

The Lamb Center



**Annual Report
For Fiscal Year 2012**

**20 Years of Transforming Lives
And Ending Homelessness**

"For I know the plans I have for you, declares the Lord, plans to prosper you and not to harm you, plans to give you hope and a future." Jeremiah 29:11

The Lamb Center Board of Directors acknowledges
with special thanks

Mr. Phil Kushin
for the design, layout and compilation of the report

RR Donnelley
for its generosity in providing printing services

The Lamb Center



3220 Old Lee Highway
PO Box 1385
Fairfax, Virginia 22038-1385
(703) 691-3178
www.thelambcenter.org

Dear Friends of The Lamb Center:

For I was hungry and you gave me something to eat, I was thirsty and you gave me something to drink, I was a stranger and you invited me in, I needed clothes and you clothed me, I was sick and you looked after me, I was in prison and you came to visit me. Matthew 25:35-36

In 2012, we marked twenty years of outreach to the poor and homeless in central Fairfax. The actions taken by Truro Church in 1992 to begin The Lamb Center (TLC) ministry to the poor continues on today in a much larger community of individuals, churches, and other organizations that supports this work. With grateful hearts we thank the Lord for His provision and blessings on this work.

The Lamb Center served about 20 guests a day back in 1992. Today we serve about 100 guests every day, offering recovery and employment counseling, hot meals, laundry, and showers to the poor, hurting and homeless. Over 1,100 different guests came to us for some type of support during the year. Importantly, TLC is also a peaceful, secure place of refuge for all of our guests. It is a place where Christ's love is shown in real and practical ways and a place where those who come to us without hope find it.

As we mentioned in previous reports, TLC has "outgrown" its space. The Board of Directors continues to work with city and county officials to identify a more viable location, one that will provide sufficient space to meet guests' needs, and one that is more suitable for operation within the central Fairfax community.

The auditors, Gilliland & Associates, PC determined that TLC revenues were \$621,949 and expenses were \$488,289, providing a small surplus which will be much needed when we do relocate. They also concluded that our financial management and accounting conformed to accepted principles and practices.

At this 20 year milestone, let us celebrate together the generosity of all who support The Lamb Center in any way—the in-kind donations and financial gifts, the hours volunteered, and especially for the prayers offered on our behalf. And by God's provision and grace, TLC will continue to transform lives, as it works to end homelessness within our community.

Sincerely,

Frank R. McLeskey
Chairman of the Board

John MacPherson
Executive Director



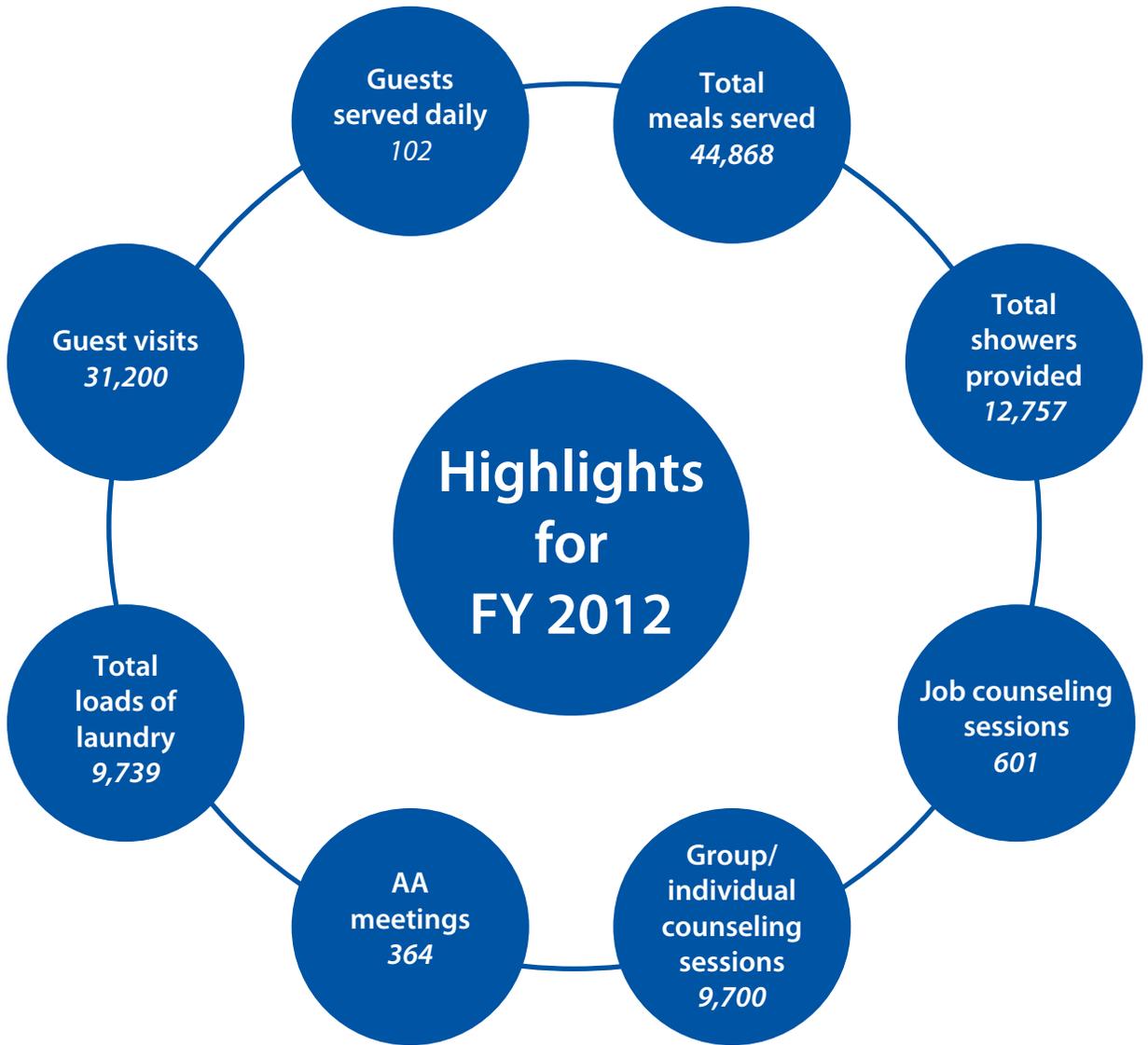
Introduction

The Lamb Center is a Christian based counseling and direct support services, Virginia non-profit organization. TLC operates five and one half days a week as a daytime center for the poor and hurting, among whom are chronically and transient homeless men, women and families in central Fairfax County. Guests are diverse in terms of race, gender and nationality. Many suffer from mental illness, alcohol and drug addiction and long-term unemployment. Some are veterans and ex-offenders. In terms of financial income, almost all guests are substantially below government poverty guideline levels.

Although numbers vary depending on the season of the year and weather conditions, The Lamb Center serves an average of 102 guests each day. Its holistic approach to supporting the guests includes the provision of hot meals, showers, and laundry; Bible studies and spiritual counseling; telephone and computer access; job and housing counseling; mail and message services; and referrals for health and human service needs.

TLC ... directly supporting the homeless since 1992

Summary of TLC services and counseling



Mission and Organization

Mission

The Lamb Center mission is to end homelessness by transforming lives through Christian spirituality, counseling and service.

To carry out its mission, The Lamb Center is dedicated to proclaiming the Good News of Jesus Christ in word and action to poor, hurting and homeless people in our community. Welcoming all who come to the center, TLC staff and volunteers try to determine who they are and why they have come to TLC. Offering a safe, compassionate environment, we are often able to build relationships of trust with them. As each guest is able, we encourage him or her to identify specific limiting issues honestly, and to take positive steps toward wholeness —spiritual, emotional, physical and economic. For some guests, the stay at TLC is relatively short as a temporary crisis, such as a lost job, is overcome. For others TLC is a long term refuge because of mental illness, physical disability, deep-seated addiction or other serious issues. Our response toward all guests is to love them as Jesus would love and to serve them as He would serve them.

TLC proclaims the Good News in word and action

Organization

The Lamb Center is staffed with an Executive Director, a Director of Operations, and two Assistant Directors for counseling. A Board of Directors exercises staff management and operational oversight of the organization. Meeting monthly and as needed, the board provides strategic and policy direction, and oversees all financial activities, including budget approval and execution. An independent auditor ensures compliance with internal controls and accounting standards and procedures.

Board of Directors

Frank McLeskey, Chairman
Mary Petersen, Vice Chairman
Karen Williams, Treasurer*
Kevin Deckard, Treasurer**
Allen Griffith, Secretary
Hugo Blankingship
Kelly Johnson**
Cathy Liverman
Bruce Scott
Grace Stephenson
Nancy Stone
Bob Tate
Rev. Coleman Tyler
Bobbie Yates

Board of Directors provides management and financial oversight

The Chairman and the Executive Director may be contacted at P.O. Box 1385, Fairfax, Va. 22038, 703-691-3178, and www.thelambcenter.org.

Staff



John MacPherson Dave Larrabee Patti Brown Henry Marks

John MacPherson, Executive Director
Dave Larrabee, Director of Operations
Patti Brown, Asst Director/Employment Counselor
Henry Marks, Asst Director/Recovery Counselor
Jeannie Thrall***, Case Management Specialist
Beth Troutman***, Case Management Specialist

Volunteer Coordinators

Joyce Hile, Volunteers
Bill Forster, Meals
Shirley Nelms, Chapel Service

Note: *Served until February 2012; ** Johnson and Deckard joined the board in February and March 2013 respectively; *** Employed part time under Fairfax County FY 2013-2014 grant.

Past and Present

Beginnings

The Lamb Center began as a social outreach ministry of Truro Church. With the financial support of Truro and several other churches, one staff member and a small number of community volunteers, TLC began its five days a week ministry to the poor and homeless in 1992. TLC operated out of a small rented space above a pawn shop in Fairfax City.

As a daytime counseling and drop-in center, The Lamb Center offered a safe place for homeless men, women and families to gather, to be welcomed, to receive counseling, emergency financial assistance and referrals to



TLC above the pawn shop.

Fairfax County human resources services. Hospitality was a very important part of TLC in its early days. “Strong Coffee ... Mighty Prayers” was a realistic slogan. Every guest was offered hot cups of coffee and a modest meal. TLC’s hospitality also included showers, laundry and an address to receive mail and messages. The intent was to recognize the human dignity of every guest and to offer services that raised self-worth and self-esteem in a safe environment.

From the beginning, The Lamb Center staff and volunteers were concerned that they love and serve the “whole person” from a Christ centered perspective. TLC took very seriously Jesus’ words to His disciples expressed in Matthew 25, “I was a stranger and you welcomed me ... I was hungry and you gave me something to eat.”

Transition and Current Operations

In 2000, The Lamb Center moved to a new location, expanding its services to meet the needs of a growing population of the poor and homeless. TLC operates at 3220 Old Lee Highway in Fairfax City in a rented space of approximately 3500 square feet.

This space is approximately twice



TLC at Fairfax Circle.

TLC offers guests “Strong Coffee ... Mighty Prayers” and a safe place to seek God’s plan for their lives

TLC provides integrated services for many poor and homeless

Past and Present

the size of the initial location, serves more than two times the number of guests and provides more services. TLC provides support to its guests in these service areas: counseling, reception/mail/messages, laundry, showers, ironing, kitchen/meals, chapel (spiritual activities, AA meetings), telephones/computers and storage lockers. The focal point for meals, discussions, group counseling and Bible study is a large centralized table seating 25 people. Individual counseling is carried out in staff offices or the chapel.

The Lamb Center operates five and one-half days a week. The staff of 4 is augmented by approximately 100 volunteers who normally serve one 3 to 4 hour “shift” each week. Supporting the volunteer services and daily operations are individuals, small groups and “partner” churches, along with retail businesses and other organizations that provide financial and “in-kind” donations.

Several evenings a month TLC opens for special programs such as Karaoke, Movie, and Games nights sponsored by New Hope Fellowship and other volunteer groups. The Lamb Center also serves as a base of operations for health and human services staff from Fairfax County, as well as the Veterans Administration and ex-offender services counselors.

The Lamb Center is a major and active participant in the Fairfax County program to end homelessness in ten years. Board and staff members serve on key task forces and working groups whose primary goal is to develop and implement solutions that seek to end homelessness in this region.



Central to TLC is the large table for meals and Bible discussions.

Services and Programs

To understand the services and programs carried out at The Lamb Center, it is important to understand TLC's foundational Christian principles. TLC is dedicated to proclaiming God's love in word and action. Consequently, all of our "hospitality" services and counseling programs are radically inclusive and based on love, kindness, compassion, patience and hope.

Services

Hospitality begins at The Lamb Center when a person arrives at the **reception desk**. Each guest is warmly greeted and welcomed by a staff member or volunteer. Since many guests have been to TLC previously, they may ask for telephone messages or mail. TLC's address is used by approximately 200 guests to receive mail. The reception desk also has brochures for first time guests and flyers about services, such as medical screenings, free clothing centers, and hypothermia locations. A staff member or volunteer will sit with a first time guest and perform a short "intake" to determine, for example, the guest's living situation and the reason that person has come to TLC. At the reception desk, volunteers and staff have the serious responsibility to "welcome the stranger".

During FY 2012, The Lamb Center served 102 guests daily, about 1,100 different persons, and recorded a total of approximately 31,200 guest visits for the year.

The hospitality of The Lamb Center continues in the **laundry** area where three washers and four dryers deliver about 35 loads of laundry each day. Guests who come to the laundry area are welcomed by the volunteers and staff. If a guest requests, he or she is provided with a towel and personal hygiene products to take a shower and change into fresh clothes. Showers are important, particularly for homeless men and women living "outside" in tents, cars or doorways, and for those who work or have medical, job or other appointments. TLC provided approximately 12,757 showers for guests during the year.

The Lamb Center offers its guests a continental breakfast and hot lunch everyday. Coffee and tea are offered throughout the day and fruit, snacks as well as bottled water when available. The **kitchen** volunteers are always mindful of individual guest situations. For example, if a guest's job prevents her from arriving at the center during lunch hours, volunteers

Welcoming the stranger is a serious responsibility

TLC radical hospitality includes laundry, showers and hot meals daily



▲
Offering a hot meal.

◀
Laundry and shower services.

Services and Programs

accommodate her schedule. Twenty-five different groups are committed to preparing and serving a meal on the day assigned to them. In FY 2012, TLC served approximately 44,868 meals, a small increase from the previous year. More important than the food is the hospitable manner in which it is served to the guests. The noon meal hour also offers staff and volunteers the opportunity to know each guest better, and to develop a trusting relationship with him or her, which often leads to the ability to provide needed assistance.

At the end of each day at closing time, volunteers provide snacks, fruit and water to the guests. This is especially important to those guests working late or those living in tents, cars or other “crisis” situations.



Hot-lunch volunteers.

After hours, TLC opens its doors to various groups who provide guests, volunteers and staff opportunities for fellowship at karaoke, movie and pizza nights. These activities build self-esteem, improve sociability in community and often are catalysts for guests to take positive steps toward improving their life situations.

Programs

Counseling is the principal program carried out at The Lamb Center and encompasses psychological, life, employment and spiritual dimensions. TLC staff is not equipped to treat guests with physical ailments or serious medical conditions. If the staff identifies a health issue, they will refer the guest to the appropriate medical resource. Occasionally, the staff requests emergency medical personnel to be dispatched to TLC to assist a guest. In addition, a Fairfax County public health nurse is available at TLC weekly to screen guests, to provide medications and to assist guests needing further assistance. TLC staff also refers guests to the county long-term medical rehabilitation center.

Many guests at The Lamb Center suffer from various forms and levels of mental illness or personality disorders. TLC staff counsels these guests to contact the Fairfax County mental health specialists who work out of TLC. Regardless of a guest’s mental condition, staff and volunteers treat each person with respect and compassion, and try to make the center a safe and friendly place for them. The staff also tries to identify and to engage family



County health nurse at TLC.

Twenty-five different groups prepare hot meals for TLC

TLC counseling programs encompass psychological, life, employment and spiritual dimensions

Services and Programs

and friends who have a relationship with a mentally ill guest, with the hope they will help to improve the guest's living condition and life situation. TLC counseling has also been the catalyst for mentally ill guests to accept medication or long-term, in-depth treatment. Some guests who came to TLC with serious psychological conditions are now in housing, have a job and healthy personal relationships.

Alcohol and drug addiction counseling at The Lamb Center consists in individual assessment with a staff member, referral to a short-term county detoxification program, followed by entry into a treatment program such as Crossroads, A New Beginnings or the VA. There are five AA meetings each week at TLC.

Employment counseling is carried out by a staff member trained in that area. She helps identify appropriate jobs for guests seeking employment, assists in resume and interview planning, and scheduling job appointments. During FY 2012, 163 guests sought employment during 601 counseling sessions, and 113 found jobs. TLC employment counselor Patti Brown has been recognized for outstanding service by both Fairfax County and the White House Faith-Based Initiatives office.

As a Christian based organization, The Lamb Center uses **spiritual counseling** extensively. Daily, guests seek or are encouraged to seek God's plan for their lives. This is done in both individual, small group and larger Bible group settings. Approximately 500 guests were involved in spiritual counseling during the year.

The Lamb Center also has a **compassionate aid** program. Funds are used to pay utility bills and rent in crisis situations or to pay for emergency shelter in motels. These funds also help guests get to job interviews, work sites, or medical appointments. TLC also assists guests by using these funds to recover important documents such as birth certificates or immigration papers (e.g. green cards, passports), or to pay for driver's licenses and "walker" identification cards. In FY 2012, TLC provided \$26,595 in compassionate aid for guests.



County social workers "on the job" at TLC.



Counseling on a job opportunity.

TLC staff and County specialists work together to provide mental health and alcohol and drug counseling and referrals

TLC guests realize employment and spiritual counseling are critical to improving their life situations

Stories of Transformation

God is continually at work at The Lamb Center transforming the lives of our guests. The stories below from the point of view of our Director of Operations, Dave Larrabee, are indicative of those of literally hundreds of men and women whose experience at TLC resulted in major positive life changes. The names are fictitious, but the stories are true.



Thankful for
second chances

Martin entered an alcohol recovery program earlier this year following many years of struggling with his addiction. After his being in the recovery program less than one month, I received an early morning phone call from him. I feared he was facing difficulties in his new environment, since he had relapsed so often in the past. Instead, Martin told me in a soft voice that he wanted to thank everyone at The Lamb Center for walking this journey with him. Currently Martin has been sober over five months and is in housing associated with the recovery program. Everyone in his “recovery” house is required to obtain employment. While all the other residents had jobs, Martin was still searching—he had lost so many jobs due to his drinking. Tom, one of our faithful volunteers, drove Martin to the last job he had lost, a car wash, and helped Martin convince the manager that it would be worth their while to give him a second chance. Martin is now sober, working and in housing.



Helping “his
Lamb Center”
family

Vernon was knocking on my door. He has always been a hard worker but he often struggled to find full time employment. Recently he even had someone taking him out of state, a week at a time, for work. When Vernon sat down in my office upon a recent return to TLC, he informed me that one of the men’s bathroom faucets was broken. He was not the first person to remind me of this problem! I was stunned, however, when Vernon stood up, pulled \$50 out of his pocket and stated, as he gave me the money, that TLC is “his” family and he wanted to help in ways he could. Vernon had obviously done his homework since a new faucet cost just shy of the \$50 he gave me.



Anonymous
gratitude

Anonymous donations always amaze us! We recently received an anonymous letter with a cash donation inside. You might have thought the person who sent the letter could not afford an envelope since it was made out of a brown paper bag. The content of the letter, however, showed that the sender was rich with gratitude. The anonymous person wrote: “Dear Lamb Center, Thank you for your work. Having spent time on Skid Row in Los Angeles, I can say that your shelter is much more welcoming than any other I have been at. I really appreciate how you don’t force people to come to Bible Study. Other places I have been to, you have to listen to a sermon before you are allowed to eat or use the shower! Please accept my donation. God bless!” Crammed inside the envelope was \$175 in crumpled bills.



Grateful
volunteer
posts Facebook
reflection

Andrew posted the following on The Lamb Center Facebook page: “I’m dumbfounded and touched. Tonight I finally opened a letter addressed to me that had been sitting on the table for over a week. It was from The Lamb Center, an organization which shelters and feeds the homeless while spreading God’s word in Virginia. I had given them a hefty donation not too long ago, and encouraged my dad to as well. The entire letter was about me and the letters and donations my dad and I had sent, and it talked all about when I volunteered there in 2011

Stories of Transformation

with *Living Proof* and *Fellowship Church*, and even included a huge picture of the team. This letter was sent out to the center's 2000 or more donors throughout the country. Last night I posted a status on Facebook when I was in deep thought, that I often get tired of being the "nice guy" and feeling like many times I am indeed finishing last. Well God has a sense of humor, and he also apparently has a Facebook account, because he certainly gave me a good slap in the face with this one. You know what he said? "Andrew, I love you too much to let you get that mentality...good things come to those who wait"! Praise God!"



Friends at the George Mason University Catholic Campus Ministry sent this letter to us: "First we would like to start off by sending you love and God's peace and joy. Letters are not customary ways of sending in a donation but we feel this donation comes with a story. On behalf of a beloved friend, we would like to present The Lamb Center with a humble donation. This donation is in honor of Ronnel Cristobal's birthday. Ronnel was a young man who was taken suddenly in the summer of 2012. The only way to describe him, really the only word to do him justice, is Joy. He always seemed to have a backpack of pure joy that he carried through life. And when someone was running low, he would reach in his pack and generously hand it over to whomever was in need. While at GMU he helped organize his fellow Catholic students to visit TLC. He thrust his energy and time into managing TLC cooking outreach as well. His actions and his love net ensnared many students. The students carried on TLC outreach after his graduation. Many people have come to know Christ through his life, through his very presence. We hope and pray that we may all one day meet again and celebrate with Ronnel and God in heaven. May Christ continue to pour his grace and blessings on all those who come to TLC. Peace, Ronnel's Friends."

Friends pay
tribute to a
special friend

Financial Information

Gilliland & Associates, P.C., Certified Public Accountants conducted the FY 2012 audit and provided it to The Lamb Center Board of Directors on November 9, 2012. It is the last section of this report.

Financial Highlights for FY 2012

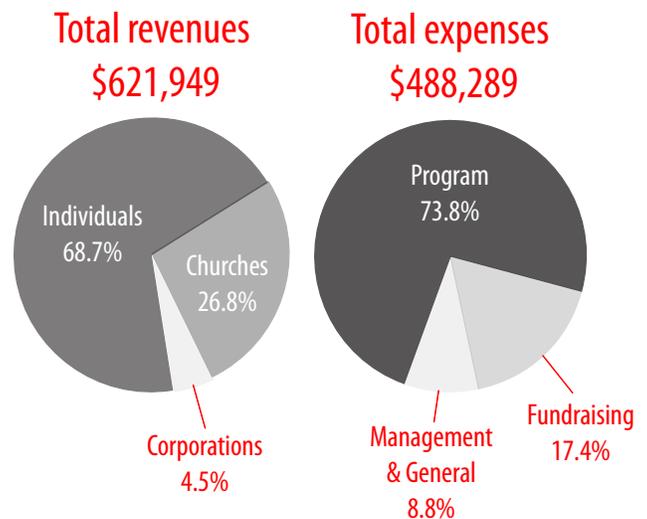
The independent, external audit determined the management and accounting of The Lamb Center finances are in accord with accepted principles and practices. For the twelve months ending June 30, 2012, TLC received revenue (cash) totaling \$621,949 and incurred expenses of \$488,289 for a net surplus of \$133,660. Individual donations accounted for \$427,231 or 68.7% of the total revenue. Churches, including Truro church's \$30,000 donation, contributed \$166,894 or 26.8% of total revenue. The remaining \$28,824, 4.5% of the total revenue, came from corporate donations (primarily employees donating through their companies) and from a \$582 interest payment to TLC.

Independent
audit found
TLC financials
compliant with
U.S. standards

Of the total of \$488,289 in expenses, \$360,596 (73.8% of the total) were allocated to the "Program" functional category. The highest expenses in this category were wages and salaries totaling \$191,352, building lease costs and maintenance expenses of \$121,831, and compassion fund expenses—costs for guest emergency shelter, medical prescriptions, transportation etc. of \$26,595. Expenses of \$42,995 (8.8% of the total) were allocated to the "Management and General" functional category and included wages and salaries, professional fees, building and office expenses. Expenses in the "Fundraising" category were \$84,698 (17.4% of the total), in which wages and salaries accounted for \$46,585. The audit (following section) identifies all expenses in each functional category.

In-kind
donations were
more than
\$700,000

The Lamb Center also received more than \$700,000 of "in kind" donations that support programs and services. This included over 20,000 volunteer service hours, supplies and food donations from individuals, groups, organizations, churches, and businesses including Safeway, Kentucky Fried Chicken, Panera Bread, Starbucks, Amphora Bakery, Pure Pastry, and Trader Joe's. Without these "in-kind" donations, expenses would almost double, and without significantly increased cash revenues, it would be impossible to provide the current levels of guest services.



The Way Ahead

The future
is filled with
hope for a new
“home” for TLC

This year we have intensified our search for a new location for The Lamb Center in central Fairfax . We have outgrown our current space and a building is needed to support the over 100 guests who seek services daily. We also need to ensure that we have the center in a location that is viable from a community perspective—one that meets the criteria specified in zoning ordinances. In June 2012, the Virginia Supreme Court ruled in favor of TLC in a case brought by the City of Fairfax over the issue of whether the services we offer our guests are legitimate “uses” within the commercial zone in which the center operates. The court found that TLC is meeting the zoning requirements and can continue operations without threat of a shutdown or reduction in services. The search continues for a new location.

Unfortunately, several possible locations that we had high hopes for this past year, have not turned out yet to be viable candidates. Still we are working with county and city officials to find the “right” place, hopefully in 2013.

The continuing prayers and generosity of TLC supporters offer hope that financial and in-kind donations and volunteer services will be available in 2013 to bring about transformed lives, and housing and employment opportunities for many of our guests. Through its board, staff, and volunteers, The Lamb Center will also continue to be active in Fairfax County’s programs to end homelessness.

The journey to a new location continues to be a challenging one, but in the meantime we will serve the poor and homeless as the Lord calls us to that task. We invite you to join with us in this important mission!

If you would like to donate to the work of The Lamb Center, you can do so through the United Way #9681 or the Combined Federal Campaign #86867, at www.thelambcenter.org or mail your contribution to The Lamb Center, P.O. 1385, Fairfax, Va. 22038-1385.





Independent auditors' report

To the Board of Directors
The Lamb Center
Fairfax, Virginia

We have audited the accompanying statements of financial position of The Lamb Center ("the Center") as of June 30, 2012 and 2011 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the management of The Lamb Center. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Lamb Center as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in red ink that reads 'Gilliland & Associates, PC'. The signature is written in a cursive, flowing style.

Gilliland & Associates, P. C.
Certified Public Accountants
Falls Church, Virginia
November 9, 2012

The Lamb Center

Statements of Financial Position As of June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 232,766	\$ 126,909
Prepaid expenses	2,903	7,412
Short term investment	<u>1,010</u>	<u>1,000</u>
Total current assets	<u>236,679</u>	<u>135,321</u>
Total assets	<u>\$ 236,679</u>	<u>\$ 135,321</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 154	\$ 5,052
Refundable deposits		18,130
Accrued expenses	<u>6,472</u>	<u>15,746</u>
Total current liabilities	<u>6,626</u>	<u>38,928</u>
Net assets:		
Unrestricted	<u>230,053</u>	<u>96,393</u>
Total net assets	<u>230,053</u>	<u>96,393</u>
Total liabilities and net assets	<u>\$ 236,679</u>	<u>\$ 135,321</u>

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

The Lamb Center

Statements of Activities For the Years Ended June 30, 2011 and 2010

	<u>2012</u>	<u>2011</u>
UNRESTRICTED NET ASSETS		
REVENUE:		
Contributions	\$ 621,367	\$ 520,673
Interest	<u>582</u>	<u>-</u>
Total revenue	<u>621,949</u>	<u>520,673</u>
EXPENSES:		
Program	360,596	359,123
Management and general	42,995	35,190
Fundraising	<u>84,698</u>	<u>78,673</u>
Total expenses	<u>488,289</u>	<u>472,986</u>
Change in unrestricted net assets	<u>\$ 133,660</u>	<u>\$ 47,687</u>
CHANGE IN NET ASSETS	\$ 133,660	\$ 47,687
NET ASSETS, BEGINNING OF YEAR	96,393	48,706
NET ASSETS, END OF YEAR	<u>\$ 230,053</u>	<u>\$ 96,393</u>

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

The Lamb Center

Statements of Functional Expenses For the Year Ended June 30, 2012 and 2011

	2012				2011			
	Program	Management and general	Fundraising	Total	Program	Management and general	Fundraising	Total
Wages and Salaries	\$191,352	\$12,523	\$46,585	\$250,460	\$179,772	\$13,000	\$44,260	\$237,032
Building Expenses	121,831	7,140	7,140	136,111	126,907	7,438	7,438	141,783
Compassion and Caring Program	26,595	-	-	26,595	27,352	-	-	27,352
Fundraising Events	-	-	14,438	14,438	-	-	15,146	15,146
Professional Fees	-	14,779	-	14,779	10,062	-	-	10,062
Supplies	1,182	4,645	5,215	11,042	-	504	-	504
Insurance	7,563	840	-	8,403	5,109	1,987	-	7,096
Office Expenses	6,005	1,565	369	7,939	-	10,279	-	10,279
Telephone	5,786	723	723	7,232	6,268	348	348	6,964
Printing and Copying	52	-	6,115	6,167	1,986	-	7,946	9,932
Postage and Shipping	230	-	4,113	4,343	971	-	3,883	4,854
Equipment Rental and Maintenance	-	780	-	780	-	1,233	-	1,233
Interest Expense	-	-	-	-	-	750	-	750
Total Expenses	\$360,596	\$42,995	\$84,698	\$488,289	\$358,426	\$35,539	\$79,021	\$472,986

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

The Lamb Center

Statements of Cash Flows For the Years Ended June 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 133,660	\$ 47,687
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in assets and liabilities:		
Prepaid expenses	4,510	(1,837)
Investments	(10)	(1,000)
Accounts payable	(4,898)	899
Refundable deposits	(18,131)	2,350
Accrued expenses	(9,274)	738
Net cash provided by operating activities	105,857	48,837
NET CHANGE IN CASH AND CASH EQUIVALENT	105,857	48,837
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	126,909	78,072
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 232,766	\$ 126,909

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

The Lamb Center

Notes to Financial Statements June 30, 2012 and 2011

A. NATURE OF ACTIVITIES

The Lamb Center (the "Center") is organized under the laws of the Commonwealth of Virginia as a nonprofit organization and is exempt from Federal income tax under section 501(c) 3 of the Internal Revenue Code. The Center operates an informal partnership with other local Christian churches, reaching out to the poor by providing a place for homeless men and women to obtain services to assist in their move toward sustainable living situations. The Center provides services to any who follow simple rules of safety, regardless of faith. The basic services the Center provides include: counseling, showers, laundry, simple medical assistance, meals, phones and an address for guests to receive mail.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting – The financial statements of the Center have been prepared on the accrual basis of accounting. Under this basis, revenue is recognized when earned and expenses are recognized as incurred.

Use of estimates and assumptions – Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Financial statement presentation – The Center reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. As of June 30, 2012 and 2011, the Center had no temporarily or permanently restricted net assets.

Cash and cash equivalents – For purposes of the statement of cash flows, cash and cash equivalents include cash on deposit with financial institutions and all highly liquid investments with an original maturity of three months or less.

Investments – Short term investments consists of certificates of deposit with an original maturity of twelve months or less.

Contributions – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any restrictions. The Center 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 are reported in the statement of activities as net assets released from restrictions

Contributed services – No amounts have been reflected in the financial statements for donated services. The organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Center in the performance of its exempt activities, but these services do not meet the criteria for recognition as contributed services. The organization receives more than 3,000 volunteer hours per year.

Property and equipment – Expenditures for the acquisition of property and equipment are capitalized at cost for all property and equipment with acquisition costs that exceed \$500. The fair value of donated assets at the date of the gift is similarly capitalized. Depreciation is computed by the straight-line method over the estimated useful lives of the assets.

Income taxes – The Center is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Cost of joint activities – Statement of Position 98-2, "Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Governmental Entities That Include Fundraising", establishes accounting standards for recording costs associated with joint activities (activities which are part fundraising and have elements of one or more other functions, such as program or management and general). The pronouncement requires that the criteria of purpose, audience and content be met in order to allocate any portion of the costs of joint activities to a functional area other than fundraising.

Functional allocation of expenses – The Center's expenses have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the areas benefited.

C. INVESTMENTS

The fair values of short-term investments totaled \$1,010 and \$1,000 at June 30, 2012 and 2011, respectively.

D. PROPERTY AND EQUIPMENT

Certain property and equipment, which included mostly desks and chairs, were donated to the Center. Given the age and condition of the fixed assets, their fair value was below the amount required for capitalization as described in Footnote B. Therefore, no property and equipment is shown on the statements of financial position as of June 30, 2012 and 2011.

E. CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Lamb Center to concentrations of credit risk consist of cash in the bank. The Center maintains its cash accounts in two financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC").

The FDIC insures cash balances of interest bearing accounts up to \$250,000 at each institution. At June 30, 2012 and 2011, the Center had no uninsured cash balances.

The Lamb Center

Notes to Financial Statements
June 30, 2012 and 2011

F. LEASING ARRANGEMENTS

The Center signed a lease agreement for space in June 2010. The lease term commenced on October 1, 2010 and ends on September 30, 2015. However, the lease can be terminated early by either party giving written notice of termination to the other at least 9 months prior to such early termination date. The lease is paid in monthly installments of \$6,523.84 due on the first day of each month. Rent expense for the years ended June 30, 2012 and 2011 totaled \$78,286 each year.

Future minimum lease payment for the years ending June 30:

2013	\$ 80,048
2014	82,449
2015	84,922
2016	<u>21,386</u>
	<u>\$268,805</u>

G. RELATED PARTY TRANSACTIONS

During 2012 and 2011, Truro Church, the original founder, contributed approximately \$30,000 and \$40,000 respectively to The Lamb Center.

H. LINE OF CREDIT

The Lamb Center has a \$45,000 line of credit with First Virginia Community Bank of Fairfax, Virginia; any principal and unpaid accrued interest is due on March 8, 2013. Interest is payable monthly at prime plus 2 % with a minimum rate of 6% per annum.

As of June 30, 2011 the center had a \$100,000 line of credit with the John Marshall Bank of Alexandria, Virginia; with interest payable at a minimum rate of 6% annually. The Loan was guaranteed by the Truro Church and was payable monthly. The loan agreement expired December 18, 2011. As of June 30, 2012 and 2011, the outstanding balance on the lines of credit was zero and zero respectively.

I. REFUNDABLE DEPOSIT

The Lamb Center performs bookkeeping functions and holds cash in trust for the Dynamic Youth Ministries. The total amount of refundable deposits held in trust for the Dynamic Youth Ministries as of June 30, 2012 and 2011 was \$0 and \$18,130 respectively.

J. EVALUATION OF SUBSEQUENT EVENTS

The organization has evaluated subsequent events through November 9, 2012, the date which the financial statements were available to be issued. No events have occurred which would have a material effect on the financial statements of the Company as of that date.

