

Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

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

2007

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 2007 calendar year, or tax year beginning 01-01-2007 and ending 12-31-2007

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

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: HEARTH INC. Number and street: 1640 WASHINGTON STREET. City or town: BOSTON, MA 02118

D Employer identification number: 04-3206820. E Telephone number: (617) 369-1550. F Accounting method: Accrual

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

G Web site: WWW Hearth-Home ORG

J Organization type: 501(c) (3)

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than 25,000

H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? H(b) If "Yes" enter number of affiliates. H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number: 3461. M Check if the organization is not required to attach Sch B

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 3,249,638


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

Table with 21 rows and 4 columns: Line number, Description, Sub-column (a-d), and Amount. Includes Revenue (lines 1-12), Expenses (lines 13-17), and Net Assets (lines 18-21).

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 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
22a Grants paid from donor advised funds (attach Schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees etc Listed in Part V-A (attach schedule)	25a	121,400	13,611	107,789
b Compensation of former officers, directors, key employees etc listed in Part V-B (attach schedule)	25b	44,358		44,358
c Compensation and other distributions not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c			
26 Salaries and wages of employees not included on lines 25a, b and c	26	1,991,211	1,650,418	197,152
27 Pension plan contributions not included on lines 25a, b and c	27			
28 Employee benefits not included on lines 25a - 27	28	102,246	72,337	22,039
29 Payroll taxes	29	204,979	156,521	36,259
30 Professional fundraising fees	30			
31 Accounting fees	31	29,075	1,199	27,876
32 Legal fees	32	2,032	1,952	80
33 Supplies	33	23,929	23,919	10
34 Telephone	34	43,002	31,289	9,607
35 Postage and shipping	35	11,217	1,983	5,513
36 Occupancy	36	109,287	94,615	9,032
37 Equipment rental and maintenance	37			
38 Printing and publications	38	30,046	5,989	9,805
39 Travel	39	15,081	5,574	9,317
40 Conferences, conventions, and meetings	40			
41 Interest	41			
42 Depreciation, depletion, etc (attach schedule) 	42	53,733	45,233	7,930
43 Other expenses not covered above (itemize)	43a			
a See Additional Data Table	43a			
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g	43g			
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	2,982,121	2,291,461	478,399

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 the instructions.)

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.

<p>What is the organization's primary exempt purpose? ▶ <u>Hearth is dedicated to the elimination of homelessness among the elderly. This mission is accomplished through a unique blend of prevention, placement, and housing programs all designed to help elders find and succeed in homes of their own. To this end, all housing operated by Hearth provides a creative array of supportive services that assist residents to age with dignity, regardless of their special medical, mental health, or social needs. Hearth believes these goals are best accomplished through respect for elders and staff, with the desire to see both achieve their highest degree of potential.</u></p> <p>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.)</p>	<p style="text-align: center;">Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others.)</p>
<p>a SUPPORTIVE HOUSING -HEARTH MANAGES SEVEN SUPPORTIVE HOUSING SITES FOR 136 FORMERLY HOMELESS ELDERS AND THOSE WHO WERE AT RISK OF HOMELESSNESS. ALL OF HEARTH'S RESIDENTS RECEIVE THE HELP THEY NEED, AND APPROXIMATELY 70 RESIDENTS OR JUST OVER ONE-HALF OF HEARTH'S RESIDENT POPULATION RECEIVES DAILY ASSISTANCE IN ORDER TO REMAIN HOUSED IN THE COMMUNITY.</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	<p style="text-align: right;">2,050,066</p>
<p>b Outreach - Four case managers and a Director assisted approximately 220 homeless elders in their search for permanent housing and services during the year. Of the total served in 2007, 87 homeless elders were placed in permanent housing. Additionally, of the elders placed in permanent housing in the previous year, approximately 96% were still housed -- a success rate of which we are very proud.</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	<p style="text-align: right;">241,395</p>
<p>c</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>d</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>e Other program services (attach schedule)</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/></p>	
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶</p>	<p style="text-align: right;">2,291,461</p>

Part IV Balance Sheets (See the instructions.)

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

		(A)		(B)		
		Beginning of year		End of year		
Assets	45 Cash—non-interest-bearing		501,977	45	563,161	
	46 Savings and temporary cash investments		42,386	46	136	
	47a Accounts receivable	47a	249,755			
	b Less allowance for doubtful accounts	47b		282,881	47c	249,755
	48a Pledges receivable	48a				
	b Less allowance for doubtful accounts	48b		102,652	48c	
	49 Grants receivable				49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)				50a	
	b Receivables from other disqualified persons (as defined under section 4958(c)(3)(B) (attach schedule)				50b	
	51a Other notes and loans receivable (attach schedule)	51a				
	b Less allowance for doubtful accounts	51b			51c	
	52 Inventories for sale or use				52	
	53 Prepaid expenses and deferred charges		51,094	53	65,060	
	54a Investments—publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54a		
	b Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		316,959	54b	<input checked="" type="checkbox"/>	262,113
55a Investments—land, buildings, and equipment basis	55a					
b Less accumulated depreciation (attach schedule)	55b			55c		
56 Investments—other (attach schedule)				56		
57a Land, buildings, and equipment basis	57a	2,205,931				
b Less accumulated depreciation (attach schedule)	57b	520,024	1,452,809	57c	<input checked="" type="checkbox"/> 1,685,907	
58 Other assets, including program-related investments (describe <input type="checkbox"/> _____)			927,655	58	<input checked="" type="checkbox"/> 1,011,255	
59 Total assets (must equal line 74) Add lines 45 through 58		3,678,413	59	3,837,387		
Liabilities	60 Accounts payable and accrued expenses		442,330	60	317,280	
	61 Grants payable			61		
	62 Deferred revenue			62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)			63		
	64a Tax-exempt bond liabilities (attach schedule)			64a		
	b Mortgages and other notes payable (attach schedule)		887,500	64b	937,500	
	65 Other liabilities (describe <input type="checkbox"/> _____)		16,444	65	<input checked="" type="checkbox"/> 49,992	
66 Total liabilities Add lines 60 through 65		1,346,274	66	1,304,772		
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		2,128,923	67	2,353,560	
	68 Temporarily restricted		203,216	68	179,055	
	69 Permanently restricted			69		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74					
	70 Capital stock, trust principal, or current funds			70		
	71 Paid-in or capital surplus, or land, building, and equipment fund			71		
	72 Retained earnings, endowment, accumulated income, or other funds			72		
	73 Total net assets or fund balances Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)		2,332,139	73	2,532,615	
	74 Total liabilities and net assets / fund balances Add lines 66 and 73		3,678,413	74	3,837,387	

Part V-A Current Officers, Directors, Trustees, and Key Employees <i>(continued)</i>	Yes	No
75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings <u>16</u>		
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) .	75b	No
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization" If "Yes," attach a statement that includes the information described in the instructions	75c	No
d Does the organization have a written conflict of interest policy?	75d	Yes

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (If not paid enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
ELLEN NOLAN GARD 1640 washington street boston, MA 02118	0	28,858	0	0
JOANNE L SHERIDAN 1640 washington street boston, MA 02118	0	15,500	0	0

Part VI Other Information <i>(See the instructions.)</i>	Yes	No
76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76	No
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	No
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	No
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	No
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc , to any other exempt or nonexempt organization?	80a	Yes
b If "Yes," enter the name of the organization <input type="checkbox"/> See Additional Data Table _____ 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) <u>81a</u>		
b Did the organization file Form 1120-POL for this year?	81b	No

Part VI Other Information (continued)

Form 990 (2007) Part VI Other Information (continued)
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?
82b 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?
83b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84a Did the organization solicit any contributions or gifts that were not tax deductible?
84b 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?
85b Did the organization make only in-house lobbying expenditures of \$2,000 or less?
85c Dues assessments, and similar amounts from members
85d Section 162(e) lobbying and political expenditures
85e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices
85f Taxable amount of lobbying and political expenditures (line 85d less 85e)
85g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?
85h 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
86b 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
87b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)
88a 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
88b At any time during the year, did the organization directly or indirectly own a controlled entity within the meaning of section 512(b)(13)? If yes complete Part XI
89a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911
89b 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
89c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958
89d Enter Amount of tax on line 89c, above, reimbursed by the organization
89e All organizations. At any time during the tax year was the organization a party to a prohibited tax shelter transaction?
89f All organizations. Did the organization acquire direct or indirect interest in any applicable insurance contract?
89g For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?
90a List the states with which a copy of this return is filed
90b Number of employees employed in the pay period that includes March 12, 2007 (See instructions)
91a The books are in care of
91b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91c**

Yes No

If "Yes," enter the name of the foreign country **▶** _____

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here

and enter the amount of tax-exempt interest received or accrued during the tax year **▶** **92**

Part VII Analysis of Income-Producing Activities (See 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 program service fees					1,398,762
b Interest income on loans receivable					1,288
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	686	
96 Dividends and interest from securities			14	20,661	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b non debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a OTHER REVENUE					4,837
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				21,347	1,404,887
105 Total (add line 104, columns (B), (D), and (E)) ▶					1,426,234

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See 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)
93A	to provide group adult foster care services, HOUSING AND SOCIAL services to elderly individuals
93B	Interest income on loans receivable to related entities which used the proceeds to provide affordable housing for the elderly
103	OTHER INCOME EARNED IN CONNECTION WITH THE AGENCY'S EXEMPT PURPOSE

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See 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
CEEH E CONCORD INC 1640 Washington Street Boston, MA 02118 04-3288009	7900 00 %	LOW INCOME RENTAL	89	0
NCS Ruggles Inc 1640 Washington Street Boston, MA 02118 04-3519728	5000 00 %	low income rental	-451	0
HEARTH AT BURROUGHS LLC 1640 Washington Street Boston, MA 02118 04-3206820	10000 00 %	LOW INCOME RENTAL	159,222	1,043,038
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See 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).

Part XI Information Regarding Transfers To and From Controlled Entities *Complete only if the organization is a controlling organization as defined in section 512(b)(13)*

				Yes	No
106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity					
	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	
a					
b					
c					
Totals					

				Yes	No
107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity					
	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	
a					
b					
c					
Totals					

		Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006 covering the interests, rents, royalties and annuities described in question 107 above?			

Please Sign Here	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.		
	*****		2008-08-11
	Signature of officer		Date
	MARK D HINDERLIE, PRESIDENT & CEO Type or print name and title		

Paid Preparer's Use Only	Preparer's signature	MATTHEW HUTT	Date	2008-08-11	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen Inst W)
	Firm's name (or yours if self-employed), address, and ZIP + 4	alexander aronson finning & co pc 21 east main street westborough, MA 01581				EIN
						Phone no

**SCHEDULE A
(Form 990 or
990EZ)**

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information—(See separate instructions.)

OMB No 1545-0047

2007

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
HEARTH INC

Employer identification number

04-3206820

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
MARY E SHIELDS 1640 WASHINGTON STREET BOSTON, MA 02118	COO 40 00	86,399	5,950	0
MARY BOUCHARD 1640 WASHINGTON STREET BOSTON, MA 02118	CFO 40 00	85,874	418	0
DEBORAH CUTLER 1640 WASHINGTON STREET BOSTON, MA 02118	DIR BEHAVIORAL HLTH 40 00	69,479	350	0
ANNE GARMEY-CLUTZ 1640 WASHINGTON STREET BOSTON, MA 02118	DIRTOR IA 40 00	75,000	7,019	0
JOAN H DOHERTY 1640 WASHINGTON STREET BOSTON, MA 02118	NURSE 40 00	59,037	1,462	0
Total number of other employees paid over \$50,000	6			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individual 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
KROKIDAS BLUESTEIN 600 ATLANTIC AVENUE BOSTON, MA 02210	LEGAL SERVICE	53,037
Total number of others receiving over \$50,000 for professional services		

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individual or firms. If there are none, enter "None". See page 2 for instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of other contractors receiving over \$50,000 for other services		

Part III Statements About Activities (See page 2 of the instructions.)

Yes No

<p>1 During the year, has the organization attempted to influence national, state, or local legislation, include 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>10,027</u> (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B)</p> <p>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</p>	1	Yes	
<p>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.)</p> <p>a Sale, exchange, or leasing property?</p>	2a		No
<p>b Lending of money or other extension of credit?</p>	2b		No
<p>c Furnishing of goods, services, or facilities?</p>	2c		No
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>	2d	Yes	
<p>e Transfer of any part of its income or assets?</p>	2e		No
<p>3a Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)</p>	3a		No
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	3b	Yes	
<p>c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment , historic land areas or structures? If "Yes" attach a detailed statement</p>	3c		No
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	3d		No
<p>4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g</p>	4a		No
<p>b Did the organization make any taxable distributions under section 4966?</p>	4b		
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>	4c		
<p>d Enter the total number of donor advised funds owned at the end of the tax year ▶ _____</p>			
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____</p>			
<p>f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ <u>0</u></p>			
<p>g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ <u>0</u></p>			

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) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	1,725,290	1,809,447	1,627,072	1,396,908	6,558,717
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	1,389,670	1,180,287	1,209,904	2,625,464	6,405,325
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	14,099	24,528	50,394	17,997	107,018
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	2,458	1,003	4,720		8,181
23 Total of lines 15 through 22	3,131,517	3,015,265	2,892,090	4,040,369	13,079,241
24 Line 23 minus line 17	1,741,847	1,834,978	1,682,186	1,414,905	6,673,916
25 Enter 1% of line 23	31,315	30,153	28,921	40,404	
26 Organizations described on lines 10 or 11:					
a Enter 2% of amount in column (e), line 24					26a 133,478
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 2002 through 2005 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts					26b 91,522
c Total support for section 509(a)(1) test Enter line 24, column (e)					26c 6,673,916
d Add Amounts from column (e) for lines	18 107,018	19 0			
	22	26b 91,522			26d 206,721
e Public support (line 26c minus line 26d total)					26e 6,467,195
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 9690 26 %
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 (2006) _____ (2005) _____ (2004) _____ (2003) _____					
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 11b, 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 (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add Amounts from column (e) for lines	15 _____	16 _____			
	17 _____	20 _____	21 _____		
d Add Line 27a total _____ and line 27b total _____					27c _____
e Public support (line 27c total minus line 27d total)					27d _____
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)					27e _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27f _____
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27g _____
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, 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					27h _____

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 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**Limits on Lobbying Expenditures**

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

(a)
Affiliated group
totals**(b)**
To be completed
for all electing
organizations

36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount Enter the amount from the following table— If the amount on line 40 is— The lobbying nontaxable amount is— Not over \$500,000 20% of the amount on line 40 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000	41	
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)**Lobbying Expenditures During 4-Year Averaging Period**

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(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		No	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		No	
c Media advertisements		No	0
d Mailings to members, legislators, or the public		No	0
e Publications, or published or broadcast statements		No	0
f Grants to other organizations for lobbying purposes		No	0
g Direct contact with legislators, their staffs, government officials, or a legislative body	Yes		10,027
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		No	0
i Total lobbying expenditures (Add lines c through h.)			10,027

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

Form 4562

Depreciation and Amortization (Including Information on Listed Property)

OMB No 1545-0172

2007

Attachment Sequence No 67

Department of the Treasury Internal Revenue Service

See separate instructions. Attach to your tax return.

Table with 3 columns: Name(s) shown on return, Business or activity to which this form relates, Identifying number

Part I Election to Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

Table with 5 rows for Section 179 election details, including maximum amount, total cost, and dollar limitation.

Table with 13 rows for listed property details, including description, cost, elected cost, and tentative deduction.

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)

Table with 3 rows for special depreciation allowance and other depreciation details.

Part III MACRS Depreciation (Do not include listed property)

Section A

Table with 2 rows for MACRS deductions for assets placed in service in tax years beginning before 2007.

Table with 7 columns: Classification of property, Month and year placed in service, Basis for depreciation, Recovery period, Convention, Method, Depreciation deduction.

Section C—Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

Table with 3 rows for alternative depreciation system assets, including class life and recovery period.

Part IV Summary (see instructions)

Table with 3 rows for summary of listed property, total depreciation, and section 263A costs.

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 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

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation/deduction, (i) Elected section 179 cost. Includes rows 25-29 for special allowances and business use percentages.

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.

Table with 6 main columns: (a) Vehicle 1, (b) Vehicle 2, (c) Vehicle 3, (d) Vehicle 4, (e) Vehicle 5, (f) Vehicle 6. Rows 30-36 cover total miles driven and personal use availability.

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 instructions).

Table with 2 columns: Yes, No. Rows 37-41 cover policy statements and requirements for vehicle use by employees.

Part VI Amortization

Table with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year. Includes rows 42-44 for amortization calculations.

Additional Data

Software ID:
Software Version:
EIN: 04-3206820
Name: HEARTH INC

Form 990, Part II, Line 43 - Other expenses not covered above (itemize):

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
a CONSULTANTS AND CONTRACTED SERVICES	43a	38,506	24,882	10,487	3,137
b OFFICE EXPENSE	43b	30,407	13,418	13,576	3,413
c FOOD	43c	85,599	85,599		
d RECRUITMENT	43d	5,290	3,908	669	713
e MISCELLANEOUS	43e	20,009	12,120	7,314	575
f INSURANCE	43f	23,817	17,102	6,715	
g FUNDRAISING EXPENSE	43g	2,987			2,987
h other professional fees	43h	21,379	4,792	10,850	5,737
i BAD DEBT	43i	5,650	150		5,500
j G & A EXPENSES ALLOCATED TO AFFILIATES	43j	-57,969		-57,969	
k MANAGEMENT AND ADMINISTRATIVE FEES	43k	24,850	24,850		

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(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 plans	(E) Expense account and other allowances
MARK D HINDERLIE 1640 washington street boston, MA 02118	PRESIDENT & CEO 40 00	135,000	2,376	0
MARY S PARKER 1640 washington street boston, MA 02118	CHAIR 0 00	0	0	0
KEVIN MCCALL 1640 washington street boston, MA 02118	VICE CHAIR 0 00	0	0	0
ELLEN FEINGOLD 1640 washington street boston, MA 02118	TREASURER 0 00	0	0	0
MYRNA PUTZIGER 1640 washington street boston, MA 02118	CLERK 0 00	0	0	0
PAMELA JONES-SAMPSON 1640 washington street boston, MA 02118	ASSISTANT CLERK 0 00	0	0	0
GREG ANSIN 1640 washington street boston, MA 02118	BOARD MEMBER 0 00	0	0	0
ANNA M BISSONETTE 1640 washington street boston, MA 02118	BOARD MEMBER 0 00	0	0	0
ALAN ABRAMS 1640 washington street boston, MA 02118	BOARD MEMBER 0 00	0	0	0
SUSAN FORTI 1640 washington street boston, MA 02118	BOARD MEMBER 0 00	0	0	0

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(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 plans	(E) Expense account and other allowances
GLENN FRANK 1640 washington street boston, MA 02118	BOARD MEMBER 0 00	0	0	0
BOB HALLORAN 1640 washington street boston, MA 02118	BOARD MEMBER 0 00	0	0	0
GENE MILLER 1640 washington street boston, MA 02118	BOARD MEMBER 0 00	0	0	0
REBECCA RIDLEY 1640 washington street boston, MA 02118	BOARD MEMBER 0 00	0	0	0
KARYN F SCHEIER 1640 washington street boston, MA 02118	BOARD MEMBER 0 00	0	0	0
IRMA M SCHRETTTER 1640 washington street boston, MA 02118	BOARD MEMBER 0 00	0	0	0
JUDITH WATERSTON 1640 washington street boston, MA 02118	BOARD MEMBER 0 00	0	0	0

Form 990, Part VI, Line 80b - If "Yes", enter the name of the organization and whether it is exempt or nonexempt:

Name of the Organization	Exempt	Nonexempt
EAST CONCORD Street LIMITED PARTNERSHIP		X
hearth MANAGEMENT INC	X	
hearth BEACON INC	X	
4 Bishop Street inc	X	
CEEH E Concord Inc		X
NCS RUGGLES INC		X
HEARTH AT BURROUGHS LLC	X	

TY 2007 Investments - Securities Schedule

Name: HEARTH INC

EIN: 04-3206820

Description	Book Value	Cost/FMV
Investments	262,113	F

TY 2007 Land etc. Schedule

Name: HEARTH INC

EIN: 04-3206820

Category/Item	Cost/Other Basis	Accumulated Depreciation	Book Value
LAND	297,500		297,500
Buildings and Improvements	1,080,682	106,589	974,093
Furniture and Equipment	483,793	413,435	70,358
Contruction In Process	343,956		343,956
Financing Fees			0

TY 2007 Other Assets Schedule

Name: HEARTH INC

EIN: 04-3206820

Description	Beginning of Year Amount	End of Year Amount
INVESTMENT IN AFFILIATE - CEEH E CONCORD INC	240,000	240,000
DUE FROM AFFILIATES	612,669	623,747
DEVELOPMENT FEE RECEIVABLE	55,000	55,000
FUNDS HELD IN TRUST	16,444	49,992
FINANCING FEES	3,542	42,516

TY 2007 Other Changes in Net Assets Schedule

Name: HEARTH INC

EIN: 04-3206820

Description	Amount
unrealized LOSS	-9,072
TRANSFERS TO AFFILIATES	-57,969

TY 2007 Other Liabilities Schedule

Name: HEARTH INC

EIN: 04-3206820

Description	Beginning of Year Amount	End of Year Amount
FUNDS HELD IN TRUST	16,444	49,992

TY 2007 Non Electing Public Charities Statement

Name: HEARTH INC

EIN: 04-3206820

Statement: CRAVEN AND OBER POLICY STRATEGISTS, LLC PROVIDES DIRECT LOBBYING SERVICES TO HEARTH TO SUPPORT AND MAINTAIN THE HEARTH EARMARK IN THE STATE BUDGET .

TY 2007 Other Income Schedule

Name: HEARTH INC

EIN: 04-3206820

Description	2006	2005	2004	2003	Total
OTHER REVENUE	2,458	1,003	4,720		8,181