

**Return of Organization Exempt From Income Tax**

**2002**

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

**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 2002 calendar year, or tax year beginning October 1, 2002, and ending September 30, 2002

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

**C** Name of organization  
Hope With Heart - A Non Profit Corp.

Number and street (or P O box if mail is not delivered to street address) Room/suite  
PO Box 618

City or town state or country and ZIP - 4  
Hewitt NJ 07421

**D** Employer identification number  
22 3306527

**E** Telephone number  
(718) 549-2248

**F** Accounting method  Cash  Accrual  
 Other (specify) ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

- H** and **I** are not applicable to section 527 organizations
- H(a)** Is this a group return for affiliates?  Yes  No
- H(b)** If "Yes" enter number of affiliates ▶
- H(c)** Are all affiliates included?  Yes  No  
(If "No" attach a list. See instructions.)
- H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**G** Web site ▶ www.hopewithheart.org

**J** Organization type (check only one) ▶  501(c) ( ) ◀ (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.

**I** Enter 4 digit GEN ▶

**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)

**L** Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ \$138,875

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See page 17 of the instructions)

SCANNED OCT 23 '03 Revenue

<b>1</b>	Contributions, gifts, grants, and similar amounts received				
<b>a</b>	Direct public support	<b>1a</b>	<u>69,832</u>		
<b>b</b>	Indirect public support	<b>1b</b>	<u>-0-</u>		
<b>c</b>	Government contributions (grants)	<b>1c</b>	<u>-0-</u>		
<b>d</b>	Total (add lines 1a through 1c) (cash \$ <u>69,832</u> noncash \$ _____)	<b>1d</b>		<u>69,832</u>	
<b>2</b>	Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>		<u>-0-</u>	
<b>3</b>	Membership dues and assessments	<b>3</b>		<u>-0-</u>	
<b>4</b>	Interest on savings and temporary cash investments	<b>4</b>		<u>193</u>	
<b>5</b>	Dividends and interest from securities	<b>5</b>		<u>-0-</u>	
<b>6a</b>	Gross rents	<b>6a</b>			
<b>b</b>	Less: rental expenses	<b>6b</b>			
<b>c</b>	Net rental income or (loss) (subtract line 6b from line 6a)	<b>6c</b>		<u>-0-</u>	
<b>7</b>	Other investment income (describe ▶ _____)	<b>7</b>		<u>0</u>	
<b>8a</b>	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
<b>b</b>	Less: cost or other basis and sales expenses	<b>8a</b>			
<b>c</b>	Gain or (loss) (attach schedule)	<b>8b</b>			
<b>d</b>	Net gain or (loss) (combine line 8c, columns (A) and (B))	<b>8c</b>			
<b>8d</b>		<b>8d</b>		<u>-0-</u>	
<b>9</b>	Special events and activities (attach schedule)				
<b>a</b>	Gross revenue (not including \$ <u>0</u> of contributions reported on line 1a)	<b>9a</b>	<u>68,850</u>		
<b>b</b>	Less: direct expenses other than fundraising expenses	<b>9b</b>	<u>38,143</u>		
<b>c</b>	Net income or (loss) from special events (subtract line 9b from line 9a)	<b>9c</b>		<u>30,707</u>	
<b>10a</b>	Gross sales of inventory, less returns and allowances	<b>10a</b>			
<b>b</b>	Less: cost of goods sold	<b>10b</b>			
<b>c</b>	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	<b>10c</b>		<u>-0-</u>	
<b>11</b>	Other revenue (from Part VII, line 103)	<b>11</b>		<u>-0-</u>	
<b>12</b>	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	<b>12</b>		<u>100,732</u>	
<b>13</b>	Program services (from line 44, column (B))	<b>13</b>		<u>59,304</u>	
<b>14</b>	Management and general (from line 44, column (C))	<b>14</b>		<u>15,589</u>	
<b>15</b>	Fundraising (from line 44, column (D))	<b>15</b>		<u>1,160</u>	
<b>16</b>	Payments to affiliates (attach schedule)	<b>16</b>		<u>-0-</u>	
<b>17</b>	Total expenses (add lines 16 and 44, column (A))	<b>17</b>		<u>76,053</u>	
<b>18</b>	Excess or (deficit) for the year (subtract line 17 from line 12)	<b>18</b>		<u>24,679</u>	
<b>19</b>	Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>		<u>34,405</u>	
<b>20</b>	Other changes in net assets or fund balances (attach explanation)	<b>20</b>		<u>-0-</u>	
<b>21</b>	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	<b>21</b>		<u>59,084</u>	

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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 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-	-0-		
23	Specific assistance to individuals (attach schedule)	23 -0-	-0-		
24	Benefits paid to or for members (attach schedule)	24 -0-	-0-		
25	Compensation of officers, directors, etc	25 1,600	1,600	-0-	-0-
26	Other salaries and wages	26 11,300	11,300	-0-	-0-
27	Pension plan contributions	27 -0-	-0-	-0-	-0-
28	Other employee benefits	28 -0-	-0-	-0-	-0-
29	Payroll taxes	29 1,026	1,026	-0-	-0-
30	Professional fundraising fees	30 -0-	-0-	-0-	-0-
31	Accounting fees	31 -0-	-0-	-0-	-0-
32	Legal fees	32 -0-	-0-	-0-	-0-
33	Supplies	33 55	-0-	55	-0-
34	Telephone	34 1,098	733	365	-0-
35	Postage and shipping	35 1,186	356	830	-0-
36	Occupancy	36 28,889	28,889	-0-	-0-
37	Equipment rental and maintenance	37 -0-	0	-0-	-0-
38	Printing and publications	38 354	-0-	248	106
39	Travel	39 -0-	-0-	-0-	-0-
40	Conferences, conventions and meetings	40 -0-	0	0	0
41	Interest	41 -0-	-0-	-0-	-0-
42	Depreciation depletion, etc (attach schedule)	42 1,506	-0-	452	1,054
43	Other expenses not covered above (itemize) a Storage	43a 825	825	0	0
	b Bank Fees/Licenses	43b 331	-0-	331	0
	c Camp Activities	43c 14,575	14,575	0	0
	d Insurance	43d 4,846	-0-	4,846	-0-
	e Advertising	43e 8,462	0	8,462	0
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44 76,053	59,304	15,589	1,160

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? <b>Camp for children-heart problem</b>	Program Service Expenses (Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others.)
a August, 2002 provided a 10day camp for 49 children (7-15) with heart defects, stroke victims, heart transplants. Used services of cardiac nurses, 5 professionals, 20 counselors in rented facilities. (Grants and allocations \$ _____)	\$51,228
b January, 2002 provided a "Winter Weekend" for 12 children (16&17) with heart defects, stroke victims, heart transplants. Utilized services of a cardiac care nurse, 2 professionals, 3 counselors rented facility. (Grants and allocations \$ _____)	\$ 5,616
c Throughout year we keep children in touch with each other encouraging visits, write or e-mail them. We connect parents in a network for mutual support. (Grants and allocations \$ _____)	\$ 2,460
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)	\$59,304

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

Note		Where required attached schedules and amounts within the description column should be for end-of-year amounts only		(A) Beginning of year		(B) End of year
Assets	45	Cash—non-interest bearing		\$ 33,505	45	\$ 20,897
	46	Savings and temporary cash investments		-0-	46	35,193
	47a	Accounts receivable		-0-	47c	-0-
	b	Less allowance for doubtful accounts		-0-		
	48a	Pledges receivable		-0-	48c	-0-
	b	Less allowance for doubtful accounts		-0-		
	49	Grants receivable		-0-	49	-0-
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		-0-	50	-0-
	51a	Other notes and loans receivable (attach schedule)		-0-	51c	-0-
	b	Less allowance for doubtful accounts		-0-		
	52	Inventories for sale or use		-0-	52	-0-
	53	Prepaid expenses and deferred charges		-0-	53	-0-
	54	Investments—securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		-0-	54	0
	55a	Investments—land, buildings and equipment basis		-0-	55c	-0-
	b	Less accumulated depreciation (attach schedule)		-0-		
	56	Investments—other (attach schedule)		-0-	56	-0-
	57a	Land buildings and equipment basis		5,100	57c	2,994
	b	Less accumulated depreciation (attach schedule)		2,106		
58	Other assets (describe _____ )		-0-	58	-0-	
<b>59 Total assets</b> (add lines 45 through 58) (must equal line 74)				\$ 34,405	59	\$ 59,084
Liabilities	60	Accounts payable and accrued expenses		-0-	60	-0-
	61	Grants payable		-0-	61	-0-
	62	Deferred revenue		-0-	62	-0-
	63	Loans from officers, directors trustees, and key employees (attach schedule)		-0-	63	-0-
	64a	Tax-exempt bond liabilities (attach schedule)		-0-	64a	-0-
	b	Mortgages and other notes payable (attach schedule)		-0-	64b	-0-
	65	Other liabilities (describe _____ )		-0-	65	-0-
<b>66 Total liabilities</b> (add lines 60 through 65)				-0-	66	-0-
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted		\$ 34,405	67	\$ 49,084
	68	Temporarily restricted		0	68	10,000
	69	Permanently restricted		-0-	69	-0-
	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		-0-	70	-0-
	71	Paid-in or capital surplus, or land building, and equipment fund		0	71	-0-
	72	Retained earnings, endowment accumulated income or other funds		0	72	-0-
<b>73 Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)				\$ 34,405	73	\$ 59,084
<b>74 Total liabilities and net assets / fund balances</b> (add lines 66 and 73)				\$ 34,405	74	\$ 59,084

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 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
78a	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
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?		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 or indirect political expenditures See line 81 instructions		
b	Did the organization file Form 1120-POL for this year?		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?		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)		
83a	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?	X	
84a	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?	X	
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
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		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		-0-
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		-0-
90a	List the states with which a copy of this return is filed <input type="checkbox"/> New Jersey		
b	Number of employees employed in the pay period that includes March 12, 2002 (See instructions)		0
91	The books are in care of <input type="checkbox"/> WILLIAM HURLEY Telephone no <input type="checkbox"/> 718 ) 549-2248 Located at <input type="checkbox"/> PQ Box 618, Hewitt, NJ ZIP + 4 <input type="checkbox"/> 07421		
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)

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 _____					
b _____					
c _____					
d _____					
e _____					
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	193	
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			02	30,707	
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))				30,900	
105 Total (add line 104, columns (B) (D) and (E))				30,900	30,900

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)
▼	

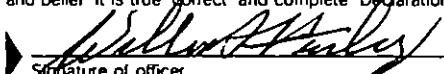
**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 32 of the instructions)

(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
	%			
N/A	%			
	%			
	%			

**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, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign  Date September 15, 2003

Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. W)
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**SCHEDULE A**  
(Form 990 or 990-EZ)

**Organization Exempt Under Section 501(c)(3)**

OMB No 1545 0047

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

**2002**

**Supplementary Information—(See separate instructions )**

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

Hope With Heart, A Non-Profit Corporation

Employer identification number

22 3306527

**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 1 of Part VI-B) <i>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.</i>		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?		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 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below.)		X
4 Do you have a section 403(b) annuity plan for your employees?		X
<b>Note:</b> 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  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8  A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶ \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12  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 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)	\$ 15,228	\$ 5,995	\$ 5,425	\$ 6,874	\$ 33,522
16 Membership fees received	0	0	0	0	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	41,645	14,320	28,059	19,643	103,667
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	-0-	-0-	-0-	-0-	-0-
19 Net income from unrelated business activities not included in line 18	-0-	-0-	-0-	-0-	0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf	-0-	-0-	-0-	-0-	-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-	-0-	-0-	-0-	-0-
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets	-0-	-0-	-0-	-0-	0
23 Total of lines 15 through 22	\$ 56,873	\$ 20,315	\$ 33,484	\$ 26,517	\$ 137,189
24 Line 23 minus line 17	\$ 15,228	\$ 5,995	5,425	\$ 6,874	\$ 33,522
25 Enter 1% of line 23	\$ 569	203	335	\$ 265	

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 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

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

(2001) -0- (2000) -0- (1999) -0- (1998) -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

(2001) -0- (2000) -0- (1999) -0- (1998) -0-

c Add Amounts from column (e) for lines 15 \$ 33,522 16 -0- ▶ 27c \$ 137,189  
 17 \$ 103,667 20 -0- 21 -0- ▶ 27d -0-

d Add Line 27a total -0- and line 27b total -0- ▶ 27e \$ 137,189

e Public support (line 27c total minus line 27d total) ▶ 27f \$ 137,189

f Total support for section 509(a)(2) test Enter amount from line 23 column (e) ▶ 27g 100 %

g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ 27h 0 %

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 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 )		
34a 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

<b>Limits on Lobbying Expenditures</b>		(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)	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—		
	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)	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) 2002	(b) 2001	(c) 2000	(d) 1999	(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 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			
b Paid staff or management (include compensation in expenses reported on lines c through h)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h)			

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



**Depreciation and Amortization**  
 (Including Information on Listed Property)

▶ See separate instructions    ▶ Attach to your tax return

Name(s) shown on return: Hope With Heart-A Non-Profit Corporation  
 Business or activity to which this form relates: Summer Camp/Health Related  
 Identifying number: 22-3306527

**Part I Election To Expense Certain Tangible Property Under Section 179**  
 Note If you have any listed property, complete Part V before you complete Part I

1	Maximum amount See page 2 of the instructions for a higher limit for certain businesses	1	\$24,000
2	Total cost of section 179 property placed in service (see page 2 of the instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less enter -0- If married filing separately, see page 2 of the instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c) lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2001 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10 but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2003 Add lines 9 and 10, less line 12 ▶	13	

Note Do not use Part II or Part III below for listed property Instead use Part V

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see page 3 of the instructions)	14	
15	Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16	Other depreciation (including ACRS) (see page 4 of the instructions)	16	

**Part III MACRS Depreciation (Do not include listed property) (See page 4 of the instructions)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2002	17	
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B—Assets Placed in Service During 2002 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		1,500	5yr	HY	DDB	\$ 300
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

**Section C—Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

**Part IV Summary** (see page 6 of the instructions)

21	Listed property Enter amount from line 28	21	
22	Total Add amounts from line 12 lines 14 through 17 lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instr	22	\$ 300
23	For assets shown above and placed in service during the current year enter the portion of the basis attributable to section 263A costs	23	

**Part V Listed Property** (include automobiles, certain other vehicles cellular telephones, certain computers and property used for entertainment, recreation or amusement)

**Note** For any vehicle for which you are using the standard mileage rate or deducting lease expense complete only 24a 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

**Section A—Depreciation and Other Information** (Caution See page 8 of the instructions for limits for passenger automobiles)

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

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

**Section B—Information on Use of Vehicles**

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

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles—see page 2 of the instructions)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

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

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see page 8 of the instructions)

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees obtain information from your employees about the use of the vehicles and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See page 9 of the instructions)		
<b>Note</b> If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2002 tax year (see page 9 of the instructions)					
43 Amortization of costs that began before your 2002 tax year					43
44 Total Add amounts in column (f) See page 9 of the instructions for where to report					44

N/A



990 2002 Detail re Part IV List of Officers, Trustees and Key Employees

Name and address	(B) Title /hrs per wk	Compensation	Sbenefit plans	Exp A/C
Mr Christopher Webbe ** 43 Bridge St Stroudsburg, PA 18360 570-420-0606	President 5 hours/week	-0-	-0-	-0-
Ms June Griffin 20 Smith St Waldwick, NJ 07463 201-445-2712	1st Vice President 5 hours/week	-0-	-0-	-0-
Mr Patrick Lynch 8 Chelsea Court Parlin, NJ 08859 732-525-0160	2nd Vice President 5 hours/week	-0-	-0-	-0-
Mr William Hurley PO Box 1405 Greenwood Lake, NY 10925 845-477-2269	Treasurer 10 hours/week	-0-	-0-	-0-
Ms Nancy Jarvis 462 Lakeshore Drive Hewitt, NJ 07421 973-853-4343	Recording Sec'y 2 hours/week	-0-	-0-	-0-
Ms Janice Webster 18 Purdue Avenue Oakland, NJ 07436 201-651-0540	Corresponding Sec'y 2 hours/week	-0-	-0-	-0-
Ms Virginia Cibenko** 19 Cooley Lane Hewitt, NJ 07421 973-728-1410	Camp Director 5 hours/week*	\$1,600 *	-0-	-0-
Robert J Tozzi, M D Hackensack Medical Center 30 Prospect, Imus Building Hackensack, NJ 07601 201-487-7617	Medical Director 5 hours/week	-0-	-0-	-0-
Mr Reuel Dankner 0-142 Blue Hill Avenue Fair Lawn, NJ 07410 201-797-9665	Director 2 hours/week	-0-	-0-	-0-
Mr Brian Grawehr 270 Hudson Avenue Norwood, NJ 07468 201-768-7667	Director 5 hours/week	-0-	-0-	-0-

\* Virginia Cibenko, Chief Staff Officer and Camp Director compensated \$1,600 for year during 10 day camp session resides full time, 24/7. at camp

\*\* Christopher Webbe & Virginia Cibenko are brother and sister

Certified Public Accountants  
90 Columbus Avenue, Valhalla New York 10595  
T 914 683 5553 F 914,683 5554

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HOPE WITH HEART  
A NON-PROFIT CORPORATION  
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2002

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Hope with Heart  
A Non-Profit Corporation  
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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of the  
Hope with Heart, A Non-Profit Corporation

We have audited the accompanying combining statement of assets and liabilities and fund balances - cash basis of Hope with Heart, A Non-Profit Corporation as of September 30, 2002 and the related combining statements of revenue, expenses and fund balances - cash basis. These financial statements are the responsibility of the management of Hope with Heart, A Non-Profit Corporation. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, it is management's policy to prepare its financial statements on the cash basis of accounting. These practices differ in some respects from accounting principles generally accepted in the United States of America. Accordingly, the financial statements referred to above are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Hope with Heart, A Non-Profit Corporation as of September 30, 2002 and the results of its operations and its cash flows for the years then ended in conformity with the basis of accounting as described in Note 1.

June 17, 2003

*Bosco, Johnson & Company*

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**Hope with Heart**  
**A Non-Profit Corporation**  
**Combining Statements of Assets and Liabilities and Fund Balances - Cash Basis**  
**September 30, 2002**

<u>Assets</u>	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total</u>
Current assets			
Cash	\$ 14,377	\$ 10,000	\$ 24,379
Time deposits	<u>35,193</u>	<u>-</u>	<u>35,193</u>
Total current assets	<u>49,570</u>	<u>10,000</u>	<u>59,570</u>
Fixed assets, less accumulated depreciation of \$2,106	<u>2,994</u>	<u>-</u>	<u>2,994</u>
Total Assets	<u>\$ 52,564</u>	<u>\$ 10,000</u>	<u>\$ 62,564</u>
<u>Liabilities and Fund Balances</u>			
Current liabilities - payroll taxes	\$ 3,480	\$ -	\$ 3,480
Fund balances	<u>49,084</u>	<u>10,000</u>	<u>59,084</u>
Total Liabilities and Fund Balances	<u>\$ 52,564</u>	<u>\$ 10,000</u>	<u>\$ 62,564</u>

The accompanying notes are an integral part of these financial statements

Hope with Heart  
A Non-Profit Corporation  
Combining Statements of Support and Revenue, Expenses and Fund Balances - Cash Basis  
For the Year Ended September 30, 2002

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total</u>
Support and revenue			
Fundraisers	\$ 68,850	\$ -	\$ 68,850
Contributions	59,832	10,000	69,832
Interest income	<u>193</u>	<u>-</u>	<u>193</u>
Total support and revenue	<u>128,875</u>	<u>10,000</u>	<u>138,875</u>
Expenses			
Advertising	8,462	-	8,462
Luncheons	5,584	-	5,584
Golf fundraiser	32,559	-	32,559
Camp operations	12,964	-	12,964
Facility fees	28,889	-	28,889
Salaries and payroll expense	13,926	-	13,926
Telephone	1,098	-	1,098
Insurance	4,846	-	4,846
Office	1,241	-	1,241
Storage	825	-	825
Licenses and fees	125	-	125
Depreciation	1,506	-	1,506
Professional fees	206	-	206
Miscellaneous	<u>1,965</u>	<u>-</u>	<u>1,965</u>
Total expenses	<u>114,196</u>	<u>-</u>	<u>114,196</u>
Excess of support and revenue over expenses	14,679	10,000	24,679
Fund balances - beginning of year	<u>34,405</u>	<u>-</u>	<u>34,405</u>
Fund balances - end of year	<u>\$ 49,084</u>	<u>\$ 10,000</u>	<u>\$ 59,084</u>

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The accompanying notes are an integral part of these financial statements

Hope with Heart  
A Non-Profit Corporation  
Notes to Financial Statements  
September 30, 2002

Note 1 - Summary of Significant Accounting Policies

Organization -

Hope with Heart, A Non-Profit Corporation provides year-round recreation and support activities for juvenile cardiac patients and their families

Use of Estimates in the Preparation of Financial Statements -

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that management uses.

Basis of Accounting -

The company uses the cash basis of accounting. Revenues are recorded when received and expenses are recorded when paid.

Fund Accounting -

The organization's books are maintained in accordance with the principles of fund accounting. The fund balances of the organization are reported using the following classifications:

General funds, which include unrestricted and restricted resources, represent the portion of expendable funds that are available for support of operations.

Capital funds, include restricted resources available for building construction and improvements.

Fair Value of Financial Instruments -

Financial Accounting Standards Board Statement No. 107, "Disclosures about Fair Value of Financial Instruments" requires that all entities disclose the fair value of financial instruments, as defined, for both assets and liabilities recognized and not recognized in the balance sheets. The company's financial instruments, as defined, are carried at approximate fair value.

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Hope with Heart  
A Non-Profit Corporation  
Notes to Financial Statements (continued)  
September 30, 2002

Note 1 - Summary of Significant Accounting Policies (continued)

Time Deposits -

Time deposits consist of investments with original maturities of three months or greater

Fixed Assets -

Fixed assets are stated at cost. Depreciation is calculated using the accelerated cost recovery method based upon the following estimated useful lives

	<u>Years</u>
Equipment	5

Expenditures for maintenance and repairs are charged to expense, and renewals and betterments are capitalized. Upon sale or retirement, the cost of the asset and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in the results of operations.

Note 2 - Fixed Assets

Fixed assets as of September 30, 2002 are as follows

Equipment	\$ 5,100
Less accumulated depreciation	<u>2,106</u>
	<u>\$ 2,994</u>

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