

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2003

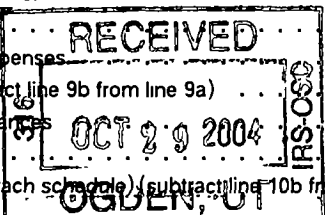
Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

Open to Public Inspection

Header section containing organization details: A For the 2003 calendar year, or tax year beginning 07-01, 2003, and ending 06-30, 2004; B Check if applicable; C Name of organization LIGHTHOUSE COMMUNITIES, INC; D Employer identification number 38-3537915; E Telephone number (616) 451-9140; F Accounting method: Accrual; G Website; J Organization type: 501(c)3; K Check here; L Gross receipts: 3,712,149

Table with 21 rows detailing Revenue, Expenses, and Changes in Net Assets or Fund Balances. Includes sub-rows for contributions, program revenue, rental income, special events, and total revenue/expenses.



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**Part II Statement of Functional Expenses**

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 22 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ <u>34,147</u> noncash \$ _____)	22 34,147	34,147		
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc.	25 51,300	43,092	6,669	1,539
26	Other salaries and wages	26 182,957	151,843	24,788	6,326
27	Pension plan contributions	27			
28	Other employee benefits	28 11,944	4,167	6,222	1,555
29	Payroll taxes	29 15,510	12,661	2,279	570
30	Professional fundraising fees	30			
31	Accounting fees	31 7,929	5,947	1,586	396
32	Legal fees	32			
33	Supplies	33			
34	Telephone	34 8,069	6,052	1,614	403
35	Postage and shipping	35 777	583	155	39
36	Occupancy	36 3,073	2,305	615	153
37	Equipment rental and maintenance	37			
38	Printing and publications	38			
39	Travel	39 3,388	2,541	678	169
40	Conferences, conventions, and meetings	40 5,115	1,023	3,274	818
41	Interest	41 49,751	45,073	3,742	936
42	Depreciation, depletion, etc (attach schedule)	42 64,091	53,462	8,503	2,126
43	Other expenses not covered above (itemize). a _____	43a			
b	<b>SEE SCHEDULE</b>	43b 867,467	862,506	3,968	993
c	_____	43c			
d	_____	43d			
e	_____	43e			
44	<b>Total functional expenses</b> (add lines 22 through 43) <b>Organizations completing columns (B)-(D), carry these totals to lines 13-15</b>	44 1,305,518	1,225,402	64,093	16,023

**Joint Costs.** Check  if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_,  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments** (See page 25 of the instructions.)

What is the organization's primary exempt purpose? <input type="checkbox"/> SEE BELOW	Program Service Expenses (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts, but optional for others.)
a PROVIDES RENTAL AND OWNER OCCUPIED REHABILITATED HOUSING, LEAD PAINT REMOVAL AND HEALTHY NEIGHBORHOOD INITIATIVE FOR INDIVIDUALS WITH LOW INCOMES. (Grants and allocations \$ _____)	1,225,402
b _____ (Grants and allocations \$ _____)	
c _____ (Grants and allocations \$ _____)	
d _____ (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)	1,225,402

**Part IV Balance Sheets** (See page 25 of the instructions.)

		(A)		(B)	
		Beginning of year		End of year	
<b>Note:</b> Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.					
	45 Cash - non-interest-bearing . . . . .	216,457	45	416,904	
	46 Savings and temporary cash investments . . . . .		46		
	47 a Accounts receivable . . . . .				
	b Less allowance for doubtful accounts . . . . .		47c		
	48 a Pledges receivable . . . . .				
	b Less allowance for doubtful accounts . . . . .		48c		
	49 Grants receivable . . . . .	730,676	49	3,154,015	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule) . . . . .		50		
A s s e t s	51 a Other notes and loans receivable (attach schedule) . . . . .	15,960			
	b Less allowance for doubtful accounts . . . . .		51c	15,960	
	52 Inventories for sale or use . . . . .	442,337	52	607,525	
	53 Prepaid expenses and deferred charges . . . . .		53		
	54 Investments - securities (attach schedule) . . . . .		54		
	55 a Investments - land, buildings, and equipment basis . . . . .				
	b Less accumulated depreciation (attach schedule) . . . . .		55c		
	56 Investments - other (attach schedule) . . . . .		56		
	57 a Land, buildings, and equipment basis . . . . .	2,015,649			
	b Less accumulated depreciation (attach schedule) . . . . .	114,555	57c	1,901,094	
58 Other assets (describe ▶ _____)		58			
	<b>59 Total assets</b> (add lines 45 through 58) (must equal line 74) . . . . .	2,566,354	59	6,095,498	
L i a b i l i t i e s	60 Accounts payable and accrued expenses . . . . .	269,067	60	673,190	
	61 Grants payable . . . . .		61		
	62 Deferred revenue . . . . .		62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .		63		
	64 a Tax-exempt bond liabilities (attach schedule) . . . . .		64a		
	b Mortgages and other notes payable (attach schedule) . . . . .	598,770	64b	1,317,160	
	65 Other liabilities (describe ▶ _____)		65		
	<b>66 Total liabilities</b> (add lines 60 through 65) . . . . .	867,837	66	1,990,350	
	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
N e t A s s e t B a l a n c e s	67 Unrestricted . . . . .	1,022,098	67	1,209,294	
	68 Temporarily restricted . . . . .	676,419	68	2,895,854	
	69 Permanently restricted . . . . .		69		
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74				
	70 Capital stock, trust principal, or current funds . . . . .		70		
	71 Paid-in or capital surplus, or land, building, and equipment fund . . . . .		71		
	72 Retained earnings, endowment, accumulated income, or other funds . . . . .		72		
	<b>73 Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19, column (B) must equal line 21) . . . . .	1,698,517	73	4,105,148	
<b>74 Total liabilities and net assets / fund balances</b> (add lines 66 and 73) . . . . .	2,566,354	74	6,095,498		

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

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return** (See page 27 of the instructions)

<b>a</b>	Total revenue, gains, and other support per audited financial statements . . . ▶	<b>a</b>	3,712,149
<b>b</b>	Amounts included on line a but not on line 12, Form 990:		
	(1) Net unrealized gains on investments . . \$ _____		
	(2) Donated services and use of facilities . \$ _____		
	(3) Recoveries of prior year grants . . . . \$ _____		
	(4) Other (specify): _____ \$ _____		
	Add amounts on lines (1) through (4) . ▶	<b>b</b>	
<b>c</b>	Line a minus line b . . . . . ▶	<b>c</b>	3,712,149
<b>d</b>	Amounts included on line 12, Form 990 but not on line a:		
	(1) Investment expenses not included on line 6b, Form 990 . . . . \$ _____		
	(2) Other (specify): _____ \$ _____		
	Add amounts on lines (1) and (2) . . . ▶	<b>d</b>	
<b>e</b>	Total revenue per line 12, Form 990 (line c plus line d) . . . . . ▶	<b>e</b>	3,712,149

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

<b>a</b>	Total expenses and losses per audited financial statements . . . . . ▶	<b>a</b>	1,305,518
<b>b</b>	Amounts included on line a but not on line 17, Form 990:		
	(1) Donated services and use of facilities . \$ _____		
	(2) Prior year adjustments reported on line 20, Form 990 . . . . . \$ _____		
	(3) Losses reported on line 20, Form 990 . . \$ _____		
	(4) Other (specify): _____ \$ _____		
	Add amounts on lines (1) through (4) . ▶	<b>b</b>	
<b>c</b>	Line a minus line b . . . . . ▶	<b>c</b>	1,305,518
<b>d</b>	Amounts included on line 17, Form 990 but not on line a:		
	(1) Investment expenses not included on line 6b, Form 990 . . . . \$ _____		
	(2) Other (specify): _____ \$ _____		
	Add amounts on lines (1) and (2) . . . ▶	<b>d</b>	
<b>e</b>	Total expenses per line 17, Form 990 (line c plus line d) . . . . . ▶	<b>e</b>	1,305,518

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated, see page 27 of the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
TIM VANDER KODDE 927 ADAMS SE, GRAND RAPIDS MI	PRESIDENT 2	0	0	0
JAMES JONES 1826 SYLVAN SE, GRAND RAPIDS	VICE-PRESIDENT 2	0	0	0
KERRY BARNES 1226 MADISON SE GRAND RAPIDS	SECRETARY 2	0	0	0
DAREL ROSS 1606 FULLER SE GRAND RAPIDS	TREASURER 2	0	0	0
DAVID ALLEN 1422 MADISON AVE, GRAND RAPIDS	EXEC.DIRECTOR 40	51,300	0	0
BRUCE JOHNSON 515 OAKDALE SE, GRAND RAPIDS MI	BOARD MEMBER 1	0	0	0
DEE LUCAS 722 EASTERN SE GRAND RAPIDS	BOARD MEMBER 1	0	0	0
LAVONNE ZWART 940 ADAMS SE GRAND RAPIDS MI	BOARD MEMBER 1	0	0	0
BILL WHITE 901 44TH ST GRAND RAPIDS MI	BOARD MEMBER 1	0	0	0
RUTH BUNTIN 847 BALLARD SE GRAND RAPIDS MI	BOARD MEMBER 1	0	0	0

**75** Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? ▶  Yes  No  
If "Yes," attach schedule - see page 28 of the instructions

Part VI Other Information (See page 28 of the instructions)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity . . . . .	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? . . . . . If "Yes," attach a conformed copy of the changes	77	X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . . . .	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year? . . . . .	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement . . . . .	79	X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? . . . . .	80a	X
b	If "Yes," enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a	Enter direct and indirect political expenditures See line 81 instructions . . . . .	81a	
b	Did the organization file Form 1120-POL for this year? . . . . .	81b	X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? . . . . .	82a	X
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III.) . . . . .	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications? . . . . .	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions? . . . . .	83b	X
84a	Did the organization solicit any contributions or gifts that were not tax deductible? . . . . .	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .	84b	
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? . . . . .	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? . . . . . If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	
c	Dues, assessments, and similar amounts from members . . . . .	85c	
d	Section 162(e) lobbying and political expenditures . . . . .	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices . . . . .	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) . . . . .	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? . . . . .	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? . . . . .	85h	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 . . . . .	86a	
b	Gross receipts, included on line 12, for public use of club facilities . . . . .	86b	
87	501(c)(12) orgs Enter: a Gross income from members or shareholders . . . . .	87a	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . .	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX . . . . .	88	X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> ; section 4912 <input type="checkbox"/> ; section 4955 <input type="checkbox"/>		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction . . . . .	89b	X
c	Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 . . . . . <input type="checkbox"/>		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization . . . . . <input type="checkbox"/>		
90a	List the states with which a copy of this return is filed <input type="checkbox"/> MICHIGAN		
b	Number of employees employed in the pay period that includes March 12, 2003 (See instructions.) . . . . .	90b	7
91	The books are in care of <input type="checkbox"/> JEREMY DE ROO Telephone no <input type="checkbox"/> 616-451-9140 Located at <input type="checkbox"/> 1422 MADISON SE, GRAND RAPIDS MI ZIP + 4 <input type="checkbox"/> 49507		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year . . . . . <input type="checkbox"/>	92	

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a SALE OF REHABILITATED					427,433
b HOUSES					
c					
d					
e					
f Medicare/Medicaid payments . . . . .					
g Fees and contracts from government agencies . . . . .					
94 Membership dues and assessments . . . . .					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities . . . . .			14	155	
97 Net rental income or (loss) from real estate					
a debt-financed property . . . . .					172,425
b not debt-financed property . . . . .					
98 Net rental income or (loss) from personal property . . . . .					
99 Other investment income . . . . .					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events . . . . .					
102 Gross profit or (loss) from sales of inventory . . . . .					
103 Other revenue	a				
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E)) . . . . .				155	599,858
105 Total (add line 104, columns (B), (D), and (E)) . . . . .					600,013

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

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 34 of the instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	PROCEEDS FROM SELLING REHABILITATED HOUSES--THE ORGANIZATION'S EXEMPT PURPOSE
97A	RENTAL INCOME FROM RENTING HOUSING TO LOW INCOME INDIVIDUALS--THE ORGANIZATION'S EXEMPT PURPOSE

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

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

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

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

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

Under penalties of perjury, I declare that I have examined this return, including attachments, if any, and believe it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has knowledge.

**Please Sign Here**

Signature of officer: *Jeremy DePoo*

Type or print name and title: Jeremy DePoo

**Paid Preparer's Use Only**

Preparer's signature: *[Signature]*

Firm's name (or yours if self-employed), address, and ZIP + 4: GOODLANDER & CO.,  
3900 COSTA NE  
GRAND RAPIDS MI



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

	Yes	No
<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.	1	X
<b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
<b>a</b> Sale, exchange, or leasing of property?	2a	X
<b>b</b> Lending of money or other extension of credit?	2b	X
<b>c</b> Furnishing of goods, services, or facilities?	2c	X
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
<b>e</b> Transfer of any part of its income or assets?	2e	X
<b>3a</b> Do you make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)	3a	X
<b>b</b> Do you have a section 403(b) annuity plan for your employees?	3b	X
<b>4</b> Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4	X

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

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

- 5  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6  A school. Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii)
- 8  A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶ \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A.)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b  A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3).)

Provide the following information about the supported organizations (See page 5 of the instructions)

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

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



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

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

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants. See line 28)	1,649,082	511,368			2,160,450
<b>16</b> Membership fees received					
<b>17</b> Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	96,009	37,256			133,265
<b>18</b> Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	217				217
<b>19</b> Net income from unrelated business activities not included in line 18					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
<b>21</b> The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge		102,673			102,673
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
<b>23</b> Total of lines 15 through 22	1,745,308	651,297			2,396,605
<b>24</b> Line 23 minus line 17	1,649,299	614,041			2,263,340
<b>25</b> Enter 1% of line 23	17,453	6,513			
<b>26 Organizations described on lines 10 or 11:</b>					
<b>a</b> Enter 2% of amount in column (e), line 24					<b>26a</b> 45,267
<b>b</b> Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					<b>26b</b>
<b>c</b> Total support for section 509(a)(1) test. Enter line 24, column (e)					<b>26c</b> 2,263,340
<b>d</b> Add Amounts from column (e) for lines:	18 217	19			
22		26b			<b>26d</b> 217
<b>e</b> Public support (line 26c minus line 26d total)					<b>26e</b> 2,263,123
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))					<b>26f</b> 99.99%
<b>27 Organizations described on line 12:</b>					
<b>a</b> For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year:	(2002)	(2001)	(2000)	(1999)	
<b>b</b> For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:	(2002)	(2001)	(2000)	(1999)	
<b>c</b> Add. Amounts from column (e) for lines:	15	16			
17	20	21			<b>27c</b>
<b>d</b> Add Line 27a total and line 27b total					<b>27d</b>
<b>e</b> Public support (line 27c total minus line 27d total)					<b>27e</b>
<b>f</b> Total support for section 509(a)(2) test. Enter amount from line 23, column (e)					<b>27f</b>
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))					<b>27g</b> %
<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					<b>27h</b> %
<b>28 Unusual Grants:</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15					

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions )

(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group Check **b** if you checked "a" and "limited control" provisions apply

**Limits on Lobbying Expenditures**

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

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying) . . . . .	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .	37	
38	Total lobbying expenditures (add lines 36 and 37) . . . . .	38	
39	Other exempt purpose expenditures . . . . .	39	
40	Total exempt purpose expenditures (add lines 38 and 39) . . . . .	40	
41	Lobbying nontaxable amount Enter the amount from the following table-		
	<b>If the amount on line 40 is-</b> <b>The lobbying nontaxable amount is-</b>		
	Not over \$500,000 . . . . . 20% of the amount on line 40 . . . . .	41	
	Over \$500,000 but not over \$1,000,000 . . \$100,000 plus 15% of the excess over \$500,000		
	Over \$1,000,000 but not over \$1,500,000 . \$175,000 plus 10% of the excess over \$1,000,000		
	Over \$1,500,000 but not over \$17,000,000 . \$225,000 plus 5% of the excess over \$1,500,000		
	Over \$17,000,000 . . . . . \$1,000,000 . . . . .		
42	Grassroots nontaxable amount (enter 25% of line 41) . . . . .	42	
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36 . . . . .	43	
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38 . . . . .	44	

**Caution:** If there is an amount on either line 43 or line 44, you must file Form 4720

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.)

See the instructions for lines 45 through 50 on page 11 of the instructions )

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45	Lobbying nontaxable amount . . . . .				
46	Lobbying ceiling amount (150% of line 45(e)) .				
47	Total lobbying expenditures . . . . .				
48	Grassroots nontaxable amount . . . . .				
49	Grassroots ceiling amount (150% of line 48(e)).				
50	Grassroots lobbying expenditures . . . . .				

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

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions )

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers . . . . .		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.) . . . . .		X	
c Media advertisements. . . . .		X	
d Mailings to members, legislators, or the public . . . . .		X	
e Publications, or published or broadcast statements . . . . .		X	
f Grants to other organizations for lobbying purposes . . . . .		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body. . . . .		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means . . . . .		X	
i Total lobbying expenditures (Add lines c through h) . . . . .			

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

**Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 12 of the instructions )

**51** Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

**a** Transfers from the reporting organization to a noncharitable exempt organization of:

- (i) Cash
- (ii) Other assets

**b** Other transactions

- (i) Sales or exchanges of assets with a noncharitable exempt organization
- (ii) Purchases of assets from a noncharitable exempt organization
- (iii) Rental of facilities, equipment, or other assets
- (iv) Reimbursement arrangements
- (v) Loans or loan guarantees
- (vi) Performance of services or membership or fundraising solicitations

**c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees.

**d** If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

	Yes	No
<b>51a(i)</b>		X
<b>a(ii)</b>		X
<b>b(i)</b>		X
<b>b(ii)</b>		X
<b>b(iii)</b>		X
<b>b(iv)</b>		X
<b>b(v)</b>		X
<b>b(vi)</b>		X
<b>c</b>		X

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

**52a** Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?  Yes  No

**b** If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

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

**2003**

Department of the Treasury  
Internal Revenue Service  
Name(s) shown on return

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

Attachment  
Sequence No **67**

LIGHTHOUSE COMMUNITIES, INC

Business or activity to which this form relates  
PROGRAM SERVICES - 1

Identifying number  
38-3537915

**Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount See page 2 of the instructions for a higher limit for certain businesses . . . . .	1	\$100,000
2	Total cost of section 179 property placed in service (see page 2 of the instructions) . . . . .	2	
3	Threshold cost of section 179 property before reduction in limitation . . . . .	3	\$400,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- . . . . .	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0- If married filing separately, see page 2 of the instructions . . . . .	5	
<b>(a) Description of property</b>		<b>(b) Cost (business use only)</b>	<b>(c) Elected cost</b>
6			
7	Listed property. Enter the amount from line 29 . . . . .	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 . . . . .	8	
9	Tentative deduction Enter the smaller of line 5 or line 8 . . . . .	9	
10	Carryover of disallowed deduction from line 13 of your 2002 Form 4562 . . . . .	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions) . . . . .	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11 . . . . .	12	
13	Carryover of disallowed deduction to 2004. Add lines 9 and 10, less line 12 . . . . .	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Deduction Allowance and Other Depreciation (Do not include listed property)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see page 3 of the instructions) . . . . .	14	
15	Property subject to section 168(f)(1) election (see page 4 of the instructions) . . . . .	15	
16	Other depreciation (including ACRS) (see page 4 of the instructions) . . . . .	16	48,035

**Part III MACRS Depreciation (Do not include listed property) (See page 4 of the instructions)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2003 . . . . .	17	
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here . . . . .		<input type="checkbox"/>

**Section B - Assets Placed in Service During 2003 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		10,647	5	HY	SL	1,065
c 7-year property						
d 10-year property		10,000	10	HY	SL	500
e 15-year property						
f 20-year property						
g 25-year property		701,557	25 yrs	MM	S/L	14,491
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

**Section C - Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System**

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

**Part IV Summary (See page 6 of the instructions)**

21	Listed property Enter amount from line 28 . . . . .	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations - see instr . . . . .	22	64,091
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs . . . . .	23	

## SCHEDULE FOR STATEMENT OF FUNCTIONAL EXPENSES

PAGE 2--LINE 22

Grants were to neighborhood associations in the area within the City of Grand Rapids served by the Organization to facilitate providing affordable quality housing to low and moderate income individuals. \$34,147

PAGE 2--LINE 43

	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>
Maintaining & operating rental properties	98,604	98,604		
Program costs for housing, acquisition, development and resale	704,571	704,571		
Lead hazard remediation contractor cost	42,953	42,953		
Insurance	8,432	6,324	1,686	422
Bank fees	1,495	1,495		
Office expense	11,412	8,559	2,282	571
Total	<u>\$867,467</u>	<u>\$862,506</u>	<u>\$3,968</u>	<u>\$993</u>

\* Item was disposed  
of during current year.

## Depreciation Detail Listing

MANAGEMENT & GENERAL - 1

**2003** PAGE 1

**For your records only**

Name(s) as shown on return

Social security number/EIN

LIGHTHOUSE COMMUNITIES, INC

38-3537915

No	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
1	1300 MARSHALL BLDG CO	20010912	52,246		100.00		52,246	25	SL MM	4	2,090	6,009			1,306
2	1300 MARSHALL IMPROVE	20011029	1,371		100.00		1,371	25	SL MM	4	55	153			34
3	1321 EWING BLDG COST	20010912	34,940		100.00		34,940	25	SL MM	4	1,398	4,019			874
4	1321 EWING IMPROVEMEN	20020515	94,101		100.00		94,101	25	SL MM	4	3,764	8,312			2,353
5	1405/07 LAFAYETTE BLD	20010815	42,466		100.00		42,466	25	SL MM	4	1,699	5,026			1,062
6	1648 MADISON BLDG COS	20010912	42,891		100.00		42,891	25	SL MM	4	1,716	4,933			1,072
7	1648 MADISON IMPROVEM	20020515	135,370		100.00		135,370	25	SL MM	4	5,415	11,958			3,384
8	1654 MADISON BLDG COS	20010912	41,690		100.00		41,690	25	SL MM	4	1,668	4,795			1,042
9	918 EASTERN BLDG COST	20010912	24,466		100.00		24,466	25	SL MM	4	979	2,814			612
10	918 EASTERN IMPROVEME	20020520	8,613		100.00		8,613	25	SL MM	4	345	762			215
11	1422 MADISON OFFICE I	20020801	55,914		100.00		55,914	30	SL MM	3.333	1,864	3,650			1,398
12	PURCHASED COMPUTER EQ	20020115	5,674		100.00		5,674	5	SL HY	20	1,135	2,979			1,135
13	1654 MADISON IMPROVEM	20020624	104,901		100.00		104,901	25	SL MM	4	4,196	8,867			2,623
14	409 OAKDALE BUILDING	20020922	36,993		100.00		36,993	25	SL MM	4	1,480	2,775			925
15	409 OAKDALE IMPROVEME	20030505	1,092		100.00		1,092	25	SL MM	4	44	53			27
16	409 OAKDALE LAND COST	20020922	4,110	4,110	100.00		0	0		0					
17	739 OAKDALE BUILDING	20021209	67,500		100.00		67,500	25	SL MM	4	2,700	4,388			1,688
18	739 OAKDALE LAND COST	20021209	7,500	7,500	100.00		0	0		0					
19	918 EASTERN IMPROVEME	20030505	15,747		100.00		15,747	25	SL MM	4	630	761			394
20	955 HANCOCK BUILDING	20030213	62,279		100.00		62,279	25	SL MM	4	2,491	3,633			1,557
21	955 HANCOCK LAND COST	20030213	7,000	7,000	100.00		0	0		0					
22	955 HANCOCK STOVE & F	20030213	587		100.00		587	12	SL HY	8.333	49	66			49
23	1201 PROSPECT BUILDIN	20021203	54,365		100.00		54,365	25	SL MM	4	2,175	3,534			1,359
24	1201 PROSPECT LAND CO	20021203	5,900	5,900	100.00		0	0		0					
25	1201 PROSPECT IMPROVE	20030210	1,334		100.00		1,334	25	SL MM	4	53	77			33
26	1300 MARSHALL IMPROVE	20030320	106,280		100.00		106,280	25	SL MM	4	4,251	5,845			2,657
27	1405/07 LAFAYETTE IMP	20030408	10,888		100.00		10,888	25	SL MM	4	436	563			272
28	1654 MADISON IMPROVEM	20020901	32,415		100.00		32,415	25	SL MM	4	1,297	2,432			810
29	1422 MADISON IMPROVEM	20021215	20,457		100.00		20,457	25	SL MM	4	818	1,329			511
30	5/3 DONATED OFFICE EQ	20021007	18,000		100.00		18,000	10	SL HY	10	1,800	2,430			1,800

\* Item was disposed  
of during current year

## Depreciation Detail Listing

MANAGEMENT & GENERAL - 1

**2003** PAGE 2

**For your records only**

Name(s) as shown on return

Social security number/EIN

LIGHTHOUSE COMMUNITIES, INC

38-3537915

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
31	1422 MADISON BUILDING	20020901	97,673		100.00		97,673	30	SL MM	3.333	3,256	6,105			2,442
32	1422 MADISON LAND COS	20020901	5,000	5,000	100.00		0	0		0					
33	1300 MARSHALL LAND CO	20010912	5,500	5,500	100.00		0	0		0					
34	1321 EWING LAND COST	20010912	3,800	3,800	100.00		0	0		0					
35	1405/07 LAFAYETTE LAN	20010815	4,600	4,600	100.00		0	0		0					
36	1654 MADISON LAND COS	20010912	4,600	4,600	100.00		0	0		0					
37	918 EASTERN LAND COST	20010912	2,600	2,600	100.00		0	0		0					
38	1451 GRANDVILLE LAND	20040625	4,163	4,163	100.00		0	0		0					
39	1153 MADISON LAND	20040517	7,190	7,190	100.00		0	0		0					
40	1153 MADISON BLDG COS	20040517	64,853		100.00		64,853	25	SL MM	.5	324	324			203
41	409 OAKDALE IMPROVE	20040618	12,398		100.00		12,398	25	SL MM	.167	21	21			13
42	409 OAKDALE IMPROV	20030707	39		100.00		39	25	SL MM	3.833	1	1			1
43	809 ADAMS LAND	20031125	8,500	8,500	100.00		0	0		0					
44	809 ADAMS BLDG COST	20031125	77,218		100.00		77,218	25	SL MM	2.5	1,930	1,930			1,207
45	918 EASTERN OTHER	20040426	97		100.00		97	25	SL MM	.833	1	1			1
46	921 FULTON IMPROVE	20040607	80,375		100.00		80,375	25	SL MM	.167	134	134			84
47	921 FULTON BLDG COST	20030731	155,905		100.00		155,905	25	SL MM	3.833	5,976	5,976			3,735
48	921 FULTON	20030731	17,000	17,000	100.00		0	0		0					
49	954 ADAMS LAND	20031125	9,500	9,500	100.00		0	0		0					
50	954 ADAMS BLDG COST	20031125	86,287		100.00		86,287	25	SL MM	2.5	2,157	2,157			1,349
51	955 HANCOCK OTHER	20040521	1,039		100.00		1,039	25	SL MM	.5	5	5			3
52	958 SIGSBEE IMPROVE	20040607	19,715		100.00		19,715	25	SL MM	.167	33	33			21
53	958 SIGSBEE BLDG COST	20031124	68,218		100.00		68,218	25	SL MM	2.5	1,705	1,705			1,066
54	958 SIGSBEE LAND	20031124	7,500	7,500	100.00		0	0		0					
55	1201 PROSPECT IMPROVE	20040607	24,031		100.00		24,031	25	SL MM	.167	40	40			25
56	1300 MARSHALL IMPROVE	20030721	1,012		100.00		1,012	25	SL MM	3.833	39	39			24
57	1347 BUTLER IMPROVE	20040601	29,810		100.00		29,810	25	SL MM	.167	50	50			31
58	1347 BUTLER LAND	20031125	7,500	7,500	100.00		0	0		0					
59	1347 BUTLER	20031125	68,221		100.00		68,221	25	SL MM	2.5	1,706	1,706			1,066
60	1405/07 LAFAYETTE IMP	20030929	11,085		100.00		11,085	25	SL MM	3.167	351	351			219

\* Item was disposed  
of during current year

## Depreciation Detail Listing

MANAGEMENT & GENERAL - 1

**2003** PAGE 3

**For your records only**

Name(s) as shown on return

Social security number/EIN

LIGHTHOUSE COMMUNITIES, INC

38-3537915

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
61	1405/07 LAFAYETTE OTH	20040426	131		100.00		131	25	SL MM	.833	1	1			1
62	1422 MADISON IMPROVE	20030316	5,729		100.00		5,729	30	SL MM	3.333	191	191			143
63	COMPUTER EQUIPMENT	20031030	10,647		100.00		10,647	5	SL HY	10	1,065	1,065			1,065
64	CUBICLES DONATED BY 5	20031231	10,000		100.00		10,000	10	SL HY	5	500	500			500
65	918 EASTERN IMPROVE	20040203	1,123		100.00		1,123	25	SL MM	1.5	17	17			11
66	1648 MADISON LAND	20010912	4,600	4,600	100.00		0	0		0					
67	1648 MADISON IMPROVEM	20021231	1,000		100.00		1,000	25	SL MM	4	40	40			25
<b>Totals</b>			2,015,749	116,563			1,899,186				64,091	114,555			42,427