

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, 2017 and 2016
with Report of Independent Auditors*



ANDREWS HOOPER PAVLIK PLC

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, 2017 and 2016

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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, 2017 and 2016, 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 Consolidated 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, 2017 and 2016, 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 October 25, 2017 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
October 25, 2017

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

Consolidated Statements of Financial Position

	June 30	
	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 255,679	\$ 295,288
Cash and cash equivalents held in investments	47,335	49,881
Accounts receivable:		
Short-term pledges receivable	70,000	70,000
Trade	85,000	91,462
Grants	307,641	201,024
Spendable balance – agency endowment	25,764	41,715
Inventory:		
Work-in-process	93,410	78,848
Material	2,551	3,308
Remodeling Together material	7,288	6,499
Food	20,700	10,906
Prepaid expenses	49,633	31,547
Certificates of deposit	61,703	76,701
Total current assets	<u>1,026,704</u>	<u>957,179</u>
Long-term investments, at market value	866,996	846,828
Property and equipment	3,184,239	3,160,537
Accumulated depreciation	<u>(1,733,164)</u>	<u>(1,625,811)</u>
Net property and equipment	1,451,075	1,534,726
Other assets:		
Long-term pledges receivable	-	20,000
Beneficial interest in assets held by Community Foundation	172,830	158,622
Total other assets	<u>172,830</u>	<u>178,622</u>
Total assets	<u><u>\$ 3,517,605</u></u>	<u><u>\$ 3,517,355</u></u>
Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 198,334	\$ 127,785
Deferred agency income	23,072	17,875
Other accrued expenses	100,060	87,764
Total liabilities	<u>321,466</u>	<u>233,424</u>
Net assets:		
Unrestricted	2,905,809	2,833,906
Temporarily restricted	117,500	291,403
Permanently restricted	172,830	158,622
Total net assets	<u>3,196,139</u>	<u>3,283,931</u>
Total liabilities and net assets	<u><u>\$ 3,517,605</u></u>	<u><u>\$ 3,517,355</u></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, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and other revenue				
HUD Community Development Block Grant	\$ 868,973	\$ -	\$ -	\$ 868,973
Contracts	768,571	-	-	768,571
Contributions	574,765	136,215	-	710,980
DTE rebates	75,550	-	-	75,550
Donated goods and services	46,976	-	-	46,976
Remodeling Together sales	57,622	-	-	57,622
Client copays and member fees	242,911	-	-	242,911
Program income returned to local municipalities	(67,900)	-	-	(67,900)
Other grants	34,651	-	-	34,651
Investment income	25,909	-	-	25,909
Gain on investment sales	7,138	-	-	7,138
Unrealized loss on investments	(15,326)	-	-	(15,326)
Other income	1,836	-	-	1,836
Transfers from agency endowment	49,049	-	-	49,049
Lease revenue	17,844	-	-	17,844
Change in beneficial interest	-	-	14,208	14,208
Net assets released from restrictions	310,118	(310,118)	-	-
Total support and other revenue	<u>2,998,687</u>	<u>(173,903)</u>	<u>14,208</u>	<u>2,838,992</u>
Expenses				
Program services	2,245,039	-	-	2,245,039
Support services:				
Management and general	540,111	-	-	540,111
Fundraising	141,634	-	-	141,634
Total support services	<u>681,745</u>	<u>-</u>	<u>-</u>	<u>681,745</u>
Total expenses	<u>2,926,784</u>	<u>-</u>	<u>-</u>	<u>2,926,784</u>
Change in net assets	71,903	(173,903)	14,208	(87,792)
Net assets – beginning of year	2,833,906	291,403	158,622	3,283,931
Net assets – end of year	<u>\$ 2,905,809</u>	<u>\$ 117,500</u>	<u>\$ 172,830</u>	<u>\$ 3,196,139</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, 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
Client copays and 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>

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

Consolidated Statement of Functional Expenses

Year Ended June 30, 2017

	Program Services	Support Services		Total
		Management and General	Fundraising	
Personnel expenses	\$ 850,709	\$ 291,978	\$ 89,101	\$ 1,231,788
Materials, subcontractors, and supplies	1,239,704	-	-	1,239,704
Vehicle, insurance, and other program expenses	104,931	-	-	104,931
Depreciation	49,695	81,404	-	131,099
Utilities	-	39,328	-	39,328
Office expenses	-	58,984	31,578	90,562
Repairs and maintenance	-	51,686	-	51,686
Special events	-	-	17,338	17,338
Other support services	-	16,731	3,617	20,348
Total expenses	<u>\$ 2,245,039</u>	<u>\$ 540,111</u>	<u>\$ 141,634</u>	<u>\$ 2,926,784</u>

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 Statements of Cash Flows

	Year Ended June 30	
	2017	2016
Operating activities		
Change in net assets	\$ (87,792)	\$ (330,586)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	131,099	118,179
Change in beneficial interest in assets held by Community Foundation	(14,208)	(31,521)
Change in long-term pledges receivable	20,000	80,000
Loss (gain) on sale of long-term investments	(7,138)	25,027
Gain on sale of property and equipment	(1,650)	-
Unrealized loss (gain) on long-term investments	15,326	(88,448)
Change in assets and liabilities:		
Accounts receivable	(84,204)	70,121
Inventory	(24,388)	(34,098)
Prepaid expenses	(18,086)	4,016
Accounts payable	70,549	14,165
Deferred agency income	5,197	(11,262)
Other accrued expenses	12,296	(16,172)
Net cash from operating activities	17,001	(200,579)
Investing activities		
Maturities of certificates of deposit, net of reinvestment	14,998	246,709
Purchases of property and equipment	(47,548)	(20,275)
Purchases of long-term investments	(167,141)	(165,044)
Proceeds from sale of long-term investments	138,785	162,399
Proceeds from sale of property and equipment	1,750	-
Net cash from investing activities	(59,156)	223,789
Net change in cash and cash equivalents	(42,155)	23,210
Cash and cash equivalents – beginning of year	345,169	321,959
Cash and cash equivalents – end of year	\$ 303,014	\$ 345,169
Cash balances per Consolidated Statements of Financial Position		
Cash and cash equivalents	\$ 255,679	\$ 295,288
Cash and cash equivalents held in investments	47,335	49,881
Cash and cash equivalents – end of year	\$ 303,014	\$ 345,169
Non-cash transactions:		
Donated goods and services	\$ 46,976	\$ 57,373

See accompanying notes.

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

Notes to Consolidated Financial Statements

June 30, 2017

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, 2017

**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, 2017 or 2016.

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, 2017

**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, 2017 and 2016, 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, 2017

**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
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Notes to Consolidated Financial Statements

June 30, 2017

**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 statements 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 statements 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, 2017

**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 2013 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.

Subsequent Events

Management has evaluated subsequent events for potential recognition or disclosure in the financial statements through October 25, 2017, 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>2017</u>	<u>2016</u>
Receivable in less than one year	\$ 70,000	\$ 70,000
Receivable in one to five years	-	20,000
	<u>\$ 70,000</u>	<u>\$ 90,000</u>

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

Notes to Consolidated Financial Statements

June 30, 2017

3. Net Property and Equipment

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

	2017	2016
Building	\$ 344,524	\$ 344,524
Building improvements	2,008,150	2,001,040
Land	88,165	88,165
Office equipment	92,607	92,607
Vehicles	232,135	215,543
Operating equipment	6,313	6,313
Total property and equipment	2,771,894	2,748,192
Accumulated depreciation	(1,629,138)	(1,564,830)
Net property and equipment	\$ 1,142,756	\$ 1,183,362

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

	2017	2016
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	(104,026)	(60,981)
Net property and equipment	\$ 308,319	\$ 351,364

4. Investments

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

	2017	2016
Equity securities	\$ 525,876	\$ 490,040
Equity funds	5,368	1,936
Corporate bonds	331,659	351,403
Accrued interest	4,093	3,449
Total long-term investments	\$ 866,996	\$ 846,828

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

Notes to Consolidated Financial Statements

June 30, 2017

4. Investments (continued)

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

	<u>2017</u>	<u>2016</u>
Total long-term investments	\$ 866,996	\$ 846,828
Cash and cash equivalents held in investments	47,335	49,881
Assets available for investment purposes	<u>\$ 914,331</u>	<u>\$ 896,709</u>

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

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 35,295	\$ 34,772
Net realized gain (loss)	7,138	(25,027)
Net unrealized gain (loss)	(15,326)	88,448
Investment management fees	(9,386)	(8,633)
Net investment income	<u>\$ 17,721</u>	<u>\$ 89,560</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, 2017. Substantially all assets are pledged as security. There was no balance on the line at June 30, 2017 or 2016.

6. Concentrations

Approximately 31% of the Consolidated Organization's funding was provided from the CDBG for the year ended June 30, 2017 and 32% for the year ended June 30, 2016.

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

Notes to Consolidated Financial Statements

June 30, 2017

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:

	2017	2016
Unrestricted:		
Equity in HRS property & equipment	\$ 1,142,756	\$ 1,183,362
Equity in CFC property & equipment	308,319	351,364
Other HRS unrestricted	319,563	328,552
Board designated funds:		
HRS program operations	35,948	33,727
HRS operating reserves	942,725	887,230
CFC program operations	156,498	49,671
Total unrestricted	\$ 2,905,809	\$ 2,833,906
Temporarily restricted:		
HRS financial coaching	\$ 5,000	\$ 28,027
CFC time restricted program operations	112,500	263,376
Total temporarily restricted	\$ 117,500	\$ 291,403
Permanently restricted:		
HRS beneficial interest in assets held by Community Foundation	\$ 172,830	\$ 158,622

8. Related Party Transactions

The Community Food Club paid Feeding America approximately \$118,000 for food inventory during the year ended June 30, 2017 and approximately \$94,500 during the year ended June 30, 2016. Feeding America is one of the founding agencies of the Community Food Club.

Home Repair Services of Kent County, Inc. purchased approximately \$18,000 of materials inventory from Williams Distributing during the year ended June 30, 2017 and approximately \$23,000 during the year ended June 30, 2016. 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, 2017

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 \$17,000 for the year ended June 30, 2017 and \$12,400 for the year ended June 30, 2016 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 \$198,594 at June 30, 2017 and \$200,337 at June 30, 2016 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 \$108,026 as of June 30, 2017 and \$134,928 as of June 30, 2016, 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, 2017

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, 2017				
Long-term investments	\$ 866,996	\$ 866,996	\$ -	\$ -
Beneficial interest in assets held by community foundation	\$ 198,594	\$ -	\$ -	\$ 198,594
June 30, 2016				
Long-term investments	\$ 846,828	\$ 846,828	\$ -	\$ -
Beneficial interest in assets held by community foundation	\$ 200,337	\$ -	\$ -	\$ 200,337

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

	<u>Level 3</u>
Balance, July 1, 2015	\$ 162,114
Contributions to principal	45,175
Total realized and unrealized gains (losses)	<u>(6,952)</u>
Balance, June 30, 2016	200,337
Contributions to principal	600
Total realized and unrealized gains (losses)	22,657
Grants made	<u>(25,000)</u>
Balance, June 30, 2017	<u>\$ 198,594</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, 2017 and 2016, and our report thereon dated October 25, 2017, 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
October 25, 2017

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

Consolidating Statement of Financial Position

Year Ended June 30, 2017

	Home Repair Services	Community Food Club	Eliminations	Consolidated Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 45,152	\$ 210,527	\$ -	\$ 255,679
Cash and cash equivalents held in investments	47,335	-	-	47,335
Accounts receivable:				
Short-term pledges receivable	-	70,000	-	70,000
Trade	85,000	-	-	85,000
Grants	307,641	-	-	307,641
Spendable balance – agency endowment	25,764	-	-	25,764
Due from (to) related party	6,340	(6,340)	-	-
Inventory:				
Work-in-process	93,410	-	-	93,410
Material	2,551	-	-	2,551
Remodeling Together material	7,288	-	-	7,288
Food	-	20,700	-	20,700
Prepaid expenses	48,890	743	-	49,633
Certificates of deposit	61,703	-	-	61,703
Total current assets	731,074	295,630	-	1,026,704
Long-term investments, at market value	866,996	-	-	866,996
Property and equipment	2,771,894	412,345	-	3,184,239
Accumulated depreciation	(1,629,138)	(104,026)	-	(1,733,164)
Net property and equipment	1,142,756	308,319	-	1,451,075
Other assets:				
Beneficial interest in assets held by Community Foundation	172,830	-	-	172,830
Total other assets	172,830	-	-	172,830
Total assets	<u>\$ 2,913,656</u>	<u>\$ 603,949</u>	<u>\$ -</u>	<u>\$ 3,517,605</u>
Liabilities and net assets				
Liabilities:				
Accounts payable	\$ 171,702	\$ 26,632	\$ -	\$ 198,334
Deferred agency income	23,072	-	-	23,072
Other accrued expenses	100,060	-	-	100,060
Total liabilities	294,834	26,632	-	321,466
Net assets:				
Unrestricted	2,440,992	464,817	-	2,905,809
Temporarily restricted	5,000	112,500	-	117,500
Permanently restricted	172,830	-	-	172,830
Total net assets	2,618,822	577,317	-	3,196,139
Total liabilities and net assets	<u>\$ 2,913,656</u>	<u>\$ 603,949</u>	<u>\$ -</u>	<u>\$ 3,517,605</u>

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 company	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 Activities

Year Ended June 30, 2017

	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	\$ 868,973	\$ -	\$ -	\$ 868,973	\$ -	\$ -	\$ -
Contracts	701,967	-	-	701,967	66,604	-	66,604
Contributions	448,121	5,000	-	453,121	126,644	131,215	257,859
DTE rebates	75,550	-	-	75,550	-	-	-
Donated goods and services	46,976	-	-	46,976	-	-	-
Remodeling Together sales	57,622	-	-	57,622	-	-	-
Client copays and member fees	136,911	-	-	136,911	106,000	-	106,000
Program income returned to local municipalities	(67,900)	-	-	(67,900)	-	-	-
Other grants	34,651	-	-	34,651	-	-	-
Investment income	25,909	-	-	25,909	-	-	-
Gain on investment sales	7,138	-	-	7,138	-	-	-
Unrealized loss on investments	(15,326)	-	-	(15,326)	-	-	-
Other income	16,371	-	-	16,371	-	-	-
Transfers from agency endowment	49,049	-	-	49,049	-	-	-
Lease revenue	43,440	-	-	43,440	-	-	-
Change in beneficial interest	-	-	14,208	14,208	-	-	-
Net assets released from restrictions	28,027	(28,027)	-	-	282,091	(282,091)	-
Total support and other revenue	<u>2,457,479</u>	<u>(23,027)</u>	<u>14,208</u>	<u>2,448,660</u>	<u>581,339</u>	<u>(150,876)</u>	<u>430,463</u>
Expenses							
Program services	1,823,072	-	-	1,823,072	421,967	-	421,967
Support services:							
Management and general	495,672	-	-	495,672	84,570	-	84,570
Fundraising	130,614	-	-	130,614	11,020	-	11,020
Total support services	<u>626,286</u>	<u>-</u>	<u>-</u>	<u>626,286</u>	<u>95,590</u>	<u>-</u>	<u>95,590</u>
Total expenses	<u>2,449,358</u>	<u>-</u>	<u>-</u>	<u>2,449,358</u>	<u>517,557</u>	<u>-</u>	<u>517,557</u>
Change in net assets	8,121	(23,027)	14,208	(698)	63,782	(150,876)	(87,094)
Net assets – beginning of year	2,432,871	28,027	158,622	2,619,520	401,035	263,376	664,411
Net assets – end of year	<u>\$ 2,440,992</u>	<u>\$ 5,000</u>	<u>\$ 172,830</u>	<u>\$ 2,618,822</u>	<u>\$ 464,817</u>	<u>\$ 112,500</u>	<u>\$ 577,317</u>

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

Consolidating Statement of Activities

Year Ended June 30, 2017

	Eliminations			Consolidated Total			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and other revenue							
HUD Community Development Block Grant	\$ -	\$ -	\$ -	\$ 868,973	\$ -	\$ -	\$ 868,973
Contracts	-	-	-	768,571	-	-	768,571
Contributions	-	-	-	574,765	136,215	-	710,980
DTE rebates	-	-	-	75,550	-	-	75,550
Donated goods and services	-	-	-	46,976	-	-	46,976
Remodeling Together sales	-	-	-	57,622	-	-	57,622
Client copays and member fees	-	-	-	242,911	-	-	242,911
Program income returned to local municipalities	-	-	-	(67,900)	-	-	(67,900)
Other grants	-	-	-	34,651	-	-	34,651
Investment income	-	-	-	25,909	-	-	25,909
Gain on investment sales	-	-	-	7,138	-	-	7,138
Unrealized loss on investments	-	-	-	(15,326)	-	-	(15,326)
Other income	(14,535)	-	(14,535)	1,836	-	-	1,836
Transfers from agency endowment	-	-	-	49,049	-	-	49,049
Lease revenue	(25,596)	-	(25,596)	17,844	-	-	17,844
Change in beneficial interest	-	-	-	-	-	14,208	14,208
Net assets released from restrictions	-	-	-	310,118	(310,118)	-	-
Total support and other revenue	(40,131)	-	(40,131)	2,998,687	(173,903)	14,208	2,838,992
Expenses							
Program services	-	-	-	2,245,039	-	-	2,245,039
Support services:							
Management and general	(40,131)	-	(40,131)	540,111	-	-	540,111
Fundraising	-	-	-	141,634	-	-	141,634
Total support services	(40,131)	-	(40,131)	681,745	-	-	681,745
Total expenses	(40,131)	-	(40,131)	2,926,784	-	-	2,926,784
Change in net assets	-	-	-	71,903	(173,903)	14,208	(87,792)
Net assets – beginning of year	-	-	-	2,833,906	291,403	158,622	3,283,931
Net assets – end of year	\$ -	\$ -	\$ -	\$ 2,905,809	\$ 117,500	\$ 172,830	\$ 3,196,139

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	-	-	-
Client copays and 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
Client copays and 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
Gain 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 Functional Expenses

Year Ended June 30, 2017

	Home Repair Services			Community Food Club				Eliminations	Consolidated Total				
	Program Services	Support Services Management and General	Fund-raising	Total	Program Services	Support Services Management and General	Fund-raising		Total	Program Services	Support Services Management and General	Fund-raising	Total
Personnel expenses	\$ 708,537	\$ 291,978	\$ 89,101	\$ 1,089,616	\$ 142,172	\$ 14,535	\$ -	\$ 156,707	\$ (14,535)	\$ 850,709	\$ 291,978	\$ 89,101	\$ 1,231,788
Materials, subcontractors, and supplies	1,000,162	-	-	1,000,162	239,542	-	-	239,542	-	1,239,704	-	-	1,239,704
Vehicle, insurance, and other program expenses	103,196	-	-	103,196	1,735	-	-	1,735	-	104,931	-	-	104,931
Depreciation	11,177	76,877	-	88,054	38,518	4,527	-	43,045	-	49,695	81,404	-	131,099
Rent	-	-	-	-	-	25,596	-	25,596	(25,596)	-	-	-	-
Utilities	-	23,104	-	23,104	-	16,224	-	16,224	-	-	39,328	-	39,328
Office expenses	-	46,488	20,558	67,046	-	12,496	11,020	23,516	-	-	58,984	31,578	90,562
Repairs and maintenance	-	41,086	-	41,086	-	10,600	-	10,600	-	-	51,686	-	51,686
Special events	-	-	17,338	17,338	-	-	-	-	-	-	-	17,338	17,338
Other support services	-	16,139	3,617	19,756	-	592	-	592	-	-	16,731	3,617	20,348
Total expenses	\$ 1,823,072	\$ 495,672	\$ 130,614	\$ 2,449,358	\$ 421,967	\$ 84,570	\$ 11,020	\$ 517,557	\$ (40,131)	\$ 2,245,039	\$ 540,111	\$ 141,634	\$ 2,926,784

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			
	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	\$ 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 Cash Flows

Year Ended June 30, 2017

	Home Repair Services	Community Food Club	Eliminations	Consolidated Total
Operating activities				
Change in net assets	\$ (698)	\$ (87,094)	\$ -	\$ (87,792)
Adjustments to reconcile change in net assets to net cash from operating activities:				
Depreciation	88,054	43,045	-	131,099
Change in beneficial interest in assets held by Community Foundation	(14,208)	-	-	(14,208)
Change in long-term pledges receivable	-	20,000	-	20,000
Gain on sale of long-term investments	(7,138)	-	-	(7,138)
Gain on sale of property and equipment	(1,650)	-	-	(1,650)
Unrealized loss on long-term investments	15,326	-	-	15,326
Change in assets and liabilities:				
Accounts receivable	(77,749)	(6,455)	-	(84,204)
Inventory	(14,594)	(9,794)	-	(24,388)
Prepaid expenses	(18,340)	254	-	(18,086)
Accounts payable	57,294	13,255	-	70,549
Deferred agency income	5,197	-	-	5,197
Other accrued expenses	12,296	-	-	12,296
Net cash from operating activities	<u>43,790</u>	<u>(26,789)</u>	<u>-</u>	<u>17,001</u>
Investing activities				
Maturities of certificates of deposit, net of reinvestment	14,998	-	-	14,998
Purchases of property and equipment	(47,548)	-	-	(47,548)
Purchases of long-term investments	(167,141)	-	-	(167,141)
Proceeds from sale of long-term investments	138,785	-	-	138,785
Proceeds from sale of property and equipment	1,750	-	-	1,750
Net cash from investing activities	<u>(59,156)</u>	<u>-</u>	<u>-</u>	<u>(59,156)</u>
Net change in cash and cash equivalents	(15,366)	(26,789)	-	(42,155)
Cash and cash equivalents – beginning of year	107,853	237,316	-	345,169
Cash and cash equivalents – end of year	<u>\$ 92,487</u>	<u>\$ 210,527</u>	<u>\$ -</u>	<u>\$ 303,014</u>
Cash balances per Consolidating Statement of Financial Position				
Cash and cash equivalents	\$ 45,152	\$ 210,527	\$ -	\$ 255,679
Cash and cash equivalents held in investments	47,335	-	-	47,335
Cash and cash equivalents – end of year	<u>\$ 92,487</u>	<u>\$ 210,527</u>	<u>\$ -</u>	<u>\$ 303,014</u>
Non-cash transactions:				
Donated goods and services	\$ 46,976	\$ -	\$ -	\$ 46,976

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	(239,886)	39,307	-	(200,579)
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	223,789	-	-	223,789
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	\$ 107,853	\$ 237,316	\$ -	\$ 345,169
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	\$ 107,853	\$ 237,316	\$ -	\$ 345,169
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)

Statements of Financial Position

	Home Repair Services	
	June 30	
	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 45,152	\$ 57,972
Cash and cash equivalents held in investments	47,335	49,881
Accounts receivable:		
Trade	85,000	91,462
Grants	307,641	201,024
Spendable balance – agency endowment	25,764	41,715
Due from related party	6,340	12,795
Inventory:		
Work-in-process	93,410	78,848
Material	2,551	3,308
Remodeling Together material	7,288	6,499
Prepaid expenses	48,890	30,550
Certificates of deposit	61,703	76,701
Total current assets	731,074	650,755
Long-term investments, at market value	866,996	846,828
Property and equipment	2,771,894	2,748,192
Accumulated depreciation	(1,629,138)	(1,564,830)
Net property and equipment	1,142,756	1,183,362
Other assets:		
Beneficial interest in assets held by Community Foundation	172,830	158,622
Total other assets	172,830	158,622
Total assets	\$ 2,913,656	\$ 2,839,567
Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 171,702	\$ 114,408
Deferred agency income	23,072	17,875
Other accrued expenses	100,060	87,764
Total liabilities	294,834	220,047
Net assets:		
Unrestricted	2,440,992	2,432,871
Temporarily restricted	5,000	28,027
Permanently restricted	172,830	158,622
Total net assets	2,618,822	2,619,520
Total liabilities and net assets	\$ 2,913,656	\$ 2,839,567

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

Statement of Activities

Year Ended June 30, 2017

	Home Repair Services			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Support and other revenue				
HUD Community Development Block Grant	\$ 868,973	\$ -	\$ -	\$ 868,973
Contracts	701,967	-	-	701,967
Contributions	448,121	5,000	-	453,121
DTE rebates	75,550	-	-	75,550
Donated goods and services	46,976	-	-	46,976
Remodeling Together sales	57,622	-	-	57,622
Client copays	136,911	-	-	136,911
Program income returned to local municipalities	(67,900)	-	-	(67,900)
Other grants	34,651	-	-	34,651
Investment income	25,909	-	-	25,909
Gain on investment sales	7,138	-	-	7,138
Unrealized loss on investments	(15,326)	-	-	(15,326)
Other income	16,371	-	-	16,371
Transfers from agency endowment	49,049	-	-	49,049
Lease revenue	43,440	-	-	43,440
Change in beneficial interest	-	-	14,208	14,208
Net assets released from restrictions	28,027	(28,027)	-	-
Total support and other revenue	2,457,479	(23,027)	14,208	2,448,660
Expenses				
Program services	1,823,072	-	-	1,823,072
Support services:				
Management and general	495,672	-	-	495,672
Fundraising	130,614	-	-	130,614
Total support services	626,286	-	-	626,286
Total expenses	2,449,358	-	-	2,449,358
Change in net assets	8,121	(23,027)	14,208	(698)
Net assets – beginning of year	2,432,871	28,027	158,622	2,619,520
Net assets – end of year	\$ 2,440,992	\$ 5,000	\$ 172,830	\$ 2,618,822

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
Client copays	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 Functional Expenses

Year Ended June 30, 2017

	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	Weatheri- zation	City Bin Distribution		Donated Goods and Services			
Personnel expenses	\$ 322,835	\$ 139,760	\$ 161,717	\$ 561	\$ 62,363	\$ 460	\$ 20,841	\$ -	\$ 708,537	\$ 291,978	\$ 89,101	\$ 1,089,616
Materials, subcontractors, and supplies	745,079	102,520	60,033	8	29,190	16,293	63	46,976	1,000,162	-	-	1,000,162
Vehicle, insurance, and other program expenses	58,373	21,943	13,531	-	8,183	27	1,139	-	103,196	-	-	103,196
Depreciation	5,015	2,169	2,636	-	1,012	7	338	-	11,177	76,877	-	88,054
Utilities	-	-	-	-	-	-	-	-	-	23,104	-	23,104
Office expenses	-	-	-	-	-	-	-	-	-	46,488	20,558	67,046
Repairs and maintenance	-	-	-	-	-	-	-	-	-	41,086	-	41,086
Special events	-	-	-	-	-	-	-	-	-	-	17,338	17,338
Other support services	-	-	-	-	-	-	-	-	-	16,139	3,617	19,756
Total expenses	\$ 1,131,302	\$ 266,392	\$ 237,917	\$ 569	\$ 100,748	\$ 16,787	\$ 22,381	\$ 46,976	\$ 1,823,072	\$ 495,672	\$ 130,614	\$ 2,449,358

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	Weatheri- zation	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)

Statements of Cash Flows

	Home Repair Services	
	Year Ended June 30	
	2017	2016
Operating activities		
Change in net assets	\$ (698)	\$ (178,194)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	88,054	75,134
Change in beneficial interest in assets held by Community Foundation	(14,208)	(31,521)
Loss (gain) on sale of long-term investments	(7,138)	25,027
Gain on sale of property and equipment	(1,650)	-
Unrealized loss (gain) on long-term investments	15,326	(88,448)
Change in assets and liabilities:		
Accounts receivable	(77,749)	9,354
Inventory	(14,594)	(27,883)
Prepaid expenses	(18,340)	3,291
Accounts payable	57,294	788
Deferred agency income	5,197	(11,262)
Other accrued expenses	12,296	(16,172)
Net cash from operating activities	43,790	(239,886)
Investing activities		
Maturities of certificates of deposit, net of reinvestment	14,998	246,709
Purchases of property and equipment	(47,548)	(20,275)
Purchases of long-term investments	(167,141)	(165,044)
Proceeds from sale of long-term investments	138,785	162,399
Proceeds from sale of property and equipment	1,750	-
Net cash from investing activities	(59,156)	223,789
Net change in cash and cash equivalents	(15,366)	(16,097)
Cash and cash equivalents – beginning of year	107,853	123,950
Cash and cash equivalents – end of year	\$ 92,487	\$ 107,853
Cash balanced from Statements of Financial Position		
Cash and cash equivalents	\$ 45,152	\$ 57,972
Cash and cash equivalents held in investments	47,335	49,881
Cash and cash equivalents – end of year	\$ 92,487	\$ 107,853
Non-cash transactions:		
Donated goods and services	\$ 46,976	\$ 57,373

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, 2017

	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	\$ 377,163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,000	\$ -	\$ -	\$ -
HUD Community Development										
Block Grant – Kent County	-	296,780	-	-	-	-	-	82,706	-	-
HUD Community Development										
Block Grant – City of Wyoming	-	-	42,500	-	-	-	-	-	21,824	-
DTE rebates	15,250	6,200	16,050	-	29,000	3,550	-	-	-	-
Contracts	-	-	-	105,043	230,955	100,793	800	-	1,104	161,103
Contributions	-	-	-	-	-	-	-	-	-	-
Donated goods and services	-	-	-	-	-	-	-	-	-	-
Remodeling Together Sales	-	-	-	-	-	-	-	-	-	-
Client copays	28,145	22,030	6,900	14,537	22,836	18,645	2,000	6,315	2,550	11,250
Program income returned to										
local municipalities	(28,145)	(22,030)	(6,860)	-	-	-	(2,000)	(6,315)	(2,550)	-
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	392,413	302,980	58,590	119,580	282,791	122,988	48,800	82,706	22,928	172,353
Expenses:										
Program services:										
Personnel expenses	155,764	39,744	11,725	56,657	18,141	40,804	20,396	31,399	9,678	78,287
Materials, subcont, and supplies	112,571	234,040	38,480	57,823	247,098	55,067	11,201	28,338	6,342	56,639
Vehicle expense	11,512	2,575	1,089	2,821	1,579	3,527	1,524	1,630	542	4,799
Insurance	10,949	2,730	881	3,551	1,320	2,899	1,396	2,098	614	5,253
Other program services	9,166	2,398	690	333	107	246	1,160	1,918	541	468
Depreciation - operating equipment	2,425	631	183	862	277	637	307	507	143	1,212
Total program services	302,387	282,118	53,048	122,047	268,522	103,180	35,984	65,890	17,860	146,658
Support services:										
Personnel expenses	58,364	12,407	4,278	21,653	3,784	15,144	10,078	11,525	4,116	32,345
Utilities	3,501	828	303	1,010	448	935	451	598	184	1,598
Office expense	9,180	2,391	691	3,262	1,050	2,412	1,162	1,921	542	4,588
Repair and maintenance	7,204	1,852	540	2,560	782	1,896	941	1,509	430	3,638
Marketing and uniforms	542	141	41	192	62	142	69	113	32	271
Education/legal/consulting	164	43	12	58	19	43	21	34	10	82
Depreciation - office equipment and building	8,151	1,806	763	2,009	1,109	2,200	1,058	1,199	395	3,500
Special events	-	-	-	-	-	-	-	-	-	-
Other support services	498	130	37	662	183	743	63	104	29	924
Total support services	87,604	19,598	6,665	31,406	7,437	23,515	13,843	17,003	5,738	46,946
Total expenses	389,991	301,716	59,713	153,453	275,959	126,695	49,827	82,893	23,598	193,604
Revenue over (under) expenses	\$ 2,422	\$ 1,264	\$ (1,123)	\$ (33,873)	\$ 6,832	\$ (3,707)	\$ (1,027)	\$ (187)	\$ (670)	\$ (21,251)

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, 2017

	Home Repair Services										Total
	Remodeling Together	Volunteer Program	Financial Coaching	Weather- ization	City Bin Distribution	Fiduciary Services	Fund- raising	Donated Goods and Services	Open Space	Agency Funds	
Support and other revenue:											
HUD Community Development Block Grant – City of Grand Rapids	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 425,163
HUD Community Development Block Grant – Kent County	-	-	-	-	-	-	-	-	-	-	379,486
HUD Community Development Block Grant – City of Wyoming	-	-	-	-	-	-	-	-	-	-	64,324
DTE rebates	-	-	-	5,500	-	-	-	-	-	-	75,550
Contracts	1,032	-	53,016	12,936	35,185	-	-	-	-	-	701,967
Contributions	40,140	5,250	20,000	-	-	-	382,731	-	-	-	448,121
Donated goods and services	-	-	-	-	-	-	-	46,976	-	-	46,976
Remodeling Together Sales	57,622	-	-	-	-	-	-	-	-	-	57,622
Client copays	68	-	-	1,635	-	-	-	-	-	-	136,911
Program income returned to local municipalities	-	-	-	-	-	-	-	-	-	-	(67,900)
Other grants	-	-	34,651	-	-	-	-	-	-	-	34,651
Lease revenue	-	-	-	-	-	25,596	-	-	17,844	-	43,440
Investment income	-	-	-	-	-	-	-	-	-	25,909	25,909
Gain on investment sales	-	-	-	-	-	-	-	-	-	7,138	7,138
Unrealized loss on investments	-	-	-	-	-	-	-	-	-	(15,326)	(15,326)
Other income	-	-	-	-	-	14,535	-	-	-	1,836	16,371
Transfers from agency endowment	-	-	-	-	-	-	9,049	-	-	40,000	49,049
Net assets released from restrictions	-	-	28,027	-	-	-	-	-	-	-	28,027
Total support and other revenue	98,862	5,250	135,694	20,071	35,185	40,131	391,780	46,976	17,844	59,557	2,457,479
Expenses:											
Program services:											
Personnel expenses	161,717	561	62,363	460	20,841	-	-	-	-	-	708,537
Materials, subcont, and supplies	60,033	8	29,190	16,293	63	-	-	46,976	-	-	1,000,162
Vehicle expense	3,901	-	831	-	297	-	-	-	-	-	36,627
Insurance	5,253	-	2,720	24	22	-	-	-	-	-	39,710
Other program services	4,377	-	4,632	3	820	-	-	-	-	-	26,859
Depreciation - operating equipment	2,636	-	1,012	7	338	-	-	-	-	-	11,177
Total program services	237,917	569	100,748	16,787	22,381	-	-	46,976	-	-	1,823,072
Support services:											
Personnel expenses	64,242	-	27,741	213	9,049	17,039	89,101	-	-	-	381,079
Utilities	7,736	-	1,431	4	378	2,327	-	-	1,372	-	23,104
Office expense	9,983	-	3,831	28	1,279	48	20,558	-	-	4,120	67,046
Repair and maintenance	7,844	-	3,044	21	1,017	4,690	-	-	3,118	-	41,086
Marketing and uniforms	589	-	226	2	75	-	-	-	-	-	2,497
Education/legal/consulting	177	-	68	-	23	-	-	-	-	200	954
Depreciation – office equipment and building	23,688	-	3,285	1	715	16,986	-	-	10,012	-	76,877
Special events	-	-	-	-	-	-	17,338	-	-	-	17,338
Other support services	705	1,737	985	252	70	-	3,617	-	-	5,566	16,305
Total support services	114,964	1,737	40,611	521	12,606	41,090	130,614	-	14,502	9,886	626,286
Total expenses	352,881	2,306	141,359	17,308	34,987	41,090	130,614	46,976	14,502	9,886	2,449,358
Revenue over (under) expenses	\$ (254,019)	\$ 2,944	\$ (5,665)	\$ 2,763	\$ 198	\$ (959)	\$ 261,166	\$ -	\$ 3,342	\$ 49,671	\$ 8,121

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

Statements of Financial Position

	Community Food Club	
	June 30	
	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 210,527	\$ 237,316
Accounts receivable:		
Short-term pledges receivable	70,000	70,000
Due to related party	(6,340)	(12,795)
Inventory:		
Food	20,700	10,906
Prepaid expenses	743	997
Total current assets	295,630	306,424
Property and equipment	412,345	412,345
Accumulated depreciation	(104,026)	(60,981)
Net property and equipment	308,319	351,364
Other assets:		
Long-term pledges receivable	-	20,000
Total other assets	-	20,000
Total assets	\$ 603,949	\$ 677,788
Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 26,632	\$ 13,377
Total liabilities	26,632	13,377
Net assets:		
Unrestricted	464,817	401,035
Temporarily restricted	112,500	263,376
Total net assets	577,317	664,411
Total liabilities and net assets	\$ 603,949	\$ 677,788

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

Statement of Activities

Year Ended June 30, 2017

	Community Food Club		
	Unrestricted	Temporarily Restricted	Total
Support and other revenue			
Contracts	\$ 66,604	\$ -	\$ 66,604
Contributions	126,644	131,215	257,859
Member fees	106,000	-	106,000
Net assets released from restrictions	282,091	(282,091)	-
Total support and other revenue	581,339	(150,876)	430,463
 Expenses			
Program services	421,967	-	421,967
Support services:			
Management and general	84,570	-	84,570
Fundraising	11,020	-	11,020
Total support services	95,590	-	95,590
Total expenses	517,557	-	517,557
 Change in net assets	63,782	(150,876)	(87,094)
Net assets – beginning of year	401,035	263,376	664,411
Net assets – end of year	\$ 464,817	\$ 112,500	\$ 577,317

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
Fundraising	-	-	-
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 Functional Expenses

Year Ended June 30, 2017

	Community Food Club			Total
	Program Services	Support Services		
		Management and General	Fund- raising	
Personnel expenses	\$ 142,172	\$ 14,535	\$ -	\$ 156,707
Materials, subcontractors, and supplies	239,542	-	-	239,542
Vehicle, insurance, and other program expenses	1,735	-	-	1,735
Depreciation	38,518	4,527	-	43,045
Rent	-	25,596	-	25,596
Utilities	-	16,224	-	16,224
Office expenses	-	12,496	11,020	23,516
Repairs and maintenance	-	10,600	-	10,600
Other support services	-	592	-	592
Total expenses	\$ 421,967	\$ 84,570	\$ 11,020	\$ 517,557

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)

Statements of Cash Flows

	Community Food Club	
	Year Ended June 30	
	2017	2016
Operating activities		
Change in net assets	\$ (87,094)	\$ (152,392)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	43,045	43,045
Change in long-term pledges receivable	20,000	80,000
Change in assets and liabilities:		
Accounts receivable	(6,455)	60,767
Inventory	(9,794)	(6,215)
Prepaid expenses	254	725
Accounts payable	13,255	13,377
Net cash from operating activities	(26,789)	39,307
Net change in cash and cash equivalents	(26,789)	39,307
Cash and cash equivalents – beginning of year	237,316	198,009
Cash and cash equivalents – end of year	\$ 210,527	\$ 237,316

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	
	2017	2016
Support and other revenue:		
Contracts	\$ 66,604	\$ -
Contributions	126,644	92,541
Member fees	106,000	79,885
Net assets released from restrictions	282,091	87,500
Total support and other revenue	581,339	259,926
Expenses:		
Program services:		
Personnel expenses	142,172	119,391
Food cost and supplies	239,542	154,899
Depreciation – operating/leasehold improvements	38,518	38,518
Insurance	1,735	2,340
Total program services	421,967	315,148
Support services:		
Management and general		
Personnel expenses	14,535	10,258
Rent	25,596	25,596
Utilities	16,224	12,678
Office expense	12,496	5,178
Repair and maintenance	10,600	2,009
Marketing and uniforms	592	300
Depreciation – office equipment	4,527	4,527
Total Management and general	84,570	60,546
Fundraising	11,020	-
Total support services	95,590	60,546
Total expenses	517,557	375,694
Revenue over (under) expenses	\$ 63,782	\$ (115,768)

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, 2017

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, 2017

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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), which comprise the consolidated statement of financial position as of June 30, 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the year ended and the related notes to the consolidated financial statements, and have our report thereon dated October 25, 2017.

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 Home Repair Services of Kent County, Inc. and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of Home Repair Services 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
October 25, 2017

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, 2017. 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, 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, 2017.

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's, as of and for the year ended June 30, 2017, 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 October 25, 2017, 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 Paulik PLC

Grand Rapids, Michigan
October 25, 2017

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

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total 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	\$ 425,163
Pass-through program from Kent County, MI			379,486
Pass-through program from the City of Wyoming, MI			<u>64,324</u>
Total Community Development Block Grant			868,973
Housing Counseling	14.169	N/A	<u>3,247</u>
Total Federal Expenditures			<u><u>\$ 872,220</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, 2017

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of Home Repair Services of Kent County, Inc. and Subsidiary under programs of the federal government for the year ended June 30, 2017. 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 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, 2017

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? 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? 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, 2017

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

Federal Awards (continued)

Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
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?

 X Yes

 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, 2017

None.