

Return of Organization Exempt From Income Tax

2005

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 2005 calendar year, or tax year beginning Sep 1, 2005, and ending Aug 31, 2006

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. 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).

G Web site: www.homerepairservices.org

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

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

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 2,258,379.

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

Table with 21 rows and 4 columns. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less direct expenses; 9c Net income or (loss); 10a Gross sales of inventory; 10b Less cost of goods sold; 10c Gross profit or (loss); 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

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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 (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	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	79,775.	19,944.	51,853.
26 Other salaries and wages	26	717,755.	584,106.	81,862.
27 Pension plan contributions	27	13,253.	12,951.	0.
28 Other employee benefits	28	89,022.	67,418.	20,438.
29 Payroll taxes	29	66,331.	46,045.	18,773.
30 Professional fundraising fees	30	0.	0.	0.
31 Accounting fees	31	7,600.	7,600.	0.
32 Legal fees	32	340.	0.	340.
33 Supplies	33	31,040.	15,689.	15,351.
34 Telephone	34	7,582.	0.	7,582.
35 Postage and shipping	35	7,865.	1,629.	1,828.
36 Occupancy	36	81,099.	1,554.	79,545.
37 Equipment rental and maintenance	37	2,280.	2,280.	0.
38 Printing and publications	38	15,738.	2,338.	7,437.
39 Travel	39	8,165.	0.	8,117.
40 Conferences, conventions, and meetings	40			
41 Interest	41			
42 Depreciation, depletion, etc (attach schedule)	42	93,285.	13,820.	79,465.
43 Other expenses not covered above (itemize)				
a Acknowledgement	43a	1,194.	0.	1,194.
b Advertising	43b	11,779.	6,824.	1,054.
c Education	43c	1,052.	569.	368.
d Insurance	43d	18,911.	17,276.	1,635.
e Materials	43e	369,811.	369,811.	0.
f MIH Expenses	43f	0.	0.	0.
g See Other Expenses Stmt	43g	575,054.	531,439.	42,378.
44 Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	2,198,931.	1,701,293.	419,220.

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 \$ _____

BAA

Part III Statement of Program Service Accomplishments

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

What is the organization's primary exempt purpose? <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) 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) organizations and 4947(a)(1) trusts, but optional for others)
a <u>Homeownership retention services for low income homeowners</u> <u>In FYE 2006 completed 1,731 health and safety-related critical repairs installed 40 wheelchair ramps, completed 21 bathroom handicap modifications, educated 187 parents/ 73 landlords in lead poisoning-prevention, provided financial education classes to 342 participants, and averted 200 foreclosures through financial counseling.</u> (Grants and allocations \$ 0.) If this amount includes foreign grants, check here <input type="checkbox"/>	1,050,580.
b <u>Services to help low income homeowners maintain their own homes.</u> <u>IN FYE 2006 loaned 3,537 tools, distributed \$768,000 value of surplus building materials, and educated 1,084 homeowners in 116 home-maintenance classes</u> (Grants and allocations \$ 0.) If this amount includes foreign grants, check here <input type="checkbox"/>	276,970.
c <u>Volunteer Coordination, Fundraising and Other</u> <u>In FYE 2006 more than 600 people engaged in 10,302 hours of volunteer service benefiting low-income homeowners, and fundraising was conducted to support the above activities.</u> (Grants and allocations \$ 0.) If this amount includes foreign grants, check here <input type="checkbox"/>	33,591.
d <u>Donated goods and services</u> <u>In FYE 2006 more than 600 volunteers provided service valued at \$118,692, and surplus building materials valued at \$768,000 were sold at a discount to low-income homeowners through Builders' Abundance.</u> (Grants and allocations \$ 0.) If this amount includes foreign grants, check here <input type="checkbox"/>	340,152.
e Other program services (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	1,701,293.

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Part IV Balance Sheets (See Instructions)

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

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash – non-interest-bearing	58,545.	45	40,532.
	46 Savings and temporary cash investments	1,048,290.	46	960,398.
	47a Accounts receivable	47a 72,908.		
	b Less allowance for doubtful accounts	47b	57,347.	47c 72,908.
	48a Pledges receivable	48a 0.		
	b Less allowance for doubtful accounts	48b 0.	100,000.	48c 0.
	49 Grants receivable		85,044.	49 164,331.
	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		93,393.	52 99,326.
	53 Prepaid expenses and deferred charges		950.	53 2,642.
	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 2,652,260.		
	b Less accumulated depreciation (attach schedule) L-57 Stmt	57b 771,518.	1,974,027.	57c 1,880,742.
	58 Other assets (describe ► See Line 58 Stmt)		5,768.	58 4,872.
59 Total assets (must equal line 74) Add lines 45 through 58		3,423,364.	59 3,225,751.	
LIABILITIES	60 Accounts payable and accrued expenses		109,090.	60 108,126.
	61 Grants payable			61
	62 Deferred revenue		60,186.	62 49,569.
	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)		100,000.	64b 0.
	65 Other liabilities (describe ►)		6,751.	65 5,070.
	66 Total liabilities. Add lines 60 through 65		276,027.	66 162,765.
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		3,077,173.	67 3,032,016.
	68 Temporarily restricted		70,164.	68 30,970.
	69 Permanently restricted		0.	69 0.
	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)		3,147,337.	73 3,062,986.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		3,423,364.	74 3,225,751.

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

a	Total revenue, gains, and other support per audited financial statements		a	2,258,379.
b	Amounts included on line a but not on Part I, line 12			
	1 Net unrealized gains on investments	b1		
	2 Donated services and use of facilities	b2		
	3 Recoveries of prior year grants	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	2,258,379.
d	Amounts included on Part I, line 12, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) <u>Direct expense on Line 9b</u> _____	d2		-43,799.
	Add lines d1 and d2		d	-43,799.
e	Total revenue (Part I, line 12) Add lines c and d		e	2,214,580.

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

a	Total expenses and losses per audited financial statements		a	2,242,730.
b	Amounts included on line a but not on Part I, line 17			
	1 Donated services and use of facilities	b1		
	2 Prior year adjustments reported on Part I, line 20	b2		
	3 Losses reported on Part I, line 20	b3		
	4 Other (specify) _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	2,242,730.
d	Amounts included on Part I, line 17, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify) <u>Direct expenses on line 9b</u> _____	d2		-43,799.
	Add lines d1 and d2		d	-43,799.
e	Total expenses (Part I, line 17) Add lines c and d		e	2,198,931.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the 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 plans	(E) Expense account and other allowances
Deppe, Bob 1235 76th ST SW Byron Center, MI	Secretary 1	0.	0.	0.
Gaddy, Arlen-Dean 5537 Glenwood Hills Pkwy Grand Rapids, MI	Director 1	0.	0.	0.
Geary, Maureen 2554 Annchester DR Grand Rapids, MI	Treasurer 1	0.	0.	0.
Jacobs, David 1349 Benjamin SE Grand Rapids, MI	Exec. Director 40	69,656.	10,119.	0.
Lanser, Peter 441 E. Roosevelt Zeeland, MI	Director 1	0.	0.	0.
See List of Officers, Etc Statement				

Part VI Other Information (continued)	Yes	No
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82 a	X
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III)	82 b	
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83 a	X
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83 b	X
84 a Did the organization solicit any contributions or gifts that were not tax deductible?	84 a	X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84 b	
85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85 a	N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85 b	N/A
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		
c Dues, assessments, and similar amounts from members	85 c	N/A
d Section 162(e) lobbying and political expenditures	85 d	N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85 e	N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85 f	N/A
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85 g	N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85 h	N/A
86 501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	86 a	N/A
b Gross receipts, included on line 12, for public use of club facilities	86 b	N/A
87 501(c)(12) organizations Enter a Gross income from members or shareholders	87 a	N/A
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87 b	N/A
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88	X
89 a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 ▶ 0., section 4912 ▶ 0., section 4955 ▶ 0.		
b 501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction	89 b	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		
90 a List the states with which a copy of this return is filed ▶ Michigan	90 b	32
b Number of employees employed in the pay period that includes March 12, 2005 (See instructions)		
91 a 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		
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country ▶	91 b	X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Statements		
c At any time during the calendar year, did the organization maintain an office outside of the United States? If 'Yes,' enter the name of the foreign country ▶	91 c	X
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 – Check here ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92		

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

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a Contracts					448,680.
b User Fees					72,154.
c Builders' Abundance					211,622.
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	30,931.	
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	99,302.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a					
b Other income					19,211.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				130,233.	751,667.
105 Total (add line 104, columns (B), (D), and (E))					881,900.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93a	The organization provides service to low-income families which are paid for by other non-profit organizations
93b	User fees represent the fee paid by homeowners who receive health & safety-related
	See Relationship of Activities to the Accomplishment of Exempt Purposes Statement

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

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

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

Please Sign Here

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

Signature of officer: David Jacobs Date: 7/13/07

David Jacobs, Executive Director
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: Bradley H. Solomon, CPA Date: 07/12/07

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

EIN: 20-3468683

Phone no: (616) 855-4384

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under
Section 501(c)(3)

OMB No 1545 0047

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

2005

Department of the Treasury
Internal Revenue Service

Supplementary Information — (See separate instructions.)

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

Name of the organization

Employer identification number

Home Repair Services of Kent County, Inc.

38-2263817

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	54,416.	10,060.	0.
Meri L. Watkins Grand Rapids, MI	Manager 40	52,930.	3,795.	0.
Total number of other employees paid over \$50,000 ▶	None			

Part II - A 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 II - B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms If there are none, enter 'None' See instructions)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services ▶	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 ▶ \$ <u>0.</u> (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		X
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?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e	Transfer of any part of its income or assets?		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)		X
3b	Do you have a section 403(b) annuity plan for your employees?		X
3c	During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		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?	X	
4b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		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) Check the box that describes the type of supporting organization ▶ Type 1 Type 2 Type 3

Provide the following information about the supported organizations (See 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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	2,325,253.	1,519,483.	1,528,569.	1,600,754.	6,974,059.
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	21,898.	18,610.	24,550.	27,966.	93,024.
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	2,347,151.	1,538,093.	1,553,119.	1,628,720.	7,067,083.
24 Line 23 minus line 17	2,347,151.	1,538,093.	1,553,119.	1,628,720.	7,067,083.
25 Enter 1% of line 23	23,472.	15,381.	15,531.	16,287.	

26 Organizations described on lines 10 or 11:

a Enter 2% of amount in column (e), line 24 ▶ **26a** 141,342.

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶ **26b** _____

c Total support for section 509(a)(1) test. Enter line 24, column (e) ▶ **26c** 7,067,083.

d Add: Amounts from column (e) for lines **18** 93,024. **19** _____ ▶ **26d** 93,024.

22 _____ **26b** _____ ▶ **26e** 6,974,059.

e Public support (line 26c minus line 26d total) ▶ **26e** 6,974,059.

f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶ **26f** 98.68 %

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

(2004) _____ (2003) _____ (2002) _____ (2001) _____

b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year

(2004) _____ (2003) _____ (2002) _____ (2001) _____

c Add: Amounts from column (e) for lines **15** _____ **16** _____ ▶ **27c** _____

17 _____ **20** _____ **21** _____ ▶ **27d** _____

d Add: Line 27a total _____ and line 27b total _____ ▶ **27e** _____

e Public support (line 27c total minus line 27d total)

f Total support for section 509(a)(2) test. Enter amount from line 23, column (e) ▶ **27f** _____

g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ **27g** %

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶ **27h** %

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

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?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No' to any of the above, please explain (If you need more space, attach a separate statement) ----- -----		
33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities? If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement) ----- ----- -----		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement		
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions)
 (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

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations												
(The term 'expenditures' means amounts paid or incurred)															
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	0.												
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37													
38	Total lobbying expenditures (add lines 36 and 37)	38	0.												
39	Other exempt purpose expenditures	39													
40	Total exempt purpose expenditures (add lines 38 and 39)	40	0.												
41	Lobbying nontaxable amount Enter the amount from the following table -- <table border="0" style="width: 100%; margin-top: 5px;"> <tr> <td style="width: 50%;">If the amount on line 40 is --</td> <td style="width: 50%;">The lobbying nontaxable amount is --</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>	If the amount on line 40 is --	The lobbying nontaxable amount is --	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	41	0.
If the amount on line 40 is --	The lobbying nontaxable amount is --														
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														
42	Grassroots nontaxable amount (enter 25% of line 41)	42	0.												
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	0.												
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	0.												
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)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 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

Yes	No	Amount

- 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**.)

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 the instructions for a higher limit for certain businesses	1	\$105,000.
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	\$420,000.
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 2004 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 2006 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) (See instructions)

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

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

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2005	17	93,285.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	▶ <input type="checkbox"/>	

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

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

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

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

Part IV Summary (see instructions)

21	Listed property Enter amount from line 28	21	
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	93,285.
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 the instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					24b 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	
25 Special allowance for certain aircraft, certain property with a long production period, and qualified New York Liberty or GO Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							25		
26 Property used more than 50% in a qualified business use									
27 Property used 50% or less in a qualified business use									
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							28		
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1								29	

Section B – Information on Use of Vehicles

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

30 Total business/investment miles driven during the year (do not include commuting miles)	(a)		(b)		(c)		(d)		(e)		(f)	
	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	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)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners			
39 Do you treat all use of vehicles by employees as personal use?			
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?			
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)			

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles

Part VI Amortization

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

Form 990, Page 2, Part II, Line 43

Other Expenses Stmt

	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Other expenses not covered above (itemize)				
Mtg. Assistance	127,168.	127,168.	0.	0.
Office expense	8,696.	3,280.	4,179.	1,237.
Other	35,279.	0.	35,279.	0.
Raise the Roof	2,232.	0.	2,232.	0.
Subcontractors	367,688.	367,688.	0.	0.
Uniforms	667.	0.	667.	0.
Vehicle expenses	33,324.	33,303.	21.	0.
Total	575,054.	531,439.	42,378.	1,237.

Form 990, Page 5, Part V-A

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
Larsen, Judith 2861 Winesap NE Grand Rapids, MI	Director 1	0.	0.	0.
Merriweather, Wanda 25 Sheldon SE Grand Rapids, MI	Director 1	0.	0.	0.
Morris, Timothy 4633 Patterson SE Kentwood, MI	Director 1	0.	0.	0.
Ortega, Richard 1200 Jefferson SE Grand Rapids, MI	Director 1	0.	0.	0.
Paulateer, Jason 171 Monroe NW Grand Rapids, MI	Past-chair 1	0.	0.	0.
Romero, John PO Box 2450 Grand Rapids, MI	Vice-Chair 1	0.	0.	0.
Roth, Robert 861 47th St SW Grand Rapids, MI	Director 1	0.	0.	0.
Tyson, Jessica Ann 5630 S Division Grand Rapids, MI	Director 1	0.	0.	0.
Vis, Ruth 200 Ottawa Ave. NW Grand Rapids, MI	Chairperson 1	0.	0.	0.
Welch-Lykins, Elizabeth 15 S Division, Ste 100 Grand Rapids, MI	Director 1	0.	0.	0.

Form 990, Page 8, 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)
	critical repairs and handicap-access modifications.
93c	Sale price of materials; materials were donated to Builders' Abundance program and resold to low-income homeowners at a discount from retail value.

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	83,788.	8,814.	74,974.	24,643.	50,331.
Resource Homeowner Celeb	72,657.	4,530.	68,127.	19,156.	48,971.
Total	<u>156,445.</u>	<u>13,344.</u>	<u>143,101.</u>	<u>43,799.</u>	<u>99,302.</u>

Form 990, Page 4, Part IV, Lines 57a & 57b

Land, Buildings and Equipment Statement

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
Building	320,248.	80,480.	239,768.
Building improvements	1,978,510.	444,179.	1,534,331.
Office Equipment	81,845.	64,737.	17,108.
Vehicles	167,360.	165,990.	1,370.
Operating equipment	16,132.	16,132.	0.
Land	88,165.	0.	88,165.
Total	<u>2,652,260.</u>	<u>771,518.</u>	<u>1,880,742.</u>

Form 990, Page 4, Part IV, Line 58

Other Assets Statement

Line 58 - Other Assets:	Beginning of Year	End of Year
Long term deposits	5,768.	4,872.
Total	<u>5,768.</u>	<u>4,872.</u>

Home Repair Services of Kent County, Inc.

(A Michigan Non-Profit Organization)

Financial Statements

August 31, 2006 and 2005



**Home
Repair
Services**

Resources for Home Owners



West Michigan CPA Services, PLLC

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

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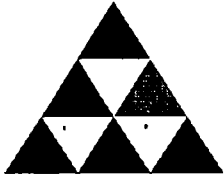
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West Michigan CPA Services, PLLC

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

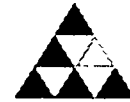
Independent Auditor's Report

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, 2006 and 2005 and the related statements of activities and cash flows for the years 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.

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, 2006 and 2005, 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, 2007 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.



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, 2007

Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

Statement of Financial Position

August 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents (Notes 1, 9, 11):		
Checking and savings	\$ 422,722	\$ 537,105
Cash - designated (Note 3)	570,831	549,714
Cash - restricted (Note 2)	7,377	20,016
Accounts receivable (Note 11):		
Trade	72,903	56,772
Grants	164,331	85,044
Employees	5	575
Inventory (Note 1):		
Work in process	33,891	23,806
Material	4,204	4,122
Builders' Abundance (Note 8)	61,231	65,465
Prepaid expenses	2,642	950
Total Current Assets	<u>1,340,137</u>	<u>1,343,569</u>
Property and Equipment (Notes 1, 4)	2,652,259	2,654,627
Less accumulated depreciation	(771,517)	(680,600)
Net Property and Equipment	<u>1,880,742</u>	<u>1,974,027</u>
Other Assets		
Long-term deposits	4,872	5,768
Total Other Assets	<u>4,872</u>	<u>5,768</u>
TOTAL ASSETS	<u>\$ 3,225,751</u>	<u>\$ 3,323,364</u>

	<u>2006</u>	<u>2005</u>
<u>LIABILITIES</u>		
Current Liabilities		
Accounts payable	\$ 108,126	\$ 109,090
Deferred income:		
Agency	49,569	60,186
Accrued expenses:		
Other expenses	5,071	6,751
Current portion of long-term debt (Note 6)	-	100,000
Total Current Liabilities	<u>162,765</u>	<u>276,027</u>
<u>NET ASSETS</u>		
Unrestricted	3,032,016	2,977,173
Temporarily restricted (Note 5)	30,970	70,164
Permanently restricted	-	-
Total Net Assets	<u>3,062,986</u>	<u>3,047,337</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,225,751</u>	<u>\$ 3,323,364</u>



Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

Statement of Activities

For the years ended August 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<u>UNRESTRICTED NET ASSETS</u>		
Support and Revenue		
Community Development Block Grant	\$ 753,565	\$ 751,099
Contributions (Note 1)	357,482	362,723
Donated services and materials (Note 8)	332,725	421,068
Grants and private contracts	479,151	504,067
Program income returned to Grand Rapids, Kent County and Wyoming	(125,630)	(92,907)
Sales receipts - Builders' Abundance	211,622	216,033
Mortgage Assistance Donations	127,168	107,885
User fees	72,154	70,882
Other income	19,211	6,452
Interest	30,931	21,898
Total Support and Revenues	<u>2,258,379</u>	<u>2,369,200</u>
Net Assets Released from Restrictions	<u>39,194</u>	<u>4,905</u>
Total Unrestricted Net Assets	<u>2,297,573</u>	<u>2,374,105</u>
Expenses		
Program services	1,733,415	1,884,449
Supporting services	509,315	516,999
Total Expenses	<u>2,242,730</u>	<u>2,401,448</u>
Increase (Decrease) in Unrestricted Net Assets	<u>54,843</u>	<u>(27,343)</u>
<u>TEMPORARILY RESTRICTED NET ASSETS (Note 5)</u>		
Restricted donations	-	22,947
Interest and other income	-	-
Net assets released from donor restrictions	(39,194)	(4,905)
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(39,194)</u>	<u>18,042</u>
Increase (Decrease) in Net Assets	15,649	(9,301)
Net Assets at Beginning of Year	3,047,337	3,156,638
Less removal of long-term pledge receivable (Note 14)	<u> </u>	<u>(100,000)</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,062,986</u>	<u>\$ 3,047,337</u>



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, 2006 and 2005

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATIONS		
Increase (decrease) in net assets	\$ 15,649	\$ (9,301)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	93,285	98,492
Loss (gain) on disposal of assets	-	-
Decrease (increase) in operating assets	(102,473)	(13,942)
Increase (decrease) in operating liabilities	(113,262)	40,627
Net Cash Provided by Operating Activities	<u>(106,800)</u>	<u>115,876</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in long term deposits	895	-
Purchase of property and equipment	-	(489)
Net Cash Used by Investing Activities	<u>895</u>	<u>(489)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principle payment on long-term debt (Note 6)	-	(100,000)
Net Cash Used by Financing Activities	<u>-</u>	<u>(100,000)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(105,905)	15,387
Beginning Cash and Cash Equivalents	<u>1,106,835</u>	<u>1,091,448</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 1,000,930</u></u>	<u><u>\$ 1,106,835</u></u>
Supplementary Disclosure:		
Non-cash transactions:		
Services and materials	\$ 332,725	\$ 421,068
Interest paid	\$ -	\$ -



See accompanying notes and independent auditor's report.

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Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

Notes to the Financial Statements

For the years ended August 31, 2006 and 2005

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.



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

Notes to the Financial Statements

For the years ended August 31, 2006 and 2005

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 \$1,880,742 and \$1,974,027 at August 31, 2006 and 2005. Of these assets, \$200 and \$24,801 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.



Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

Notes to the Financial Statements

For the years ended August 31, 2006 and 2005

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, 2006 and 2005

Note 2 – Restricted Cash

Restricted cash consists of the following:

	<u>2006</u>	<u>2005</u>
CDBG funds	<u>\$ 7,377</u>	<u>\$ 20,016</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	\$ 61,000	\$ 45,000
Strategic Initiatives	440,000	355,000
Near-Term Program Improvements	65,500	46,500
Debt Repayment	-	100,000
Employee Flex	<u>4,331</u>	<u>3,214</u>
Total Designated Cash	<u><u>\$ 570,831</u></u>	<u><u>\$ 549,714</u></u>



Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

Notes to the Financial Statements

For the years ended August 31, 2006 and 2005

Note 4 – Net Property and Equipment

Property and equipment consist of the following:

	<u>2006</u>	<u>2005</u>
Building	\$ 320,248	\$ 320,248
Building improvements	1,978,510	1,978,510
Land	88,165	88,165
Office equipment	81,844	84,474
Vehicles	167,360	167,360
Operating equipment	<u>16,132</u>	<u>15,870</u>
Total Property and Equipment	2,652,259	2,654,627
Less accumulated depreciation	<u>(771,517)</u>	<u>(680,600)</u>
Net Property and Equipment	<u>\$ 1,880,742</u>	<u>\$ 1,974,027</u>

Note 5 – Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

CDBG funds	\$ 7,377	\$ 20,016
Deferred Income - Clear Corps	-	19,991
Deferred Income - Pride of Ownership	8,638	11,220
Deferred Income - MAF	<u>14,955</u>	<u>18,937</u>
Total Temporarily Restricted Net Assets	<u>\$ 30,970</u>	<u>\$ 70,164</u>



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

Notes to the Financial Statements

For the years ended August 31, 2006 and 2005

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 was collateral for the note. The note was non-interest bearing from the original due date of February 10, 2004. The note was paid in full within the year.

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, 2006.

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.



Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

Notes to the Financial Statements

For the years ended August 31, 2006 and 2005

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, 2006 are as follows:

	<u>Carrying Value</u>	<u>Fair Value</u>
Financial assets:		
Cash and cash equivalents	<u>\$ 1,000,931</u>	<u>\$ 1,000,931</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, 2006 and 2005, the current assets of the Organization were \$1,340,137 and \$1,343,569 and the current liabilities were \$162,765 and \$276,027 respectively.



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

Notes to the Financial Statements

For the years ended August 31, 2006 and 2005

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 \$611,648 and \$634,503 for 2006 and 2005 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 voluntary employee contributions of up to the maximum allowed by the Internal Revenue Code and a mandatory employer matching contribution of 50% of the employee contribution up to 6% 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, 2006 for calendar year 2005. The Organization contributed \$ 12,062 and \$9,590 as of January 31, 2006 and 2005 to the retirement plan for fiscal year ending August 31, 2006 and 2005.



Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

Notes to the Financial Statements

For the years ended August 31, 2006 and 2005

Note 13 – Schedule of Functional Expenses

	<u>2005</u>	<u>2005</u>
Program Services		
Personnel (salaries, payroll taxes, insurance)	\$ 713,828	\$ 761,380
Materials, subcontractors and supplies	770,820	886,005
Other (depreciation, insurance, vehicles, misc.)	121,599	129,179
Mortgage Assistance Payments	127,168	107,885
	<u>1,733,415</u>	<u>1,884,449</u>
Supporting Services		
Personnel (salaries, payroll taxes, insurance)	235,368	234,644
Office (office, repairs, telephone, depreciation)	179,382	188,152
Other (prof. fees, advertising, dues, misc.)	94,565	94,203
	<u>509,315</u>	<u>516,999</u>
Total Functional Expenses	<u>\$ 2,242,730</u>	<u>\$ 2,401,448</u>

Note 14 – Intention to Give

In previous years the Organization has recorded on its Statement of Financial Position as a long-term promise to give, a gift of \$100,000 from a revocable Charitable Remainder Trust. Since the gift is from a revocable trust, it is properly considered an intention to give and should not be recorded in the Organization's net assets. Although the intent to give is still in place, an adjustment has been made to remove the gift from the Organization's assets.



Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

Schedule of Functional Receipts and Expenses

For the years ended August 31, 2006 and 2005

RECEIPTS	Clear Corps	REPAIRS					ACCESS MODIFICATIONS		
		Minor Repair				Major Repairs	Grand Rapids	Kent County	Wyoming
		Grand Rapids	Kent Co.	Wyoming	Extra				
User fees	\$ -	\$ 23,960	\$ 4,915	\$ 1,555	\$ 7,395	\$ 28,484	\$ 2,514	\$ 1,440	\$ 300
HUD Community Development Grant - City of Grand Rapids	-	340,739	-	-	-	-	44,691	-	-
HUD Community Development Grant - Kent County	-	-	57,306	-	-	-	-	22,694	-
HUD Community Development Grant - City of Wyoming	-	-	-	21,000	-	-	-	-	5,000
Program Income Returned to Local Municipalities	-	(23,960)	(4,915)	(1,555)	-	-	(2,514)	(1,440)	(300)
Grants - foundations	65,628	-	-	-	-	-	-	-	-
Contracts	-	-	-	-	93,681	271,078	-	-	-
Operating Revenue	65,628	340,739	57,306	21,000	101,076	299,562	44,691	22,694	5,000
Contributions	-	-	-	-	-	-	-	-	-
Donated Goods and Services	-	-	-	-	-	-	-	-	-
Interest and Other Income	-	-	-	-	-	-	-	-	-
Donations for Mortgage Assistance	-	-	-	-	-	-	-	-	-
Total Receipts	65,628	340,739	57,306	21,000	101,076	299,562	44,691	22,694	5,000
EXPENSES									
Program Services									
Personnel expenses (salaries, payroll taxes, insurances)	48,004	163,068	24,895	9,827	44,325	52,943	20,834	8,451	1,918
Material, subcontractors, and supplies	2,851	73,255	18,727	6,731	47,510	214,723	11,588	8,193	1,975
Other (depreciation, ins & vehicles)	10,072	22,944	3,332	1,291	5,237	6,065	2,633	1,140	237
Mortgage Assistance Payments	-	-	-	-	-	-	-	-	-
Total Program Services	60,927	259,267	46,954	17,849	97,072	273,731	35,055	17,784	4,130
Support Services									
Personnel expenses (salaries, payroll taxes, insurances)	11,629	39,503	6,031	2,381	10,738	12,825	5,047	2,047	465
Office expenses (office, repairs, utilities & depreciation)	5,950	24,105	3,625	1,419	6,124	7,546	2,960	1,235	271
Other (consultants, advertising, dues, education & misc)	493	956	142	55	230	292	114	49	10
Total Support Services	18,072	64,564	9,798	3,855	17,092	20,663	8,121	3,331	746
Total Expenses	78,999	323,831	56,752	21,704	114,164	294,394	43,176	21,115	4,876
RECEIPTS OVER EXPENSES	\$ (13,371)	\$ 16,908	\$ 554	\$ (704)	\$ (13,088)	\$ 5,168	\$ 1,515	\$ 1,579	\$ 124



SELF-HELP										Aug 2006	Aug 2005
Builders' Abundance	Tool Library	Fix-it School	Pride of Ownership	Volunteer Coordination	Homeowner Counseling	Fund Raising	Donated Goods and Services	Agency Funds		<u>TOTAL</u>	<u>TOTAL</u>
\$ 211,622	\$ 1,591	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283,776	\$ 286,915
125,663	45,616	-	-	32,700	19,156	-	-	-	-	608,565	617,826
20,000	-	-	-	6,000	4,000	-	-	-	-	110,000	110,000
6,000	1,000	-	-	2,000	-	-	-	-	-	35,000	35,000
(89,355)	(1,591)	-	-	-	-	-	-	-	-	(125,630)	(92,907)
-	-	-	-	-	30,471	-	-	-	-	96,099	122,287
-	-	270	-	-	18,023	-	-	-	-	383,052	381,780
273,930	46,616	270	-	40,700	71,650	-	-	-	-	1,390,862	1,460,901
-	-	-	2,582	1,551	-	353,349	-	-	-	357,482	373,943
-	-	-	-	-	-	-	332,725	-	-	332,725	421,068
-	-	-	-	-	-	823	-	49,319	-	50,142	28,350
-	-	-	-	-	127,168	-	-	-	-	127,168	107,885
273,930	46,616	270	2,582	42,251	198,818	354,172	332,725	49,319	-	2,258,379	2,392,147
149,128	32,211	29,747	-	26,045	102,432	-	-	-	-	713,828	761,380
18,506	1,592	2,825	2,077	3,875	889	-	340,152	15,351	-	770,820	886,005
32,464	3,308	4,607	505	3,671	7,321	15,927	-	845	-	121,599	129,179
-	-	-	-	-	127,168	-	-	-	-	127,168	107,885
200,098	37,111	37,179	2,582	33,591	237,810	15,927	340,152	16,196	-	1,733,415	1,884,449
36,126	7,803	7,206	-	6,309	24,814	62,444	-	-	-	235,368	234,644
87,207	7,965	13,219	-	3,691	13,419	-	-	646	-	179,382	188,152
3,318	178	189	-	3,902	1,255	43,847	-	39,535	-	94,565	94,203
126,651	15,946	20,614	-	13,902	39,488	106,291	-	40,181	-	509,315	516,999
326,749	53,057	57,793	2,582	47,493	277,298	122,218	340,152	56,377	-	2,242,730	2,401,448
\$ (52,819)	\$ (6,441)	\$ (57,523)	\$ -	\$ (5,242)	\$ (78,480)	\$ 231,954	\$ (7,427)	\$ (7,058)	\$ -	\$ 15,649	\$ (9,301)



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, 2006 and 2005

<u>Program Title</u>	<u>Federal</u>	<u>Agency or</u>	<u>2006</u>	<u>2005</u>
<u>Major Program</u>	<u>CFDA No.</u>	<u>Pass-through</u>	<u>Federal</u>	<u>Federal</u>
		<u>No.</u>	<u>Expenditures</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>				
Community Development	14.218			
Pass-through from the City of Grand Rapids, Mich.		MC260019	\$ 608,565	\$ 617,826
Pass-through from Kent County		N/A	110,000	110,000
Pass-through from City of Wyoming, Mich.		N/A	35,000	35,000
Lead Hazard Control				
Pass-through from the City of Grand Rapids, Mich.	14.900	N/A	65,628	60,810
Housing Counseling	14.169	N/A	<u>30,471</u>	<u>58,320</u>
	Total		<u>\$ 849,664</u>	<u>\$ 881,956</u>



See accompanying notes and independent auditor's report.

Home Repair Services of Kent County, Inc.

(A Non-Profit Organization)

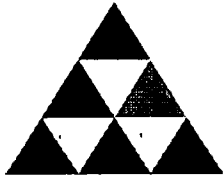
Schedule of Findings and Questioned Costs

For the years ended August 31, 2006 and 2005

No material items came to our attention.



See accompanying notes and independent auditor's report.



West Michigan CPA Services, PLLC

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Tel (616)855-4384 E-mail: brads@wmcpservices.com

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, 2006 for the year then ended, and have issued our report thereon dated March 1, 2007. 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.

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.

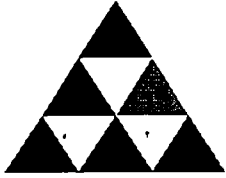
This report is intended for the information and use of the audit committee, management, City of Grand Rapids, City of Wyoming, and Kent County, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

West Michigan CPA Services, PLLC.

West Michigan CPA Services, PLLC
Certified Public Accountants
March 1, 2007



See accompanying notes and independent auditor's report.
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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, 2006 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, 2006. 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





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.

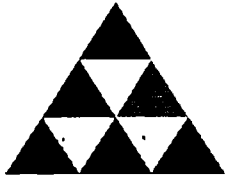
This report is intended for the information and use of the audit committee, management, City of Grand Rapids, City of Wyoming, and Kent County, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

West Michigan CPA Services, PLLC.

West Michigan CPA Services, PLLC
Certified Public Accountants

March 1, 2007





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

In planning and performing our audit of the financial statements of Home Repair Services of Kent County, Inc. for the year ended August 31, 2006 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.

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, 2007

