

Return of Organization Exempt from Income Tax

OMB No 1545-0047

2004

Department of the Treasury
Internal Revenue ServiceUnder 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

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

A For the 2004 calendar year, or tax year beginning , 2004, and ending ,

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
instruc-
tions.HORSEPOWER, INC
8001 LEABOURNE ROAD
COLFAX, NC 27235

D Employer Identification Number

56-1907424

E Telephone number

(336) 931-1424

F Accounting method:

☒ Cash ☐ Accrual☐ Other (specify) ▶• Section 501(c)(3) organizations and 4947(a)(1) nonexempt
charitable trusts must attach a completed Schedule A
(Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations

H (a) Is this a group return for affiliates? ☐ Yes ☒ No

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

H (c) Are all affiliates included? ☐ Yes ☐ No

(If 'No,' attach a list. See instructions.)

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

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)☒ 501(c) 3 (insert no) ☐ 4947(a)(1) or ☐ 527K 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 ▶ 372,792.

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

1 a 265,738.

b Indirect public support

1 b

c Government contributions (grants)

1 c

d Total (add lines 1a through 1c) (cash ☒ noncash ☐ 236,738. noncash \$ 29,000.)

1 d 265,738.

2 Program service revenue including government fees and contracts (from Part VII, line 93)

2 21,356.

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

6 a

b Less: rental expenses

6 b

c Net rental income or (loss) (subtract line 6b from line 6a)

6 c

7 Other investment income (describe ▶)

SEE STATEMENT 1)

7 1,185.

8a Gross amount from sales of assets other
than inventory

(A) Securities

(B) Other

8 a

b Less: cost or other basis and sales expenses

8 b

c Gain or (loss) (attach schedule)

8 c

d Net gain or (loss) (combine line 8c, columns (A) and (B))

8 d

9 Special events and activities (attach schedule). If any amount is from gaming, check here ☐a Gross revenue (not including \$ of contributions
reported on line 1a)

9 a 82,759.

b Less: direct expenses other than fundraising expenses

9 b 11,599.

c Net income or (loss) from special events (subtract line 9b from line 9a)

STATEMENT 2

9 c 71,160.

10a Gross sales of inventory, less returns and allowances

10 a

b Less: cost of goods sold

10 b

c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)

10 c

11 Other revenue (from Part VII, line 103)

11 1,754.

12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)

12 361,193.

13 Program services (from line 44, column (B))

13 264,645.

14 Management and general (from line 44, column (C))

14 2,075.

15 Fundraising (from line 44, column (D))

15

16 Payments to affiliates (attach schedule)

16

17 Total expenses (add lines 16 and 44, column (A))

17 266,720.

18 Excess or (deficit) for the year (subtract line 17 from line 12)

18 94,473.

19 Net assets or fund balances at beginning of year (from line 73, column (A))

19 142,513.

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)

21 236,986.

SCANNED OCT 12 2005

RECEIVED

SEP 19 2005

GODEN, LT

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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

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	30,000.	30,000.	
26 Other salaries and wages	26	104,909.	104,909.	
27 Pension plan contributions	27			
28 Other employee benefits	28			
29 Payroll taxes	29	12,826.	12,826.	
30 Professional fundraising fees	30			
31 Accounting fees	31	2,075.	2,075.	
32 Legal fees	32			
33 Supplies	33	18,725.	18,725.	
34 Telephone	34	6,099.	6,099.	
35 Postage and shipping	35	4,109.	4,109.	
36 Occupancy	36	52,372.	52,372.	
37 Equipment rental and maintenance	37	11,818.	11,818.	
38 Printing and publications	38	1,739.	1,739.	
39 Travel	39	1,988.	1,988.	
40 Conferences, conventions, and meetings	40			
41 Interest	41			
42 Depreciation, depletion, etc (attach schedule)	42	16,527.	16,527.	
43 Other expenses not covered above (itemize)				
a EDUCATIONAL EXPENSES	43a	376.	376.	
b MEMBERSHIPS	43b	2,316.	2,316.	
c MISCELLANEOUS	43c	14.	14.	
d SERVICE CHARGES	43d	827.	827.	
e	43e			
44 Total functional expenses (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	266,720.	264,645.	2,075. 0.

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 AccomplishmentsWhat is the organization's primary exempt purpose? EQUESTRIAN THERAPY FOR THE DISABLED.

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) & (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants & allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)

a THERAPEUTIC EQUESTRIAN PROGRAM - A UNIQUE APPROACH TO PHYSICAL, EMOTION AND RECREATIONAL THERAPY FOR BOTH CHILDREN AND ADULTS WITH A WIDE RANGE OF DISABILITIES.	(Grants and allocations \$ _____)	264,645.
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)		264,645.

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	3,525.	45	2,469.
	46 Savings and temporary cash investments	38,652.	46	118,207.
	47 a Accounts receivable	47 a 1,000.		
	b Less: allowance for doubtful accounts	47 b	204.	47 c 1,000.
	48 a Pledges receivable	48 a		
	b Less: allowance for doubtful accounts	48 b		48 c
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51 a Other notes & loans receivable (attach sch)	51 a		
	b Less: allowance for doubtful accounts	51 b		51 c
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	4,365.	53	3,971.
	54 Investments — securities (attach schedule)	☐ Cost ☐ FMV	54	
	55 a Investments — land, buildings, & equipment: basis	55 a		
	b Less: accumulated depreciation (attach schedule)	55 b		55 c
56 Investments — other (attach schedule)		56		
57 a Land, buildings, and equipment: basis	57 a 171,832.			
b Less: accumulated depreciation (attach schedule) STATEMENT 3	57 b 59,285.	97,522.	57 c 112,547.	
58 Other assets (describe ☐)		58		
59 Total assets (add lines 45 through 58) (must equal line 74).	144,268.	59	238,194.	
LIABILITIES	60 Accounts payable and accrued expenses	1,755.	60	1,208.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64 a Tax-exempt bond liabilities (attach schedule)		64 a	
	b Mortgages and other notes payable (attach schedule)		64 b	
	65 Other liabilities (describe ☐)		65	
	66 Total liabilities (add lines 60 through 65)	1,755.	66	1,208.
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	142,513.	67	236,986.
	68 Temporarily restricted		68	
	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; column (B) must equal line 21)	142,513.	73	236,986.
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)	144,268.	74	238,194.

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
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a	Total revenue, gains, and other support per audited financial statements	a	361,193.	a	Total expenses and losses per audited financial statements	a	266,720.
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 \$	
(2)	Donated services and use of facilities \$				(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): _____ \$	
	Add amounts on lines (1) through (4)	b				Add amounts on lines (1) through (4)	b
c	Line a minus line b	c	361,193.		c	Line a minus line b	c
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)	d				Add amounts on lines (1) and (2)	d
e	Total revenue per line 12, Form 990 (line c plus line d)	e	361,193.		e	Total expenses per line 17, Form 990 (line c plus line d)	e

Part V	List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see instructions)
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(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 4 ----- ----- -----		30,000.	0.	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

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	76	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	77	X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	78b	N/A
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement	79	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?	80a	X
b If 'Yes,' enter the name of the organization <u>N/A</u> and check whether it is ☐ exempt or ☐ 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?	81b	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?	82a	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	N/A
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84a Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	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	85b	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?	85g	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?	85h	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	88	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	89b	X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d Enter: Amount of tax on line 89c, above, reimbursed by the organization.		0.
90a List the states with which a copy of this return is filed <u>NONE</u>		
b Number of employees employed in the pay period that includes March 12, 2004 (See instructions)	90b	12
91 The books are in care of <u>JAN CLIFFORD</u> Telephone number <u>(336) 931-1424</u> Located at <u>8001 LEABOURNE RD, COLFAX, NC</u> ZIP + 4 <u>27235</u>		
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 <u>N/A</u>	92	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 BOARDING FEES					9,237.
b RIDING LESSONS					12,119.
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					
99 Other investment income			14	1,185.	
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			3	71,160.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b GAIN ON SALE OF ASSET					330.
c MISCELLANEOUS					1,424.
d					
e					
104 Subtotal (add columns (B), (D), and (E))				72,345.	23,110.
105 Total (add line 104, columns (B), (D), and (E))					95,455.

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).
1	SEE STATEMENT 5
2	
3	
4	

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	%			
	%			
	%			
	%			

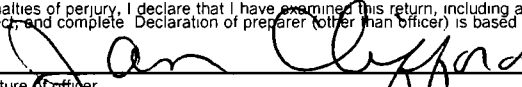
Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See instructions.)

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:  Date: 9-12-05

Signature of officer: _____ Date: _____

Executive Dir

Date: 8/10/05 Check if self-employed: ☐ Preparer's SSN or PTIN (See General instruction W): N/A

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

**(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 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

2004

Name of the organization

HORSEPOWER, INC

Employer identification number

56-1907424

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	0			

Part II 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	0	

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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	157,162.	176,635.	173,233.	215,806.	722,836.
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	10,209.	9,014.	5,357.	13,201.	37,781.
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	1,487.	1,661.	3,375.	2,253.	8,776.
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. SEE STMT 7	57,040.	43,688.	49,884.	44,826.	195,438.
23 Total of lines 15 through 22.	225,898.	230,998.	231,849.	276,086.	964,831.
24 Line 23 minus line 17	215,689.	221,984.	226,492.	262,885.	927,050.
25 Enter 1% of line 23	2,259.	2,310.	2,318.	2,761.	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	18,541.
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 2000 through 2003 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	927,050.
d Add: Amounts from column (e) for lines: 18 8,776. 19	26d	204,214.
22 195,438. 26b	26e	722,836.
e Public support (line 26c minus line 26d total)	26f	77.97 %
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))		

27 Organizations described on line 12: N/A

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:
(2003) _____ (2002) _____ (2001) _____ (2000) _____

b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year
(2003) _____ (2002) _____ (2001) _____ (2000) _____

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

d Add Line 27a total _____ and line 27b total _____

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 _____

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

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

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, 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 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:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement)		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
	If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement)		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation.		

N/A

(b)
To be completed
for ALL electing
organizations

N/A

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STATEMENT 1
FORM 990, PART I, LINE 7
OTHER INVESTMENT INCOME

INTEREST		\$	1,185.
		TOTAL	\$ 1,185.

STATEMENT 2
FORM 990, PART I, LINE 9
NET INCOME (LOSS) FROM SPECIAL EVENTS

SPECIAL EVENTS		GROSS RECEIPTS	LESS CONTRI- BUTIONS	GROSS REVENUE	LESS DIRECT EXPENSES	NET INCOME (LOSS)
FUND RAISING EVENTS		82,759.	0.	82,759.	11,599.	71,160.
TOTAL		\$ 82,759.	\$ 0.	\$ 82,759.	\$ 11,599.	\$ 71,160.

STATEMENT 3
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
MACHINERY AND EQUIPMENT	\$ 58,980.	\$ 36,600.	\$ 22,380.
BUILDINGS	112,852.	22,685.	90,167.
TOTAL	\$ 171,832.	\$ 59,285.	\$ 112,547.

STATEMENT 4
FORM 990, PART V
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
JAN CLIFFORD 8001 LEABOURNE ROAD COLFAX, NC	EXECUTIVE DIREC 40	\$ 30,000.	\$ 0.	\$ 0.
KEN DOSS 8001 LEABOURNE ROAD COLFAX, NC	DIRECTOR NONE	0.	0.	0.
KATHY MCCARTY 8001 LEABOURNE ROAD COLFAX, NC	DIRECTOR NONE	0.	0.	0.

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STATEMENT 4 (CONTINUED)
FORM 990, PART V
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
MAUREEN MURRAY 8001 LEABOURNE ROAD COLFAX, NC 27235	DIRECTOR NONE	\$ 0.	\$ 0.	\$ 0.
CINDY LING 8001 LEABOURNE ROAD COLFAX, NC 27235	DIRECTOR NONE	0.	0.	0.
LARRY RAMBACH 8001 LEABOURNE ROAD COLFAX, NC 27235	CHAIRMAN NONE	0.	0.	0.
CHRIS PUCKETT 8001 LEABOURNE ROAD COLFAX, NC	DIRECTOR NONE	0.	0.	0.
JOE GLOVER 8001 LEABOURNE ROAD COLFAX, NC	DIRECTOR NONE	0.	0.	0.
ROBERT DIXON 8001 LEABOURNE ROAD COLFAX, NC	DIRECTOR NONE	0.	0.	0.
STEPHEN SPARE 8001 LEABOURNE ROAD COLFAX, NC 27235	DIRECTOR NONE	0.	0.	0.
REBECCA E STINSON 8001 LEABOURNE ROAD COLFAX, NC 27235	DIRECTOR NONE	0.	0.	0.
TOTAL		\$ 30,000.	\$ 0.	\$ 0.

STATEMENT 5
FORM 990, PART VIII
RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE #	EXPLANATION OF ACTIVITIES
93A	FEES CHARGED TO INDIVIDUALS FOR BOARDING HORSES IS USED TO DEFRAY EXPENSES INCURRED IN PROVIDING THERAPEUTIC SESSIONS TO DISABLED INDIVIDUALS.
103B	PROCEEDS FROM SALE OF PROPERTY AND EQUIPMENT USED TO PROVIDE THERAPEUTIC EQUESTRIAN PROGRAM.
103C	MISCELLANEOUS INCOME RECEIVED USED TO OFFSET EXPENSES IN PROVIDING THERAPEUTIC EQUESTRIAN PROGRAM TO DISABLED INDIVIDUALS.

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FEDERAL STATEMENTS

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STATEMENT 5 (CONTINUED)
FORM 990, PART VIII
RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE #	EXPLANATION OF ACTIVITIES
93B	FEEs CHARGED FOR PROVIDING INDIVIDUAL EQUESTRIAN RIDNING LESSONS ARE USED TO DEFRAy THE COST ASSOCIATED WITH PROVIDING THERAPEUTIC SESSIONS TO DISABLED INDIVIDUALS.

STATEMENT 6
SCHEDULE A, PART III, LINE 3
QUALIFICATIONS OF RECIPIENTS RECEIVING GRANTS OR LOANS

SALARIES PAID TO EXECUTIVE DIRECTOR AS SET BY THE BOARD. PAID AS EMPLOYEE NOT FOR SERVICES AS BOARD MEMBER.

STATEMENT 7
SCHEDULE A, PART IV-A, LINE 22
OTHER INCOME

DESCRIPTION	(A) 2003	(B) 2002	(C) 2001	(D) 2000	(E) TOTAL
FUND RAISERS	\$ 57,040.	\$ 43,688.	\$ 49,884.	\$ 44,826.	\$ 195,438.
TOTAL	<u>\$ 57,040.</u>	<u>\$ 43,688.</u>	<u>\$ 49,884.</u>	<u>\$ 44,826.</u>	<u>\$ 195,438.</u>

Year Ended 12/31/2004

PPD BY ROBERT C. MORGAN & COMPANY

ASSET NO	DESCRIPTION	<BU%>	LIFE	DATE PL IN SRVCE	DEPRECIATION METHOD	DEPR. BASIS	SEC 179 EXPENSE	12/31/2003 ACCUM DEPR	CURRENT DEPR	12/31/2004 ACCUM DEPR	NET BOOK VALUE
Acct. 115											
1	PORTABLE CORRAL		7	06/05/95	200%DB-Y	987.90	0.00	907.49	0.00	907.49	80.41
3	RIDING MOWER		7	09/23/97	200%DB-Y	1,618.20	0.00	1,433.99	52.63	1,486.62	131.58
4	HELMENTS		7	04/11/95	MACRS-Y	140.45	0.00	140.45	0.00	140.45	0.00
5	SADDLE		7	03/13/98	200%DB-Y	300.00	0.00	256.77	12.35	269.12	30.88
6	POWER TOOLS		7	10/31/98	200%DB-Y	309.49	0.00	253.32	16.05	269.37	40.12
19	HORSE TRAILER		5	02/22/00	200%DB-Y	3,500.00	0.00	2,895.20	241.92	3,137.12	362.88
20	EQUIPMENT		5	01/02/00	200%DB-Y	366.50	0.00	303.17	25.33	328.50	38.00
21	COMPUTER		3	04/19/00	200%DB-Y	615.25	0.00	600.06	0.00	600.06	15.19
27	CAMERA		5	09/30/01	200%DB-Y2	1,422.70	0.00	1,135.88	114.73	1,250.61	172.09
28	DELL COMPUTER		3	12/01/01	MACRS-Y2	1,285.47	0.00	1,218.82	66.65	1,285.47	0.00
38	PHONE SYSTEM		7	04/30/02	200%DB-Y	713.86	0.00	276.80	124.87	401.67	312.19
39	KABUTO TRACTOR		7	09/17/02	200%DB-Y	15,816.32	0.00	6,132.86	2,766.70	8,899.56	6,916.76
40	FINISHING MACHINE		7	09/27/02	200%DB-Y	1,565.55	0.00	607.05	273.86	880.91	684.64
49	SPIRIT		3	07/31/03	200%DB-Y	1,600.00	0.00	533.33	711.11	1,244.44	355.56
50	TRAILER		5	01/31/03	200%DB-Y	1,500.00	0.00	300.00	480.00	780.00	720.00
51	TWO WAY RADIOS		5	05/06/03	200%DB-Y	495.90	0.00	99.18	158.69	257.87	238.03
52	CRAZY W SADDLE		7	06/14/03	200%DB-Y	425.00	0.00	60.71	104.08	164.79	260.21
53	PESTMART SADDLE		7	06/14/03	200%DB-Y	1,420.23	0.00	202.89	347.81	550.70	869.53
54	PURGASONS SADDLE		7	06/28/03	200%DB-Y	575.00	0.00	82.14	140.82	222.96	352.04
55	STAGECOACH SADDLE		7	07/16/03	200%DB-Y	517.20	0.00	73.89	126.66	200.55	316.65
56	MANURE SPREADER		5	08/14/03	200%DB-Y	500.00	0.00	100.00	160.00	260.00	240.00
57	COMPUTER DELL		3	11/30/03	200%DB-Y	797.98	0.00	265.99	354.66	620.65	177.33
58	FURNITURE		7	12/15/03	200%DB-Y	200.00	0.00	28.57	48.98	77.55	122.45
59	PURGASONS - FIBERGLA		7	07/31/03	200%DB-Y	1,295.00	0.00	185.00	317.14	502.14	792.86
60	NETTING FOR ARENA		7	08/27/03	200%DB-Y	1,800.00	0.00	257.14	440.82	697.96	1,102.04
61	COPIER		5	03/01/04	200%DB-Y	1,262.00	0.00	0.00	252.40	252.40	1,009.60
62	ICE MACHINE		7	04/27/04	200%DB-Y	1,200.00	0.00	0.00	171.43	171.43	1,028.57
63	POWER POINT		5	08/01/04	200%DB-Y	699.99	0.00	0.00	140.00	140.00	559.99
64	MISSION ASSISTANT		5	09/17/04	200%DB-Y	3,555.00	0.00	0.00	711.00	711.00	2,844.00
65	TELEPHONE SYSTEM		5	12/29/04	200%DB-Y	519.00	0.00	0.00	103.80	103.80	415.20
66	COMPUTER		3	12/29/04	200%DB-Y	776.00	0.00	0.00	258.67	258.67	517.33
* Acct. 115 *					31 asset(s)	47,779.99	0.00	18,350.70	8,723.16	27,073.86	20,706.13
Acct. 118											
67	ADMIN BUILDING		40	09/03/04	SL-Y	21,720.76	0.00	0.00	271.51	271.51	21,449.25
* Acct. 118 *					1 asset(s)	21,720.76	0.00	0.00	271.51	271.51	21,449.25
Acct. 125											
8	FINNIGAN		3	01/29/96	200%DB-Y	2,000.00	0.00	1,950.62	0.00	1,950.62	49.38
Abandoned				03/12/04		-2,000.00	0.00			-1,950.62	-49.38
13	MISSEY		3	01/20/98	200%DB-Y	1,200.00	0.00	1,155.56	0.00	1,155.56	44.44
15	BLACK JACK		3	07/26/99	200%DB-Y	1,000.00	0.00	975.31	0.00	975.31	24.69
Abandoned				03/12/04		-1,000.00	0.00			-975.31	-24.69
36	PRINCE		3	09/13/02	200%DB-Y	1,600.00	0.00	1,244.44	118.52	1,362.96	237.04
Sold 1,000.00				03/31/04		-1,600.00	0.00			-1,362.96	-237.04
36.01	PRINCE		3	09/13/02	200%DB-Y	0.00	0.00	0.00	0.00	0.00	0.00
36					2 subasset(s)	0.00	0.00	1,244.44	118.52	0.00	0.00
41	MAGIC		3	04/05/02	200%DB-Y	2,000.00	0.00	1,555.56	296.29	1,851.85	148.15
42	HATTIE		3	11/07/02	200%DB-Y	1,000.00	0.00	777.78	74.07	851.85	148.15
Sold 1.00				03/12/04		-1,000.00	0.00			-851.85	-148.15
43	DOC		3	11/07/02	200%DB-Y	1,500.00	0.00	1,166.67	111.11	1,277.78	222.22
Sold 10.00				03/12/04		-1,500.00	0.00			-1,277.78	-222.22
44	ZIP		3	05/24/02	200%DB-Y	2,000.00	0.00	1,555.56	296.29	1,851.85	148.15
45	OREO		3	10/29/03	200%DB-Y	1,000.00	0.00	333.33	444.45	777.78	222.22
46	MAY LEE		3	05/01/03	200%DB-Y	1,500.00	0.00	500.00	666.67	1,166.67	333.33
47	TRADER		3	04/01/03	200%DB-Y	1,500.00	0.00	500.00	666.67	1,166.67	333.33
48	BANDITO		3	12/01/03	200%DB-Y	2,000.00	0.00	666.67	888.89	1,555.56	444.44
* Acct. 125 *					13 asset(s)	11,200.00	0.00	12,381.50	3,562.96	9,525.94	1,674.06
Acct. 200											
18	RIDING ARENA		7	01/01/99	200%DB-Y	12,582.03	0.00	9,774.71	802.09	10,576.80	2,005.23
26	ARENA IMPROVEMENTS		25	07/01/00	SL-Y	45,832.17	0.00	6,416.51	1,833.29	8,249.80	37,582.37
29	ARENA IMPROVEMENTS		25	07/01/01	SL-Y	11,017.52	0.00	1,101.75	440.70	1,542.45	9,475.07
37	ROOF FOR ARENA		25	02/25/02	SL-Y	19,200.00	0.00	1,152.00	768.00	1,920.00	17,280.00
68	IMPROVEMENT		10	11/16/04	SL-Y	2,500.00	0.00	0.00	125.00	125.00	2,375.00
* Acct. 200 *					5 asset(s)	91,131.72	0.00	18,444.97	3,969.08	22,414.05	68,717.67
GRAND TOTALS					50 asset(s)	171,832.47	0.00	49,177.17	16,526.71	59,285.36	112,547.11

ASSET SUMMARY

	Assets	Original Cost	Depreciable Basis
Beginning	42	146,699.72	146,699.72
Additions-Full Cost	8	32,232.75	32,232.75
Dispositions	5	-7,100.00	-7,100.00
IRC 179 Expense			0.00
ITC Basis Reduction			0.00
Reduction Recovery			0.00
Ending	45	171,832.47	171,832.47