

Return of Organization Exempt From Income Tax

2005

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2005 calendar year, or tax year beginning and ending

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization
LYDIA PLACE
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
PO BOX 28487
 City or town, state or country, and ZIP + 4
BELLINGHAM, WA 98228

D Employer identification number
94-3111948

E Telephone number
(360) 671-7663

F Accounting method Cash Accrual
 Other (specify) ▶

G Website: ▶ **N/A**

J Organization type (check only one) ▶ 501(c)(3) (insert no) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. **Some states require a complete return**

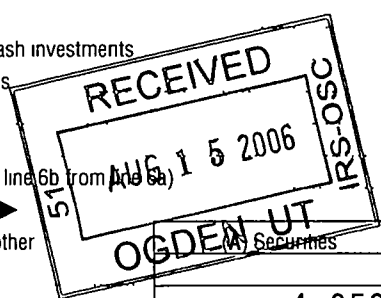
L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **333,511.**

H and I are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶ **N/A**
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶ **N/A**

M Check if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1 Contributions, gifts, grants, and similar amounts received:			
	a Direct public support	1a	106,399.	
	b Indirect public support	1b	26,849.	
	c Government contributions (grants)	1c	89,121.	
	d Total (add lines 1a through 1c) (cash \$ <u>162,126.</u> noncash \$ <u>60,243.</u>)	1d		222,369.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		4,622.
	3 Membership dues and assessments	3		
	4 Interest on savings and temporary cash investments	4		784.
	5 Dividends and interest from securities	5		6,312.
	6 a Gross rents	6a		
	b Less: rental expenses	6b		
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c		
7 Other investment income (describe ▶)	7			
8 a Gross amount from sales of assets other than inventory	8a			
b Less: cost or other basis and sales expenses	8b	4,958.		
c Gain or (loss) (attach schedule)	8c	<4,958.>		
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		<4,958.>	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a Gross revenue (not including \$ <u>0.</u> of contributions reported on line 1a)	9a	99,424.		
b Less: direct expenses other than fundraising expenses	9b	70,052.		
c Net income or (loss) from special events (subtract line 9b from line 9a)	9c	SEE STATEMENT 1	29,372.	
10 a Gross sales of inventory, less returns and allowances	10a			
b Less: cost of goods sold	10b			
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11 Other revenue (from Part VII, line 103)	11			
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		258,501.	
13 Program services (from line 44, column (B))	13		255,969.	
14 Management and general (from line 44, column (C))	14		17,130.	
15 Fundraising (from line 44, column (D))	15		14,301.	
16 Payments to affiliates (attach schedule)	16			
17 Total expenses (add lines 16 and 44, column (A))	17		287,400.	
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		<28,899.>	
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		430,171.	
20 Other changes in net assets or fund balances (attach explanation)	20		0.	
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		401,272.	



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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising	
22 Grants and allocations (attach schedule) (cash \$ <u>0.</u> noncash \$ <u>0.</u>) If this amount includes foreign grants, check here <input type="checkbox"/>					
23 Specific assistance to individuals (attach schedule)					
24 Benefits paid to or for members (attach schedule)					
25 Compensation of officers, directors, etc	39,900.	21,960.	8,970.	8,970.	
26 Other salaries and wages	151,901.	142,395.	4,753.	4,753.	
27 Pension plan contributions	2,951.	122.	2,829.		
28 Other employee benefits					
29 Payroll taxes					
30 Professional fundraising fees					
31 Accounting fees					
32 Legal fees					
33 Supplies	9,514.	9,514.			
34 Telephone	5,414.	5,414.			
35 Postage and shipping					
36 Occupancy	26,191.	26,191.			
37 Equipment rental and maintenance	5,992.	5,992.			
38 Printing and publications	3,116.	1,960.	578.	578.	
39 Travel					
40 Conferences, conventions, and meetings	5,606.	5,606.			
41 Interest					
42 Depreciation, depletion, etc (attach schedule)	15,062.	15,062.			
43 Other expenses not covered above (itemize):					
a _____	43a				
b _____	43b				
c _____	43c				
d _____	43d				
e _____	43e				
f _____	43f				
g SEE STATEMENT 2	43g	21,753.	21,753.		
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	287,400.	255,969.	17,130.	14,301.

Joint Costs. Check if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A; (ii) the amount allocated to Program services \$ N/A;

(iii) the amount allocated to Management and general \$ N/A; and (iv) the amount allocated to Fundraising \$ N/A

Part III Statement of Program Service Accomplishments (See the instructions)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ TO PROVIDE TRANSITIONAL RESIDENCE FOR WOMEN AND CHILDREN	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a <u>PROVIDE TRANSITIONAL HOUSING FOR HOMELESS WOMEN AND CHILDREN AND THE SUPPORT NEEDED TO ENABLE THEM TO MOVE FROM POVERTY TO SELF-RELIANCE.</u>	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	184,297.
b <u>PROVIDE REFERRALS AND CASE MANAGEMENT FOR FAMILIES TO ENABLE THEM TO RECEIVE PUBLIC ASSISTANCE, JOB TRAINING, EMPLOYMENT HOUSING AND CHILD CARE.</u>	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	47,354.
c <u>PROVIDE BASIC LIVING SKILLS NECESSARY FOR SUCCESSFUL REHABILITATION SUCH AS: BUDGETING, HEALTH AND NUTRITION, PARENTING, COMMUNICATION SKILLS, AND CONFIDENCE BUILDING.</u>	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	24,318.
d	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	255,969.

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year	
Assets	45 Cash - non-interest-bearing	17,456.	45	43,956.	
	46 Savings and temporary cash investments	68,884.	46	38,715.	
	47 a Accounts receivable	47a			
	b Less allowance for doubtful accounts	47b	47c		
	48 a Pledges receivable	48a			
	b Less allowance for doubtful accounts	48b	48c		
	49 Grants receivable	7,222.	49	8,968.	
	50 Receivables from officers, directors, trustees, and key employees		50		
	51 a Other notes and loans receivable	51a			
	b Less allowance for doubtful accounts	51b	51c		
	52 Inventories for sale or use	9,228.	52	8,063.	
	53 Prepaid expenses and deferred charges	4,597.	53	2,945.	
	54 Investments - securities STMT 3	<input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	122,266.	54	114,757.
	55 a Investments - land, buildings, and equipment, basis	55a			
b Less accumulated depreciation	55b	55c			
56 Investments - other	SEE STATEMENT 4	33,639.	56	33,393.	
57 a Land, buildings, and equipment, basis	57a 432,278.				
b Less accumulated depreciation STMT 5	57b 125,647.	319,014.	57c	306,631.	
58 Other assets (describe ▶ _____)			58		
59 Total assets (must equal line 74) Add lines 45 through 58		582,306.	59	557,428.	
Liabilities	60 Accounts payable and accrued expenses	8,110.	60	7,548.	
	61 Grants payable		61	4,583.	
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees		63		
	64 a Tax-exempt bond liabilities		64a		
	b Mortgages and other notes payable	144,025.	64b	144,025.	
	65 Other liabilities (describe ▶ _____)			65	
66 Total liabilities. Add lines 60 through 65)		152,135.	66	156,156.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67 Unrestricted	392,849.	67	362,204.	
	68 Temporarily restricted	7,222.	68	8,968.	
	69 Permanently restricted	30,100.	69	30,100.	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.				
	70 Capital stock, trust principal, or current funds		70		
	71 Paid-in or capital surplus, or land, building, and equipment fund		71		
	72 Retained earnings, endowment, accumulated income, or other funds		72		
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)		430,171.	73	401,272.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		582,306.	74	557,428.	

Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III.)	82b	14,766.
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b	N/A
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations. Enter a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations Enter a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations Enter. Amount of tax imposed on the organization during the year under section 4911 0.; section 4912 0.; section 4955 0.		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a	List the states with which a copy of this return is filed		NONE
b	Number of employees employed in the pay period that includes March 12, 2005	90b	9
91 a	The books are in care of		TERESA JOSEPHSON Telephone no. (360) 734-6430 Located at 1701 GLADSTONE STREET ZIP + 4 98226
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country	91b	X
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country	91c	X
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

Part VII Analysis of Income-Producing Activities (See the instructions)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue.					
a NOMINAL RENTAL FEE			03		4,622.
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	784.	
96 Dividends and interest from securities			14	6,312.	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			14	<4,958.>	
101 Net income or (loss) from special events			03	29,372.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		31,510.	4,622.
105 Total (add line 104, columns (B), (D), and (E))					36,132.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	PAYMENT OF SMALL RENTAL FEE GIVES BASIC BUDGETING EXPERIENCE FOR TRANSITIONAL HOUSING

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: *Maya Hartford* Date: 08-10-06 Type or print name and title: MAYA HARTFORD TREASURER

Preparer's Use Only

Preparer's signature: *Robert Sytsma* Date: 7/31/06 Check if self-employed: Preparer's SSN or PTIN: _____

Firm's name (or yours if self-employed), address, and ZIP + 4: VARNER SYTSMA & HERNDON, INC. P.S. 2200 RIMLAND DR., STE. 205 BELLINGHAM WA 98226

EIN: _____ Phone no.: (360) 734-8715

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

2005

Name of the organization **LYDIA PLACE** Employer identification number **94 3111948**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000 ▶	0			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶	0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services ▶	0	

Part III Statements About Activities (See page 2 of the instructions.)

	Yes	No
<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.</p>		X
<p>2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)</p>		
<p>a Sale, exchange, or leasing of property?</p>		X
<p>b Lending of money or other extension of credit?</p>		X
<p>c Furnishing of goods, services, or facilities?</p>		X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>		X
<p>e Transfer of any part of its income or assets?</p>		X
<p>3 a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)</p>		X
<p>b Do you have a section 403(b) annuity plan for your employees?</p>		X
<p>c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?</p>		X
<p>4 a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?</p>		X
<p>b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?</p>		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: Type 1 Type 2 Type 3

Provide the following information about the supported organizations. (See page 6 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	204,810.	293,885.	155,909.	104,425.	759,029.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	5,752.	5,310.	10,126.	9,148.	30,336.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	13,738.	10,553.	<763.>	3,294.	26,822.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge	14,456.	14,456.	14,456.		43,368.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	238,756.	324,204.	179,728.	116,867.	859,555.
24 Line 23 minus line 17	233,004.	318,894.	169,602.	107,719.	829,219.
25 Enter 1% of line 23	2,388.	3,242.	1,797.	1,169.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 16,584.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 0.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 829,219.
d Add: Amounts from column (e) for lines: 18 26,822. 19 _____ 22 _____ 26b _____					26d 26,822.
e Public support (line 26c minus line 26d total)					26e 802,397.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 96.7654%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A					
(2004) (2003) (2002) (2001)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A					
(2004) (2003) (2002) (2001)					
c Add. Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

NONE

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		

32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		

33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		

34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

Asset Number	Description of property							
	Date placed in service	Method/IRC sec.	Life or rate	Line No.	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
	BUILDINGS							
10	BUILDING							
	040789SL		40.00	16	82,200.		32,366.	2,055.
32	BUILDING							
	123100SL		40.00	16	144,025.		14,554.	3,601.
33	BUILDING/FEES & PERMITS							
	111300SL		40.00	16	1,316.		136.	33.
50	STORAGE ADDITION							
	080504SL		40.00	16	16,672.		174.	417.
	* 990 PAGE 2 TOTAL BUILDINGS				244,213.	0.	47,230.	6,106.
	FURNITURE & FIXTURES							
11	FIXTURES & EQUIPMENT							
	040789SL		5.00	16	6,775.		6,775.	0.
12	FREEZER							
	040190SL		5.00	16	350.		350.	0.
13	HOT WATER TANK							
	080193SL		5.00	16	558.		558.	0.
14	GAS FURNACE							
	100193SL		10.00	16	2,500.		2,500.	0.
15	GAS HOT WATER TANK							
	120193SL		5.00	16	425.		425.	0.
17	WASHER AND DRYER							
	030395SL		10.00	16	1,018.		985.	17.
18	BUNK BEDS							
	063095SL		10.00	16	323.		290.	16.
19	BUNK BEDS							
	083195SL		10.00	16	964.		834.	64.
21	APPLIANCE							
	112497SL		5.00	16	290.		290.	0.
22	COMPUTER							
	021598SL		5.00	16	500.		458.	0.
23	COMPUTER							
	090198SL		5.00	16	945.		945.	0.
24	APPLIANCE							
	102798SL		7.00	16	1,682.		1,560.	122.
25	STORAGE UNITS							
	102798SL		7.00	16	2,046.		1,899.	147.
26	APPLIANCE							
	121798SL		7.00	16	2,091.		1,943.	148.
27	KITCHEN TABLE/CHAIRS							
	121798SL		7.00	16	854.		793.	61.
28	KITCHEN APPLIANCES							
	010199SL		12.00	16	4,312.		1,975.	359.
29	VACUUM							
	012699SL		12.00	16	798.		368.	67.
34	LIGHTS							
	113000SL		7.00	16	688.		441.	98.
35	APPLIANCE							
	121100SL		7.00	16	448.		288.	64.
36	APPLIANCE							
	121400SL		7.00	16	1,084.		697.	155.

Asset Number	Description of property							
	Date placed in service	Method/IRC sec.	Life or rate	Line No.	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
37	BLINDS							
	121400	SL	7.00	16	148.		94.	21.
38	PHONES							
	122200	SL	7.00	16	647.		415.	92.
	* 990 PAGE 2 TOTAL FURNITURE & FIXTURES							
					29,446.	0.	24,883.	1,431.
	LAND							
1	LAND							
	040789	SL	.000	16	54,800.			0.
	* 990 PAGE 2 TOTAL LAND							
					54,800.	0.	0.	0.
	PROGRAM SERVICES							
2	BUILDING IMPROVEMENTS							
	070194	SL	35.00	16	4,874.		1,461.	139.
3	BUILDING IMPROVEMENTS							
	070195	SL	35.00	16	10,000.		2,477.	286.
4	BUILDING IMPROVEMENTS							
	121598	SL	39.00	16	5,638.		1,068.	145.
5	PAINTING & FLOORING							
	031797	SL	7.00	16	3,509.		3,383.	0.
6	FENCING							
	051997	SL	15.00	16	2,120.		1,059.	141.
7	VINYL-BEDROOMS							
	033198	SL	7.00	16	1,839.		1,709.	66.
8	BATHROOM REMODEL							
	061198	SL	15.00	16	21,110.		9,146.	1,407.
9	KITCHEN REMODEL							
	121798	SL	15.00	16	29,656.		12,851.	1,977.
31	KITCHEN REMODEL							
	012699	SL	20.00	16	7,289.		2,004.	364.
39	PLAY AREA							
	110503	SL	15.00	16	402.		31.	27.
40	FENCE							
	110803	SL	15.00	16	757.		58.	50.
41	COMPUTER							
	091003	SL	5.00	16	3,768.		1,005.	754.
42	COMPUTER							
	091003	SL	5.00	16	4,147.		1,105.	829.
43	NETWORK							
	092503	SL	5.00	16	2,482.		620.	496.
44	SOFTWARE-XP/WINDOWS 2003							
	090203	SL	3.00	16	234.		104.	78.
45	SOFTWARE-2004 NONPROFIT							
	123103	SL	3.00	16	446.		149.	149.
46	2004 NONPROFIT QUICKBOOKS-PORTION ON 12/31/03							
	010104	SL	3.00	16	31.		10.	10.
47	PLAY EQUIPMENT							
	030104	SL	7.00	16	1,082.		129.	155.
48	STORAGE UNITS							
	031604	SL	7.00	16	159.		17.	23.
49	PLAY YARD - TOYS							
	062804	SL	7.00	16	508.		36.	73.

FORM 990	SPECIAL EVENTS AND ACTIVITIES				STATEMENT 1
DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
WISE BUYS THRIFT STORE PEOPLE WHO CARE CHARITY AUCTION	31,038.		31,038.	41,148.	<10,110.>
HUMAN RACE WALK-A-THON	35,412.		35,412.	10,582.	24,830.
COMMUNITY GARAGE SALE	1,428.		1,428.	65.	1,363.
HOLIDAY APPEAL	14,073.		14,073.	16,439.	<2,366.>
OTHER EVENTS	17,138.		17,138.	1,818.	15,320.
	335.		335.	0.	335.
TO FM 990, PART I, LINE 9	99,424.		99,424.	70,052.	29,372.

FORM 990	OTHER EXPENSES			STATEMENT 2
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
INSURANCE	7,683.	7,683.		
OFFICE	3,379.	3,379.		
MISCELLANEOUS	155.	155.		
OUTSIDE SERVICES	8,073.	8,073.		
DUES AND SUBSCRIPTIONS	299.	299.		
STAFF AND VOLUNTEER RECOGNITION	1,141.	1,141.		
INVESTMENT EXPENSE	1,023.	1,023.		
TOTAL TO FM 990, LN 43	21,753.	21,753.		

FORM 990	NON-GOVERNMENT SECURITIES			STATEMENT 3	
SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
CHARLES SCHWAB INSTITUTIONAL	FMV			0.	
EDWARD JONES	FMV			114,757.	114,757.
TO FORM 990, LINE 54, COL B				114,757.	114,757.

FORM 990	OTHER INVESTMENTS	STATEMENT	4
DESCRIPTION	VALUATION METHOD	AMOUNT	
WHATCOM COMMUNITY ENDOWMENT	MARKET VALUE	33,393.	
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		33,393.	

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	5
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
LAND	54,800.	0.	54,800.
BUILDING IMPROVEMENTS	4,874.	1,600.	3,274.
BUILDING IMPROVEMENTS	10,000.	2,763.	7,237.
BUILDING IMPROVEMENTS	5,638.	1,213.	4,425.
PAINTING & FLOORING	3,509.	3,383.	126.
FENCING	2,120.	1,200.	920.
VINYL-BEDROOMS	1,839.	1,775.	64.
BATHROOM REMODEL	21,110.	10,553.	10,557.
KITCHEN REMODEL	29,656.	14,828.	14,828.
BUILDING	82,200.	34,421.	47,779.
FIXTURES & EQUIPMENT	6,775.	6,775.	0.
FREEZER	350.	350.	0.
HOT WATER TANK	558.	558.	0.
GAS FURNACE	2,500.	2,500.	0.
GAS HOT WATER TANK	425.	425.	0.
WASHER AND DRYER	1,018.	1,002.	16.
BUNK BEDS	323.	306.	17.
BUNK BEDS	964.	898.	66.
APPLIANCE	290.	290.	0.
COMPUTER	500.	458.	42.
COMPUTER	945.	945.	0.
APPLIANCE	1,682.	1,682.	0.
STORAGE UNITS	2,046.	2,046.	0.
APPLIANCE	2,091.	2,091.	0.
KITHCEN TABLE/CHAIRS	854.	854.	0.
KITCHEN APPLIANCES	4,312.	2,334.	1,978.
VACUUM	798.	435.	363.
KITCHEN REMODEL	7,289.	2,368.	4,921.
BUILDING	144,025.	18,155.	125,870.
BUILDING/FEES & PERMITS	1,316.	169.	1,147.
LIGHTS	688.	539.	149.
APPLIANCE	448.	352.	96.
APPLIANCE	1,084.	852.	232.
BLINDS	148.	115.	33.

LYDIA PLACE

94-3111948

DAVID BRUMBAUGH 510 BROOK WAY LYNDEN, WA 98264	DIRECTOR 2.00	0.	0.	0.
LESLEY COOKE 8231 BLAINE ROAD BLAINE, WA 98230	DIRECTOR 2.00	0.	0.	0.
CINDY DAILY 6592 ENTERPRISE ROAD FERNDAL, WA 98248	DIRECTOR 2.00	0.	0.	0.
BONNIE BRADLEY 4140 KRAMER LANE BELLINGHAM, WA 98226	DIRECTOR 2.00	0.	0.	0.
JOANNE DOUGLAS 2114 WILLIAMS STREET BELLINGHAM, WA 98225	DIRECTOR 2.00	0.	0.	0.
ROBIN KLEINHAMPL 3307 AGATE BAY LANE BELLINGHAM, WA 98226	DIRECTOR 2.00	0.	0.	0.
FRAN DODSON 482 HILLTOP DRIVE SEDRO WOOLLEY, WA 98284	DIRECTOR 2.00	0.	0.	0.
JEANNIE HAVLAND 5376 WASCHKE ROAD BELLINGHAM, WA 98226	DIRECTOR 2.00	0.	0.	0.
JENNIFER HEBERT 4038 SALT SPRING DRIVE FERNDAL, WA 98248	DIRECTOR 2.00	0.	0.	0.
PATRICIA NACHREINER 1412 40TH STREET BELLINGHAM, WA 98229	DIRECTOR 2.00	0.	0.	0.
SCOTT RICHARDSON 1901 NORTH STATE STREET, STE A BELLINGHAM, WA 98225	DIRECTOR 2.00	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V		<u>39,900.</u>	<u>0.</u>	<u>0.</u>

Depreciation and Amortization 990
 (Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

LYDIA PLACE

FORM 990 PAGE 2

Identifying number
94-3111948

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount See the instructions for a higher limit for certain businesses	105,000.
2	Total cost of section 179 property placed in service (see instructions)	
3	Threshold cost of section 179 property before reduction in limitation	420,000.
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	
6	(a) Description of property	(b) Cost (business use only)
		(c) Elected cost
7	Listed property Enter the amount from line 29	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	
9	Tentative deduction. Enter the smaller of line 5 or line 8	
10	Carryover of disallowed deduction from line 13 of your 2004 Form 4562	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	
13	Carryover of disallowed deduction to 2006 Add lines 9 and 10, less line 12	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property (other than listed property) placed in service during the tax year	
15	Property subject to section 168(f)(1) election	
16	Other depreciation (including ACRS)	15,062.

Part III MACRS Depreciation (Do not include listed property) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2005	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>

Section B - Assets Placed in Service During 2005 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property	/		27.5 yrs	MM	S/L	
	/		27.5 yrs	MM	S/L	
i Nonresidential real property	/		39 yrs	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2005 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property Enter amount from line 28	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations - see instr	15,062.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	

Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property placed in service during the tax year and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person
 If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2005 tax year.					
43 Amortization of costs that began before your 2005 tax year					43
44 Total. Add amounts in column (f) See the instructions for where to report					44