

Return of Organization Exempt From Income Tax

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

2007

Open to Public Inspection

Department of the Treasury
Internal Revenue Service (77)

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

A For the 2007 calendar year, or tax year beginning

2007, and ending

B Check if applicable

- ☐ Address change
☐ Name change
☐ Initial return
☐ Termination
☐ Amended return
☐ Application pending

Please use
IRS label
or print
or type.
See
specific
instructions.

C

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

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 is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return

I Group Exemption Number ▶

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

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12. ▶ 378,603.

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

1 Contributions, gifts, grants, and similar amounts received:

a Contributions to donor advised funds

1a

b Direct public support (not included on line 1a)

1b

180,519.

c Indirect public support (not included on line 1a)

1c

d Government contributions (grants) (not included on line 1a)

1d

e Total (add lines 1a through 1d) (cash \$ 151,519. noncash \$ 29,000.)

1e

180,519.

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

2

54,616.

3 Membership dues and assessments

3

4 Interest on savings and temporary cash investments

4

2,410.

5 Dividends and interest from securities

5

6a Gross rents

6a

b Less: rental expenses

6b

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

6c

7 Other investment income (describe ▶)

7

8a Gross amount from sales of assets other than inventory

(A) Securities

(B) Other

8a

2,779.

b Less: cost or other basis and sales expenses

8b

c Gain or (loss) (attach schedule)

8c

2,779.

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

8d

2,779.

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 1b)

9a

138,279.

b Less: direct expenses other than fundraising expenses

9b

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

STATEMENT 1.

9c

138,279.

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 11)

11

12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11

12

378,603.

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

13

315,369.

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

14

2,275.

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

15

9,879.

16 Payments to affiliates (attach schedule)

16

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

17

327,523.

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

18

51,080.

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

19

182,306.

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

233,386.

BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

TEEA0109L 12/27/07

Form 990 (2007)

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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. (See instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here ☐	22a			
22b Other grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here ☐	22b			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a 37,771.	37,771.	0.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b 0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c 0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	26 120,309.	120,309.		
27 Pension plan contributions not included on lines 25a, b, and c	27			
28 Employee benefits not included on lines 25a - 27	28 11,371.	11,371.		
29 Payroll taxes	29 12,893.	12,893.		
30 Professional fundraising fees	30			
31 Accounting fees	31 2,275.		2,275.	
32 Legal fees	32			
33 Supplies	33 2,115.	2,115.		
34 Telephone	34 4,789.	4,789.		
35 Postage and shipping	35 2,686.	2,686.		
36 Occupancy	36 45,356.	45,356.		
37 Equipment rental and maintenance	37			
38 Printing and publications	38			
39 Travel	39 7,124.	7,124.		
40 Conferences, conventions, and meetings	40			
41 Interest	41			
42 Depreciation, depletion, etc (attach schedule)	42 13,601.	13,601.		
43 Other expenses not covered above (itemize).				
a SEE STATEMENT 2	43a 67,233.	57,354.		9,879.
b -----	43b			
c -----	43c			
d -----	43d			
e -----	43e			
f -----	43f			
g -----	43g			
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44 327,523.	315,369.	2,275.	9,879.

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

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

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

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What 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) 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 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 \$ 180,519.) If this amount includes foreign grants, check here ▶ ☐

315,369.

b _____

(Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ ☐

c _____

(Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ ☐

d _____

(Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ ☐

e Other program services.
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ ☐

f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶ 315,369.

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Form 990 (2007)

Part IV Balance Sheets (See the instructions.)**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash — non-interest-bearing	10,322.	45	91,952.
	46 Savings and temporary cash investments	55,851.	46	
	47a Accounts receivable			
	b Less: allowance for doubtful accounts	865.	47c	
	48a Pledges receivable			
	b Less: allowance for doubtful accounts		48c	
	49 Grants receivable		49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
	51a Other notes and loans receivable (attach schedule)			
	b Less: allowance for doubtful accounts		51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	6,204.	53	15,539.
	54a Investments — publicly-traded securities		54a	
	b Investments — other securities (attach sch)		54b	
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	221,890.			
b Less: accumulated depreciation (attach schedule) STATEMENT 3	95,995.	109,064.	57c	125,895.
58 Other assets, including program-related investments (describe)		58		
59 Total assets (must equal line 74). Add lines 45 through 58	182,306.	59	233,386.	
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)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe)		65	
	66 Total liabilities. Add lines 60 through 65	0.	66	0.
	Organizations that follow SFAS 117, check here ☒ and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	166,497.	67	233,386.
68 Temporarily restricted	15,809.	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 and column (B) must equal line 21)	182,306.	73	233,386.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	182,306.	74	233,386.	

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Yes	No
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	Yes	No
1. The company has a policy on sexual harassment.		
2. The company has a policy on discrimination.		
3. The company has a policy on equal opportunity.		
4. The company has a policy on affirmative action.		
5. The company has a policy on diversity.		
6. The company has a policy on employee relations.		
7. The company has a policy on safety.		
8. The company has a policy on health.		
9. The company has a policy on environment.		
10. The company has a policy on community relations.		
11. The company has a policy on public relations.		
12. The company has a policy on media relations.		
13. The company has a policy on government relations.		
14. The company has a policy on industry relations.		
15. The company has a policy on academic relations.		
16. The company has a policy on international relations.		
17. The company has a policy on labor relations.		
18. The company has a policy on union relations.		
19. The company has a policy on non-union relations.		
20. The company has a policy on employee benefits.		
21. The company has a policy on employee compensation.		
22. The company has a policy on employee training.		
23. The company has a policy on employee development.		
24. The company has a policy on employee career advancement.		
25. The company has a policy on employee job satisfaction.		
26. The company has a policy on employee turnover.		
27. The company has a policy on employee absenteeism.		
28. The company has a policy on employee productivity.		
29. The company has a policy on employee quality of work life.		
30. The company has a policy on employee organizational commitment.		
31. The company has a policy on employee organizational citizenship behavior.		
32. The company has a policy on employee organizational identification.		
33. The company has a policy on employee organizational trust.		
34. The company has a policy on employee organizational justice.		
35. The company has a policy on employee organizational fairness.		
36. The company has a policy on employee organizational equity.		
37. The company has a policy on employee organizational integrity.		
38. The company has a policy on employee organizational transparency.		
39. The company has a policy on employee organizational accountability.		
40. The company has a policy on employee organizational responsibility.		
41. The company has a policy on employee organizational ethics.		
42. The company has a policy on employee organizational social responsibility.		
43. The company has a policy on employee organizational corporate social responsibility.		
44. The company has a policy on employee organizational stakeholder theory.		
45. The company has a policy on employee organizational stakeholder management.		
46. The company has a policy on employee organizational stakeholder engagement.		
47. The company has a policy on employee organizational stakeholder identification.		
48. The company has a policy on employee organizational stakeholder mapping.		
49. The company has a policy on employee organizational stakeholder analysis.		
50. The company has a policy on employee organizational stakeholder assessment.		
51. The company has a policy on employee organizational stakeholder evaluation.		
52. The company has a policy on employee organizational stakeholder monitoring.		
53. The company has a policy on employee organizational stakeholder reporting.		
54. The company has a policy on employee organizational stakeholder communication.		
55. The company has a policy on employee organizational stakeholder consultation.		
56. The company has a policy on employee organizational stakeholder participation.		
57. The company has a policy on employee organizational stakeholder collaboration.		
58. The company has a policy on employee organizational stakeholder partnership.		
59. The company has a policy on employee organizational stakeholder alliance.		
60. The company has a policy on employee organizational stakeholder coalition.		
61. The company has a policy on employee organizational stakeholder network.		
62. The company has a policy on employee organizational stakeholder ecosystem.		
63. The company has a policy on employee organizational stakeholder environment.		
64. The company has a policy on employee organizational stakeholder system.		
65. The company has a policy on employee organizational stakeholder process.		
66. The company has a policy on employee organizational stakeholder structure.		
67. The company has a policy on employee organizational stakeholder culture.		
68. The company has a policy on employee organizational stakeholder identity.		
69. The company has a policy on employee organizational stakeholder reputation.		
70. The company has a policy on employee organizational stakeholder image.		
71. The company has a policy on employee organizational stakeholder brand.		
72. The company has a policy on employee organizational stakeholder logo.		
73. The company has a policy on employee organizational stakeholder tagline.		
74. The company has a policy on employee organizational stakeholder slogan.		
75. The company has a policy on employee organizational stakeholder motto.		
76. The company has a policy on employee organizational stakeholder mission.		
77. The company has a policy on employee organizational stakeholder vision.		
78. The company has a policy on employee organizational stakeholder strategy.		
79. The company has a policy on employee organizational stakeholder plan.		
80. The company has a policy on employee organizational stakeholder program.		
81. The company has a policy on employee organizational stakeholder project.		
82. The company has a policy on employee organizational stakeholder initiative.		
83. The company has a policy on employee organizational stakeholder campaign.		
84. The company has a policy on employee organizational stakeholder effort.		
85. The company has a policy on employee organizational stakeholder action.		
86. The company has a policy on employee organizational stakeholder behavior.		
87. The company has a policy on employee organizational stakeholder performance.		
88. The company has a policy on employee organizational stakeholder results.		
89. The company has a policy on employee organizational stakeholder impact.		
90. The company has a policy on employee organizational stakeholder contribution.		
91. The company has a policy on employee organizational stakeholder value.		
92. The company has a policy on employee organizational stakeholder benefit.		
93. The company has a policy on employee organizational stakeholder advantage.		
94. The company has a policy on employee organizational stakeholder opportunity.		
95. The company has a policy on employee organizational stakeholder challenge.		
96. The company has a policy on employee organizational stakeholder risk.		
97. The company has a policy on employee organizational stakeholder threat.		
98. The company has a policy on employee organizational stakeholder problem.		
99. The company has a policy on employee organizational stakeholder issue.		
100. The company has a policy on employee organizational stakeholder concern.		
101. The company has a policy on employee organizational stakeholder matter.		
102. The company has a policy on employee organizational stakeholder point.		
103. The company has a policy on employee organizational stakeholder fact.		
104. The company has a policy on employee organizational stakeholder truth.		
105. The company has a policy on employee organizational stakeholder reality.		
106. The company has a policy on employee organizational stakeholder situation.		
107. The company has a policy on employee organizational stakeholder context.		
108. The company has a policy on employee organizational stakeholder background.		
109. The company has a policy on employee organizational stakeholder history.		
110. The company has a policy on employee organizational stakeholder future.		
111. The company has a policy on employee organizational stakeholder prospect.		
112. The company has a policy on employee organizational stakeholder potential.		
113. The company has a policy		

75b	X
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75c		X

		
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75d	X	
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Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
NONE				

	Yes	No
--	-----	----

	Yes	No

76		X
----	--	---

77		X
----	--	---



78a	X
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78b	N/A
-----	-----

		
79		X

80 a		X
------	--	---

		
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Abstract

81 b	X
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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?		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
83 a 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 <i>quid pro quo</i> contributions?	X	
84 a 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 a 501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?		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	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 a At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88a	X
b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI	88b	X
89 a 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>	89a	
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
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	X
f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
g For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	X
90 a 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, 2007 (See instructions.)	90b	7
91 a 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>		
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)? If 'Yes,' enter the name of the foreign country	91b	X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

BAA

Form 990 (2007)

Part VI Other Information (continued)

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

91 c

Yes No

X

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

N/A

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

92

N/A

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a BOARDING FEES					20,236.
b RIDING LESSONS					34,380.
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			14	2,410.	
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					
100 Gain or (loss) from sales of assets other than inventory			18	2,779.	
101 Net income or (loss) from special events			3	138,279.	
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))				143,468.	54,616.
105 Total (add line 104, columns (B), (D), and (E))					198,084.

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
1	SEE STATEMENT 5
2	
3	
4	

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

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

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

a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

Yes

X No

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

Yes

X No

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

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).**106** Did the reporting organization **make** any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

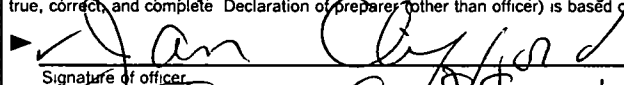
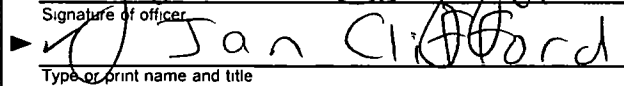
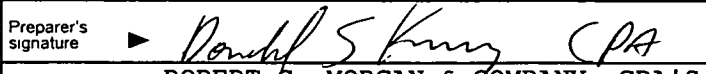
107 Did the reporting organization **receive** any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
	X

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	 Signature of officer		9-15-08 Date	
Paid Preparer's Use Only	 Type or print name and title			
	Preparer's signature	 Date 9/8/08	Check if self-employed ☐	Preparer's SSN or PTIN (See General Instruction X) N/A
	Firm's name (or yours if self-employed), address, and ZIP + 4	ROBERT C. MORGAN & COMPANY, CPA'S, P.A. 8064 NORTH POINT BLVD, SUITE 104 WINSTON-SALEM, NC 27106-3235		EIN N/A Phone no (336) 759-0950

BAA

Form 990 (2007)

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 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

2007

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 — 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	0	

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
NONE		
Total number of other contractors receiving over \$50,000 for other services	0	

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2007

Part III Statements About Activities (See instructions.)

Yes No

- 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 ... **\$** N/A
(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)

1 X

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.

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

SEE STATEMENT 6

- a** Sale, exchange, or leasing of property? ...

2a X

- b** Lending of money or other extension of credit?

2b X

- c** Furnishing of goods, services, or facilities? .. .

2c X

SEE FORM 990, PART V

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

2d X

- e** Transfer of any part of its income or assets?

2e X

- 3a** Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments.)

3a X

- b** Did the organization have a section 403(b) annuity plan for its employees? .. .

3b X

- c** Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement

3c X

- d** Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3d X

- 4a** Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g.

4a X

- b** Did the organization make any taxable distributions under section 4966?

4b N/A

- c** Did the organization make a distribution to a donor, donor advisor, or related person?

4c N/A

- d** Enter the total number of donor advised funds owned at the end of the tax year ▶ N/A

- e** Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ N/A

- f** Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ 0

- g** Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year. ▶ 0.

Part IV Reason for Non-Private Foundation Status (See instructions.)I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 ☐ A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► _____
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 ☐ An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions – subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization: ►
☐ Type I ☐ Type II ☐ Type III-Functionally Integrated ☐ Type III-Other

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total ►					0.

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

BAA

Schedule A (Form 990 or 990-EZ) 2007

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.***Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	165,525.	119,644.	265,738.	157,162.	708,069.
16 Membership fees received					0.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	55,189.	27,722.	21,356.	10,209.	114,476.
18 Gross income from interest, dividends, amts rec'd from payments on securities loans (sec. 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less sec. 511 taxes) from businesses acquired by the organization after June 30, 1975	1,671.	1,870.	1,185.	1,487.	6,213.
19 Net income from unrelated business activities not included in line 18					0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0.
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					0.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets SEE STMT 7	91,007.	83,027.	72,914.	57,040.	303,988.
23 Total of lines 15 through 22	313,392.	232,263.	361,193.	225,898.	1,132,746.
24 Line 23 minus line 17	258,203.	204,541.	339,837.	215,689.	1,018,270.
25 Enter 1% of line 23	3,134.	2,323.	3,612.	2,259.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 20,365.
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 2003 through 2006 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 1,018,270.
d Add: Amounts from column (e) for lines: 18 6,213. 19					26d 310,201.
22 303,988. 26b					26e 708,069.
e Public support (line 26c minus line 26d total)					26f 69.54 %
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: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year. (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c _____
d Add: Line 27a total _____ and line 27b total _____					27d _____
e Public support (line 27c total minus line 27d total)					27e _____
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶ 27f _____					27g %
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27h %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, 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

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?

29

Yes

No

30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?

30

31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?

31

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?

32a

b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?

32b

c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?

32c

d Copies of all material used by the organization or on its behalf to solicit contributions?

32d

If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.)

33 Does the organization discriminate by race in any way with respect to:

a Students' rights or privileges?

33a

b Admissions policies?

33b

c Employment of faculty or administrative staff?

33c

d Scholarships or other financial assistance?

33d

e Educational policies?

33e

f Use of facilities?

33f

g Athletic programs?

33g

h Other extracurricular activities?

33h

If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.)

34a Does the organization receive any financial aid or assistance from a governmental agency?

34a

b Has the organization's right to such aid ever been revoked or suspended?

34b

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.

35

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check ☐ **a** if the organization belongs to an affiliated group. Check ☐ **b** if you checked 'a' and 'limited control' provisions apply.**Limits on Lobbying Expenditures**

(The term 'expenditures' means amounts paid or incurred.)

		(a) Affiliated group totals	(b) To be completed for all electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table —			
If the amount on line 40 is — The lobbying nontaxable amount is —			
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
See the instructions for lines 45 through 50.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots 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:

- 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**.)

Yes	No	Amount

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

Form **4562**Department of the Treasury
Internal Revenue Service**Depreciation and Amortization**
(Including Information on Listed Property)

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

OMB No 1545-0172

2007Attachment
Sequence No **67**

Name(s) shown on return

HORSEPOWER, INC

Identifying number

56-1907424

Business or activity to which this form relates

FORM 990/990-PF**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	\$125,000.
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	\$500,000.
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 2006 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 2008. 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 qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	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 2007	17	13,601.
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 2007 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
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
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 2007 Tax Year Using the Alternative Depreciation System

20a 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	13,601.
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	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIZ0812L 10/05/07

Form **4562** (2007)

HORSEPOWER, INC

56-1907424

STATEMENT 1
FORM 990, PART I, LINE 9
NET INCOME (LOSS) FROM SPECIAL EVENTS

<u>SPECIAL EVENTS</u>	<u>GROSS RECEIPTS</u>	<u>LESS CONTRI-BUTIONS</u>	<u>GROSS REVENUE</u>	<u>LESS DIRECT EXPENSES</u>	<u>NET INCOME (LOSS)</u>
FUND RAISING EVENTS	138,279.	0.	138,279.	0.	138,279.
TOTAL	<u>\$ 138,279.</u>	<u>\$ 0.</u>	<u>\$ 138,279.</u>	<u>\$ 0.</u>	<u>\$ 138,279.</u>

STATEMENT 2
FORM 990, PART II, LINE 43
OTHER EXPENSES

	(A) <u>TOTAL</u>	(B) <u>PROGRAM SERVICES</u>	(C) <u>MANAGEMENT & GENERAL</u>	(D) <u>FUNDRAISING</u>
CONTRACT LABOR	10,626.	10,626.		
EDUCATION & TRAINING	300.	300.		
FARRIERS	3,185.	3,185.		
FEED & HAY	18,815.	18,815.		
FUND RAISING EXPENSES	9,879.			9,879.
GENERAL INSURANCE	9,111.	9,111.		
HORSE SUPPLIES	2,968.	2,968.		
MEMBERSHIPS	1,646.	1,646.		
OFFICE EXPENSE	4,688.	4,688.		
SERVICE CHARGES	460.	460.		
VETERINARIANS	5,555.	5,555.		
TOTAL	<u>\$ 67,233.</u>	<u>\$ 57,354.</u>	<u>\$ 0.</u>	<u>\$ 9,879.</u>

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

<u>CATEGORY</u>	<u>BASIS</u>	<u>ACCUM. DEPREC.</u>	<u>BOOK VALUE</u>
MACHINERY AND EQUIPMENT	\$ 76,711.	\$ 60,466.	\$ 16,245.
BUILDINGS	145,179.	35,529.	109,650.
TOTAL	<u>\$ 221,890.</u>	<u>\$ 95,995.</u>	<u>\$ 125,895.</u>

HORSEPOWER, INC

56-1907424

STATEMENT 4
FORM 990, PART V-A
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 27235	EXECUTIVE DIREC 40.00	\$ 37,771.	\$ 0.	\$ 0.
GIB MCEACHRAN 8001 LEABOURNE ROAD COLFAX, NC 27235	DIRECTOR 0	0.	0.	0.
PHIL HALL 8001 LEABOURNE ROAD COLFAX, NC 27235	DIRECTOR 0	0.	0.	0.
TIBE PAYNE 8001 LEABOURNE ROAD COLFAX, NC 27235	DIRECTOR 0	0.	0.	0.
PATRICK FORBIS 8001 LEABOURNE ROAD COLFAX, NC 27235	DIRECTOR 0	0.	0.	0.
MELISSA LYONS 8001 LEABOURNE ROAD COLFAX, NC 27235	CHAIRMAN 0	0.	0.	0.
CHRIS PUCKETT 8001 LEABOURNE ROAD COLFAX, NC 27235	DIRECTOR 0	0.	0.	0.
JOE GLOVER 8001 LEABOURNE ROAD COLFAX, NC 27235	CHAIRMAN 0	0.	0.	0.
ROBERT DIXON 8001 LEABOURNE ROAD COLFAX, NC 27235	VICE CHAIR 0	0.	0.	0.
WOODROW HATHAWAY 8001 LEABOURNE ROAD COLFAX, NC 27235	DIRECTOR 0	0.	0.	0.
REBECCA E STINSON 8001 LEABOURNE ROAD COLFAX, NC 27235	DIRECTOR 0	0.	0.	0.
	TOTAL	\$ 37,771.	\$ 0.	\$ 0.

HORSEPOWER, INC

56-1907424

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.
93B	FEEs CHARGED FOR PROVIDING INDIVIDUAL EQUESTRIAN RIDING LESSONS ARE USED TO DEFRAY THE COST ASSOCIATED WITH PROVIDING THERAPEUTIC SESSIONS TO DISABLED INDIVIDUALS.

STATEMENT 6
SCHEDULE A, PART III, LINE 2
TRANSACTIONS WITH TRUSTEES, DIRECTORS, ETC.

KEY EMPLOYEE RECEIVED COMPENSATION FOR SERVICES RENDERED AS AN EMPLOYEE OF THE ORGANIZATION, BUT RECEIVED NO COMPENSATION AS AN OFFICER OF THE ORGANIZATION.

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

DESCRIPTION	(A) 2006	(B) 2005	(C) 2004	(D) 2003	(E) TOTAL
FUND RAISERS	\$ 91,007.	\$ 83,027.	\$ 72,914.	\$ 57,040.	\$ 303,988.
GAIN ON SALES	0.	0.	0.	0.	0.
TOTAL	<u>\$ 91,007.</u>	<u>\$ 83,027.</u>	<u>\$ 72,914.</u>	<u>\$ 57,040.</u>	<u>\$ 303,988.</u>

Year Ended 12/31/2007

ASSET	<BU%>	LIFE	DATE PL IN SRVCE	DEPRECIATION METHOD	DEPR. BASIS	SEC 179 EXPENSE	12/31/2006 ACCUM DEPR	CURRENT DEPR	12/31/2007 ACCUM DEPR	NET BOOK VALUE	
Acct. 115											
1	PORTABLE CORRAL	7	06/05/95	200%DB-Y	987.90	0.00	907.49	80.41	987.90	0.00	
3	RIDING MOWER	7	09/23/97	200%DB-Y	1,618.20	0.00	1,486.62	131.58	1,618.20	0.00	
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	277.94	22.06	300.00	0.00	
6	POWER TOOLS	7	10/31/98	200%DB-Y	309.49	0.00	280.83	28.66	309.49	0.00	
19	HORSE TRAILER	5	02/22/00	200%DB-Y	3,500.00	0.00	3,282.27	217.73	3,500.00	0.00	
20	EQUIPMENT	5	01/02/00	200%DB-Y	366.50	0.00	343.70	22.80	366.50	0.00	
21	COMPUTER	3	04/19/00	200%DB-Y	615.25	0.00	600.06	15.19	615.25	0.00	
27	CAMERA	5	09/30/01	200%DB-Y2	1,422.70	0.00	1,360.75	0.00	1,360.75	61.95	
28	DELL COMPUTER	3	12/01/01	MACRS-Y2	1,285.47	0.00	1,285.47	0.00	1,285.47	0.00	
38	PHONE SYSTEM	7	04/30/02	200%DB-Y	713.86	0.00	554.58	45.51	600.09	113.77	
39	KUBOTA TRACTOR	7	09/17/02	200%DB-Y	15,816.32	0.00	12,287.36	1,008.27	13,295.63	2,520.69	
40	FINISHING MACHINE	7	09/27/02	200%DB-Y	1,565.55	0.00	1,216.24	99.80	1,316.04	249.51	
49	SPIRIT	3	07/31/03	200%DB-Y	1,600.00	0.00	1,560.49	0.00	1,560.49	39.51	
50	TRAILER	5	01/31/03	200%DB-Y	1,500.00	0.00	1,240.80	103.68	1,344.48	155.52	
51	TWO WAY RADIOS	5	05/06/03	200%DB-Y	495.90	0.00	410.21	34.28	444.49	51.41	
52	CRAZY W SADDLE	7	06/14/03	200%DB-Y	425.00	0.00	292.24	37.93	330.17	94.83	
53	PESTMART SADDLE	7	06/14/03	200%DB-Y	1,420.23	0.00	976.59	126.75	1,103.34	316.89	
54	PURGASONS SADDLE	7	06/28/03	200%DB-Y	575.00	0.00	395.39	51.32	446.71	128.29	
55	STAGECOACH SADDLE	7	07/16/03	200%DB-Y	517.20	0.00	355.64	46.16	401.80	115.40	
56	MANURE SPREADER	5	08/14/03	200%DB-Y	500.00	0.00	413.60	17.28	430.88	69.12	
Sold 300.00			09/25/07		-500.00	0.00			-430.88	-69.12	
57	COMPUTER DELL	3	11/30/03	200%DB-Y	797.98	0.00	778.28	0.00	778.28	19.70	
58	FURNITURE	7	12/15/03	200%DB-Y	200.00	0.00	137.53	17.85	155.38	44.62	
59	PURGASONS - FIBERGL	7	07/31/03	200%DB-Y	1,295.00	0.00	890.48	115.58	1,006.06	288.94	
60	NETTING FOR ARENA	7	08/27/03	200%DB-Y	1,800.00	0.00	1,237.74	160.65	1,398.39	401.61	
61	COPIER	5	03/01/04	200%DB-Y	1,262.00	0.00	898.54	145.38	1,043.92	218.08	
62	ICE MACHINE	7	04/27/04	200%DB-Y	1,200.00	0.00	675.22	149.94	825.16	374.84	
63	POWER POINT	5	08/01/04	200%DB-Y	699.99	0.00	498.40	80.64	579.04	120.95	
64	MISSION ASSISTANT	5	09/17/04	200%DB-Y	3,555.00	0.00	2,531.16	409.54	2,940.70	614.30	
65	TELEPHONE SYSTEM	5	12/29/04	200%DB-Y	519.00	0.00	369.53	59.79	429.32	89.68	
66	COMPUTER	3	12/29/04	200%DB-Y	776.00	0.00	718.52	38.32	756.84	19.16	
82	COMPUTER SERVER FRM	5	09/15/06	SL-Y	4,545.21	0.00	454.52	909.04	1,363.56	3,181.65	
83	TRAILER FROM TIM CL	7	11/15/06	SL-Y	500.00	0.00	35.71	71.43	107.14	392.86	
85	LIFE SAFETY EQUIP S	7	03/29/06	SL-Y	535.95	0.00	38.28	76.56	114.84	421.11	
86	NORTHERN TOOL WATER	7	04/25/06	SL-Y	649.99	0.00	46.43	92.86	139.29	510.70	
* Acct. 115 *					35 asset(s)	53,511.14	0.00	38,979.06	4,416.99	42,965.17	10,545.97
Acct. 118											
67	ADMIN BUILDING	40	09/03/04	SL-Y	21,720.76	0.00	1,357.55	543.02	1,900.57	19,820.19	
84	NEW SHINGLES	15	09/25/06	SL-Y	800.00	0.00	26.67	53.33	80.00	720.00	
118	NEW OFFICE CONSTRU	39	12/24/07	SL-M	30,550.16	0.00	0.00	32.64	32.64	30,517.52	
* Acct. 118 *					3 asset(s)	53,070.92	0.00	1,384.22	628.99	2,013.21	51,057.71
Acct. 125											
36.01	PRINCE	3	09/13/02	200%DB-Y	0.00	0.00	0.00	0.00	0.00	0.00	
41	MAGIC	3	04/05/02	200%DB-Y	2,000.00	0.00	1,950.62	49.38	2,000.00	0.00	
44	ZIP	3	05/24/02	200%DB-Y	2,000.00	0.00	1,950.62	49.38	2,000.00	0.00	
45	OREO	3	10/29/03	200%DB-Y	1,000.00	0.00	975.31	0.00	975.31	24.69	
46	MAY LEE	3	05/01/03	200%DB-Y	1,500.00	0.00	1,462.96	0.00	1,462.96	37.04	
47	TRADER	3	04/01/03	200%DB-Y	1,500.00	0.00	1,462.96	0.00	1,462.96	37.04	
48	BANDITO	3	12/01/03	200%DB-Y	2,000.00	0.00	1,950.62	0.00	1,950.62	49.38	
Sold 600.00			09/06/07		-2,000.00	0.00			-1,950.62	-49.38	
71	CAL	3	01/01/05	SL-Y	800.00	0.00	400.00	266.67	666.67	133.33	
72	WHISPER	3	05/30/05	SL-Y	1,000.00	0.00	500.00	333.33	833.33	166.67	
73	PATCHES	3	06/20/05	SL-Y	800.00	0.00	400.00	266.67	666.67	133.33	
74	CROCKE	3	08/29/05	SL-Y	800.00	0.00	400.00	266.67	666.67	133.33	
75	DELILISH	3	09/05/05	SL-Y	800.00	0.00	400.00	266.67	666.67	133.33	
76	ROXIE	3	10/01/05	SL-Y	800.00	0.00	400.00	266.67	666.67	133.33	
77	DUSTY	3	12/11/05	SL-Y	1,000.00	0.00	500.00	333.33	833.33	166.67	
78	FANTASIA	3	10/01/06	SL-Y	2,500.00	0.00	416.67	833.33	1,250.00	1,250.00	
79	JASPER	3	11/20/06	SL-Y	800.00	0.00	133.33	266.67	400.00	400.00	
80	SCARLETT	3	09/27/06	SL-Y	900.00	0.00	150.00	300.00	450.00	450.00	
81	TOY	3	03/30/06	SL-Y	5,000.00	0.00	833.33	1,666.67	2,500.00	2,500.00	
* Acct. 125 *					18 asset(s)	23,200.00	0.00	14,286.42	5,165.44	17,501.24	5,698.76
Acct. 200											
18	RIDING ARENA	7	01/01/99	200%DB-Y	12,582.03	0.00	11,558.95	0.00	11,558.95	1,023.08	
26	ARENA IMPROVEMENTS	25	07/01/00	SL-Y	45,832.17	0.00	11,916.38	1,833.29	13,749.67	32,082.50	
29	ARENA IMPROVEMENTS	25	07/01/01	SL-Y	11,017.52	0.00	2,423.85	440.70	2,864.55	8,152.97	
37	ROOF FOR ARENA	25	02/25/02	SL-Y	19,200.00	0.00	3,456.00	768.00	4,224.00	14,976.00	
68	IMPROVEMENT	10	11/16/04	SL-Y	2,500.00	0.00	625.00	250.00	875.00	1,625.00	
69	IMPROVEMENTS	10	12/27/05	SL-Y	976.71	0.00	146.51	97.67	244.18	732.53	
* Acct. 200 *					6 asset(s)	92,108.43	0.00	30,126.69	3,389.66	33,516.35	58,592.08
GRAND TOTALS					62 asset(s)	221,890.49	0.00	84,776.39	13,601.08	95,995.97	125,894.52