

SHORT YEAR

Form 990

Return of Organization Exempt From Income Tax

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

OMB No 1545-0047

2003 4

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

Form 990 header section including: A For the 2003 calendar year, or tax year beginning 1/1/2004 and ending 7/31/2004; B Check if applicable; C Name of organization HEART TO HEART ADOPTION SERVICES; D Employer identification number 25-1805611; E Telephone number (814) 355-4310; F Accounting method: Accrual; G Website; J Organization type: 501(c)(3); K Check here; L Gross receipts: 77,769

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

Table with 21 rows detailing revenue and expenses. Revenue total: 77,769. Expenses total: 70,230. Net assets at beginning: 7,539. Net assets at end: -7,539. Includes a 'RECEIVED' stamp from IRS-OSC, OGDEN, UT, dated DEC 23 2004.

For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2003)

(HTA)

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0)	0	0		
23	Specific assistance to individuals (attach schedule)	0			
24	Benefits paid to or for members (attach schedule)	0			
25	Compensation of officers, directors, etc.	8,077	8,077		
26	Other salaries and wages	3,053	3,053		
27	Pension plan contributions	0			
28	Other employee benefits	0			
29	Payroll taxes	851	851		
30	Professional fundraising fees	0			
31	Accounting fees	4,175	4,175		
32	Legal fees	26,436	26,436		
33	Supplies	0			
34	Telephone	1,232	1,232		
35	Postage and shipping	433	433		
36	Occupancy	6,000	6,000		
37	Equipment rental and maintenance	133	133		
38	Printing and publications	0			
39	Travel	0			
40	Conferences, conventions, and meetings	0			
41	Interest	831	831		
42	Depreciation, depletion, etc. (attach schedule)	803	803		
43	Other expenses not covered above (itemize) a	0			
b	SEE ATTACHED SCHEDULE	18,206	18,206		
c		0			
d		0			
e		0			
f		0			
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	70,230	70,230	0	0

Joint Costs. Check if you are following SOP 98-2.
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ 0, (ii) the amount allocated to Program services \$;
 (iii) the amount allocated to Management and general \$, and (iv) the amount allocated to Fundraising \$

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

What is the organization's primary exempt purpose? ADOPTION SERVICE	Program Service Expenses Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others
a WE PROVIDE ADPOTION PLACEMENT SERVICES FOR DOMESTIC AND INTERNATIONAL CHILDREN. HOME STUDIES ARE PERFORMED TO DETERMINE SUITABILITY OF ADOPTING HOME. (Grants and allocations \$)	70,230
b (Grants and allocations \$)	
c (Grants and allocations \$)	
d (Grants and allocations \$)	
e Other program services (attach schedule) (Grants and allocations \$)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	70,230

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

				(A)		(B)	
				Beginning of year		End of year	
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only							
Assets	45	Cash—non-interest-bearing		4,783	45		
	46	Savings and temporary cash investments			46		
	47 a	Accounts receivable	47a	0			
	b	Less: allowance for doubtful accounts	47b	0	11,279	47c	0
	48 a	Pledges receivable	48a				
	b	Less: allowance for doubtful accounts	48b	0	0	48c	0
	49	Grants receivable			49		
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		0	50	0	
	51 a	Other notes and loans receivable (attach schedule)	51a	0			
	b	Less: allowance for doubtful accounts	51b	0	0	51c	0
	52	Inventories for sale or use			52		
	53	Prepaid expenses and deferred charges			53		
	54	Investments—securities (attach schedule)	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		0	54	0
	55 a	Investments—land, buildings, and equipment, basis	55a	0			
	b	Less: accumulated depreciation (attach schedule)	55b	0		55c	0
	56	Investments—other (attach schedule)		0	56	0	
	57 a	Land, buildings, and equipment: basis	57a	17,570			
	b	Less: accumulated depreciation (attach schedule)	57b	14,213	3,357	57c	0
58	Other assets (describe ▶ See attached worksheet)			1,475	58	0	
59 Total assets (add lines 45 through 58) (must equal line 74)				20,894	59	0	
Liabilities	60	Accounts payable and accrued expenses		28,169	60		
	61	Grants payable			61		
	62	Deferred revenue			62		
	63	Loans from officers, directors, trustees, and key employees (attach schedule)		0	63	0	
	64 a	Tax-exempt bond liabilities (attach schedule)		0	64a	0	
	b	Mortgages and other notes payable (attach schedule)		0	64b	0	
	65	Other liabilities (describe ▶ PAYROLL TAXES PAYABLE)		264	65	0	
66 Total liabilities (add lines 60 through 65)				28,433	66	0	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.						
	67	Unrestricted		-7,539	67		
	68	Temporarily restricted			68		
	69	Permanently restricted			69		
	Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 70 through 74.						
	70	Capital stock, trust principal, or current funds			70		
	71	Paid-in or capital surplus, or land, building, and equipment fund			71		
	72	Retained earnings, endowment, accumulated income, or other funds			72		
73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19; column (B) must equal line 21)		-7,539	73	0		
74	Total liabilities and net assets / fund balances (add lines 66 and 73)		20,894	74	0		

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

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

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

a	Total revenue, gains, and other support per audited financial statements	a	77,769
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify):		
	----- \$		
	----- \$		
	Add amounts on lines (1) through (4)	b	0
c	Line a minus line b	c	77,769
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):		
	----- \$		
	----- \$		
	Add amounts on lines (1) and (2)	d	0
e	Total revenue per line 12, Form 990 (line c plus line d)	e	77,769

a	Total expenses and losses per audited financial statements	a	70,230
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify):		
	----- \$		
	----- \$		
	Add amounts on lines (1) through (4)	b	0
c	Line a minus line b	c	70,230
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):		
	----- \$		
	----- \$		
	Add amounts on lines (1) and (2)	d	0
e	Total expenses per line 17, Form 990 (line c plus line d)	e	70,230

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
Name JENNIFER HOLDF Str 504 BENNER PIKE City BELLEFONTE ST PA ZIP 16823	Title EXEC. DIRECT Hr/WK 40	8,077	0	0
Name ----- Str ----- City ----- ST ZIP -----	Title ----- Hr/WK -----			
Name ----- Str ----- City ----- ST ZIP -----	Title ----- Hr/WK -----			
Name ----- Str ----- City ----- ST ZIP -----	Title ----- Hr/WK -----			
Name ----- Str ----- City ----- ST ZIP -----	Title ----- Hr/WK -----			
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Name ----- Str ----- City ----- ST ZIP -----	Title ----- Hr/WK -----			
Name ----- Str ----- City ----- ST ZIP -----	Title ----- Hr/WK -----			
Name ----- Str ----- City ----- ST ZIP -----	Title ----- Hr/WK -----			

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

Part VI Other Information (See page 28 of the instructions.)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
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?	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 _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct and indirect political expenditures. See line 81 instructions	81a	
b	Did the organization file Form 1120-POL for this year?	81b	X
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	N/A
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	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	0
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="checkbox"/> 0 ; section 4912 <input type="checkbox"/> 0 ; section 4955 <input type="checkbox"/> 0		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
90 a	List the states with which a copy of this return is filed		NONE
b	Number of employees employed in the pay period that includes March 12, 2003 (See instructions.)	90b	2
91	The books are in care of Name JENNIFER HOLDREN, EXE DIRECTOR Telephone no (814) 355-4310 Located at City BELLEFONTE ST PA Zip + 4 16823		
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 page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a POST PLACEMENT FEES					3,750
b PLACEMENT FEES					58,820
c APPLICATION FEE					1,000
d HOME STUDY FEES					6,300
e OTHER REVENUE					3,084
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	56	
96 Dividends and interest from securities					
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					
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		56	72,954
105 Total (add line 104, columns (B), (D), and (E))					73,010

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93 & 95	ALL PROCEEDS ARE USED FOR THE FURTHERANCE OF PROVIDING ADOPTION SERVICE AND HOME STUDY EVALUATIONS

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

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%		0	0
	%		0	0
	%		0	0
	%		0	0

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

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

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

Please 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] Date 12-17-04

EXE DIRECTOR

Date _____ Check if _____ Preparer's SSN or PTIN (See Gen. Inst. W)

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information—(See separate instructions.)

OMB No 1545-0047

2003

Department of the Treasury
Internal Revenue Service

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

Name of the organization

Employer identification number

HEART TO HEART ADOPTION SERVICES

25-1805611

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

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Name Str NONE City ST Zip Country	Title Avg hr/wk			
Name Str City ST Zip Country	Title Avg hr/wk			
Name Str City ST Zip Country	Title Avg hr/wk			
Name Str City ST Zip Country	Title Avg hr/wk			
Name Str City ST Zip Country	Title Avg hr/wk			
Total number of other employees paid over \$50,000				

Part II 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
Name Str NONE City ST ZIP Country Check here if a business <input type="checkbox"/>		
Name Str City ST ZIP Country Check here if a business <input type="checkbox"/>		
Name Str City ST ZIP Country Check here if a business <input type="checkbox"/>		
Name Str City ST ZIP Country Check here if a business <input type="checkbox"/>		
Name Str City ST ZIP Country Check here if a business <input type="checkbox"/>		
Total number of others receiving over \$50,000 for professional services		

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 ▶ \$ <u>0</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)		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?	X	
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e	Transfer of any part of its income or assets?		X
3 a	Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments).		X
b	Do you have a section 403(b) annuity plan for your employees?		X
4	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X

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

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

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

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

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

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

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

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

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	25	70	11,133	9,623	20,851
16 Membership fees received					0
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	195,490	152,325	183,191	77,187	608,193
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	324	52			376
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
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					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					0
23 Total of lines 15 through 22	195,839	152,447	194,324	86,810	629,420
24 Line 23 minus line 17	349	122	11,133	9,623	21,227
25 Enter 1% of line 23	1,958	1,524	1,943	868	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 0
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 0
d Add: Amounts from column (e) for lines: 18 0 19 0					26d 0
22 0 26b 0					26e 0
e Public support (line 26c minus line 26d total)					26f 0.00%
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					
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:	(2002)	(2001)	(2000)	(1999)	
		0	0	0	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:	(2002)	(2001)	(2000)	(1999)	
		0	0	0	
c Add: Amounts from column (e) for lines: 15 20,851 16 0					27c 629,044
17 608,193 20 0 21 0					27d 0
d Add: Line 27a total 0 and line 27b total 0					27e 629,044
e Public support (line 27c total minus line 27d total)					27f 629,420
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27g 99.94%
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27h 0.06%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

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

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

Check **a** if the organization belongs to an affiliated group

Check **b** if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures

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

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	0
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	0
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	0
	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	0
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	0
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	0

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45 Lobbying nontaxable amount		N/A			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 12 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h.)			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 12 of the instructions.)

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

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

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

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:

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

FORM 990, LINE 43B, COLUMNS (A) & (B), OTHER EXPENSES, ATTACHMENT I		Total:	18,206
1	CONSULTING	1	7,050
2	OFFICE EXPENSES	2	289
3	EDUCATION	3	40
4	COLLECTION EXPENSE	4	122
5	ADVERTISING	5	2,143
6	INTERNET	6	210
7	CERTIFICATIONS	7	480
8	BONUSES	8	200
9	GENERAL INSURANCE	9	852
10	LIABILITY INSURANCE	10	1,593
11	WC INSURANCE	11	1,468
12	TRAVEL EXPENSE	12	3,759
13		13	
14		14	
15		15	
16		16	
17		17	

FORM 990, PART IV, LINE 58, OTHER ASSETS, BEGINNING OF YEAR:

Description	Amount
SECURITY DEPOSITS	1,475
ORGANIZATION COSTS	1,052
ACCUMULATED AMORTIZATION ON ORGANIZATION COSTS	(1,052)
Total	1,475

-FORM 990, PART IV, END OF YEAR, LINE 58, OTHER ASSETS:---

Description	Amount
SECURITY DEPOSITS	
ORGANIZATION COSTS	
ACCUMULATED AMORTIZATION ON ORGANIZATION COSTS	
Total	

10/4/2004
08:47

HEART TO HEART ADOPTION SERVICES
Federal ID #: 25-1805611
Asset Summary - Federal Tax Basis

Company: H2H
Page: 1

<u>Num</u>	<u>Loc</u>	<u>Property Description</u>	<u>Acquired</u>	<u>T</u>	<u>Method</u>	<u>Life</u>	<u>Cost/Basis</u>	<u>179 Exp/AFD</u>	<u>Add SDA</u>	<u>Prior Depr.</u>	<u>Current Depr.</u>	<u>Ending Depr.</u>
Group # 1												
1	1	GATEWAY COMPUTE	07/06/98	N	MACRS	5	2,094.00	0.00	0.00	2,094.00	0.00	2,094.00
2	1	REFRIGERATOR	03/16/99	N	MACRS	5	400.00	0.00	0.00	394.49	2.76	397.25
3	1	TV & VCR	03/18/99	N	MACRS	5	407.00	0.00	0.00	401.40	2.80	404.20
4	1	DESK TABLE & 3 CAB	03/25/99	N	MACRS	7	150.00	0.00	0.00	122.12	5.31	127.43
5	1	GOLDEN LEAF FURNI	04/21/99	N	MACRS	7	213.22	0.00	0.00	168.30	7.81	176.11
6	1	GOLDEN LEAF FURNI	05/01/99	N	MACRS	7	250.00	0.00	0.00	197.33	9.16	206.49
7	1	PART OF JENN'S DESK	05/08/99	N	MACRS	7	174.90	0.00	0.00	138.05	6.41	144.46
8	1	OFFICE FURNITURE	05/10/99	N	MACRS	7	307.38	0.00	0.00	242.63	11.26	253.89
9	1	LIVING ROOM FURNI	05/13/99	N	MACRS	7	500.00	0.00	0.00	394.68	18.32	413.00
10	1	NEW CHAIR FOR JEN	08/10/99	N	MACRS	7	121.55	0.00	0.00	93.30	6.65	99.95
11	1	GATEWAY COMPUTE	11/01/99	N	MACRS	7	1,799.88	0.00	0.00	1,348.09	95.12	1,443.21
12	1	OFFICE FURNITURE	11/29/99	N	MACRS	7	479.99	0.00	0.00	359.50	25.37	384.87
14	1	COPIER	04/17/00	N	MACRS	5	2,260.00	0.00	0.00	1,869.47	130.18	1,999.65
15	1	GATEWAY COMPUTE	10/25/00	N	MACRS	5	2,256.74	0.00	0.00	1,866.78	129.99	1,996.77
16	1	FIRE PROOF FILING C	04/05/00	N	MACRS	5	636.00	0.00	0.00	526.10	36.64	562.74
17	1	OFFICE FURNITURE	04/07/00	N	MACRS	7	250.00	0.00	0.00	171.91	11.16	183.07
18	1	FIRE PROOF FILING C	09/20/00	N	MACRS	5	636.00	0.00	0.00	526.10	36.64	562.74
19	1	GATEWAY COMPUTE	04/13/01	N	MACRS	5	2,057.46	0.00	0.00	1,464.91	118.51	1,583.42
20	1	DESK CHAIR	06/15/01	N	MACRS	5	76.00	0.00	0.00	54.11	4.38	58.49
21	1	GATEWAY COMPUTE	06/20/01	N	MACRS	5	2,017.00	0.00	0.00	1,436.10	116.18	1,552.28
22	1	COMPUTER DESK	08/17/01	N	MACRS	5	483.25	0.00	0.00	344.07	27.84	371.91
Group # 1 Total							<u>17,570.37</u>	<u>0.00</u>	<u>0.00</u>	<u>14,213.44</u>	<u>802.49</u>	<u>15,015.93</u>
Group # 2												
2	1	ORGANIZATION COST	02/01/98	M	SL	5	1,052.00	0.00	0.00	1,052.00	0.00	1,052.00
Group # 2 Total							<u>1,052.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,052.00</u>	<u>0.00</u>	<u>1,052.00</u>
Grand Total							<u>18,622.37</u>	<u>0.00</u>	<u>0.00</u>	<u>15,265.44</u>	<u>802.49</u>	<u>16,067.93</u>

ATTACHMENT TO FORM 990

HEART TO HEART ADOPTION SERVICES

PERIOD JANUARY 1, 2004 TO JULY 31, 2004

Response to Form 990, Part VI, Other Information, Question 79: and

Response to Form 990, Schedule A, Part III, Statement About Activities, Question 2a:

The Heart to Heart Adoption Services, Inc. (Heart to Heart) was established as a nonprofit corporation in the Commonwealth of Pennsylvania and is recognized as a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code. The organization was established to provide adoption assistance and counseling to central Pennsylvania families interested in adopting children. Heart to Heart provided these services from its inception until the Board of Director's decision to terminate the organization's operations, with operations ceasing on July 31, 2004.

Knowing the value of the services that Heart to Heart provided to adopting families, the Executive Director desired to continue providing such services and established an S-Corporation to begin similar operations. Heart to Heart's liabilities exceeded the fair market value of its assets by \$4,759 at the termination of its operations and the Executive Director agreed to assume the liabilities in exchange for the assets which include office equipment and office furniture. A Schedule of assets at fair market value and liabilities is attached for reference. The excess liabilities assumed (\$4,759) was accounted for as a charitable contribution to Heart to Heart. Also enclosed is an Appraisal of the fair market value of the office equipment and furniture .

STATEMENT OF ASSETS AND LIABILITIES

HEART TO HEART ADOPTION SERVICES

JULY 31,2004

ASSETS:

Cash – Checking Account	\$ 7,649
Accounts Receivable	2,133
Security Deposits- Advanced Rent	1,475
Organization Costs	1,052
Accumulated Amortization – Organization Costs	(1,052)
Office Furniture and Equipment	17,570
Accumulated Depreciation on Office Furniture and Equipment	(15,016)
	<hr/>
	\$ 13,811
	<u><u> </u></u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 18,570
Fund Balance – Prior to Charitable Contribution by Executive Director	(4,759)
	<hr/>
	\$ 13,811
	<u><u> </u></u>

The net book value of the office furniture and equipment is \$2,554 (Cost of \$17,570 less accumulated depreciation of \$15,016) and approximates the fair market value of those assets as appraised (\$2,396). See Asset Appraisal attached.

HEART TO HEART ADOPTIONS INC
3208 BENNER PIKE STE 200
PO BOX 56
BELLEFONTE, PA 16823

THIS VALUATION IS CONTINGENT UPON THE FOLLOWING CONDITIONS:

This appraisal, in part, of the property of Heart to Heart Adoptions Inc of 3208 Benner Pike Ste 200 in Bellefonte, Pa, is to be used in whole and not in part. No part shall be used in conjunction with any other appraisal.

The values assigned to items are made in view of what might be expected to be obtained through a well managed public auction, therefore, they are to be considered as approximate values.

The appraiser for matters which are of a legal nature assumes no responsibility, nor is any opinion on title rendered herewith. Good title is assumed.

The undersigned appraiser has no present or contemplated future interest in owning the properties appraised and compensation for making the appraisal is in no manner contingent upon the values reported.

The values stated are as of: November 12, 2003.

Date: 11/24/03



Donald A. Dreibelbis
1335 Megan Drive
State College, Pa 16803
(814) 237-7464

HEART TO HEART ADOPTIONS INC.
3208 BENNER PIKE STE 200
PO BOX 56
BELLEFONTE, PA 16823

three piece living room suit	\$50.00
25" Zenith TV	40.00
VCR	20.00
card rack	5.00
seven hand-made pictures @ \$3.00 each	21.00
computer desk with return	20.00
typing knee-hole desk	100.00
three four-drawer files @ \$10.00 each	30.00
small pedestal stand	5.00
small microwave	15.00
5' folding table	15.00
Futon	10.00
refrigerator	100.00
coffee table and end tables	20.00
corner desk in need of repairs	75.00
Gateway computer	50.00
four four-drawer fire proof file cabinets @ \$125.00 e	600.00
Gateway computer with sound and printer	300.00
microwave stand	15.00
corner desk	100.00
computer desk	75.00
Dirt Devil vacuum	30.00
reception desk	180.00
computer and printer	100.00
office desk	20.00
pair of end stands	30.00
book shelf	30.00
two-drawer double file	25.00
Christmas decorations	25.00
6' office metal cabinet	30.00
5' office metal cabinet	25.00
table top copier and scanner	100.00
knee-hole office desk	75.00
four cordless phone sets	60.00

TOTAL	\$	2,396.00
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Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

PART I Automatic 3-Month Extension of Time-Only submit original (no copies needed)

Note: Form 990-T corporations requesting an automatic 6-month extension-check this box and complete Part I only
 All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print	Name of Exempt Organization HEART TO HEART ADOPTION SERVICES	Employer identification number 25-1805611
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. FOXLURE BUILDING, 504 BENNER PIKE, PO BOX 56	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BELLEFONTE, PA 16823	

Check type of return to be filed (file a separate application for each return)

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the **whole** group, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until 3/15/2005 to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ calendar year _____ or _____

▶ tax year beginning 1/1/2004, and ending 7/31/2004

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3 a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____ 0

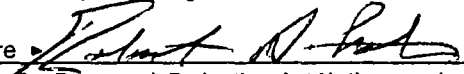
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____ 0

c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). \$ _____ 0

See instructions \$ _____ 0

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶  Title ▶ CPA Date ▶ 12/14/04

(HTA) For Paperwork Reduction Act Notice, see Instruction Form **8868** (12-2000)