

2003 Exempt Org. Return
prepared for:

Project Angel Heart
4190 Garfield Street, Unit 5
Denver, CO 80216

Davis & Company, CPAs, PC
9457 S. University Blvd., #410
Highlands Ranch, CO 80126

Return of Organization Exempt from Income Tax

2003

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2003 calendar year, or tax year beginning 2003, and ending 2003.

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.
Project Angel Heart
 4190 Garfield Street, Unit 5
 Denver, CO 80216

D Employer identification number: 84-1199481

E Telephone number: 303-830-0202

F Accounting method: Cash Accrual
 Other (specify) _____

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

G Web site: projectangelheart.org

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

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 1,189,842.

H and **I** are not applicable to section 527 organizations.
H (a) Is this a group return for affiliates? Yes No
H (b) If 'Yes,' enter number of affiliates: _____
H (c) Are all affiliates included? Yes No (if 'No,' attach a list. See instructions.)
H (d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number: _____
M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

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

1 Contributions, gifts, grants, and similar amounts received:				
a Direct public support	1a	848,881.		
b Indirect public support	1b	30,237.		
c Government contributions (grants)	1c	170,695.		
d Total (add lines 1a through 1c) (cash \$ <u>1,049,813</u> . noncash \$ _____)	1d		1,049,813.	
2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			
3 Membership dues and assessments	3			
4 Interest on savings and temporary cash investments	4			
5 Dividends and interest from securities	5			
6a Gross rents	6a	6,000.		
b Less: rental expenses	6b			
c Net rental income or (loss) (subtract line 6b from line 6a)	6c	6,000.		
7 Other investment income (describe: <u>See Statement 1</u>)	7		3,925.	
8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
	8a			
	8b			
	8c			
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d			
9 Special events and activities (attach schedule). If any amount is from gaming, check here: <input type="checkbox"/>				
a Gross revenue (not including \$ <u>14,368</u> of contributions reported on line 1a)	9a	130,104.		
b Less: direct expenses other than fundraising expenses	9b	21,102.		
c Net income or (loss) from special events (subtract line 9b from line 9a)	9c		109,002.	
10a Gross sales of inventory, less returns and allowances	10a			
b Less: cost of goods sold	10b			
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11 Other revenue (from Part VII, line 103)	11			
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8c, 9c, 10c, and 11)	12		1,168,740.	
13 Program services (from line 44, column (B))	13		923,900.	
	14 Management and general (from line 44, column (C))	14	48,774.	
	15 Fundraising (from line 44, column (D))	15	158,888.	
	16 Payments to affiliates (attach schedule)	16		
17 Total expenses (add lines 16 and 44, column (A))	17		1,131,562.	
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		37,178.	
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		1,279,541.	
20 Other changes in net assets or fund balances (attach explanation)	20			
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		1,316,719.	

Application for Extension of Time to File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box.
- If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form).

Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time — Only submit original (no copies needed). Note: Form 990-T corporations requesting an automatic 6-month extension — check this box and complete Part I only.

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization	Employer identification number
	Project Angel Heart	84-1199481
	Number, street, and room or suite number. If a P.O. box, see instructions.	
	4190 Garfield Street, Unit 5	
	City, town or post office. For a foreign address, see instructions.	state ZIP code
	Denver, CO 80216	

Check type of return to be filed (file a separate application for each return):

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (Section 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

- If the organization does not have an office or place of business in the United States, check this box.
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group check this box. . If it is for part of the group, check this box. and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until 8/15, 20 04, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- calendar year 20 03 or
- tax year beginning _____, 20 _____, and ending _____, 20 _____.

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ _____ 0.

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. \$ _____ 0.

c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ _____ 0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature Carol A. Dawson Title CPA Date 5/10/04

BAA For Paperwork Reduction Act Notice, see instructions.

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

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 \$ _____)	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	87,972.	71,108.	4,501.
26	Other salaries and wages	26	421,867.	341,450.	21,542.
27	Pension plan contributions	27	10,018.	8,098.	513.
28	Other employee benefits	28	38,540.	31,152.	1,972.
29	Payroll taxes	29	38,798.	31,360.	1,985.
30	Professional fundraising fees	30			
31	Accounting fees	31			
32	Legal fees	32			
33	Supplies	33	23,682.	23,682.	
34	Telephone	34	6,566.	5,305.	337.
35	Postage and shipping	35	19,888.	8,830.	557.
36	Occupancy	36	97,792.	80,928.	4,509.
37	Equipment rental and maintenance	37	3,136.	2,534.	161.
38	Printing and publications	38	57,538.	25,547.	1,611.
39	Travel	39	7,378.	6,426.	376.
40	Conferences, conventions, and meetings	40	5,673.	4,941.	290.
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42	71,927.	59,249.	3,390.
43	Other expenses not covered above (itemize):				
a	See Statement 3	43a	240,787.	223,290.	7,030.
b	-----	43b			
c	-----	43c			
d	-----	43d			
e	-----	43e			
44	Total functional expenses (add lines 22 - 43). Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	1,131,562.	923,900.	48,774.

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

What is the organization's primary exempt purpose? <input type="checkbox"/> See Statement 4	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)
a <u>Nutritional meals delivered hot daily or frozen weekly to people living with HIV/AIDS and other life-threatening illnesses such as cancer. #meal units delivered during 2003 = 210,442.</u> (Grants and allocations \$ _____)	923,900.
b ----- (Grants and allocations \$ _____)	
c ----- (Grants and allocations \$ _____)	
d ----- (Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	923,900.

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		45
	46 Savings and temporary cash investments	793,376.	46 905,951.
	47a Accounts receivable		
	b Less: allowance for doubtful accounts	19,635.	47c
	48a Pledges receivable	19,804.	
	b Less: allowance for doubtful accounts	43,779.	48c 19,804.
	49 Grants receivable	28,905.	49 59,001.
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50
	51a Other notes & loans receivable (attach sch.)		
	b Less: allowance for doubtful accounts		51c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges	12,840.	53 13,477.
	54 Investments – securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54
	55a Investments – land, buildings, & equipment: basis		
	b Less: accumulated depreciation (attach schedule)		55c
56 Investments – other (attach schedule)		56	
57a Land, buildings, and equipment: basis	485,772.		
b Less: accumulated depreciation (attach schedule) <u>See Statement 5</u>	185,359.	357,594.	57c 300,413.
58 Other assets (describe <u>See Statement 6</u>)	72,500.	58 62,500.	
59 Total assets (add lines 45 through 58) (must equal line 74)	1,328,629.	59 1,361,146.	
LIABILITIES	60 Accounts payable and accrued expenses	27,632.	60 20,297.
	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 <u>See Statement 7</u>)	21,456.	65 24,130.
66 Total liabilities (add lines 60 through 65)	49,088.	66 44,427.	
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	1,099,277.	67 1,174,288.
	68 Temporarily restricted	180,264.	68 142,431.
	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)	1,279,541.	73 1,316,719.	
74 Total liabilities and net assets/fund balances (add lines 66 and 73)	1,328,629.	74 1,361,146.	

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.

BAA

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)			Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return		
a Total revenue, gains, and other support per audited financial statements	▶	1,639,155.	a Total expenses and losses per audited financial statements	▶	1,601,977.
b Amounts included on line a but not on line 12, Form 990:			b Amounts included on line a but not on line 17, Form 990:		
(1) Net unrealized gains on investments \$			(1) Donated services and use of facilities \$ 390,724.		
(2) Donated services and use of facilities \$ 390,724.			(2) Prior year adjustments reported on line 20, Form 990 \$		
(3) Recoveries of prior year grants \$			(3) Losses reported on line 20, Form 990 \$		
(4) Other (specify):			(4) Other (specify):		
See Stm 8 \$ 79,691.			See Stmt 9 \$ 79,691.		
Add amounts on lines (1) through (4)	▶	470,415.	Add amounts on lines (1) through (4)	▶	470,415.
c Line a minus line b	▶	1,168,740.	c Line a minus line b	▶	1,131,562.
d Amounts included on line 12, Form 990 but not on line a :			d Amounts included on line 17, Form 990 but not on line a :		
(1) Investment expenses not included on line 6b, Form 990 \$			(1) Investment expenses not included on line 6b, Form 990 \$		
(2) Other (specify):			(2) Other (specify):		
\$			\$		
Add amounts on lines (1) and (2)	▶		Add amounts on lines (1) and (2)	▶	
e Total revenue per line 12, Form 990 (line c plus line d)	▶	1,168,740.	e Total expenses per line 17, Form 990 (line c plus line d)	▶	1,131,562.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see 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	(E) Expense account and other allowances
See Statement 10		87,972.	5,419.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No

If 'Yes,' attach schedule - see instructions.

Part VI Other Information (See instructions.)

	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity.		X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes.		X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement.		X
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
b If 'Yes,' enter the name of the organization <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a Enter direct and indirect political expenditures. See line 81 instructions. 81a 0.		
b Did the organization file Form 1120-POL for this year?		X
82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b 470,415.		
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a Did the organization solicit any contributions or gifts that were not tax deductible?		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		N/A
c Dues, assessments, and similar amounts from members. 85c N/A		
d Section 162(e) lobbying and political expenditures. 85d N/A		
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices. 85e N/A		
f Taxable amount of lobbying and political expenditures (line 85d less 85e). 85f N/A		
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		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?		N/A
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12. 86a N/A		
b Gross receipts, included on line 12, for public use of club facilities. 86b N/A		
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders. 87a 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.) 87b N/A		
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX.		X
89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</u>		
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.		X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958. <u>0.</u>		
d Enter: Amount of tax on line 89c, above, reimbursed by the organization. <u>0.</u>		
90a List the states with which a copy of this return is filed <u>Not required.</u>		
b Number of employees employed in the pay period that includes March 12, 2003 (See instructions.) 90b 14		
91 The books are in care of <u>The Organization</u> Telephone number <u>303-830-0202</u> Located at <u>4190 Garfield Street, Unit 5, Denver, CO</u> ZIP + 4 <u>80216</u>		
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here. <input type="checkbox"/> N/A and enter the amount of tax-exempt interest received or accrued during the tax year. 92 <u>0.</u> N/A		

Part VII Analysis of Income-Producing Activities (See instructions.)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop			17	6,000.	
99 Other investment income			14	3,925.	
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			1	109,002.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				118,927.	
105 Total (add line 104, columns (B), (D), and (E))					118,927.

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See 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).
N/A	

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A				

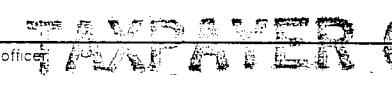
Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See instructions.)

- a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

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

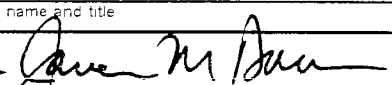
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer:  Date: _____

Type or print name and title: _____

Paid Preparer's Use Only

Preparer's signature:  Date: 6-17-04

Check if self-employed:

Preparer's SSN or PTIN (see General Instruction W): P00290880

Firm's name (or yours if self-employed): Davis & Company, CPAs, PC

address, and ZIP + 4: 9457 S. University Blvd., #410 Highlands Ranch, CO 80126

EIN: 84-1184234

Phone no: (303) 791-6800