

Return of Organization Exempt From Income Tax

2005

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

For the 2005 calendar year, or tax year beginning Jul 1, 2005, and ending Jun 30, 2006

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: MENDING HEARTS, INC
Number and street (or P.O. box if mail is not delivered to the main office): PO BOX 280236
City, town or country: NASHVILLE TN ZIP code + 4: 37228-0236

D Employer Identification Number: 73-1697900

E Telephone number: (615) 385-1696

F Accounting method: [X] Cash [] Accrual [] Other (specify)

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

H and I are not applicable to section 527 organizations.

H (a) Is this a group return for affiliates? [] Yes [X] No

H (b) If 'Yes,' enter number of affiliates

H (c) Are all affiliates included? [] Yes [] No (If 'No,' attach a list. See instructions.)

H (d) Is this a separate return filed by an organization covered by a group ruling? [] Yes [] No

I Group Exemption Number

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

G Web site: N/A

J Organization type (check only one) [X] 501(c) 3 (insert no.) [] 4947(a)(1) or [] 527

K Check here [] if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 143,336.

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

Table with 21 rows and multiple columns. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues; 4 Interest on savings; 5 Dividends; 6a-6c Gross rents; 7 Other investment income; 8a-8d Gross amount from sales of assets; 9 Special events and activities; 10a-10c Gross sales of inventory; 11 Other revenue; 12 Total revenue; 13-17 Expenses; 18-21 Net assets or fund balances.

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Part I 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.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22				
23 Specific assistance to individuals (att sch)	23				
24 Benefits paid to or for members (att sch)	24				
25 Compensation of officers, directors, etc	25	0.	0.	0.	0.
26 Other salaries and wages	26	8,629.	0.	8,629.	0.
27 Pension plan contributions	27				
28 Other employee benefits	28	902.	0.	902.	0.
29 Payroll taxes	29	729.	0.	729.	0.
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33	5,615.	5,615.	0.	0.
34 Telephone	34				
35 Postage and shipping	35				
36 Occupancy	36				
37 Equipment rental and maintenance	37				
38 Printing and publications	38				
39 Travel	39	15.	0.	15.	0.
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42	1,268.	0.	0.	0.
43 Other expenses not covered above (itemize):					
a OFFICE SUPP/EXP	43a	1,839.	0.	1,839.	0.
b ADVERTISING/PROMOTION	43b	1,926.	1,926.	0.	0.
c FUNDRAISING	43c	6,599.	0.	0.	6,599.
d VEHICLE EXPENSE	43d	7,485.	7,485.	0.	0.
e PROFESSIONAL FEES	43e	343.	0.	343.	0.
f DRUG SCREENING	43f	311.	311.	0.	0.
g See Other Expenses Stmt	43g	12,228.	8,478.	3,750.	0.
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	47,889.	23,815.	16,207.	6,599.

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 \$ _____

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Form 990 (2005)

Part III Statement of Program Service Accomplishments

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? <u>CHARITABLE TRANSITIONAL RECOVERY</u> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)
a <u>MENDING HEARTS INC, IS A TRANSITIONAL HOUSING FACILITY</u> <u>COMMITTED TO PROVIDING SUPPORT TO WOMEN WHO ARE SEEKING TO</u> <u>OVERCOME THE CONSEQUENCES OF THE INSIDIOUS DIEASE OF DRUG</u> <u>ADDICTED. 07/01/05 THROUGH 06/30/06 186 ADDICTED& HOMELESS</u> <u>WOMEN WERE SERVED 53 COMPLETED THE PROGRAM 133 INCOMPLETE</u> (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	23,815.
b _____ _____ _____ _____ _____ (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
c _____ _____ _____ _____ _____ (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
d _____ _____ _____ _____ _____ (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
e Other program services (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	23,815.

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Part IV Balance Sheets (See 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	-636.	45	7,728.
	46 Savings and temporary cash investments		46	2,000.
	47a Accounts receivable		47a	
	b Less: allowance for doubtful accounts		47b	
	48a Pledges receivable		48a	
	b Less: allowance for doubtful accounts		48b	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes & loans receivable (attach sch)		51a	
	b Less: allowance for doubtful accounts		51b	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments – securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54
	55a Investments – land, buildings, & equipment: basis		55a	
	b Less: accumulated depreciation (attach schedule)		55b	
	56 Investments – other (attach schedule)		56	
	57a Land, buildings, and equipment: basis	8,581.	57a	
	b Less: accumulated depreciation (attach schedule)	1,819.	57b	
	58 Other assets (describe ▶ _____)		58	
59 Total assets (must equal line 74). Add lines 45 through 58	4,135.	59	16,490.	
LIABILITIES	60 Accounts payable and accrued expenses		60	
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)	36,401.	63	28,368.
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe ▶ <u>ACCRUED PAYROLL TAXES</u>)		65	1,666.
66 Total liabilities. Add lines 60 through 65	36,401.	66	30,034.	
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	-32,902.	67	-13,544.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	-32,902.	73	-13,544.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	3,499.	74	16,490.	

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Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)

a	Total revenue, gains, and other support per audited financial statements		a
b	Amounts included on line a but not on Part I, line 12:		
	1 Net unrealized gains on investments	b1	
	2 Donated services and use of facilities	b2	
	3 Recoveries of prior year grants	b3	
	4 Other (specify):	b4	
	Add lines b1 through b4		b
c	Subtract line b from line a		c
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
e	Total revenue (Part I, line 12). Add lines c and d		e

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

a	Total expenses and losses per audited financial statements		a
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	
	Add lines b1 through b4		b
c	Subtract line b from line a		c
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

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 and deferred compensation plans	(E) Expense account and other allowances
KATRINA FRIERSON 110 FERN AVE NASHVILLE, TN 37207	EXECT DIRECTOR 70	0.	0.	0.
CHARLOTTE GRANT 110 FERN AVE NASHVILLE, TN 37207	FINANCR DIRC 50	0.	0.	0.
ADORA BRUCE 1040 ACKLEN AVE NASHVILLE, TN 37214	BOARD MEMB 0	0.	0.	0.
GREGG BULLARD PO BOX 33022 NASHVILLE, TN 37203	BOARD MEMB 0	0.	0.	0.
JOHN McANDREW 2322 SELMA DR NASHVILLE, TN 37214	BOARD MEMB 0	0.	0.	0.
See List of Officers, Etc. Statement				

Part VI Other Information (continued)		Yes	No
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82 a	X	
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)			
	82 b	6,975.	
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83 a	N/A	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83 b	N/A	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?	84 a		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		84 b	
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85 a	N/A	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85 b	N/A	
If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.			
c Dues, assessments, and similar amounts from members	85 c		
d Section 162(e) lobbying and political expenditures	85 d		
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85 e		
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85 f		
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85 g	N/A	
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?		85 h	
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86 a	N/A	
b Gross receipts, included on line 12, for public use of club facilities	86 b	N/A	
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders	87 a	N/A	
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87 b		
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88		X
89 a 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.			
b 501(c)(3) and 501(c)(4) organizations. 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	89 b		X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0.			
d Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶			
90 a List the states with which a copy of this return is filed ▶ TENNESSEE			
b Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)	90 b		0
91 a The books are in care of ▶ GERALD DUNHAM Telephone number ▶ (615) 666-6313			
Located at ▶ 204 W LOCUST ST ZIP + 4 ▶ 37083			
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)?	91 b	Yes	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 Statements			
c At any time during the calendar year, did the organization maintain an office outside of the United States?	91 c		
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			<input type="checkbox"/>
and enter the amount of tax-exempt interest received or accrued during the tax year	92		

Form 990 (2005)

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Preparer's Use Only

Preparer's name (or firm's name if self-employed) and ZIP + 4
 Signature of preparer
 Date

Employer's EIN
 Date
 Check if self-employed

Phone no. (615) 666-6313
 Latavette TN 37083

Please Sign Here

Signature of officer
 Date

Type or print name and title
 KATHARIN FRISKSON

Use of preparer's services is based on all information of which preparer has any knowledge. 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.

Note: If 'Yes' to (b) file Form 8870 and Form 4720 (see 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

Information Regarding Transfers Associated with Personal Benefit Contracts (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

Information Regarding Taxable Substances and Disregarded Entities (See the instructions.)

N/A

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).

Note: Line 105 plus line 104, Part I, should equal the amount on line 12, Part I.

105	104	103	102	101	100	99	98	97	96	95	94	93
Total (add line 104, columns (B), (D), and (E))	Subtotal (add columns (B), (D), and (E))	Other revenue: a	Gross profit or (loss) from sales of inventory	Net income or (loss) from special events	Gain or (loss) from sales of assets	Other investment income	Net rental income or (loss) from pers prop	Net rental income or (loss) from real estate	Dividends & interest from securities	Interest on savings & temporary cash investments	Membership dues and assessments	Program service revenue:

Analysis of Income-Producing Activities (See the instructions.)

Unrelated business income	Amount (B)	Exclusion code (C)	Amount (D)	Related or exempt function income (E)
Excluded by section 512, 513, or 514				

SCHEDULE A
(Form 990 or 990-EZ)

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

OMB No. 1545-0047

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

2005

Department of the Treasury
Internal Revenue Service

Supplementary Information — (See separate instructions.)
▶ **MUST** be completed by the above organizations and attached to their Form 990 or 990-EZ.

Name of the organization: **MENDING HEARTS, INC** Employer identification number: **73-1697900**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See 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 and deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000	None			

Part II - A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

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

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 instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
N/A		
Total number of other contractors receiving over \$50,000 for other services	N/A	

14 An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: Type 1 Type 2 Type 3

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.)

11b A community trust. Section 170(b)(1)(A)(v). (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.)

10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(v). (Also complete the Support Schedule in Part IV-A.)

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.

8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).

7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).

6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)

5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).

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

Part III Reason for Non-Private Foundation Status (See instructions.)

1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities: \$ 0.

2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)

a Sale, exchange, or leasing of property? 2a

b Lending of money or other extension of credit? 2b

c Furnishing of goods, services, or facilities? 2c

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? 2d

e Transfer of any part of its income or assets? 2e

3a Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.) 3a

b Do you have a section 403(b) annuity plan for your employees? 3b

c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)? 3c

4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? 4a

b Do you provide credit counseling, debt management, debt repair, or debt negotiation services? 4b

Part II Statements About Activities (See instructions.)

Yes No

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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) ...					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc, purpose					
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					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶ 26 a

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 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶ 26 b

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26 c

d Add: Amounts from column (e) for lines: 18 _____ 19 _____
22 _____ 26 b _____ ▶ 26 d

e Public support (line 26c minus line 26d total) ▶ 26 e

f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶ 26 f %

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:
(2004) _____ (2003) _____ (2002) _____ (2001) _____

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:
(2004) _____ (2003) _____ (2002) _____ (2001) _____

c Add: Amounts from column (e) for lines: 15 _____ 16 _____
17 _____ 20 _____ 21 _____ ▶ 27 c

d Add: Line 27a total and line 27b total ▶ 27 d

e Public support (line 27c total minus line 27d total) ▶ 27 e

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

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

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶ 27 h %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, 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.

Private School Questionnaire (See instructions.)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	
		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:		
32a	a Records indicating the racial composition of the student body, faculty, and administrative staff?		
32b	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
32c	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
32d	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:		
33a	a Students' rights or privileges?		
33b	b Admissions policies?		
33c	c Employment of faculty or administrative staff?		
33d	d Scholarships or other financial assistance?		
33e	e Educational policies?		
33f	f Use of facilities?		
33g	g Athletic programs?		
33h	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?		
34b	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 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	0.
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	0.
38	Total lobbying expenditures (add lines 36 and 37)	38	0.
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	0.
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
42	Grassroots nontaxable amount (enter 25% of line 41)	42	0.
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.)

	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots non-taxable 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 instructions.)

N/A

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

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

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

Depreciation and Amortization (Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

MENDING HEARTS, INC

Identifying number

73-1697900

Business or activity to which this form relates

Form 990 / Form 990EZ

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.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	\$105,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$420,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2004 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2006. Add lines 9 and 10, less line 12	13	

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

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special allowance for certain aircraft, certain property with a long production period, and qualified New York Liberty or GO Zone property (other than listed property) placed in service during the tax year (see instrs)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2005	17	658.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2005 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property		2,200.	5.0 yrs	HY	200DB	440.
c 7-year property						
d 10-year property		1,695.	10.0 yrs	HY	200DB	170.
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

Section C - Assets Placed in Service During 2005 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	1,268.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

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? <input type="checkbox"/> Yes <input type="checkbox"/> No									24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost		
25 Special allowance for certain aircraft, certain property with a long production period, and qualified New York Liberty or GO Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)								25		
26 Property used more than 50% in a qualified business use:										
27 Property used 50% or less in a qualified business use:										
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29		

Section B – Information on Use of Vehicles

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

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

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

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

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2005 tax year (see instructions):					
43 Amortization of costs that began before your 2005 tax year					43
44 Total. Add amounts in column (f). See instructions for where to report					44

Form 990, Page 2, Part II, Line 43

Other Expenses Stmt

	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Other expenses not covered above (itemize):				
CONTRIBUTIONS	350.	0.	350.	0.
DUES/PUBLICATIONS	390.	0.	390.	0.
CLIENT/AWARDS	1,121.	1,121.	0.	0.
CLIENT TRANSPORTATION	33.	33.	0.	0.
CLIENT CLOTHS	511.	511.	0.	0.
CLIENT MEDICAL	56.	56.	0.	0.
MEALS/ENTERTAINMENT	2,003.	0.	2,003.	0.
CLIENT FOOD	859.	859.	0.	0.
TAXES/PERMITS	20.	20.	0.	0.
INSURANCE	3,071.	3,071.	0.	0.
BANK CHARGES	1,007.	0.	1,007.	0.
MISC LABOR	887.	887.	0.	0.
EQUIP RENT/LEASE	1,920.	1,920.	0.	0.
Total	<u>12,228.</u>	<u>8,478.</u>	<u>3,750.</u>	<u>0.</u>

Form 990, Page 5, Part V-A

List of Officers, Etc. Statement

(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 and deferred compensation	(E) Expense account and other allowances
GERALD WASHINGTON 2704 STOKERS LANE S. NASHVILLE, TN 37207	BOARD MEMB 0	0.	0.	0.
AMY WILLIAMS 3006 DENNY BROOKE LANE NASHVILLE, TN 37167	BOARD MEMBER 0	0.	0.	0.
MONNIE FURLONG 8283 RIVER RD NASHVILLE, TN 37209	BOARD MEMBER 0	0.	0.	0.
DANIELLE MEZERA 2810 WESTMORELAND DR NASHVILLE, TN 37212	BOARD MEMBER 0	0.	0.	0.

Supporting Statement of:

Form 990 p 4/Line 63, column (A)

Description	Amount
KATRINA FRIERSON AND CHARLORRE GRANT3	36,401.
Total	<u>36,401.</u>

Supporting Statement of:

Form 990 p 4/Line 63, column (B)

Description	Amount
KATRINA FRIERSON GRANT	23,289.
LOAN JOY EDWARDS	5,079.
Total	<u>28,368.</u>