

HOME DEPOT INC  
Form 11-K  
June 29, 2007

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 11-K**

**FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS  
AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

(Mark One):

☒ **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2006**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from                      to**

**Commission file number 1-8207**

**A            Full title of the plan and the address of the plan, if different from that of the issuer named below: The Home Depot FutureBuilder for Puerto Rico**

**B            Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:**

**The Home Depot, Inc.**

**2455 Paces Ferry Road**

**Atlanta, Georgia 30339**

[

**THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO**

**Table of Contents**

Report of Independent Registered Public Accounting Firm

Statements of Net Assets Available for Benefits as of December 31, 2006 and 2005

Statements of Changes in Net Assets Available for Benefits for the Years ended December 31, 2006 and 2005

Notes to Financial Statements

**Schedule**

Schedule H, Line 4i Schedule of Assets (Held at End of Year) December 31, 2006

Consent of Independent Registered Public Accounting Firm

---

[

**Report of Independent Registered Public Accounting Firm**

The Administrative Committee  
The Home Depot FutureBuilder for Puerto Rico:

We have audited the accompanying statements of net assets available for benefits of The Home Depot FutureBuilder for Puerto Rico (the Plan) as of December 31, 2006 and 2005, and the related statements of changes in net assets available for benefits for the years then ended and the supplemental schedule. These financial statements and supplemental schedule are the responsibility of the Plan's Administrative Committee. Our responsibility is to express an opinion on these financial statements and supplemental schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2006 and 2005, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedule H, Line 4i Schedule of Assets (Held at End of Year) as of December 31, 2006 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's Administrative Committee. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2006 and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ KPMG LLP

Atlanta, Georgia  
June 28, 2007

---

[

**THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO**

Statements of Net Assets Available for Benefits

December 31, 2006 and 2005

	2006	2005
Assets:		
Investments	\$ 4,948,859	\$ 3,867,332
Net assets available for benefits	\$ 4,948,859	\$ 3,867,332

See accompanying notes to financial statements.

2

[

**THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO**

Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2006 and 2005

	2006	2005
Additions to net assets attributed to:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	\$ 157,096	\$ (6,544 )
Interest and dividend income	69,788	37,732
Total investment income	226,884	31,188
Contributions:		
Participants	756,512	752,476
Employer	498,471	481,046
	1,254,983	1,233,522
Total additions	1,481,867	1,264,710
Deductions from net assets attributed to:		
Benefits paid to participants	400,340	239,945
Total deductions	400,340	239,945
Net increase	1,081,527	1,024,765
Net assets available for benefits:		
Beginning of year	3,867,332	2,842,567
End of year	\$ 4,948,859	\$ 3,867,332

See accompanying notes to financial statements.

[

**THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO**

Notes to Financial Statements

December 31, 2006 and 2005

**(1) Description of the Plan**

The following is a brief description of The Home Depot FutureBuilder for Puerto Rico (the Plan). Participants should refer to the summary plan description for a more complete description of the Plan's provisions.

**(a) General**

The Plan is a defined contribution plan covering substantially all associates of Home Depot Puerto Rico, Inc. (the Company), a wholly owned subsidiary of The Home Depot, Inc. (the Parent Company) and associates of Economy Maintenance Supply Company working and residing in Puerto Rico. Associates are eligible to participate in the Plan for purposes of making elective deferrals after completing 90 days of service. Participants are eligible for the Company's matching contributions, and temporary associates are eligible to make elective deferrals, on the first day of the calendar quarter (January 1, April 1, July 1, and October 1) coincident with or following the completion of 12 months of service and 1,000 hours. The Plan excludes leased associates, nonresident aliens and associates covered by a collective bargaining agreement, unless the terms of the collective bargaining agreement require that the associates be eligible to participate in the Plan. The Plan is intended to qualify under Section 1165 of the Puerto Rico Internal Revenue Code of 1994, as amended. The Plan is subject to certain provisions of the Employee Retirement Income Security Act of 1974 (ERISA), excluding provisions of ERISA applicable only to plans qualified under Section 401(a) of the U.S. Internal Revenue Code. The Plan is administered by the Administrative Committee made up of associates of Home Depot U.S.A., Inc. Banco Popular de Puerto Rico has been appointed the Trustee of the Plan.

**(b) Contributions**

Participants may contribute up to 10% of annual compensation, on a pretax basis as defined in the Plan, subject to regulatory limitations. Participants may also contribute amounts representing eligible rollover distributions from other retirement plans qualified under Section 1165 of the Puerto Rico Internal Revenue Code of 1994, as amended. The Company provides matching contributions of 150% of the first 1% of eligible compensation contributed by a participant and 50% of the next 2% to 5% of eligible compensation contributed by a participant beginning on the first day of the calendar quarter following the completion of 12 months of service and 1,000 hours. Additional amounts may be contributed at the option of the Company's Board of Directors.

The default for the Company's matching contribution if no direction is given, is the participant's current investment election with respect to elective contributions. If the participant has made no affirmative investment election with respect to elective contributions, the default is the INVESCO Stable Value Trust.

Employee stock ownership contributions were made solely by the Company and at the discretion of the Home Depot Puerto Rico, Inc. Board of Directors (ESOP contributions). The Company made its last ESOP contribution in February 1999.

[

**(c) Participant Accounts**

The Plan maintains a separate account for each participant, to which contributions and investment performance are allocated.

**(d) Vesting**

A participant becomes 100% vested upon death, attaining age 65 while still employed, total or permanent disability, or if the Plan is terminated.

Participants are immediately vested in their contributions and net value changes thereon. Vesting in the Company's matching and discretionary contributions and net value changes thereon is based on years of vesting service. A participant is 100% vested after three years of service.

Vesting for the ESOP contributions and earnings or losses thereon is based on years of service, as follows:

Years of service	Vesting Percentage
3	20 %
4	40
5	60
6	80
7 or more	100

**(e) Distributions**

Upon death, disability, or termination of service for any other reason, hardship, or attaining age 65, participants or beneficiaries may elect to receive a lump-sum payment of their vested account balance at fair value on the date of distribution in the form of cash or securities.

**(f) Participant Loans**

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their total vested account balance. Loan terms range from one to four years. The loans bear interest at a rate commensurate with local prevailing rates.

**(g) Forfeited Accounts**

Forfeited nonvested account balances are used to pay Plan expenses or reduce future employer contributions. In 2006 and 2005, employer contributions were reduced by forfeitures of \$14,897 and \$22,287, respectively.

**(h) Administrative Expenses**

Certain administrative expenses of the Plan are paid by the Company. These costs include legal, accounting and certain administrative fees. Expenses paid by the Plan include all other administrative costs not paid by the Company.

[

## (2) Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Plan in preparing its financial statements.

### (a) Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

### (b) Investment Valuation and Income Recognition

Shares of registered investment companies are valued at quoted market prices, which represents the net asset value of shares held by the Plan at year-end. The INVESCO Stable Value Trust contains certain investment contracts for which there is no active trading market, and as such are carried at their contract value as determined by the AMVESCAP National Trust Company, which approximates fair value. All other investments in units of collective trusts are valued at the respective net asset values as reported by such trusts. The Parent Company common stock is valued at its quoted market price as obtained from the New York Stock Exchange. Securities transactions are accounted for on the trade date.

Participant loans are carried at cost which approximates fair value.

The Plan's investments include funds, which invest in various types of investment securities and in various companies within various markets. Investment securities are exposed to several risks, such as interest rate, market, credit, and individual country and currency risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Plan's financial statements and supplemental schedule.

### (c) Payment of Benefits

Benefits are recorded when paid.

### (d) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Administrative Committee of the Plan to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### (e) Fair Value of Financial Instruments

The Plan's investments are stated at fair value. In addition, the carrying amount of receivables and liabilities is a reasonable approximation of the fair value due to the short-term nature of these instruments.



[

#### (f) Recent Accounting Pronouncements

As of December 31, 2006, the Plan adopted Financial Accounting Standards Board (FASB) Staff Position FSP AAG INV-1 and Statement of Position No. 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans (the FSP). The FSP requires that the Statements of Net Assets Available for Benefits present the fair value of the Plan's investments, as well as the adjustment from fair value to contract value, for the fully benefit-responsive investment contracts. The Company determined that the impact of the adoption of this pronouncement was not material to the financial statements.

#### (3) Puerto Rico Income Taxes

The Puerto Rico Department of the Treasury has determined and informed the Company by letters dated January 4, 1999 and April 13, 2005, that the Plan is designed in accordance with applicable sections of the Puerto Rico Internal Revenue Code of 1994 (IRC). The Plan has been amended since receiving the last determination letter. However, the Administrative Committee of the Plan believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

#### (4) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and terminate the Plan. In the event the Plan is terminated, participants will become 100% vested in their accounts.

#### (5) Investments

The Plan's investments are held by The Northern Trust Company. A description of the assets of the Plan follows:

- The Home Depot, Inc. Common Stock Fund invests in common stock of The Home Depot, Inc.
- Barclays Global Investors (BGI) Equity Index Stock Fund Fund is a collective trust that invests in the common stocks included in Standard & Poor's 500 Index.
- Dodge & Cox Stock Fund Fund invests in a registered investment company that invests in common stocks of companies that the fund's managers believe to be temporarily undervalued by the stock market but have favorable long-term growth prospects.
- BGI Balanced Fund Fund is a synthetic fund that invests approximately 60% of assets in the BGI S&P 500 Index Fund (which invests in equity securities - stocks) with the remainder of the fund in BGI U.S. Debt Index Fund (which invests in fixed income securities - bonds).
- Artisan Mid-Cap Fund Fund is a separate account that invests in common stocks of mid-sized companies that display strong growth prospects.
- T. Rowe Price Small-Cap Stock Fund Fund invests in a registered investment company that invests in common stocks of smaller, faster-growing companies that are believed to offer strong potential earnings growth or are undervalued.

7

[

- **Templeton Foreign Fund** Fund invests in a registered investment company that invests in stocks and debt obligations of companies and governments outside the United States.
- **INVESCO Stable Value Trust** Fund is a collective trust that primarily invests in short-term debt obligations that mature within one to three years.
- **INVESCO Fundamental Core Balanced Trust** Fund is a collective trust that invests in a combination of equity and fixed income securities. Effective July 1, 2005, the Investment Committee for the Plan replaced this Trust with the BGI Balanced Fund.

The fair value of individual investments that represent 5% or more of the Plan's net assets at December 31, 2006 and 2005 are as follows:

	2006	2005
The Home Depot, Inc. Common Stock	\$ 2,195,375	\$ 1,880,905
INVESCO Stable Value Trust	1,036,304	825,047
BGI Equity Index Stock Fund	322,988	217,261
Participant loans	670,706	446,779

During 2006 and 2005, the Plan's investments appreciated (depreciated) in fair value as follows:

	2006	2005
Net appreciation (depreciation) in fair value:		
The Home Depot, Inc. Common Stock	\$ (109 )	\$ (75,283 )
Collective trust funds	96,268	43,075
Registered investment funds	60,937	25,664
Net appreciation (depreciation) in fair value	\$ 157,096	\$ (6,544 )

[

**(6) Investment in Master Trust**

The assets of the Plan are invested in a Master Trust. At December 31, 2006 and 2005, the Plan's interest in the net assets of the Master Trust was less than 1%, with The Home Depot FutureBuilder holding the remaining interest.

Summarized financial information of the Master Trust as of December 31, 2006 and 2005 is as follows:

	2006	2005
<b>Assets:</b>		
Investments	\$ 2,689,532,794	\$ 2,399,869,862
<b>Receivables:</b>		
Participant contributions receivable	24,625	123,579
Employer contributions receivable	1,960,935	2,073,290
Receivable from broker	710,435	
Other receivables	1,282,998	983,857
Total receivables	3,978,993	3,180,726
Total assets	2,693,511,787	2,403,050,588
<b>Liabilities:</b>		
Accrued liabilities	655,895	513,083
Payable to broker		161,213
Total liabilities	655,895	674,296
Net assets available for benefits	\$ 2,692,855,892	\$ 2,402,376,292

9

[

Net assets, investment income and administrative expenses related to the Master Trust are allocated to the individual plans based upon actual activity for each of the plans. Investment income for the Master Trust for the years ended December 31, 2006 and 2005 is as follows:

	2006	2005
Investment income:		
Appreciation (depreciation) in fair value of investments:		
The Home Depot, Inc. Common Stock	\$ (18,768,599 )	\$ (76,053,489 )
Collective trust funds	60,526,339	27,899,586
Registered investment funds	68,475,308	21,918,432
Net appreciation (depreciation) in fair value of investments	110,233,048	(26,235,471 )
Dividends and interest income	47,218,560	31,579,583
Total investment income	\$ 157,451,608	\$ 5,344,112

#### (7) Related Party-Transactions

Certain Plan investments include shares of common stock issued by the Parent Company. At December 31, 2006 and 2005, the Plan held a combined total of 54,666 and 46,465 shares valued at approximately \$40.16 and \$40.48 per share, respectively. Additionally dividends received by the Plan include dividends paid by the Parent Company. These transactions constitute party-in-interest transactions, since the Parent Company is a member of a controlled group that includes the Plan Sponsor.

#### (8) Plan Amendments and Other Plan Changes

Effective January 1, 2005, the Administrative Committee of the Plan adopted an amendment to lower the limit on mandatory cash-out distributions from \$5,000 to \$1,000.

Effective July 1, 2005, the Investment Committee of the Plan replaced the INVESCO Fundamental Core Balanced Fund with the BGI Balanced Fund.

[

**THE HOME DEPOT FUTUREBUILDER FOR PUERTO RICO**

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2006

Identity of issue	Description of investment		Current value
* The Home Depot, Inc. Common Stock	54,666	shares of common stock	\$ 2,195,375
INVESCO Stable Value Trust	1,036,304	units of collective trust	1,036,304
BGI Equity Index Stock Fund	7,339	units of collective trust	322,988
Artisan Mid-Cap Fund	4,737	units of collective trust	144,274
BGI AGG BD U.S. Debt Fund	8,466	units of collective trust	114,882
Templeton Foreign Fund		shares of registered investment company	215,658
	15,811		
Dodge & Cox Stock Fund		shares of registered investment company	136,510
	890		
T. Rowe Price Small-Cap Stock Fund		shares of registered investment company	112,162
	3,293		
Participant loans		loans with interest rates ranging from 5.0% to 9.0% and maturity dates through December 31, 2009	670,706
			\$ 4,948,859

---

\*Indicates party-in-interest to the Plan.

See accompanying report of independent registered public accounting firm.

**SIGNATURES**

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 29,  
2007

The Home Depot FutureBuilder for Puerto Rico

By: /s/ Richard I. Johnson  
Richard I. Johnson  
Member of The Home Depot  
FutureBuilder for Puerto Rico  
Administrative Committee

By: /s/ Rebecca I. Flick  
Rebecca I. Flick  
Member of The Home Depot  
FutureBuilder for Puerto Rico  
Administrative Committee

By: /s/ Timothy A. Hourigan  
Timothy A. Hourigan  
Member of The Home Depot  
FutureBuilder for Puerto Rico  
Administrative Committee