

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.

A For the 2005 calendar year, or tax year beginning 10/01, 2005, and ending 09/30/2006

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

C Name of organization: KIDS HOPE USA
Number and street (or P.O. box if mail is not delivered to street address): 100 S. PINE ST., SUITE 280
City or town, state or country, and ZIP + 4: ZEELAND, MI 49464

D Employer identification number: 38-3624308
E Telephone number: (866) 546-3580
F Accounting method: Cash [ ] Accrual [X] Other (specify) [ ]

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 [X]
H(b) If "Yes," enter number of affiliates:
H(c) Are all affiliates included? (If "No," attach a list. See instructions) Yes [ ] No [ ]
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes [ ] No [X]

G Website: WWW.KIDSHOPEUSA.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.

I Group Exemption Number

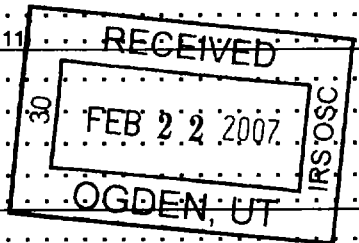
M Check [ ] if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 871,005.

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

SCANNED MAR 07 2007 revenue

Table with 21 rows and 4 columns: Description, Sub-description, Amount, Total. Includes sections for Revenue (lines 1-12), Expenses (lines 13-17), and Net Assets (lines 18-21). Total revenue is 871,005 and total expenses is 734,833.



For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2005)

Handwritten marks: 615 3 and 14

**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. (See the instructions.)

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 \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	176,841.	113,022.	23,709.	40,110.
26	Other salaries and wages	167,043.	150,621.	12,995.	3,427.
27	Pension plan contributions	12,462.	9,253.	1,468.	1,741.
28	Other employee benefits	2,004.	1,575.	159.	270.
29	Payroll taxes	25,938.	20,361.	2,127.	3,450.
30	Professional fundraising fees				
31	Accounting fees	9,015.		9,015.	
32	Legal fees	3,982.		3,982.	
33	Supplies	7,869.	4,533.	3,149.	187.
34	Telephone	2,311.	1,188.	1,123.	
35	Postage and shipping	7,539.	3,464.	850.	3,225.
36	Occupancy	21,722.	16,276.	2,562.	2,884.
37	Equipment rental and maintenance				
38	Printing and publications	59,116.	35,650.		23,466.
39	Travel	19,643.	19,017.	393.	233.
40	Conferences, conventions, and meetings	693.	641.	52.	
41	Interest				
42	Depreciation, depletion, etc (attach schedule)	7,936.	5,946.	936.	1,054.
43	Other expenses not covered above (itemize):				
a	STMT 1	210,719.	170,578.	23,417.	16,724.
b					
c					
d					
e					
f					
g					
44	<b>Total functional expenses.</b> Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	734,833.	552,125.	85,937.	96,771.

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** (See the instructions)

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

What is the organization's primary exempt purpose? <b>▶SEE STATEMENT 2</b> 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)
a <u>CHURCH RECRUITMENT: ADDED 58 NEW CHURCHES TO THE KIDS HOPE USA PROGRAM GROUP.</u> ----- ----- ----- ----- (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here <input type="checkbox"/>	309,211.
b <u>TRAINING AND DEVELOPMENT OF PROGRAMS: TRAINED DIRECTORS AND VOLUNTEERS TO BE MENTORS TO APPROXIMATELY 1,044 NEW CHILDREN. TRAINED 44 REPLACEMENT DIRECTORS FOR EXISTING PROGRAMS. SUPPORTED 363 CHURCHES SERVING 6,314 CHILDREN IN THE KIDS HOPE USA PROGRAM.</u> ----- ----- ----- ----- (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here <input type="checkbox"/>	237,114.
c <u>EVALUATION: ALL KIDS HOPE USA PROGRAMS WERE ENCOURAGED TO USE THE EVALUATION TOOLS TO HELP ASSESS THE IMPACT OF THEIR MENTORING PROGRAMS. KIDS HOPE USA NATIONAL OFFICE SURVEYED A SAMPLE OF 10 CHURCHES FOR ITS OWN STUDY AS WELL AS A SAMPLE OF 297 STUDENTS FROM 10 SCHOOLS.</u> ----- ----- ----- ----- (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here <input type="checkbox"/>	5,800.
d ----- ----- ----- ----- (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here <input type="checkbox"/>	
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services). . . . . ▶	<b>552,125.</b> Form 990 (2005)

**Part IV Balance Sheets (See the instructions.)**

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

		(A) Beginning of year		(B) End of year		
Assets	45	Cash - non-interest-bearing	469,349.	45	478,300.	
	46	Savings and temporary cash investments		46		
	47a	Accounts receivable	86,273.			
	b	Less: allowance for doubtful accounts	1,910.	57,051.	47c	84,363.
	48a	Pledges receivable	112,600.			
	b	Less: allowance for doubtful accounts			48c	112,600.
	49	Grants receivable			49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51a	Other notes and loans receivable (attach schedule)				
	b	Less: allowance for doubtful accounts			51c	
	52	Inventories for sale or use	164.	52	NONE	
	53	Prepaid expenses and deferred charges	8,353.	53	9,693.	
	54	Investments - securities (attach schedule)	<input checked="" type="checkbox"/> Cost <input type="checkbox"/> FMV	79,460.	54	61,491.
	55a	Investments - land, buildings, and equipment: basis				
b	Less: accumulated depreciation (attach schedule)			55c		
56	Investments - other (attach schedule)			56		
57a	Land, buildings, and equipment: basis	91,461.				
b	Less: accumulated depreciation (attach schedule)	65,669.	22,319.	57c	25,792.	
58	Other assets (describe <input type="checkbox"/> <u>STMT 3</u> )		20,271.	58	46,672.	
59	<b>Total assets</b> (must equal line 74). Add lines 45 through 58		656,967.	59	818,911.	
Liabilities	60	Accounts payable and accrued expenses	12,907.	60	21,571.	
	61	Grants payable		61		
	62	Deferred revenue		62		
	63	Loans from officers, directors, trustees, and key employees (attach schedule)		63		
	64a	Tax-exempt bond liabilities (attach schedule)		64a		
	b	Mortgages and other notes payable (attach schedule)		64b		
	65	Other liabilities (describe <input type="checkbox"/> <u>STMT 4</u> )		32,201.	65	49,309.
66	<b>Total liabilities.</b> Add lines 60 through 65		45,108.	66	70,880.	
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	607,644.	67	688,120.	
	68	Temporarily restricted	4,215.	68	59,911.	
	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	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)		611,859.	73	748,031.	
74	<b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73.		656,967.	74	818,911.	



Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

- 75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 6
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships?
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control?
d Does the organization have a written conflict of interest policy?

Table with 2 columns: Yes, No. Rows 75b, 75c, 75d with 'X' marks in the No column.

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions )

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation, (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. Row 1 shows -0- in all columns.

Part VI Other Information (See the instructions.)

- 76 Did the organization engage in any activity not previously reported to the IRS?
77 Were any changes made in the organizing or governing documents but not reported to the IRS?
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?
78b If "Yes," has it filed a tax return on Form 990-T for this year?
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year?
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc, to any other exempt or nonexempt organization?
80b If "Yes," enter the name of the organization
81a Enter direct and indirect political expenditures. (See line 81 instructions ).
81b Did the organization file Form 1120-POL for this year?

Table with 2 columns: Yes, No. Rows 76, 77, 78a, 78b, 79, 80a, 81b with 'X' marks in the No column.

Part VII 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?	X	
b	If "Yes," you 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	6,008,000.		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83 b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	N/A	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84 b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	N/A	
85 c	Dues, assessments, and similar amounts from members	N/A	
85 d	Section 162(e) lobbying and political expenditures	N/A	
85 e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
85 f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
85 g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
85 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?	N/A	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	N/A	
b	Gross receipts, included on line 12, for public use of club facilities	N/A	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	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.)	N/A	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ N/A; section 4912 ▶ N/A; section 4955 ▶ N/A		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958	N/A	
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization	N/A	
90 a	List the states with which a copy of this return is filed ▶ MI,		
b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions)	90 b	9
91 a	The books are in care of ▶ MS. JEANETTE BULT-DEJONG Telephone no. ▶ (616) 546-3580		
	Located at ▶ 100 S. PINE ST., SUITE 280 ZEELAND, MI ZIP + 4 ▶ 49464		
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 Accounts.		
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 and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92		N/A

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

Note: Enter gross amounts unless otherwise indicated.

Table with 5 main columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include 93 Program service revenue, 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, 98 Net rental income or (loss) from personal property, 99 Other investment income, 100 Gain or (loss) from sales of assets other than inventory, 101 Net income or (loss) from special events, 102 Gross profit or (loss) from sales of inventory, 103 Other revenue, 104 Subtotal, 105 Total.

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.)

Table with 2 columns: 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). Row 94: THE ORGANIZATION CHARGES A ONE TIME FEE TO CHURCH PARTICIPANTS IN THE PROGRAMS. THESE FEES ARE USED TO SUPPORT THE PROGRAMS.

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

Table with 5 columns: (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? (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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

Declaration of preparer section with fields for Signature of officer, Date, Type or print name and title, Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name (or yours if self-employed), address, and ZIP + 4, EIN, Phone no.

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under Section 501(c)(3)**

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

**Supplementary Information - (See separate instructions.)**  
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

**2005**

Name of the organization

KIDS HOPE USA

Employer identification number

38-3624308

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

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

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 6		
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 page 2 of the instructions.)

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

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

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B) . . . . .		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? . . . . .	2a	X
b Lending of money or other extension of credit? . . . . .	2b	X
c Furnishing of goods, services, or facilities? . . . . .	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . . . . .	2d	X
e Transfer of any part of its income or assets? . . . . .	2e	X
3a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments ) . . . . .	3a	X
b Do you have a section 403(b) annuity plan for your employees? . . . . .	3b	X
c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)? . . . . .	3c	X
4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? . . . . .	4a	X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services? . . . . .	4b	X

**Part IV Reason for Non-Private Foundation Status (See 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). Check the box that describes the type of supporting organization:  Type 1  Type 2  Type 3

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

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

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

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Table with columns: Calendar year (or fiscal year beginning in), (a) 2004, (b) 2003, (c) 2002, (d) 2001, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends, amounts received from payments on securities loans; 19 Net income from unrelated business activities; 20 Tax revenues levied for the organization's benefit; 21 The value of services or facilities furnished to the organization by a governmental unit without charge; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11; 27 Organizations described on line 12; 28 Unusual Grants.

**Part V Private School Questionnaire** (See page 7 of the instructions.) **NOT APPLICABLE**  
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
<b>29</b> 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? . . . . .		
<b>30</b> 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? . . . . .		
<b>31</b> 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 ) . . . . . ----- ----- -----		
<b>32</b> Does the organization maintain the following:		
<b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff? . . . . .		
<b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? . . . . .		
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? . . . . .		
<b>d</b> 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.) ----- -----		
<b>33</b> Does the organization discriminate by race in any way with respect to:		
<b>a</b> Students' rights or privileges? . . . . .		
<b>b</b> Admissions policies? . . . . .		
<b>c</b> Employment of faculty or administrative staff? . . . . .		
<b>d</b> Scholarships or other financial assistance? . . . . .		
<b>e</b> Educational policies? . . . . .		
<b>f</b> Use of facilities? . . . . .		
<b>g</b> Athletic programs? . . . . .		
<b>h</b> Other extracurricular activities? . . . . .		
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement.) ----- ----- -----		
<b>34 a</b> Does the organization receive any financial aid or assistance from a governmental agency? . . . . .		
<b>b</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.		
<b>35</b> 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 page 9 of the instructions.)

(To be completed **ONLY** by an eligible organization that filed Form 5768) **NOT APPLICABLE**

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**

(The term "expenditures" means amounts paid or incurred )

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
<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 - If the amount on line 40 is -                      The lobbying nontaxable amount is -	<b>41</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				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
<b>45</b> Lobbying nontaxable amount . . . . .					
<b>46</b> Lobbying ceiling amount (150% of line 45(e)) . . . . .					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots nontaxable amount . . . . .					
<b>49</b> Grassroots ceiling amount (150% of line 48(e)) . . . . .					
<b>50</b> Grassroots lobbying expenditures . . . . .					

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

**NOT APPLICABLE**

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

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) . . . . .			

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



FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
MISCELLANEOUS	11,160.	1,863.	9,152.	145.
DIRECTOR TRAINING	44,636.	42,369.	2,267.	
CONSULTING	50,529.	38,191.	2,288.	10,050.
SCHOLARSHIPS	15,250.	15,250.		
ADVERTISING	625.	625.		
COMPUTER SUPPORT	4,317.	2,765.	334.	1,218.
UTILITIES	3,368.	2,524.	397.	447.
AMORTIZATION	21,840.	21,840.		
EMPLOYEE LEASING EXPENSE	58,994.	45,151.	8,979.	4,864.
TOTALS	210,719.	170,578.	23,417.	16,724.

**FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE**

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TO TEACH CHURCHES TO RECRUIT, SCREEN, TRAIN, MATCH, AND SUPERVISE THEIR OWN MEMBERS FOR MENTORING RELATIONSHIPS WITH AT-RISK PUBLIC ELEMENTARY SCHOOL CHILDREN.

FORM 990, PART IV - OTHER ASSETS

DESCRIPTION	ENDING BOOK VALUE
-----	-----
PROMOTIONAL INVENTORY	26,672.
TRADEMARK & WEBSITE DOMAINS	20,000.
TOTALS	----- 46,672. =====

FORM 990, PART IV - OTHER LIABILITIES

DESCRIPTION -----	ENDING BOOK VALUE -----
ACCRUED PAYROLL	19,958.
ACCRUED VACATION	4,351.
UNEARNED REVENUE	25,000.
	-----
TOTALS	49,309.
	=====

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
MICHAEL VOLKEMA 100 S. PINE ST., SUITE 280 ZEELAND, MI 49464	CHAIRPERSON 2	NONE	NONE	NONE
MYLES FISH 100 S. PINE ST., SUITE 280 ZEELAND, MI 49464	SECRETARY 2	NONE	NONE	NONE
KURT VANDEN BOSCH 100 S. PINE ST., SUITE 280 ZEELAND, MI 49464	TREASURER 3	NONE	NONE	NONE
VIRGIL GULKER 100 S. PINE ST., SUITE 280 ZEELAND, MI 49464	EXECUTIVE DIRECTOR 50	82,004.	12,264.	NONE
JEANETTE BULT-DEJONG 100 S. PINE ST., SUITE 280 ZEELAND, MI 49464	PRESIDENT 50	94,838.	11,121.	NONE
BETSY DEVOS 100 S. PINE ST., SUITE 280 ZEELAND, MI 49464	BOARD MEMBER 2	NONE	NONE	NONE
GRAND TOTALS		176,842.	23,385.	NONE

SCH. A, PART II-A COMPENSATION OF THE 5 HIGHEST PAID FOR PROF. SERV.

NAME AND ADDRESS	TYPE OF SERVICE	COMPENSATION
-----	-----	-----
AXIOS INCORPORATED 800 BROADWAY, SUITE 800 GRAND RAPIDS, MI 49504	EMPLOYEE LEASING	58,994.
TOTAL COMPENSATION		----- 58,994. =====

Schedule of Depreciation-Fixed Assets  
KHUSA  
FYE 9/30/06

2006

Group	Description	Date of Srv	Cost	Tax Sec 16B(k) Amt	Pnor Depreciation	Curr Depreciation	End Depreciation	Net Book Value	Method	Period
<b>COMPUTER EQUIPMENT</b>										
	MS Office XP Pro & Software	12/31/01	\$ 1,057 00		\$ 1,057 00	\$ -	\$ 1,057 00	\$ -	S/L	3.0
	Raisers Edge Software	12/31/01	\$ 13,390 00		\$ 13,390 00	\$ -	\$ 13,390 00	\$ -	S/L	3.0
	P3 Server & Misc Hardware	12/17/01	\$ 13,293.33		\$ 13,293 33	\$ -	\$ 13,293 33	\$ -	S/L	3.0
	Inspiron 8100 P3 Computer	12/17/01	\$ 3,012 00		\$ 3,012 00	\$ -	\$ 3,012 00	\$ -	S/L	3.0
	Dell Inspiron 4100 P3 Computer	12/17/01	\$ 1,754 00		\$ 1,754 00	\$ -	\$ 1,754 00	\$ -	S/L	3.0
	Dell Inspiron 4100 P3 Computer	12/17/01	\$ 1,954 00		\$ 1,954 00	\$ -	\$ 1,954 00	\$ -	S/L	3.0
	Dell Inspiron 4100 P3 Computer	12/17/01	\$ 1,800 00		\$ 1,800 00	\$ -	\$ 1,800 00	\$ -	S/L	3.0
	Installation of Computer	01/16/02	\$ 369 75		\$ 369 75	\$ -	\$ 369 75	\$ -	S/L	3.0
	Dell Inspiron 4000 P3 600	01/05/01	\$ 2,415 00		\$ 2,415 00	\$ -	\$ 2,415 00	\$ -	S/L	4.0
	Dell Dimension 4550 computer	10/01/02	\$1,543 36	\$463 01	\$ 1,463.33	\$ 80 03	\$ 1,543 36	\$ -	200DB	3.0
	Firewall	03/01/04	\$376 70		\$ 303 45	\$ 53 27	\$ 356 72	\$ 19 98	200DB	3.0
	Epson R80	03/05/04	\$423 98		\$ 341.54	\$ 59 96	\$ 401 50	\$ 22 48	200DB	3.0
	Dell Inspiron 1150 Laptop	07/01/04	\$1,752 00		\$ 1,216 67	\$ 356 89	\$ 1,573 56	\$ 178 44	200DB	3.0
	510n Color Laser Printer	03/01/05	\$781 98		\$ 260 66	\$ 347 55	\$ 608.21	\$ 173 77	S/L	3.0
	2003 Office Pro Licenses and Media	08/01/05	\$393 95		\$ 21 89	\$ 131 32	\$ 153 21	\$ 240 74	S/L	3.0
	Training & Development Laptop	09/01/05	\$1,528 00		\$ 42 44	\$ 509 33	\$ 551 77	\$ 976 23	S/L	3.0
	Office Manager Desktop - Optplex	09/01/05	\$1,430 00		\$ 39.72	\$ 476 67	\$ 516.39	\$ 913 61	S/L	3.0
28	Laptop-Jinny	11/28/05	\$1,451 00		\$ -	\$ 403 06	\$ 403 06	\$ 1,047 94	S/L	3.0
29	Dell Laptop D510-Enca-VP Nat'l Adv	03/01/06	\$1,410 01		\$ -	\$ 274 17	\$ 274 17	\$ 1,135 84	S/L	3.0
30	Blackbaud License Upgrade	09/20/06	\$5,000 00		\$ -	\$ 138 69	\$ 138 69	\$ 4,861 11	Amort	3.0
	<b>COMPUTER EQUIPMENT TOTAL</b>		<b>\$ 55,136 06</b>	<b>\$ 463 01</b>	<b>\$ 42,734 78</b>	<b>\$ 2,831 14</b>	<b>\$ 45,565 92</b>	<b>\$ 9,570 14</b>		
<b>FURNITURE &amp; FIXTURES</b>										
	F & F from LaVene Bus Inte	04/30/02	\$ 23,045 97		\$ 11,248 62	\$ 3,292.28	\$ 14,540 90	\$ 8,505 07	S/L	7.0
	Fire Proof File Cabinet (Donaton)	05/03/03	\$ 400 00		\$ 114.28	\$ 57 14	\$ 171 42	\$ 228 58	S/L	7.0
	Aeron Chairs (5) (Donaton)	11/27/02	\$ 3,540 00		\$ 1,011 42	\$ 505 71	\$ 1,517 13	\$ 2,022 87	S/L	7.0
	File Cabinets (2) (Donaton)	11/27/02	\$ 562 00		\$ 160 58	\$ 80.29	\$ 240 87	\$ 321 13	S/L	7.0
	Mission Banner	3/5/03	\$ 1,500 00		\$ 428.58	\$ 214.29	\$ 642 87	\$ 857 13	S/L	7.0
27	Desk, dividers, and filing cabinet	11/26/05	\$ 3,547 66		\$ -	\$ 422 34	\$ 422 34	\$ 3,125 32		
	<b>FURNITURE &amp; FIXTURES TOTAL</b>		<b>\$ 32,595 63</b>		<b>\$ 12,963.48</b>	<b>\$ 4,572 05</b>	<b>\$ 17,535.53</b>	<b>\$ 15,060 10</b>		
<b>OFFICE EQUIPMENT</b>										
	Phone System	12/13/01	\$ 3,129 00		\$ 1,713.50	\$ 447 00	\$ 2,160.50	\$ 968 50	S/L	7.0
	Installation of Phone System	12/18/01	\$ 600 00		\$ 321 42	\$ 85 71	\$ 407.13	\$ 192 87	S/L	7.0
	<b>OFFICE EQUIPMENT TOTAL</b>		<b>\$ 3,729 00</b>		<b>\$ 2,034 92</b>	<b>\$ 532 71</b>	<b>\$ 2,567.63</b>	<b>\$ 1,161 37</b>		
<b>GRAND TOTAL</b>			<b>\$ 91,460 69</b>	<b>\$463 01</b>	<b>\$ 57,733.18</b>	<b>\$ 7,935 90</b>	<b>\$ 65,669 08</b>	<b>\$ 25,791 61</b>		

Monthly Depreciation for 2006 \$ 661 33