
Los Angeles, California

**LAMP, INC. dba LAMP COMMUNITY**

**STATEMENT OF FINANCIAL POSITION**

June 30, 2012

**ASSETS**

Cash and Cash Equivalents	\$	238,516
Restricted Cash		161,139
Accounts and Other Receivables		481,599
Contributions and Pledges Receivable		109,270
Prepaid Expenses and Other Assets		113,893
Property and Equipment (Net)		<u>5,023,457</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>6,127,874</u></b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES:**

Accounts Payable	\$	61,863
Accrued Liabilities		142,212
Accrued Interest on Notes Payable		635,000
Funds Held on Behalf of Members		161,139
Refundable Advances		420,003
Notes Payable		<u>1,050,000</u>
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>2,470,217</b>

**NET ASSETS:**

Unrestricted - Undesignated		3,595,157
Temporarily Restricted		<u>62,500</u>
<b>TOTAL NET ASSETS</b>		<b><u>3,657,657</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>6,127,874</u></b>

The Accompanying Notes are an Integral Part of These Financial Statements

**LAMP, INC. dba LAMP COMMUNITY**

**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2012**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT:</b>			
Governmental Revenue	\$ 4,231,518	\$ -	\$ 4,231,518
Contributions and Grants	774,398	62,500	836,898
Apartment Rental Income	129,103	-	129,103
In-Kind Contributions	128,560	-	128,560
Special Events	80,434	-	80,434
Program Service Revenue	66,920	-	66,920
Business Revenue	39,807	-	39,807
Other Income	8,145	-	8,145
<b><i>TOTAL REVENUE AND SUPPORT</i></b>	<b>5,458,885</b>	<b>62,500</b>	<b>5,521,385</b>
<b>EXPENSES:</b>			
Program Services	4,241,106	-	4,241,106
Fundraising	252,636	-	252,636
Management and General	805,876	-	805,876
<b><i>TOTAL EXPENSES</i></b>	<b>5,299,618</b>	<b>-</b>	<b>5,299,618</b>
<b><i>CHANGE IN NET ASSETS</i></b>	<b>159,267</b>	<b>62,500</b>	<b>221,767</b>
Net Assets - Beginning of Year	3,435,890	-	3,435,890
<b><i>NET ASSETS - END OF YEAR</i></b>	<b>\$ 3,595,157</b>	<b>\$ 62,500</b>	<b>\$ 3,657,657</b>

The Accompanying Notes are an Integral Part of These Financial Statements

**LAMP, INC. dba LAMP COMMUNITY**

**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended June 30, 2012

	Program Services	Support Services		Total
		Fundraising	Management and General	
Salaries and Member Stipends	\$ 2,187,647	\$ 163,859	\$ 489,765	\$ 2,841,271
Payroll Taxes and Employee Benefits	590,231	22,672	107,271	720,174
<b>TOTAL PERSONNEL COSTS</b>	<b>2,777,878</b>	<b>186,531</b>	<b>597,036</b>	<b>3,561,445</b>
Professional Fees and Outside Services	297,159	25,542	44,386	367,087
Member Expenses	241,743	-	-	241,743
Depreciation	184,326	8,188	33,446	225,960
Utilities	131,305	1,672	8,458	141,435
Computer Maintenance	104,706	3,059	18,740	126,505
Food	93,555	9,107	169	102,831
Repairs and Maintenance	96,575	183	724	97,482
Program and Office Supplies	40,135	11,288	19,227	70,650
Telephone and Internet	45,448	976	14,158	60,582
Transportation	49,313	1,667	7,088	58,068
Insurance	37,159	114	3,855	41,128
Equipment, Furniture and Fixtures	34,685	229	3,500	38,414
Dues and Subscriptions	30,613	1,645	3,856	36,114
Interest	30,000	-	4,367	34,367
Staff Training and Development	15,747	330	17,200	33,277
Rent	24,615	-	-	24,615
Bad Debt Expense	-	-	9,769	9,769
Bank and Credit Card Fees	-	532	8,991	9,523
Taxes and Licenses	-	-	9,044	9,044
Shower and Laundry Supplies	5,289	-	-	5,289
Miscellaneous	855	1,573	1,862	4,290
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 4,241,106</b>	<b>\$ 252,636</b>	<b>\$ 805,876</b>	<b>\$ 5,299,618</b>
	80%	5%	15%	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, 2012**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in Net Assets	\$	221,767
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation		225,960
Bad Debt Expense		9,769
Increase in:		
Restricted Cash		(56,414)
Accounts and Other Receivables		(57,866)
Contributions and Pledges Receivable		(109,270)
Prepaid Expenses and Other Assets		(42,385)
Increase (Decrease) in:		
Accounts Payable		38,023
Accrued Liabilities		(2,180)
Accrued Interest on Notes Payable		30,000
Funds Held on Behalf of Members		56,414
Refundable Advances		(13,410)

***NET CASH PROVIDED BY OPERATING ACTIVITIES*** \$ 300,408

**CASH FLOWS USED IN INVESTING ACTIVITIES:**

Purchase of Property and Equipment (27,415)

**CASH FLOWS USED IN FINANCING ACTIVITIES:**

Line of Credit Repayments (130,000)

***NET INCREASE IN CASH AND CASH EQUIVALENTS*** 142,993

Cash and Cash Equivalents - Beginning of Year 95,523

***CASH AND CASH EQUIVALENTS - END OF YEAR*** \$ 238,516

**SUPPLEMENTAL DISCLOSURE OF  
CASH FLOW INFORMATION:**

Cash Paid During the Year for Interest \$ 4,367

The Accompanying Notes are an Integral Part of These Financial Statements

# LAMP, INC. dba LAMP COMMUNITY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 1 - NATURE OF ORGANIZATION

#### **Mission and History**

The mission of LAMP, Inc. dba Lamp Community (Lamp) is to end homelessness of Los Angeles' most vulnerable individuals - primarily adults living with mental illness - through a continuum of services and housing enabling them to reach their highest level of self-sufficiency and community integration. Lamp, originally founded in 1985 as the Los Angeles Men's Place, functioned as a daytime drop-in center for men living with mental illness and experiencing homelessness.

Today, Lamp offers a continuum of community and field-based services including Permanent Supportive Housing (PSH) to end homelessness for women and men. PSH is a combination of housing and services designed to help homeless individuals move off the streets and live more stable and productive lives. Lamp prioritizes securing stable housing for its clients and surrounds them with the essential services to help maintain their housing, treat mental and physical illnesses and disabilities, and achieve self-sufficiency on their own terms. Lamp's housing programs are based on the "Housing First" model, an approach that Lamp helped to pioneer more than two decades ago and that is now recognized as a best practice by the US Department of Housing and Urban Development (HUD). Collaboration and mutual trusting relationships are the keys to Lamp's success. Once housed, Lamp's clients receive client-driven services that help them maintain their housing and individualized goals to help them integrate into the community. Women and men who participate in one or more of Lamp's programs are called "members" rather than clients, highlighting a culture of inclusivity in a welcoming and caring community. In addition to its own client-driven services, Lamp offers job counseling services, alcohol and drug addiction recovery services, legal services and primary health care through successful community partnerships.

***Where Lamp Works.*** Lamp operates four facilities in Downtown Los Angeles' Skid Row: Lamp Village, the Frank Rice Access Center, Lamp Lodge and the Wellness Center. Lamp also provides individualized support services to more than 300 members living in independent housing units in and around Downtown and South Los Angeles.

Lamp offers the following housing solutions and services:

#### **Supportive Housing**

Lamp offers both onsite and field based immediate housing linked to wraparound health and social services to homeless and formerly homeless individuals living with severe mental illness and/or HIV/AIDS. Most of the people Lamp serves face additional barriers to housing 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 no more than 30% of their income.
- Service-Rich - Comprehensive services ranging from medication management to household budgeting are offered where people live and in the local community.
- Client-Driven - All services are voluntary and tailored to the needs of each tenant.



# **LAMP, INC. dba LAMP COMMUNITY**

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2012**

### **NOTE 1 - NATURE OF ORGANIZATION (continued)**

In addition to on-site services provided through housing partners in a variety of locations, Lamp helps its clients to access apartments in Downtown Los Angeles and other neighborhoods in the city. 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 the 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 works with clients to obtain a 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 do not have to remain on the streets due to lack of move-in funds.

#### **Emergency and Transitional Housing**

Based in the Skid Row neighborhood, Lamp offers emergency and transitional accommodations in a community setting. All short term beds have access to an unprecedented scope of individualized services under one roof while working to secure permanent housing. Lamp hosts 70 year-round emergency and transitional beds and an additional 40 beds during winter. At the time that members make a commitment to not live on the streets, they have immediate access to one of Lamp's facilities ensuring housing is available to the most vulnerable. Lamp also sets aside specialized beds for men and women living with HIV/AIDS.

#### **Frank Rice Access Center**

The Frank Rice Access Center houses Lamp's outreach program, which seeks to engage the hardest-to-reach most vulnerable homeless adults in Downtown Los Angeles. In a low-demand environment, Lamp offers intensive staff support to engage and house people who have been rejected by mainstream providers due to behaviors, addictions, chronic health status or 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. The foremost goal of Lamp's outreach staff is to gain the trust of people living on the streets and link the most vulnerable members of our community with immediate housing and supportive services.

#### **Community Services**

##### ***Medi-Cal Certified Wellness Center***

In close partnership with the Los Angeles County Department of Mental Health, Lamp operates a free-standing Medi-Cal-certified Wellness Center that provides mental and physical healthcare, medication management, counseling, targeted case management, peer advocacy, group therapy, a Fine Arts Program, and other wellness and recovery services. One does not need to participate in a housing program to use and have access to these community-based services. All wellness services are voluntary, and Lamp advocates and clinicians develop individualized plans allowing members to meet their particular self-directed goals.

# LAMP, INC. dba LAMP COMMUNITY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 1 - NATURE OF ORGANIZATION (continued)

#### ***Harm Reduction***

Lamp offers a range of supportive and practical services and assistance that are geared to the special needs of persons living with HIV/AIDS. Those served can be on the streets, in emergency shelters, or in permanent housing.

#### ***Money Management and Benefits Advocacy***

Lamp offers personal banking services to hundreds of Skid Row residents, both housed and homeless, who 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. Lamp also employs a Benefits Specialist who works with homeless and formerly homeless adults by assisting them to secure entitlement benefits (i.e. social security disability) to increase economic self-sufficiency and stability. Having a person on staff who specializes in the application documents and process ensures that those eligible receive support despite a person's mental or physical disability, access to transportation or literacy skills.

#### ***Fine Arts Program***

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. Lamp also offers a music program in its professional-grade studio, where participants can practice, or learn new, musical instruments, or join in scheduled group sessions.

#### ***Public Showers, Toilets and Laundromat***

Lamp operates two of the only public shower and toilet facilities in the Skid Row area, a vital service that meets the most basic human needs of those living without shelter. In the past, through its Village site, Lamp has provided an average of more than 1,300 showers per month, with the number rising to more than 1,800 during the summers. In 2012, the agency opened the showers and toilets in the Frank Rice Access Center to the public, a significant expansion of this community service. The two sites now average over 2,500 showers monthly. At the Village location, an affordable Public Laundromat is also available, contributing to the livability of the neighborhood and evidencing Lamp's commitment to local residents.

### 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:

# LAMP, INC. dba LAMP COMMUNITY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) ACCOUNTING (continued)

- **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 \$62,500 of time restricted temporarily restricted net assets at June 30, 2012.
- **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, 2012.

#### (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, 2012 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, 2012 amounted to \$161,139.

#### (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, 2012, Lamp evaluated the collectibility of its receivables and determined that no allowance for uncollectible receivables was necessary.

# LAMP, INC. dba LAMP COMMUNITY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (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, 2012 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, 2012, Lamp earned \$2,525,870 (46% of total revenue and support) under mental health service programs administered by the U.S. Department of Health and Human Services. Lamp also earned \$1,644,627 (30% 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.

#### (f) CONTRIBUTIONS AND PLEDGES RECEIVABLE

Unconditional contributions, including pledges recorded at estimated fair value, are recognized as revenues 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. Pledges receivable at June 30, 2012 are expected to be collected in their entirety within one year.

#### (g) 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.

# **LAMP, INC. dba LAMP COMMUNITY**

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **(h) 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, 2012.

#### **(i) 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.

#### **(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 \$128,560 were received which satisfied the criteria for recognition during the year ended June 30, 2012.

#### **(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.

# LAMP, INC. dba LAMP COMMUNITY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (n) SUBSEQUENT EVENTS

Lamp has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2012 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through October 23, 2012, 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, 2012:

Land	\$	122,732
Buildings and Improvements		3,281,414
Furniture and Fixtures		515,004
Automobiles and Trucks		37,269
Leasehold Improvements		5,136,755
<b>TOTAL</b>		<b>9,093,174</b>
Less: Accumulated Depreciation		(4,069,717)
<b>PROPERTY AND EQUIPMENT (NET)</b>	<b>\$</b>	<b>5,023,457</b>

Depreciation expense for the year ended June 30, 2012 was \$225,960.

### NOTE 4 - ACCRUED LIABILITIES

Accrued liabilities at June 30, 2012 consist of the following:

Accrued Payroll	\$	53,216
Accrued Vacation		69,150
Other Accrued Expenses		19,846
<b>TOTAL ACCRUED LIABILITIES</b>	<b>\$</b>	<b>142,212</b>

### NOTE 5 - LINE 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 2012 and September 2012, respectively. Both lines of credit bear interest at the bank's prime rate plus 1.375% with a floor rate of 5.0%. There was no outstanding balance at June 30, 2012 on these lines of credit. The bank's prime rate at June 30, 2012 was 3.25%.

# LAMP, INC. dba LAMP COMMUNITY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 6 - NOTES PAYABLE

Notes payable consist of the following at June 30, 2012:

Note payable to California Department of Housing and Community Development in the original principal amount of \$1,000,000, collateralized by Lamp's interest (including rents) in, and improvements to, 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.

Lamp has recorded accrued interest on the note payable to the California Department of Housing and Community Development amounting to \$635,000 at June 30, 2012.

### NOTE 7 - PROFIT SHARING PLANS

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, and was working to close it out during the year ended June 30, 2012. Since November 2010 Lamp has also had a 403(b) tax-sheltered annuity plan. Lamp contributes 100% of eligible employee contributions up to 2.5% of compensation. During the year ended June 30, 2012, Lamp contributed \$27,787 to this plan.

### 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, 2012, there have been no residual receipts.

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

# LAMP, INC. dba LAMP COMMUNITY

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 8 - COMMITMENTS AND CONTINGENCIES (continued)

#### (a) OPERATING LEASES (continued)

Lamp rents a facility and equipment under operating lease agreements expiring at various dates through December 31, 2015. Future minimum commitments under existing non-cancellable leases as of June 30, 2012 are as follows:

#### Years Ending June 30

2013	\$	56,517
2014		54,964
2015		30,964
2016		3,482
<b>TOTAL</b>	<b>\$</b>	<b>145,927</b>

Rent expense for the year ended June 30, 2012 was \$24,615.

#### (b) LEGAL PROCEEDINGS

In the ordinary course of conducting its business, Lamp from time-to-time becomes involved in various lawsuits. Some of these proceedings may result in judgments being assessed against Lamp which may have an impact on changes in net assets. Lamp believes that these proceedings, individually or in the aggregate, would not have a material effect on these financial statements.

#### (c) 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 and accordingly no provision has been made in these financial statements.



**LAMP, INC.**  
**dba LAMP COMMUNITY**  
SUPPLEMENTAL INFORMATION  
YEAR ENDED JUNE 30, 2012

**LAMP, INC. dba LAMP COMMUNITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND NONFEDERAL AWARDS**  
Year Ended June 30, 2012

Agency/Program Grant Title	Federal CFDA Number	Governmental Revenue		Program Expenditures from Governmental Revenue
		Federal	Nonfederal	
<b>FEDERAL AND NONFEDERAL AWARDS</b>				
<b>MAJOR AWARDS</b>				
<b>U.S. Department of Housing and Urban Development:</b>				
Pass-through, Los Angeles Homeless Services Authority				
Supportive Housing Program	14.235	\$ 68,061	\$ -	\$ 68,061
Supportive Housing Program	14.235	128,303	-	128,303
Year-round Emergency Program	N/A	-	456,250	456,250
Winter Shelter Program	N/A	-	73,500	73,500
		<u>196,364</u>	<u>529,750</u>	<u>726,114</u>
Pass-through, Los Angeles Homeless Services Authority, A Community of Friends:				
Supportive Housing Program	14.235	49,565	-	49,565
	14.235	104,367	-	104,367
	14.235	143,689	-	143,689
	N/A	64,715	-	64,715
		<u>362,336</u>	<u>-</u>	<u>362,336</u>
Pass-through, City of Los Angeles Housing Department Housing Opportunities for Persons with AIDS	14.241	264,173	-	264,173
<b>TOTAL MAJOR AWARDS</b>		<b>822,873</b>	<b>529,750</b>	<b>1,352,623</b>
<b>NON-MAJOR AWARDS</b>				
<b>U.S. Department of Health and Human Services:</b>				
Pass-through, Los Angeles County Department of Mental Health, Projects for Assistance in Transition from Homelessness	93.150	384,400	-	384,400
Los Angeles County Department of Mental Health:				
MHSA - Planning, Outreach and Engagement	N/A	-	816,500	816,500
MHSA - Wellness Centers	N/A	-	280,000	280,000
Medi-Cal	N/A	-	770,042	770,042
Mental Health Services Act Housing Trust Fund	N/A	-	133,796	133,796
Mental Health Services Act Technological Needs	N/A	-	78,630	78,630
Los Angeles County Department of Public Health:				
Alcohol and Drug Program Administration	N/A	-	50,000	50,000
Basic Living and Support Services	N/A	-	12,502	12,502
		<u>384,400</u>	<u>2,141,470</u>	<u>2,525,870</u>
<b>U.S. Department of Housing and Urban Development:</b>				
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	91,794	-	91,794
Pass-through, Housing Authority of the City of Los Angeles, Shelter Plus Care Program	14.238	138,063	-	138,063
Pass-through, Los Angeles Homeless Services Authority Community Development Block Grant	14.218	62,147	-	62,147
<b>U.S. Department of Homeland Security:</b>				
Pass-through, United Way, Emergency Food and Shelter National Board Program	97.024	15,058	-	15,058
<b>U.S. Department of Health and Human Services</b>				
Pass-through, Downtown Women's Center, Office of Minority Health:				
Community Programs to Improve Minority Health	93.137	45,963	-	45,963
<b>TOTAL NON-MAJOR AWARDS</b>		<b>737,425</b>	<b>2,141,470</b>	<b>2,878,895</b>
<b>TOTAL FEDERAL AND NONFEDERAL AWARDS</b>		<b>\$ 1,560,298</b>	<b>\$ 2,671,220</b>	<b>\$ 4,231,518</b>

**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.