

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 \$ ⁰ noncash \$ ⁰) If this amount includes foreign grants, check here ☐	22a			
22b	Other grants and allocations (attach schedule) (cash \$ ⁰ noncash \$ ⁰) If this amount includes foreign grants, check here ☐	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	363,994	363,994	
b	Compensation of former officers, directors, key employees etc. listed in Part V-B (attach schedule)	25b			
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	7,159,905	6,888,903	158,323
27	Pension plan contributions not included on lines 25a, b and c	27			
28	Employee benefits not included on lines 25a - 27	28	1,444,267	1,355,215	30,603
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31			
32	Legal fees	32			
33	Supplies	33	177,843	166,339	5,422
34	Telephone	34	34,740	26,222	1,489
35	Postage and shipping	35	27,815	20,640	3,463
36	Occupancy	36	213,913	193,084	2,603
37	Equipment rental and maintenance	37	101,494	76,936	13,025
38	Printing and publications	38	96,056	74,511	16,491
39	Travel	39	188,666	163,369	10,338
40	Conferences, conventions, and meetings	40			
41	Interest	41	14,466	82	86
42	Depreciation, depletion, etc. (attach schedule)	42	580,023	464,057	29,426
43	Other expenses not covered above (itemize)				
a	PROFESSIONAL FEES	43a	233,120	180,634	8,713
b	INSURANCE	43b	100,923	93,465	921
c	ADVERTISING	43c	101,901	92,940	8,171
d	BAD DEBTS	43d	176,422	176,422	
e	FOOD	43e	204,295	202,582	1,698
f	UTILITIES	43f	204,185	176,852	3,748
g	MISCELLANEOUS	43g	183,248	149,677	3,689
44	Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	11,607,276	10,501,930	298,209

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

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

If "Yes," enter **(i)** the aggregate amount of these joint costs \$⁰_____, **(ii)** the amount allocated to Program services \$⁰_____, **(iii)** the amount allocated to Management and general \$0_____, and **(iv)** the amount allocated to Fundraising \$0_____.

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.

What is the organization's primary exempt purpose? ► HEARTSPRING, INC IS A PRIVATE, NOT-FOR-PROFIT ORGANIZATION AND ITS PURPOSES ARE TO (A) PROVIDE A COMPREHENSIVE, INTERDISCIPLINARY EDUCATIONAL PROGRAM FOR CHILDREN WITH SEVERE, MULTIPLE DISABILITIES, (B) PROVIDE IDENTIFICATION AND TREATMENT OF YOUNG CHILDREN WITH DEVELOPMENTAL DELAYS AND/OR DISABILITIES, (C) PROVIDE ASSESSMENT AND TREATMENT OF HEARING LOSS TO CHILDREN AND ADULTS, (D) TO ENGAGE IN ACTIVITIES DESIGNED TO MAKE A POSITIVE CONTRIBUTION TO THE FIELD OF SPECIAL EDUCATION		Program Service Expenses (Required for 501(c)(3) and (4) orgs , and 4947(a)(1) trusts, but optional for others)
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.)		
a HEARING CENTER - PROVIDES AUDIO TESTING, HEARING AIDS, ASSISTIVE LISTENING DEVICES AND SUPPLIES TO CHILDREN AND ADULTS. THE HEARING CENTER SERVED APPROXIMATELY 1,085 PEOPLE THIS YEAR.		
(Grants and allocations \$)	If this amount includes foreign grants, check here ► ☐	348,791
b PEDIATRIC SERVICES - PROVIDES OCCUPATIONAL, PHYSICAL, AND SPEECH THERAPY TO CHILDREN. THE CHILDREN'S THERAPY CENTER SERVED APPROXIMATELY 1,072 PEOPLE THE YEAR.		
(Grants and allocations \$)	If this amount includes foreign grants, check here ► ☐	1,119,091
c RESIDENTIAL/SCHOOL - PROVIDES FOOD AND LODGING, HOME LIVING SKILLS, HEALTH SERVICES AND SPECIAL EDUCATION. THE SCHOOL SERVED APPROXIMATELY 62 PEOPLE THIS YEAR.		
(Grants and allocations \$)	If this amount includes foreign grants, check here ► ☐	8,983,483
d HEARTSPRING WORLD REACH - DISCOVERY, CREATION, IMPLEMENTATION, AND DISSEMINATION OF KNOWLEDGE FOR THE DELIVERY OF INNOVATIVE AND EFFECTIVE SPECIAL EDUCATION AND REHABILITATION SERVICES TO CHILDREN AND FAMILIES. THE SHAKLEE INSTITUTE SERVED APPROXIMATELY 21 PEOPLE THIS YEAR.		
(Grants and allocations \$)	If this amount includes foreign grants, check here ► ☐	50,565
e Other program services (attach schedule) (Grants and allocations \$)	If this amount includes foreign grants, check here ► ☐	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) . . . ►		10,501,930

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) Beginning of year		(B) End of year	
Assets	45	Cash—non-interest-bearing	20,584	45	17,624	
	46	Savings and temporary cash investments	1,379,855	46	2,259,555	
	47a	Accounts receivable	1,882,744			
	b	Less allowance for doubtful accounts	196,000	1,576,622	47c	1,686,744
	48a	Pledges receivable	0			
	b	Less allowance for doubtful accounts	250	48c	0	
	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)				
	b	Less allowance for doubtful accounts		51c		
	52	Inventories for sale or use	11,004	52	7,601	
	53	Prepaid expenses and deferred charges	106,222	53	123,685	
	54a	Investments—publicly-traded securities . ☒ Cost ☐ FMV	0	54a	0	
	b	Investments—other securities (attach schedule) ☐ Cost ☒ FMV	2,450,000	54b	2,750,000	
55a	Investments—land, buildings, and equipment basis					
b	Less accumulated depreciation (attach schedule)		55c			
56	Investments—other (attach schedule)	126,079	56	133,672		
57a	Land, buildings, and equipment basis	17,616,361				
b	Less accumulated depreciation (attach schedule)	4,768,758	13,137,317	57c	12,847,603	
58	Other assets, including program-related investments (describe ☒ _____)		58			
59	Total assets (must equal line 74) Add lines 45 through 58	18,807,933	59	19,826,484		
Liabilities	60	Accounts payable and accrued expenses	880,502	60	836,663	
	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)		64b		
	65	Other liabilities (describe ☒ _____)		65		
	66	Total liabilities Add lines 60 through 65	880,502	66	836,663	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted	17,921,401	67	18,976,198	
	68	Temporarily restricted	6,030	68	13,623	
	69	Permanently restricted		69		
	Organizations that do not follow SFAS 117, check here ☐ 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)	17,927,431	73	18,989,821	
	74	Total liabilities and net assets / fund balances Add lines 66 and 73 . .	18,807,933	74	19,826,484	

Part IV-A

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	13,364,016
b	Amounts included on line a but not on Part I, line 12		
1	Net unrealized gains on investments	b1	41,744
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify) 	b4	694,349
	Add lines b1 through b4	b	736,093
c	Subtract line b from line a	c	12,627,923
d	Amounts included on Part I, line 12, but not on line a		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify) _____	d2	
	Add lines d1 and d2	d	736,093
e	Total revenue (Part I, line 12) Add lines c and d	e	12,627,923

Part IV-B

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements	a	11,640,676
b	Amounts included on line a but not on Part I, line 17		
1	Donated services and use of facilities	b1	
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify) 	b4	33,400
	Add lines b1 through b4	b	33,400
c	Subtract line b from line a	c	11,607,276
d	Amounts included on Part I, line 17, but not on line a:		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify) _____	d2	
	Add lines d1 and d2	d	
e	Total expenses (Part I, line 17) Add lines c and d	e	11,607,276

Part V-A

Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
See Additional Data Table				

No

75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings <u>12</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.)

[illegible]

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  See Additional Data Table _____ and check whether it is ☐ exempt or ☐ nonexempt			
81a	Enter direct or indirect political expenditures (See line 81 instructions) 81a _____			
b	Did the organization file Form 1120-POL for this year?	81b		No

Part VI

Other Information (continued)

Yes

No

82a

Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?

82a

No

b

If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)

82b

83a

Did the organization comply with the public inspection requirements for returns and exemption applications?

83a

Yes

b

Did the organization comply with the disclosure requirements relating to quid pro quo contributions?

83b

Yes

84a

Did the organization solicit any contributions or gifts that were not tax deductible?

84a

No

b

If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?

84b

85

501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?

85a

b

Did the organization make only in-house lobbying expenditures of \$2,000 or less?

85b

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 the prior year.

c

Dues assessments, and similar amounts from members

85c

d

Section 162(e) lobbying and political expenditures

85d

e

Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices

85e

f

Taxable amount of lobbying and political expenditures (line 85d less 85e)

85f

g

Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?

85g

h

If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?

85h

86

501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12

86a

0

b

Gross receipts, included on line 12, for public use of club facilities

86b

0

87

501(c)(12) orgs. Enter a Gross income from members or shareholders

87a

0

b

Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)

87b

0

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.

88a

No

b

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.

88b

No

89a

501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under section 4911, 0, section 4912, 0, section 4955, 0.

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.

d

Enter: Amount of tax on line 89c, above, reimbursed by the organization.

e

All organizations. At any time during the tax year was the organization a party to a prohibited tax shelter transaction?

89e

No

f

All organizations. Did the organization acquire direct or indirect interest in any applicable insurance contract?

89f

No

g

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?

89g

No

90a

List the states with which a copy of this return is filed.

90b

273

91a

The books are in care of: HEARTSPRING INC
8700 EAST 29TH STREET NORTH
Located at: WICHITA, KS
Telephone no: (316) 634-8700
ZIP + 4: 67226

b

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)?

91b

No

If "Yes," enter the name of the foreign country.

See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.

Form 990 (2006)

Part VI Other Information <i>(continued)</i>		Yes	No
c At any time during the calendar year, did the organization maintain an office outside of the United States?		91c	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 FEES, RESIDENTAL &					
b SCHOOL PROGRAMS					9,294,440
c FEES, COMM SERV					
d EVALUATION PROGRAM					1,374,411
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	172,542	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property	531120	651			
b non debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income			15	9,032	
100 Gain or (loss) from sales of assets other than inventory			18	26,407	
101 Net income or (loss) from special events			01	-19,217	
102 Gross profit or (loss) from sales of inventory					263,769
103 Other revenue a OTHER REVENUE					87,269
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		651		188,764	11,019,889
105 Total (add line 104, columns (B), (D), and (E))					11,209,304

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)
	See Additional Data Table

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
	%			
	%			
	%			
	%			

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)

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	Yes	No	
			No	
	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
Totals				

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	Yes	No	
			No	
	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
Totals				

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?	Yes	No
			No

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.

Signature of officer

2008-02-01

Date

PAUL FABER VP OF FINANCE

Type or print name and title

Paid Preparer's Use Only	Preparer's signature	JASON J BARB	Date	Check if self-employed	Preparer's SSN or PTIN (See Gen Inst W)
	Firm's name (or yours if self-employed), address, and ZIP + 4				EIN
	1551 N WATERFRONT PKWY STE 300 WICHITA, KS 672066601				Phone no (316) 265-2811

SCHEDULE A
(Form 990 or 990EZ)



Department of the Treasury
Internal Revenue Service

Name of the organization
HEARTSPRING INC

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.)

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

OMB No 1545-0047

2006

Name of the organization
HEARTSPRING INC

Employer identification number
48-0561969

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 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
WAYNE PIERSEL 8700 EAST 29TH STREET NORTH WICHITA, KS 67226	DIRECTOR OF PSYCH 40 0	82,003	7,624	76
CHRIS VACEK 8700 EAST 29TH STREET NORTH WICHITA, KS 67226				
PAT PURVIS 8700 EAST 29TH STREET NORTH WICHITA, KS 67226	CIO 40 0	73,427	7,247	219
DELOYCE MCKEE 8700 EAST 29TH STREET NORTH WICHITA, KS 67226				
CYNDI CHAPMAN 8700 EAST 29TH STREET NORTH WICHITA, KS 67226	PSYCHOLOGIST 40 0	72,798	5,924	0
	DIRECTOR OF SCHOOL 40 0	69,825	4,582	463
	DIR OF PEDIATRIC SVC 40 0	66,074	8,618	573
Total number of other employees paid over \$50,000	22			

Part II-A 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
UNIVERSITY OF KANSAS SCHOOL OF MEDI 1010 N KANSAS WICHITA, KS 67214	PHYSICIAN SERVICES	67,770
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 individuals 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
CENTRAL PLAINS MAINTENANCE 3454 W 29TH S WICHITA, KS 67217	JANITORIAL SERVICES	107,314
Total number of other contractors receiving over \$50,000 for other services		

For Paperwork Reduction Act Notice, see the Instructions for Form 990 andCat No 11285F

Schedule A (Form 990 or 990-EZ)

Form 990-EZ.2006

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, 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 ►\$ _____(Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B)	1		No
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) 📎			
a	Sale, exchange, or leasing property?	2a		No
b	Lending of money or other extension of credit?	2b		No
c	Furnishing of goods, services, or facilities?	2c		No
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	Yes	
e	Transfer of any part of its income or assets?	2e		No
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)	3a		No
b	Did the organization have a section 403(b) annuity plan for its employees?	3b	Yes	
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	3c		No
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		No
4a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g	4a		No
b	Did the organization make any taxable distributions under section 4966?	4b		No
c	Did the organization make a distribution to a donor, donor advisor, or related person?	4c		No
d	Enter the total number of donor advised funds owned at the end of the tax year ► _____			
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ► _____			
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 ► 0 _____			
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ► 0 _____			

Part IV

Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that 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 otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization
- ☐ Type I

☐ Type II

☐ Type III - Functionally Integrated

☐ Type III - Other

Provide the following information about the supported organizations. (see page 7 of the instructions.)					
(a) Name(s) of supported organization(s)	(b) Employer identification number	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support?
			Yes	No	
Total ▶					

- 14
- ☐
- An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	883,902	827,210	962,701	1,308,577	3,982,390
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	10,597,343	10,537,834	9,400,117	9,100,742	39,636,036
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	135,908	49,464	86,284	22,983	294,639
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					0
23 Total of lines 15 through 22	11,617,153	11,414,508	10,449,102	10,432,302	43,913,065
24 Line 23 minus line 17	1,019,810	876,674	1,048,985	1,331,560	4,277,029
25 Enter 1% of line 23	116,172	114,145	104,491	104,323	
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 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	
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 22 26b				26d	
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				
	(2005)	0(2004)	0(2003)	0(2002)	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 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	(2005)	0(2004)	0(2003)	0(2002)	0
c Add Amounts from column (e) for lines 15 17 16 20 21	3,982,390	39,636,036	0	0	0
d Add Line 27a total and line 27b total	0	0	0	0	0
e Public support (line 27c total minus line 27d total)					
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)	27f	43,913,065			
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g				99 33 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h				0 67 %
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					

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)

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?		Yes	No
29				
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?			
30				
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)			
31				
32	Does the organization maintain the following			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	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?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	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?	34a		
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	34b		
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	35		

Part VI-A

Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.)
(To be completed ONLY by an eligible organization that filed Form 5768)

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

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

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term "expenditures" means amounts paid or incurred)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	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 \$500,00020% 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	0
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	0
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.			

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
See the instructions for lines 45 through 50 on page 13 of the instructions)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) 	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(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 13 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 .)			
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			

Exempt Organizations (See page 13 of the instructions.)

501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

Yes	No
-----	----

- | | | |
|---------------|--|-----|
| 51a(i) | | N o |
| a(ii) | | N o |
| b(i) | | N o |
| b(ii) | | N o |
| b(iii) | | N o |
| b(iv) | | N o |
| b(v) | | N o |
| b(vi) | | N o |
| c | | N o |

c		No
----------	--	----

goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

[illegible]

described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

▶ ☐ **Yes** ☒ **No**

b If "Yes," complete the following schedule

[illegible]

Additional Data

Software ID:
Software Version:
EIN: 48-0561969
Name: HEARTSPRING INC

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
GARY SINGLETON 8700 EAST 29TH STREET NORTH WICHITA, KS 67226	PRESIDENT & CEO 40 0	160,000	14,627	0
JERRY STEWART 8700 EAST 29TH STREET NORTH WICHITA, KS 67226	EXEC VP & COO 40 0	95,004	4,786	1,304
PAUL FABER 8700 EAST 29TH STREET NORTH WICHITA, KS 67226	VP FINANCE 40 0	82,800	5,473	0
DONALD GLENN 8700 EAST 29TH STREET NORTH WICHITA, KS 67226	BOARD MEMBER 1 0	0	0	0
JAMES WONG 8700 EAST 29TH STREET NORTH WICHITA, KS 67226	BOARD MEMBER 1 0	0	0	0
ROBERT HARBISON 8700 EAST 29TH STREET NORTH WICHITA, KS 67226	BOARD MEMBER 1 0	0	0	0
AIDAN DUNLEAVY PhD 8700 EAST 29TH STREET NORTH WICHITA, KS 67226	BOARD MEMBER 1 0	0	0	0
WILLIAM MATTHEWS 8700 EAST 29TH STREET NORTH WICHITA, KS 67226	BOARD MEMBER 1 0	0	0	0
BOB MELCHOR 8700 EAST 29TH STREET NORTH WICHITA, KS 67226	BOARD MEMBER 1 0	0	0	0
BETH RAPER 8700 EAST 29TH STREET NORTH WICHITA, KS 67226	BOARD MEMBER 1 0	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
CRAIG NELSON 8700 EAST 29TH STREET NORTH WICHITA,KS 67226	BOARD MEMBER 1 0	0	0	0
STEVE OWENS 8700 EAST 29TH STREET NORTH WICHITA,KS 67226	BOARD MEMBER 1 0	0	0	0
WILLIAM G WATSON 8700 EAST 29TH STREET NORTH WICHITA,KS 67226	BOARD MEMBER 1 0	0	0	0
MARILYN PAULY 8700 EAST 29TH STREET NORTH WICHITA,KS 67226	BOARD MEMBER 1 0	0	0	0
ROBERT WITTLER MD 8700 EAST 29TH STREET NORTH WICHITA,KS 67226	BOARD MEMBER 1 0	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
HEARTSPRING ENDOWMENT TRUST	X	
HEARTSPRING FOUNDATION	X	

Form 990, Part VIII - Relationship of Activities to the Accomplishment of Exempt Purposes:

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).
93B	FEES CHARGED FOR CLIENT CARE, HOME LIVING, SPECIAL
0	EDUCATION, AND PSYCHOLOGICAL SERVICES CLIENT CAN BE FROM
0	ALL STATES AND COUNTRIES
93D	FEES CHARGED FOR AUDIOLOGY SERVICES, OCCUPATIONAL, PHYSICAL
0	AND SPEECH THERAPY
102	GROSS SALES LESS COGS ON HEARING AIDS, ASSISTIVE LISTENING
0	DEVICES, BATTERIES, ETC
103B	MISC FEES, SERVICES, COMMISSIONS AND SALES

TY 2006 Investments - Other Schedule

Name: HEARTSPRING INC

EIN: 48-0561969

Description	Book Value	Cost/FMV
REPURCHASE AGREEMENT	133,672	

TY 2006 Investments - Securities Schedule

Name: HEARTSPRING INC

EIN: 48-0561969

Description	Book Value	Cost/FMV
ASSET BACKED SECURITIES - OTHER	2,750,000	F

TY 2006 Officer Compensation Schedule**Name:** HEARTSPRING INC**EIN:** 48-0561969**GARY SINGLETON**

	Compensation	EE Benefit Plans	Expense Acct
Program Services			
Mgmt & General	160,000	14,627	
Fundraising			

JERRY STEWART

	Compensation	EE Benefit Plans	Expense Acct
Program Services			
Mgmt & General	95,004	4,786	1,304
Fundraising			

PAUL FABER

	Compensation	EE Benefit Plans	Expense Acct
Program Services			
Mgmt & General	82,800	5,473	
Fundraising			

TY 2006 Other Changes in Net Assets Schedule

Name: HEARTSPRING INC

EIN: 48-0561969

Description	Amount
UNREALIZED GAIN ON INVESTMENTS	41,744
ROUNDING	1

TY 2006 Other Expenses Included Schedule

Name: HEARTSPRING INC

EIN: 48-0561969

Description	Amount
SPECIAL EVENTS EXPENSES	33,400

TY 2006 Other Investment Income Schedule

Name: HEARTSPRING INC

EIN: 48-0561969

Description	Amount
ROYALTY INCOME	9,032

TY 2006 Other Revenues Included Schedule**Name:** HEARTSPRING INC**EIN:** 48-0561969

Description	Amount
REV. REPORTED ON 48-6114194	313,390
REV. REPORTED ON 48-1232409	347,559
SPECIAL EVENTS EXPENSES	33,400

TY 2006 Sales Of Inventory Schedule

Name: HEARTSPRING INC

EIN: 48-0561969

Category	Gross Sales	Cost of Goods Sold	Net (Gross Sales Minus Cost of Goods Sold)
	619,543	355,774	263,769

TY 2006 Special Events Schedule**Name:** HEARTSPRING INC**EIN:** 48-0561969

Event Name	Gross Receipts	Contributions	Gross Revenue	Direct Expense	Net Income (Loss)
LIGHTS ON THE LAKE	1,755	72,283	1,755	12,475	-10,720
AXA GOLF TOURNAMENT	8,603	29,482	8,603	15,176	-6,573
PEDALFEST	3,825	12,197	3,825	2,758	1,067
GET IT TOGETHER GIRL	0	1,939	0	2,991	-2,991

TY 2006 Self Dealing Statement

Name: HEARTSPRING INC

EIN: 48-0561969

Line Number	Explanation
2d	

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2006 Supplemental Support Schedule

Name: HEARTSPRING INC

EIN: 48-0561969

Year	Gifts, Grants and Contributions Received	Membership Fees Received	Gross Receipts From Admissions, Etc.	Gross Investment Income And Post 1975UBI	Net UBI Pre 1975	Tax Revenues Levied For Organization's Benefit	Value Of Services, Facilities Furnished By Government	Other Income	Total
2006	883,902		10,597,343	135,908					11,617,153
2004	827,210		10,537,834	49,464					11,414,508
2003	962,701		9,400,117	86,284					10,449,102
2002	1,308,577		9,100,742	22,983					10,432,302