

LYDIA HOME ASSOCIATION

FINANCIAL STATEMENTS

June 30, 2009 and 2008

**SCANLON & MATHEWS LLP**

CERTIFIED PUBLIC ACCOUNTANTS  
332 SOUTH MICHIGAN AVENUE  
CHICAGO, ILLINOIS 60604  
(312) 939-3060

**MEMBERS**

AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
ILLINOIS CPA SOCIETY

**INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
Lydia Home Association

We have audited the accompanying statements of financial position of Lydia Home Association (the Association) as of June 30, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. 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 State 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 audits 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 audits provide 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 Lydia Home Association as of June 30, 2009 and 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2009 on our consideration of Lydia Home Association'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 considered in assessing the results of our audit.

*Scanlon + Mathews LLP*

Chicago, Illinois  
October 29, 2009

LYDIA HOME ASSOCIATION  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2009 and 2008

	2009	2008
Assets		
Cash	\$ 597,461	\$ 269,605
Receivables:		
Due from State of Illinois - Department of Children and Family Services	278,909	339,773
Other	117,406	162,807
Investments	847,067	1,041,342
Prepaid expenses	142,345	114,788
Land, buildings and equipment, net	1,089,696	1,156,131
Total assets	\$ 3,072,884	\$ 3,084,446
Liabilities and Net Assets		
Accounts payable	\$ 514,386	\$ 554,761
Accrued vacation pay	201,279	194,336
Deferred revenue	219,197	168,536
Line of credit		263,431
Note payable	14,146	21,731
Total	949,008	1,202,795
Net assets:		
Unrestricted net assets	1,909,422	1,514,704
Temporarily restricted net assets	214,454	366,947
Total net assets	2,123,876	1,881,651
Total liabilities and net assets	\$ 3,072,884	\$ 3,084,446

See accompanying notes to financial statements.

LYDIA HOME ASSOCIATION  
STATEMENTS OF ACTIVITIES  
for the years ended June 30, 2009 and 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues, gains and other support:						
Department of Children and Family Services						
Residential	\$ 4,001,012		\$ 4,001,012	\$ 3,460,179		\$ 3,460,179
Foster care	1,089,392		1,089,392	1,131,749		1,131,749
Other government grants	798,633		798,633	877,254		877,254
Program services fees	591,263		591,263	764,419		764,419
Milk and Lunch program	38,278		38,278	34,611		34,611
Contributions and bequests	1,562,935	135,147	1,698,082	981,114	\$ 311,353	1,292,467
Special events net of direct benefits to donors	201,255		201,255	216,156		216,156
Investment income	(192,770)		(192,770)	(61,333)		(61,333)
Other revenue	16,029		16,029	112,184		112,184
Net assets released from restrictions	<u>287,640</u>	<u>(287,640)</u>		<u>85,052</u>	<u>(85,052)</u>	
Total revenues, gains and other support	<u>8,393,667</u>	<u>(152,493)</u>	<u>8,241,174</u>	<u>7,601,385</u>	<u>226,301</u>	<u>7,827,686</u>
Expenses:						
Program services:						
Residential	4,089,434		4,089,434	3,619,305		3,619,305
Child daycare	309,176		309,176	347,676		347,676
Foster care	1,180,203		1,180,203	1,365,583		1,365,583
Urban Academies	332,295		332,295	327,415		327,415
Safe Families	641,256		641,256	315,288		315,288
Other	<u>1,161,899</u>		<u>1,161,899</u>	<u>1,446,247</u>		<u>1,446,247</u>
Total program services	7,714,263		7,714,263	7,421,514		7,421,514
Supporting services:						
Management and general	6,544		6,544	8,078		8,078
Fund raising	<u>278,142</u>		<u>278,142</u>	<u>345,519</u>		<u>345,519</u>
Total expenses	<u>7,998,949</u>		<u>7,998,949</u>	<u>7,775,111</u>		<u>7,775,111</u>
Change in net assets	394,718	(152,493)	242,225	(173,726)	226,301	52,575
Net assets at beginning of year	<u>1,514,704</u>	<u>366,947</u>	<u>1,881,651</u>	<u>1,688,430</u>	<u>140,646</u>	<u>1,829,076</u>
Net assets at end of year	<u>\$ 1,909,422</u>	<u>\$ 214,454</u>	<u>\$ 2,123,876</u>	<u>\$ 1,514,704</u>	<u>\$ 366,947</u>	<u>\$ 1,881,651</u>

See accompanying notes to financial statements.

LYDIA HOME ASSOCIATION  
STATEMENT OF FUNCTIONAL EXPENSES  
for the year ended June 30, 2009

	Program Services						Supporting Services		
	Residential	Child daycare	Foster care	Urban Academies	Safe Families	Other	Management and general	Fund Raising	Total
Employee compensation:									
Salaries	\$ 2,357,393	\$ 164,831	\$ 429,283	\$ 196,030	\$ 300,598	\$ 672,175	\$ 305,223	\$ 169,022	\$ 4,594,555
Payroll taxes and employee benefits	<u>434,691</u>	<u>37,027</u>	<u>80,111</u>	<u>32,582</u>	<u>54,958</u>	<u>137,956</u>	<u>111,234</u>	<u>36,218</u>	<u>924,777</u>
Total employee compensation	2,792,084	201,858	509,394	228,612	355,556	810,131	416,457	205,240	5,519,332
Occupancy	197,922	5,838	50,265	2,683	9,680	24,161	117,685	480	408,714
Supplies	238,675	2,061	8,088	19,974	10,996	38,232	32,971	5,950	356,947
Specific assistance to individuals	166,795	5,355	143,565	435	25,196	35,174	240	226	376,986
Foster parent payments			294,932						294,932
Transportation	127,847	214	32,795	819	27,561	10,108	1,763	2,934	204,041
Rent	8,707	159	879	20,215	41	11,031	196	13	41,241
Operational support	31,749	2,229	15,943	9,818	22,454	54,499	81,213	23,688	241,593
Contractual employees/consultants	18,680			660	60,151	62,874	77,678	10,600	230,643
Miscellaneous	<u>18,447</u>	<u>48,889</u>	<u>1,703</u>	<u>13,795</u>	<u>66,530</u>	<u>27,182</u>	<u>8,503</u>	<u>28,461</u>	<u>213,510</u>
Total direct expenses before depreciation of buildings and equipment	3,600,906	266,603	1,057,564	297,011	578,165	1,073,392	736,706	277,592	7,887,939
Depreciation of buildings and equipment	<u>41,739</u>	<u>13,781</u>	<u>25,738</u>	<u>233</u>		<u>6,266</u>	<u>22,703</u>	<u>550</u>	<u>111,010</u>
Total direct expenses	3,642,645	280,384	1,083,302	297,244	578,165	1,079,658	759,409	278,142	7,998,949
Management and general									
Salary and benefits	293,076	18,886	63,563	22,992	41,385	53,948	(493,850)		
Administrative	140,356	9,045	30,441	11,011	19,820	25,834	(236,507)		
Other	<u>13,357</u>	<u>861</u>	<u>2,897</u>	<u>1,048</u>	<u>1,886</u>	<u>2,459</u>	<u>(22,508)</u>		
Total expenses	<u>\$ 4,089,434</u>	<u>\$ 309,176</u>	<u>\$ 1,180,203</u>	<u>\$ 332,295</u>	<u>\$ 641,256</u>	<u>\$ 1,161,899</u>	<u>\$ 6,544</u>	<u>\$ 278,142</u>	<u>\$ 7,998,949</u>

See accompanying notes to financial statements.

LYDIA HOME ASSOCIATION  
STATEMENT OF FUNCTIONAL EXPENSES  
for the year ended June 30, 2008

	Program Services						Supporting Services		
	Residential	Child daycare	Foster care	Urban Academies	Safe Families	Other	Management and general	Fund Raising	Total
Employee compensation:									
Salaries	\$ 2,077,564	\$ 148,062	\$ 418,031	\$ 196,449	\$ 167,301	\$ 804,654	\$ 302,123	\$ 211,323	\$ 4,325,507
Payroll taxes and employee benefits	<u>383,333</u>	<u>36,600</u>	<u>85,802</u>	<u>26,917</u>	<u>35,355</u>	<u>165,507</u>	<u>80,439</u>	<u>47,909</u>	<u>861,862</u>
Total employee compensation	2,460,897	184,662	503,833	223,366	202,656	970,161	382,562	259,232	5,187,369
Occupancy	160,436	19,324	48,791	7,344	5,083	35,284	99,060	1,466	376,788
Supplies	195,943	2,641	11,006	20,545	9,608	42,563	35,755	8,392	326,453
Specific assistance to individuals	162,919	14,295	263,733	795	6,425	45,725		5,972	499,864
Foster parent payments			297,387						297,387
Transportation	120,727	80	31,684	714	20,551	13,536	2,189	1,536	191,017
Rent	7,375	248	1,674	19,602	47	13,914	17,569	715	61,144
Operational support	68,182	1,933	17,724	7,967	14,091	56,541	74,460	22,500	263,398
Contractual employees/consultants	22,525			714	24,000	73,918	36,445	9,035	166,637
Miscellaneous	<u>31,174</u>	<u>86,664</u>	<u>21,791</u>	<u>15,393</u>	<u>2,136</u>	<u>89,028</u>	<u>6,905</u>	<u>35,128</u>	<u>288,219</u>
Total direct expenses before depreciation of buildings and equipment	3,230,178	309,847	1,197,623	296,440	284,597	1,340,670	654,945	343,976	7,658,276
Depreciation of buildings and equipment	<u>38,204</u>	<u>3,701</u>	<u>33,737</u>	<u>268</u>		<u>7,503</u>	<u>31,879</u>	<u>1,543</u>	<u>116,835</u>
Total direct expenses	3,268,382	313,548	1,231,360	296,708	284,597	1,348,173	686,824	345,519	7,775,111
Management and general									
Salary and benefits	214,402	20,851	82,006	18,761	18,751	59,920	(414,691)		
Administrative	120,136	11,684	45,951	10,512	10,507	33,574	(232,364)		
Other	<u>16,385</u>	<u>1,593</u>	<u>6,266</u>	<u>1,434</u>	<u>1,433</u>	<u>4,580</u>	<u>(31,691)</u>		
Total expenses	<u>\$ 3,619,305</u>	<u>\$ 347,676</u>	<u>\$ 1,365,583</u>	<u>\$ 327,415</u>	<u>\$ 315,288</u>	<u>\$ 1,446,247</u>	<u>\$ 8,078</u>	<u>\$ 345,519</u>	<u>\$ 7,775,111</u>

See accompanying notes to financial statements.

LYDIA HOME ASSOCIATION  
STATEMENTS OF CASH FLOWS  
for the years ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Change in net assets	\$ 242,225	\$ 52,575
Change in unrealized and realized appreciation on investments	200,101	77,407
Gain on sale of land, buildings and equipment		(817)
Adjustments to reconcile excess of public support and revenue over expenses to net cash provided (used) by operating activities		
Depreciation	111,010	116,835
Changes in assets and liabilities:		
Receivables	106,265	(46,497)
Prepaid expenses	(27,557)	58,508
Accounts payable and accrued expenses	(33,432)	55,085
Deferred revenue	<u>50,661</u>	
Net cash provided by operating activities	<u>649,273</u>	<u>313,096</u>
Cash flows from investing activities		
Additions to land, buildings, and equipment	(44,575)	(131,668)
Proceeds from sale of land, buildings and equipment		2,025
Purchase of investments	(781,508)	(385,703)
Proceeds from sales of investments	<u>775,682</u>	<u>370,077</u>
Net cash (used) by investing activities	<u>(50,401)</u>	<u>(145,269)</u>
Cash flows from financing activities		
Proceeds from borrowings		14,428
Payments on borrowings	<u>(271,016)</u>	<u>(7,063)</u>
Net cash (used) provided by financing activities	<u>(271,016)</u>	<u>7,365</u>
Net increase in cash	327,856	175,192
Cash balance at beginning of year	<u>269,605</u>	<u>94,413</u>
Cash balance at end of year	<u>\$ 597,461</u>	<u>\$ 269,605</u>
Supplementary cash flow information:		
Interest paid	<u>\$ 6,347</u>	<u>\$ 20,043</u>

See accompanying notes to financial statements.

LYDIA HOME ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009 and 2008

NOTE 1 - NATURE OF ACTIVITIES

Lydia Home Association (the Association) provides residential and foster care to needy children. The Association also provides day care services for preschool and kindergarten children and counseling.

The organization is supported primarily by the State of Illinois, Department of Children and Family Services. Support is also received from churches, community organizations, foundations, corporations and individuals. Approximately 65% and 62% of the association's support for the years ended June 30, 2009 and 2008, respectively, came from State of Illinois contracts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Promises To Give

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Association uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Contributed Materials and Services

The Association receives donations of clothing, furniture, toys and food which are recorded as contributions and expensed in the accompanying financial statements at their estimated fair market value. In kind donations for the years ended June 30, 2009 and 2008 totaled \$219,452 and \$281,410.

During the years ended June 30, 2009 and 2008, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Association at the residents' facilities and which do not meet the requirements for recognition in the financial statements.

LYDIA HOME ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009 and 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Land, Buildings and Equipment

Donations of real estate, furniture, fixtures, equipment and vehicles are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Association reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment is depreciated using the straight-line method over the estimated useful life of the assets.

Fair Value Hierarchy

Statements of Financial Accounting Standards No. 157, *Fair Value Measurements*, (“FAS 157”) clarifies that fair value is the amount that would be exchanged to sell an asset or transfer a liability in an orderly transfer between market participants at the measurement date.

FAS 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and requires enhanced disclosures about investments that are measured at fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are as follows:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date;

LYDIA HOME ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009 and 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Hierarchy (Continued)

- Level 2 - Inputs that are quoted prices for similar assets or liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;
- Level 3 - Inputs that are unobservable.

Inputs broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

An individual investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Association. The Association considers observable data to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of that investment and does not necessarily correspond to the Association's perceived risk of that investment or the categorization of the investment portfolio held by that investment.

Investments

Amounts invested in money market funds, certificates of deposit and savings accounts are stated at cost plus reinvested interest which approximates fair market value. Investments in mutual funds, equities and corporate and U.S. Treasury bonds are stated at fair market value. Fair values are determined generally by quoted market prices in active markets at June 30, 2009 and 2008 and are therefore classified within level 1. The cost of investments sold is determined using the specific identification method with realized gains and losses included in investment income. Dividend and interest income are accrued when earned.

Income Taxes

The Association has received a determination letter from the Internal Revenue Service which stated that the Association is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code and that it has been classified as an organization that is not a private foundation under Section 509 (a)(2).

LYDIA HOME ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009 and 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 3 - RESTRICTIONS ON ASSETS

Temporarily restricted net assets at June 30, 2009 and 2008 are available for the following purposes:

	<u>2009</u>	<u>2008</u>
Lawndale Community PCIT	\$ 8,644	\$ 8,644
Rockford Academy		15,000
Safe Families	97,568	221,134
Residential		14,973
Ground force - Iowa		750
Abstinence		2,185
Romania	14,743	
Equipment	91,017	87,440
International	<u>2,482</u>	<u>16,822</u>
	<u>\$ 214,454</u>	<u>\$ 366,948</u>

LYDIA HOME ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009 and 2008

NOTE 3 - RESTRICTIONS ON ASSETS (Continued)

Temporarily restricted net assets released from restrictions during 2009 and 2008 were comprised of the following:

	<u>2009</u>	<u>2008</u>
Romania		\$ 10,578
Safe Families	\$ 221,134	
Kellogg grant - Safe Families		70,000
Abstinence	2,185	
Residential	14,973	
Ground force - Iowa	750	
Rockford Academy	15,000	
International	16,822	674
Equipment	<u>16,776</u>	<u>3,800</u>
	<u>\$ 287,640</u>	<u>\$ 85,052</u>

NOTE 4 - INVESTMENTS

The components of the Association's investments as of June 30, 2009 and 2008 are as follows:

	<u>June 30, 2009</u>		
	<u>Cost</u>	<u>Quoted Market Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Equities	\$ 396,218	\$ 441,360	\$ 45,142
Money market funds	3,210	3,210	
Foreign securities	31,902	32,489	587
Taxable municipal bonds	68,633	68,182	(451)
Annuity	45,000	69,472	24,472
Corporate and U.S. Treasury notes	<u>231,360</u>	<u>232,354</u>	<u>994</u>
Total	<u>\$ 776,323</u>	<u>\$ 847,067</u>	<u>\$ 70,744</u>

LYDIA HOME ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009 and 2008

NOTE 4 - INVESTMENTS (Continued)

	<u>June 30, 2008</u>		
	<u>Cost</u>	<u>Quoted Market Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Equities	\$ 579,088	\$ 644,301	\$ 65,213
Money market funds	258,479	258,479	
Certificates of deposit	50,000	47,524	(2,476)
Annuity	45,000	66,732	21,732
Corporate and U.S. Treasury notes	<u>25,000</u>	<u>24,306</u>	<u>(694)</u>
 Total	 <u>\$ 957,567</u>	 <u>\$ 1,041,342</u>	 <u>\$ 83,775</u>

Investment return for the years ended June 30, 2009 and 2008 follows:

	<u>2009</u>	<u>2008</u>
Dividends and interest net of fees of \$6,318 and \$11,706, respectively	\$ 7,332	\$ 16,074
Realized (loss) gain	(187,071)	2,752
Unrealized (loss)	<u>(13,031)</u>	<u>(80,159)</u>
Net (loss)	<u>(200,102)</u>	<u>(77,407)</u>
 Total investment return on investments	 <u>\$ (192,770)</u>	 <u>\$ (61,333)</u>

LYDIA HOME ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009 and 2008

NOTE 5 - PROPERTY AND EQUIPMENT

Land, buildings and equipment consist of:

	<u>2009</u>	<u>2008</u>
Land and buildings	\$ 3,161,131	\$ 3,157,417
Furniture and fixtures	715,945	707,764
Automobiles	<u>247,304</u>	<u>214,624</u>
	4,124,380	4,079,805
Less accumulated depreciation	<u>3,034,684</u>	<u>2,923,674</u>
	<u>\$ 1,089,696</u>	<u>\$ 1,156,131</u>

Depreciation expense was \$111,010 for the year ended June 30, 2009 and \$116,835 for the year ended June 30, 2008.

In 2003, the Association received a grant in the form of a housing unit. In exchange for the property the Association has entered into an Operating Agreement and agreed to, among other things, use the property in a program to provide certain foster care services for a term of 10 years. Furthermore, during the term of the Operating Agreement, in the event the Association is unable or unwilling to continue to operate the property in accordance with the terms and conditions of the Operating Agreement and all licensing standards of the Department of Children and Family Services (DCFS) or if the license issued by DCFS is revoked or suspended, the grantor has the right to compel the Association to convey the property to another entity. At June 30, 2009, this property is included in the statement of financial position in land, buildings and equipment, net at its carrying value of \$250,000 net of \$50,000 accumulated depreciation.

NOTE 6 - BENEFIT PLANS

In 2009, the Association established a 401(k) Plan in which substantially all employees having attained age 21 may participate. Employees may contribute a portion of their compensation (the salary deferral) subject to certain limits based on federal tax laws. The Association's discretionary matching contributions are to be based on a uniform percentage of the employee's salary deferral not to exceed a certain dollar amount or a certain percentage. Matching contributions vest to the employee after completion of three years of service or upon death, disability or normal retirement. There was no expense attributable to the Plan for 2009.

LYDIA HOME ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009 and 2008

NOTE 6 - PENSION PLAN (Continued)

The Association has sponsored a qualified defined benefit plan which covered substantially all full-time employees. Benefits were based on years of service and the employee's compensation during the five consecutive years of employment which produce the highest average. As of June 30, 2006, the Association froze the plan with no future benefits accruing to employees past June 30, 2006. As a result, all active participants at July 1, 2006 had their vesting increased to 100%. In January 2008, the Association's Board of Directors approved termination of the Plan effective June 30, 2008.

As a result, the Association estimated the total amount needed to fund the purchase of annuities or lump sum payments of vested benefits to participants and determined that the plan's assets approximate this cost at June 30, 2008. Accordingly, the Association adjusted an accrual established in prior years and recognized \$95,000 of other revenue in the year ended June 30, 2008. As of June 30, 2009, all distributions of Plan benefits were complete.

NOTE 7 - RELATED - PARTY TRANSACTIONS

The Association entered into various transactions with individuals or organizations in which certain Board members or employees have a direct or indirect interest. The total value of these transactions in 2009 was \$17,556 and in 2008 was \$15,530, all of which was expensed.

NOTE 8 - NOTES PAYABLE

The Association's obligation at June 30, 2009 under terms of notes payable consists of:

Note payable to a bank, due in 60 monthly installments of \$340 including interest with a final payment due September 2010, bearing interest at 6.43% collateralized by a vehicle.	\$ 4,892
Note payable to a bank, due in 60 monthly installments of \$403 including interest with a final payment due July 2011, bearing interest at 7.59% collateralized by a vehicle.	<u>9,254</u>
	<u>\$ 14,146</u>

LYDIA HOME ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009 and 2008

NOTE 8 - NOTES PAYABLE (Continued)

The future schedule maturities of the notes payable are as follows:

	Year ending <u>June 30</u>
2010	\$ 8,158
2011	5,624
2012	<u>364</u>
	<u>\$ 14,146</u>

At June 30, 2008 the Association had a revolving line of credit with its investment broker bearing interest at the brokers base rate. The line of credit was collateralized by the investment portfolio and was due on demand. The June 30, 2008 balance outstanding on this line of credit was repaid during 2009. At June 30, 2009, there is no line of credit established.

NOTE 9 - SALEM CHILDREN'S HOME

During fiscal 2005 Lydia entered into an Agreement of Affiliation (Agreement) with Salem Children's Home (Salem). Salem is an Illinois not-for-profit Christian charitable organization founded in 1896. Its purpose is to provide services and programs to help families and children.

The Agreement generally facilitated Lydia's providing management and operational services to Salem. The Agreement (and Salem's modified Bylaws) provided Lydia with certain rights regarding Salem. These rights involve, but are not limited to, the following areas: Board of Directors, governance agreements, Executive Director, budgets and other financial matters, certain major expenditures, distribution of assets, and dissolution. Management believed these rights, while significant, did not create a requirement for the consolidation of the accounts of Salem into Lydia's financial statements. Accordingly, none of the accounts of Salem are included in these financial statements.

As indicated above, Lydia provided certain management and operational services for Salem including the processing of cash disbursements. During 2008, Lydia charged Salem \$24,000 for these services. The Agreement was terminated in 2009 and no fees charged.

NOTE 10 - SUBSEQUENT EVENT

Subsequent events have been evaluated for recognition in the 2009 financial statements through October 29, 2009, the date on which the financial statements were available to be issued.

Independent Auditors' Report  
On Supplementary Statements of Functional Expenses

Our report on our audit of the basic financial statements of Lydia Home Association for the years ended June 30, 2009 and 2008 appears on page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary statements of functional expenses are presented for purposes of additional analysis and are 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.

*Scanlon + Mathews LLP*

Chicago, Illinois  
October 29, 2009

LYDIA HOME ASSOCIATION  
SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES - RESIDENTIAL  
for the year ended June 30, 2009

	<u>Resident child care</u>	<u>Education</u>	<u>Total</u>
Employee compensation:			
Salaries	\$ 2,349,739	\$ 7,654	\$ 2,357,393
Payroll taxes and employee benefits	<u>433,320</u>	<u>1,371</u>	<u>434,691</u>
Total employee compensation	2,783,059	9,025	2,792,084
Occupancy	197,922		197,922
Supplies	238,552	123	238,675
Specific assistance to individuals	166,795		166,795
Transportation	127,664	183	127,847
Rent	8,707		8,707
Operational support	31,211	538	31,749
Contractual employees/consultants	18,680		18,680
Miscellaneous	<u>18,447</u>		<u>18,447</u>
Total direct expenses before depreciation of buildings and equipment	3,591,037	9,869	3,600,906
Depreciation of buildings and equipment	<u>41,739</u>		<u>41,739</u>
Total direct expenses	3,632,776	9,869	3,642,645
Management and general			
Salary and benefits	292,278	798	293,076
Administrative	139,974	382	140,356
Other	<u>13,321</u>	<u>36</u>	<u>13,357</u>
Total expenses	<u>\$ 4,078,349</u>	<u>\$ 11,085</u>	<u>\$ 4,089,434</u>

LYDIA HOME ASSOCIATION  
SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES - RESIDENTIAL  
for the year ended June 30, 2008

	Resident child care	Education	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Employee compensation:			
Salaries	\$ 2,074,914	\$ 2,650	\$ 2,077,564
Payroll taxes and employee benefits	<u>382,813</u>	<u>520</u>	<u>383,333</u>
Total employee compensation	2,457,727	3,170	2,460,897
Occupancy	160,436		160,436
Supplies	195,943		195,943
Specific assistance to individuals	162,919		162,919
Transportation	120,552	175	120,727
Rent	7,375		7,375
Operational support	67,673	509	68,182
Contractual employees/consultants	22,525		22,525
Miscellaneous	<u>30,340</u>	<u>834</u>	<u>31,174</u>
Total direct expenses before depreciation of buildings and equipment	3,225,490	4,688	3,230,178
Depreciation of buildings and equipment	<u>38,204</u>		<u>38,204</u>
Total direct expenses	3,263,694	4,688	3,268,382
Management and general			
Salary and benefits	214,123	279	214,402
Administrative	119,980	156	120,136
Other	<u>16,364</u>	<u>21</u>	<u>16,385</u>
Total expenses	<u>\$ 3,614,161</u>	<u>\$ 5,144</u>	<u>\$ 3,619,305</u>

LYDIA HOME ASSOCIATION  
SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES - FOSTER CARE  
for the year ended June 30, 2009

	<u>Traditional</u>	<u>Adolescent</u>	<u>Special Treatment</u>	<u>Total</u>
Employee compensation:				
Salaries	\$ 271,130	\$ 31,597	\$ 126,557	\$ 429,284
Payroll taxes and employee benefits	<u>51,904</u>	<u>4,290</u>	<u>23,917</u>	<u>80,111</u>
Total employee compensation	323,034	35,887	150,474	509,395
Occupancy	35,346	2,629	12,290	50,265
Supplies	5,610	247	2,231	8,088
Specific assistance to individuals	130,606	1,571	11,389	143,566
Foster parent payments	191,072	3,822	100,038	294,932
Transportation	22,366	1,036	9,393	32,795
Rent	572	32	274	878
Operational support	10,651	697	4,595	15,943
Miscellaneous	<u>1,581</u>	<u>13</u>	<u>109</u>	<u>1,703</u>
Total direct expenses before depreciation of buildings and equipment	720,838	45,934	290,793	1,057,565
Depreciation of buildings and equipment	<u>18,374</u>	<u>551</u>	<u>6,812</u>	<u>25,737</u>
Total direct expenses	739,212	46,485	297,605	1,083,302
Management and general				
Salary and benefits	44,161	3,446	15,956	63,563
Administrative	21,148	1,651	7,642	30,441
Other	<u>2,013</u>	<u>157</u>	<u>727</u>	<u>2,897</u>
Total expenses	<u>\$ 806,534</u>	<u>\$ 51,739</u>	<u>\$ 321,930</u>	<u>\$ 1,180,203</u>

LYDIA HOME ASSOCIATION  
SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES - FOSTER CARE  
for the year ended June 30, 2008

	<u>Traditional</u>	<u>Adolescent</u>	<u>Special Treatment</u>	<u>Total</u>
Employee compensation:				
Salaries	\$ 266,310	\$ 58,133	\$ 93,588	\$ 418,031
Payroll taxes and employee benefits	<u>58,667</u>	<u>7,716</u>	<u>19,419</u>	<u>85,802</u>
Total employee compensation	324,977	65,849	113,007	503,833
Occupancy	35,675	5,078	8,038	48,791
Supplies	7,718	68	3,220	11,006
Specific assistance to individuals	233,048	16	30,669	263,733
Foster parent payments	207,638	5,827	83,922	297,387
Transportation	21,163	393	10,128	31,684
Rent	1,259	24	391	1,674
Operational support	13,995	161	3,568	17,724
Miscellaneous	<u>16,886</u>	<u>26</u>	<u>4,879</u>	<u>21,791</u>
Total direct expenses before depreciation of buildings and equipment	862,359	77,442	257,822	1,197,623
Depreciation of buildings and equipment	<u>23,601</u>	<u>1,227</u>	<u>8,909</u>	<u>33,737</u>
Total direct expenses	885,960	78,669	266,731	1,231,360
Management and general				
Salary and benefits	58,165	6,352	17,489	82,006
Administrative	32,592	3,559	9,800	45,951
Other	<u>4,444</u>	<u>486</u>	<u>1,336</u>	<u>6,266</u>
Total expenses	<u>\$ 981,161</u>	<u>\$ 89,066</u>	<u>\$ 295,356</u>	<u>\$ 1,365,583</u>

LYDIA HOME ASSOCIATION  
SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES - OTHER  
for the year ended June 30, 2009

	Doula/ Healthy Families	Abstinence	International Projects	Quad Cities	Community Counseling	Total
Employee compensation:						
Salaries	\$ 153,988	\$ 267,013	\$ 37,413	\$ 41,709	\$ 172,052	\$ 672,175
Payroll taxes and employee benefits	<u>33,866</u>	<u>54,969</u>	<u>15,970</u>	<u>8,771</u>	<u>24,380</u>	<u>137,956</u>
Total employee compensation	187,854	321,982	53,383	50,480	196,432	810,131
Occupancy	1,622	12,145	1,286	8,370	738	24,161
Supplies	8,044	17,816	9,012	1,740	1,620	38,232
Specific assistance to individuals	25,326		9,848			35,174
Transportation	1,647	2,489	4,108	882	982	10,108
Rent	10,875	98			58	11,031
Operational support	14,546	22,084	7,394	4,517	5,958	54,499
Contractual employees/consultants	500	62,374				62,874
Miscellaneous	<u>1,972</u>	<u>16,549</u>	<u>972</u>	<u>35</u>	<u>7,654</u>	<u>27,182</u>
Total direct expenses before depreciation of buildings and equipment	252,386	455,537	86,003	66,024	213,442	1,073,392
Depreciation of buildings and equipment		<u>98</u>		<u>6,098</u>	<u>70</u>	<u>6,266</u>
Total direct expenses	252,386	455,635	86,003	72,122	213,512	1,079,658
Management and general						
Salary and benefits	20,352	9,439	1,692	5,826	16,639	53,948
Administrative	9,747	4,520	811	2,790	7,966	25,834
Other	<u>928</u>	<u>430</u>	<u>77</u>	<u>265</u>	<u>759</u>	<u>2,459</u>
Total expenses	<u>\$ 283,413</u>	<u>\$ 470,024</u>	<u>\$ 88,583</u>	<u>\$ 81,003</u>	<u>\$ 238,876</u>	<u>\$ 1,161,899</u>

LYDIA HOME ASSOCIATION  
SUPPLEMENTAL STATEMENT OF FUNCTIONAL EXPENSES - OTHER  
for the year ended June 30, 2008

	<u>Salem</u>	<u>Doula/ Healthy Families</u>	<u>Abstinence</u>	<u>International Projects</u>	<u>Quad Cities</u>	<u>Community Counseling</u>	<u>Total</u>
Employee compensation:							
Salaries	\$ 23,947	\$ 158,527	\$ 267,326	\$ 36,340	\$ 67,809	250,705	804,654
Payroll taxes and employee benefits	<u>4,738</u>	<u>33,101</u>	<u>58,403</u>	<u>13,458</u>	<u>11,319</u>	<u>44,488</u>	<u>165,507</u>
Total employee compensation	28,685	191,628	325,729	49,798	79,128	295,193	970,161
Occupancy		7,633	15,992	597	7,290	3,772	35,284
Supplies	329	3,964	31,087	1,161	3,332	2,690	42,563
Specific assistance to individuals		36,121		9,604			45,725
Transportation		4,914	4,152	2,902	794	774	13,536
Rent		10,050	54	3,744		66	13,914
Operational support	1,716	10,656	23,015	5,861	5,782	9,511	56,541
Contractual employees/consultants	170	1,100	70,199		170	2,279	73,918
Miscellaneous	<u>638</u>	<u>4,402</u>	<u>28,293</u>	<u>524</u>		<u>55,171</u>	<u>89,028</u>
Total direct expenses before depreciation of buildings and equipment	31,538	270,468	498,521	74,191	96,496	369,456	1,340,670
Depreciation of buildings and equipment			98		6,467	938	7,503
Total direct expenses	31,538	270,468	498,619	74,191	102,963	370,394	1,348,173
Management and general							
Salary and benefits	2,119	18,039	9,906	1,380	6,881	21,595	59,920
Administrative	1,188	10,108	5,550	773	3,855	12,100	33,574
Other	<u>162</u>	<u>1,379</u>	<u>757</u>	<u>106</u>	<u>526</u>	<u>1,650</u>	<u>4,580</u>
Total expenses	<u>\$ 35,007</u>	<u>\$ 299,994</u>	<u>\$ 514,832</u>	<u>\$ 76,450</u>	<u>\$ 114,225</u>	<u>\$ 405,739</u>	<u>\$ 1,446,247</u>

Independent Auditors' Report  
On Supplementary Consolidated Financial Report Statements

Our report on our audit of the basic financial statements of Lydia Home Association for the year ended June 30, 2009 appears on page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of program costs and schedule of program revenues for the year ended June 30, 2009 are presented for purposes of additional analysis, as required by the Illinois Department of Children and Family Services, and are 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.

*Scanlon + Mathews LLP*

Chicago, Illinois  
October 29, 2009

**LYDIA HOME ASSOCIATION  
SCHEDULE OF PROGRAM COSTS  
Year Ended June 30, 2009**

Line #	Account Title	Agency Total	All Other Not Allocated	Program 1 Residential Care	Program 2 Traditional Foster Care	Program 3 Special Treatment Foster Care
Program Expenses:						
1.	Program Staff Salaries	\$ 3,490,517	\$ 1,130,891	\$ 1,874,550	\$ 188,075	\$ 87,789
2.	Program Clerical Staff Salaries	318,647		220,354	51,518	24,047
3.	Program Payroll Taxes and Fringe Benefits	707,869	222,338	375,388	45,470	20,968
4.	Program Consultants	82,213	63,533	18,680		
5.	Consumer Wages and Fringe Benefits					
6.	Medicine and Drugs	1,410		1,260	110	34
7.	All Other Direct Service Equipment and Supplies	116,299	47,029	62,576	722	122
8.	Staff Transportation	166,938	15,380	109,806	12,271	5,823
9.	Client Transportation	14,619	470	70	10,096	3,571
10.	Transportation To/From School					
11.	Direct Service Staff Conferences and Conventions	22,260	16,463	3,513	1,209	600
12.	Program Insurance					
13.	Direct Client Specific Assistance	376,525	41,394	166,796	130,608	11,389
14.	Telecommunication Costs Assigned to Program	69,623	30,785	20,044	6,879	2,933
15.	Foster Care Payments	294,932			191,073	100,037
16.	Other	<u>1,085</u>	<u>150</u>	<u>268</u>	<u>427</u>	<u>167</u>
17.	Total Program Expenses (Sum Lines 1 - 16)	<u>5,662,937</u>	<u>1,568,433</u>	<u>2,853,305</u>	<u>638,458</u>	<u>257,480</u>
Support Expenses:						
18.	Support Salaries	91,593		91,593		
19.	Support Payroll Taxes and Fringe Benefits	16,476		16,476		
20.	Dietary Supplies	155,093	7,331	145,944	557	276
21.	Housekeeping and Laundry Supplies	22,620	3,782	16,521	489	
22.	Other					
23.	Total Support Expenses (Sum Lines 18 - 22)	<u>285,782</u>	<u>11,113</u>	<u>270,534</u>	<u>1,046</u>	<u>276</u>
Occupancy Expenses:						
24.	Occupancy Salaries	93,903		93,903		
25.	Occupancy Payroll Taxes and Fringe Benefits	27,085		27,085		
26.	Building & Equip. Operations and Maintenance	280,346	29,748	195,132	32,747	12,064
27.	Vehicle Depreciation	21,019	600	20,419		
28.	All Other Depreciation and Amortization	66,923	19,857	21,322	18,374	6,812
29.	Vehicle Rent	17,789		17,789		
30.	All Other Lease/Rent/Taxes	43,153	31,414	8,647	2,740	274
31.	Equipment Under \$500	5,777	546	2,851	430	226
32.	Mortgage & Installment Interest	1,330		1,330		
33.	Operating Interest					
34.	Other -					
35.	Total Occupancy Expenses (Sum Lines 24 - 34)	<u>557,325</u>	<u>82,165</u>	<u>388,478</u>	<u>54,291</u>	<u>19,376</u>

LYDIA HOME ASSOCIATION  
SCHEDULE OF PROGRAM COSTS (Continued)  
Year Ended June 30, 2009

#	Line <u>Account Title</u>	<u>Program 4 Adolescent Foster Care</u>	<u>Program 5 Post Adoption</u>	<u>Program 6 Safe Families</u>	<u>Program 7 Education</u>
Program Expenses:					
1.	Program Staff Salaries	\$ 27,132	\$ 16,174	\$ 159,553	\$ 6,353
2.	Program Clerical Staff Salaries	2,770		18,657	1,301
3.	Program Payroll Taxes and Fringe Benefits	4,037	2,292	36,005	1,371
4.	Program Consultants				
5.	Consumer Wages and Fringe Benefits				
6.	Medicine and Drugs	6			
7.	All Other Direct Service Equipment and Supplies	10	118	5,640	82
8.	Staff Transportation	629	92	22,754	183
9.	Client Transportation	407		5	
10.	Transportation To/From School				
11.	Direct Service Staff Conferences and Conventions	47		428	
12.	Program Insurance				
13.	Direct Client Specific Assistance	1,571		24,767	
14.	Telecommunication Costs Assigned to Program	323	421	7,700	538
15.	Foster Care Payments	3,822			
16.	Other - staff appreciation, etc.	<u>23</u>		<u>50</u>	
17.	Total Program Expenses (Sum Lines 1 - 16)	<u>40,777</u>	<u>19,097</u>	<u>275,559</u>	<u>9,828</u>
Support Expenses:					
18.	Support Salaries				
19.	Support Payroll Taxes and Fringe Benefits				
20.	Dietary Supplies	27	3	941	14
21.	Housekeeping and Laundry Supplies			1,828	
22.	Other				
23.	Total Support Expenses (Sum Lines 18 - 22)	<u>27</u>	<u>3</u>	<u>2,769</u>	<u>14</u>
Occupancy Expenses:					
24.	Occupancy Salaries				
25.	Occupancy Payroll Taxes and Fringe Benefits				
26.	Building & Equip. Operations and Maintenance	2,603	69	7,983	
27.	Vehicle Depreciation				
28.	All Other Depreciation and Amortization	551	7		
29.	Vehicle Rent				
30.	All Other Lease/Rent/Taxes	32	5	41	
31.	Equipment Under \$500	26		1,698	
32.	Mortgage & Installment Interest				
33.	Operating Interest				
34.	Other				
35.	Total Occupancy Expenses (Sum Lines 24 - 34)	<u>3,212</u>	<u>81</u>	<u>9,722</u>	

LYDIA HOME ASSOCIATION  
SCHEDULE OF PROGRAM COSTS (Continued)  
Year Ended June 30, 2009

Line #	<u>Account Title</u>	<u>Agency Total</u>	<u>All Other Not Allocated</u>	<u>Program 1 Residential Care</u>	<u>Program 2 Traditional Foster Care</u>	<u>Program 3 Special Treatment Foster Care</u>
Administrative and Office Expenses:						
36.	Administrative Salaries	\$ 599,895	\$ 474,245	\$ 69,340	\$ 31,536	\$ 14,720
37.	Administrative Payroll Taxes and Fringe Benefits	171,907	147,063	14,104	6,037	2,782
38.	Administrative Consultants	148,428	88,277			
39.	Telecommunication Costs Not Assigned to Program	11,467	11,467			
40.	Office Supplies and Equipment	146,086	104,788	21,219	6,194	2,861
41.	Allocation of Management and General (G&A)	(1)	(591,795)	445,574	67,322	24,325
42.	Subscriptions, postage, printing, etc.	<u>443,648</u>	<u>246,358</u>	<u>179,343</u>	<u>1,649</u>	<u>108</u>
43.	Total Administrative Expenses (Sum Lines 36 - 42)	<u>1,521,430</u>	<u>480,403</u>	<u>729,580</u>	<u>112,738</u>	<u>44,796</u>
44.	Total Expenses (Sum Lines 17, 23, 35, 43)	<u>8,027,474</u>	<u>2,142,114</u>	<u>4,241,897</u>	<u>806,533</u>	<u>321,928</u>
Non-reimbursable Expenses:						
45.	Depr. On DMHDD Funded Capital Assets					
46.	Cost of Prod. And Workshop Client Wages					
47.	Other	<u>413,242</u>	<u>220,096</u>	<u>152,656</u>	<u>16,184</u>	<u>2,237</u>
48.	Total Non-reimbursable Expenses (Sum Line 45 - 47)	<u>413,242</u>	<u>220,096</u>	<u>152,656</u>	<u>16,184</u>	<u>2,237</u>
49.	Net Expenses (Line 44 minus Line 48)	<u>\$ 7,614,232</u>	<u>\$ 1,922,018</u>	<u>\$ 4,089,241</u>	<u>\$ 790,349</u>	<u>\$ 319,691</u>

LYDIA HOME ASSOCIATION  
SCHEDULE OF PROGRAM COSTS (Continued)  
Year Ended June 30, 2009

#	Line <u>Account Title</u>	<u>Program 4 Adolescent Foster Care</u>	<u>Program 5 Post Adoption</u>	<u>Program 6 Safe Families</u>	<u>Program 7 Education</u>
Administrative and Office Expenses:					
36.	Administrative Salaries	\$ 1,696		\$ 8,358	
37.	Administrative Payroll Taxes and Fringe Benefits	230		1,691	
38.	Administrative Consultants			60,151	
39.	Telecommunication Costs Not Assigned to Program				
40.	Office Supplies and Equipment	340	\$ 173	10,485	\$ 26
41.	Allocation of Management and General (G&A)	5,254	2,679	45,424	1,216
42.	Subscriptions, postage, printing etc.	<u>206</u>	<u>716</u>	<u>15,268</u>	<u>          </u>
43.	Total Administrative Expenses (Sum Lines 36 - 42)	<u>7,726</u>	<u>3,568</u>	<u>141,377</u>	<u>1,242</u>
44.	Total Expenses (Sum Lines 17, 23, 35, 43)	<u>51,742</u>	<u>22,749</u>	<u>429,427</u>	<u>11,084</u>
Non-reimbursable Expenses:					
45.	Depr. On DMHDD Funded Capital Assets				
46.	Cost of Prod. And Workshop Client Wages				
47.	Donated items, gifts, etc.	<u>249</u>	<u>716</u>	<u>21,104</u>	<u>          </u>
48.	Total Non-reimbursable Expenses (Sum Line 45 - 47)	<u>249</u>	<u>716</u>	<u>21,104</u>	<u>          </u>
49.	Net Expenses (Line 44 minus Line 48)	<u>\$ 51,493</u>	<u>\$ 22,033</u>	<u>\$ 408,323</u>	<u>\$ 11,084</u>

LYDIA HOME ASSOCIATION  
SCHEDULE OF PROGRAM REVENUES  
Year Ended June 30, 2009

Line #	<u>Account Title</u>	<u>Agency Total</u>	<u>All Other Not Allocated</u>	<u>Program 1 Residential Care</u>	<u>Program 2 Traditional Foster Care</u>	<u>Program 3 Special Treatment Foster Care</u>
	Fees + Purchase of Service:					
1.	Department of Aging					
2.	Department of Children and Family Services	\$ 5,112,438		\$ 3,993,712	\$ 742,621	\$ 308,698
3.	Department of Corrections					
4.	Medicaid Rehab Option (MRO) Payments					
5.	Department of Human Services	151,000	\$ 151,000			
6.	Department of Public Aid					
7.	Department of Public Health					
8.	Local Education Agency	70,491	70,491			
9.	Local Government					
10.	Federal Government					
11.	Other Government Agencies					
12.	Client/Family Pgm Fees (incl. SSI, SSA, Pensions)	551,396	551,396			
13.	Special Service Fees for Individual Clients					
14.	Diagnostic Service Fees					
15.	Other (specify)	<u>15,000</u>				
16.	Total Fees + Purchase of Services (Sum Lines 1 - 15)	<u>5,900,325</u>	<u>772,887</u>	<u>3,993,712</u>	<u>742,621</u>	<u>308,698</u>
	Grant Revenues:					
17.	Department of Aging					
18.	Department of Children and Family Services	100,000				
19.	Department of Corrections					
20.	Donated/Certified Fund Initiative (DFI/CFI)					
21.	Department of Human Services					
22.	Department of Public Aid					
23.	Department of Public Health					
24.	Local Education Agency					
25.	Local Government Awards					
26.	Federal Government Awards	477,141	477,141			
27.	Other Government Awards					
28.	JTPA/CETA					
29.	Other					
30.	Total Grant Revenues (Sum Lines 17 - 29)	<u>577,141</u>	<u>477,141</u>			

LYDIA HOME ASSOCIATION  
 SCHEDULE OF PROGRAM REVENUES  
 Year Ended June 30, 2009

#	Line <u>Account Title</u>	<u>Program 4 Adolescent Foster Care</u>	<u>Program 5 Post Adoption</u>	<u>Program 6 Safe Families</u>	<u>Program 7 Education</u>
	Fees + Purchase of Service:				
1.	Department of Aging				
2.	Department of Children and Family Services	\$ 38,073	\$ 22,033		\$ 7,301
3.	Department of Corrections				
4.	Medicaid Rehab Option (MRO) Payments				
5.	Department of Human Services				
6.	Department of Public Aid				
7.	Department of Public Health				
8.	Local Education Agency				
9.	Local Government				
10.	Federal Government				
11.	Other Government Agencies				
12.	Client/Family Pgm Fees (incl. SSI, SSA, Pensions)				
13.	Special Service Fees for Individual Clients				
14.	Diagnostic Service Fees				
15.	Private Grant (Gates Foundation for Urban Acad.)			\$ 15,000	
16.	Total Fees + Purchase of Services (Sum Lines 1 - 15)	<u>38,073</u>	<u>22,033</u>	<u>15,000</u>	<u>7,301</u>
	Grant Revenues:				
17.	Department of Aging				
18.	Department of Children and Family Services			100,000	
19.	Department of Corrections				
20.	Donated/Certified Fund Initiative (DFI/CFI)				
21.	Department of Human Services				
22.	Department of Public Aid				
23.	Department of Public Health				
24.	Local Education Agency				
25.	Local Government Awards				
26.	Federal Government Awards				
27.	Other Government Awards				
28.	JTPA/CETA				
29.	Other (specify)				
30.	Total Grant Revenues (Sum Lines 17 - 29)			<u>100,000</u>	

LYDIA HOME ASSOCIATION  
SCHEDULE OF PROGRAM REVENUES (Continued)  
Year Ended June 30, 2009

Line #	<u>Account Title</u>	<u>Agency Total</u>	<u>All Other Not Allocated</u>	<u>Program 1 Residential Care</u>	<u>Program 2 Traditional Foster Care</u>	<u>Program 3 Special Treatment Foster Care</u>
	Contributions & Other:					
31.	Restricted to Operations	\$ 313,847	\$ 114,793	\$ 30,865		
32.	Restricted to Capital					
33.	Unrestricted	1,388,543	1,347,836	24,456	\$ 216	\$ 5
34.	Contributions - Goods and Services	219,453	59,626	136,180	14,536	2,128
35.	Child/Adult Food Pgms (school meals, commodities)	38,278		38,278		
36.	School Transportation Payments (to/from school)					
37.	Sales of Goods and Services					
38.	Rent Income	13,800	6,000		7,800	
39.	Gain on Sale of Assets	(187,071)	(187,071)			
40.	Cafeteria and Vending Machine	2,834		2,834		
41.	Other (Sundry Income)	8,241	8,003	238		
42.	Total Contributions & Other (Sum Lines 31 - 41)	<u>1,797,925</u>	<u>1,349,187</u>	<u>232,851</u>	<u>22,552</u>	<u>2,133</u>
	Investment Income:					
43.	Income on Restricted Assets/Investments					
44.	Income on Unrestricted Assets/Investments	(5,699)	(5,699)			
45.	Total Investment Income (Sum Lines 43 and 44)	<u>(5,699)</u>	<u>(5,699)</u>			
46.	Total net assets released from restrictions		(141,568)	17,870		
47.	TOTAL REVENUES (Sum Lines 16, 30, 42, 45 46)	<u>\$ 8,269,692</u>	<u>\$ 2,451,948</u>	<u>\$ 4,244,433</u>	<u>\$ 765,173</u>	<u>\$ 310,831</u>

LYDIA HOME ASSOCIATION  
SCHEDULE OF PROGRAM REVENUES (Continued)  
Year Ended June 30, 2009

#	Line Account Title	Program 4 Adolescent Foster Care	Program 5 Post Adoption	Program 6 Safe Families	Program 7 Education
	Contributions & Other:				
31.	Restricted to Operations			\$ 168,189	
32.	Restricted to Capital				
33.	Unrestricted	\$ 1		16,029	
34.	Contributions - Goods and Services	236	\$ 236	6,511	
35.	Child/Adult Food Pgms (school meals, commodities)				
36.	School Transportation Payments (to/from school)				
37.	Sales of Goods and Services				
38.	Rent Income				
39.	Gain on Sale of Assets				
40.	Cafeteria and Vending Machine				
41.	Other (Sundry Income)				
42.	Total Contributions & Other (Sum Lines 31 - 41)	237	236	190,729	
	Investment Income:				
43.	Income on Restricted Assets/Investments				
44.	Income on Unrestricted Assets/Investments				
45.	Total Investment Income (Sum Lines 43 and 44)				
46.	Total net assets released from restrictions			123,698	
47.	TOTAL REVENUES (Sum Lines 16, 30, 42, 45 46)	\$ 38,310	\$ 22,269	\$ 429,427	\$ 7,301