

Audited Consolidated Financial Statements
and Other Supplementary Information

Home Repair Services of Kent
County, Inc. and Subsidiary
(A Not-For-Profit Organization)

*Years Ended June 30, 2016 and 2015
with Report of Independent Auditors*

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Audited Consolidated Financial Statements
and Other Supplementary Information

Years Ended June 30, 2016 and 2015

Contents

Audited Consolidated Financial Statements

Report of Independent Auditors.....	1
Consolidated Statements of Financial Position.....	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows.....	8
Notes to Consolidated Financial Statements.....	9

Other Supplementary Information

Report of Independent Auditors on Other Supplementary Information	20
Consolidating Statements of Financial Position	21
Consolidating Statements of Activities.....	23
Consolidating Statements of Functional Expenses	27
Consolidating Statements of Cash Flows	29
Home Repair Services Statements of Financial Position.....	31
Home Repair Services Statements of Activities	32
Home Repair Services Statements of Functional Expenses	34
Home Repair Services Statements of Cash Flows.....	36
Home Repair Services Schedule of Functional Revenues and Expenses (Unrestricted).....	37
Community Food Club Statements of Financial Position.....	39
Community Food Club Statements of Activities	40
Community Food Club Statements of Functional Expenses	42
Community Food Club Statements of Cash Flows.....	44
Community Food Club Schedules of Functional Revenues and Expenses (Unrestricted).....	45

Report of Independent Auditors

Board of Directors
Home Repair Services of Kent County, Inc. and Subsidiary
Grand Rapids, Michigan

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Home Repair Services of Kent County, Inc. and Subsidiary (a not-for-profit organization), which comprise the consolidated statements of financial position as of June 30, 2016 and 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness

of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Home Repair Services of Kent County, Inc. and Subsidiary as of June 30, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2016 on our consideration of Home Repair Services of Kent County, Inc. and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Home Repair Services of Kent County, Inc. and Subsidiary's internal control over financial reporting and compliance.

Andrews Hooper Pavlik PLC

Grand Rapids, Michigan
November 1, 2016

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Consolidated Statements of Financial Position

	June 30	
	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 295,288	\$ 295,878
Cash and cash equivalents held in investments	49,881	26,081
Accounts receivable:		
Short-term pledges receivable	70,000	133,837
Trade	91,462	133,533
Grants	201,024	171,939
Spendable balance - agency endowment	41,715	35,013
Inventory:		
Work in process	78,848	52,794
Material	3,308	4,312
Remodeling Together material	6,499	3,666
Food	10,906	4,691
Prepaid expenses	31,547	35,563
Certificates of deposit	76,701	323,410
Total current assets	957,179	1,220,717
Long-term investments, at market value	846,828	780,762
Property and equipment	3,160,537	3,150,812
Accumulated depreciation	(1,625,811)	(1,518,182)
Net property and equipment	1,534,726	1,632,630
Other assets:		
Long-term pledges receivable	20,000	100,000
Beneficial interest in assets held by Community Foundation	158,622	127,101
Total other assets	178,622	227,101
Total assets	\$ 3,517,355	\$ 3,861,210
Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 127,785	\$ 113,620
Deferred agency income	17,875	29,137
Other accrued expenses	87,764	103,936
Total liabilities	233,424	246,693
Net assets:		
Unrestricted	2,833,906	3,110,929
Temporarily restricted	291,403	376,487
Permanently restricted	158,622	127,101
Total net assets	3,283,931	3,614,517
Total liabilities and net assets	\$ 3,517,355	\$ 3,861,210

See accompanying notes.

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Consolidated Statement of Activities

Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and other revenue				
HUD Community Development Block Grant	\$ 811,266	\$ -	\$ -	\$ 811,266
Contracts	773,536	-	-	773,536
Contributions	387,428	50,876	-	438,304
DTE rebates	69,643	-	-	69,643
Donated goods and services	57,373	-	-	57,373
Remodeling Together sales	51,929	-	-	51,929
Member fees	216,311	-	-	216,311
Program income returned to local municipalities	(63,199)	-	-	(63,199)
Other grants	49,426	13,453	-	62,879
Investment income	26,139	-	-	26,139
Loss on investment sales	(25,027)	-	-	(25,027)
Unrealized gain on investments	88,448	-	-	88,448
Other income	6,138	-	-	6,138
Transfers from agency endowment	6,702	-	-	6,702
Lease revenue	15,984	-	-	15,984
Change in beneficial interest	-	-	31,521	31,521
Net assets released from restrictions	149,413	(149,413)	-	-
Total support and other revenue	<u>2,621,510</u>	<u>(85,084)</u>	<u>31,521</u>	<u>2,567,947</u>
Expenses				
Program services	2,151,959	-	-	2,151,959
Support services:				
Management and general	640,918	-	-	640,918
Fundraising	105,656	-	-	105,656
Total support services	<u>746,574</u>	<u>-</u>	<u>-</u>	<u>746,574</u>
Total expenses	<u>2,898,533</u>	<u>-</u>	<u>-</u>	<u>2,898,533</u>
Change in net assets	(277,023)	(85,084)	31,521	(330,586)
Net assets - beginning of year	3,110,929	376,487	127,101	3,614,517
Net assets - end of year	<u>\$ 2,833,906</u>	<u>\$ 291,403</u>	<u>\$ 158,622</u>	<u>\$ 3,283,931</u>

See accompanying notes.

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Consolidated Statement of Activities

Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and other revenue				
HUD Community Development Block Grant	\$ 609,915	\$ -	\$ -	\$ 609,915
Contracts	578,587	-	-	578,587
Contributions	602,670	130,000	-	732,670
DTE rebates	207,654	-	-	207,654
Donated goods and services	69,553	-	-	69,553
Remodeling Together sales	80,042	-	-	80,042
Member fees	137,060	-	-	137,060
Program income returned to local municipalities	(46,328)	-	-	(46,328)
Other grants	35,000	60,327	-	95,327
Investment income	27,661	-	-	27,661
Gain on investment sales	18,931	-	-	18,931
Unrealized loss on investments	(37,940)	-	-	(37,940)
Other income	459	-	-	459
Transfers from agency endowment	6,020	-	-	6,020
Lease revenue	13,822	-	-	13,822
Change in beneficial interest	-	-	2,657	2,657
Net assets released from restrictions	458,478	(458,478)	-	-
Total support and other revenue	<u>2,761,584</u>	<u>(268,151)</u>	<u>2,657</u>	<u>2,496,090</u>
Expenses				
Program services	1,797,507	-	-	1,797,507
Support services:				
Management and general	531,907	-	-	531,907
Fundraising	133,808	-	-	133,808
Total support services	<u>665,715</u>	<u>-</u>	<u>-</u>	<u>665,715</u>
Total expenses	<u>2,463,222</u>	<u>-</u>	<u>-</u>	<u>2,463,222</u>
Change in net assets	298,362	(268,151)	2,657	32,868
Net assets - beginning of year	2,812,567	644,638	124,444	3,581,649
Net assets - end of year	<u>\$ 3,110,929</u>	<u>\$ 376,487</u>	<u>\$ 127,101</u>	<u>\$ 3,614,517</u>

See accompanying notes.

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Consolidated Statement of Functional Expenses

Year Ended June 30, 2016

	Program Services	Support Services		Total
		Management and General	Fundraising	
Personnel expenses	\$ 840,177	\$ 361,357	\$ 67,095	\$ 1,268,629
Materials, subcontractors, and supplies	1,182,905	-	-	1,182,905
Vehicle, insurance, and other program expenses	90,359	-	-	90,359
Depreciation	38,518	79,661	-	118,179
Utilities	-	35,994	-	35,994
Office expenses	-	95,595	21,423	117,018
Repairs and maintenance	-	35,166	-	35,166
Special events	-	-	14,890	14,890
Other support services	-	33,145	2,248	35,393
Total expenses	\$ 2,151,959	\$ 640,918	\$ 105,656	\$ 2,898,533

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Consolidated Statement of Functional Expenses

Year Ended June 30, 2015

	Program Services	Support Services		Total
		Management and General	Fundraising	
Personnel expenses	\$ 798,330	\$ 298,312	\$ 95,209	\$ 1,191,851
Materials, subcontractors, and supplies	867,168	-	-	867,168
Vehicle, insurance, and other program expenses	101,487	-	-	101,487
Depreciation	26,176	76,439	-	102,615
Utilities	-	35,504	-	35,504
Office expenses	-	52,817	21,771	74,588
Repairs and maintenance	-	38,085	-	38,085
Special events	-	-	16,483	16,483
Program startup - Community Food Club	4,346	-	-	4,346
Other support services	-	30,750	345	31,095
Total expenses	\$ 1,797,507	\$ 531,907	\$ 133,808	\$ 2,463,222

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Consolidated Statements of Cash Flows

	Year Ended June 30	
	2016	2015
Operating activities		
Change in net assets	\$ (330,586)	\$ 32,868
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	118,179	102,615
Change in beneficial interest in assets held by Community Foundation	(31,521)	(2,657)
Change in long-term pledges receivable	80,000	55,000
Loss (gain) on sale of long-term investments	25,027	(18,931)
Unrealized loss (gain) on long-term investments	(88,448)	37,940
Change in assets and liabilities:		
Accounts receivable	70,121	(22,067)
Inventory	(34,098)	(13,031)
Prepaid expenses	4,016	15,689
Accounts payable	14,165	35,177
Deferred agency income	(11,262)	5,857
Other accrued expenses	(16,172)	13,068
Net cash from operating activities	<u>(200,579)</u>	<u>241,528</u>
Investing activities		
Maturities of certificates of deposit, net of reinvestment	246,709	276,199
Purchases of property and equipment	(20,275)	(436,621)
Purchases of long-term investments	(165,044)	(114,854)
Proceeds from sale of long-term investments	162,399	103,397
Net cash from investing activities	<u>223,789</u>	<u>(171,879)</u>
Net change in cash and cash equivalents	23,210	69,649
Cash and cash equivalents - beginning of year	321,959	252,310
Cash and cash equivalents - end of year	<u>\$ 345,169</u>	<u>\$ 321,959</u>
Cash balances per Consolidated Statements of Financial Position		
Cash and cash equivalents	\$ 295,288	\$ 295,878
Cash and cash equivalents held in investments	49,881	26,081
Cash and cash equivalents - end of year	<u>\$ 345,169</u>	<u>\$ 321,959</u>
Non-cash transactions:		
Donated goods and services	\$ 57,373	\$ 69,553

See accompanying notes.

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Notes to Consolidated Financial Statements

June 30, 2016

1. Nature of Consolidated Organization and Summary of Significant Accounting Policies

Nature of Consolidated Organization and Programs

Home Repair Services of Kent County, Inc. (Home Repair Services or Organization) was incorporated as a not-for-profit organization on June 28, 1979. The Organization defines its purpose in its mission statement: “Home Repair Services strengthens homeowners because strong homeowners build strong communities.”

Current programming is categorized into five major areas, including: Repairs, Access Modifications, Remodeling Together, Homeowner Counseling, and Air Sealing.

The largest source of ongoing 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 utility companies, service recipients, the State of Michigan Department of Health and Human Services, Kent County Senior Millage, other contracts, and contributions from organizations and individuals.

Community Food Club of Greater Grand Rapids, L3C (Community Food Club) was formed as a collaboration between seven area not-for-profit entities on December 16, 2013 as a low-profit limited liability company, or L3C. Its purpose, as outlined in its mission statement, is to be “a collaborative systemic response to hunger, promoting food security, consumer choice, and dignity for low-income member households.” The Community Food Club corporate structure is a limited liability company consisting of a single member, the Organization.

The Community Food Club conducted fundraising and startup activities during the year ended June 30, 2014. Operations of the Community Food Club began on January 27, 2015.

The Organization and the Community Food Club are collectively referred to as the Consolidated Organization.

Principles of Consolidation

The consolidated financial statements include the consolidation of the accounts of the Community Food Club, which is a low-profit limited liability company consisting of a single member, the Organization. The separate financial statements are presented for both the Organization and the Community Food Club in the other supplementary information, and the consolidated financial statements include both entities (Consolidated Organization). Inter-organization balances and transactions have been eliminated.

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Notes to Consolidated Financial Statements

June 30, 2016

**1. Nature of Consolidated Organization and Summary of Significant Accounting Policies
(continued)**

Method of Accounting

The records of the Consolidated Organization are maintained on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Accounting records are maintained in such a manner that common operating expenses are allocated to each program based on the percentage of related salaries and wages to total salaries and wages.

Cash and Cash Equivalents

The Consolidated Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The first \$250,000 of deposits at each institution is insured by the Federal Deposit Insurance Corporation (FDIC). Cash deposits, at times, may exceed the FDIC insured limits.

Cash and Cash Equivalents Held in Investments

The Consolidated Organization holds cash and bank deposit sweep amounts in its long-term investment account. The bank deposit sweep consists of money market mutual funds.

Certificates of Deposit

Certificates of deposit are held at three local financial institutions. The deposits are protected by the Securities Investor Protection Corporation (SIPC). The SIPC provides up to \$500,000 of protection per investor. No certificates of deposit held at a single institution exceeded \$500,000 as of June 30, 2016 or 2015.

Investments

Investments with amounts maturing within one year are classified as short-term investments. Long-term investments consist of corporate bond funds and equity securities. Such investments are carried at fair value, which is determined using published exchange market quotations where available.

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Notes to Consolidated Financial Statements

June 30, 2016

**1. Nature of Consolidated Organization and Summary of Significant Accounting Policies
(continued)**

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment are carried at cost or estimated fair value on the date received. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets, which generally range from 3 to 33 years.

Title to assets purchased using CDBG funds in excess of \$5,000 would revert back to the government provider should the Organization change its business entity, purpose, or become insolvent. As of June 30, 2016 and 2015, there were no individual assets in excess of \$5,000 purchased with grant funds.

Accounts Receivable

Accounts receivable consist primarily of trade receivables associated with program services performed and grant receivables associated with expenses incurred, but not yet reimbursed, by the grantor (CDBG). Accounts and grants receivable are stated at the outstanding principal balance, which management believes approximates net realizable value.

Inventories

Inventories are valued at the lower of cost (first-in, first-out) or market. Maintenance, operating, and office supplies are not recorded as inventory. Work-in-process inventory related to the Repairs and Access Modifications programs includes materials, labor, and subcontractor costs. Remodeling Together and Community Food Club inventory is valued at the lower of cost or fair value.

Net Asset Classifications

Unrestricted net assets represent the Consolidated Organization's resources available for operations. The use of portions of the assets has been designated by the Board of Directors for specific purposes as shown in Note 7.

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Notes to Consolidated Financial Statements

June 30, 2016

**1. Nature of Consolidated Organization and Summary of Significant Accounting Policies
(continued)**

Net Asset Classifications (continued)

Temporarily restricted net assets represent net contributions that contain donor-imposed restrictions that require the Consolidated Organization to use or expend the assets as specified. Temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions when the restrictions are satisfied either by passage of time or by actions of the Consolidated Organization. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Consolidated Organization reports the support as unrestricted.

Permanently restricted net assets represent contributions that contain donor-imposed restrictions that stipulate the resources be maintained permanently, but permit the Consolidated Organization to use or expend part or all of the income derived from the donated assets for specified purposes. Investment earnings are recorded as unrestricted net assets.

Deferred Agency Income

The Consolidated Organization records unearned revenue from programs as deferred income.

Contributions and Donations of Long-Lived Assets

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 and reported in the statement of activities as net assets released from restrictions.

The Consolidated Organization reports donations of land, buildings, and equipment as unrestricted support at their estimated fair value on the date received unless explicit donor stipulations specify how the donated assets must be used. Donations of long-lived assets with explicit restrictions that specify how the assets are to be used and donations of cash or other assets that must be used to acquire long-lived assets are reported as restricted support at estimated fair value. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Consolidated Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Notes to Consolidated Financial Statements

June 30, 2016

**1. Nature of Consolidated Organization and Summary of Significant Accounting Policies
(continued)**

Donated Goods and Services

The Consolidated Organization receives donated services from a variety of unpaid volunteers assisting in program services. U.S. GAAP 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 volunteers at fair value.

Donated materials consist of building supplies and are valued at the Remodeling Together sales value. Items that did not individually exceed the Consolidated Organization's capitalization policy of \$5,000 have been expensed in the statement of activities.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Notes to Consolidated Financial Statements

June 30, 2016

**1. Nature of Consolidated Organization and Summary of Significant Accounting Policies
(continued)**

Income Taxes

The Consolidated Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Consolidated Organization's tax-exempt purpose may be subject to taxation as unrelated business income (UBI). Since the Consolidated Organization is exempt from federal income taxes, no provision for income taxes is included in the accompanying financial statements.

Generally, tax years from 2012 through the current year remain open to examination. The Consolidated Organization does not believe that the results from any examination of these open years would have a material adverse effect on the Consolidated Organization.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Subsequent Events

Management has evaluated subsequent events for potential recognition or disclosure in the financial statements through November 1, 2016, which is the date the financial statements were available to be issued.

2. Pledges Receivable

Pledges receivable consisted of the following as of June 30:

	<u>2016</u>	<u>2015</u>
Receivable in less than one year	\$ 70,000	\$ 133,837
Receivable in one to five years	20,000	100,000
	<u>\$ 90,000</u>	<u>\$ 233,837</u>

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Notes to Consolidated Financial Statements

June 30, 2016

3. Net Property and Equipment

Home Repair Services property and equipment consisted of the following as of June 30:

	2016	2015
Building	\$ 344,524	\$ 344,524
Building improvements	2,001,040	1,986,110
Land	88,165	88,165
Office equipment	92,607	87,262
Vehicles	215,543	225,793
Operating equipment	6,313	6,613
Total property and equipment	2,748,192	2,738,467
Accumulated depreciation	(1,564,830)	(1,500,246)
Net property and equipment	\$ 1,183,362	\$ 1,238,221

Community Food Club property and equipment consisted of the following as of June 30:

	2016	2015
Leasehold improvements	\$ 354,012	\$ 354,012
Store and operating equipment	44,752	44,752
Office equipment	13,581	13,581
Total property and equipment	412,345	412,345
Accumulated depreciation	(60,981)	(17,936)
Net property and equipment	\$ 351,364	\$ 394,409

4. Investments

Long-term investments at fair value as of June 30 consisted of the following:

	2016	2015
Equity securities	\$ 490,040	\$ 434,159
Equity funds	1,936	2,475
Corporate bonds	351,403	340,559
Accrued interest	3,449	3,569
Total long-term investments	\$ 846,828	\$ 780,762

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Notes to Consolidated Financial Statements

June 30, 2016

4. Investments (continued)

Long-term investments and cash held in investments are held at the same financial institution and comprise total assets available for investments purposes. These amounts consisted of the following as of June 30:

	<u>2016</u>	<u>2015</u>
Total long-term investments	\$ 846,828	\$ 780,762
Cash held in investments	49,881	26,081
Assets available for investment purposes	<u>\$ 896,709</u>	<u>\$ 806,843</u>

Net investment income as reported on the statement of activities consisted of the following for the year ended June 30:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 34,772	\$ 36,183
Net realized gain (loss)	(25,027)	18,931
Net unrealized gain (loss)	88,448	(37,940)
Investment management fees	(8,633)	(8,522)
Net investment income	<u>\$ 89,560</u>	<u>\$ 8,652</u>

5. Line of Credit

The Consolidated Organization has a \$25,000 line of credit available with interest calculated at 6% as of June 30, 2016. Substantially all assets are pledged as security. There was no balance on the line at June 30, 2016 or 2015.

6. Concentrations

Approximately 32% of the Consolidated Organization's funding was provided from the CDBG for the year ended June 30, 2016 and 24% for the year ended June 30, 2015.

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Notes to Consolidated Financial Statements

June 30, 2016

7. Net Assets

Consolidated net assets consisted of the following for Home Repair Services (HRS) and the Community Food Club (CFC) as of June 30:

	2016	2015
Unrestricted:		
Equity in HRS property & equipment	\$ 1,183,362	\$ 1,238,221
Equity in CFC property & equipment	351,364	394,409
Other HRS unrestricted	328,552	256,645
Board designated funds:		
HRS program operations	33,727	107,550
HRS operating reserves	887,230	932,710
HRS capital/strategic projects	-	59,000
CFC program operations	49,671	122,394
Total unrestricted	\$ 2,833,906	\$ 3,110,929
Temporarily restricted:		
HRS financial coaching	\$ 28,027	\$ 41,487
HRS time restricted program operations	-	30,000
HRS community repair day	-	5,000
CFC time restricted program operations	263,376	300,000
Total temporarily restricted	\$ 291,403	\$ 376,487
Permanently restricted:		
HRS beneficial interest in assets held by Community Foundation	\$ 158,622	\$ 127,101

8. Related Party Transactions

The Community Food Club paid Feeding America approximately \$94,500 for food inventory during the year ended June 30, 2016 and approximately \$24,000 during the year ended June 30, 2015. Feeding America is one of the founding agencies of the Community Food Club.

Home Repair Services of Kent County, Inc. purchased approximately \$23,000 of materials inventory from Williams Distributing during the year ended June 30, 2016 and approximately \$36,000 during the year ended June 30, 2015. The Vice President of Builder Sales at Williams Distributing is on the Home Repair Services of Kent County, Inc. Board of Directors.

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Notes to Consolidated Financial Statements

June 30, 2016

9. Retirement Plan

The Consolidated 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 Consolidated Organization's employer match is calculated on the calendar year and must be paid no later than January 31 for the prior calendar year. The Consolidated Organization expensed \$12,400 for the year ended June 30, 2016 and \$13,910 for the year ended June 30, 2015 to the retirement plan.

10. Beneficial Interest in Assets Held by Community Foundation

The Consolidated Organization is the beneficiary of an agency endowment fund held by the Grand Rapids Community Foundation (Foundation). Under the fund agreement, the endowment fund is under control of the Foundation and the Consolidated Organization is entitled to the fund's spendable income, as determined in accordance with the terms of the fund agreement, upon written request. The spendable income is to be used for the support of the charitable or educational purposes of the Consolidated Organization.

An asset for the agency endowment fund has been established for the fair value of the underlying investment totaling \$200,337 at June 30, 2016 and \$162,114 at June 30, 2015 and is recorded in the Consolidated Organization's statement of financial position. On an annual basis, the asset is revalued based on changes in fair value. This revaluation, less the spendable portion to which the Consolidated Organization is entitled, is recorded as a change in beneficial interest in the statement of activities. Also, the Consolidated Organization has a donor endowment fund held by the Foundation and in accordance with U.S. GAAP, the Consolidated Organization does not record the donor endowment fund, which is valued at \$134,928 as of June 30, 2016 and \$141,539 as of June 30, 2015, in its financial statements.

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Notes to Consolidated Financial Statements

June 30, 2016

11. Fair Value Measurements

Fair values of assets measured on a recurring basis were as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2016				
Long-term investments	\$ 846,828	\$ 846,828	\$ -	\$ -
Beneficial interest in assets held by community foundation	\$ 200,337	\$ -	\$ -	\$ 200,337
June 30, 2015				
Long-term investments	\$ 780,762	\$ 780,762	\$ -	\$ -
Beneficial interest in assets held by community foundation	\$ 162,114	\$ -	\$ -	\$ 162,114

Changes in Level 3 assets and liabilities measured at fair value on a recurring basis:

	<u>Level 3</u>
Balance, July 1, 2014	\$ 153,438
Contributions to principal	6,500
Total realized and unrealized gains (losses)	<u>2,176</u>
Balance, June 30, 2015	162,114
Contributions to principal	45,175
Total realized and unrealized gains (losses)	<u>(6,952)</u>
Balance, June 30, 2016	<u>\$ 200,337</u>

The beneficial interest in assets held by the Grand Rapids Community Foundation represents the Consolidated Organization's share of an investment pool held and managed by the Foundation. This pool is comprised of various investments that are valued by the Foundation using Level 1, 2, and 3 inputs.

Report of Independent Auditors on Other Supplementary Information

Board of Directors
Home Repair Services of Kent County, Inc. and Subsidiary
Grand Rapids, Michigan

We have audited the consolidated financial statements of Home Repair Services of Kent County, Inc. and Subsidiary as of and for the years ended June 30, 2016 and 2015, and our report thereon dated November 1, 2016, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The following schedules are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Andrews Hooper Pavlik PLC

Grand Rapids, Michigan
November 1, 2016

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Consolidating Statement of Financial Position

Year Ended June 30, 2016

	Home Repair Services	Community Food Club	Eliminations	Consolidated Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 57,972	\$ 237,316	\$ -	\$ 295,288
Cash and cash equivalents held in investments	49,881	-	-	49,881
Accounts receivable:				
Short-term pledges receivable	-	70,000	-	70,000
Trade	91,462	-	-	91,462
Grants	201,024	-	-	201,024
Spendable balance - agency endowment	41,715	-	-	41,715
Due from (to) related party	12,795	(12,795)	-	-
Inventory:				
Work in process	78,848	-	-	78,848
Material	3,308	-	-	3,308
Remodeling Together material	6,499	-	-	6,499
Food	-	10,906	-	10,906
Prepaid expenses	30,550	997	-	31,547
Certificates of deposit	76,701	-	-	76,701
Total current assets	650,755	306,424	-	957,179
Long-term investments, at market value	846,828	-	-	846,828
Property and equipment	2,748,192	412,345	-	3,160,537
Accumulated depreciation	(1,564,830)	(60,981)	-	(1,625,811)
Net property and equipment	1,183,362	351,364	-	1,534,726
Other assets:				
Long-term pledges receivable	-	20,000	-	20,000
Beneficial interest in assets held by Community Foundation	158,622	-	-	158,622
Total other assets	158,622	20,000	-	178,622
Total assets	\$ 2,839,567	\$ 677,788	\$ -	\$ 3,517,355
Liabilities and net assets				
Liabilities:				
Accounts payable	\$ 114,408	\$ 13,377	\$ -	\$ 127,785
Deferred agency income	17,875	-	-	17,875
Other accrued expenses	87,764	-	-	87,764
Total liabilities	220,047	13,377	-	233,424
Net assets:				
Unrestricted	2,432,871	401,035	-	2,833,906
Temporarily restricted	28,027	263,376	-	291,403
Permanently restricted	158,622	-	-	158,622
Total net assets	2,619,520	664,411	-	3,283,931
Total liabilities and net assets	\$ 2,839,567	\$ 677,788	\$ -	\$ 3,517,355

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Consolidating Statement of Financial Position

Year Ended June 30, 2015

	Home Repair Services	Community Food Club	Eliminations	Consolidated Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 97,869	\$ 198,009	\$ -	\$ 295,878
Cash and cash equivalents held in investments	26,081	-	-	26,081
Accounts receivable:				
Short-term pledges receivable	-	133,837	-	133,837
Trade	133,533	-	-	133,533
Grants	171,939	-	-	171,939
Spendable balance - agency endowment	35,013	-	-	35,013
Due from (to) related company	15,865	(15,865)	-	-
Inventory:				
Work in process	52,794	-	-	52,794
Material	4,312	-	-	4,312
Remodeling Together material	3,666	-	-	3,666
Food	-	4,691	-	4,691
Prepaid expenses	33,841	1,722	-	35,563
Certificates of deposit	323,410	-	-	323,410
Total current assets	898,323	322,394	-	1,220,717
Long-term investments, at market value	780,762	-	-	780,762
Property and equipment	2,738,467	412,345	-	3,150,812
Accumulated depreciation	(1,500,246)	(17,936)	-	(1,518,182)
Net property and equipment	1,238,221	394,409	-	1,632,630
Other assets:				
Long-term pledges receivable	-	100,000	-	100,000
Beneficial interest in assets held by Community Foundation	127,101	-	-	127,101
Total other assets	127,101	100,000	-	227,101
Total assets	\$ 3,044,407	\$ 816,803	\$ -	\$ 3,861,210
Liabilities and net assets				
Liabilities:				
Accounts payable	\$ 113,620	\$ -	\$ -	\$ 113,620
Deferred agency income	29,137	-	-	29,137
Other accrued expenses	103,936	-	-	103,936
Total liabilities	246,693	-	-	246,693
Net assets:				
Unrestricted	2,594,126	516,803	-	3,110,929
Temporarily restricted	76,487	300,000	-	376,487
Permanently restricted	127,101	-	-	127,101
Total net assets	2,797,714	816,803	-	3,614,517
Total liabilities and net assets	\$ 3,044,407	\$ 816,803	\$ -	\$ 3,861,210

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Consolidating Statement of Activities

Year Ended June 30, 2016

	Home Repair Services				Community Food Club		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and other revenue							
HUD Community Development Block Grant	\$ 811,266	\$ -	\$ -	\$ 811,266	\$ -	\$ -	\$ -
Contracts	773,536	-	-	773,536	-	-	-
Contributions	294,887	-	-	294,887	92,541	50,876	143,417
DTE rebates	69,643	-	-	69,643	-	-	-
Donated goods and services	57,373	-	-	57,373	-	-	-
Remodeling Together sales	51,929	-	-	51,929	-	-	-
Member fees	136,426	-	-	136,426	79,885	-	79,885
Program income returned to local municipalities	(63,199)	-	-	(63,199)	-	-	-
Other grants	49,426	13,453	-	62,879	-	-	-
Investment income	26,139	-	-	26,139	-	-	-
Loss on investment sales	(25,027)	-	-	(25,027)	-	-	-
Unrealized gain on investments	88,448	-	-	88,448	-	-	-
Other income	16,396	-	-	16,396	-	-	-
Transfers from agency endowment	6,702	-	-	6,702	-	-	-
Lease revenue	41,580	-	-	41,580	-	-	-
Change in beneficial interest	-	-	31,521	31,521	-	-	-
Net assets released from restrictions	61,913	(61,913)	-	-	87,500	(87,500)	-
Total support and other revenue	<u>2,397,438</u>	<u>(48,460)</u>	<u>31,521</u>	<u>2,380,499</u>	<u>259,926</u>	<u>(36,624)</u>	<u>223,302</u>
Expenses							
Program services	1,836,811	-	-	1,836,811	315,148	-	315,148
Support services:							
Management and general	616,226	-	-	616,226	60,546	-	60,546
Fundraising	105,656	-	-	105,656	-	-	-
Total support services	<u>721,882</u>	<u>-</u>	<u>-</u>	<u>721,882</u>	<u>60,546</u>	<u>-</u>	<u>60,546</u>
Total expenses	<u>2,558,693</u>	<u>-</u>	<u>-</u>	<u>2,558,693</u>	<u>375,694</u>	<u>-</u>	<u>375,694</u>
Change in net assets	(161,255)	(48,460)	31,521	(178,194)	(115,768)	(36,624)	(152,392)
Net assets - beginning of year	2,594,126	76,487	127,101	2,797,714	516,803	300,000	816,803
Net assets - end of year	<u>\$ 2,432,871</u>	<u>\$ 28,027</u>	<u>\$ 158,622</u>	<u>\$ 2,619,520</u>	<u>\$ 401,035</u>	<u>\$ 263,376</u>	<u>\$ 664,411</u>

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Consolidating Statement of Activities

Year Ended June 30, 2016

	Eliminations			Consolidated Total			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and other revenue							
HUD Community Development Block Grant	\$ -	\$ -	\$ -	\$ 811,266	\$ -	\$ -	\$ 811,266
Contracts	-	-	-	773,536	-	-	773,536
Contributions	-	-	-	387,428	50,876	-	438,304
DTE rebates	-	-	-	69,643	-	-	69,643
Donated goods and services	-	-	-	57,373	-	-	57,373
Remodeling Together sales	-	-	-	51,929	-	-	51,929
Member fees	-	-	-	216,311	-	-	216,311
Program income returned to local municipalities	-	-	-	(63,199)	-	-	(63,199)
Other grants	-	-	-	49,426	13,453	-	62,879
Investment income	-	-	-	26,139	-	-	26,139
Loss on investment sales	-	-	-	(25,027)	-	-	(25,027)
Unrealized gain on investments	-	-	-	88,448	-	-	88,448
Other income	(10,258)	-	(10,258)	6,138	-	-	6,138
Transfers from agency endowment	-	-	-	6,702	-	-	6,702
Lease revenue	(25,596)	-	(25,596)	15,984	-	-	15,984
Change in beneficial interest	-	-	-	-	-	31,521	31,521
Net assets released from restrictions	-	-	-	149,413	(149,413)	-	-
Total support and other revenue	(35,854)	-	(35,854)	2,621,510	(85,084)	31,521	2,567,947
Expenses							
Program services	-	-	-	2,151,959	-	-	2,151,959
Support services:							
Management and general	(35,854)	-	(35,854)	640,918	-	-	640,918
Fundraising	-	-	-	105,656	-	-	105,656
Total support services	(35,854)	-	(35,854)	746,574	-	-	746,574
Total expenses	(35,854)	-	(35,854)	2,898,533	-	-	2,898,533
Change in net assets	-	-	-	(277,023)	(85,084)	31,521	(330,586)
Net assets - beginning of year	-	-	-	3,110,929	376,487	127,101	3,614,517
Net assets - end of year	\$ -	\$ -	\$ -	\$ 2,833,906	\$ 291,403	\$ 158,622	\$ 3,283,931

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Consolidating Statement of Activities

Year Ended June 30, 2015

	Home Repair Services				Community Food Club		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and other revenue							
HUD Community Development Block Grant	\$ 609,915	\$ -	\$ -	\$ 609,915	\$ -	\$ -	\$ -
Contracts	578,587	-	-	578,587	-	-	-
Contributions	414,575	35,000	-	449,575	188,095	95,000	283,095
DTE rebates	207,654	-	-	207,654	-	-	-
Donated goods and services	69,553	-	-	69,553	-	-	-
Remodeling Together sales	80,042	-	-	80,042	-	-	-
Member fees	120,740	-	-	120,740	16,320	-	16,320
Program income returned to local municipalities	(46,328)	-	-	(46,328)	-	-	-
Other grants	35,000	60,327	-	95,327	-	-	-
Investment income	27,661	-	-	27,661	-	-	-
Gain on investment sales	18,931	-	-	18,931	-	-	-
Unrealized loss on investments	(37,940)	-	-	(37,940)	-	-	-
Other income	7,706	-	-	7,706	-	-	-
Transfers from agency endowment	6,020	-	-	6,020	-	-	-
Lease revenue	33,019	-	-	33,019	-	-	-
Change in beneficial interest	-	-	2,657	2,657	-	-	-
Net assets released from restrictions	56,372	(56,372)	-	-	452,106	(452,106)	-
Total support and other revenue	<u>2,181,507</u>	<u>38,955</u>	<u>2,657</u>	<u>2,223,119</u>	<u>656,521</u>	<u>(357,106)</u>	<u>299,415</u>
Expenses							
Program services	1,704,005	-	-	1,704,005	93,502	-	93,502
Support services:							
Management and general	562,801	-	-	562,801	45,550	-	45,550
Fundraising	133,142	-	-	133,142	666	-	666
Total support services	<u>695,943</u>	<u>-</u>	<u>-</u>	<u>695,943</u>	<u>46,216</u>	<u>-</u>	<u>46,216</u>
Total expenses	<u>2,399,948</u>	<u>-</u>	<u>-</u>	<u>2,399,948</u>	<u>139,718</u>	<u>-</u>	<u>139,718</u>
Change in net assets	(218,441)	38,955	2,657	(176,829)	516,803	(357,106)	159,697
Net assets - beginning of year	2,812,567	37,532	124,444	2,974,543	-	657,106	657,106
Net assets - end of year	<u>\$ 2,594,126</u>	<u>\$ 76,487</u>	<u>\$ 127,101</u>	<u>\$ 2,797,714</u>	<u>\$ 516,803</u>	<u>\$ 300,000</u>	<u>\$ 816,803</u>

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Consolidating Statement of Activities

Year Ended June 30, 2015

	Eliminations			Consolidated Total			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and other revenue							
HUD Community Development Block Grant	\$ -	\$ -	\$ -	\$ 609,915	\$ -	\$ -	\$ 609,915
Contracts	-	-	-	578,587	-	-	578,587
Contributions	-	-	-	602,670	130,000	-	732,670
DTE rebates	-	-	-	207,654	-	-	207,654
Donated goods and services	-	-	-	69,553	-	-	69,553
Remodeling Together sales	-	-	-	80,042	-	-	80,042
Member fees	-	-	-	137,060	-	-	137,060
Program income returned to local municipalities	-	-	-	(46,328)	-	-	(46,328)
Other grants	-	-	-	35,000	60,327	-	95,327
Investment income	-	-	-	27,661	-	-	27,661
Gain on investment sales	-	-	-	18,931	-	-	18,931
Unrealized loss on investments	-	-	-	(37,940)	-	-	(37,940)
Other income	(7,247)	-	(7,247)	459	-	-	459
Transfers from agency endowment	-	-	-	6,020	-	-	6,020
Lease revenue	(19,197)	-	(19,197)	13,822	-	-	13,822
Change in beneficial interest	-	-	-	-	-	2,657	2,657
Net assets released from restrictions	(50,000)	50,000	-	458,478	(458,478)	-	-
Total support and other revenue	(76,444)	50,000	(26,444)	2,761,584	(268,151)	2,657	2,496,090
Expenses							
Program services	-	-	-	1,797,507	-	-	1,797,507
Support services:							
Management and general	(76,444)	-	(76,444)	531,907	-	-	531,907
Fundraising	-	-	-	133,808	-	-	133,808
Total support services	(76,444)	-	(76,444)	665,715	-	-	665,715
Total expenses	(76,444)	-	(76,444)	2,463,222	-	-	2,463,222
Change in net assets	-	50,000	50,000	298,362	(268,151)	2,657	32,868
Net assets - beginning of year	-	(50,000)	(50,000)	2,812,567	644,638	124,444	3,581,649
Net assets - end of year	\$ -	\$ -	\$ -	\$ 3,110,929	\$ 376,487	\$ 127,101	\$ 3,614,517

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Consolidating Statement of Functional Expenses

Year Ended June 30, 2016

	Home Repair Services				Community Food Club				Eliminations	Consolidated Total			
	Program Services	Management and General	Fund-raising	Total	Program Services	Management and General	Fund-raising	Total		Program Services	Management and General	Fund-raising	Total
Personnel expenses	\$ 720,786	\$ 361,357	\$ 67,095	\$ 1,149,238	\$ 119,391	\$ 10,258	\$ -	\$ 129,649	\$ (10,258)	\$ 840,177	\$ 361,357	\$ 67,095	\$ 1,268,629
Materials, subcontractors, and supplies	1,028,006	-	-	1,028,006	154,899	-	-	154,899	-	1,182,905	-	-	1,182,905
Vehicle, insurance, and other program expenses	88,019	-	-	88,019	2,340	-	-	2,340	-	90,359	-	-	90,359
Depreciation	-	75,134	-	75,134	38,518	4,527	-	43,045	-	38,518	79,661	-	118,179
Rent	-	-	-	-	-	25,596	-	25,596	(25,596)	-	-	-	-
Utilities	-	23,316	-	23,316	-	12,678	-	12,678	-	-	35,994	-	35,994
Office expenses	-	90,417	21,423	111,840	-	5,178	-	5,178	-	-	95,595	21,423	117,018
Repairs and maintenance	-	33,157	-	33,157	-	2,009	-	2,009	-	-	35,166	-	35,166
Special events	-	-	14,890	14,890	-	-	-	-	-	-	-	14,890	14,890
Other support services	-	32,845	2,248	35,093	-	300	-	300	-	-	33,145	2,248	35,393
Total expenses	\$ 1,836,811	\$ 616,226	\$ 105,656	\$ 2,558,693	\$ 315,148	\$ 60,546	\$ -	\$ 375,694	\$ (35,854)	\$ 2,151,959	\$ 640,918	\$ 105,656	\$ 2,898,533

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Consolidating Statement of Functional Expenses

Year Ended June 30, 2015

	Home Repair Services				Community Food Club				Eliminations	Consolidated Total			
	Support Services			Total	Support Services			Total		Support Services			Total
	Program Services	Management and General	Fund-raising		Program Services	Management and General	Fund-raising			Program Services	Management and General	Fund-raising	
Personnel expenses	\$ 758,928	\$ 298,312	\$ 95,209	\$ 1,152,449	\$ 39,402	\$ 7,247	\$ -	\$ 46,649	\$ (7,247)	\$ 798,330	\$ 298,312	\$ 95,209	\$ 1,191,851
Materials, subcontractors, and supplies	835,409	-	-	835,409	31,759	-	-	31,759	-	867,168	-	-	867,168
Vehicle, insurance, and other program expenses	99,541	-	-	99,541	1,946	-	-	1,946	-	101,487	-	-	101,487
Depreciation	10,127	74,552	-	84,679	16,049	1,887	-	17,936	-	26,176	76,439	-	102,615
Rent	-	-	-	-	-	19,197	-	19,197	(19,197)	-	-	-	-
Utilities	-	29,578	-	29,578	-	5,926	-	5,926	-	-	35,504	-	35,504
Office expenses	-	45,456	21,771	67,227	-	7,361	-	7,361	-	-	52,817	21,771	74,588
Repairs and maintenance	-	36,251	-	36,251	-	1,834	-	1,834	-	-	38,085	-	38,085
Special events	-	-	15,817	15,817	-	-	666	666	-	-	-	16,483	16,483
Program startup - Community Food Club	-	50,000	-	50,000	4,346	-	-	4,346	(50,000)	4,346	-	-	4,346
Other support services	-	28,652	345	28,997	-	2,098	-	2,098	-	-	30,750	345	31,095
Total expenses	\$ 1,704,005	\$ 562,801	\$ 133,142	\$ 2,399,948	\$ 93,502	\$ 45,550	\$ 666	\$ 139,718	\$ (76,444)	\$ 1,797,507	\$ 531,907	\$ 133,808	\$ 2,463,222

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Consolidating Statement of Cash Flows

Year Ended June 30, 2016

	Home Repair Services	Community Food Club	Eliminations	Consolidated Total
Operating activities				
Change in net assets	\$ (178,194)	\$ (152,392)	\$ -	\$ (330,586)
Adjustments to reconcile change in net assets to net cash from operating activities:				
Depreciation	75,134	43,045	-	118,179
Change in beneficial interest in assets held by Community Foundation	(31,521)	-	-	(31,521)
Change in long-term pledges receivable	-	80,000	-	80,000
Loss on sale of long-term investments	25,027	-	-	25,027
Unrealized gain on long-term investments	(88,448)	-	-	(88,448)
Change in assets and liabilities:				
Accounts receivable	9,354	60,767	-	70,121
Inventory	(27,883)	(6,215)	-	(34,098)
Prepaid expenses	3,291	725	-	4,016
Accounts payable	788	13,377	-	14,165
Deferred agency income	(11,262)	-	-	(11,262)
Other accrued expenses	(16,172)	-	-	(16,172)
Net cash from operating activities	<u>(239,886)</u>	<u>39,307</u>	<u>-</u>	<u>(200,579)</u>
Investing activities				
Maturities of certificates of deposit, net of reinvestment	246,709	-	-	246,709
Purchases of property and equipment	(20,275)	-	-	(20,275)
Purchases of long-term investments	(165,044)	-	-	(165,044)
Proceeds from sale of long-term investments	162,399	-	-	162,399
Net cash from investing activities	<u>223,789</u>	<u>-</u>	<u>-</u>	<u>223,789</u>
Net change in cash and cash equivalents	(16,097)	39,307	-	23,210
Cash and cash equivalents - beginning of year	123,950	198,009	-	321,959
Cash and cash equivalents - end of year	<u>\$ 107,853</u>	<u>\$ 237,316</u>	<u>\$ -</u>	<u>\$ 345,169</u>
Cash balances per Consolidating Statement of Financial Position				
Cash and cash equivalents	\$ 57,972	\$ 237,316	\$ -	\$ 295,288
Cash and cash equivalents held in investments	49,881	-	-	49,881
Cash and cash equivalents - end of year	<u>\$ 107,853</u>	<u>\$ 237,316</u>	<u>\$ -</u>	<u>\$ 345,169</u>
Non-cash transactions:				
Donated goods and services	\$ 57,373	\$ -	\$ -	\$ 57,373

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Consolidating Statement of Cash Flows

Year Ended June 30, 2015

	Home Repair Services	Community Food Club	Eliminations	Consolidated Total
Operating activities				
Change in net assets	\$ (176,829)	\$ 159,697	\$ 50,000	\$ 32,868
Adjustments to reconcile change in net assets to net cash from operating activities:				
Depreciation	84,679	17,936	-	102,615
Change in beneficial interest in assets held by Community Foundation	(2,657)	-	-	(2,657)
Change in long-term pledges receivable	-	55,000	-	55,000
Gain on sale of long-term investments	(18,931)	-	-	(18,931)
Unrealized loss on long-term investments	37,940	-	-	37,940
Change in assets and liabilities:				
Accounts receivable	(200,845)	228,778	(50,000)	(22,067)
Inventory	(8,340)	(4,691)	-	(13,031)
Prepaid expenses	17,411	(1,722)	-	15,689
Accounts payable	35,177	-	-	35,177
Deferred agency income	5,857	-	-	5,857
Other accrued expenses	13,068	-	-	13,068
Net cash from operating activities	(213,470)	454,998	-	241,528
Investing activities				
Maturities of certificates of deposit, net of reinvestment	276,199	-	-	276,199
Purchases of property and equipment	(24,276)	(412,345)	-	(436,621)
Purchases of long-term investments	(114,854)	-	-	(114,854)
Proceeds from sale of long-term investments	103,397	-	-	103,397
Net cash from investing activities	240,466	(412,345)	-	(171,879)
Net change in cash and cash equivalents	26,996	42,653	-	69,649
Cash and cash equivalents - beginning of year	96,954	155,356	-	252,310
Cash and cash equivalents - end of year	\$ 123,950	\$ 198,009	\$ -	\$ 321,959
Cash balances per Consolidating Statement of Financial Position				
Cash and cash equivalents	\$ 97,869	\$ 198,009	\$ -	\$ 295,878
Cash and cash equivalents held in investments	26,081	-	-	26,081
Cash and cash equivalents - end of year	\$ 123,950	\$ 198,009	\$ -	\$ 321,959
Non-cash transactions:				
Donated goods and services	\$ 69,553	\$ -	\$ -	\$ 69,553

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Statements of Financial Position

	Home Repair Services	
	June 30	
	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 57,972	\$ 97,869
Cash and cash equivalents held in investments	49,881	26,081
Accounts receivable:		
Trade	91,462	133,533
Grants	201,024	171,939
Spendable balance - agency endowment	41,715	35,013
Due from related party	12,795	15,865
Inventory:		
Work in process	78,848	52,794
Material	3,308	4,312
Remodeling Together material	6,499	3,666
Prepaid expenses	30,550	33,841
Certificates of deposit	76,701	323,410
Total current assets	650,755	898,323
Long-term investments, at market value	846,828	780,762
Property and equipment	2,748,192	2,738,467
Accumulated depreciation	(1,564,830)	(1,500,246)
Net property and equipment	1,183,362	1,238,221
Other assets:		
Beneficial interest in assets held by Community Foundation	158,622	127,101
Total other assets	158,622	127,101
Total assets	\$ 2,839,567	\$ 3,044,407
Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 114,408	\$ 113,620
Deferred agency income	17,875	29,137
Other accrued expenses	87,764	103,936
Total liabilities	220,047	246,693
Net assets:		
Unrestricted	2,432,871	2,594,126
Temporarily restricted	28,027	76,487
Permanently restricted	158,622	127,101
Total net assets	2,619,520	2,797,714
Total liabilities and net assets	\$ 2,839,567	\$ 3,044,407

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Statement of Activities

Year Ended June 30, 2016

	Home Repair Services			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Support and other revenue				
HUD Community Development Block Grant	\$ 811,266	\$ -	\$ -	\$ 811,266
Contracts	773,536	-	-	773,536
Contributions	294,887	-	-	294,887
DTE rebates	69,643	-	-	69,643
Donated goods and services	57,373	-	-	57,373
Remodeling Together sales	51,929	-	-	51,929
Member fees	136,426	-	-	136,426
Program income returned to local municipalities	(63,199)	-	-	(63,199)
Other grants	49,426	13,453	-	62,879
Investment income	26,139	-	-	26,139
Loss on investment sales	(25,027)	-	-	(25,027)
Unrealized gain on investments	88,448	-	-	88,448
Other income	16,396	-	-	16,396
Transfers from agency endowment	6,702	-	-	6,702
Lease revenue	41,580	-	-	41,580
Change in beneficial interest	-	-	31,521	31,521
Net assets released from restrictions	61,913	(61,913)	-	-
Total support and other revenue	2,397,438	(48,460)	31,521	2,380,499
Expenses				
Program services	1,836,811	-	-	1,836,811
Support services:				
Management and general	616,226	-	-	616,226
Fundraising	105,656	-	-	105,656
Total support services	721,882	-	-	721,882
Total expenses	2,558,693	-	-	2,558,693
Change in net assets	(161,255)	(48,460)	31,521	(178,194)
Net assets - beginning of year	2,594,126	76,487	127,101	2,797,714
Net assets - end of year	\$ 2,432,871	\$ 28,027	\$ 158,622	\$ 2,619,520

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Statement of Activities

Year Ended June 30, 2015

	Home Repair Services			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Support and other revenue				
HUD Community Development Block Grant	\$ 609,915	\$ -	\$ -	\$ 609,915
Contracts	578,587	-	-	578,587
Contributions	414,575	35,000	-	449,575
DTE rebates	207,654	-	-	207,654
Donated goods and services	69,553	-	-	69,553
Remodeling Together sales	80,042	-	-	80,042
Member fees	120,740	-	-	120,740
Program income returned to local municipalities	(46,328)	-	-	(46,328)
Other grants	35,000	60,327	-	95,327
Investment income	27,661	-	-	27,661
Gain on investment sales	18,931	-	-	18,931
Unrealized loss on investments	(37,940)	-	-	(37,940)
Other income	7,706	-	-	7,706
Transfers from agency endowment	6,020	-	-	6,020
Lease revenue	33,019	-	-	33,019
Change in beneficial interest	-	-	2,657	2,657
Net assets released from restrictions	56,372	(56,372)	-	-
Total support and other revenue	2,181,507	38,955	2,657	2,223,119
Expenses				
Program services	1,704,005	-	-	1,704,005
Support services:				
Management and general	562,801	-	-	562,801
Fundraising	133,142	-	-	133,142
Total support services	695,943	-	-	695,943
Total expenses	2,399,948	-	-	2,399,948
Change in net assets	(218,441)	38,955	2,657	(176,829)
Net assets - beginning of year	2,812,567	37,532	124,444	2,974,543
Net assets - end of year	\$ 2,594,126	\$ 76,487	\$ 127,101	\$ 2,797,714

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Statement of Functional Expenses

Year Ended June 30, 2016

	Home Repair Services								Support Services			Total
	Program Services							Subtotal Program Services	Management and General	Fund- raising		
	Repairs	Access Modifications	Self- Help	Volunteer Coordination	Financial Coaching	Air Sealing	City Bin Distribution				Donated Goods and Services	
Personnel expenses	\$ 310,545	\$ 124,018	\$ 145,851	\$ 1,225	\$ 101,130	\$ 18,259	\$ 19,758	\$ -	\$ 720,786	\$ 361,357	\$ 67,095	\$ 1,149,238
Materials, subcontractors, and supplies	720,199	91,078	69,952	962	55,612	32,710	120	57,373	1,028,006	-	-	1,028,006
Vehicle, insurance, and other program expenses	48,567	14,927	11,480	-	11,682	1,191	172	-	88,019	-	-	88,019
Depreciation	-	-	-	-	-	-	-	-	-	75,134	-	75,134
Utilities	-	-	-	-	-	-	-	-	-	23,316	-	23,316
Office expenses	-	-	-	-	-	-	-	-	-	90,417	21,423	111,840
Repairs and maintenance	-	-	-	-	-	-	-	-	-	33,157	-	33,157
Special events	-	-	-	-	-	-	-	-	-	-	14,890	14,890
Other support services	-	-	-	-	-	-	-	-	-	32,845	2,248	35,093
Total expenses	\$ 1,079,311	\$ 230,023	\$ 227,283	\$ 2,187	\$ 168,424	\$ 52,160	\$ 20,050	\$ 57,373	\$ 1,836,811	\$ 616,226	\$ 105,656	\$ 2,558,693

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Statement of Functional Expenses

Year Ended June 30, 2015

	Home Repair Services										Total	
	Program Services							Donated Goods and Services	Subtotal Program Services	Support Services		
	Repairs	Access Modifications	Self- Help	Volunteer Coordination	Financial Coaching	Air Sealing	City Bin Distribution			Management and General		Fund- raising
Personnel expenses	\$ 349,292	\$ 95,032	\$ 136,273	\$ 2,987	\$ 101,776	\$ 54,395	\$ 19,173	\$ -	\$ 758,928	\$ 298,312	\$ 95,209	\$ 1,152,449
Materials, subcontractors, and supplies	436,210	63,129	93,691	9	6,481	166,245	91	69,553	835,409	-	-	835,409
Vehicle, insurance, and other program expenses	44,546	11,166	29,447	-	10,817	3,363	202	-	99,541	-	-	99,541
Depreciation	4,604	1,309	1,860	-	1,360	732	262	-	10,127	74,552	-	84,679
Utilities	-	-	-	-	-	-	-	-	-	29,578	-	29,578
Office expenses	-	-	-	-	-	-	-	-	-	45,456	21,771	67,227
Repairs and maintenance	-	-	-	-	-	-	-	-	-	36,251	-	36,251
Special events	-	-	-	-	-	-	-	-	-	-	15,817	15,817
Program startup - Community Food Club	-	-	-	-	-	-	-	-	-	50,000	-	50,000
Other support services	-	-	-	-	-	-	-	-	-	28,652	345	28,997
Total expenses	\$ 834,652	\$ 170,636	\$ 261,271	\$ 2,996	\$ 120,434	\$ 224,735	\$ 19,728	\$ 69,553	\$ 1,704,005	\$ 562,801	\$ 133,142	\$ 2,399,948

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Statements of Cash Flows

	Home Repair Services	
	Year Ended June 30	
	2016	2015
Operating activities		
Change in net assets	\$ (178,194)	\$ (176,829)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	75,134	84,679
Change in beneficial interest in assets held by Community Foundation	(31,521)	(2,657)
Loss (gain) on sale of long-term investments	25,027	(18,931)
Unrealized loss (gain) on long-term investments	(88,448)	37,940
Change in assets and liabilities:		
Accounts receivable	9,354	(200,845)
Inventory	(27,883)	(8,340)
Prepaid expenses	3,291	17,411
Accounts payable	788	35,177
Deferred agency income	(11,262)	5,857
Other accrued expenses	(16,172)	13,068
Net cash from operating activities	(239,886)	(213,470)
Investing activities		
Maturities of certificates of deposit, net of reinvestment	246,709	276,199
Purchases of property and equipment	(20,275)	(24,276)
Purchases of long-term investments	(165,044)	(114,854)
Proceeds from sale of long-term investments	162,399	103,397
Net cash from investing activities	223,789	240,466
Net change in cash and cash equivalents	(16,097)	26,996
Cash and cash equivalents - beginning of year	123,950	96,954
Cash and cash equivalents - end of year	\$ 107,853	\$ 123,950
Cash balanced from Statements of Financial Position		
Cash and cash equivalents	\$ 57,972	\$ 97,869
Cash and cash equivalents held in investments	49,881	26,081
Cash and cash equivalents - end of year	\$ 107,853	\$ 123,950
Non-cash transactions:		
Donated goods and services	\$ 57,373	\$ 69,553

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Schedule of Functional Revenues and Expenses (Unrestricted)

Year Ended June 30, 2016

	Home Repair Services									
	Repairs						Access Modifications			
	Minor Repair		Major		Repair		Grand		Kent	
Grand Rapids	Kent Co	Wyoming	Extra	Repairs	Consultation	Rapids	County	Wyoming	Extra	
Support and other revenue:										
HUD Community Development Block Grant - City of Grand Rapids	\$ 399,991	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,300	\$ -	\$ -	\$ -
HUD Community Development Block Grant - Kent County	-	201,212	-	-	-	-	-	71,763	-	-
HUD Community Development Block Grant - City of Wyoming	-	-	59,314	-	-	-	-	-	30,686	-
DTE rebates	14,750	4,600	3,700	-	29,300	5,125	-	-	-	-
Contracts	-	-	-	80,265	276,229	125,403	-	-	-	117,956
Contributions	-	-	-	-	-	-	-	-	-	-
Donated goods and services	-	-	-	-	-	-	-	-	-	-
Remodeling Together Sales	-	-	-	-	-	-	-	-	-	-
Member fees	28,540	18,959	5,060	12,789	22,057	25,071	3,265	5,385	1,950	9,470
Program income returned to local municipalities	(28,540)	(18,959)	(5,100)	-	-	-	(3,265)	(5,385)	(1,950)	-
Other grants	-	-	-	-	-	-	-	-	-	-
Lease revenue	-	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-	-
Gain on investment sales	-	-	-	-	-	-	-	-	-	-
Unrealized gain on investments	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
Transfers from agency endowment	-	-	-	-	-	-	-	-	-	-
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-
Total support and other revenue	414,741	205,812	62,974	93,054	327,586	155,599	48,300	71,763	30,686	127,426
Expenses:										
Program services:										
Personnel expenses	169,566	32,454	14,135	35,293	16,011	43,086	20,311	26,090	13,647	63,970
Materials, Subcont, and Supplies	120,601	149,925	40,369	51,467	285,825	72,012	14,409	30,294	7,705	38,670
Vehicle expense	8,726	2,142	873	2,698	1,607	2,114	907	642	435	2,599
Insurance	9,453	1,920	786	2,110	1,066	2,446	1,103	1,280	702	3,429
Other program services	9,459	1,800	802	212	85	268	1,142	1,507	791	390
Total program services	317,805	188,241	56,965	91,780	304,594	119,926	37,872	59,813	23,280	109,058
Support services:										
Personnel expenses	59,286	11,076	4,120	11,940	2,973	15,239	7,251	8,358	5,367	27,025
Utilities	3,520	728	318	791	385	777	390	366	203	1,103
Office expense	19,012	3,616	1,612	3,972	1,595	5,038	2,295	3,028	1,589	7,332
Repair and maintenance	6,291	1,193	523	1,309	506	1,666	764	991	532	2,472
Marketing and uniforms	451	86	38	94	38	120	54	72	38	174
Education/legal/consulting	212	40	18	45	18	56	26	34	18	82
Depreciation - office equipment and building	7,891	1,733	747	1,872	1,019	1,479	812	488	302	2,023
Special events	-	-	-	-	-	-	-	-	-	-
Other support services	499	95	42	890	1,412	417	60	79	42	392
Total support services	97,162	18,567	7,418	20,913	7,946	24,792	11,652	13,416	8,091	40,603
Total expenses	414,967	206,808	64,383	112,693	312,540	144,718	49,524	73,229	31,371	149,661
Revenue over (under) expenses	\$ (226)	\$ (996)	\$ (1,409)	\$ (19,639)	\$ 15,046	\$ 10,881	\$ (1,224)	\$ (1,466)	\$ (685)	\$ (22,235)

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Schedule of Functional Revenues and Expenses (Unrestricted)

Year Ended June 30, 2016

	Home Repair Services										
	Remodeling Together	Volunteer Program	Financial Coaching	Weather- ization	City Bin Distribution	Fiduciary Services	Fund- raising	Donated Goods and Services	Open Space	Agency Funds	Total
Support and other revenue:											
HUD Community Development											
Block Grant - City of Grand Rapids	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 448,291
HUD Community Development											
Block Grant - Kent County	-	-	-	-	-	-	-	-	-	-	272,975
HUD Community Development											
Block Grant - City of Wyoming	-	-	-	-	-	-	-	-	-	-	90,000
DTE rebates	-	-	-	12,168	-	-	-	-	-	-	69,643
Contracts	-	-	110,742	29,693	33,248	-	-	-	-	-	773,536
Contributions	30,000	956	-	-	-	-	263,931	-	-	-	294,887
Donated goods and services	-	-	-	-	-	-	-	57,373	-	-	57,373
Remodeling Together Sales	51,929	-	-	-	-	-	-	-	-	-	51,929
Member fees	-	-	-	3,880	-	-	-	-	-	-	136,426
Program income returned to											
local municipalities	-	-	-	-	-	-	-	-	-	-	(63,199)
Other grants	-	-	49,426	-	-	-	-	-	-	-	49,426
Lease revenue	-	-	-	-	-	25,596	-	-	15,984	-	41,580
Investment income	-	-	-	-	-	-	-	-	-	26,139	26,139
Gain on investment sales	-	-	-	-	-	-	-	-	-	(25,027)	(25,027)
Unrealized gain on investments	-	-	-	-	-	-	-	-	-	88,448	88,448
Other income	-	-	-	-	-	10,258	-	-	-	6,138	16,396
Transfers from agency endowment	-	-	-	-	-	-	6,702	-	-	-	6,702
Net assets released from restrictions	-	5,000	56,913	-	-	-	-	-	-	-	61,913
Total support and other revenue	81,929	5,956	217,081	45,741	33,248	35,854	270,633	57,373	15,984	95,698	2,397,438
Expenses:											
Program services:											
Personnel expenses	145,851	1,225	101,130	18,259	19,758	-	-	-	-	-	720,786
Materials, Subcont, and Supplies	69,952	962	55,612	32,710	120	-	-	57,373	-	-	1,028,006
Vehicle expense	3,154	-	1,150	298	32	-	-	-	-	-	27,377
Insurance	3,770	-	2,774	788	16	-	-	-	-	-	31,643
Other program services	4,556	-	7,758	105	124	-	-	-	-	-	28,999
Total program services	227,283	2,187	168,424	52,160	20,050	-	-	57,373	-	-	1,836,811
Support services:											
Personnel expenses	52,604	-	39,842	7,093	8,096	11,010	67,095	-	-	90,077	428,452
Utilities	7,101	-	1,925	774	331	2,312	-	-	2,292	-	23,316
Office expense	17,211	-	11,989	1,970	2,329	263	21,423	-	-	7,566	111,840
Repair and maintenance	5,686	-	3,993	660	781	3,579	-	-	2,211	-	33,157
Marketing and uniforms	409	-	285	47	55	-	-	-	-	-	1,961
Education/legal/consulting	192	-	134	22	26	-	2,100	-	-	1,158	4,181
Depreciation - office equipment and building	22,583	-	3,816	2,432	572	17,369	-	-	9,996	-	75,134
Special events	-	-	-	-	-	-	14,890	-	-	-	14,890
Other support services	602	107	1,093	102	61	-	148	-	-	22,910	28,951
Total support services	106,388	107	63,077	13,100	12,251	34,533	105,656	-	14,499	121,711	721,882
Total expenses	333,671	2,294	231,501	65,260	32,301	34,533	105,656	57,373	14,499	121,711	2,558,693
Revenue over (under) expenses	\$ (251,742)	\$ 3,662	\$ (14,420)	\$ (19,519)	\$ 947	\$ 1,321	\$ 164,977	\$ -	\$ 1,485	\$ (26,013)	\$ (161,255)

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Statements of Financial Position

	Community Food Club	
	June 30	
	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 237,316	\$ 198,009
Accounts receivable:		
Short-term pledges receivable	70,000	133,837
Due to related party	(12,795)	(15,865)
Inventory:		
Food	10,906	4,691
Prepaid expenses	997	1,722
Total current assets	306,424	322,394
Property and equipment	412,345	412,345
Accumulated depreciation	(60,981)	(17,936)
Net property and equipment	351,364	394,409
Other assets:		
Long-term pledges receivable	20,000	100,000
Total other assets	20,000	100,000
Total assets	\$ 677,788	\$ 816,803
Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 13,377	\$ -
Total liabilities	13,377	-
Net assets:		
Unrestricted	401,035	516,803
Temporarily restricted	263,376	300,000
Total net assets	664,411	816,803
Total liabilities and net assets	\$ 677,788	\$ 816,803

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Statement of Activities

Year Ended June 30, 2016

	Community Food Club		
	Unrestricted	Temporarily Restricted	Total
Support and other revenue			
Contributions	\$ 92,541	\$ 50,876	\$ 143,417
Member fees	79,885		79,885
Net assets released from restrictions	87,500	(87,500)	-
Total support and other revenue	259,926	(36,624)	223,302
Expenses			
Program services	315,148	-	315,148
Support services:			
Management and general	60,546	-	60,546
Total support services	60,546	-	60,546
Total expenses	375,694	-	375,694
Change in net assets	(115,768)	(36,624)	(152,392)
Net assets - beginning of year	516,803	300,000	816,803
Net assets - end of year	\$ 401,035	\$ 263,376	\$ 664,411

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Statement of Activities

Year Ended June 30, 2015

	Community Food Club		
	Unrestricted	Temporarily Restricted	Total
Support and other revenue			
Contributions	\$ 188,095	\$ 95,000	\$ 283,095
Member fees	16,320	-	16,320
Net assets released from restrictions	452,106	(452,106)	-
Total support and other revenue	656,521	(357,106)	299,415
Expenses			
Program services	93,502	-	93,502
Support services:			
Management and general	45,550	-	45,550
Fundraising	666	-	666
Total support services	46,216	-	46,216
Total expenses	139,718	-	139,718
Change in net assets	516,803	(357,106)	159,697
Net assets - beginning of year	-	657,106	657,106
Net assets - end of year	\$ 516,803	\$ 300,000	\$ 816,803

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Statement of Functional Expenses

Year Ended June 30, 2016

	Community Food Club			Total
	Program Services	Support Services		
		Management and General	Fund- raising	
Personnel expenses	\$ 119,391	\$ 10,258	\$ -	\$ 129,649
Materials, subcontractors, and supplies	154,899	-	-	154,899
Vehicle, insurance, and other program expenses	2,340	-	-	2,340
Depreciation	38,518	4,527	-	43,045
Rent	-	25,596	-	25,596
Utilities	-	12,678	-	12,678
Office expenses	-	5,178	-	5,178
Repairs and maintenance	-	2,009	-	2,009
Other support services	-	300	-	300
Total expenses	\$ 315,148	\$ 60,546	\$ -	\$ 375,694

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Statement of Functional Expenses

Year Ended June 30, 2015

	Community Food Club			Total
	Program Services	Support Services		
		Management and General	Fund-raising	
Personnel expenses	\$ 39,402	\$ 7,247	\$ -	\$ 46,649
Materials, subcontractors, and supplies	31,759	-	-	31,759
Vehicle, insurance, and other program expenses	1,946	-	-	1,946
Depreciation	16,049	1,887	-	17,936
Rent	-	19,197	-	19,197
Utilities	-	5,926	-	5,926
Office expenses	-	7,361	-	7,361
Repairs and maintenance	-	1,834	-	1,834
Special events	-	-	666	666
Program startup - Community Food Club	4,346	-	-	4,346
Other support services	-	2,098	-	2,098
Total expenses	\$ 93,502	\$ 45,550	\$ 666	\$ 139,718

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Statements of Cash Flows

	Community Food Club	
	Year Ended June 30	
	2016	2015
Operating activities		
Change in net assets	\$ (152,392)	\$ 159,697
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	43,045	17,936
Change in long-term pledges receivable	80,000	55,000
Change in assets and liabilities:		
Accounts receivable	60,767	228,778
Inventory	(6,215)	(4,691)
Prepaid expenses	725	(1,722)
Accounts payable	13,377	-
Net cash from operating activities	39,307	454,998
Investing activities		
Purchases of property and equipment	-	(412,345)
Net cash from investing activities	-	(412,345)
Net change in cash and cash equivalents	39,307	42,653
Cash and cash equivalents - beginning of year	198,009	155,356
Cash and cash equivalents - end of year	\$ 237,316	\$ 198,009

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Schedules of Functional Revenues and Expenses (Unrestricted)

	Community Food Club	
	Year Ended June 30	
	2016	2015
Support and other revenue:		
Contributions	\$ 92,541	\$ 188,095
Member fees	79,885	16,320
Net assets released from restrictions	87,500	452,106
Total support and other revenue	259,926	656,521
Expenses:		
Program services:		
Personnel expenses	119,391	39,402
Food cost and supplies	154,899	31,759
Depreciation - operating/leasehold improvements	38,518	16,049
Insurance	2,340	1,946
Startup expenses	-	4,346
Total program services	315,148	93,502
Support services:		
Personnel expenses	10,258	7,247
Rent	25,596	19,197
Utilities	12,678	5,926
Office expense	5,178	7,361
Repair and maintenance	2,009	1,834
Marketing and uniforms	300	2,098
Depreciation - office equipment	4,527	1,887
Special events	-	666
Total support services	60,546	46,216
Total expenses	375,694	139,718
Revenue over (under) expenses	\$ (115,768)	\$ 516,803

Schedule of Expenditures of Federal Awards Audit

Home Repair Services of Kent
County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Year Ended June 30, 2016

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Schedule of Expenditures of Federal Awards Audit

Year Ended June 30, 2016

Contents

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditors' Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	3
Schedule of Expenditures of Federal Awards.....	6
Note to Schedule of Expenditures of Federal Awards.....	7
Schedule of Findings and Questioned Costs.....	8
Summary Schedule of Prior Audit Findings.....	10

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Consolidated Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Home Repair Services of Kent County, Inc. and Subsidiary
Grand Rapids, Michigan

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Home Repair Services of Kent County, Inc. and Subsidiary (a not-for-profit organization), as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise Home Repair Services of Kent County, Inc. and Subsidiary's consolidated financial statements, and have issued our report thereon dated November 1, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Home Repair Services of Kent County, Inc. and Subsidiary's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kent County, Inc. and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of Kent County, Inc. and Subsidiary's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Home Repair Services of Kent County, Inc. and Subsidiary's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be

material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Home Repair Services of Kent County, Inc and Subsidiary's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of our testing, and not to provide an opinion on the effectiveness of Home Repair Services of Kent County, Inc and Subsidiary's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Home Repair Services of Kent County, Inc. and Subsidiary's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Andrews Hooper Paulik PLC

Grand Rapids, Michigan
November 1, 2016

Independent Auditors' Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Directors
Home Repair Services of Kent County, Inc. and Subsidiary
Grand Rapids, Michigan

Report on Compliance for Each Major Federal Program

We have audited Home Repair Services of Kent County, Inc. and Subsidiary's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of Home Repair Services of Kent County, Inc. and Subsidiary's major federal programs for the year ended June 30, 2016. Home Repair Services of Kent County, Inc. and Subsidiary's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Home Repair Services of Kent County, Inc. and Subsidiary's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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. and Subsidiary'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 on compliance for each major federal program. However, our audit does not provide a legal determination of Home Repair Services of Kent County, Inc. and Subsidiary's compliance.

Opinion on Each Major Federal Program

In our opinion, Home Repair Services of Kent County, Inc. and Subsidiary complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Home Repair Services of Kent County, Inc. and Subsidiary are responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Home Repair Services of Kent County, Inc. and Subsidiary's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Home Repair Services of Kent County, Inc. and Subsidiary's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of Home Repair Services of Kent County, Inc. and Subsidiary, as of and for the year ended June 30, 2016, and the related notes to the consolidated financial statements, which collectively comprise Home Repair Services of Kent County, Inc. and Subsidiary's consolidated financial statements. We issued our report thereon dated November 1, 2016, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Andrews Hooper Pavlik PLC

Grand Rapids, Michigan
November 1, 2016

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

Federal/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Community Development Block Grant:	14.218		
Pass-through program from the City of Grand Rapids, MI		MC260019	\$ 448,291
Pass-through program from Kent County, MI			272,975
Pass-through program from the City of Wyoming, MI			<u>90,000</u>
Total Community Development Block Grant			811,266
Housing Counseling	14.169	N/A	15,476
U.S. Department of Treasury:			
Passed through NeighborWorks America - Passed through Michigan State Housing Development Authority - Passed through the National Foreclosure Mitigation Counsel: Homeownership Counseling Program	21.000	PL113-6x1350	<u>9,354</u>
Total Federal Expenditures			<u><u>\$ 836,096</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Home Repair Services of Kent County, Inc. and Subsidiary and is presented on the same basis of accounting as the financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Home Repair Services of Kent County, Inc. and Subsidiary, it is not intended to and does not present the statements of financial position, changes in net assets, functional expenses or cash flows of Home Repair Services of Kent County, Inc. and Subsidiary.

2. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented when available.

3. United States Department of Housing and Urban Development

Financial assistance for the Community Development Block Grant is reported from the United States Department of Housing and Urban Development (HUD) and is passed through from the City of Grand Rapids, Michigan; Kent County, Michigan; and the City of Wyoming, Michigan.

4. United States Department of Treasury

Financial assistance as reported in the schedule from the United States Department of Treasury is passed through NeighborWorks America, Michigan State Housing Development Authority, and National Foreclosure Mitigation Counsel.

5. Indirect Cost Rate

Home Repair Services of Kent County, Inc. and Subsidiary has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

Section I – Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? Yes X No

Significant deficiency identified not considered
to be material weakness? Yes X None reported

Noncompliance material to financial statements
noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness identified? Yes X No

Significant deficiency identified not considered
to be material weakness? Yes X None reported

Type of auditor's report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required to
be reported in accordance with 2 CFR
section 200.516(a)? Yes X No

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

Section I – Summary of Independent Auditor's Results (continued)

Federal Awards (continued)

Identification of Major Programs:

CFDA Number

Name of Federal Program or Cluster

14.218

Community Development Block Grant

Dollar threshold used to distinguish between
Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 Yes

 X No

Section II – Financial Statements Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

Home Repair Services of Kent County, Inc. and Subsidiary
(A Not-For-Profit Organization)

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2016

None.