

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

Department of the Treasury  
Internal Revenue Service

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

**A For the 2007 calendar year, or tax year beginning** 07/01, 2007, and ending 06/30/2008

|  |   |  |   |
|--|---|--|---|
| <b>B</b> Check if applicable:<br><input type="checkbox"/> Address change<br><input type="checkbox"/> Name change<br><input type="checkbox"/> Initial return<br><input type="checkbox"/> Termination<br><input type="checkbox"/> Amended return<br><input type="checkbox"/> Application pending | Please use IRS label or print or type. See Specific Instructions. | <b>C Name of organization</b><br>HOME OF GUIDING HANDS CORPORATION<br>Number and street (or P.O. box if mail is not delivered to street address) Room/suite<br>1825 GILLESPIE WAY 200<br>City or town, state or country, and ZIP + 4<br>EL CAJON, CA 92020 | <b>D Employer identification number</b><br>95-6058273<br><b>E Telephone number</b><br>(619) 938-2850<br><b>F Accounting method:</b> <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual<br><input type="checkbox"/> Other (specify) ▶ |
|--|---|--|---|

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** If "Yes," enter number of affiliates ▶ N/A  
**H(c)** Are all affiliates included?  Yes  No  
 (If "No," attach a list. See instructions.)  
**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**G Website:** ▶ WWW.GUIDINGHANDS.ORG

**J Organization type** (check only one) ▶  501(c) ( 3 ) ◀ (insert no.)  4947(a)(1) or  527

**K Check here** ▶  if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**I Group Exemption Number** ▶ N/A

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

**L Gross receipts:** Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 13,240,835.

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

|                   |  |   |                |             |
|-------------------|--|---|----------------|-------------|
| <b>Revenue</b>    | <b>1</b>   | Contributions, gifts, grants, and similar amounts received:   |                |             |
|                   | <b>a</b>   | Contributions to donor advised funds . . . . .  | <b>1a</b>      |             |
|                   | <b>b</b>   | Direct public support (not included on line 1a) . . . . .   | <b>1b</b>      | 700,767.    |
|                   | <b>c</b>   | Indirect public support (not included on line 1a) . . . . .   | <b>1c</b>      | 11,565.     |
|                   | <b>d</b>   | Government contributions (grants) (not included on line 1a) . . . . .   | <b>1d</b>      |             |
|                   | <b>e</b>   | Total (add lines 1a through 1d) (cash \$ <u>712,332.</u> noncash \$ _____)  | <b>1e</b>      | 712,332.    |
|                   | <b>2</b>   | Program service revenue including government fees and contracts (from Part VII, line 93) . . . . .                      | <b>2</b>       | 10,171,988. |
|                   | <b>3</b>   | Membership dues and assessments . . . . .   | <b>3</b>       |             |
|                   | <b>4</b>   | Interest on savings and temporary cash investments . . . . .  | <b>4</b>       | 861.        |
|                   | <b>5</b>   | Dividends and interest from securities . . . . .  | <b>5</b>       | 396,310.    |
|                   | <b>6a</b>  | Gross rents . . . . .   | <b>6a</b>      |             |
|                   | <b>6b</b>  | Less: rental expenses . . . . .   | <b>6b</b>      |             |
| <b>6c</b>         | Net rental income or (loss). Subtract line 6b from line 6a . . . . .                 | <b>6c</b>   |                |             |
| <b>7</b>          | Other investment income (describe ▶ _____)   | <b>7</b>  |                |             |
| <b>Revenue</b>    | <b>8a</b>  | Gross amount from sales of assets other than inventory . . . . .  | (A) Securities | (B) Other   |
|                   |  |   | 1,846,061.     | 4,354.      |
|                   |  | <b>b</b> Less: cost or other basis and sales expenses . . . . .   | 1,900,204.     | NONE        |
|                   |  | <b>c</b> Gain or (loss) (attach schedule) . . . . .   | -54,143.       | 4,354.      |
| <b>8d</b>         | Net gain or (loss). Combine line 8c, columns (A) and (B) . . . . .                   | <b>8d</b>   | -49,789.       |             |
| <b>Revenue</b>    | <b>9</b>   | Special events and activities (attach schedule). If any amount is from gaming, check here ▶ <input type="checkbox"/>    |                |             |
|                   |  | <b>a</b> Gross revenue (not including \$ <u>170,368.</u> of STMT 2 contributions reported on line 1b). . . . . STMT. 3. | <b>9a</b>      | 105,508.    |
|                   |  | <b>b</b> Less: direct expenses other than fundraising expenses . . . . .  | <b>9b</b>      | 104,745.    |
| <b>9c</b>         | Net income or (loss) from special events. Subtract line 9b from line 9a . . . . .    | <b>9c</b>   | 763.           |             |
| <b>Revenue</b>    | <b>10a</b>   | Gross sales of inventory, less returns and allowances . . . . .   | <b>10a</b>     |             |
|                   |  | <b>b</b> Less: cost of goods sold . . . . .   | <b>10b</b>     |             |
|                   |  | <b>c</b> Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a . . . . .    | <b>10c</b>     |             |
| <b>11</b>         | Other revenue (from Part VII, line 103) . . . . .                                    | <b>11</b>   | 3,421.         |             |
| <b>12</b>         | <b>Total revenue.</b> Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11 . . . . . | <b>12</b>   | 11,235,886.    |             |
| <b>Expenses</b>   | <b>13</b>  | Program services (from line 44, column (B)) . . . . .   | <b>13</b>      | 10,118,789. |
|                   | <b>14</b>  | Management and general (from line 44, column (C)) . . . . .   | <b>14</b>      | 1,118,601.  |
|                   | <b>15</b>  | Fundraising (from line 44, column (D)) . . . . .  | <b>15</b>      | 273,046.    |
|                   | <b>16</b>  | Payments to affiliates (attach schedule) . . . . .  | <b>16</b>      |             |
|                   | <b>17</b>  | <b>Total expenses.</b> Add lines 16 and 44, column (A) . . . . .  | <b>17</b>      | 11,510,436. |
| <b>Net Assets</b> | <b>18</b>  | Excess or (deficit) for the year. Subtract line 17 from line 12 . . . . .   | <b>18</b>      | -274,550.   |
|                   | <b>19</b>  | Net assets or fund balances at beginning of year (from line 73, column (A)) . . . . .                                   | <b>19</b>      | 6,684,074.  |
|                   | <b>20</b>  | Other changes in net assets or fund balances (attach explanation) . . . . . STMT. 4. . . . . STMT. 5.                   | <b>20</b>      | 8,158.      |
|                   | <b>21</b>  | Net assets or fund balances at end of year. Combine lines 18, 19, and 20 . . . . .                                      | <b>21</b>      | 6,417,682.  |

**Part II Statement of Functional Expenses**

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

| Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.   | (A) Total   | (B) Program services | (C) Management and general | (D) Fundraising |
|---|-------------|----------------------|----------------------------|-----------------|
| <b>22a</b> Grants paid from donor advised funds (attach schedule)<br>(cash \$ _____ noncash \$ _____)<br>If this amount includes foreign grants, check here <input type="checkbox"/>  |             |                      |                            |                 |
| <b>22b</b> Other grants and allocations (attach schedule)<br>(cash \$ <u>69,000.</u> noncash \$ _____)<br>If this amount includes foreign grants, check here <input type="checkbox"/> | 69,000.     | 69,000.              |                            |                 |
| <b>23</b> Specific assistance to individuals (attach schedule)  |             |                      |                            |                 |
| <b>24</b> Benefits paid to or for members (attach schedule)   |             |                      |                            |                 |
| <b>25a</b> Compensation of current officers, directors, key employees, etc. listed in Part V-A  | 330,425.    | 92,432.              | 167,930.                   | 70,063.         |
| <b>25b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B   |             |                      |                            |                 |
| <b>25c</b> Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)     |             |                      |                            |                 |
| <b>26</b> Salaries and wages of employees not included on lines 25a, b, and c   | 6,881,266.  | 6,338,056.           | 453,590.                   | 89,620.         |
| <b>27</b> Pension plan contributions not included on lines 25a, b, and c  | 43,377.     | 33,046.              | 8,704.                     | 1,627.          |
| <b>28</b> Employee benefits not included on lines 25a - 27  | 907,060.    | 865,152.             | 39,495.                    | 2,413.          |
| <b>29</b> Payroll taxes   | 472,387.    | 415,065.             | 45,762.                    | 11,560.         |
| <b>30</b> Professional fundraising fees   |             |                      |                            |                 |
| <b>31</b> Accounting fees   | 20,715.     | NONE                 | 19,215.                    | 1,500.          |
| <b>32</b> Legal fees  | 24,824.     | NONE                 | 24,754.                    | 70.             |
| <b>33</b> Supplies  | 647,769.    | 618,816.             | 19,060.                    | 9,893.          |
| <b>34</b> Telephone   | 93,160.     | 83,749.              | 9,411.                     | NONE            |
| <b>35</b> Postage and shipping  | 13,440.     | 4,140.               | 4,325.                     | 4,975.          |
| <b>36</b> Occupancy   | 644,955.    | 527,683.             | 95,058.                    | 22,214.         |
| <b>37</b> Equipment rental and maintenance  | 68,096.     | 40,151.              | 17,858.                    | 10,087.         |
| <b>38</b> Printing and publications   | 13,430.     | 1,371.               | 1,783.                     | 10,276.         |
| <b>39</b> Travel  | 357,588.    | 330,254.             | 25,885.                    | 1,449.          |
| <b>40</b> Conferences, conventions, and meetings  | 3,805.      | 1,722.               | 1,593.                     | 490.            |
| <b>41</b> Interest  | 302,005.    | 302,005.             | NONE                       | NONE            |
| <b>42</b> Depreciation, depletion, etc. (attach schedule)   | 210,340.    | 205,873.             | 3,731.                     | 736.            |
| <b>43</b> Other expenses not covered above (itemize):   |             |                      |                            |                 |
| <b>a</b> CONSULTANTS  | 186,019.    | 124,040.             | 51,921.                    | 10,058.         |
| <b>b</b> INVESTMENT EXPENSES  | 42,373.     | NONE                 | 42,373.                    | NONE            |
| <b>c</b> OTHER EXPENSES   | 178,402.    | 66,234.              | 86,153.                    | 26,015.         |
| <b>d</b>  |             |                      |                            |                 |
| <b>e</b>  |             |                      |                            |                 |
| <b>f</b>  |             |                      |                            |                 |
| <b>g</b>  |             |                      |                            |                 |
| <b>44</b> Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15).  | 11,510,436. | 10,118,789.          | 1,118,601.                 | 273,046.        |

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

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

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

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

| What is the organization's primary exempt purpose? ►SEE STATEMENT 7<br>All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.) | <b>Program Service Expenses</b><br>(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.) |
|--|--|
| a PROVIDED RESIDENTIAL CARE, TRAINING AND SUPPORT TO 162 PERSONS WITH SEVERE DISABILITIES IN 27 COMMUNITY BASED GROUP HOMES.<br><br>(Grants and allocations \$ NONE ) If this amount includes foreign grants, check here ► <input type="checkbox"/>  | 9,491,898.   |
| b IN-HOME RESPITE SERVICES - PROVIDED RESPITE CARE TO 185 FAMILIES WITH 203 CONSUMERS.<br><br>(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>   | 442,709.   |
| c COMMUNITY LIVING SERVICES - PROVIDED SUPPORT AND TRAINING TO 17 CONSUMERS WITH DEVELOPMENTAL DISABILITIES WHO LIVE IN THEIR OWN HOMES.<br><br>(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>   | 86,087.  |
| d LIFE PLANNING PROGRAM - SUPPORTED 45 CONSUMERS AND THEIR FAMILIES BY PROVIDING RESOURCES AND EDUCATION TO FAMILIES WITH LOVED ONES WITH DEVELOPMENTAL DISABILITIES REGARDING DECISIONS ON CARE OPTIONS AFTER FAMILY IS NO LONGER ABLE TO PROVIDE THAT CARE.<br><br>(Grants and allocations \$ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>  | 29,095.  |
| e Other program services (attach schedule) SEE STATEMENT 8<br>(Grants and allocations \$ 69,000. ) If this amount includes foreign grants, check here ► <input type="checkbox"/>   | 69,000.  |
| <b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) . . . . . ►  | <b>10,118,789.</b>   |

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

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

|  |   | (A)<br>Beginning of year  |                       | (B)<br>End of year    |
|--|---|---|-----------------------|-----------------------|
| <b>Assets</b>  | <b>45</b> Cash - non-interest-bearing . . . . .   | 458,886.  | <b>45</b>             | 463,894.              |
|  | <b>46</b> Savings and temporary cash investments . . . . .  | 195,738.  | <b>46</b>             | 101,531.              |
|  | <b>47a</b> Accounts receivable . . . . .  | <b>47a</b> 652,213.   |                       |                       |
|  | <b>b</b> Less: allowance for doubtful accounts . . . . .  | <b>47b</b> 10,000.  | 771,306.              | <b>47c</b> 642,213.   |
|  | <b>48a</b> Pledges receivable . . . . .   | <b>48a</b>  |                       |                       |
|  | <b>b</b> Less: allowance for doubtful accounts . . . . .  | <b>48b</b>  |                       | <b>48c</b>            |
|  | <b>49</b> Grants receivable . . . . .   |   |                       | <b>49</b>             |
|  | <b>50a</b> Receivables from current and former officers, directors, trustees, and key employees (attach schedule). . . . .                                  |   |                       | <b>50a</b>            |
|  | <b>b</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule) |   |                       | <b>50b</b>            |
|  | <b>51a</b> Other notes and loans receivable (attach schedule) . . . . .   | <b>51a</b>  |                       |                       |
|  | <b>b</b> Less: allowance for doubtful accounts . . . . .  | <b>51b</b>  |                       | <b>51c</b>            |
|  | <b>52</b> Inventories for sale or use . . . . .   |   |                       | <b>52</b>             |
|  | <b>53</b> Prepaid expenses and deferred charges . . . . .   | 128,651.  | <b>53</b>             | 90,184.               |
|  | <b>54a</b> Investments - publicly-traded securities <small>STMT. 9</small> . . . . .  | <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV | 4,621,830.            | <b>54a</b> 4,727,734. |
|  | <b>b</b> Investments - other securities (attach schedule) . . . . .   | <input type="checkbox"/> Cost <input type="checkbox"/> FMV            |                       | <b>54b</b>            |
|  | <b>55a</b> Investments - land, buildings, and equipment: basis . . . . .  | <b>55a</b>  |                       |                       |
|  | <b>b</b> Less: accumulated depreciation (attach schedule) . . . . .   | <b>55b</b>  |                       | <b>55c</b>            |
|  | <b>56</b> Investments - other (attach schedule) . . . . . <small>STMT. 10.</small>  | 320,910.  | <b>56</b>             | 284,432.              |
|  | <b>57a</b> Land, buildings, and equipment: basis . . . . .  | <b>57a</b> 8,290,474.   |                       |                       |
| <b>b</b> Less: accumulated depreciation (attach schedule) . . . . .  | <b>57b</b> 1,860,692.   | 6,600,960.  | <b>57c</b> 6,429,782. |                       |
| <b>58</b> Other assets, including program-related investments (describe <input type="checkbox"/> <small>STMT. 11</small> ) . . . . .                                     | 474,002.  | <b>58</b>   | 276,607.              |                       |
| <b>59 Total assets</b> (must equal line 74). Add lines 45 through 58 . . . . .   | 13,572,283.   | <b>59</b>   | 13,016,377.           |                       |
| <b>Liabilities</b>   | <b>60</b> Accounts payable and accrued expenses . . . . .   | 1,187,283.  | <b>60</b>             | 1,176,790.            |
|  | <b>61</b> Grants payable . . . . .  |   | <b>61</b>             |                       |
|  | <b>62</b> Deferred revenue . . . . .  | 2,650.  | <b>62</b>             | NONE                  |
|  | <b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .   |   | <b>63</b>             |                       |
|  | <b>64a</b> Tax-exempt bond liabilities (attach schedule) . . . . .  |   | <b>64a</b>            |                       |
|  | <b>b</b> Mortgages and other notes payable (attach schedule) . . . . . <small>STMT. 12.</small>   | 5,318,500.  | <b>64b</b>            | 5,207,764.            |
|  | <b>65</b> Other liabilities (describe <input type="checkbox"/> <small>STMT. 13</small> ) . . . . .  | 379,776.  | <b>65</b>             | 214,141.              |
| <b>66 Total liabilities.</b> Add lines 60 through 65 . . . . .   | 6,888,209.  | <b>66</b>   | 6,598,695.            |                       |
| <b>Net Assets or Fund Balances</b>   | <b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.             |   |                       |                       |
|  | <b>67</b> Unrestricted . . . . .  | 6,220,483.  | <b>67</b>             | 6,250,136.            |
|  | <b>68</b> Temporarily restricted . . . . .  | 142,681.  | <b>68</b>             | 167,546.              |
|  | <b>69</b> Permanently restricted . . . . .  | 320,910.  | <b>69</b>             | NONE                  |
|  | <b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74.                                     |   |                       |                       |
|  | <b>70</b> Capital stock, trust principal, or current funds . . . . .  |   | <b>70</b>             |                       |
|  | <b>71</b> Paid-in or capital surplus, or land, building, and equipment fund . . . . .   |   | <b>71</b>             |                       |
|  | <b>72</b> Retained earnings, endowment, accumulated income, or other funds . . . . .  |   | <b>72</b>             |                       |
| <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 and column (B) must equal line 21) . . . . . | 6,684,074.  | <b>73</b>   | 6,417,682.            |                       |
| <b>74 Total liabilities and net assets/fund balances.</b> Add lines 66 and 73 . . . . .  | 13,572,283.   | <b>74</b>   | 13,016,377.           |                       |





**Part VI Other Information (continued)**

|             |  | Yes | No |
|-------------|--|-----|----|
| <b>82 a</b> | Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? . . . . .  | X   |    |
| <b>b</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.) . . . . . <b>82b</b> 118,676.   |     |    |
| <b>83 a</b> | Did the organization comply with the public inspection requirements for returns and exemption applications? . . . . .  | X   |    |
| <b>b</b>    | Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions? . . . . .  | X   |    |
| <b>84 a</b> | Did the organization solicit any contributions or gifts that were not tax deductible? . . . . .  |     | X  |
| <b>b</b>    | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? . . . . .  | N/A |    |
| <b>85 a</b> | <b>501(c)(4), (5), or (6).</b> Were substantially all dues nondeductible by members? . . . . .   | N/A |    |
| <b>b</b>    | Did the organization make only in-house lobbying expenditures of \$2,000 or less? . . . . .<br>If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.              | N/A |    |
| <b>c</b>    | Dues, assessments, and similar amounts from members . . . . . <b>85c</b> N/A   |     |    |
| <b>d</b>    | Section 162(e) lobbying and political expenditures . . . . . <b>85d</b> N/A  |     |    |
| <b>e</b>    | Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices . . . . . <b>85e</b> N/A  |     |    |
| <b>f</b>    | Taxable amount of lobbying and political expenditures (line 85d less 85e) . . . . . <b>85f</b> N/A   |     |    |
| <b>g</b>    | Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? . . . . .  | N/A |    |
| <b>h</b>    | If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? . . . . .                             | N/A |    |
| <b>86 a</b> | <b>501(c)(7) orgs.</b> Enter: a Initiation fees and capital contributions included on line 12 . . . . . <b>86a</b> N/A   |     |    |
| <b>b</b>    | Gross receipts, included on line 12, for public use of club facilities . . . . . <b>86b</b> N/A  |     |    |
| <b>87 a</b> | <b>501(c)(12) orgs.</b> Enter: a Gross income from members or shareholders . . . . . <b>87a</b> N/A  |     |    |
| <b>b</b>    | Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) . . . . . <b>87b</b> N/A   |     |    |
| <b>88 a</b> | At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX . . . . . |     | X  |
| <b>b</b>    | At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI . . . . . ▶  |     | X  |
| <b>89 a</b> | <b>501(c)(3) organizations.</b> Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ N/A; section 4912 ▶ N/A; section 4955 ▶ N/A   |     |    |
| <b>b</b>    | <b>501(c)(3) and 501(c)(4) orgs.</b> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction . . . . .  |     | X  |
| <b>c</b>    | Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 . . . . . ▶ N/A  |     |    |
| <b>d</b>    | Enter: Amount of tax on line 89c, above, reimbursed by the organization . . . . . ▶ N/A  |     |    |
| <b>e</b>    | <b>All organizations.</b> At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? . . . . .   |     | X  |
| <b>f</b>    | <b>All organizations.</b> Did the organization acquire a direct or indirect interest in any applicable insurance contract? . . . . .   |     | X  |
| <b>g</b>    | <b>For supporting organizations and sponsoring organizations maintaining donor advised funds.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? . . . . .                     |     | X  |
| <b>90 a</b> | List the states with which a copy of this return is filed ▶ CA,  |     |    |
| <b>b</b>    | Number of employees employed in the pay period that includes March 12, 2007 (See instructions.) . . . . . <b>90b</b> 309   |     |    |
| <b>91 a</b> | The books are in care of ▶ JAN ADAMS, DIRECTOR OF FINANCE Telephone no. ▶ 619-938-2864<br>Located at ▶ 1825 GILLESPIE WAY EL CAJON, CA ZIP + 4 ▶ 92020   |     |    |
| <b>b</b>    | At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . .                             |     | X  |
|             | If "Yes," enter the name of the foreign country ▶ _____<br>See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.   |     |    |

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? ... 91c X
If "Yes," enter the name of the foreign country
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here ... N/A

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

Note: Enter gross amounts unless otherwise indicated.

Table with 5 main columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include Program service revenue, Medicare/Medicaid payments, Fees and contracts from government agencies, Membership dues and assessments, Interest on savings and temporary cash investments, Dividends and interest from securities, Net rental income or (loss) from real estate, Net rental income or (loss) from personal property, Other investment income, Gain or (loss) from sales of assets other than inventory, Net income or (loss) from special events, Gross profit or (loss) from sales of inventory, Other revenue, Subtotal, and Total.

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

Table with 2 columns: Line No., Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes). Row 1: STMT 23

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

Table with 5 columns: (A) Name, address, and EIN of corporation, partnership, or disregarded entity; (B) Percentage of ownership interest; (C) Nature of activities; (D) Total income; (E) End-of-year assets.

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes X No
(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes X No
Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

**Part XI** Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

**106** Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

|     |    |
|-----|----|
| Yes | No |
| N/A |    |

|               | (A)<br>Name, address, of each controlled entity | (B)<br>Employer Identification Number | (C)<br>Description of transfer | (D)<br>Amount of transfer |
|---------------|---|---------------------------------------|--------------------------------|---------------------------|
| a             | -----<br>-----                                  |                                       |                                |                           |
| b             | -----<br>-----                                  |                                       |                                |                           |
| c             | -----<br>-----                                  |                                       |                                |                           |
| <b>Totals</b> |   |                                       |                                |                           |

**107** Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

|     |    |
|-----|----|
| Yes | No |
| N/A |    |

|               | (A)<br>Name, address, of each controlled entity | (B)<br>Employer Identification Number | (C)<br>Description of transfer | (D)<br>Amount of transfer |
|---------------|---|---------------------------------------|--------------------------------|---------------------------|
| a             | -----<br>-----                                  |                                       |                                |                           |
| b             | -----<br>-----                                  |                                       |                                |                           |
| c             | -----<br>-----                                  |                                       |                                |                           |
| <b>Totals</b> |   |                                       |                                |                           |

**108** Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

|     |    |
|-----|----|
| Yes | No |
| N/A |    |

**Please Sign Here**

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

▶ Signature of officer \_\_\_\_\_ Date \_\_\_\_\_

▶ Type or print name and title \_\_\_\_\_

**Paid Preparer's Use Only**

|  |       |   |  |
|--|-------|---|--|
| Preparer's signature ▶   | Date  | Check if self-employed <input type="checkbox"/> | Preparer's SSN or PTIN (See Gen. Inst. X)<br>P00177009 |
| Firm's name (or yours if self-employed), address, and ZIP + 4 ▶    | EIN ▶ |   | 01-0826173   |
| CBIZ MHM, LLC<br>10616 SCRIPPS SUMMIT COURT<br>SAN DIEGO, CA 92131 |       | Phone no. ▶                                     | 858-795-2000   |

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

Department of the Treasury  
Internal Revenue Service

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

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

**Supplementary Information - (See separate instructions.)**

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

OMB No. 1545-0047

**2007**

Name of the organization

HOME OF GUIDING HANDS CORPORATION

Employer identification number

95-6058273

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

| (a) Name and address of each employee paid more than \$50,000 | (b) Title and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans & deferred compensation | (e) Expense account and other allowances |
|---|--|------------------|---|--|
| SEE STATEMENT 24  |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
| Total number of other employees paid over \$50,000 . . . ▶    | 1  |                  |   |  |

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

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

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

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

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

Yes No

Table with 3 columns: Question, Yes, No. Rows include: 1. Lobbying activities; 2. Substantial contributors; 2a-e. Various activities; 3a-d. Grants and other activities; 4a-c. Donor advised funds; 4d-f. Fund details.

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 8 of the instructions.)

I certify that 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.)
- 11 a  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.)
- 11 b  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 otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:  
 Type I       Type II       Type III - Functionally Integrated       Type III - Other

**Provide the following information about the supported organizations.** (See page 8 of the instructions.)

| (a)<br>Name(s) of supported organization(s) | (b)<br>Employer identification number (EIN) | (c)<br>Type of organization (described in lines 5 through 12 above or IRC section) | (d)<br>Is the supported organization listed in the supporting organization's governing documents? |    | (e)<br>Amount of support |
|---|---|--|---|----|--------------------------|
|   |   |  | Yes   | No |                          |
|   |   |  |   |    |                          |
|   |   |  |   |    |                          |
|   |   |  |   |    |                          |
|   |   |  |   |    |                          |
|   |   |  |   |    |                          |
|   |   |  |   |    |                          |
| <b>Total</b> .....                          |   |  |   |    | ►                        |

- 14  An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

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

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

Table with columns: Calendar year (or fiscal year beginning in), (a) 2006, (b) 2005, (c) 2004, (d) 2003, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends; 19 Net income from unrelated business activities; 20 Tax revenues levied for the organization's benefit; 21 The value of services or facilities furnished to the organization by a governmental unit without charge; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11; 27 Organizations described on line 12; 28 Unusual Grants.

**Part V Private School Questionnaire** (See page 9 of the instructions.) NOT APPLICABLE  
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

|      |   | Yes | No |
|------|---|-----|----|
| 29   | Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?   |     |    |
| 30   | Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?  |     |    |
| 31   | Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?<br>If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) |     |    |
| 32   | Does the organization maintain the following:   |     |    |
| a    | Records indicating the racial composition of the student body, faculty, and administrative staff?   |     |    |
| b    | Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?   |     |    |
| c    | Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?   |     |    |
| d    | Copies of all material used by the organization or on its behalf to solicit contributions?  |     |    |
|      | If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)  |     |    |
| 33   | Does the organization discriminate by race in any way with respect to:  |     |    |
| a    | Students' rights or privileges?   |     |    |
| b    | Admissions policies?  |     |    |
| c    | Employment of faculty or administrative staff?  |     |    |
| d    | Scholarships or other financial assistance?   |     |    |
| e    | Educational policies?   |     |    |
| f    | Use of facilities?  |     |    |
| g    | Athletic programs?  |     |    |
| h    | Other extracurricular activities?   |     |    |
|      | If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)   |     |    |
| 34 a | Does the organization receive any financial aid or assistance from a governmental agency?   |     |    |
| b    | Has the organization's right to such aid ever been revoked or suspended?<br>If you answered "Yes" to either 34a or b, please explain using an attached statement.   |     |    |
| 35   | Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation   |     |    |

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions.) (To be completed ONLY by an eligible organization that filed Form 5768) NOT APPLICABLE

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

Table with columns: (a) Affiliated group totals, (b) To be completed for all electing organizations. Rows include: 36 Total lobbying expenditures to influence public opinion, 37 Total lobbying expenditures to influence a legislative body, 38 Total lobbying expenditures, 39 Other exempt purpose expenditures, 40 Total exempt purpose expenditures, 41 Lobbying nontaxable amount, 42 Grassroots nontaxable amount, 43 Subtract line 42 from line 36, 44 Subtract line 41 from line 38.

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 13 of the instructions.)

Table with columns: (a) 2007, (b) 2006, (c) 2005, (d) 2004, (e) Total. Rows include: 45 Lobbying nontaxable amount, 46 Lobbying ceiling amount, 47 Total lobbying expenditures, 48 Grassroots nontaxable amount, 49 Grassroots ceiling amount, 50 Grassroots lobbying expenditures.

Part VI-B Lobbying Activity by Nonelecting Public Charities NOT APPLICABLE (For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

Table with columns: Yes, No, Amount. Rows include: a Volunteers, b Paid staff or management, c Media advertisements, d Mailings to members, e Publications, f Grants to other organizations, g Direct contact with legislators, h Rallies, demonstrations, i Total lobbying expenditures.

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



|  |   |
|--|---|
| <b>Name of organization</b><br>HOME OF GUIDING HANDS CORPORATION | <b>Employer identification number</b><br>95-6058273 |
|--|---|

**Organization type (check one):**

**Filers of:**

**Section:**

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule - see instructions.)

**General Rule -**

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

**Special Rules -**

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) . . . . . ▶ \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization **HOME OF GUIDING HANDS CORPORATION**

Employer identification number

**95-6058273**

**Part I Contributors** (See Specific Instructions.)

| (a)<br>No. | (b)<br>Name, address, and ZIP + 4 | (c)<br>Aggregate contributions | (d)<br>Type of contribution  |
|------------|-----------------------------------|--------------------------------|--|
| 1          |                                   | \$ 15,000.                     | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.) |
| 2          |                                   | \$ 20,000.                     | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.) |
| 3          |                                   | \$ 20,000.                     | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.) |
| 4          |                                   | \$ 22,150.                     | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.) |
| 5          |                                   | \$ 23,279.                     | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.) |
| 6          |                                   | \$ 35,000.                     | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.) |

Name of organization **HOME OF GUIDING HANDS CORPORATION**

Employer identification number

**95-6058273**

**Part I Contributors** (See Specific Instructions.)

| (a)<br>No. | (b)<br>Name, address, and ZIP + 4 | (c)<br>Aggregate contributions | (d)<br>Type of contribution  |
|------------|-----------------------------------|--------------------------------|--|
| 7          | _____<br>_____<br>_____           | \$ 36,000.                     | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.) |
| 8          | _____<br>_____<br>_____           | \$ 59,000.                     | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.) |
| 9          | _____<br>_____<br>_____           | \$ 107,952.                    | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.) |
|            | _____<br>_____<br>_____           | \$ _____                       | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |
|            | _____<br>_____<br>_____           | \$ _____                       | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |
|            | _____<br>_____<br>_____           | \$ _____                       | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |

## FORM 990 - GENERAL EXPLANATION ATTACHMENT

 =====  
 FIXED ASSETS ATTACHMENT  
 DETAIL FOR FORM 990, PART IV, LINE 57

| ASSET<br>DESCRIPTION                     | COST<br>BASIS | ACCUMULATED<br>DEPRECIATION | NET BOOK<br>VALUE |
|--|---------------|-----------------------------|-------------------|
| BUILDINGS/<br>STRUCTURAL<br>IMPROVEMENTS | \$5,693,238   | \$1,584,305                 | \$4,108,933       |
| LAND                                     | \$2,302,009   | NONE                        | \$2,302,009       |
| VEHICLES                                 | \$221,495     | \$221,495                   | NONE              |
| SOFTWARE                                 | \$36,730      | \$32,507                    | \$4,223           |
| FURNITURE/<br>FIXTURES                   | \$5,952       | \$5,924                     | \$28              |
| OTHER EQUIPMENT                          | \$31,051      | \$16,462                    | \$14,589          |
|  | <hr/>         |                             |                   |
|  | \$8,290,475   | \$1,860,692                 | \$6,429,782       |

FORM 990, PART I - EXCLUDED CONTRIBUTIONS  
=====

| DESCRIPTION<br>-----           | AMOUNT<br>-----            |
|--------------------------------|----------------------------|
| HEART AND HAND BALL            | 85,325.                    |
| 25TH ANNUAL GOLF TOURNAMENT    | 52,750.                    |
| 40TH ANNIVERSARY LUNCHEON      | 24,226.                    |
| 3RD ANNUAL ARTS & TEA FESTIVAL | 8,067.                     |
| TOTAL                          | -----<br>170,368.<br>===== |

FORM 990, PART I - SPECIAL FUNDRAISING EVENTS AND ACTIVITIES

| DESCRIPTION                    | GROSS<br>REVENUE | DIRECT<br>EXPENSES | NET<br>INCOME |
|--------------------------------|------------------|--------------------|---------------|
| HEART AND HAND BALL            | 55,110.          | 45,938.            | 9,172.        |
| 25TH ANNUAL GOLF TOURNAMENT    | 41,795.          | 37,644.            | 4,151.        |
| 40TH ANNIVERSARY LUNCHEON      | 1,785.           | 17,431.            | -15,646.      |
| 3RD ANNUAL ARTS & TEA FESTIVAL | 6,818.           | 3,732.             | 3,086.        |
| TOTALS                         | 105,508.         | 104,745.           | 763.          |

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES  
=====

| DESCRIPTION<br>-----                    | AMOUNT<br>-----            |
|---|----------------------------|
| CHANGE IN NET ASSETS DUE TO RESTATEMENT | 550,000.                   |
| TOTAL                                   | -----<br>550,000.<br>===== |

FORM 990, PART I - OTHER DECREASES IN FUND BALANCES  
=====

| DESCRIPTION<br>-----           | AMOUNT<br>-----            |
|--------------------------------|----------------------------|
| UNREALIZED LOSS ON INVESTMENTS | 541,842.                   |
| TOTAL                          | -----<br>541,842.<br>===== |

FORM 990, PART II - OTHER GRANTS AND ALLOCATIONS PAID DURING THE YEAR

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR  
AND  
FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

GRANTS PAID

ANJA HOUSE  
1825 GILLESPIE WAY  
EL CAJON, CA 92020

RELATED  
OTHER PUBLIC CHARITY

CHARITABLE

37,000.

AQUILLA HOUSE  
1825 GILLESPIE WAY  
EL CAJON, CA 92020

RELATED  
OTHER PUBLIC CHARITY

CHARITABLE

32,000.

TOTAL CONTRIBUTIONS PAID

69,000.

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

=====

PROVIDE QUALITY SERVICE, TRAINING AND ADVOCACY FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES, THEIR FAMILIES AND OTHERS WHO WILL BENEFIT.

FORM 990, PART III - OTHER PROGRAM SERVICES (LINE E)

| DESCRIPTION   | GRANTS AND ALLOCATIONS | EXPENSES |
|---------------|------------------------|----------|
| ANJA HOUSE    | 37,000.                | 37,000.  |
| AQUILLA HOUSE | 32,000.                | 32,000.  |
| TOTALS        | 69,000.                | 69,000.  |

FORM 990, PART IV - INVESTMENTS - PUBLICLY TRADED SECURITIES

=====

| DESCRIPTION     | ENDING<br>BOOK VALUE | COST<br>OR FMV |
|-----------------|----------------------|----------------|
| -----           | -----                | -----          |
| CORPORATE BONDS | 668,263.             | FMV            |
| MUTUAL FUNDS    | 4,059,471.           | FMV            |
| TOTALS          | -----<br>4,727,734.  |                |
|                 | =====                |                |

FORM 990, PART IV - INVESTMENTS - OTHER

=====

| DESCRIPTION                               | ENDING<br>BOOK VALUE       |
|---|----------------------------|
| -----                                     | -----                      |
| BENEFICIAL INTEREST IN<br>PERPETUAL TRUST | 284,432.                   |
| TOTALS                                    | -----<br>284,432.<br>===== |

FORM 990, PART IV - OTHER ASSETS

=====

| DESCRIPTION                   | ENDING<br>BOOK VALUE       |
|-------------------------------|----------------------------|
| -----                         | -----                      |
| RESIDENT TRUST FUNDS          | 214,141.                   |
| DEPOSITS                      | 59,856.                    |
| INTER-ORGANIZATION RECEIVABLE | 2,610.                     |
| TOTALS                        | -----<br>276,607.<br>===== |

FORM 990, PART IV - MORTGAGES AND OTHER NOTES PAYABLE

=====

LENDER: UNION BANK OF CALIFORNIA  
ORIGINAL AMOUNT: 5,318,500.  
INTEREST RATE: 5.750000  
DATE OF NOTE: 05/07/2007  
MATURITY DATE: 05/01/2037  
REPAYMENT TERMS: MONTHLY PAYMENTS OF \$34,410  
SECURITY PROVIDED: REAL ESTATE DEED OF TRUST  
DESCRIPTION AND FMV NONE  
OF CONSIDERATION:

|                             |            |
|-----------------------------|------------|
| BEGINNING BALANCE DUE ..... | 5,318,500. |
| ENDING BALANCE DUE .....    | 5,207,764. |

-----

|   |            |
|---|------------|
| TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE | 5,318,500. |
|---|------------|

=====

|  |            |
|--|------------|
| TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE | 5,207,764. |
|--|------------|

=====

FORM 990, PART IV - OTHER LIABILITIES

---

---

| DESCRIPTION              | ENDING<br>BOOK VALUE       |
|--------------------------|----------------------------|
| -----                    | -----                      |
| RESIDENT TRUST LIABILITY | 214,141.                   |
| TOTALS                   | -----<br>214,141.<br>----- |

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN  
=====

| DESCRIPTION<br>-----  | AMOUNT<br>----- |
|---|-----------------|
| SPECIAL EVENT EXPENSES  | 104,744.        |
| REVENUE REPORTED BY OTHER<br>ENTITIES INCLUDED IN THE<br>CONSOLIDATED AUDITED<br>FINANCIAL STATEMENTS | 133,731.        |
|   | -----           |
| TOTAL   | 238,475.        |
|   | =====           |

FORM 990, PART IV-A - OTHER REVENUE ON RETURN BUT NOT ON BOOKS

| DESCRIPTION                                  | AMOUNT |
|--|--------|
| MISCELLANEOUS LOSS INCLUDED<br>WITH EXPENSES | 3,789. |
| TOTAL  | 3,789. |

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN

| DESCRIPTION<br>-----   | AMOUNT<br>----- |
|--|-----------------|
| SPECIAL EVENT EXPENSES   | 104,744.        |
| EXPENSES REPORTED BY OTHER<br>ENTITIES INCLUDED IN THE<br>CONSOLIDATED AUDITED<br>FINANCIAL STATEMENTS | 178,967.        |
|  | -----           |
| TOTAL  | 283,711.        |
|  | =====           |

FORM 990, PART IV-B - OTHER EXPENSES ON RETURN BUT NOT ON BOOKS  
=====

| DESCRIPTION<br>-----  | AMOUNT<br>----- |
|---|-----------------|
| MISCELLANEOUS LOSS INCLUDED<br>WITH EXPENSES  | 3,789.          |
| CONTRIBUTION TO AFFILIATES<br>(ELIMINATING ENTRY PER<br>CONSOLIDATED FINANCIAL<br>STATEMENTS) | 69,000.         |
|   | -----           |
| TOTAL   | 72,789.         |
|   | =====           |

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

| NAME AND ADDRESS   | TITLE AND AVERAGE HOURS PER<br>WEEK DEVOTED TO POSITION | COMPENSATION | CONTRIBUTIONS<br>TO EMPLOYEE<br>BENEFIT PLANS | EXPENSE ACCT<br>AND OTHER<br>ALLOWANCES |
|--|---|--------------|---|---|
| CAROL FITZGIBBONS<br>1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020 | EXECUTIVE DIRECTOR<br>40.00                             | 123,699.     | 9,409.  | 7,019.                                  |
| R.W. BOB SENNETT<br>1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020  | PRESIDENT<br>1.00                                       | NONE         | NONE  | NONE                                    |
| RICHARD DOREMUS<br>1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020   | PRESIDENT ELECT<br>1.00                                 | NONE         | NONE  | NONE                                    |
| SUSAN K. FIKE<br>1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020     | VICE PRESIDENT<br>1.00                                  | NONE         | NONE  | NONE                                    |
| JOHN VORHIES<br>1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020      | SECRETARY<br>1.00                                       | NONE         | NONE  | NONE                                    |
| ROGER HUEPPCHEN  | TREASURER<br>1.00                                       | NONE         | NONE  | NONE                                    |

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

| NAME AND ADDRESS   | TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION | COMPENSATION | CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS | EXPENSE ACCT AND OTHER ALLOWANCES |
|--|--|--------------|---|-----------------------------------|
| 1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020                      | PAST PRESIDENT<br>1.00                               | NONE         | NONE                                    | NONE                              |
| DAVID CATALINO<br>1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020    | DIRECTOR<br>1.00                                     | NONE         | NONE                                    | NONE                              |
| CAROLE JEAN CLOSE<br>1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020 | DIRECTOR<br>1.00                                     | NONE         | NONE                                    | NONE                              |
| SUSAN HAVENS<br>1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020      | DIRECTOR<br>1.00                                     | NONE         | NONE                                    | NONE                              |
| STEVEN L. HOEFER<br>1825 GILLESPIE WAY<br>200                        | DIRECTOR<br>1.00                                     | NONE         | NONE                                    | NONE                              |

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

| NAME AND ADDRESS   | TITLE AND AVERAGE HOURS PER<br>WEEK DEVOTED TO POSITION | COMPENSATION | CONTRIBUTIONS<br>TO EMPLOYEE<br>BENEFIT PLANS | EXPENSE ACCT<br>AND OTHER<br>ALLOWANCES |
|--|---|--------------|---|---|
| EL CAJON, CA 92020   |   |              |   |   |
| RICHARD MARRS<br>1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020   | DIRECTOR<br>1.00  | NONE         | NONE  | NONE                                    |
| JAMES O'GRADY<br>1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020   | DIRECTOR<br>1.00  | NONE         | NONE  | NONE                                    |
| RANDY RUNDLE<br>1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020    | DIRECTOR<br>1.00  | NONE         | NONE  | NONE                                    |
| WILLIAM VERBECK<br>1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020 | DIRECTOR<br>1.00  | NONE         | NONE  | NONE                                    |
| ANN L. WALKER<br>1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020   | DIRECTOR<br>1.00  | NONE         | NONE  | NONE                                    |

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

| NAME AND ADDRESS  | TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION | COMPENSATION | CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS | EXPENSE ACCT AND OTHER ALLOWANCES |
|---|--|--------------|---|-----------------------------------|
| DONALD WALKER<br>1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020        | DIRECTOR<br>1.00                                     | NONE         | NONE                                    | NONE                              |
| JAN ADAMS<br>1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020            | DIRECTOR OF FINANCE<br>40.00                         | 87,797.      | 6,529.                                  | 3,540.                            |
| MARCIA VANLANDINGHAM<br>1825 GILLESPIE WAY<br>200<br>EL CAJON, CA 92020 | PROGRAM SERVICES DIRECTOR<br>40.00                   | 85,987.      | 6,445.                                  | NONE                              |
| GRAND TOTALS  |  | 297,483.     | 22,383.                                 | 10,559.                           |

FORM 990, PART VI - NAMES OF RELATED ORGANIZATIONS

=====

RELATED ORGANIZATION NAME: HOME OF GUIDING HANDS FOUNDATION  
- 501(C)(3)

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: ANJA HOUSE - 501(C)(3)

EXEMPT: X NONEXEMPT:

RELATED ORGANIZATION NAME: AQUILLA HOUSE - 501(C)(3)

EXEMPT: X NONEXEMPT:

FORM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES

| LINE<br>NO. | EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME<br>IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED<br>IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES                      |
|-------------|---|
| 93F         | FEES COLLECTED FROM GOVERNMENTAL AGENCIES TO PROVIDE CARE<br>AND TRAINING IN A RESIDENTIAL SETTING TO PERSONS WITH<br>DEVELOPMENTAL DISABILITIES.                                   |
| 93G         | FEES COLLECTED FROM GOVERNMENTAL AGENCIES TO PROVIDE GROUP<br>HOME LIVING, COMMUNITY LIVING, TRANSPORTATION,<br>AND RESPITE SERVICES TO PERSONS WITH DEVELOPMENTAL<br>DISABILITIES. |

## SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES

| NAME AND ADDRESS   | TITLE AND AVERAGE<br>HOURS PER WEEK<br>DEVOTED TO POSITION | COMPENSATION | CONTRIBUTIONS<br>TO EMPLOYEE<br>BENEFIT PLANS | EXPENSE<br>ACCOUNT |
|--|--|--------------|---|--------------------|
| EDNA TAYLOR-MOORE<br>1825 GILLESPIE WAY,<br>EL CAJON, CA 92020 | #200<br>FINANCIAL COORD.<br>40.00                          | 61,006.      | 3,865.  | NONE               |
| LISA SANDERS<br>1825 GILLESPIE WAY,<br>EL CAJON, CA 92020      | #200<br>INFO SYSTEMS COORD.<br>40.00                       | 59,509.      | 5,650.  | NONE               |
| KAREN SCOTT<br>1825 GILLESPIE WAY,<br>EL CAJON, CA 92020       | #200<br>SR. REGISTERED NURSE<br>40.00                      | 59,363.      | 3,865.  | NONE               |
| BARBARA JACKSON<br>1825 GILLESPIE WAY,<br>EL CAJON, CA 92020   | #200<br>HR MANAGER<br>40.00                                | 52,499.      | 3,865.  | NONE               |
| MARY C. ANDERSON<br>1825 GILLESPIE WAY,<br>EL CAJON, CA 92020  | #200<br>SR. REGISTERED NURSE<br>40.00                      | 51,943.      | 4,395.  | NONE               |
| TOTAL COMPENSATION   |  | 284,320.     | 21,640.                                       | NONE               |

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D

=====

SEE FORM 990 PART V-A

SCHEDULE A, PART IV-A - OTHER INCOME

| DESCRIPTION  | 2006   | 2005   | 2004 | 2003    | TOTAL   |
|--------------|--------|--------|------|---------|---------|
| OTHER INCOME | 8,787. | 3,405. | 420. | 42,506. | 55,118. |
| TOTALS       | 8,787. | 3,405. | 420. | 42,506. | 55,118. |

# Capital Gains and Losses

**2007**

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the separate instructions for Form 1041 (also for Form 5227 or Form 990-T, if applicable).

|   |   |
|---|---|
| Name of estate or trust<br><b>HOME OF GUIDING HANDS CORPORATION</b> | Employer identification number<br><b>95-6058273</b> |
|---|---|

**Note:** Form 5227 filers need to complete *only* Parts I and II.

**Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less**

| (a) Description of property<br>(Example: 100 shares 7% preferred of "Z" Co.) | (b) Date acquired<br>(mo., day, yr.) | (c) Date sold<br>(mo., day, yr.) | (d) Sales price | (e) Cost or other basis<br>(see page 40 of the instructions) | (f) Gain or (loss)<br>for the entire year<br>Subtract (e) from (d) |
|--|--------------------------------------|----------------------------------|-----------------|--|--|
| 1a   |                                      |                                  |                 |  |  |
|  |                                      |                                  |                 |  |  |
|  |                                      |                                  |                 |  |  |
|  |                                      |                                  |                 |  |  |
|  |                                      |                                  |                 |  |  |
|  |                                      |                                  |                 |  |  |

|  |           |     |
|--|-----------|-----|
| b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b . . . . .  | <b>1b</b> |     |
| 2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824 . . . . .  | <b>2</b>  |     |
| 3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .                                       | <b>3</b>  |     |
| 4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2006 Capital Loss Carryover Worksheet . . . . .              | <b>4</b>  | ( ) |
| 5 <b>Net short-term gain or (loss).</b> Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back. . . . . ▶ | <b>5</b>  |     |

**Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year**

| (a) Description of property<br>(Example: 100 shares 7% preferred of "Z" Co.) | (b) Date acquired<br>(mo., day, yr.) | (c) Date sold<br>(mo., day, yr.) | (d) Sales price | (e) Cost or other basis<br>(see page 40 of the instructions) | (f) Gain or (loss)<br>for the entire year<br>Subtract (e) from (d) |
|--|--------------------------------------|----------------------------------|-----------------|--|--|
| 6a   |                                      |                                  |                 |  |  |
|  |                                      |                                  |                 |  |  |
|  |                                      |                                  |                 |  |  |
|  |                                      |                                  |                 |  |  |
|  |                                      |                                  |                 |  |  |
|  |                                      |                                  |                 |  |  |
|  |                                      |                                  |                 |  |  |
|  |                                      |                                  |                 |  |  |
|  |                                      |                                  |                 |  |  |
|  |                                      |                                  |                 |  |  |

|  |           |                 |
|--|-----------|-----------------|
| b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b, . . . . .  | <b>6b</b> | <b>-54,143.</b> |
| 7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824 . . . . .   | <b>7</b>  |                 |
| 8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .  | <b>8</b>  |                 |
| 9 Capital gain distributions . . . . .   | <b>9</b>  |                 |
| 10 Gain from Form 4797, Part I . . . . .   | <b>10</b> |                 |
| 11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2006 Capital Loss Carryover Worksheet . . . . .               | <b>11</b> | ( )             |
| 12 <b>Net long-term gain or (loss).</b> Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back. . . . . ▶ | <b>12</b> | <b>-54,143.</b> |

| <b>Part III Summary of Parts I and II</b><br><b>Caution: Read the instructions before completing this part.</b> |   | (1) Beneficiaries' (see page 41) | (2) Estate's or trust's | (3) Total |
|---|---|----------------------------------|-------------------------|-----------|
| <b>13</b>   | <b>Net short-term gain or (loss)</b> . . . . .                        | <b>13</b>                        |                         |           |
| <b>14</b>   | <b>Net long-term gain or (loss):</b>                                  |                                  |                         |           |
| <b>a</b>  | Total for year . . . . .  | <b>14a</b>                       |                         | -54,143.  |
| <b>b</b>  | Unrecaptured section 1250 gain (see line 18 of the wrksh.) . . . .    | <b>14b</b>                       |                         |           |
| <b>c</b>  | 28% rate gain . . . . .   | <b>14c</b>                       |                         |           |
| <b>15</b>   | <b>Total net gain or (loss).</b> Combine lines 13 and 14a . . . . . ▶ | <b>15</b>                        |                         | -54,143.  |

**Note:** If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

| <b>Part IV Capital Loss Limitation</b> |   |
|--|---|
| <b>16</b>                              | Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the <b>smaller</b> of:<br><b>a</b> The loss on line 15, column (3) or <b>b</b> \$3,000. . . . . |
|  | <b>16</b> ( <u>3,000.</u> )   |

**Note:** If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** on page 42 of the instructions to figure your capital loss carryover.

**Part V Tax Computation Using Maximum Capital Gains Rates**

**Form 1041 filers.** Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

**Caution:** Skip this part and complete the worksheet on page 43 of the instructions if:

- Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

**Form 990-T trusts.** Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 43 of the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

|           |  |           |  |  |
|-----------|--|-----------|--|--|
| <b>17</b> | Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34) . . . .  | <b>17</b> |  |  |
| <b>18</b> | Enter the <b>smaller</b> of line 14a or 15 in column (2) but not less than zero . . . . .  | <b>18</b> |  |  |
| <b>19</b> | Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T) . . . .   | <b>19</b> |  |  |
| <b>20</b> | Add lines 18 and 19 . . . . .  | <b>20</b> |  |  |
| <b>21</b> | If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- . . . ▶  | <b>21</b> |  |  |
| <b>22</b> | Subtract line 21 from line 20. If zero or less, enter -0- . . . . .  | <b>22</b> |  |  |
| <b>23</b> | Subtract line 22 from line 17. If zero or less, enter -0- . . . . .  | <b>23</b> |  |  |
| <b>24</b> | Enter the <b>smaller</b> of the amount on line 17 or \$2,150 . . . . .   | <b>24</b> |  |  |
| <b>25</b> | Is the amount on line 23 equal to or more than the amount on line 24?<br><input type="checkbox"/> <b>Yes.</b> Skip lines 25 through 27; go to line 28 and check the "No" box.<br><input type="checkbox"/> <b>No.</b> Enter the amount from line 23 . . . . . | <b>25</b> |  |  |
| <b>26</b> | Subtract line 25 from line 24 . . . . .  | <b>26</b> |  |  |
| <b>27</b> | Multiply line 26 by 5% (.05) . . . . .   | <b>27</b> |  |  |
| <b>28</b> | Are the amounts on lines 22 and 26 the same?<br><input type="checkbox"/> <b>Yes.</b> Skip lines 28 thru 31; go to line 32. <input type="checkbox"/> <b>No.</b> Enter the <b>smaller</b> of line 17 or line 22 . . . . .                                      | <b>28</b> |  |  |
| <b>29</b> | Enter the amount from line 26 (If line 26 is blank, enter -0-) . . . . .   | <b>29</b> |  |  |
| <b>30</b> | Subtract line 29 from line 28 . . . . .  | <b>30</b> |  |  |
| <b>31</b> | Multiply line 30 by 15% (.15) . . . . .  | <b>31</b> |  |  |
| <b>32</b> | Figure the tax on the amount on line 23. Use the 2007 Tax Rate Schedule on page 27 of the instructions . . . . .   | <b>32</b> |  |  |
| <b>33</b> | Add lines 27, 31, and 32 . . . . .   | <b>33</b> |  |  |
| <b>34</b> | Figure the tax on the amount on line 17. Use the 2007 Tax Rate Schedule on page 27 of the instructions . . . . .   | <b>34</b> |  |  |
| <b>35</b> | <b>Tax on all taxable income.</b> Enter the <b>smaller</b> of line 33 or line 34 here and on line 1a of Schedule G, Form 1041 (or line 36 of Form 990-T). . . . .  | <b>35</b> |  |  |





**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**  
(see instructions)

| 19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property: | (b) Date acquired<br>(mo., day, yr.) | (c) Date sold<br>(mo., day, yr.) |
|---|--------------------------------------|----------------------------------|
| A   |                                      |                                  |
| B   |                                      |                                  |
| C   |                                      |                                  |
| D   |                                      |                                  |

| These columns relate to the properties on lines 19A through 19D. ▶  |     | Property A | Property B | Property C | Property D |
|---|-----|------------|------------|------------|------------|
| 20 Gross sales price (Note: See line 1 before completing.)  | 20  |            |            |            |            |
| 21 Cost or other basis plus expense of sale . . . . .   | 21  |            |            |            |            |
| 22 Depreciation (or depletion) allowed or allowable . . . . .   | 22  |            |            |            |            |
| 23 Adjusted basis. Subtract line 22 from line 21 . . . . .  | 23  |            |            |            |            |
| 24 Total gain. Subtract line 23 from line 20. . . . .   | 24  |            |            |            |            |
| <b>25 If section 1245 property:</b>   |     |            |            |            |            |
| a Depreciation allowed or allowable from line 22 . . . . .  | 25a |            |            |            |            |
| b Enter the smaller of line 24 or 25a . . . . .   | 25b |            |            |            |            |
| <b>26 If section 1250 property:</b> If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.                                       |     |            |            |            |            |
| a Additional depreciation after 1975 (see instructions)   | 26a |            |            |            |            |
| b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions). . . . .  | 26b |            |            |            |            |
| c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e   | 26c |            |            |            |            |
| d Additional depreciation after 1969 and before 1976  | 26d |            |            |            |            |
| e Enter the smaller of line 26c or 26d . . . . .  | 26e |            |            |            |            |
| f Section 291 amount (corporations only) . . . . .  | 26f |            |            |            |            |
| g Add lines 26b, 26e, and 26f . . . . .   | 26g |            |            |            |            |
| <b>27 If section 1252 property:</b> Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership). |     |            |            |            |            |
| a Soil, water, and land clearing expenses . . . . .   | 27a |            |            |            |            |
| b Line 27a multiplied by applicable percentage (see instructions) . . . . .   | 27b |            |            |            |            |
| c Enter the smaller of line 24 or 27b . . . . .   | 27c |            |            |            |            |
| <b>28 If section 1254 property:</b>   |     |            |            |            |            |
| a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) . . . . .                  | 28a |            |            |            |            |
| b Enter the smaller of line 24 or 28a . . . . .   | 28b |            |            |            |            |
| <b>29 If section 1255 property:</b>   |     |            |            |            |            |
| a Applicable percentage of payments excluded from income under section 126 (see instructions) . . . . .   | 29a |            |            |            |            |
| b Enter the smaller of line 24 or 29a (see instructions)  | 29b |            |            |            |            |

**Summary of Part III Gains.** Complete property columns A through D through line 29b before going to line 30.

|  |    |  |
|--|----|--|
| 30 Total gains for all properties. Add property columns A through D, line 24 . . . . .   | 30 |  |
| 31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 . . . . .  | 31 |  |
| 32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 . . . . . | 32 |  |

**Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less**  
(see instructions)

|  | (a) Section 179 | (b) Section 280F(b)(2) |
|--|-----------------|------------------------|
| 33 Section 179 expense deduction or depreciation allowable in prior years . . . . .                    | 33              |                        |
| 34 Recomputed depreciation (see instructions) . . . . .  | 34              |                        |
| 35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report . . . . . | 35              |                        |

