

Return of Organization Exempt from Income Tax

2004

Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

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

A For the 2004 calendar year, or tax year beginning Sep 1, 2004, and ending Aug 31, 2005

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

C Name of organization: Home Repair Services of Kent County, Inc. Number and street: 1100 S. Division Ave. City: Grand Rapids MI ZIP code: 49507

D Employer Identification Number: 38-2263817 E Telephone number: (616) 241-2601 F Accounting method: Accrual

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

- H (a) Is this a group return for affiliates? No
H (b) If 'Yes,' enter number of affiliates.
H (c) Are all affiliates included?
H (d) Is this a separate return filed by an organization covered by a group ruling? No

G Web site: N/A

J Organization type: 501(c) 3

K Check here if the organization's gross receipts are normally not more than \$25,000. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12. 2,392,147.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

Table with 21 rows and 4 columns: Description, Sub-row, Amount, Total. Includes sections for Contributions, Program service revenue, Dividends and interest from securities, Special events and activities, and Expenses.

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EXPENSES and NET ASSETS labels on the left side of the table.

**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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising	
22	Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____)	22				
23	Specific assistance to individuals (att sch)	23				
24	Benefits paid to or for members (att sch)	24				
25	Compensation of officers, directors, etc	25	65,396.	8,175.	54,043.	3,178.
26	Other salaries and wages	26	737,274.	657,222.	22,828.	57,224.
27	Pension plan contributions	27	10,831.	8,423.	1,401.	1,007.
28	Other employee benefits	28	127,795.	96,913.	18,998.	11,884.
29	Payroll taxes	29	69,489.	54,039.	8,988.	6,462.
30	Professional fundraising fees	30	0.	0.	0.	0.
31	Accounting fees	31	8,700.	0.	8,700.	0.
32	Legal fees	32	2,970.	0.	2,970.	0.
33	Supplies	33	26,160.	26,160.	0.	0.
34	Telephone	34	8,235.	0.	8,235.	0.
35	Postage and shipping	35	7,639.	0.	4,214.	3,425.
36	Occupancy	36	55,373.	0.	55,373.	0.
37	Equipment rental and maintenance	37	1,858.	0.	1,858.	0.
38	Printing and publications	38	11,862.	0.	7,592.	4,270.
39	Travel	39	11,323.	0.	11,220.	103.
40	Conferences, conventions, and meetings	40	0.	0.	0.	0.
41	Interest	41	0.	0.	0.	0.
42	Depreciation, depletion, etc (attach schedule)	42	98,004.	18,094.	79,910.	0.
43	Other expenses not covered above (itemize)					
a	Materials	43a	490,443.	490,443.	0.	0.
b	Subcontractors	43b	367,546.	367,546.	0.	0.
c	Vehicle expenses	43c	36,168.	36,168.	0.	0.
d	Mortgage assistance expenses	43d	107,885.	107,885.	0.	0.
e	See Other Expenses Stmt	43e	111,501.	0.	108,575.	2,926.
44	Total functional expenses (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	2,356,452.	1,871,068.	394,905.	90,479.

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 \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_, (iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments**

What is the organization's primary exempt purpose? <u>Household repairs and supplies</u> 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) & (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants & allocations to others)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a <u>Homeownership retention services for low income homeowners</u> <u>(Critical repairs, Handicap Access Modifications, Lead Poisoning Prevention and Financial Counseling)</u> (Grants and allocations \$ 0.)	1,072,500.
b <u>Services to help low income homeowners maintain their own homes.</u> <u>(Tool Library, Surplus Building Material Store and Educational Classes)</u> (Grants and allocations \$ 0.)	331,678.
c <u>Volunteer Coordination, Fundraising and Other</u> (Grants and allocations \$ 0.)	52,625.
d <u>Donated goods and services</u> (Grants and allocations \$ 0.)	414,265.
e <u>Other program services</u> (Grants and allocations \$ )	
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)	<b>1,871,068.</b>

**Part IV Balance Sheets** (See Instructions)

		(A) Beginning of year		(B) End of year
<b>Note:</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only				
<b>A S S E T S</b>	45 Cash – non-interest-bearing	54,959.	45	58,545.
	46 Savings and temporary cash investments	1,036,489.	46	1,048,290.
	47a Accounts receivable	47a 57,347.		
	b Less allowance for doubtful accounts	47b	42,734.	47c 57,347.
	48a Pledges receivable	48a 101,500.		
	b Less allowance for doubtful accounts	48b 1,500.	100,000.	48c 100,000.
	49 Grants receivable		78,241.	49 85,044.
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			50
	51a Other notes & loans receivable (attach sch)	51a		
	b Less allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use		99,974.	52 93,393.
	53 Prepaid expenses and deferred charges		1,843.	53 950.
	54 Investments – securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54
	55a Investments – land, buildings, & equipment basis	55a		
	b Less accumulated depreciation (attach schedule)	55b		55c
	56 Investments – other (attach schedule)			56
	57a Land, buildings, and equipment basis	57a 2,654,627.		
	b Less accumulated depreciation (attach schedule) L-57 Stmt	57b 680,600.	2,072,030.	57c 1,974,027.
	58 Other assets (describe <input type="checkbox"/> See Line 58 Stmt )		5,768.	58 5,768.
59 <b>Total assets</b> (add lines 45 through 58) (must equal line 74)		3,492,038.	59 3,423,364.	
<b>L I A B I L I T I E S</b>	60 Accounts payable and accrued expenses		60 58,675.	109,090.
	61 Grants payable		61	
	62 Deferred revenue		62 50,271.	60,186.
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b 200,000.	100,000.
	65 Other liabilities (describe <input type="checkbox"/> )		65 26,454.	6,751.
66 <b>Total liabilities</b> (add lines 60 through 65)		66 335,400.	276,027.	
<b>N E T A S S E T S O R F U N D B A L A N C E S</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74</b>			
	67 Unrestricted		67 3,104,516.	3,077,173.
	68 Temporarily restricted		68 52,122.	70,164.
	69 Permanently restricted		69 0.	0.
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74</b>			
	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 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		73 3,156,638.	3,147,337.
	74 <b>Total liabilities and net assets/fund balances</b> (add lines 66 and 73)		74 3,492,038.	3,423,364.

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.

BAA

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return** (See instructions.)

<b>a</b>	Total revenue, gains, and other support per audited financial statements	<b>a</b>	2,392,147.
<b>b</b>	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify)		
	Expenses on Line 9 \$ 44,996.		
	Add amounts on lines (1) through (4)	<b>b</b>	44,996.
<b>c</b>	Line a minus line b	<b>c</b>	2,347,151.
<b>d</b>	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify)		
	Add amounts on lines (1) and (2)	<b>d</b>	
<b>e</b>	Total revenue per line 12, Form 990 (line c plus line d)	<b>e</b>	2,347,151.

**Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return**

<b>a</b>	Total expenses and losses per audited financial statements	<b>a</b>	2,401,448.
<b>b</b>	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify)		
	Add amounts on lines (1) through (4)	<b>b</b>	
<b>c</b>	Line a minus line b	<b>c</b>	2,401,448.
<b>d</b>	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify)		
	Expenses on Line 9B \$ -44,996.		
	Add amounts on lines (1) and (2)	<b>d</b>	-44,996.
<b>e</b>	Total expenses per line 17, Form 990 (line c plus line d)	<b>e</b>	2,356,452.

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated, see instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
Paulateer, Jason 171 Monroe NW Grand Rapids, MI	Chairperson 1	0.	0.	0.
Vis, Ruth 200 Ottawa Ave NW Grand Rapids, MI	Vice-Chair 1	0.	0.	0.
Romero, John PO Box 2450 Grand Rapids, MI	Secretary 1	0.	0.	0.
Deppe, Bob 1235 76th ST SW Byron Center, MI	Treasurer 1	0.	0.	0.
Geary, Maureen 2554 Annchester DR Grand Rapids, MI	Director 1	0.	0.	0.
See List of Officers, Etc Statement		65,396.	9,605.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?  
If 'Yes,' attach schedule - see instructions

Yes  No

Part VI Other Information (See instructions)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	If 'Yes,' has it filed a tax return on Form 990-T for this year?		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
81a	Enter direct and indirect political expenditures See line 81 instructions <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81b	Did the organization file Form 1120-POL for this year?		X
82a	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?		X
82b	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)		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85a	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	N/A	
85b	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	N/A	
85c	Dues, assessments, and similar amounts from members	N/A	
85d	Section 162(e) lobbying and political expenditures	N/A	
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
85h	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?	N/A	
86a	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	N/A	
86b	Gross receipts, included on line 12, for public use of club facilities	N/A	
87a	501(c)(12) organizations Enter a Gross income from members or shareholders	N/A	
87b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	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		X
89a	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.		
89b	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		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.
90a	List the states with which a copy of this return is filed Michigan		
90b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions)		29
91	The books are in care of David Jacobs Telephone number (616) 241-2601 Located at 1100 S Division Ave, Grand Rapids, MI ZIP + 4 49507		
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		

**Part VII Analysis of Income-Producing Activities** (See 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) Exclusion code	(D) Amount	
93 Program service revenue:					
a Contracts					504,067.
b User Fees					70,882.
c Builders' Abundance					216,033.
d					
e					
f Medicare/Medicaid payments . . . . .					
g Fees & contracts from government agencies . . . . .					
94 Membership dues and assessments . . . . .					
95 Interest on savings & temporary cash invmnts . . . . .			14	21,898.	
96 Dividends & interest from securities . . . . .					
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 pers prop . . . . .					
99 Other investment income . . . . .					
100 Gain or (loss) from sales of assets other than inventory . . . . .					
101 Net income or (loss) from special events . . . . .			01	105,876.	
102 Gross profit or (loss) from sales of inventory . . . . .					
103 Other revenue: a					
b Other income					6,452.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E)) . . . . .				127,774.	797,434.
105 Total (add line 104, columns (B), (D), and (E)) . . . . .					925,208.

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 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	Provides services to low-income families which are paid for by other non-profit organizations. Value of materials donated to Builders' Abundance Program at reduced rates. Minimum fee paid
	See Relationship of Activities to the Accomplishment of Exempt Purposes Statement

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See instructions) N/A

(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
	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See 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 3870 and Form 4720 (see instructions).

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.

**Please Sign Here**

Signature of officer: David Jacobs Date: 6/12/06

Type or print name and title: David Jacobs, Executive Director

**Paid Preparer's Use Only**

Preparer's signature: Bradley H. Solomon, CPA Date: 06/09/06 Check if self-employed:  Preparer's SSN or PTIN (See General Instruction W): P00127847

Firm's name (or yours if self-employed), address, and ZIP + 4: West Michigan CPA Services PLLC  
2524 Woodmeadow Drive Suite A  
Grand Rapids MI 49546-8031 EIN: 20-3468683 Phone no: (616) 855-4384

**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 Section 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

**2004**

Name of the organization Home Repair Services of Kent County, Inc.	Employer identification number 38-2263817
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**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See 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 and deferred compensation	(e) Expense account and other allowances
Bob Hengeveld Grand Rapids, MI	Manager 40	50,593.	9,434.	0.
Henry Kroondyk Grand Rapids, MI	Manager 40	55,695.	10,444.	0.
Total number of other employees paid over \$50,000 ▶	None			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See 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 ▶	None	

**Part III** Statements About Activities (See instructions)

Yes No

**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)

**1** X

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

**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.)

**a** Sale, exchange, or leasing of property?

**2a** X

**b** Lending of money or other extension of credit?

**2b** X

**c** Furnishing of goods, services, or facilities?

**2c** X

**d** Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

**2d** X

**e** Transfer of any part of its income or assets?

**2e** X

**3a** 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.)

**3a** X

**b** Do you have a section 403(b) annuity plan for your employees?

**3b** X

**4a** Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?

**4a** X

**b** Do you provide credit counseling, debt management, credit repair, or debt negotiation services?

**4b** X

**Part IV** Reason for Non-Private Foundation Status (See 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)** section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See 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 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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants See line 28)	1,519,483.	1,528,569.	1,600,754.	1,204,456.	5,853,262.
<b>16</b> Membership fees received					
<b>17</b> 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					
<b>18</b> 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	18,610.	24,550.	27,966.	23,925.	95,051.
<b>19</b> Net income from unrelated business activities not included in line 18					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
<b>21</b> 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					
<b>22</b> Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					
<b>23</b> Total of lines 15 through 22	1,538,093.	1,553,119.	1,628,720.	1,228,381.	5,948,313.
<b>24</b> Line 23 minus line 17	1,538,093.	1,553,119.	1,628,720.	1,228,381.	5,948,313.
<b>25</b> Enter 1% of line 23	15,381.	15,531.	16,287.	12,284.	
<b>26 Organizations described on lines 10 or 11:</b>	<p><b>a</b> Enter 2% of amount in column (e), line 24</p> <p><b>b</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 2000 through 2003 exceeded the amount shown in line 26a Do not file this list with your return Enter the total of all these excess amounts</p> <p><b>c</b> Total support for section 509(a)(1) test Enter line 24, column (e)</p> <p><b>d</b> Add Amounts from column (e) for lines <b>18</b> 95,051. <b>19</b> _____</p> <p><b>22</b> _____ <b>26b</b> _____</p> <p><b>e</b> Public support (line 26c minus line 26d total)</p> <p><b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))</p>				<p><b>26a</b> 118,966.</p> <p><b>26b</b> _____</p> <p><b>26c</b> 5,948,313.</p> <p><b>26d</b> 95,051.</p> <p><b>26e</b> 5,853,262.</p> <p><b>26f</b> 98.40 %</p>
<b>27 Organizations described on line 12:</b>	<p><b>a</b> 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</p> <p>(2003) _____ (2002) _____ (2001) _____ (2000) _____</p> <p><b>b</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 11, 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</p> <p>(2003) _____ (2002) _____ (2001) _____ (2000) _____</p> <p><b>c</b> Add Amounts from column (e) for lines <b>15</b> _____ <b>16</b> _____</p> <p><b>17</b> _____ <b>20</b> _____ <b>21</b> _____</p> <p><b>d</b> Add Line 27a total _____ and line 27b total _____</p> <p><b>e</b> Public support (line 27c total minus line 27d total)</p> <p><b>f</b> Total support for section 509(a)(2) test Enter amount from line 23, column (e) <b>27f</b> _____</p> <p><b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))</p> <p><b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))</p>				<p><b>27c</b> _____</p> <p><b>27d</b> _____</p> <p><b>27e</b> _____</p> <p><b>27g</b> _____ %</p> <p><b>27h</b> _____ %</p>
<b>28 Unusual Grants:</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, 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					

**Part V Private School Questionnaire** (See instructions )  
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	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?	32 a		
	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32 b		
	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32 c		
	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 ) ----- -----	32 d		
33	Does the organization discriminate by race in any way with respect to			
	a Students' rights or privileges?	33 a		
	b Admissions policies?	33 b		
	c Employment of faculty or administrative staff?	33 c		
	d Scholarships or other financial assistance?	33 d		
	e Educational policies?	33 e		
	f Use of facilities?	33 f		
	g Athletic programs?	33 g		
	h Other extracurricular activities?  If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement ) ----- ----- -----	33 h		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34 a		
	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	34 b		
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	35		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See instructions )  
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check **a**  if the organization belongs to an affiliated group Check **b**  if you checked 'a' and 'limited control' provisions apply

<b>Limits on Lobbying Expenditures</b>		<b>(a)</b> Affiliated group totals	<b>(b)</b> To be completed for ALL electing organizations												
(The term 'expenditures' means amounts paid or incurred )															
<b>36</b>	Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>													
<b>37</b>	Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>													
<b>38</b>	Total lobbying expenditures (add lines 36 and 37)	<b>38</b>													
<b>39</b>	Other exempt purpose expenditures	<b>39</b>													
<b>40</b>	Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>													
<b>41</b>	Lobbying nontaxable amount Enter the amount from the following table -- <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"><b>If the amount on line 40 is --</b></td> <td style="width: 50%;"><b>The lobbying nontaxable amount is --</b></td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </table>	<b>If the amount on line 40 is --</b>	<b>The lobbying nontaxable amount is --</b>	Not over \$500,000	20% of the amount on line 40	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000	<b>41</b>	
<b>If the amount on line 40 is --</b>	<b>The lobbying nontaxable amount is --</b>														
Not over \$500,000	20% of the amount on line 40														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
<b>42</b>	Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>													
<b>43</b>	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	<b>43</b>													
<b>44</b>	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	<b>44</b>													
<b>Caution:</b> If there is an amount on either line 43 or line 44, you must file Form 4720															

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below  
 See the instructions for lines 45 through 50 )

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
<b>45</b> Lobbying nontaxable amount					
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots non-taxable amount					
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					
<b>50</b> Grassroots lobbying expenditures					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See instructions )

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a** Volunteers
- b** Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c** Media advertisements
- d** Mailings to members, legislators, or the public
- e** Publications, or published or broadcast statements
- f** Grants to other organizations for lobbying purposes
- g** Direct contact with legislators, their staffs, government officials, or a legislative body
- h** Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i** Total lobbying expenditures (add lines c through h.)

Yes	No	Amount

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities



**Depreciation and Amortization**  
**(Including Information on Listed Property)**

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

Name(s) shown on return

Home Repair Services of Kent County, Inc.

Identifying number

38-2263817

Business or activity to which this form relates

Form 990 / Form 990EZ

**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 instructions for a higher limit for certain businesses	1	\$102,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$410,000.
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2003 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2005 Add lines 9 and 10, less line 12	▶ 13	

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 depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	79,910.

**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 2004	17	
18	If you are electing under section 168(i)(4) 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 2004 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	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

**Section C – Assets Placed in Service During 2004 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	21	18,094.
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 instructions	22	98,004.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

**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 instructions for limits for passenger automobiles)**

<b>24a</b> Do you have evidence to support the business/investment use claimed?					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>24b</b> If 'Yes,' is the evidence written?			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> 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		
<b>25</b> Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							25				
<b>26</b> Property used more than 50% in a qualified business use (see instructions):											
Vehicles		100.00	167,360.	167,360.			18,094.				
<b>27</b> Property used 50% or less in a qualified business use (see instructions)											
<b>28</b> Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							28	18,094.			
<b>29</b> 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

30 Total business/investment miles driven during the year (do not include commuting miles – see instructions)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
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												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?		X										
35 Was the vehicle used primarily by a more than 5% owner or related person?		X										
36 Is another vehicle available for personal use?	X											

**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 (see instructions)

<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		Yes	No
<b>38</b> Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See instructions for vehicles used by corporate officers, directors, or 1% or more owners			
<b>39</b> Do you treat all use of vehicles by employees as personal use?			
<b>40</b> 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?			
<b>41</b> Do you meet the requirements concerning qualified automobile demonstration use? (see instructions)			
<b>Note:</b> 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
<b>42</b> Amortization of costs that begins during your 2004 tax year (see instructions)					
<b>43</b> Amortization of costs that began before your 2004 tax year					43
<b>44</b> Total. Add amounts in column (f) See instructions for where to report					44

Form 990, Page 1, Part I, Line 9

**Special Events and Activities Statement**

List of Three Largest Events and Type and Number of Others	Gross Receipts	Less Contributions	Gross Revenue	Less Direct Expenses	Net Income (Loss)
Making it Home	67,903.	5,456.	62,447.	25,757.	36,690.
Resourceful Homeowner Cele	100,425.	12,000.	88,425.	19,239.	69,186.
Total	<u>168,328.</u>	<u>17,456.</u>	<u>150,872.</u>	<u>44,996.</u>	<u>105,876.</u>

Form 990, Page 2, Part II, Line 43

**Other Expenses Stmt**

Other expenses not covered above (itemize)	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Insurance	20,886.	0.	20,886.	0.
Office expense	8,834.	0.	8,309.	525.
Dues & memberships	0.	0.	0.	0.
Small office eq	7,221.	0.	7,221.	0.
Computer programming	31,106.	0.	30,006.	1,100.
Advertising	6,165.	0.	5,174.	991.
Uniforms	298.	0.	298.	0.
Education	5,541.	0.	5,231.	310.
Acknowledgement	1,811.	0.	1,811.	0.
MIH Expenses	0.	0.	0.	0.
Raise the Roof	3,846.	0.	3,846.	0.
Other	25,793.	0.	25,793.	0.
Total	<u>111,501.</u>	<u>0.</u>	<u>108,575.</u>	<u>2,926.</u>

Form 990, Page 3, Part IV, Lines 57a &amp; 57b

**Land, Buildings and Equipment Statement**

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
Building	320,248.	70,754.	249,494.
Building improvements	1,978,510.	380,681.	1,597,829.
Office Equipment	84,474.	61,126.	23,348.
Vehicles	167,360.	152,169.	15,191.
Operating equipment	15,870.	15,870.	0.
Land	88,165.	0.	88,165.
Total	<u>2,654,627.</u>	<u>680,600.</u>	<u>1,974,027.</u>

Form 990, Page 3, Part IV, Line 58

**Other Assets Statement**

Line 58 - Other Assets:	Beginning of Year	End of Year
Long term deposits	5,768.	5,768.
Total	<u>5,768.</u>	<u>5,768.</u>

Form 990, Page 4, Part V

**List of Officers, Etc. Statement**

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
Lanser, Peter 441 E Roosevelt Zeeland, MI	Director 1	0.	0.	0.
Larsen, Judith 2861 Winesap NE Grand Rapids, MI	Director 1	0.	0.	0.
Welch-Lykins, Elizabeth 15 S Division, Ste 100 Grand Rapids, MI	Director 1	0.	0.	0.
Morris, Timothy 4633 Patterson SE Kentwood, MI	Director 1	0.	0.	0.
Roth, Robert 861 47th St SW Grand Rapids, MI	Director 1	0.	0.	0.
Jacobs, David 1349 Benjamin SE Grand Rapids, MI	Exec. Director 40	65,396.	9,605.	0.
Total		<u>65,396.</u>	<u>9,605.</u>	<u>0.</u>

Form 990, Page 6, Part VIII

**Relationship of Activities to the Accomplishment of Exempt Purposes Statement**

Line Number ▼	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)
	by homeowners for repairs and materials. Education classes for low-income homeowners relating to repairs of homes.

## Application for Extension of Time to File an Exempt Organization Return

Department of the Treasury  
Internal Revenue Service

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
  - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Automatic 3-Month Extension of Time – Only submit original (no copies needed)**

**Form 990-T corporations** requesting an automatic 6-month extension – check this box and complete Part I only

*All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041*

**Electronic Filing (e-file).** Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6-months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile).

<b>Type or print</b> File by the due date for filing your return. See instructions.	Name of Exempt Organization	Employer identification number
	Home Repair Services of Kent County, Inc.	38-2263817
	Number, street, and room or suite number. If a P.O. box, see instructions.	
	1100 S Division Ave.	
	City, town or post office. For a foreign address, see instructions	state ZIP code
	Grand Rapids	MI 49507

**Check type of return to be filed** (file a separate application for each return):

- |  |  |                                    |
|--|--|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation)                    | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)         | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 1041-A                                 | <input type="checkbox"/> Form 8870 |

• The books are in the care of ▶ David Jacobs -----

Telephone No. ▶ (616) 241-2601 ----- FAX No. ▶ (616) 241-5151 -----

- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the **whole** group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until Apr 17, 20 06, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
  - ▶  calendar year 20\_\_ or
  - ▶  tax year beginning Sep 1, 20 04, and ending Aug 31, 20 05.
- 2 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period
- 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ \_\_\_\_\_ 0.
- b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ \_\_\_\_\_ 0.
- c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ \_\_\_\_\_ 0.

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

**BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.**

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868
- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

<b>Part II Additional (not automatic) 3-Month Extension of Time – Must File Original and One Copy.</b>		
<b>Type or print</b>	Name of Exempt Organization	Employer identification number
	Home Repair Services of Kent County, Inc.	38-2263817
	Number, street, and room or suite number. If a P.O. box, see instructions	For IRS use only
	1100 S. Division Ave.	
File by the extended due date for filing the return. See instructions	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	Grand Rapids MI 49507	

**Check type of return to be filed (File a separate application for each return)**

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 4720	

**STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- The books are in care of  David Jacobs  
Telephone No.  (616) 241-2601 FAX No.
- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organizations four digit Group Exemption Number (GEN) \_\_\_\_\_ . If this is for the whole group, check this box  . If it is part of the group, check this box  and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until Jul 17, 2006.

5 For calendar year \_\_\_\_\_, or other tax year beginning Sep 1, 2004, and ending Aug 31, 2005

6 If this tax year is for less than 12 months, check reason.  Initial return  Final return  Change in accounting period

7 State in detail why you need the extension See attached statement.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ \_\_\_\_\_ 0.

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ \_\_\_\_\_ 0.

c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ \_\_\_\_\_ 0.

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature Bradley H. Solomon Title  Certified Public Accountant Date  04/15/06

**Notice to Applicant – To be Completed by the IRS**

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely filed return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
- Other. \_\_\_\_\_

Director \_\_\_\_\_ By \_\_\_\_\_ Date \_\_\_\_\_

**Alternate Mailing Address –** Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above

<b>Type or print</b>	Name
	Bradley H. Solomon, CPA
	Number and street (include suite, room, or apartment number) or a P.O. box number
	2524 Woodmeadow Drive Suite A
	City or town, province or state, and country (including postal or ZIP code)
	Grand Rapids MI 49546-8031

Reminder Notes and Narratives

Home Repair Services of Kent County, Inc.

38-2263817

8868 p2- 990: Line 7 text 2

Additional time is required to properly prepare and file the Organization's annual return. The Organization's in-house accountant has contracted a significant illness and a new Financial Manager has been recently hired. These conditions have delayed the completion of the annual audited financial statements which are needed to complete the return and are required to be filed with the return. Every effort has been made to complete the preparation of the return on time. To ensure that all information is properly reflected, additional time will be required.

# *Home Repair Services of Kent County, Inc.*

(A Michigan Non-Profit Organization)

## Financial Statements

August 31, 2005 and 2004



**Home  
Repair  
Services**

*Resources for Home Owners*



**West Michigan CPA Services, PLLC**

**Home Repair Services of Kent County, Inc.**  
(A Non-Profit Organization)

**Table of Contents**

**Independent Auditor's Report**

**Financial Statements**

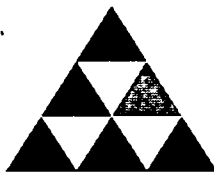
Comparative Statement of Financial Position	1
Comparative Statement of Activities	3
Comparative Statement of Cash Flows	4

<b>Notes to the Financial Statements</b>	<b>5</b>
--	----------

**Supplemental Information**

Schedule of Functional Receipts and Expenses	14
Schedule of Federal Awards	16
Schedule of Findings and Questioned Costs	17
Report on Compliance and on Internal Control over Financial Reporting in Accordance with Governmental Auditing Standards	18
Report on Compliance with Requirements Applicable to Major Programs and on Internal Control over Compliance in Accordance with OMB Circular A-133	19
Management Letter	21





# West Michigan CPA Services, PLLC

2524 Woodmeadow Dr. S.E., Suite A, Grand Rapids, MI 49546  
Tel. (616)855-4384 E-mail. brads@wmcipaservices.com

To the Board of Directors  
Home Repair Services of Kent County, Inc.  
1110 S. Division Ave.  
Grand Rapids, Michigan

## Independent Auditor's Report

I have audited the accompanying statement of financial position of Home Repair Services of Kent County, Inc., a Michigan non-profit organization, as of August 31, 2005 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to report on these financial statements based on my audit. The financial statements of Home Repair Services of Kent County, Inc. as of August 31, 2004 were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated January 28, 2005.

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

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Home Repair Services of Kent County, Inc. as of August 31, 2005 and 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated March 1, 2006 on my consideration of the Organization's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

Member  
American Institute of Certified Public Accountants  
Michigan Association of Certified Public Accountants  
Institute of Managerial Accountants



America Counts on CPAs



My audit was performed for the purpose of forming an opinion on the basic financial statements of the Organization taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133 "Audits of States, Local Governments and Nonprofit Organizations", and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole

The accompanying Schedule of Functional Receipts and Expenses is presented for purposes of additional analysis and is not a required part of the above financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*West Michigan CPA Services, PLLC.*

West Michigan CPA Services, PLLC

March 1, 2006

# Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

## Statement of Financial Position

August 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents:		
Checking and savings	\$ 537,105	\$ 336,906
Cash - designated	549,714	746,253
Cash - restricted	20,016	8,289
Accounts receivable:		
Trade	56,772	42,833
Grants	85,044	78,241
Employees	575	(99)
Inventory:		
Work in process	23,806	24,919
Material	4,122	4,942
Builder's Abundance	65,465	70,113
Pledges receivable	1,500	1,500
Prepaid expenses	950	1,843
<b>Total Current Assets</b>	<u><b>1,345,069</b></u>	<u><b>1,315,740</b></u>
<b>Property and Equipment</b>	2,654,627	2,657,721
Less accumulated depreciation	(680,600)	(585,691)
<b>Net Property and Equipment</b>	<u><b>1,974,027</b></u>	<u><b>2,072,030</b></u>
<b>Other Assets</b>		
Long-term pledges receivable		
(Less allowances for uncollected pledges of \$1,500 and \$1,500)	98,500	98,500
Long-term deposits	5,768	5,768
<b>Total Other Assets</b>	<u><b>104,268</b></u>	<u><b>104,268</b></u>
<b>TOTAL ASSETS</b>	<u><b>\$ 3,423,364</b></u>	<u><b>\$ 3,492,038</b></u>



See accompanying notes and independent auditor's report.

# Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

## Statement of Financial Position

August 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
<b><u>LIABILITIES</u></b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 109,090	\$ 58,675
Deferred income:		
Agency	60,186	50,271
Accrued expenses:		
Other expenses	6,751	26,454
Current portion of long-term debt	100,000	200,000
<b>Total Current Liabilities</b>	<u>276,027</u>	<u>335,400</u>
<b>Long Term Liabilities</b>		
Note payable, building	100,000	200,000
Less current portion	<u>(100,000)</u>	<u>(200,000)</u>
<b>Net Long Term Liabilities</b>	<u>-</u>	<u>-</u>
<b><u>NET ASSETS</u></b>		
Unrestricted	3,077,173	3,104,516
Temporarily restricted	70,164	52,122
Permanently restricted	<u>-</u>	<u>-</u>
<b>Total Net Assets</b>	<u>3,147,337</u>	<u>3,156,638</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		
	<u>\$ 3,423,364</u>	<u>\$ 3,492,038</u>



See accompanying notes and independent auditor's report.

Page 2

# Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

## Statement of Activities

For the years ended August 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
<b><u>UNRESTRICTED NET ASSETS</u></b>		
<b>Support and Revenue</b>		
Community Development Block Grant	\$ 751,099	\$ 765,719
Contributions	362,723	273,611
Donated goods and services	421,068	372,308
Grants and private contracts	504,067	381,511
Program income returned to Grand Rapids, Kent County and Wyoming	(92,907)	(101,150)
Sales receipts - Builders' Abundance	216,033	229,729
Mortgage Assistance Donations	107,885	106,926
User fees	70,882	42,945
Other income	6,452	26,377
Interest	21,898	18,609
<b>Total Support and Revenues</b>	<b><u>2,369,200</u></b>	<b><u>2,116,585</u></b>
<b>Net Assets Released from Restrictions</b>	<b><u>4,905</u></b>	<b><u>28,831</u></b>
<b>Total Unrestricted Net Assets</b>	<b><u>2,374,105</u></b>	<b><u>2,145,416</u></b>
<b>Expenses</b>		
Program services	1,884,449	1,593,467
Supporting services	516,999	541,275
<b>Total Expenses</b>	<b><u>2,401,448</u></b>	<b><u>2,134,742</u></b>
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<b><u>(27,343)</u></b>	<b><u>10,674</u></b>
<b><u>TEMPORARILY RESTRICTED NET ASSETS</u></b>		
Restricted donations	22,947	6,616
Interest and other income		6,741
Net assets released from donor restrictions	(4,905)	(28,831)
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	<b><u>18,042</u></b>	<b><u>(15,474)</u></b>
<b>Increase (Decrease) in Net Assets</b>	<b><u>(9,301)</u></b>	<b><u>(4,800)</u></b>
Net Assets at Beginning of Year	<u>3,156,638</u>	<u>3,161,438</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 3,147,337</u></b>	<b><u>\$ 3,156,638</u></b>



See accompanying notes and independent auditor's report.

# Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

## Statement of Cash Flows

For the years ended August 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
<b>CASH FLOWS FROM OPERATIONS</b>		
Increase (decrease) in net assets	\$ (9,301)	\$ (4,800)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	98,492	95,012
Loss (gain) on disposal of assets	-	(5,834)
Decrease (increase) in operating assets	(13,942)	(58,263)
Increase (decrease) in operating liabilities	40,627	1,300
<b>Net Cash Provided by Operating Activities</b>	<u><b>115,876</b></u>	<u><b>27,415</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment		(45,312)
<b>Net Cash Used by Investing Activities</b>	<u><b>(489)</b></u>	<u><b>(45,312)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principle payment on long-term debt	(100,000)	(195,000)
<b>Net Cash Used by Financing Activities</b>	<u><b>(100,000)</b></u>	<u><b>(195,000)</b></u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>15,387</b>	<b>(212,897)</b>
<b>Beginning Cash and Cash Equivalents</b>	<u><b>1,091,448</b></u>	<u><b>1,304,345</b></u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u><u><b>\$ 1,106,835</b></u></u>	<u><u><b>\$ 1,091,448</b></u></u>
<b>Supplementary Disclosure:</b>		
Non-cash transactions:		
Services and materials	\$ 421,068	\$ 372,308
Interest paid	\$ -	\$ 3,950



See accompanying notes and independent auditor's report.

Page 4

# Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

## Notes to the Financial Statements

For the years ended August 31, 2005 and 2004

### Note 1 – Nature of Activities and Summary of Significant Accounting Policies

#### **Nature of Organization and Programs**

Home Repair Services of Kent County, Inc. (the Organization), was incorporated as a non-profit organization on June 28, 1979. Its purpose, as stated in its Mission Statement, is “building value and dignity by equipping low-income homeowners and their families for successful, sustained home ownership, thereby strengthening neighborhoods and our community.”

Current programming is categorized into seven areas including: the Repair Team, Home Access Ramps, Builders’ Abundance (surplus building materials), the Tool Library, the Fix-it School, Homeowner Counseling and ClearCorps (prevention of lead poisoning).

The largest source of funding is the Federal Community Development Block Grant (CDBG), which is administered locally by the City of Grand Rapids, Michigan, the City of Wyoming, Michigan and Kent County, Michigan. In addition, the Organization utilizes funds from a variety of sources including service recipients, the State of Michigan Department of Human Services, Kent County Senior Millage, other non-profit organizations and contributions from organizations and individuals.

#### **Method of Accounting**

The records of the Organization are maintained on the accrual basis of accounting. However, income from donations is recognized when received, and is not accrued or subject to control prior to initial entry in the accounting records. Designated donations are recorded as income when the specific service or goods are provided.

The records are also maintained in such a manner that common operating expenses are allocated to each program based on the percent of related salaries and wages to total salaries and wages, in accordance with Office of Management and Budget Circular A-110.

#### **Estimates**

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



See independent auditor’s report.

Page 5

# Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

## Notes to the Financial Statements

For the years ended August 31, 2005 and 2004

### Note 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)

#### **Property and Equipment**

Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets 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 the duration these donated assets must be maintained, the Organization reports expirations of donor restrictions as the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies the temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

Included in property and equipment are assets having a net book value of \$1,974,027 and \$2,072,030 at August 31, 2005 and 2004. Of these assets, \$24,801 and \$23,911 were purchased with Community Block Development Grant funds. Title to these assets would revert back to the government provider should the Organization change its business entity, purpose or become insolvent.

#### **Income Tax Status**

Home Repair Services of Kent County, Inc. is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi) of the Internal Revenue Code.

#### **Investment Securities**

Investments in marketable securities with readily determinable fair market values are valued at their fair market value in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

#### **Cash and Cash Equivalents**

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



See independent auditor's report.

Page 6

# Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

## Notes to the Financial Statements

For the years ended August 31, 2005 and 2004

### Note 1 – Nature of Activities and Summary of Significant Accounting Policies (Continued)

#### **Inventories**

Inventories are valued at the lower of cost (first-in, first-out) or market. Maintenance, operating and office supplies are not inventoried. Work-in-process inventory related to the Critical Repair (major repair) program includes materials, labor and subcontractor costs. Builders' Abundance inventory is valued at the lower of fair market or sales price of the goods donated.

#### **Contributions**

Contributions are recognized when the funds are received by the donor. 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 restricted contributions are reported as increases to temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

#### **Contributed Goods and Services**

The Organization receives a significant amount of goods and services from unpaid volunteers and businesses. The goods are valued at the Builders' Abundance sales value. Donated services are recorded for specialized skill volunteers at the fair market value of the service.

#### **Compensated Absences**

The Organization has not accrued compensated absences, as the amount is not readily determinable.



# Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

## Notes to the Financial Statements

For the years ended August 31, 2005 and 2004

### Note 2 – Restricted Cash

Restricted cash consists of the following.

	<u>2005</u>	<u>2004</u>
CDBG funds	<u>\$ 20,016</u>	<u>\$ 8,289</u>

### Note 3 – Designated Cash

The Organization's management has designated unrestricted cash (cash and cash equivalents) for specific future purposes.

Designated cash consists of the following:

Capital Replacement	\$ 45,000	\$ 10,000
Strategic Initiatives	355,000	255,000
Near-Term Program Improvements	46,500	80,000
Debt Repayment	100,000	395,673
Employee Flex	<u>3,214</u>	<u>5,580</u>
<b>Total Designated Cash</b>	<u><u>\$ 549,714</u></u>	<u><u>\$ 746,253</u></u>



# Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

## Notes to the Financial Statements

For the years ended August 31, 2005 and 2004

### Note 4 – Net Property and Equipment

Property and equipment consist of the following:

	<u>2005</u>	<u>2004</u>
Building	\$ 320,248	\$ 320,248
Building improvements	1,978,510	1,978,510
Land	88,165	88,165
Office equipment	84,474	87,709
Vehicles	167,360	167,360
Operating equipment	<u>15,870</u>	<u>15,729</u>
Total Property and Equipment	2,654,627	2,657,721
Less accumulated depreciation	<u>(680,600)</u>	<u>(585,691)</u>
<b>Net Property and Equipment</b>	<b><u>\$ 1,974,027</u></b>	<b><u>\$ 2,072,030</u></b>

### Note 5 – Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

CDBG funds	\$ 20,016	\$ 8,289
Deferred Income - Clear Corp	19,991	23,149
Deferred Income - Pride of Ownership	11,220	-
Deferred Income - MAF	<u>18,937</u>	<u>20,684</u>
<b>Total Temporarily Restricted Net Assets</b>	<b><u>\$ 70,164</u></b>	<b><u>\$ 52,122</u></b>



# Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

## Notes to the Financial Statements

For the years ended August 31, 2005 and 2004

### Note 6 – Long-Term Debt

On January 19, 1999 the Organization entered into an agreement with the City of Grand Rapids, a Michigan Municipal Corporation, to borrow \$395,000 with the intent to purchase real property at 1100 S. Division, Grand Rapids, Michigan. The building and property at that location is collateral for the note. The note is non-interest bearing from the original due date of February 10, 2004. Principal is due no later than August 10, 2006. As of August 31, 2005 and 2004 interest paid by the Organization was \$0 and \$3,950.

Current maturities of long-term debt for each of the next five years succeeding August 31, 2005 are as follows:

2006	\$100,000
2007 and beyond	<u>0</u>
Total	<u>\$100,000</u>

### Note 7 – Line of Credit

The Organization has available a \$25,000 line of credit with interest calculated at 1% over prime. Substantially all assets are pledged as security. There was no balance on the line at August 31, 2005.

### Note 8 – Donated Services and Materials

The Organization receives donated services from a variety of unpaid volunteers assisting in program services. SFAS No. 116 requires the fair value of donated services to be recognized in the financial statements if the services either (a) create or enhance a non-financial asset or (b) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated. Services that do not meet either of the preceding criteria are not recognized. Donated services are recorded for specialized skill volunteers at fair market value.

Donated materials consisted of building supplies and are valued at the Builders' Abundance sales value. Items that did not individually exceed the Organization's capitalization policy of \$3,000 have been expensed in the statement of activities.



See independent auditor's report.

Page 10

# Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

## Notes to the Financial Statements

For the years ended August 31, 2005 and 2004

### Note 9 – Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instruments.

Cash and cash equivalents – Fair value approximates carrying value due to the initial maturities of the instruments being three months or less.

Long-term debt – Fair value approximates carrying value since stated rates are similar to rates currently available to the Organization for debt with similar terms and remaining maturities.

The estimated fair values of the Organization's financial instruments at August 31, 2005 are as follows:

	<u>Carrying Value</u>	<u>Fair Value</u>
Financial assets:		
Cash and cash equivalents	<u>\$ 1,106,835</u>	<u>\$ 1,106,835</u>

### Note 10 – Liquidity of Assets and Liabilities

In accordance with SFAS 117 the Organization must disclose the liquidity of its assets and liabilities. Liquidity is measured in terms of assets that can be readily turned to cash or cash equivalents within one year (current assets) and liabilities that will be paid within one year (current liabilities). As of August 31, 2005 and 2004, the current assets of the Organization were \$1,345,069 and \$1,315,740 and the current liabilities were \$276,027 and \$335,400 respectively.



See independent auditor's report.

Page 11

# Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

## Notes to the Financial Statements

For the years ended August 31, 2005 and 2004

### Note 11 – Concentrations of Credit Risk

The Organization maintains various bank accounts. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000 per financial institution. The Organization has concentrated its credit risk for cash by maintaining deposits in banks located within the same geographic region. The maximum loss that would have resulted from that risk totaled \$634,503 and \$806,720 for 2005 and 2004 for the excess of the deposit liabilities reported by the banks over the amounts that would have been covered by federal insurance.

Credit risk for accounts and notes receivable is concentrated as well because substantially all of the balances are receivable from individuals and businesses located within the same geographic region.

### Note 12 – Retirement Plan

The Organization has established a qualified retirement plan under the provisions of Section 403(b) of the Internal Revenue Code. The plan provides for employee contributions of up to 16% of compensation and a mandatory employer matching contribution of 50% of the employees contribution up to 4% of compensation for eligible employees. Eligible employees are part-time or full-time employees who have completed at least one year of service, working at least 1,000 hours per year.

The Organization's employer match is calculated on the calendar year and must be paid no later than January 31, 2005 for calendar year 2004. The Organization contributed \$9,590 and \$7,918 as of January 31, 2005 and 2004 to the retirement plan for fiscal year ending August 31, 2005 and 2004.



See independent auditor's report.

Page 12

# Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

## Notes to the Financial Statements

For the years ended August 31, 2005 and 2004

### Note 13 – Schedule of Functional Expenses

	<u>2005</u>	<u>2004</u>
Program Services		
Personnel (salaries, payroll taxes, insurance)	\$ 761,380	\$ 642,226
Materials, subcontractors and supplies	886,005	719,610
Other (depreciation, insurance, vehicles, misc.)	129,179	124,705
Mortgage Assistance Payments	107,885	106,926
	<u>1,884,449</u>	<u>1,593,467</u>
Supporting Services		
Personnel (salaries, payroll taxes, insurance)	234,644	277,955
Office (office, repairs, telephone, depreciation)	188,152	163,315
Other (prof. fees, advertising, dues, misc.)	94,203	100,005
	<u>516,999</u>	<u>541,275</u>
 Total Functional Expenses	 <u>\$ 2,401,448</u>	 <u>\$ 2,134,742</u>

### Note 14 – Reclassifications

As of August 31, 2004, asset costs and accumulated depreciation (building and land) were adjusted to actual costs.



See independent auditor's report.

Page 13

**Home Repair Services of Kent County, Inc.**  
(A Non-Profit Organization)

**Schedule of Functional Receipts and Expenses**

For the years ended August 31, 2005 and 2004

	Clear Corps	REPAIRS					ACCESS MODIFICATIONS		
		Grand Rapids	Minor Repair		Extra	Major Repairs	Grand Rapids	Kent County	Wyoming
			Kent Co	Wyoming					
<b>RECEIPTS</b>									
User fees	\$ -	\$ 20,291	\$ 3,485	\$ 980	\$ 9,925	\$ 30,975	\$ 2,325	\$ 1,360	\$ 350
HUD Community Development Grant - City of Grand Rapids	-	373,670	-	-	-	-	46,000	-	-
HUD Community Development Grant - Kent County	-	-	62,456	-	-	-	-	20,544	-
HUD Community Development Grant - City of Wyoming	-	-	-	20,489	-	-	-	-	5,511
Program Income Returned to Local Municipalities	-	(20,291)	(3,485)	(980)	-	-	(2,325)	(1,360)	(350)
Grants - foundations	63,967	-	-	-	-	-	-	-	-
Contracts	-	-	-	-	124,707	244,904	-	-	-
<b>Operating Revenue</b>	<b>63,967</b>	<b>373,670</b>	<b>62,456</b>	<b>20,489</b>	<b>134,632</b>	<b>275,879</b>	<b>46,000</b>	<b>20,544</b>	<b>5,511</b>
Contributions	-	-	-	-	-	-	-	-	-
Donated Goods and Services	-	-	-	-	-	-	-	-	-
Interest and Other Income	-	-	-	-	-	-	-	-	-
Donations for Mortgage Assistance	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>63,967</b>	<b>373,670</b>	<b>62,456</b>	<b>20,489</b>	<b>134,632</b>	<b>275,879</b>	<b>46,000</b>	<b>20,544</b>	<b>5,511</b>
<b>EXPENSES</b>									
<b>Program Services</b>									
Personnel expenses (salaries payroll taxes, insurances)	40,085	180,041	26,200	11,001	52,276	52,942	20,276	8,013	2,758
Material, subcontractors, and supplies	2,956	100,580	28,150	5,237	67,763	183,730	14,915	8,256	2,479
Other (depreciation, ins & vehicles)	6,719	25,331	3,573	1,426	5,980	6,391	2,729	1,170	300
Mortgage Assistance Payments	-	-	-	-	-	-	-	-	-
<b>Total Program Services</b>	<b>49,760</b>	<b>305,952</b>	<b>57,923</b>	<b>17,664</b>	<b>126,019</b>	<b>243,063</b>	<b>37,920</b>	<b>17,439</b>	<b>5,537</b>
<b>Support Services</b>									
Personnel expenses (salaries payroll taxes, insurances)	8,148	36,599	5,326	2,236	10,627	10,762	4,122	1,630	561
Office expenses (office, repairs, utilities & depreciation)	5,315	26,910	3,906	1,607	7,282	7,828	3,007	1,228	377
Other (consultants advertising, dues, education & misc)	744	1,970	286	117	534	573	220	90	28
<b>Total Support Services</b>	<b>14,207</b>	<b>65,479</b>	<b>9,518</b>	<b>3,960</b>	<b>18,443</b>	<b>19,163</b>	<b>7,349</b>	<b>2,948</b>	<b>966</b>
<b>Total Expenses</b>	<b>63,967</b>	<b>371,431</b>	<b>67,441</b>	<b>21,624</b>	<b>144,462</b>	<b>262,226</b>	<b>45,269</b>	<b>20,387</b>	<b>6,503</b>
<b>RECEIPTS OVER EXPENSES</b>	<b>\$ -</b>	<b>\$ 2,239</b>	<b>\$ (4,985)</b>	<b>\$ (1,135)</b>	<b>\$ (9,830)</b>	<b>\$ 13,653</b>	<b>\$ 731</b>	<b>\$ 157</b>	<b>\$ (992)</b>



SELF-HELP										Aug 2005	Aug 2004
Builders' Abundance	Tool Library	Fix-it School	Pride of Ownership	Volunteer Coordination	Homeowner Counseling	Fund Raising	Donated Goods and Services	Agency Funds		TOTAL	TOTAL
\$ 216,033	\$ 1,191	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 286,915	\$ 301,505
90,000	56,000	-	-	33,000	19,156	-	-	-	-	617,826	620,719
20,000	1,000	-	-	6,000	-	-	-	-	-	110,000	110,000
6,000	1,000	-	-	2,000	-	-	-	-	-	35,000	35,000
(60,925)	(3,191)	-	-	-	-	-	-	-	-	(92,907)	(101,150)
-	-	-	-	-	58,320	-	-	-	-	122,287	
-	-	-	-	-	12,169	-	-	-	-	381,780	381,511
271,108	56,000	-	-	41,000	89,645	-	-	-	-	1,460,901	1,347,585
-	-	-	18,980	2,500	-	352,463	-	-	-	373,943	273,611
-	-	-	-	-	-	-	421,068	-	-	421,068	372,308
-	-	-	-	-	-	308	-	28,042	-	28,350	29,512
-	-	-	-	-	107,885	-	-	-	-	107,885	106,926
271,108	56,000	-	18,980	43,500	197,530	352,771	421,068	28,042	-	2,392,147	2,129,942
171,764	31,804	27,965	5,595	38,693	91,967	-	-	-	-	761,380	642,226
24,340	11,127	2,699	9,828	8,969	266	-	414,265	445	-	886,005	719,610
37,637	3,503	4,832	584	4,963	11,105	10,912	-	2,024	-	129,179	124,705
-	-	-	-	-	107,885	-	-	-	-	107,885	106,926
233,741	46,434	35,496	16,007	52,625	211,223	10,912	414,265	2,469	-	1,884,449	1,593,467
34,916	6,465	5,684	1,137	7,867	18,695	79,869	-	-	-	234,644	277,955
90,364	8,012	12,966	645	5,288	12,786	-	-	631	-	188,152	163,315
2,559	347	355	1,191	6,148	4,560	44,694	-	29,787	-	94,203	100,005
127,839	14,824	19,005	2,973	19,303	36,041	124,563	-	30,418	-	516,999	541,275
361,580	61,258	54,501	18,980	71,928	247,264	135,475	414,265	32,887	-	2,401,448	2,134,742
\$ (90,472)	\$ (5,258)	\$ (54,501)	\$ -	\$ (28,428)	\$ (49,734)	\$ 217,296	\$ 6,803	\$ (4,845)	\$ -	\$ (9,301)	\$ (4,800)



See accompanying notes and independent auditor's report.

# Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

## Schedule of Federal Awards

For the years ended August 31, 2005 and 2004

<u>Program Title</u>	<u>Federal</u>	<u>Agency or</u>	<u>Federal</u>
<u>Major Program</u>	<u>CFDA No.</u>	<u>Pass-through</u>	<u>Expenditures</u>
		<u>No.</u>	
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Community Development	14.218		
Pass-through from the City of Grand Rapids, Mich.		MC260019	\$ 617,826
Pass-through from Kent County		N/A	110,000
Pass-through from City of Wyoming, Mich.		N/A	35,000
Clear Corp		N/A	60,810
Housing Counseling	14.169	N/A	<u>58,320</u>
	<b>Total</b>		<b><u>\$ 881,956</u></b>



See accompanying notes and independent auditor's report.

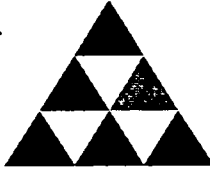
**Home Repair Services of Kent County, Inc.**  
(A Non-Profit Organization)

**Schedule of Findings and Questioned Costs**

For the years ended August 31, 2005 and 2004

*No material items came to our attention.*





# West Michigan CPA Services, PLLC

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To the Board of Directors of  
Home Repair Services of Kent County, Inc  
Grand Rapids, Michigan

## Report on Compliance and on Internal Control over Financial Reporting in Accordance with Governmental Auditing Standards

We have audited the financial statements of Home Repair Services of Kent County, Inc (a non-profit organization) as of August 31, 2005 for the year then ended, and have issued our report thereon dated March 1, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The financial statements of Home Repair Services of Kent County, Inc as of August 31, 2004 were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated January 28, 2005.

### *Compliance*

As part of obtaining reasonable assurance about whether Home Repair Services of Kent County, Inc's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### *Internal Control Over Financial Reporting*

In planning and performing our audit, we considered Home Repair Services of Kent County, Inc's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

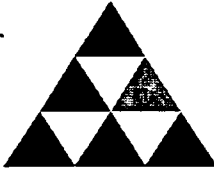
This report is intended for the information and use of the audit committee, management, City of Grand Rapids, City of Wyoming, and Kent County, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*West Michigan CPA Services, PLLC.*

West Michigan CPA Services, PLLC  
Certified Public Accountants  
March 1, 2006



See accompanying notes and independent auditor's report.



## West Michigan CPA Services, PLLC

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To the Board of Directors of  
Home Repair Services of Kent County, Inc  
Grand Rapids, Michigan

### **Report On Compliance With Requirements Applicable To Major Programs And On Internal Control Over Compliance In Accordance With OMB Circular A-133**

We have audited the compliance of Home Repair Services of Kent County, Inc (a non-profit organization), with the types of compliance requirements described in the "U S Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended August 31, 2005 Home Repair Services of Kent County, Inc 's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Home Repair Services of Kent County, Inc 's management Our responsibility is to express an opinion on Home Repair Services of Kent County, Inc 's compliance based on our audit

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred An audit includes examining, on a test basis, evidence about Home Repair Services of Kent County, Inc 's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances We believe that our audit provides a reasonable basis for our opinion Our audit does not provide a legal determination of Home Repair Services of Kent County, Inc 's compliance with those requirements

In our opinion, Home Repair Services of Kent County, Inc complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2005 The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards

The management of Home Repair Services of Kent County, Inc is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs In planning and performing our audit, we considered Home Repair Services of Kent County, Inc 's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133



See accompanying notes and independent auditor's report.



Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, City of Grand Rapids, City of Wyoming, and Kent County, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*West Michigan CPA Services, PLLC.*

West Michigan CPA Services, PLLC  
*Certified Public Accountants*

March 1, 2006





## West Michigan CPA Services, PLLC

2524 Woodmeadow Dr. S E., Suite A, Grand Rapids, MI 49546  
Tel. (616)855-4384 E-mail: brads@wmcpaservices.com

To the Board of Directors of  
Home Repair Services of Kent County, Inc.  
Grand Rapids, Michigan

In planning and performing our audit of the financial statements of Home Repair Services of Kent County, Inc. for the year ended August 31, 2005 we considered Home Repair Services of Kent County, Inc.'s internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

During the course of our audit, we found no material exceptions.

Last year's comments from the prior auditors were as follows:

*We recommend the Organization include a Statement of Functional Expenses as part of their audited financial statement as SFAS No 117 Financial Statements of Not-for-Profit Organizations, requires all organizations to present information about expenses (but not losses) by their functional classification, such as major classes of program services and supporting activities, in either the statement of activities or the notes to the financial statements. Although the statement is not required, the Organization may voluntarily present the statement as part of the financial statements*

During the course of our audit, we found that the Organization discloses the functional classification of expenses in the notes to the financial statements and thus satisfies the requirements for disclosure.

*We recommend the Organization date stamp all incoming mail daily for an effective internal control over cash receipts and disbursements. While testing cash disbursements, we noted that several supporting invoices were not date stamped. Although the exceptions noted are extremely minor, a procedural change is required to strengthen the Organization's procedure over internal control.*

During the course of our audit, we found no instances of the omission of date stamps.

We wish to thank everyone for their support and assistance in the course of our audit.

This report is intended for the information and use of the Board of Directors, management and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

*West Michigan CPA Services, PLLC*  
West Michigan CPA Services, PLLC  
Certified Public Accountants

March 1, 2006



See accompanying notes and independent auditor's report.  
Page 21