

Return of Organization Exempt From Income Tax

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

2003

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

A For the 2003 calendar year, or tax year beginning 2003, and ending 20

- 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: HEART TO HEART ADOPTION SERVICES, 504 BENNER PIKE, P.O. BOX 56, BELLEFONTE, PA 16823

D Employer identification number: 25-1805611, E Telephone number: (814) 355-4310, F Accounting method: Accrual

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? No. H(b) If "Yes," enter number of affiliates. H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling? No.

G Website: J Organization type: 501(c)3

K Check here: If the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 150,660

I Group Exemption Number: M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)

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

Table with 21 rows and multiple columns for revenue and expenses. Includes a 'RECEIVED' stamp from OGDEN, UT dated NOV 28 2004.

SCANNED DEC 16 2004

Handwritten number 23

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 \$ _____ noncash \$ _____)	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc	25	61,896	61,896	
26	Other salaries and wages	26	12,564	12,564	
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29	5,696	5,696	
30	Professional fundraising fees	30			
31	Accounting fees	31	14,510	14,510	
32	Legal fees	32	9,305	9,305	
33	Supplies	33			
34	Telephone	34	11,170	11,170	
35	Postage and shipping	35	2,626	2,626	
36	Occupancy	36	18,000	18,000	
37	Equipment rental and maintenance	37	159	159	
38	Printing and publications	38	1,902	1,902	
39	Travel	39	6,009	6,009	
40	Conferences, conventions, and meetings	40	1,205	1,205	
41	Interest	41	1,793	1,793	
42	Depreciation, depletion, etc (attach schedule)	42	2,178	2,178	
43	Other expenses not covered above (itemize) a _____	43a			
b	SEE ATTACHED SCHEDULE	43b	42,903	42,903	
c	_____	43c			
d	_____	43d			
e	_____	43e			
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	191,916	191,916	

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

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

What is the organization's primary exempt purpose? **CHILD ADOPTION SERVICES**

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	TO PROVIDE ADOPTION PLACEMENT SERVICES FOR DOMESTIC AND INTERNATIONAL CHILDREN. HOME STUDIES ARE DONE TO DETERMINE SUITABILITY OF ADOPTING HOME. (Grants and allocations \$ _____)	191,916
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)	191,916

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

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

		(A)		(B)		
		Beginning of year		End of year		
A s s e t s	45	Cash - non-interest-bearing	2,722	45	4,783	
	46	Savings and temporary cash investments	5,915	46		
	47 a	Accounts receivable	11,279			
	b	Less: allowance for doubtful accounts		18,761	47c	11,279
	48 a	Pledges receivable				
	b	Less: allowance for doubtful accounts			48c	
	49	Grants receivable			49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51 a	Other notes and loans receivable (attach schedule)				
	b	Less: allowance for doubtful accounts			51c	
	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			54	
	55 a	Investments - land, buildings, and equipment: basis				
	b	Less: accumulated depreciation (attach schedule)			55c	
	56	Investments - other (attach schedule)			56	
	57 a	Land, buildings, and equipment: basis	17,570			
	b	Less: accumulated depreciation (attach schedule)	14,213	5,536	57c	3,357
	58	Other assets (describe SEE ATTACHED SCHEDULE)		1,493	58	1,475
59	Total assets (add lines 45 through 58) (must equal line 74)		34,427	59	20,894	
L i a b i l i t i e s	60	Accounts payable and accrued expenses		60	28,169	
	61	Grants payable		61		
	62	Deferred revenue		62		
	63	Loans from officers, directors, trustees, and key employees (attach schedule)		63		
	64 a	Tax-exempt bond liabilities (attach schedule)		64a		
	b	Mortgages and other notes payable (attach schedule)		64b		
	65	Other liabilities (describe ACCRUED PAYROLL TAXES)		704	65	264
66	Total liabilities (add lines 60 through 65)		704	66	28,433	
N F u n d A s s e t s o f	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted	33,723	67	(7,539)	
	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)		33,723	73	(7,539)	
74	Total liabilities and net assets / fund balances (add lines 66 and 73)		34,427	74	20,894	

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)

a	Total revenue, gains, and other support per audited financial statements . . . ▶	a	150,660
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	
c	Line a minus line b ▶	c	150,660
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	
e	Total revenue per line 12, Form 990 (line c plus line d) ▶	e	150,660

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

a	Total expenses and losses per audited financial statements ▶	a	191,916
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	
c	Line a minus line b ▶	c	191,916
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	
e	Total expenses per line 17, Form 990 (line c plus line d) ▶	e	191,916

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
CHRIS SCAFF 2576 E VALLEY RD. LOGANTON, PA	PRESIDENT 0	25,550	0	0
JENNIFER HOLDREN 1221 DOTTERER R. MILL HALL, PA	EXEC DIRECTOR 0	36,346	0	0
ERNST STUMP 1400 JUNIATA ST HOLLIDAYSBURG	DIRECTOR 0	0	0	0
ANNE PENO 2530 SHINGLETOWN RD ST COLLEGE	DIRECTOR 0	0	0	0
SHANE ROYER 148 FRANKENBERGER LN SPRING MI	DIRECTOR 0	0	0	0
PAMELA ROYER 148 FRANKENBERGER LN SPRING MI	DIRECTOR 0	0	0	0

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

Part VI Other Information (See page 28 of the instructions)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a	Enter direct and indirect political expenditures. See line 81 instructions	81a	
b	Did the organization file Form 1120-POL for this year?	81b	X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) orgs Enter. a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> ; section 4912 <input type="checkbox"/> , section 4955 <input type="checkbox"/>		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		
90a	List the states with which a copy of this return is filed <input type="checkbox"/> NONE		
b	Number of employees employed in the pay period that includes March 12, 2003 (See instructions)	90b	5
91	The books are in care of <input type="checkbox"/> JENNIFER HOLDREN, FOXLURE Telephone no <input type="checkbox"/> 814-355-4310 Located at <input type="checkbox"/> BL. 504 BENNER PK BELLEFONTE PA ZIP + 4 <input type="checkbox"/> 16823		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	92	

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

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a POST PLACEMENT FEES					17,972
b PLACEMENT FEES					44,785
c APPLICATION FEES					4,200
d HOME STUDY FEES					40,920
e DIAKON REVENUE					19,250
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	111	
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 SERVICE FEE REVENUE					2,196
c REFERRAL PLACEMENT FEES					2,500
d OTHER REVENUE					5,927
e					
104 Subtotal (add columns (B), (D), and (E))				111	137,750
105 Total (add line 104, columns (B), (D), and (E))					137,861

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	ALL REVENUE IS USED TO FURTHER PROVIDING ADOPTION SERVICES AND HOME STUDY EVALUATIONS OF ADOPTING FAMILIES.
95	
103	

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

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

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

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

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

Under penalties of perjury, I declare that I have examined this return, including 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

Please

James J. Holden

11-19-04

Date

ECTOR

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

OMB No 1545-0047

2003

Department of the Treasury
Internal Revenue Service

Supplementary Information -- (See separate instructions.)

▶ **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
NONE				
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
NONE		
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 ▶\$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		X
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?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
e Transfer of any part of its income or assets?	2e	X
3a Do you make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)	3a	X
b Do you have a section 403(b) annuity plan for your employees?	3b	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?	4	X

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

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

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v)
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) **Enter the hospital's name, city, and state:** **00B**
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A)
- 11b A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3).)

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

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

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

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

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

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
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					
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					
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	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
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
d Add Amounts from column (e) for lines 18 _____ 19 _____					26d
22 _____ 26b _____					
e Public support (line 26c minus line 26d total)					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f %
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) _____				
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) _____				
c Add Amounts from column (e) for lines 15 <u>20,851</u> 16 _____					27c 629,044
17 <u>608,193</u> 20 _____ 21 _____					
d Add Line 27a total and line 27b total					27d
e Public support (line 27c total minus line 27d total)					27e 629,044
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)					27f 629,420
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 99.94%
h Investment Income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h 0.06%
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	
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 11 of the instructions)

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

Part VI-B Lobbying Activity by Nonelecting Public Charities

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

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

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

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

MAY

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?

Table with 3 columns: Question, Yes, No. Rows include: Transfers from the reporting organization to a noncharitable exempt organization of (i) Cash, (ii) Other assets; Other transactions (i) Sales or exchanges of assets, (ii) Purchases of assets, (iii) Rental of facilities, (iv) Reimbursement arrangements, (v) Loans or loan guarantees, (vi) Performance of services; Sharing of facilities, equipment, mailing lists, other assets, or paid employees.

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

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. First row contains 'N/A'.

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

b If "Yes," complete the following schedule.

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. First row contains 'N/A'.

Name as shown on Return

HEART TO HEART ADOPTION SERVICES

Employer identification number

25-1805611

FORM 990, PART II, LINE 43B, OTHER EXPENSES:

Description	Amount
AMORTIZATION	18
CONSULTING FEES	14,177
OFFICE EXPENSE	1,731
EQUIPMENT RENTAL	221
COLLECTION EXPENSES	171
ADVERTISING	3,060
INTERNET CHARGES	715
CERTIFICATIONS	62
DOSSIER PREPARATION	280
CHARITABLE CONTRIBUTIONS	2,566
BANK SERVICE CHARGES	20
DUES AND SUBSCRIPTIONS	45
INSURANCE	19,837
Total	42,903

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	(1,034)
Total	1,493

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

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

-----FORM 990, PART I, LINE 20, OTHER CHANGES:-----

Description	Amount
ROUNDING DIFFERENCE IN PRIOR YEAR'S BEGINNING EQUITY	(6)
Total	(6)

10/4/2004
08:39

HEART TO HEART ADOPTION SERVICES
Federal ID #: 25-1805611
Asset Summary - Federal Tax Basis
Period Ended 12/31/03

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	1,973 39	120 61	2,094 00
2	1	REFRIGERATOR	03/16/99	N	MACRS	5	400 00	0 00	0 00	350 45	44 04	394 49
3	1	TV & VCR	03/18/99	N	MACRS	5	407 00	0 00	0 00	356 58	44 82	401 40
4	1	DESK TABLE & 3 CAB	03/25/99	N	MACRS	7	150 00	0 00	0 00	109 00	13 12	122 12
5	1	GOLDEN LEAF FURNI	04/21/99	N	MACRS	7	213 22	0 00	0 00	149 39	18 91	168 30
6	1	GOLDEN LEAF FURNI	05/01/99	N	MACRS	7	250 00	0 00	0 00	175 16	22 17	197 33
7	1	PART OF JENN'S DESK	05/08/99	N	MACRS	7	174 90	0 00	0 00	122 54	15 51	138 05
8	1	OFFICE FURNITURE	05/10/99	N	MACRS	7	307 38	0 00	0 00	215 37	27 26	242 63
9	1	LIVING ROOM FURNI	05/13/99	N	MACRS	7	500 00	0 00	0 00	350 33	44 35	394 68
10	1	NEW CHAIR FOR JEN	08/10/99	N	MACRS	7	121 55	0 00	0 00	82 00	11 30	93 30
11	1	GATEWAY COMPUTE	11/01/99	N	MACRS	7	1,799 88	0 00	0 00	1,167 37	180 72	1,348 09
12	1	OFFICE FURNITURE	11/29/99	N	MACRS	7	479 99	0 00	0 00	311 31	48 19	359 50
14	1	COPIER	04/17/00	N	MACRS	5	2,260 00	0 00	0 00	1,609 12	260 35	1,869 47
15	1	GATEWAY COMPUTE	10/25/00	N	MACRS	5	2,256 74	0 00	0 00	1,606 80	259 98	1,866 78
16	1	FIRE PROOF FILING C	04/05/00	N	MACRS	5	636 00	0 00	0 00	452 83	73 27	526 10
17	1	OFFICE FURNITURE	04/07/00	N	MACRS	7	250 00	0 00	0 00	140 67	31 24	171 91
18	1	FIRE PROOF FILING C	09/20/00	N	MACRS	5	636 00	0 00	0 00	452 83	73 27	526 10
19	1	GATEWAY COMPUTE	04/13/01	N	MACRS	5	2,057 46	0 00	0 00	1,069 88	395 03	1,464 91
20	1	DESK CHAIR	06/15/01	N	MACRS	5	76 00	0 00	0 00	39 52	14 59	54 11
21	1	GATEWAY COMPUTE	06/20/01	N	MACRS	5	2,017 00	0 00	0 00	1,048 84	387 26	1,436 10
22	1	COMPUTER DESK	08/17/01	N	MACRS	5	483 25	0 00	0 00	251 29	92 78	344 07
Group # 1 Total							<u>17,570.37</u>	<u>0.00</u>	<u>0.00</u>	<u>12,034.67</u>	<u>2,178.77</u>	<u>14,213.44</u>
Group # 2												
2	1	ORGANIZATION COST	02/01/98	M	SL	5	1,052 00	0 00	0 00	1,034 47	17 53	1,052 00
Group # 2 Total							<u>1,052.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,034.47</u>	<u>17.53</u>	<u>1,052.00</u>
Grand Total							<u>18,622.37</u>	<u>0.00</u>	<u>0.00</u>	<u>13,069.14</u>	<u>2,196.30</u>	<u>15,265.44</u>

Application for Extension of Time to File an Exempt Organization Return

Department of the Treasury Internal Revenue Service

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 [X]
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.

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.

Table with 3 columns: Type or print, Name of Exempt Organization, Employer Identification number. Includes address: HEART TO HEART ADOPTION SVC, INC., 3208 BENNER PIKE; PO BOX 56, BELLEFONTE, PA 16823.

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

- Form 990 [X], Form 990-T (corporation) [], Form 4720 []
Form 990-BL [], Form 990-T (sec. 401(a) or 408(a) trust) [], Form 5227 []
Form 990-EZ [], Form 990-T (trust other than above) [], Form 6069 []
Form 990-PF [], Form 1041-A [], 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 08-16, 2004, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
[X] calendar year 2003 or
[] tax year beginning , 20 , and ending , 20 .

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

3a 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 \$
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 \$
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). See instructions \$

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 [Handwritten Signature] Title [CPA] Date [5/13/04]
For Paperwork Reduction Act Notice, see instruction EEA Form 8868 (12-2000)

COPY

If you're filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1)

Part II: Additional (not automatic) 3-Month Extension of Time - Must File Original and One Copy.

Table with 3 columns: Type or print, Name of Exempt Organization, Employer identification number. Row 1: HEART TO HEART ADOPTION SVC, INC., 25-1805611. Row 2: 3208 BENNER PIKE; PO BOX 56. Row 3: BELLEFONTE, PA 16823.

Check type of return to be filed (File a separate application for each return):
[X] Form 990 [] Form 990-EZ [] Form 990-T (sec. 401(a) or 408(a) trust) [] Form 1041-A [] Form 5227 [] Form 8870
[] Form 990-BL [] Form 990-PF [] Form 990-T (trust other than above) [] Form 4720 [] Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

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 is for.

4 I request an additional 3-month extension of time until 11-15, 2004.
5 For calendar year 2003, or other tax year beginning 20 and ending 20
6 If this tax year is for less than 12 months, check reason: [] Initial return [] Final return [] Change in accounting period
7 State in detail why you need the extension

DETAILED ANALYSIS OF THE TAXPAYER'S TRANSACTIONS IS NOT YET COMPLETE.

8a 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 \$
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions \$

COPY

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 [Signature] Title CMA Date 2/14/04

Notice to Applicant - To Be Completed by the IRS

- [] We have approved this application Please attach this form to the organization's return.
[] We have not approved this application However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
[] We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file We are not granting a 10-day grace period.
[] We cannot consider this application because it was filed after the due date of the return for which an extension was requested
[] Other

Director By Date

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above

Table with 2 columns: Type or print, Name, Number and street (include suite, room, or apt. no.) Or a P.O. box number, City or town, province or state, and country (including postal or ZIP code)