His Branches, Inc.
342 Arnett Boulevard
Rochester, NY 14619-1147

626340
05-01-06

CLIENT'S COPY

TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING

June 30, 2007

Prepared for	His Branches, Inc. 342 Arnett Boulevard Rochester, NY 14619-1147
Prepared by	
Amount due or refund	Not applicable
Make check payable to	Not applicable
Mail tax return and check (if applicable) to	Internal Revenue Service Center Ogden, UT 84201-0027
Return must be mailed on or before	As soon as possible.
Special Instructions	The return should be signed and dated.

Form **990** | **Return of Organization Exempt From Income Tax** | OMB No. 1545-0047 **2006**

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.

Open to Public Inspection

A For the 2006 calendar year, or tax year beginning JUL 1, 2006 **and ending** JUN 30, 2007

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

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: His Branches, Inc.

Number and street (or P.O. box if mail is not delivered to street address): 342 Arnett Boulevard | Room/suite:

City or town, state or country, and ZIP + 4: Rochester, NY 14619-1147

D Employer identification number 23-7060337

E Telephone number (585)235-9000

F Accounting method: ☐ Cash ☒ Accrual ☐ 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? N/A ☐ Yes ☐ No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

I Group Exemption Number ▶ N/A

G Website: ▶www.hisbranches.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.

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 ▶ 402535.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Contributions to donor advised funds	1a			
	b	Direct public support (not included on line 1a)	1b	47403.		
	c	Indirect public support (not included on line 1a)	1c			
	d	Government contributions (grants) (not included on line 1a)	1d			
	e	**Total** (add lines 1a through 1d) (cash $ 47403. noncash $)			1e	47403.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	355132.
	3	Membership dues and assessments			3	
	4	Interest on savings and temporary cash investments			4	
	5	Dividends and interest from securities			5	
	6 a	Gross rents	6a			
	b	Less: rental expenses	6b			
	c	Net rental income or (loss). Subtract line 6b from line 6a			6c	
	7	Other investment income (describe ▶)			7	
	8 a	Gross amount from sales of assets other than inventory — (A) Securities: ; (B) Other:	8a			
	b	Less: cost or other basis and sales expenses	8b			
	c	Gain or (loss) (attach schedule)	8c			
	d	Net gain or (loss). Combine line 8c, columns (A) and (B)			8d	
	9	Special events and activities (attach schedule). If any amount is from **gaming**, check here ▶ ☐				
	a	Gross revenue (not including $ of contributions reported on line 1b)	9a			
	b	Less: direct expenses other than fundraising expenses	9b			
	c	Net income or (loss) from special events. Subtract line 9b from line 9a			9c	
	10 a	Gross sales of inventory, less returns and allowances	10a			
	b	Less: cost of goods sold	10b			
	c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a			10c	
	11	Other revenue (from Part VII, line 103)			11	
	12	**Total revenue.** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11			12	402535.
Expenses	13	Program services (from line 44, column (B))			13	336890.
	14	Management and general (from line 44, column (C))			14	63638.
	15	Fundraising (from line 44, column (D))			15	8644.
	16	Payments to affiliates (attach schedule)			16	
	17	**Total expenses.** Add lines 16 and 44, column (A)			17	409172.
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12			18	-6637.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	39587.
	20	Other changes in net assets or fund balances (attach explanation)			20	0.
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20			21	32950.

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.

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
22a Grants paid from donor advised funds (attach schedule) (cash $ 0. noncash $ 0.) If this amount includes foreign grants, check here ▶ ☐	22a			Statement 3	
22b Other grants and allocations (attach schedule) (cash $ 5686. noncash $ 0.) If this amount includes foreign grants, check here ▶ [X]	22b	5686.	5686.		
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a	0.	0.	0.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B Stmt 2	25b	70789.	62294.	7079.	1416.
c 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)	25c				
26 Salaries and wages of employees not included on lines 25a, b, and c	26	88252.	77661.	8825.	1766.
27 Pension plan contributions not included on lines 25a, b, and c	27				
28 Employee benefits not included on lines 25a - 27	28	25579.	23280.	1916.	383.
29 Payroll taxes	29	13505.	11884.	1350.	271.
30 Professional fundraising fees	30				
31 Accounting fees	31	4181.		4181.	
32 Legal fees	32				
33 Supplies	33	33247.	33247.		
34 Telephone	34	8148.	7170.	815.	163.
35 Postage and shipping	35	3963.	1506.	2378.	79.
36 Occupancy	36	27974.	22659.	4756.	559.
37 Equipment rental and maintenance	37				
38 Printing and publications	38				
39 Travel	39				
40 Conferences, conventions, and meetings	40	7412.	7124.	240.	48.
41 Interest	41	13613.	9343.	3998.	272.
42 Depreciation, depletion, etc. (attach schedule)	42	8808.	7143.	1499.	166.
43 Other expenses not covered above (itemize):					
a	43a				
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g See Statement 1	43g	98015.	67893.	26601.	3521.
44 **Total functional expenses.** Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	409172.	336890.	63638.	8644.

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 [X] No

If "Yes," enter **(i)** the aggregate amount of these joint costs $ N/A ; **(ii)** the amount allocated to Program services $ N/A ;

(iii) the amount allocated to Management and general $ N/A ; and **(iv)** the amount allocated to Fundraising $ N/A

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 4

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

		Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a	Enabling and assisting Christian physicians and counselors who believe in the sanctity of human life, to provide health and wellness care for underserved people of Rochester, NY regardless of insurance coverage or ability to pay. (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	327004.
b	Supporting and encouraging a missionary who provides community health and dental services and disaster relief to Lebanese refugees, formerly in South Lebanon, and now in northern Israel. (Grants and allocations $ 5686.) If this amount includes foreign grants, check here ▶ ☒	9886.
c	(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
d	(Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
e	Other program services (attach schedule) (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	
f	**Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶	336890.

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

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

					(A) Beginning of year		(B) End of year
Assets	45	Cash - non-interest-bearing			8792.	45	14019.
	46	Savings and temporary cash investments				46	
	47 a	Accounts receivable	47a	72542.			
	b	Less: allowance for doubtful accounts	47b	9000.		47c	63542.
	48 a	Pledges receivable	48a				
	b	Less: allowance for doubtful accounts	48b			48c	
	49	Grants receivable				49	
	50 a	Receivables from current and former officers, directors, trustees, and key employees				50a	
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				50b	
	51 a	Other notes and loans receivable	51a				
	b	Less: allowance for doubtful accounts	51b			51c	
	52	Inventories for sale or use				52	
	53	Prepaid expenses and deferred charges			2015.	53	5028.
	54 a	Investments - publicly-traded securities ▶ ☐ Cost ☐ FMV				54a	
	b	Investments - other securities ▶ ☐ Cost ☐ FMV				54b	
	55 a	Investments - land, buildings, and equipment: basis	55a				
	b	Less: accumulated depreciation	55b			55c	
	56	Investments - other				56	
	57 a	Land, buildings, and equipment: basis	57a	336315.			
	b	Less: accumulated depreciation Stmt 5	57b	165474.	172893.	57c	170841.
	58	Other assets, including program-related investments (describe ▶ See Statement 6)			5396.	58	6955.
	59	**Total assets** (must equal line 74). Add lines 45 through 58			189096.	59	260385.
Liabilities	60	Accounts payable and accrued expenses			8520.	60	30544.
	61	Grants payable				61	
	62	Deferred revenue				62	
	63	Loans from officers, directors, trustees, and key employees Stmt 7				63	28996.
	64 a	Tax-exempt bond liabilities				64a	
	b	Mortgages and other notes payable Stmt 8 Stmt 9			140989.	64b	167895.
	65	Other liabilities (describe ▶)				65	
	66	**Total liabilities.** Add lines 60 through 65			149509.	66	227435.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶** [X] and complete lines 67 through 69 and lines 73 and 74.					
	67	Unrestricted			38205.	67	31016.
	68	Temporarily restricted			1382.	68	1934.
	69	Permanently restricted				69	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 70 through 74.					
	70	Capital stock, trust principal, or current funds				70	
	71	Paid-in or capital surplus, or land, building, and equipment fund				71	
	72	Retained earnings, endowment, accumulated income, or other funds				72	
	73	**Total net assets or fund balances.** Add lines 67 through 69 **or** lines 70 through 72. (Column (A) **must** equal line 19 and column (B) **must** equal line 21)			39587.	73	32950.
	74	**Total liabilities and net assets/fund balances.** Add lines 66 and 73			189096.	74	260385.

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01-20-07

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return *(See the instructions.)*

a	Total revenue, gains, and other support per audited financial statements			a	402535.
b	Amounts included on line **a** but not on Part I, line 12:				
1	Net unrealized gains on investments	b1			
2	Donated services and use of facilities	b2			
3	Recoveries of prior year grants	b3			
4	Other (specify):	b4			
	Add lines **b1** through **b4**			b	0.
c	Subtract line **b** from line **a**			c	402535.
d	Amounts included on Part I, line 12, but not on line **a:**				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify):	d2			
	Add lines **d1** and **d2**			d	0.
e	**Total revenue** (Part I, line 12). Add lines **c** and **d** ▶			e	402535.

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

a	Total expenses and losses per audited financial statements			a	409172.
b	Amounts included on line **a** but not on Part I, line 17:				
1	Donated services and use of facilities	b1			
2	Prior year adjustments reported on Part I, line 20	b2			
3	Losses reported on Part I, line 20	b3			
4	Other (specify):	b4			
	Add lines **b1** through **b4**			b	0.
c	Subtract line **b** from line **a**			c	409172.
d	Amounts included on Part I, line 17, but not on line **a:**				
1	Investment expenses not included on Part I, line 6b	d1			
2	Other (specify):	d2			
	Add lines **d1** and **d2**			d	0.
e	**Total expenses** (Part I, line 17). Add lines **c** and **d** ▶			e	409172.

Part V-A Current Officers, Directors, Trustees, and Key Employees
(List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) *(See 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 plans	(E) Expense account and other allowances
David J Beinetti 387 East Main Street Rochester, NY 14604	Vice Pres 1.00	0.	0.	0.
Eugene F Young 1703 Creek Street Rochester, NY 14625	Secretary 1.00	0.	0.	0.
Steven Hays 2301 Westside Drive Rochester, NY 14624	board member 1.00	0.	0.	0.
Roy W King 369 Rockingham Street Rochester, NY 14620	board member 1.00	0.	0.	0.
Anthony Martorana 890 N Goodman Street Rochester, NY 14609	board member 1.00	0.	0.	0.
Thomas Smith 1186 Whitlock Road Rochester, NY 14609	Treasurer 4.00	0.	0.	0.
Willie J Lightfoot 147 Trafalgar Street Rochester, NY 14619	board member 1.00	0.	0.	0.
William Walence 2301 Westside Drive Rochester, NY 14624	President 2.00	0.	0.	0.

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

			Yes	No
75 a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 8			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b		X
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." If "Yes," attach a statement that includes the information described in the instructions.	75c		X
d	Does the organization have a written conflict of interest policy?	75d	X	

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

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
William R Morehouse 374 Wellington Avenue Rochester, NY 14619	0.	67000.	3789.	0.
Ann L Geyer 125 Commonwealth Road Rochester, NY 14618	0.	0.	0.	0.

Part VI Other Information *(See the instructions.)*

			Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change See Statement 10	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
78 a	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? N/A	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80 a	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 ▶ N/A and check whether it is ☐ exempt or ☐ nonexempt			
81 a	Enter direct or indirect political expenditures. (See line 81 instructions.) 81a 0.			
b	Did the organization file **Form 1120-POL** for this year?	81b		X

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Part VI Other Information *(continued)*

				Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		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 2000.			
83 a	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	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	N/A	84a		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	84b		
85	*501(c)(4), (5), or (6) organizations.* **a** Were substantially all dues nondeductible by members?	N/A	85a		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?	N/A	85b		
	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.				
c	Dues, assessments, and similar amounts from members	85c N/A			
d	Section 162(e) lobbying and political expenditures	85d N/A			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e N/A			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f N/A			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	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?	N/A	85h		
86	*501(c)(7) organizations.* Enter: **a** Initiation fees and capital contributions included on line 12	86a N/A			
b	Gross receipts, included on line 12, for public use of club facilities	86b N/A			
87	*501(c)(12) organizations.* Enter: **a** Gross income from members or shareholders	87a N/A			
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b N/A			
88 a	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		88a		X
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 ▶		88b		X
89 a	*501(c)(3) organizations.* Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0.				
b	*501(c)(3) and 501(c)(4) organizations.* 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 ▶	0.			
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶	0.			
e	*All organizations.* At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		89e		X
f	*All organizations.* Did the organization acquire a direct or indirect interest in any applicable insurance contract?		89f		X
g	*For supporting organizations and sponsoring organizations maintaining donor advised funds.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		89g		X

90 a List the states with which a copy of this return is filed ▶ NY

b Number of employees employed in the pay period that includes March 12, 2006 — 90b: 8

91 a The books are in care of ▶ Thomas J Smith, treasurer Telephone no. ▶ 585.235.9000

Located at ▶ 342 Arnett Blvd, Rochester, NY ZIP + 4 ▶ 14619

			Yes	No
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)?	91b		X
	If "Yes," enter the name of the foreign country ▶ N/A			
	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? If "Yes," enter the name of the foreign country ▶ N/A	91c		X

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* **Form 1041-** Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 N/A

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

Note: *Enter gross amounts unless otherwise indicated.*	Unrelated business income (A) Business code	Unrelated business income (B) Amount	Excluded by section 512, 513, or 514 (C) Exclusion code	Excluded by section 512, 513, or 514 (D) Amount	(E) Related or exempt function income
93 Program service revenue:					
a Collaborative agencies					
b space sharing reimburse					25865.
c Medical workshop &					
d meeting admissions					6851.
e Patient fees					101754.
f Medicare/Medicaid payments					220662.
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		
97 Net rental income or (loss) from real estate:					
a debt-financed property					
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			14		
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))		0.		0.	355132.

105 **Total** (add line 104, columns (B), (D), and (E)) ▶ 355132.

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

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

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).
	See Statement 11

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities *(See 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
	%			
N/A	%			
	%			
	%			

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 ☒ 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).*

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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).* N/A

	Yes	No
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.		

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

	Yes	No
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.		

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

	Yes	No
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?		

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

William Walence, President

Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ☐	Preparer's SSN or PTIN (See Gen. Inst. X)
Firm's name (or yours if self-employed), address, and ZIP + 4		EIN	
		Phone no.	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information-(See separate instructions.)

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

OMB No. 1545-0047

2006

Name of the organization: His Branches, Inc.

Employer identification number: 23 7060337

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than $50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
None				
Total number of other employees paid over $50,000 ▶	0			

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 ▶ 0		

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 ▶ 0		

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

			Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ $ ______ $ ______ (Must equal amounts on line 38, Part VI-A, or line **i** of Part VI-B.)	1		X
	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.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)*			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities? See Statement 12	2c	X	
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? See Statement 13	2d	X	
e	Transfer of any part of its income or assets?	2e		X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)	3a		X
b	Dd the organization have a section 403(b) annuity plan for its employees?	3b		X
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a		X
b	Did the organization make any taxable distributions under section 4966? N/A	4b		
c	Did the organization make a distribution to a donor, donor advisor, or related person? N/A	4c		
d	Enter the total number of donor advised funds owned at the end of the tax year ▶	N/A		
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶	N/A		
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶	0.		
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year ▶	0.		

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 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.)

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 [X] 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 7 of the instructions.)

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

14 [ ] An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	31819.	67676.	94572.	27999.	222066.
16 Membership fees received					
17 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	28940.	43667.	21729.	32000.	126336.
18 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		63.	269.	237.	569.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 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					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	60759.	111406.	116570.	60236.	348971.
24 Line 23 minus line 17	31819.	67739.	94841.	28236.	222635.
25 Enter 1% of line 23	608.	1114.	1166.	602.	

26 **Organizations described on lines 10 or 11: a** Enter 2% of amount in column (e), line 24 ▶ **26a** N/A

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 2002 through 2005 exceeded the amount shown in line 26a. **Do not file this list with your return.** Enter the total of all these excess amounts ▶ **26b** N/A

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ **26c** N/A

d Add: Amounts from column (e) for lines: 18 ____ 19 ____ 22 ____ 26b ____ ▶ **26d** N/A

e Public support (line 26c minus line 26d total) ▶ **26e** N/A

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ **26f** N/A %

27 **Organizations described on line 12: a** 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:

(2005) 6470. (2004) 9300. (2003) 5092. (2002) 1200.

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 11b, 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:

(2005) 0. (2004) 0. (2003) 0. (2002) 0.

c Add: Amounts from column (e) for lines: 15 222066. 16 ____ 17 126336. 20 ____ 21 ____ ▶ **27c** 348402.

d Add: Line 27a total 22062. and line 27b total 0. ▶ **27d** 22062.

e Public support (line 27c total minus line 27d total) ▶ **27e** 326340.

f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ **27f** 348971.

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ **27g** 93.5149%

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ **27h** .1631%

28 **Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, 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.

None

Part V Private School Questionnaire (See page 9 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

		Line	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?	29		
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?	30		
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?	31		
	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?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	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?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	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?	34a		
b	Has the organization's right to such aid ever been revoked or suspended?	34b		
	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	35		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.) N/A

(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
		N/A	
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 -			
If the amount on line 40 is - / **The lobbying nontaxable amount is -**			
Not over $500,000 — 20% of the amount on line 40			
Over $500,000 but not over $1,000,000 — $100,000 plus 15% of the excess over $500,000			
Over $1,000,000 but not over $1,500,000 — $175,000 plus 10% of the excess over $1,000,000	41		
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 13 of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period N/A

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.) N/A

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			
b Paid staff or management (Include compensation in expenses reported on lines **c** through **h**.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines **c** through **h**.)			0.

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 13 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?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of:			
(i) Cash	51a(i)		X
(ii) Other assets	a(ii)		X
b Other transactions:			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii) Rental of facilities, equipment, or other assets	b(iii)		X
(iv) Reimbursement arrangements	b(iv)		X
(v) Loans or loan guarantees	b(v)		X
(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

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: N/A

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

52 a 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: N/A

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

623152
01-18-07

Schedule A | **Payments from Disqualified Persons Included on Part IV-A, Line 27a** | **2006**

** Do Not File **
*** Not Open to Public Inspection ***

Payer's Name	2005 Amount	2004 Amount	2003 Amount	2002 Amount
Robert and Ann Geyer	1200.	1300.	600.	1200.
William and Susan Morehouse	800.	2000.	1650.	0.
Scott and Julia Sittig	0.	0.	2342.	0.
Eugene and Judith Young	4070.	6000.	500.	0.
David Beinetti	400.	0.	0.	0.
Total to Schedule A, Line 27a	6470.	9300.	5092.	1200.

623172/05-01-06

2006 DEPRECIATION AND AMORTIZATION REPORT

Form 990 Page 2 990

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
200	Land	12 80	L			21636.			21636.			0.
203	Building	12 80	SL	15.00	16	40000.			40000.	40000.		0.
207	Furniture and equipment	Varies	SL	5.00	16	8044.			8044.	8044.		0.
231	Improvements	Varies	SL	31.50	16	197382.			197382.	89657.		6066.
232	Fax machine	061194	SL	5.00	16	300.			300.	300.		0.
233	Conference room tables and chairs	043095	SL	7.00	16	2632.			2632.	2632.		0.
234	Copier	092797	SL	7.00	16	900.			900.	900.		0.
235	Computer, network and peripherals	050199	SL	5.00	16	5636.			5636.	5636.		0.
236	Copier	101300	SL	5.00	16	1100.			1100.	1100.		0.
237	Refrigerator	021501	SL	7.00	16	494.			494.	389.		70.
238	Samsung monitor	071801	SL	5.00	16	448.			448.	448.		0.
239	Network components	073101	SL	5.00	16	166.			166.	166.		0.
240	Computer components	073101	SL	5.00	16	3064.			3064.	3064.		0.
241	SECRETARY'S OFFICE BLINDS	011502	SL	7.00	16	200.			200.	129.		28.
242	FIRE DOOR	061802	SL	20.00	16	1200.			1200.	270.		60.
243	PREPAID MORTGAGE COSTS	060702		180M	43	7344.			7344.	1948.		490.
244	COMPUTER	123103	SL	5.00	16	629.			629.	415.		126.
247	SERVER	021604	SL	5.00	16	1480.			1480.	740.		296.

628102
07-28-06

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

Form 990 Page 2 990

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
248	Parking lot fence	092304	SL	7.00	16	3438.			3438.	982.		491.
249	Parking lot	111604	SL	39.00	16	40600.			40600.	2082.		1041.
250	Knitting machines	122104	SL	7.00	16	500.			500.	142.		36.
251	Laser printer	122104	SL	5.00	16	200.			200.	60.		40.
252	LIGHTING IMPROVEMENTS	022107	SL	39.00	16	3186.			3186.			27.
253	SECURITY SYSTEM UPGRADE	010807	SL	39.00	16	2695.			2695.			35.
254	RENOVATIONS	030707	SL	39.00	16	385.			385.			2.
255	PREPAID MORTGAGE COSTS	062707		60M	42	2059.			2059.			0.
	* Total 990 Page 2 Depr & Amort					345718.		0.	345718.	159104.	0.	8808.

628102
07-28-06

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

Form 990 Other Expenses Statement 1

Description	(A) Total	(B) Program Services	(C) Management and General	(D) Fundraising
Provider fees net of reimbursements	55623.	39873.	13125.	2625.
Insurance	8571.	6943.	1457.	171.
Office supplies and expense	21991.	10208.	11368.	415.
Filing fees	35.		35.	
Website expense	1352.	609.	473.	270.
Licenses and permits	1443.	1260.	143.	40.
Bad debt expense	9000.	9000.		
Total to Fm 990, ln 43	98015.	67893.	26601.	3521.

Form 990 Former Officer Compensation Allocation Statement 2
Part II, Line 25b

Name of Officer, etc.	Compensation	Employee Ben. Plans	Expense Accounts	Totals
William R Morehouse	67000.	3789.		70789.
A. Program Services	58960.	3334.		62294.
B. Management and General	6700.	379.		7079.
C. Fundraising	1340.	76.		1416.

Total Program Services	62294.
Total Management and General	7079.
Total Fundraising	1416.
Total Officer, etc., Compensation Included on Part II, Line 25b	70789.

Form 990	Cash Grants and Allocations to Others	Statement 3

Class of Activity/Donee's Name and Address	Amount
Dental clinic Beverley Timgren P O Box 8530 Jerusalem, 91084, Israel	5686.
Total Included on Form 990, Part II, line 22b	5686.

Form 990	Statement of Organization's Primary Exempt Purpose Part III	Statement 4

Explanation

To enable and assist Christian physicians, counselors and others who believe in the sanctity of all human life and desire to provide outreach programs, family-oriented ministries, spiritual guidance, and health and wellness care for persons living in underserved neighborhoods in Rochester and elsewhere.

Form 990	Depreciation of Assets Not Held for Investment	Statement 5

Description	Cost or Other Basis	Accumulated Depreciation	Book Value
Land	21636.	0.	21636.
Building	40000.	40000.	0.
Furniture and equipment	8044.	8044.	0.
Improvements	197382.	95723.	101659.
Fax machine	300.	300.	0.
Conference room tables and chairs	2632.	2632.	0.
Copier	900.	900.	0.
Computer, network and peripherals	5636.	5636.	0.
Copier	1100.	1100.	0.
Refrigerator	494.	459.	35.
Samsung monitor	448.	448.	0.
Network components	166.	166.	0.
Computer components	3064.	3064.	0.
SECRETARY'S OFFICE BLINDS	200.	157.	43.

FIRE DOOR	1200.	330.	870.
PREPAID MORTGAGE COSTS	7344.	2438.	4906.
COMPUTER	629.	541.	88.
SERVER	1480.	1036.	444.
Parking lot fence	3438.	1473.	1965.
Parking lot	40600.	3123.	37477.
Knitting machines	500.	178.	322.
Laser printer	200.	100.	100.
LIGHTING IMPROVEMENTS	3186.	27.	3159.
SECURITY SYSTEM UPGRADE	2695.	35.	2660.
RENOVATIONS	385.	2.	383.
PREPAID MORTGAGE COSTS	2059.	0.	2059.
Total to Form 990, Part IV, ln 57	345718.	167912.	177806.

Form 990 Other Assets Statement 6

Description	Amount
Mortgage acquisition costs, net of amortization	6955.
Total to Form 990, Part IV, line 58, Column B	6955.

Form 990	Loans Payable to Officer's, Director's, Etc.	Statement 7

Lender's Name and Title	Original Loan Amount
Dr Morehouse, contractor	28996.

Date of Note	Maturity Date	Terms of Repayment	Interest Rate
11/01/06	10/31/11	beg 11/1/07	8.25%

Security Provided by Borrower	Purpose of Loan
none	assignment of accounts receivable

Description of Consideration	FMV of Consideration	Balance Due
patient receivables net of allowance	28996.	28996.
Total to Form 990, Part IV, line 63, Column B		28996.

Form 990	Mortgages Payable	Statement 8

Description	Balance Due
HSBC Bank	132425.
Total included on Form 990, Part IV, line 64b, Column B	132425.

Form 990 Other Notes and Loans Payable Statement 9

Lender's Name	Terms of Repayment
Dr Auty	beg 11/1/07

Date of Note	Maturity Date	Original Loan Amount	Interest Rate
11/01/06	10/31/11	24724.	8.25%

Security Provided by Borrower	Purpose of Loan
none	assignment of accounts receivable

Relationship of Lender
none

Description of Consideration	FMV of Consideration	Balance Due
patient receivables net of allowance	24724.	24724.

Lender's Name	Terms of Repayment
BJ Mark, NP	beg 11/1/07

Date of Note	Maturity Date	Original Loan Amount	Interest Rate
11/01/06	10/31/11	10746.	8.25%

Security Provided by Borrower	Purpose of Loan
none	assignment of accounts receivable

Relationship of Lender
none

Description of Consideration	FMV of Consideration	Balance Due
patient receivables net of allowance	10746.	10746.

Total included on Form 990, Part IV, line 64, Column B	35470.

Form 990 Statement of Changes in Activities Statement 10
Part VI, Line 76

Explanation

the organization purchased the providers' accounts receivable as of November 1, 2006 and now collects all patient fees directly rather than passing them through to the providers, who are now paid as independent contractors. Before Nov 1, they reimbursed the overhead of the organization

Form 990 Part VIII - Relationship of Activities to Accomplishment of Exempt Purposes Statement 11

Line	Explanation of Relationship of Activities
	Administrative services and space are provided by the organization to health care professionals,a pregnancy care center, and a neighborhood youth outreach program; and educational and fellowship meetings are provided for the local Christian medical community. Registration fees are collected for the programs, space sharing reimbursements are received from the collaborative agencies, and patient revenue is received from those who are insured or have the ability to pay.

Schedule A | Explanation of Transactions Part III, Line 2c | Statement 12

Dr Morehouse, the founding physician, was paid as an independent contractor $67,000 this fiscal year, and he reimbursed the organization $34,340 for overhead expense.

Schedule A | Explanation of Transactions Part III, Line 2d | Statement 13

Dr Morehouse, the founding physician, was paid as an independent contractor $67,000 this fiscal year, and he reimbursed the organization $34,340 for overhead expense.

Form **4562** Department of the Treasury Internal Revenue Service

Depreciation and Amortization

990

(Including Information on Listed Property)

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

OMB No. 1545-0172 **2006** Attachment Sequence No. **67**

Name(s) shown on return	Business or activity to which this form relates	Identifying number
His Branches, Inc.	Form 990 Page 2	23-7060337

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 the instructions for a higher limit for certain businesses	1	108000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	430000.
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 instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost

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 2005 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	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 2007. 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 Depreciation Allowance and Other Depreciation (Do not** include listed property.**)**

14	Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	8318.

Part III **MACRS Depreciation (Do not** include listed property.**)** (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2006	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B - Assets Placed in Service During 2006 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						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
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 2006 Tax Year Using the Alternative Depreciation System

(a) Classification of property	(b)	(c)	(d)	(e)	(f)	(g)
20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV **Summary** (see 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	8318.
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	

Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)
Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* **only** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A - Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.*)

24a Do you have evidence to support the business/investment use claimed? ☐ **Yes** ☐ **No** **24b** If "Yes," is the evidence written? ☐ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special allowance for qualified New York Liberty or Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use						25		
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1						28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons.

	Yes	**No**
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: *If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.*

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2006 tax year:					
PREPAID MORTGAGE COSTS	062707	2059.		60M	
43 Amortization of costs that began before your 2006 tax year				43	490.
44 **Total.** Add amounts in column (f). See the instructions for where to report				44	490.

616252/10-17-06 Form **4562** (2006)

TAX RETURN FILING INSTRUCTIONS

NEW YORK FORM CHAR500, ANNUAL FILING REPORT

FOR THE YEAR ENDING

June 30, 2007

Prepared for	His Branches, Inc. 342 Arnett Boulevard Rochester, NY 14619-1147
Prepared by	
Mail tax return to	New York State Department of Law Charities Bureau - Registration Section 120 Broadway New York, NY 10271
Return must be mailed on or before	Please mail as soon as possible.
Special Instructions	The report should be signed and dated by the authorized individual(s). Enclose a check for $50 made payable to NYS Department of Law. Include the organization's state registration number(s) on the remittance.

Form **CHAR500**	**Annual Filing for Charitable Organizations** New York State Department of Law (Office of the Attorney General) Charities Bureau - Registration Section 120 Broadway New York, NY 10271 www.oag.state.ny.us/charities/charities.html	**2006**
This form used for Article 7-A, EPTL, and dual filers (replaces forms CHAR 497, CHAR 010 and CHAR 006)		**Open to Public Inspection**

1. General Information

a. For the fiscal year beginning (mm/dd/yyyy) 07/01/2006 and ending (mm/dd/yyyy) 06/30/2007

b. Check if applicable for NYS:	c. Name of organization		d. Fed. employer ID no. (EIN)
☐ Address change ☐ Name change	His Branches, Inc.		23-7060337
☐ Initial filing			e. NY State registration no. 50043
☐ Final filing ☐ Amended filing	Number and street (or P.O. box if mail not delivered to street address) 342 Arnett Boulevard	Room/suite	f. Telephone number 585 235-9000
☐ NY registration pending	City or town, state or country and ZIP + 4 Rochester, NY 14619-1147		g. Email

2. Certification - Two Signatures Required

We certify under penalties of perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and complete in accordance with the laws of the State of New York applicable to this report.

	Signature	Printed Name	Title	Date
a. President or Authorized Officer		William Walence	President	
b. Chief Financial Officer or Treasurer				

3. Annual Report Exemption Information

a. **Article 7-A** annual report exemption (Article 7-A registrants and dual registrants)

Check ➡ ☐ if total contributions from NY State (including residents, foundations, corporations, government agencies, etc.) did not exceed $25,000 **and** the organization did not use the services of a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during this fiscal year.

NOTE: An organization may also check the box to claim this exemption if no PFR or FRC was used **and** either: 1) the organization received an allocation from a federated fund, United Way or incorporated community appeal **and** contributions from all other sources did not exceed $25,000 **or** 2) it received all or substantially all of its contributions from a single government agency to which it submitted an annual financial report similar to that required by Article 7-A).

b. **EPTL** annual report exemption (EPTL registrants and dual registrants)

Check ➡ ☐ if total gross receipts for this fiscal year did not exceed $25,000 **and** the assets (market value) of the organization did not exceed $25,000 at any time during this fiscal year.

For EPTL or Article 7-A registrants claiming the annual report exemption under the one law under which they are registered and for dual registrants claiming the annual report exemptions under both laws, simply complete part 1 (General Information), part 2 (Certification) and part 3 (Annual Report Exemption Information) above. **Do not** *submit a fee,* **do not** *complete the following schedules and* **do not** *submit any attachments to this form.*

4. Article 7-A Schedules

If you did **not** check the Article 7-A annual report exemption above, complete the following for this fiscal year:

a. Did the organization use a professional fund raiser, fund raising counsel or commercial co-venturer for fund raising activity in NY State? ☐ Yes* ☒ No
*** If "Yes", complete Schedule 4a.**

b. Did the organization receive government contributions (grants)? ☐ Yes* ☒ No
*** If "Yes", complete Schedule 4b.**

5. Fee Submitted: See last page for **summary of fee requirements**.

Indicate the filing fee(s) you are submitting along with this form:

a. Article 7-A filing fee	$ 25.	**Submit only one check or money order for the total fee, payable to "NYS Department of Law"**
b. EPTL filing fee	$ 25.	
c. **Total fee**	**$** 50.	

6. Attachments: For organizations that are not claiming annual report exemptions under both laws, see last page for **required attachments**.

- Mail completed form with ***required schedules, fee and attachments*** *to the address at the top of this page -*

5. Fee Instructions

The filing fee depends on the organization's Registration Type. For details on Registration Type and filing fees, see the Instructions for Form CHAR500.

Organization's Registration Type	Fee Instructions
• **Article 7-A**	Calculate the Article 7-A filing fee using the table in **part a** below. The EPTL filing fee is $0.
• **EPTL**	Calculate the EPTL filing fee using the table in **part b** below. The Article 7-A filing fee is $0.
• **Dual**	Calculate both the Article 7-A and EPTL filing fees using the tables in **parts a and b** below. Add the Article 7-A and EPTL filing fees together to calculate the total fee. Submit a **single** check or money order for the total fee.

a) Article 7-A filing fee

Total Support & Revenue	Article 7-A Fee
more than $250,000	$25
up to $250,000 *	$10

* *Any organization that contracted with or used the services of a professional fund raiser (PFR) or fund raising counsel (FRC) during the reporting period must pay an Article 7-A filing fee of $25, regardless of total support and revenue.*

b) EPTL filing fee

Net Worth at End of Year	EPTL Fee
Less than $50,000	$25
$50,000 or more, but less than $250,000	$50
$250,000 or more, but less than $1,000,000	$100
$1,000,000 or more, but less than $10,000,000	$250
$10,000,000 or more, but less than $50,000,000	$750
$50,000,000 or more	$1500

6. Attachments - Document Attachment Check-List

Check the boxes for the documents you are attaching.

For All Filers

Filing Fee

[X] Single check or money order payable to "NYS Department of Law"

Copies of Internal Revenue Service Forms

[X] **IRS Form 990**
[X] Schedule A to IRS Form 990
[ ] Schedule B to IRS Form 990
[ ] IRS Form 990-T

[ ] **IRS Form 990-EZ**
[ ] Schedule A to IRS Form 990-EZ
[ ] Schedule B to IRS Form 990-EZ
[ ] IRS Form 990-T

[ ] **IRS Form 990-PF**
[ ] Schedule B to IRS Form 990-PF
[ ] IRS Form 990-T

Additional Article 7-A Document Attachment Requirement

Independent Accountant's Report

[X] Audit Report *(total support & revenue more than $250,000)*
[ ] Review Report *(total support & revenue $100,001 to $250,000)*
[ ] No Accountant's Report Required *(total support & revenue not more than $100,000)*