

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)

2002

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 2002 calendar year, or tax year beginning and ending

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

C Name of organization: HEART TO HEART ADOPTION SERVICES
Number and street (or P O box if mail is not delivered to street address): FOXLURE BUILDING, 504 BENNER PIKE, PO BOX 56
City or town: BELLEFONTE, State or country: PA, ZIP + 4: 16823

D Employer identification number: 25-1805611
E Telephone number
F Accounting method: [] Cash [X] Accrual [] Other (specify)

G Web site

J ORGANIZATION TYPE (check only one) [X] 501(c)(3) (insert no) [] 4947(a)(1) OR [] 527

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

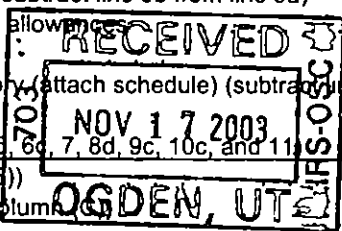
H and I are not applicable to section 527 organizations
H(a) Is this a group return for affiliates? [] Yes [X] No
H(b) If "Yes" enter number of affiliates
H(c) Are all affiliates included? [] Yes [] No
H(d) Is this a separate return filed by an organization covered by a group ruling? [] Yes [X] No

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 204,221

I Enter 4-digit GEN
M Check [X] 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 17 of the instructions)

Table with 21 rows and 4 columns: Description, (A) Securities, (B) Other, Amount. Includes Revenue (lines 1-12), Expenses (lines 13-17), and Net Assets (lines 18-21). Total Revenue: 195,839; Total Expenses: 196,361; Net Assets at end of year: 33,723.



16P

Part III 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 21 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	0		
23	Specific assistance to individuals (attach schedule)	23	0		
24	Benefits paid to or for members (attach schedule)	24	0		
25	Compensation of officers, directors, etc	25	71,100	71,100	
26	Other salaries and wages	26	15,735	15,735	
27	Pension plan contributions	27	0		
28	Other employee benefits	28	0		
29	Payroll taxes	29	6,643	6,643	
30	Professional fundraising fees	30	0		
31	Accounting fees	31	5,941	5,941	
32	Legal fees	32	0		
33	Supplies	33	0		
34	Telephone	34	7,960	7,960	
35	Postage and shipping	35	2,272	2,272	
36	Occupancy	36	0		
37	Equipment rental and maintenance	37	2,516	2,516	
38	Printing and publications	38	2,164	2,164	
39	Travel	39	8,425	8,425	
40	Conferences, conventions, and meetings	40	700	700	
41	Interest	41	0		
42	Depreciation, depletion, etc (attach schedule)	42	3,494	3,494	
43	Other expenses not covered above (itemize) a _____	43a	0		
	b SEE ATTACHED SCHEDULE	43b	69,411	69,411	
	c _____	43c	0		
	d _____	43d	0		
	e _____	43e	0		
	f _____	43f	0		
44	TOTAL FUNCTIONAL EXPENSES (add lines 22 through 43) ORGANIZATIONS COMPLETING COLUMNS (B)-(D) CARRY THESE TOTALS TO LINES 13-15	44	196,361	196,361	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 \$ _____, (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 24 of the instructions)

What is the organization's primary exempt purpose? ADOPTION SERVICE	Program Service Expenses
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.)	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 APPROX 40-50 ADOPTIONS WERE INITIATED IN 1999 (Grants and allocations \$ _____)	196,361
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)	196,361

Part IV Balance Sheets (See page 24 of the instructions)

Table with columns: Note, Description, (A) Beginning of year, (B) End of year. Rows include Assets (45-59), Liabilities (60-66), and Net Assets or Fund Balances (67-74).

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 26 of the instructions)	
a	Total revenue, gains, and other support per audited financial statements	a	203,897
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	203,897
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)		
	INTEREST INCOME		324
	Add amounts on lines (1) and (2)	d	324
e	Total revenue per line 12, Form 990 (line c plus line d)	e	204,221

Part IV-B		Reconciliation of Expenses per Audited Financial Statements with Expenses per Return	
a	Total expenses and losses per audited financial statements	a	204,743
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	204,743
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	204,743

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see page 26 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 EAST VALLEY RD, LOGANTON, PA	PRESIDENT	36,100	0	0
JENNIFER HOLDREN 1221 DOTTERER RD, MILL HALL, PA 17	EXECUTIVE DIRECTOR	35,000	0	0
ERNEST STUMP 1400 NORTH JUNIATA ST, HOLLIDAYSB	BOARD MEMBER	0	0	0
ANNE PENO 2530 SHINGLETOWN RD, STATE COLLE	BOARD MEMBER	0	0	0
SHANE ROYER 148 FRANKENBERGER LANE, SPRING M	BOARD MEMBER	0	0	0
PAMELA ROYER 148 FRANKENBERGER LANE, SPRING M	BOARD MEMBER	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 26 of the instructions

Part VI Other Information (See page 27 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		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		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a tax return on FORM 990-T for this year?		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		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?		X
b	If "Yes," enter the name of the organization <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt		
81 a	Enter direct or indirect political expenditures See line 81 instructions		
b	Did the organization file FORM 1120-POL for this year?		
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?		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)		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		
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		
c	Dues, assessments, and similar amounts from members		
d	Section 162(e) lobbying and political expenditures		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
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?		
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12		
b	Gross receipts, included on line 12, for public use of club facilities		
87	501(c)(12) orgs Enter a Gross income from members or shareholders		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
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		X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> NONE, section 4912 <input type="checkbox"/> NONE, section 4955 <input type="checkbox"/> NONE		
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		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="checkbox"/> NONE		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization <input type="checkbox"/> NONE		
90 a	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, 2002 (See instructions)	90b	4
91	The books are in care of <input type="checkbox"/> JENNIFER HOLDREN, EXE DIRECTOR Telephone no <input type="checkbox"/> (814) 355-4310 Located at <input type="checkbox"/> FOXLURE BLDG, 504 BENNER PIKE, PO BOX 56, 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 <input type="checkbox"/> 92		

Part VII Analysis of Income-Producing Activities (See page 31 of the instructions)

	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					29,028
b PLACEMENT FEES					57,498
c APPLICATION FEE					4,800
d HOME STUDY FEES					16,600
e OTHER REVENUE					8,150
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	324	
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					-3,461
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a					
b DIAKON					76,005
c REFERRAL PLACEMENT FEE					6,870
d					
e					
104 Subtotal (add columns (B), (D) and (E))			0	324	195,490
105 TOTAL (add line 104, columns (B) (D), and (E))					195,814

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 32 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 & 103 & 95	ALL PROCEEDS ARE USED FOR THE FURTHERANCE OF PROVIDING ADOPTION SERVICE AND
101	HOME STUDY EVALUATIONS

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 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 33 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 the information reported hereon (other than officer) is based on all information of which preparer has any knowledge

11-14-03

Date

EXE DIRECTOR

**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

2002

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
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 \$ <u>0</u> (Must equal amounts on line 38, Part VI-A, or line 1 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.	1	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
3	Does the organization make grants for scholarships, fellowships, student loans, etc ? (See NOTE below)	3	X
4	Do you have a section 403(b) annuity plan for your employees?	4	X
Note Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.			

Part IV Reason for Non-Private Foundation Status (See pages 3 through 5 of the instructions)	
The organization is not a private foundation because it is (Please check only ONE applicable box)	
5	<input type="checkbox"/> A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
6	<input type="checkbox"/> A school Section 170(b)(1)(A)(ii) (Also complete Part V)
7	<input type="checkbox"/> A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
8	<input type="checkbox"/> A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
9	<input type="checkbox"/> A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) ENTER THE HOSPITAL'S NAME, CITY, AND STATE _____
10	<input type="checkbox"/> 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	<input type="checkbox"/> 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	<input type="checkbox"/> A community trust Section 170(b)(1)(A)(vi) (Also complete the SUPPORT SCHEDULE in Part IV-A)
12	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> 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	<input type="checkbox"/> An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 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) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	70	11,133	9,623		20,826
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	152,325	183,191	77,187	16,484	429,187
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	52				52
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	152,447	194,324	86,810	16,484	450,065
24 Line 23 minus line 17	122	11,133	9,623	0	20,878
25 Enter 1% of line 23	1,524	1,943	868	165	
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 1998 through 2001 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 <u>0</u> 19 <u>0</u> 22 <u>0</u> 26b <u>0</u>					26d 0
e Public support (line 26c minus line 26d total)					26e 0
f PUBLIC SUPPORT PERCENTAGE (LINE 26E (NUMERATOR) DIVIDED BY LINE 26C (DENOMINATOR))					26f 0.00%
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:					
(2001) <u>0</u> (2000) <u>0</u> (1999) <u>0</u> (1998) <u>0</u>					
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:					
(2001) <u>0</u> (2000) <u>0</u> (1999) <u>0</u> (1998) <u>0</u>					
c Add: Amounts from column (e) for lines 15 <u>20,826</u> 16 <u>0</u> 17 <u>429,187</u> 20 <u>0</u> 21 <u>0</u>					27c 450,013
d Add: Line 27a total <u>0</u> and line 27b total <u>0</u>					27d 0
e Public support (line 27c total minus line 27d total)					27e 450,013
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)					27f 450,065
g PUBLIC SUPPORT PERCENTAGE (LINE 27E (NUMERATOR) DIVIDED BY LINE 27F (DENOMINATOR))					27g 99.99%
h INVESTMENT INCOME PERCENTAGE (LINE 18, COLUMN (E) (NUMERATOR) DIVIDED BY LINE 27F (DENOMINATOR))					27h 0.01%
28 UNUSUAL GRANTS. For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, 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 V Private School Questionnaire (See page 7 of the instructions)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 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		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred)			
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)	0	0
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	0	0
41	Lobbying nontaxable amount Enter the amount from the following table -		
	If the amount on line 40 is -		
	Not over \$500,000		
	Over \$500,000 but not over \$1 000,000		
	Over \$1,000,000 but not over \$1,500,000		
	Over \$1 500,000 but not over \$17 000,000		
	Over \$17,000,000		
	The lobbying nontaxable amount is -		
	20% of the amount on line 40		
	\$100,000 plus 15% of the excess over \$500,000		
	\$175 000 plus 10% of the excess over \$1,000,000		
	\$225,000 plus 5% of the excess over \$1,500,000		
	\$1 000 000		
42	Grassroots nontaxable amount (enter 25% of line 41)	0	0
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	0	0
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	0	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) 2002	(b) 2001	(c) 2000	(d) 1999	(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 11 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

FORM 990, LINE 43B, COLUMNS (A) & (B), OTHER EXPENSES, ATTACHMENT I		Total	69,411
1	MEALS & ENTERTAINMENT	1	1,798
2	RENT-BUILDING	2	11,975
3	INTERNET	3	267
4	AMORTIZATION	4	210
5	OFFICE EXPENSE	5	5,949
6	DUES & SUBSCRIPTIONS	6	948
7	CONTRIBUTION	7	0
8	ADVERTISING	8	9,043
9	INSURANCE	9	14,319
10	LICENSES & PERMITS	10	254
11	BANK CHARGES	11	416
12	CONSULTING	12	19,612
13	BONUS	13	474
14	CERTIFICATIONS	14	51
15	DOSSIER PREPARATION	15	700
16	MONETARY GIFT	16	2,350
17	AUTOMOBILE EXPENSE	17	1,045
18		18	
19		19	
20		20	
21		21	
22		22	
23		23	

Line 57 (990) - Land, buildings, and equipment

Land Only (net of any amortization)		Land (net of any amortization)	
		Beginning	End
1	-----	1	
2	-----	2	
3	-----	3	
4	-----	4	
5	-----	5	
6	-----	6	
7	-----	7	
8	-----	8	
9	-----	9	
10	-----	10	
Total land (net of any amortization)			0

Buildings and equipment Only		Buildings and equipment		Accumulated depreciation	
		Beginning	End	Beginning	End
1	-----	1	17,570	8,540	12,034
2	-----	2			
3	-----	3			
4	-----	4			
5	-----	5			
6	-----	6			
7	-----	7			
8	-----	8			
9	-----	9			
10	-----	10			
Total buildings and equipment			17,570	8,540	12,034

Buildings and equipment (less accumulated depreciation)	9,030	5,536
	Beginning of Year	End of Year
Total land, buildings and equipment	9,030	5,536

8/13/2003
15 16

HEART TO HEART ADOPTION SERVICES
Federal ID # 25-1805611
Asset Summary - Federal Tax Basis
Period Ended 12/31/02

Company H2F
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 30%</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	1 732 16	241 23	1,973 36
2	1	REFRIGERATOR	03/16/99	N	MACRS	5	400 00	0 00	0 00	306 40	44 05	350 45
3	1	TV & VCR	03/18/99	N	MACRS	5	407 00	0 00	0 00	311 76	44 82	356 58
4	1	DESK TABLE & 3 CAB	03/25/99	N	MACRS	7	150 00	0 00	0 00	92 60	16 40	109 00
5	1	GOLDEN LEAF FURNI	04/21/99	N	MACRS	7	213 22	0 00	0 00	123 86	25 53	149 39
6	1	GOLDEN LEAF FURNI	05/01/99	N	MACRS	7	250 00	0 00	0 00	145 22	29 94	175 16
7	1	PART OF JENN'S DESK	05/08/99	N	MACRS	7	174 90	0 00	0 00	101 60	20 94	122 54
8	1	OFFICE FURNITURE	05/10/99	N	MACRS	7	307 38	0 00	0 00	178 56	36 81	215 37
9	1	LIVING ROOM FURNI	05/13/99	N	MACRS	7	500 00	0 00	0 00	290 46	59 87	350 33
10	1	NEW CHAIR FOR JEN	08/10/99	N	MACRS	7	121 55	0 00	0 00	66 18	15 82	82 00
11	1	GATEWAY COMPUTE	11/01/99	N	MACRS	7	1,799 88	0 00	0 00	914 37	253 00	1,167 37
12	1	OFFICE FURNITURE	11/29/99	N	MACRS	7	479 99	0 00	0 00	243 84	67 47	311 31
14	1	COPIER	04/17/00	N	MACRS	5	2,260 00	0 00	0 00	1,175 20	433 92	1,609 12
15	1	GATEWAY COMPUTE	10/25/00	N	MACRS	5	2,256 74	0 00	0 00	1,173 51	433 29	1,606 80
16	1	FIRE PROOF FILING C	04/05/00	N	MACRS	5	636 00	0 00	0 00	330 72	122 11	452 83
17	1	OFFICE FURNITURE	04/07/00	N	MACRS	7	250 00	0 00	0 00	96 94	43 73	140 67
18	1	FIRE PROOF FILING C	09/20/00	N	MACRS	5	636 00	0 00	0 00	330 72	122 11	452 83
19	1	GATEWAY COMPUTE	04/13/01	N	MACRS	5	2,057 46	0 00	0 00	411 49	658 39	1,069 88
20	1	DESK CHAIR	06/15/01	N	MACRS	5	76 00	0 00	0 00	15 20	24 32	39 52
21	1	GATEWAY COMPUTE	06/20/01	N	MACRS	5	2,017 00	0 00	0 00	403 40	645 44	1,048 84
22	1	COMPUTER DESK	08/17/01	N	MACRS	5	483 25	0 00	0 00	96 65	154 64	251 29
Group # 1 Total							<u>17,570 37</u>	<u>0 00</u>	<u>0 00</u>	<u>8,540 84</u>	<u>3,493 83</u>	<u>12,034 6</u>
Group # 2												
2	1	ORGANIZATION COST	02/01/98	M	SL	5	1,052 00	0 00	0 00	824 07	210 40	1,034 47
Group # 2 Total							<u>1,052 00</u>	<u>0 00</u>	<u>0 00</u>	<u>824 07</u>	<u>210 40</u>	<u>1,034 47</u>
Grand Total							<u>18,622 37</u>	<u>0 00</u>	<u>0 00</u>	<u>9,364 91</u>	<u>3,704 23</u>	<u>13,069 1</u>

8868

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

September 2000)
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
If you are filing for an ADDITIONAL (NOT AUTOMATIC) 3-MONTH EXTENSION, COMPLETE ONLY PART II (on page 2 of this form)
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)
FOR FORM 990-T CORPORATIONS requesting an automatic 6-month extension - check this box and complete Part I only
Other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax
Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

NAME OR ADDRESS	Name of Exempt Organization HEART TO HEART ADOPTION SERVICES	EMPLOYER IDENTIFICATION NUMBER 25-1805611
	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)

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

I request an automatic 3-month (6 month, for 990-T CORPORATION) extension of time until 8/15/2003
to file the exempt organization return for the organization named above. The extension is for the organization's return for
 calendar year 2002 or
 tax year beginning _____, and ending _____

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

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). 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 [Handwritten Signature] Title CPA Date 5/14/2003

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

COPY

* If you are filing for an ADDITIONAL (NOT AUTOMATIC) 3-MONTH EXTENSION, COMPLETE ONLY PART II and check this box X
 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

TYPE OR PRINT	Name of Exempt Organization HEART TO HEART ADOPTION SERVICES	EMPLOYER IDENTIFICATION NUMBER 25-1805611
	Number, street, and room or suite no. If a P O box, see instructions FOXLURE BUILDING, 504 BENNER PIKE, PO BOX 56	
File by the extended due date for filing the return See instructions	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)

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 11/15/2003
 5 For calendar year 2002, or other tax year beginning _____ and ending _____
 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 TAXPAYER RESPECTFULLY REQUESTS ADDITIONAL TIME TO GATHER INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE TAX RETURN

8 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, 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 \$ _____ 0
 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 \$ _____ 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

COPY

Signature Robert A. Costa Title CPA Date 8/13/2003

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

TYPE OR PRINT	NAME U S ACCOUNTING & FINANCIAL SERVICES, INC
	NUMBER AND STREET (INCLUDE SUITE, ROOM, OR APT NO) OR A P O BOX NUMBER 1333 S ALLEN STREET, SUITE #1
	CITY OR TOWN, PROVINCE OR STATE, AND COUNTRY (INCLUDING POSTAL OR ZIP CODE) STATE COLLEGE, PA 16801
	STATE COLLEGE, PA 16801