

**Return of Organization Exempt From Income Tax**

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.

Open to Public Inspection

**A** For the 2004 calendar year, or tax year beginning **JUL 1, 2004** and ending **JUN 30, 2005**

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

**C** Name of organization: **NORTH STAR COMMUNITY SERVICES, INC.**

Number and street (or P.O. box if mail is not delivered to street address): **3420 UNIVERSITY AVENUE**

Room/suite: \_\_\_\_\_

City or town, state or country, and ZIP + 4: **WATERLOO, IA 50701**

**D** Employer identification number: **42-1038039**

**E** Telephone number: **319-236-0901**

**F** Accounting method:  Cash,  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** and **I** are not applicable to section 527 organizations

**H(a)** Is this a group return for affiliates?  Yes  No

**H(b)** If "Yes," enter number of affiliates: \_\_\_\_\_

**H(c)** Are all affiliates included? **N/A**  Yes  No

**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**I** Group Exemption Number: \_\_\_\_\_

**G** Website: **WWW.CEDARNET.ORG/AINC/**

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

**K** Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

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

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: **4,244,942.**

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

		1a	1b	1c	1d
Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	149,304.			
	b Indirect public support				
	c Government contributions (grants)			76,907.	
	d Total (add lines 1a through 1c) (cash \$ 226,211. noncash \$ _____)				226,211.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)				3,689,200.
	3 Membership dues and assessments				
	4 Interest on savings and temporary cash investments				
	5 Dividends and interest from securities				
	6 a Gross rents SEE STATEMENT 1	126,907.			
	b Less: rental expenses SEE STATEMENT 2	121,876.			
	c Net rental income or (loss) (subtract line 6b from line 6a)				5,031.
7 Other investment income (describe _____)					
Revenue	8 a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other		
		8a	147,037.		
	b Less: cost or other basis and sales expenses	8b	78,747.		
	c Gain or (loss) (attach schedule)	8c	68,290.		
8d	Net gain or (loss) (combine line 8c, columns (A) and (B))			68,290.	
Revenue	9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
	a Gross revenue (including \$ _____ of contributions reported on line 9a)	9a			
	b Less: direct expenses other than fundraising expenses	9b			
	c Net income or (loss) from special events (subtract line 9b from line 9a)				
	10 a Gross sales of inventory, less returns and allowances	10a			
	b Less: cost of goods sold	10b			
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)				
	11 Other revenue (from Part VII, line 103)				55,587.
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)				4,044,319.
	Expenses	13 Program services (from line 44, column (B))			
14 Management and general (from line 44, column (C))					666,346.
15 Fundraising (from line 44, column (D))					5,534.
16 Payments to affiliates (attach schedule)					
17 Total expenses (add lines 16 and 44, column (A))					4,077,674.
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)				-33,355.
	19 Net assets or fund balances at beginning of year (from line 73, column (A))				1,501,599.
	20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 4				9,567.
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)				1,477,811.

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**Part II Statement of Functional Expenses**

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

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 (attach schedule) (cash \$ _____ noncash \$ _____)				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	74,885.	0.	74,885.	0.
26	Other salaries and wages	2,550,069.	2,291,979.	258,090.	
27	Pension plan contributions	45,332.	38,759.	6,573.	
28	Other employee benefits	228,487.	191,256.	37,231.	
29	Payroll taxes	199,184.	175,336.	23,848.	
30	Professional fundraising fees				
31	Accounting fees	132,095.	57,368.	74,727.	
32	Legal fees				
33	Supplies	66,854.	46,662.	14,658.	5,534.
34	Telephone	45,412.	39,630.	5,782.	
35	Postage and shipping	8,810.	4,135.	4,675.	
36	Occupancy	203,200.	186,795.	16,405.	
37	Equipment rental and maintenance	19,395.	9,950.	9,445.	
38	Printing and publications	7,406.	4,058.	3,348.	
39	Travel	138,656.	133,313.	5,343.	
40	Conferences, conventions, and meetings	21,039.	10,106.	10,933.	
41	Interest	16,677.	1,838.	14,839.	
42	Depreciation, depletion, etc. (attach schedule)	119,560.	60,773.	58,787.	
43	Other expenses not covered above (itemize):				
a	_____				
b	_____				
c	_____				
d	_____				
e	<b>SEE STATEMENT 5</b>	200,613.	153,836.	46,777.	
44	<b>Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15</b>	<b>4,077,674.</b>	<b>3,405,794.</b>	<b>666,346.</b>	<b>5,534.</b>

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? **SEE STATEMENT 6**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

**Program Service Expenses**  
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)

<b>a</b>	<b>SUPPORTED COMMUNITY LIVING - SKILLS TRAINING, COUNSELING AND FOLLOW-ALONG SERVICES TO ENABLE PEOPLE WITH DISABILITIES TO LIVE INDEPENDENTLY IN THE COMMUNITY</b> (Grants and allocations \$ _____)	<b>1,640,500.</b>
<b>b</b>	<b>ORGANIZATIONAL EMPLOYMENT SERVICES - JOB AND LIFE SKILLS TRAINING FOR PEOPLE WITH DISABILITIES PROVIDED THROUGH IN-HOUSE EMPLOYMENT AT ADULTS INCORPORATED FACILITIES</b> (Grants and allocations \$ _____)	<b>978,551.</b>
<b>c</b>	<b>PERSONAL AND SOCIAL COMMUNITY SERVICES - ADULT DAY CARE SERVICES FOR PEOPLE WITH DISABILITIES AND THE ELDERLY</b> (Grants and allocations \$ _____)	<b>651,277.</b>
<b>d</b>	<b>COMMUNITY EMPLOYMENT - JOB TRAINING AND PLACEMENT FOR PEOPLE WITH DISABILITIES WITH EMPLOYERS IN THE COMMUNITY</b> (Grants and allocations \$ _____)	<b>135,466.</b>
<b>e</b>	Other program services (attach schedule) (Grants and allocations \$ _____)	
<b>f</b>	<b>Total of Program Service Expenses (should equal line 44, column (B), Program services)</b>	<b>3,405,794.</b>

**Part IV Balance Sheets**

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

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	264,829.	45	126,411.
	46 Savings and temporary cash investments		46	25,000.
	47 a Accounts receivable	47a 458,664.		
	b Less: allowance for doubtful accounts	47b 20,000.	329,747.	47c 438,664.
	48 a Pledges receivable	48a 20,134.		
	b Less: allowance for doubtful accounts	48b	16,914.	48c 20,134.
	49 Grants receivable			49
	50 Receivables from officers, directors, trustees, and key employees			50
	51 a Other notes and loans receivable	51a		
	b Less: allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use			52
	53 Prepaid expenses and deferred charges		18,752.	53 20,847.
	54 Investments - securities	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54
	55 a Investments - land, buildings, and equipment: basis	55a 3,493,008.		
	b Less: accumulated depreciation	55b 1,848,604.	1,786,937.	55c 1,644,404.
56 Investments - other			56	
57 a Land, buildings, and equipment: basis	57a			
b Less: accumulated depreciation	57b		57c	
58 Other assets (describe ▶ SEE STATEMENT 7 )		146,111.	58 268,647.	
59 Total assets (add lines 45 through 58) (must equal line 74)		2,563,290.	59 2,544,107.	
Liabilities	60 Accounts payable and accrued expenses	252,698.	60	339,826.
	61 Grants payable		61	
	62 Deferred revenue	5,800.	62	5,800.
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable STMT 8	799,668.	64b	718,536.
	65 Other liabilities (describe ▶ CUSTODIAL FUNDS )	3,525.	65	2,134.
66 Total liabilities (add lines 60 through 65)		1,061,691.	66 1,066,296.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	1,501,599.	67	1,477,811.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)		1,501,599.	73 1,477,811.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)		2,563,290.	74 2,544,107.

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.



Part VI Other Information

Table with columns for question number, question text, Yes, and No. Includes questions 76 through 92 regarding organizational activities, financials, and compliance.

**Part VII Analysis of Income-Producing Activities** (See page 33 of the instructions.)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
<b>Note:</b> Enter gross amounts unless otherwise indicated.					
93 Program service revenue:					
a <b>PROGRAM FEES</b>					3,519,685.
b _____					
c <b>CONTRACT WORK</b>					169,515.
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property			30	5,031.	
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					68,290.
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a <b>MISCELLANEOUS</b>					55,587.
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		5,031.	3,813,077.
105 Total (add line 104, columns (B), (D), and (E))					3,818,108.

**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 page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	<b>SEE STATEMENT 10</b>

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 34 of the instructions.)

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

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See page 34 of the instructions.)

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

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

I, the preparer, 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. I am not a member of the preparer's firm.

1-17-09 **MARK WILMER** Excl. Director  
 Date Type or print name and title.  
 Check if self-  
 Preparer's SSN or PTIN

**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 **NORTH STAR COMMUNITY SERVICES, INC.** Employer identification number **42 1038039**

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<b>MARK WITMER</b> 3420 UNIVERSITY AVE, WATERLOO, IOWA 50701	<b>EXECUTIVE DIR</b> 40	<b>74,885.</b>	<b>2,187.</b>	<b>0.</b>
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Total number of other employees paid over \$50,000 ▶	<b>0</b>			

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

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

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

	Yes	No
<b>1</b> 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.) 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.		<b>X</b>
<b>2</b> 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.)		
<b>a</b> Sale, exchange, or leasing of property?		<b>X</b>
<b>b</b> Lending of money or other extension of credit?		<b>X</b>
<b>c</b> Furnishing of goods, services, or facilities?		<b>X</b>
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	<b>X</b>	
<b>e</b> Transfer of any part of its income or assets?		<b>X</b>
<b>3 a</b> 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.)		<b>X</b>
<b>b</b> Do you have a section 403(b) annuity plan for your employees?		<b>X</b>
<b>4 a</b> Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		<b>X</b>
<b>b</b> Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		<b>X</b>

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

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

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

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

- 14**  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

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

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	3,549,558.	2,935,267.	2,924,653.	2,880,460.	12,289,938.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	161,004.	159,680.	161,141.	146,455.	628,280.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	3,710,562.	3,094,947.	3,085,794.	3,026,915.	12,918,218.
24 Line 23 minus line 17	3,710,562.	3,094,947.	3,085,794.	3,026,915.	12,918,218.
25 Enter 1% of line 23	37,106.	30,949.	30,858.	30,269.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a N/A
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					26b N/A
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c N/A
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____					26d N/A
e Public support (line 26c minus line 26d total)					26e N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f N/A %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2003) 0. (2002) 0. (2001) 0. (2000) 0.					
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: (2003) 0. (2002) 0. (2001) 0. (2000) 0.					
c Add: Amounts from column (e) for lines: 15 12,289,938. 16 _____ 17 _____ 20 _____ 21 _____					27c 12,289,938.
d Add: Line 27a total 0. and line 27b total 0.					27d 0.
e Public support (line 27c total minus line 27d total)					27e 12,289,938.
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f 12,918,218.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 95.1365%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h 4.8635%

28 Unusual Grants: 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 page 7 of the instructions.)

N/A

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

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
_____			
_____			
_____			
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
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.)	32d	
_____			
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)	33h	
_____			
_____			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
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.	34b	
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	

Schedule A (Form 990 or 990-EZ) 2004

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.) **N/A**  
 (To be completed ONLY by an eligible organization that filed Form 5768)

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>		(a) Affiliated group totals	(b) To be completed for ALL electing organizations												
(The term "expenditures" means amounts paid or incurred.)		<b>N/A</b>													
<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>													

**Caution:** 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 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
<b>45</b> Lobbying nontaxable amount					0.
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					0.
<b>47</b> Total lobbying expenditures					0.
<b>48</b> Grassroots nontaxable amount					0.
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					0.
<b>50</b> Grassroots lobbying expenditures					0.

**Part VI-B Lobbying Activity by Nonelecting Public Charities** (For reporting only by organizations that did not complete Part VI-A) (See page 11 of the 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:	Yes	No	Amount
<b>a</b> Volunteers			
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h.)			
<b>c</b> Media advertisements			
<b>d</b> Mailings to members, legislators, or the public			
<b>e</b> Publications, or published or broadcast statements			
<b>f</b> Grants to other organizations for lobbying purposes			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
<b>i</b> Total lobbying expenditures (Add lines c through h.)			0.

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



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FORM 990 RENTAL INCOME STATEMENT 1

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KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
	1	126,907.
TOTAL TO FORM 990, PART I, LINE 6A		126,907.

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FORM 990 RENTAL EXPENSES STATEMENT 2

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DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
STAFF SALARIES		25,331.	
PAYROLL TAXES		3,562.	
SUPPLIES		31,309.	
REPAIRS AND MAINTENANCE		6,296.	
UTILITIES		10,937.	
INSURANCE		4,368.	
DEPRECIATION		30,181.	
INTEREST		9,892.	
- SUBTOTAL -	1		121,876.
TOTAL TO FORM 990, PART I, LINE 6B			121,876.

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 3

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
WAVERLY BUILDING	VARIOUS	12/22/04	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	146,480.	151,001.	0.	72,254.	67,733.

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
LAPTOPS	VARIOUS	06/06/05	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	557.	21,878.	0.	21,878.	557.
TO FM 990, PART I, LN 8	147,037.	172,879.	0.	94,132.	68,290.

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 4

DESCRIPTION	AMOUNT
REVALUATION OF BENEFICIAL INTEREST	9,567.
TOTAL TO FORM 990, PART I, LINE 20	9,567.

FORM 990 OTHER EXPENSES STATEMENT 5

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
FOOD	96,512.	96,512.		
MARKETING	9,439.	9,439.		
BAD DEBT	495.	495.		
INSURANCE	31,808.	31,808.		
MISCELLANEOUS	15,582.	15,582.		

MARKETING	16,470.		16,470.
INSURANCE	18,306.		18,306.
MISCELLANEOUS	9,428.		9,428.
AMORTIZATION	2,573.		2,573.
TOTAL TO FM 990, LN 43	200,613.	153,836.	46,777.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 6  
PART III

EXPLANATION

PROVIDES ADULT DAY CARE AND RESPITE, EMPLOYMENT SERVICES, AND SUPPORTED COMMUNITY LIVING SERVICES SO THAT INDIVIDUALS WITH DISABILITIES CAN LIVE AND WORK IN THE COMMUNITY

FORM 990 OTHER ASSETS STATEMENT 7

DESCRIPTION	AMOUNT
LOAN COSTS (NET OF AMORTIZATION)	12,225.
DEPOSITS	31,080.
BENEFICIAL INTEREST IN ASSETS HELD	225,342.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	268,647.

FORM 990 MORTGAGES PAYABLE STATEMENT 8

DESCRIPTION	BALANCE DUE
REVENUE BONDS	718,536.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64B, COLUMN B	718,536.



TOM HARTKE 3420 UNIVERSITY WATERLOO, IA 50701	DIRECTOR 0.	0.	0.	0.
JOE KLEIN 2913 ABRAHAM DRIVE CEDAR FALLS, IA 50613	DIRECTOR 0.	0.	0.	0.
ELAINE MAIN 505 4TH STREET S.E. WAVERLY, IA 50677-3543	DIRECTOR 0.	0.	0.	0.
RONALD SCHNECK 2120 W 6TH STREET WATERLOO, IA 50702	DIRECTOR 0.	0.	0.	0.
HELEN SCHUMACHER 420 EAST MAIN STREET, PO BOX 393 DENVER, IA 50622	DIRECTOR 0.	0.	0.	0.
DON SHOLTZ 295 KENILWORTH ROAD WATERLOO, IA 50701	DIRECTOR 0.	0.	0.	0.
DR. PATRICIA SITLINGTON 175 SUMMIT DRIVE CEDAR FALLS, IA 50613	DIRECTOR 0.	0.	0.	0.
BETTY WESTMEYER 1922 2ND AVE NW WAVERLY, IA 50677-3543	DIRECTOR 0.	0.	0.	0.
STEVE WOLF 3420 UNIVERSITY WATERLOO, IA 50701	DIRECTOR 0.	0.	0.	0.
CAROLE YATES 519 CHATEAU COURT CEDAR FALLS, IA 50613	DIRECTOR 0.	0.	0.	0.

TOTALS INCLUDED ON FORM 990, PART V	74,885.	2,187.	0.
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FORM 990                      PART VIII - RELATIONSHIP OF ACTIVITIES TO                      STATEMENT 10  
 ACCOMPLISHMENT OF EXEMPT PURPOSES

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LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93	PROGRAM SERVICE REVENUE IS SUPPORT IN THE FORM OF FEES, BOTH PRIVATE AND GOVERNMENTAL, WHICH IS EXPENDED IN PROVIDING SERVICES TO ADULTS WITH MENTAL DISABILITIES
103A	MISCELLANEOUS REVENUES FROM PROGRAM ACTIVITIES USED TO OFFSET PROGRAM COSTS

**Depreciation and Amortization** 990  
 (Including Information on Listed Property)

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

Name(s) shown on return <b>NORTH STAR COMMUNITY SERVICES, INC.</b>	Business or activity to which this form relates <b>FORM 990 PAGE 2</b>	Identifying number <b>42-1038039</b>
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**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	<b>1</b>	<b>102,000.</b>
2 Total cost of section 179 property placed in service (see instructions)	<b>2</b>	
3 Threshold cost of section 179 property before reduction in limitation	<b>3</b>	<b>410,000.</b>
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	<b>4</b>	
5 Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0- If married filing separately, see instructions	<b>5</b>	
<b>6</b>	(a) Description of property	(b) Cost (business use only)
<b>6</b>		(c) Elected cost
<b>6</b>		
<b>6</b>		
<b>6</b>		
7 Listed property. Enter the amount from line 29	<b>7</b>	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	<b>8</b>	
9 Tentative deduction. Enter the smaller of line 5 or line 8	<b>9</b>	
10 Carryover of disallowed deduction from line 13 of your 2003 Form 4562	<b>10</b>	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	<b>11</b>	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	<b>12</b>	
13 Carryover of disallowed deduction to 2005 Add lines 9 and 10, less line 12	<b>13</b>	

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)	<b>14</b>	
15 Property subject to section 168(f)(1) election (see instructions)	<b>15</b>	
16 Other depreciation (including ACRS) (see instructions)	<b>16</b>	<b>149,742.</b>

**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	<b>17</b>	
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	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs	MM	S/L	
	/			MM	S/L	

**Section C - Assets Placed in Service During 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	<b>21</b>	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	<b>22</b>	<b>149,742.</b>
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	<b>23</b>	

**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.)**

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

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

**Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

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

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

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

	Yes	No
<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
<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? <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.					
<b>43</b> Amortization of costs that began before your 2004 tax year					<b>43</b>
<b>44</b> Total. Add amounts in column (f). See instructions for where to report					<b>44</b>

**REORGANIZATIONS  
TYPE F REQUIRED STATEMENT**

NORTH STAR COMMUNITY SERVICES, INC.  
WATERLOO, IOWA  
42-1038039

SCHEDULE SUPPORTING RETURN OF ORGANIZATION EXEMPT FROM  
INCOME TAX, FORM 990 FOR YEAR ENDED JUNE 30, 2005

Company hereby submits the following information as required by Regulation Section 1.368-3(a):

Company changed its legal corporate name from:

ADULTS, INC.

TO:

NORTH STAR COMMUNITY SERVICES, INC.